

PROFESSIONAL HOME INSPECTION SERVICES AGREEMENT

THIS IS AN AGREEMENT, made as of _____, 20____ between _____ (**CLIENT**) and Advanced Professional Services, (**CONSULTANT**).

CLIENT requests a home inspection for the property located at _____, _____, Iowa _____. The total finished square footage of this property per MSL listing is _____ SF.

CLIENT and **CONSULTANT** agree:

1. **Scope of Services.** **CONSULTANT** shall perform professional home inspections services as stated in **EXHIBIT 1 - SCOPE OF SERVICES**, unless modified and agreed to in writing between **CLIENT** and **CONSULTANT**. The home inspection is to be performed and the report of findings from the home inspection is to be submitted to the **CLIENT**, or their designated representative, by no later than _____, 20____ provided an executed copy of this agreement is returned to **CONSULTANT** by time of inspection. The **CLIENT**'s designated representative for this inspection will be _____ unless **CLIENT** advises otherwise. **CONSULTANT** intends to perform the inspection of the property stated above on _____, 20____ beginning at approximately _____ AM / P.M. The **CLIENT**'s representative is to arrange access to the property to facilitate the inspection. **CONSULTANT** shall provide two (2) original copies of the report signed and sealed by a Licensed Professional Engineer and / or one (1) electronic copy in pdf file format via email.
2. **Compensation.** **CLIENT** shall compensate **CONSULTANT** for **CONSULTANT**'s services as stated in **EXHIBIT 2 - COMPENSATION**.
3. **Terms and Conditions.** **CONSULTANT** shall provide professional services in accordance with the terms and conditions stated in **EXHIBIT 3 - HOME INSPECTION STANDARD TERMS AND CONDITIONS**. If **CLIENT** issues a purchase order or other document to initiate the commencement of services hereunder, it is agreed that any terms and conditions appearing thereon shall have no application and only the provisions of this Agreement shall automatically apply.
4. **Glossary of Terms.** Glossary of Terms, as they apply to this Agreement, are stated in **EXHIBIT 4 - GLOSSARY OF TERMS**.
5. Following **EXHIBITS** are attached to and made part of this Agreement.
 - a. **EXHIBIT 1** - Scope of Services.
 - b. **EXHIBIT 2** - Compensation.
 - c. **EXHIBIT 3** - Standard Terms and Conditions
 - d. **EXHIBIT 4** - Glossary of Terms

IN WITNESS WHEREOF, the parties below have executed this **Agreement** as of the day and year first above written.

Client / Organization Name

[ADVANCED PROFESSIONAL SERVICES](#)

By: _____
Name of Client Representative

By: _____
Timothy A. Moreau, P.E.

Date: _____

Date: _____

Attest: _____

Attest: _____

Address for giving notices:

Address for giving notices:

Street Address
City, State, Zip Code

765 Briarstone Drive
Mason City, IA 50401

Exhibit 1

Scope of Services

1. PURPOSE

1.1 The purpose of the building inspection is to provide the client with information regarding the condition of the systems and components of the building as inspected at the time of the Building Inspection. Recognizing that licensed Professional Engineers are trained to provide opinions based on their findings, judgment, and experience, the areas of inspection stated herein will be included in the inspection unless agreed to otherwise in writing.

2. SCOPE

2.1 **ADVANCED PROFESSIONAL SERVICES** will:

A. inspect:

1. readily accessible systems and components of buildings listed in this Professional Inspection Services Agreement.
2. installed systems and components of buildings listed in this Scope of Service.

B. report:

1. on those systems and components inspected which, in the professional opinion of the inspector, are significantly deficient or are near the end of their service lives.
2. a reason why, if not self evident, the system or component is considered “Marginal” or needs to be “Repaired” or “Replaced”.
3. the inspector’s recommendations to correct or monitor the reported deficiency.
4. on any systems and components designated for inspection in this Scope of Service which were present at the time of the Building Inspection but were not inspected and a reason they were not inspected. The inspector will be allowed to use his or her professional judgment as to whether items can be adequately examined.

2.2 This Scope of Services is not intended to limit **ADVANCED PROFESSIONAL SERVICES** from:

- A. including other inspection services, systems or components in addition to those identified herein.
- B. specifying repairs, provided that **ADVANCED PROFESSIONAL SERVICES** is appropriately qualified and willing to do so.
- C. excluding systems and components from the Building Inspection if requested by the client.

