

THIS AGREEMENT made on {{CURRENT_DATE}} by and between MRT Home Inspections LLC (hereinafter referred to as the "INSPECTOR") and {{CLIENT_NAME}} (hereinafter referred to as the "CLIENT"), collectively referred to as "the Parties." The INSPECTOR is scheduled on {{INSPECTION_DATE}} at {{INSPECTION_TIME}}, to perform the following services and fees; {{SERVICES}}. The Parties understand and voluntarily agree as follows:

1. Permission to Enter Property: The CLIENT is responsible for ensuring that the INSPECTOR has permission to enter the Inspected Property to perform the home inspection on the date scheduled. The INSPECTOR is not responsible for any disruption in the inspection process caused by construction, renovations, painting, cleaning, or any other activity occurring at the Inspected Property at the time of the inspection.

2. Assumption of Risk of Injury: The INSPECTOR has no knowledge or information concerning the conditions of the Inspected Property and will not see any conditions until the time of the home inspection. The CLIENT is encouraged to attend the home inspection but assumes all risks and responsibility for any injury (including, but not limited to, personal injury, bodily injury, disability, and death), illness, damage, loss, claim, liability, or expense, of any kind, that the CLIENT may experience or incur in connection with attending the home inspection. The CLIENT releases, discharges, and holds harmless the INSPECTOR, its employees, agents, and representatives, of and from any such claims, including all liabilities, claims, actions, damages, costs, or expenses of any kind arising out of or relating to attending the home inspection.

3. Scope of Services: The INSPECTOR agrees to provide professional home inspection services to the CLIENT in conformance with the provisions of the Home Inspector Licensing Act, N.M. Stat. Ann. §§ 61-24D-1 to 61-24D-16, the Standards promulgated by the New Mexico Home Inspectors Board ("NM Standards"), and this Agreement. Although the INSPECTOR agrees to follow the NM Standards, the CLIENT understands that these Standards contain limitations, exceptions, and exclusions. Specifically, as mandated by the NM Standards, the following statement is required in this agreement. THE HOME INSPECTOR WILL NOT DETERMINE AND THE REPORT PROVIDED UPON COMPLETION OF THE HOME INSPECTION WILL NOT CONTAIN A DETERMINATION OF WHETHER THE HOME OR COMPONENTS AND/OR SYSTEMS OF THE HOME THAT HAVE BEEN INSPECTED CONFORM TO LOCAL OR STATE BUILDING CODE REQUIREMENTS. The CLIENT understands that InterNACHI is not a party to this Agreement and has no control over the INSPECTOR or representations made by the the INSPECTOR and does not supervise the INSPECTOR. The inspection is a noninvasive, nondestructive examination by the INSPECTOR of the interior and exterior components of the Inspected Property, including the structural components, foundation, and roof, for the purposes of providing a professional written opinion regarding the site aspects and condition of the Inspected Property and its carports, garages, and reasonably accessible installed components. The inspection includes the

examination of the Inspected Property's heating, cooling, plumbing and electrical systems, including the operational condition of the systems' controls that are normally operated by a property owner.

4. Home Inspection Report: The CLIENT and the INSPECTOR agree that the INSPECTOR will prepare a home inspection report that shall state: (a) the systems and components of the home that, as determined by the INSPECTOR, are not performing their normally intended function or operation or are not consistent with generally established practices regarding the historically or conventionally applied and acknowledged methods of installation, assembly, operation or use; (b) recommendations as to the need to correct, observe, or check for further correction the adverse conditions reported pursuant to subsection (a) or any other items requiring further evaluation; (c) such reasoning and explanation as necessary to identify and clarify the nature of the adverse conditions reported pursuant to subsection (a); and (d) the systems and components of the home designated for inspection under the NM Standards which were present at the time of the home inspection but not inspected, along with the reasons for the lack of inspection.

5. General Exclusions: An inspection IS NOT technically exhaustive. An inspection WILL NOT identify concealed or latent defects, deal with aesthetic concerns or what could be deemed matters of taste, cosmetic defects, etc. The inspection services DO NOT INCLUDE any action, system or component specifically excluded from the scope of work in any provision of the NM Standards. The INSPECTOR IS NOT REQUIRED TO INSPECT: (a) underground items including, but not limited to, lawn irrigation systems or underground storage tanks and other underground indications of their presence, whether abandoned or active; (b) items that are not permanently installed; (c) permanently installed decorative items; (d) items in areas that the INSPECTOR does not enter, as provided in the NM Standards; (e) detached structures other than garages and carports; (f) common elements and common areas in multi-unit housing, such as condominium properties and cooperative housing; (g) all occurrence of multiple similar components, provided that the INSPECTOR may be required to inspect one such component; or (h) outdoor cooking appliances. The INSPECTOR IS NOT REQUIRED TO: (a) ignite or extinguish fires, pilot lights, burners, and other open flames that require manual ignition; (b) dismantle systems and components, except as required by the NM Standards; (c) operate any system or component which is shut down or otherwise inoperable; (d) operate any system or component which does not respond to normal operating controls; (e) operate shut-off valves and manual stop valves; (f) reset, reprogram, or otherwise adjust devices, systems, and components affected by the home inspection required by the NM Standards; (g) probe surfaces that would be damaged or where no deterioration is visible or presumed to exist; (h) use specialized tools; (i) disturb insulation, move personal items, furniture, equipment, plant life, soil, snow, ice, or debris which obstructs access or visibility; (j) enter areas that will, as determined by the INSPECTOR, likely be dangerous to the INSPECTOR or to other persons or likely to damage the property or its systems and components; (k) enter any area or perform any procedure which may damage the Inspected Property or its components