3. SITE CHARACTERISTICS

3.1 **ADVANCED PROFESSIONAL SERVICES** will:

A. inspect:

1. the surface drainage characteristics as it relates to the structure and possible ingress of water to the basement and/or crawl space
2. the vegetation, grading, and surface drainage on the property when any of these are likely to adversely affect the building.
3. walkways, patios, and driveways leading to the dwelling entrances.

Scope of Services

4. retaining walls, sea walls, waterfront bulkheads, docks or piers.
5. landscaping, trees, and shrubs unless it adversely affects the building.
6. fences
7. geological, geotechnical, or hydrological conditions.
8. recreational facilities
9. outbuildings
10. erosion control and earth stabilization measures.

4. STRUCTURAL SYSTEM

4.1 **ADVANCED PROFESSIONAL SERVICES** will:

- A. inspect:
 1. the structural components including visible foundations, visible floor framing, visible wall framing, and visible roof framing.
 2. by probing a representative number of structural components where deterioration is suspected or where clear indications of possible deterioration exists. Probing will NOT be done when the probing would damage any finished surface or where no deterioration is visible.
 3. for evidence of water entry into the basement and /or crawl space.
 4. ground water control systems such as sumps, sump pumps, and drains, where possible, to confirm operation.
- B. describe:
 1. the foundation and report the methods used to inspect the under-floor crawl space if applicable.
 2. the floor structure.
 3. the wall structure.
 4. the ceiling structure.
 5. the roof structure and report the methods used to inspect the attic if applicable.
 6. structural performance based on visual, detectable movement.
 7. structural soundness and adequacy based on visual inspection only.
 8. visible evidence of significant rot, wood-boring insect damage, or other forms of structural deterioration which would have an impact on the overall structural soundness and structural integrity of the building.
 9. visible evidence of structural distress or structural damage such as leaning walls, sagging beams or joists, unbraced trusses, damaged framing, fire damage, etc.
 10. visible evidence of failure or deterioration of the foundation system such as severe cracking, inward movement, frost heaves and known visible settlement.
 11. the ground water control systems including drainage sumps, sump pumps, and related piping.
 12. proper discharge of mechanical ground water control systems or obstructions to proper operation
 13. evidence of water entry into the basement and /or crawl space.

4.2 **ADVANCED PROFESSIONAL SERVICES** will NOT, unless specifically requested and additional compensation is agreed to:

- A. provide engineering services.
- B. provide an opinion as to the adequacy of any structural system or component.
- C. operate inactive mechanical components
- D. excavate subsurface drainage systems.

Scope of Services

5. EXTERIOR

- 5.1 **ADVANCED PROFESSIONAL SERVICES** will:
- A. inspect:
 - 1. the exterior wall covering, flashing, and trim.
 - 2. eaves, soffits, and fascias.
 - 3. the primary windows and exterior doors.
 - 4. attached decks, balconies, stoops, steps, porches, and their associated railings.
 - B. describe the exterior wall covering.
- 5.2 **ADVANCED PROFESSIONAL SERVICES** will NOT:
- A. inspect:
 - 1. screening, shutters, awnings, and similar seasonal accessories.

6. ROOF SYSTEM

- 6.1 **ADVANCED PROFESSIONAL SERVICES** will:
- A. inspect:
 - 1. the roof covering.
 - 2. the roof drainage systems.
 - 3. the flashings.
 - 4. the skylights, chimneys, and roof penetrations.
 - B. describe:
 - 1. the roof covering and report the methods used to inspect the roof.
 - 2. evidence of leaks and / or condensation.
 - 3. structural integrity of chimneys, if applicable.
- 6.2 **ADVANCED PROFESSIONAL SERVICES** will NOT:
- A. inspect:
 - 1. antennae.
 - 2. interiors of flues or chimneys which are not readily accessible.
 - 3. other installed accessories.
 - B. be required to walk on the roof but should describe the methods used to observe and evaluate the roofing components such as use of binoculars, ground observation, etc.
 - C. be required to examine chimney from the rooftop.

7. PLUMBING SYSTEM

- 7.1 **ADVANCED PROFESSIONAL SERVICES** will:
- A. inspect:
 - 1. the interior water supply and distribution systems.
 - 2. the drain, waste, and vent systems.
 - 3. the domestic hot water heating system including heating equipment, energy source, automatic safety controls, chimney, flue, and vents.
 - 4. the vent system flues and chimneys.
 - 5. the fuel storage and fuel distribution systems.
 - 6. a representative sample of interior fixtures for adequacy of drainage.
 - 7. a representative sample of interior fixtures for presence or absence of leaks.

Scope of Services

- B. describe:
 - 1. the water supply, drain, waste, and vent piping materials.
 - 2. the water heating equipment including the energy source.
 - 3. the location of the main water and main fuel shut-off valves.
 - 4. the evidence of leaks.
 - 5. water pressure and flow in general terms.

7.2 **ADVANCED PROFESSIONAL SERVICES** will NOT:

- A. inspect:
 - 1. the clothes washing machine connections.
 - 2. the interiors of flues or chimneys which are not readily accessible.
 - 4. Wells, well pumps, or water storage related equipment including:
 - a. water conditioning equipment.
 - b. solar water heating equipment.
 - c. fire and lawn sprinkler systems.
 - d. private waste disposal systems.
- B. determine:
 - 1. the quantity or quality or the water supply, pressure, or flow using gauges, instruments, or measurements.
- C. operate safety valves or shut-off valves.
- D. inspect or test underground septic tank unless agreed to otherwise in writing.

8. ELECTRICAL SYSTEM

8.1 **ADVANCED PROFESSIONAL SERVICES** will:

- A. inspect:
 - 1. the service drop.
 - 2. the service entrance conductors, cables, and raceways.
 - 3. the service equipment and main disconnects.
 - 4. the service grounding.
 - 5. the interior components of service panels and sub panels.
 - 6. the conductors where visible.
 - 7. the overcurrent protection devices.
 - 8. a representative number of installed lighting fixtures, switches, and receptacles.
 - 9. the ground fault circuit interrupters.
- B. describe:
 - 1. the amperage and voltage rating of the service.
 - 2. the location of main disconnect(s) and sub panels.
 - 3. the wiring methods.
- C. report:
 - 1. on the presence of any observed solid conductor aluminum or copper-clad aluminum branch circuit wiring.

8.2 **ADVANCED PROFESSIONAL SERVICES** will NOT:

- A. inspect:
 - 1. the remote control devices unless the device is the only control device.
 - 2. the alarm systems and components.
 - 3. the low voltage wiring, systems, and components.
 - 4. telephone, security, cable TV, intercom systems.
 - 5. the ancillary wiring, systems, and components not a part of the primary electrical power distribution system.

Scope of Services

- B. measure amperage, voltage, or impedance.
- C. dismantle any electrical device or control or remove the cover of the main panel box.
- D. test or operate any overcurrent device.
- E. insert any tool, probe or testing device inside the electric panels.

9. HEATING SYSTEM

9.1 **ADVANCED PROFESSIONAL SERVICES** will:

- A. inspect:
 - 1. the installed heating components.
 - 2. the vent systems, flues, and chimneys where visible.
 - 3. and operate, if possible, heating equipment.
- B. describe:
 - 1. type of heat system (steam, hot water, forced air, etc.).
 - 2. the energy source and / or type of fuel used.
 - 3. type of heating unit (furnace, boiler, etc.) including the manufacturer and the rated output capacity (BTUH) and efficiency based on nameplate data.
 - 4. the physical condition of the heating equipment.
 - 5. condition of visible components including piping, ducts, thermostats, and exposed flues.

9.2 **ADVANCED PROFESSIONAL SERVICES** will NOT:

- A. inspect:
 - 1. the interiors of flues or chimneys which are not readily accessible.
 - 2. the heat exchanger.
 - 2. the humidifier or dehumidifier.
 - 3. the electronic air filter.
 - 4. solar space heating systems.
- B. determine heat supply adequacy or distribution balance.
- C. make heat loss calculations to determine adequacy of capacity.
- D. operate equipment when weather conditions or other circumstances may cause equipment damage.
- E. ignite solid fuel fires.
- F. ignite gas pilot lights.
- G. perform smoke or carbon monoxide tests on equipment.
- H. override automatic safety controls to activate the equipment.

10. CENTRAL AIR CONDITIONING SYSTEM

10.1 **ADVANCED PROFESSIONAL SERVICES** will:

- A. inspect and operate the central installed cooling equipment using installed operator controls.
- B. describe:
 - 1. the cooling and air handling equipment including the manufacturer and the rated output capacity based on nameplate data.
 - 2. the physical condition of the cooling equipment.

Scope of Services

- 10.2 **ADVANCED PROFESSIONAL SERVICES** will NOT:
- A. inspect:
 - 1. electronic air filters.
 - 2. window mounted air conditioning units.
 - B. make calculations to determine cooling supply adequacy or distribution balance.
 - C. test equipment when weather conditions or other circumstances may cause damage to the equipment.
 - D. test equipment prior to unit being serviced after seasonal shutdown or when off-season equipment covers are in place.
 - E. take pressure or temperature readings using gauges.