or be dangerous to the INSPECTOR or other persons; (l) enter under-floor crawlspaces and attics that are not readily accessible; (m) identify and report cosmetic imperfections that do not affect a component's normally intended function or operation; (n) describe or report on systems or components that are not included in the NM Standards and that were not inspected; (o) offer warranties or guarantees of any kind; (p) offer or perform any engineering services; or (q) offer or perform any trade or professional service other than home inspection. The INSPECTOR IS NOT REQUIRED TO DETERMINE: (a) compliance with local codes, ordinances or regulations, the legality of the Inspected Property and its present use, conditions of title, boundaries and easements, and location in earthquake, flood, mining, or any other hazard zones; (b) whether any permits were required or obtained for any work performed on the Inspected Property; (c) whether grandfathering applies to any condition in a system or component; (d) condition of systems and components not readily accessible; (e) strength, adequacy, effectiveness, and efficiency of systems and components; (f) causes of adverse conditions observed and reported; (g) methods, materials, and costs of corrections; (h) future conditions, including but not limited to failure of systems and components; (i) the age of installation of any system, structure, or component of a building; (j) the remaining life expectancy of systems and components; (k) whether items, materials, conditions, and components are subject to recall, controversy, litigation, product liability, and other adverse claims and conditions; (l) operating costs of systems and components; (m) acoustical properties of systems and components; (n) presence of plants, animals, and other life forms and substances that may be hazardous or harmful to humans including, but not limited to, molds and mold-like substances; (o) presence of environmental hazards including, but not limited to, allergens, toxins, carcinogens, electromagnetic radiation, noise, radioactive substances, and contaminants in building materials, soil, water, and air; (p) presence or effectiveness of permanently installed systems and methods used to control or remove suspected hazardous plants, animals, and environmental hazards; (q) soil conditions relating to geotechnical or hydrologic specialties; (r) advisability of purchasing of the Inspected Property; (s) insurability of the Inspected Property; (t) marketability or market value of the Inspected Property; or (u) suitability of the Inspected Property for specialized uses. The INSPECTOR IS NOT REQUIRED TO DETERMINE: whether any system or component of the Inspected Property has been affected by the illegal manufacture, distribution, storage, possession or sale of any illicit drugs, products, or by-products, including, but not limited to, methamphetamines, and including all chemicals, tools, household fixtures or appliances used to facilitate such illegal activities. The CLIENT and the INSPECTOR agree that the scope of the inspection to be performed pursuant to this Agreement DOES NOT INCLUDE decay of the interior of logs in log walls, log foundations or roofs, or similar defects in log homes, log structures or similar log construction. The CLIENT and the INSPECTOR agree that the INSPECTOR IS NOT REQUIRED TO PERFORM any action or task specifically excluded from the scope of a general home inspection as contained in the NM Standards, whether or not specifically identified herein.

6. Special Limitation: The national home inspection standards, as well as the NM State Inspection standards specify that the inspector is prohibited from operating refrigerated air systems when the outdoor ambient air temperature is below 65F. Operating the refrigerated air in cold temperatures may damage the system and void warranties that may be in effect. It is important to understand that if an inspector operates the system at temperatures below 65F and there is a reported issue, repair contractors may assign blame to the inspector.

7. Limitation of Liability: We assume no liability for the cost of repair or replacement of unreported defects, either current or arising in the future. In all cases, our liability is limited to liquidated damages in an amount not greater than the fee paid. You waive any claim for consequential, exemplary, special or incidental damages or for the loss of the use of the home/building. You acknowledge that this liquidated damages is not a penalty, but that we intend it to: (i) reflect the fact that actual damages may be difficult or impractical to ascertain; (ii) allocate risk between us; and (iii) enable us to perform the inspection for the agreed-upon fee.

8. No Liability for Third-Party Service Providers: The INSPECTOR may, where appropriate, recommend third-party service providers to supply goods and/or services to the CLIENT in accordance with the home inspection services. The CLIENT understands and agrees that the INSPECTOR bears no legal or contractual responsibility to the CLIENT for any actions or inactions of any such third-party service provider. No third-party service provider shall have the authority to incur or create any liability or obligation in the name of the INSPECTOR, or for which the INSPECTOR shall be liable to another.

9. No Liability for Third-Party Reliance on Inspection Report: The inspection and home inspection report are for the use of the CLIENT only. The INSPECTOR may also provide a copy of the home inspection report to the CLIENT'S real estate agent or attorney. The INSPECTOR has permission to discuss observations with real estate agents, owners, repairpersons, and other interested parties only with written consent of the CLIENT. The CLIENT shall be the sole owner of the report and all rights to it. The INSPECTOR accepts no responsibility for use or misinterpretation of the content of the report by third parties, and third parties who rely on it in any way do so at their own risk and release the INSPECTOR from any liability whatsoever.