11. INTERIOR

- 11.1 **ADVANCED PROFESSIONAL SERVICES** will:
- A. inspect:
 - 1. the walls, ceilings, and floors.
 - 2. the steps, stairways, balconies, and railings
 - 3. the countertops and a representative number of installed cabinets.
 - 4. a representative number of doors and windows including hardware.

- 11.2 **ADVANCED PROFESSIONAL SERVICES** will NOT:
- A. inspect:
 - 1. the paint, wallpaper, and other finish treatments.
 - 2. the carpeting.
 - 3. the window treatments.
 - 4. central vacuum systems.
 - 5. household appliances.
 - 6. recreational facilities.
 - B. comment on:
 - 1. aesthetics or design.
 - 2. wear and tear.

12. INSULATION & VENTILATION

- 12.1 **ADVANCED PROFESSIONAL SERVICES** will:
- A. inspect:
 - 1. the insulation and vapor retarders in unfinished spaces.
 - 2. the ventilation of attics and foundation areas.
 - 3. the mechanical ventilation systems, including mechanical ventilation for kitchens, bathrooms, and laundry rooms.
 - 4. for the presence or absence of storm windows.
 - B. describe:
 - 1. the insulation and vapor retarders in unfinished spaces.
 - 2. the presence or absence of insulation in unfinished spaces at conditioned surfaces.
 - 3. the evidence of condensation and other consequences of inadequate ventilation when visible using normal inspection techniques.

Scope of Services

- 12.2 **ADVANCED PROFESSIONAL SERVICES** will NOT:
- A. disturb insulation or vapor retarders.
 - B. determine indoor air quality.
 - C. evaluate ventilation relevant to code compliance.
 - D. inspect concealed ventilation systems.
 - E. perform energy calculations.
 - F. perform life cycle cost analysis.

13. FIREPLACES AND SOLID FUEL BURNING APPLIANCES

- 13.1 **ADVANCED PROFESSIONAL SERVICES** will:

- A. inspect:
 - 1. the system components including fireplace dampers.
- B. describe:
 - 1. the fireplaces and solid fuel burning appliances.
 - 2. the configuration and location of chimneys.

- 13.2 **ADVANCED PROFESSIONAL SERVICES** will NOT:

- A. inspect:
 - 1. the interiors of flues or chimneys.
 - 2. the fire screens and doors.
 - 3. the seals and gaskets.
 - 4. the automatic fuel feed devices.
 - 5. the mantles and fireplace surrounds.
 - 6. the combustion make-up air devices.
 - 7. the heat distribution assists whether gravity controlled or fan assisted.
- B. ignite or extinguish fires
- C. determine draft characteristics.
- D. move fireplace inserts or stoves or firebox contents.

14. SAFETY

- 14.1 **ADVANCED PROFESSIONAL SERVICES** will:

- A. inspect:
 - 1. the condition and adequacy of handrails and guardrails
 - 2. the condition of stairways.
 - 3. for the presence of glass vulnerable to human impact.
 - 4. for the presence or absence of smoke detectors or alarms.

- 14.2 **ADVANCED PROFESSIONAL SERVICES** will NOT:

- A. check code compliance.
- B. check ADA compliance.

15. ENVIRONMENTAL

- 15.1 **ADVANCED PROFESSIONAL SERVICES** will try to the best of it's abilities:

- A. report:
 - 1. the likely presence of suspected asbestos containing materials (ACM).
 - 2. evidence of underground storage tanks (UST).
 - 3. evidence of urea formaldehyde insulation (UFF).

Scope of Services

- 15.2 **ADVANCED PROFESSIONAL SERVICES** will NOT:
- A. conduct comprehensive environmental scan.
 - B. report suspected hazardous materials not noted above.
 - C. conduct tests for hazardous materials.

16. GENERAL LIMITATIONS AND EXCLUSIONS

16.1 General Limitations:

- A. Inspections performed in accordance with this Scope of Service:
 1. are not technically exhaustive.
 2. will not identify concealed conditions or latent defects.
- B. This Scope of Service is intended for and applicable to buildings with four or fewer dwelling units and their garages or carports.

16.2 General Exclusions :

- A. **ADVANCED PROFESSIONAL SERVICES** will not perform any action or make any determination unless specifically stated in the Professional Inspection Services Agreement, except as may be required by lawful authority.
- B. **ADVANCED PROFESSIONAL SERVICES'** inspection services will NOT include, unless specifically agreed to in writing otherwise, a determination of:
 1. the condition of systems or components which are not readily accessible.
 2. the remaining life of any system or component.
 3. the strength, adequacy, effectiveness, or efficiency of any system or component.
 4. the causes of any condition of deficiency.
 5. the methods, materials, or costs of corrections.
 6. future conditions including, but not limited to, failure of systems and components.
 7. the suitability of the property for any specialized use.
 8. compliance with regulatory requirements (codes, regulations, laws, ordinances, etc.)
 9. the market value of the property or its marketability.
 10. the advisability of the purchase of the property.
 11. the presence of potentially hazardous plants or animals including, but not limited to wood destroying organisms or diseases harmful to humans.
 12. the presence of any environmental hazards including, but not limited to, toxins, carcinogens, noise, and contaminants in soil, water, and air.
 13. the presence, formation or growth of any molds, fungi, spores, or similar growth of organic matter, including but not limited to Aspergillus, Penicillium, or any strain or type of Stachybotris, commonly collectively referred to as the "Black Molds".
 14. the effectiveness of any system installed or methods utilized to control or remove suspected hazardous substances.
 15. the operating costs of system or components.
 16. the acoustical properties of any system or component.
 17. detailed numerical analysis as required for a certificate of occupancy or building code compliance.
 18. detailed numerical analysis or identification of electrical circuits, heating or cooling zones, etc., nor evaluation for code requirements.
- C. **ADVANCED PROFESSIONAL SERVICES** will NOT offer:
 1. or perform any act or service contrary to law.
 2. or perform work in any trade or profession other than home inspection and consulting engineering.
 3. warranties or guarantees of any kind.

Scope of Services

- D. **ADVANCED PROFESSIONAL SERVICES** will NOT operate:
1. any system or component which is shut down or otherwise inoperable.
 2. any system or component which does not respond to normal operating controls.
 3. shut-off valves.
- E. **ADVANCED PROFESSIONAL SERVICES** will NOT enter:
1. any area which will, in the opinion of the inspector, likely be dangerous to the inspector or other persons or damage the property or it's systems or components.
 2. the under-floor-crawl spaces or attics which are not readily accessible or are otherwise obstructed.
 3. crawl spaces or attic spaces where access opening is less than 18" x 24".
 4. spaces where the head room is less than 30".
- F. **ADVANCED PROFESSIONAL SERVICES** will NOT, unless otherwise agreed to in writing, inspect:
1. underground items including, but not limited to, underground storage tanks or other underground indications of their presence, whether abandoned or active.
 2. systems or components which are not installed.
 3. decorative items.
 4. systems or components located in areas that are not entered in accordance with this Scope of Services.
 5. detached structures other than garages and carports.
 6. common elements or common areas in multi-unit housing such as condominium properties or cooperative housing.
 7. solar heating systems, geothermal systems, outdoor barbecues, saunas, swimming pools, tennis courts, piers and docks, boathouses, waterfront bulk-heading, cabanas, cottages / guesthouses, private water supply, private wastewater systems, satellite dish systems, and any items not specifically included in this Scope of Services.
- G. **ADVANCED PROFESSIONAL SERVICES** will NOT:
1. perform any procedure or operation which will, in the opinion of the inspector, likely be dangerous to the inspector or other persons or damage the property or it's systems or components.
 2. move suspended ceiling tiles, personal property, furniture, equipment, plants, soil, snow, ice, or debris.
 3. dismantle any system or component, except as explicitly required by this Scope of Services.

Exhibit 2

COMPENSATION - LUMP SUM

Methods and Amounts

1. **Lump Sum Fee.** CLIENT shall pay CONSULTANT for services and associated expenses included in EXHIBIT 1- SCOPE of SERVICES a lump sum fee of _____ Dollars (\$_____.00).
2. **Engineering Related Services.** CLIENT shall pay CONSULTANT for Engineering Services requested and agreed to an amount based on CONSULTANTS's then current schedule of Fees and Charges for Engineering Services. A copy of the current schedule of Fees and Charges for Engineering Services will be furnished upon request.
3. **Additional Services.** CLIENT shall pay CONSULTANT for Additional Services not otherwise provided for in this agreement, an amount based on CONSULTANT's then current schedule of Fees and Charges. A copy of the current schedule of Fees and Charges will be furnished upon request.

Payments

1. CLIENT shall make payment at time of inspection or prior to delivery of written report unless agreed otherwise. CLIENT has provided or shall provide for payment from one or more lawful sources of all sums to be paid to CONSULTANT.
2. If agreed otherwise CONSULTANT shall submit invoices and/or monthly statements for services rendered and for reimbursable expenses incurred. CLIENT shall make prompt payment.
3. If CLIENT fails to make payment within thirty days after receipt of statement, interest at the maximum legal rate or at rate of 18 percent, whichever is less, shall accrue. CONSULTANT may suspend services at any time until it has been paid in full all amounts due it.
4. In the event of termination by CLIENT as provided in this Agreement, partial payments due CONSULTANT for services rendered, plus unpaid reimbursable expenses shall constitute total payment for such services.