10. Inspection Fee & Additional Fees: The Inspection Fee identified above is due prior to the release of the reports. If the Inspection Fee is not paid as required herein, the INSPECTOR has no obligation to release the home inspection report, or any other information concerning the inspection or the Inspected Property, until the Inspection Fee is paid in full. All expenses incurred in collecting any overdue payments or returned checks are the responsibility of the CLIENT. There is a \$50.00 service charge for returned checks. A finance charge of one and one-half percent (1.5%) per month, eighteen percent (18%) per year, will apply to all obligations not paid pursuant to the terms contained herein. The

CLIENT agrees that in addition to any service charges or interest, the CLIENT shall be responsible for all legal fees and costs incurred by the INSPECTOR to collect the fees due under this Agreement. The CLIENT agrees that the provisions of Paragraph 11 of this Agreement do not apply to any legal fees and costs incurred by the INSPECTOR to collect the fees due.

11. Responsibility for Return Inspections: The CLIENT understands that if any systems and/or components of the Inspected Property cannot be inspected due to unforeseen circumstances during the inspection it is the CLIENT'S duty to contact the INSPECTOR should the CLIENT want the INSPECTOR to return to the Inspected Property later to inspect those systems and/or components. Any systems and/or components not inspected due to unforeseen circumstances will be identified in the report.

12. Severability: If any portion of this Agreement is found to be invalid or unenforceable by any court the remaining terms shall remain in force between the Parties. The indemnities and assumptions of liabilities and obligations herein shall continue in full force and effect after and notwithstanding the termination of this Agreement.

13. Disclaimer of Warranties: Unless specified in this Agreement, all express or implied conditions, representations, and warranties, including any implied warranty of merchantability, fitness for a particular purpose or non-infringement are disclaimed, except to the extent that these disclaimers are held to be legally invalid.

14. Notice of Claims: The CLIENT agrees that any claim for failure of the INSPECTOR to fulfill its obligations under this Agreement shall be made in writing to the INSPECTOR upon discovery. The CLIENT also agrees to allow the INSPECTOR ten (10) days to come to the Inspected Property to observe, photograph, inspect and evaluate any condition complained of by the CLIENT to the INSPECTOR and not to make, or allow others to make, any alteration to the claimed condition until the INSPECTOR has had the opportunity to inspect and evaluate the claimed condition.

15. Governing Law & Jurisdiction: All issues and questions concerning the construction, validity, enforcement, and interpretation of this Agreement shall be governed by, and construed in accordance with, the laws of the state where the Inspected Property is situated, without giving effect to any choice of law or conflict of law rules or provisions that would cause the application of the laws of any jurisdiction other than the state where the Inspected Property is located. The parties agree that any litigation arising out of this Agreement, or any services provided by the INSPECTOR shall be filed only in the court having jurisdiction in the county in which the INSPECTOR has its principal place of business.

16. Limitation on Time to Initiate any Legal Action: Any legal action, dispute, controversy, interpretation, or claim, including claims for, but not limited to, breach of contract, any form of negligence, fraud or misrepresentation, and/or any violation of any

law, statute, regulation, ordinance, or any other theory of liability arising out of, from or related to this Agreement or arising out of, from or related to the inspection or the home inspection report must be initiated within one (1) year from the date of the delivery of the home inspection report to the CLIENT, regardless of when the CLIENT first discovers the facts supporting such possible claims as identified herein. Failure to initiate said action within one (1) year of the date of services shall be a complete bar to any such action a full and complete waiver of any rights, actions or causes of actions that may have arisen thereon. This period may be shorter than otherwise provided by state law.

17. No Assignments Permitted: CLIENT may not assign all or any portion of his/her/their rights or obligations under this Agreement. Subject to the preceding, this Agreement shall be binding upon, inure to the benefit of, and be enforceable by the Parties hereto and their respective heirs, legal representatives, successors, and assigns. This Agreement does not create and shall not be construed or deemed to create any rights or benefits enforceable by or for the benefit of any person or entity other than the Parties hereto and their respective heirs, legal representatives, successors, and assigns.

18. Entire Agreement: This Agreement represents the entire agreement between the parties. No oral agreements, understandings, or representations shall change, modify, or amend any part of this Agreement. No change or modification shall be enforceable against any party unless such change or modification is in writing and signed by the parties and supported by valid consideration. This Agreement shall be binding upon and inure to the parties hereto and their spouses, heirs, executors, administrators, successors, assigns, and representatives of any kind whatsoever.

19. Acceptance of Terms: CLIENT agrees that he/she/they have read, understand, and agree to all the terms and conditions on all pages of this Agreement, including the limitations and exclusions, and agree(s) to pay the fee shown according to the terms stated herein. The CLIENT can consult with legal counsel, or any other person or entity, before signing this Agreement. The CLIENT acknowledges that if the CLIENT does not agree with any of the terms of this Agreement, the CLIENT has the option to retain another inspection company.