Exhibit 3

Home Inspection Standard Terms and Conditions

1. CONSULTANT'S RESPONSIBILITIES

- 1.1 CONSULTANT will express an opinion only when it is based on practical experience and conviction.
- 1.2 CONSULTANT will always act in good faith toward each CLIENT.
- 1.3 CONSULTANT will not disclose any information concerning the results of the inspection without the approval of the CLIENT or their representative.
- 1.4 CONSULTANT will provide a full and complete disclosure of all inspection findings.
- 1.5 CONSULTANT will not express opinions regarding the inspected property unrelated to the inspection, including opinions of property value, marketability, location, or legal unless otherwise legally required to do so.
- 1.6 CONSULTANT will not accept compensation, financial or otherwise, from more than one interested party for the same service without the consent of all interested parties.
- 1.7 CONSULTANT will not accept nor offer commissions or allowances, directly or indirectly, from other parties dealing with the CLIENT in connection with the work for which CONSULTANT is responsible.
- 1.8 CONSULTANT will promptly disclose to CLIENT any interest in a business which affect the CLIENT, and will not allow any interest in any business to affect the quality or the results of CONSULTANT'S inspections.
- 1.9 CONSULTANT will make every effort to uphold and maintain the reputation and practice of professional engineering and home inspections.
- 1.10 CONSULTANT will promptly notify CLIENT when CONSULTANT learns of any development that affects scope of service or timing of CONSULTANT'S services.

2. CLIENT'S RESPONSIBILITIES

- 2.1 Name CLIENT'S representative with authority to receive information and transmit instructions for CLIENT.
- 2.2 Provide CLIENT'S requirements for the inspection, if different than CONSULTANT'S standard Scope of Services.
- 2.3 Provide available information pertinent to the inspection upon which CONSULTANT may rely.
- 2.4 Arrange access by CONSULTANT upon public and private property, as required.
- 2.5 Obtain consents, approvals, and permits necessary for the inspection.
- 2.6 Indemnify CONSULTANT, its employees, agents, and consultants against claims in association with the property inspected by the CONSULTANT.

- 2.7 Promptly notify CONSULTANT when CLIENT learns of any development that affects scope of services or timing of CONSULTANT'S services.

3. PERIOD OF SERVICE

- 3.1 CONSULTANT is not responsible for delays due to factors beyond its control.
- 3.2 If CLIENT requests changes in the scope of services for the inspection, compensation for and time of performance for CONSULTANT'S services shall be adjusted appropriately.

4.0 GENERAL

4.1 Termination.

4.1.1 Either party may terminate their obligation to provide further services upon seven (7) days' written notice, after substantial default by other party through no fault of terminating party.

4.1.2 CLIENT may terminate CONSULTANT'S obligation to provide further services upon seven (7) days' written notice if the inspection is abandoned. In such event that notice less than stated herein is given, progress payments due CONSULTANT for services rendered, plus unpaid reimbursable expenses and termination charge, shall constitute total compensation due.

4.2 Reuse of Documents.

4.1.1 All tangible items prepared by CONSULTANT are instruments of service, and CONSULTANT retains all copyrights. CLIENT may retain copies for reference, but reuse on another property without CONSULTANT'S written consent is prohibited. CLIENT will indemnify CONSULTANT, its employees, agents, and consultants against any claims resulting from such prohibited reuse. Said items are not intended to be suitable for completion of this inspection by others.

4.2.2 Submittal or distribution of items in connection with the inspection is not publication in derogation of CONSULTANT'S rights.

4.3 Payment.

4.3.1 CONSULTANT will submit an invoice or monthly statement for services rendered and reimbursable expenses incurred. CLIENT shall make prompt payment.

4.3.2 If CLIENT fails to make payment within thirty (30) days after receipt of invoice or statement, interest at maximum legal or at a rate of 18%, whichever is less, shall accrue; and, in addition, CONSULTANT may suspend services until it has been paid in full amounts due it.

4.3.3 CLIENT has provided or shall provide for payment from one or more lawful sources of all sums to be paid to CONSULTANT.

Exhibit 3

Home Inspection Standard Terms and Conditions

4.3.4 CONSULTANT'S compensation shall not be reduced on account of any amounts withheld from payments to sellers, contractors, or others.

4.4 Controlling Law.

4.4.1 This agreement and any of its terms or provisions shall be interpreted or construed under the laws of the state of Iowa.

4.4.2 Any claim or controversy arising out of or related to this agreement shall be settled by arbitration in accordance with the rules of the American Arbitration Association in the state of Iowa.

4.4.3 In the event of arbitration or litigation between the parties listed in this agreement concerning their respective rights and duties under the terms of this agreement, the prevailing party shall be entitled to recover cost of reasonable attorney's fees from the other party.

4.5 Successors and Assigns.

4.5.1 The parties bind themselves, their successors, and legal representatives to the other party and to successors and legal representatives of such other party, in respect to all covenants and obligations of this agreement.

4.5.2 Neither party shall assign, sublet, or transfer any interest in this agreement without written consent of the other party, provided CONSULTANT may employ such independent consultants, associates, and subcontractors as it may deem appropriate.

4.5.3 Nothing in this agreement shall be construed to give any rights for benefits to anyone other than the parties.

4.6 CONSULTANT'S Accounting Records. Records of CONSULTANT'S personal time, reimbursable expenses, and accounts between parties shall be kept on a generally-recognized accounting basis.

4.7 Separate Provisions. If any provisions of this agreement shall be held to be invalid or unenforceable, remaining provisions shall be valid and binding.

4.8 Waiver. No waiver shall constitute a waiver of any subsequent breach.

4.9 Warranty.

4.9.1 CONSULTANT shall use reasonable care to reflect requirements of all applicable laws, rules, or regulations of which CONSULTANT has knowledge or about which CLIENT specifically advises in writing, which are in effect on date of this Agreement. CONSULTANT INTENDS TO RENDER SERVICES IN ACCORDANCE WITH GENERALLY ACCEPTED PROFESSIONAL STANDARDS, BUT NO OTHER WARRANTY IS EXTENDED, EITHER EXPRESS OR IMPLIED, IN CONNECTION WITH SUCH SERVICES. CLIENT'S rights and remedies in this Agreement are exclusive.

4.9.2 CONSULTANT shall not be responsible for contractors' construction means, methods, techniques, sequences, or procedures, or for contractors' safety precautions and programs, or for contractors' failure to perform any work which occurs as a

result of the inspection or recommendations made by the CONSULTANT.

4.9.3 CONSULTANT shall not be responsible or held liable for any claims, damages, delays, repairs, or other expenses incurred by the CLIENT in association with the property inspected by the CONSULTANT.

4.10 Period of Repose. Any applicable statute of limitations shall commence to run and any alleged cause of action shall be deemed to have accrued not later than completion of services to be performed by CONSULTANT.

4.11 Indemnification. To the fullest extent permitted by law, CLIENT shall indemnify and hold harmless CONSULTANT, CONSULTANT'S officers, directors, partners, employees, and agents and CONSULTANT'S consultants from and against any and all claims for bodily injury and for damage to tangible property caused by the negligent acts or omissions of CLIENT or CLIENT'S officers, directors, partners, employees, agents, and CLIENT'S consultants with respect to this Agreement for this inspection. In addition to the indemnity provided under this section, and to the fullest extent permitted by law, CLIENT shall indemnify and hold harmless CONSULTANT and its officers, directors, partners, employees, and agents and CONSULTANT'S consultants from and against all claims, costs, losses, and damages (including but not limited to all fees and charges of engineers, architects, attorneys, and other professionals and all court or arbitration or dispute resolution costs) caused by, arising out of, or relating to the presence, discharge, release, or escape of asbestos, PCBs, petroleum, hazardous waste, or radioactive material at, on, under, or from the project site.

4.12 Attorneys Fees. In the event that any dispute between the parties should result in litigation, the CONSULTANT shall be entitled to recover from CLIENT all reasonable fees and expenses of enforcing any right of the CONSULTANT including without limitation reasonable attorneys' fees and expenses.

4.13 Limitation of Liability. To the fullest extent permitted by law, the total liability of the CONSULTANT to the CLIENT for any and all claims, losses, costs, damages of any nature whatsoever or claims expenses from any cause or causes, including attorney's fees and costs and expert witness fees and costs, shall be limited so that the total aggregate liability of the CONSULTANT to the CLIENT shall not exceed \$500.00, or the CONSULTANT'S total fee for services rendered on this project, whichever is greater. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

4.14 Extent of Agreement. This agreement represents the entire agreement between the parties and may be amended only by written instrument signed by both parties.

4.15 Subrogation Waiver. The parties waive all rights against each other, and against contractors, consultants, agents, and employees of the other for damages covered by any property insurance associated with the property to be inspected under this agreement.

Exhibit 4

Glossary of Terms

ALARM SYSTEMS

Warning devices, installed or freestanding, including but not limited to: carbon monoxide detectors, flue gas and other spillage detectors, security equipment, ejector pumps, and smoke alarms.

ARCHITECTURAL SERVICE

Any practice involving the art and science of building design for construction of any structure or grouping of structures and the use of space within and surrounding the structures; or the design for construction, including but not specifically limited to, schematic design, design development, preparation of construction and contract documents, and the administration of the construction contract.

AUTOMATIC SAFETY CONTROLS

Devices designed and installed to protect systems and components from unsafe conditions.

COMPONENT

A part of a system.

DECORATIVE

Ornamental; not required for the operation of the essential systems and components of the home.

DESCRIBE

To report a system or component by its type or other observed significant characteristics to distinguish it from other systems or components.

DISMANTLE

To take apart or remove any component, device or piece of equipment that would not be taken apart or removed by a homeowner in the course of normal and routine homeowner maintenance.

ENGINEERING SERVICE

Any professional service or creative or technical work requiring engineering education, training, and experience and the application of special knowledge of the mathematical, physical, and engineering sciences to such professional service or creative or technical work as consultation, investigation, evaluation, planning, design, and supervision of construction; for the purpose of assuring compliance with the specifications and design, in conjunction with the structures, buildings, machines, equipment, works, or processes.

FURTHER EVALUATION

The component requires further technical or invasive evaluation by qualified professional tradesman or service technician to determine the nature of any potential defect, the corrective action and any associated cost.

HOME INSPECTION

The process by which an inspector visually examines the readily accessible systems and components of a home and which describes those systems and components in accordance with the Standards of Practice.

HOUSEHOLD APPLIANCES

Kitchen, laundry, and similar appliances, whether installed or freestanding.

Exhibit 4

Glossary of Terms

INSPECT

To examine readily accessible systems and components of a dwelling in accordance with the Standards of Practice, using normal operating controls and opening readily openable access panels.

INSPECTOR

A person hired to examine any system or component of a building in accordance with the Standards of Practice.

INSTALLED

Attached such that removal requires tools.

MARGINAL

At the time of inspection the component is functioning but is estimated to be nearing end of useful life. Operational maintenance recommended. Replacement anticipated.

NORMAL OPERATING CONTROLS

Devices such as thermostats, switches, or valves intended to be operated by the homeowner.

READILY ACCESSIBLE

Available for visual inspection without requiring moving of personal property, dismantling, destructive measures, or any action which will likely involve risk to persons or property.

READILY OPENABLE ACCESS PANEL

A panel provided for homeowner inspection and maintenance that is within normal reach, can be removed by one person, and is not sealed in place.

RECREATIONAL FACILITIES

Spas, saunas, steam baths, swimming pools, exercise, entertainment, athletic, playground, or other similar equipment and associated accessories.

REPAIR OR REPLACE

At the time of the inspection the component does not function as intended or presents a Safety Hazard. Repair or replacement is recommended.

REPORT

To communicate in writing.

REPRESENTATIVE NUMBER

One component per room for multiple similar interior components such as windows and electric outlets; one component on each side of the building for multiple similar exterior components.

ROOF DRAINAGE SYSTEMS

Components used to carry water off a roof and away from a building.

SATISFACTORY

At the time of inspection the component is functional without observed signs of a substantial defect.

SHUT DOWN

A state in which a system or component can not be operated by normal operating controls.

SOLID FUEL BURNING APPLIANCES

A hearth and fire chamber or similar prepared place in which a fire may be built and which is built in conjunction with a chimney; or a listed assembly of a fire chamber, its chimney and related factory made parts designed for unit assembly without requiring field construction.

Exhibit 4

Glossary of Terms

STRUCTURAL COMPONENT

A component, which supports non-variable forces or weights (dead loads), and variable forces or weights (live loads).

SYSTEM

A combination of interacting or interdependent components, assembled to carry out one or more functions.

TECHNICALLY EXHAUSTIVE

An investigation that involves dismantling, the extensive use of advanced technologies, destructive efforts, measurements, instruments, testing, calculations, or other means.

UNDERFLOOR CRAWL SPACE

The area within the confines of the foundation and between the ground and the underside of the floor.

UNSAFE

A condition in a readily accessible, installed system or component that is judged to be a significant risk of personal injury during normal, day-to-day use. The risk may be due to damage, deterioration, improper installation or a change in accepted residential construction standards.

WIRING METHODS

Identification of electrical conductors or wires by their general type, such as “non-metallic sheathed cable” (“Romex”), “armored cable” (“bx”) or “knob and tube”, etc.