

**PRO-SPECT BUILDING REPORTS
TERMS AND CONDITIONS**

1. As part of our compliance with New Zealand Property Inspection Standards NZS 4306:2005 (the Standards), Pro-Spect Building Reports Limited ("we", "our", "us"), we are required to outline the following:

- a. the scope of our inspection and report;
- b. any limitations to our inspection and report; and
- c. our terms of trade, which must be accepted in writing by the client ("you" "your"). A letter of engagement will also be provided stating the following:
 - i. Your name
 - ii. Inspectors name or Inspection Company
 - iii. Date the report is due by
 - iv. Scope of report
 - v. Any special-purpose property inspection items
 - vi. Fee
 - vii. Limitations and conditions
 - viii. Professional liability cover

before any inspection can be carried out.

2. Inspection and Report prepared in accordance with the Standards

- a. For the purpose of pre-sale or pre-purchase inspections, the inspection process will be carried out in accordance with the Standards. You agree to be bound by the Standards.
- b. A copy of the Standards is available at our office for your inspection, or alternatively you may contact Standards New Zealand and purchase a copy.

c. We will have a qualified person with a relevant technical qualification and building inspection experience carry out the inspection in accordance with the Standards ("the Inspection").

d. We will certify that the Inspection has been carried in accordance with the Standards and the Inspector meets the competences of that standard.

e. We will consider Weather Tightness, regardless of age, however it will not be measured against appendix A of the Standards or to E2/AS1 of the Building Code, Matrix and Evaluation, as this would be subject to a specialist report.

3. Scope of Inspection – Visual Inspection Only

a. Under the Standards, the scope of the Inspection is limited to a visual Inspection of the components of a building, which the Inspector has reasonable access to and being in their clear line of sight. A non-intrusive moisture meter will be used around accessible joinery or identified risk areas, however these are an aid only and their results are not conclusive.

4. Reasonable access to be provided

a. You agree to ensure that Reasonable Access can be gained to the property including but not limited to the roof cavity and foundations spaces and that any such spaces if they exist are cleared for an inspection to be carried out. If Reasonable Access cannot be gained then a re-inspection fee of \$250 + travel costs (if any) +GST will apply.

b. "Reasonable access" means access that is safe, unobstructed and which has the minimum clearance specified in table below (or if the minimum clearance is not available, the area is within the Inspector's unobstructed line of vision).

Reasonable Access and dimensions

Roof interior: 450 x 400 mm manhole access, 600 x 600 mm crawl space and accessible from 3.6 m ladder

Sub floor: 500 x 400 mm manhole access

Timber floor: 400 mm from Underside of bearer, Concrete floor: 500 mm

Roof exterior: Access from 3.6 m ladder

5. Report Scope and Limitation

- a. The report should be seen as a reasonable attempt to identify any Significant Fault or Defect visible at the time of the visual Inspection rather than an all-encompassing report dealing with the home from every aspect. The reporting of any Significant Fault or Defect is on an exceptional basis, rather than reporting on items, which are in acceptable condition for their age.
- b. "Significant Fault or Defect" is defined in the Standards as – "A matter which requires substantial repairs or urgent attention and rectification."
- c. A Significant Fault or Defect will be addressed in the summary section of the report as maintenance or remedial work.

6. Inspection and Report Scope and Limitation

- a. The Inspection and report is intended only as a general guide to help you make your own evaluation of the overall condition of the home, and is not intended to reflect the value of the premises, nor make any representation as to the advisability of purchase.
- b. The report expresses the opinions of the Inspector, based upon his or her visual impressions of the conditions that existed at the time of the inspection only.
- c. The Inspection and report are not intended to be technically exhaustive, or to imply that every component was inspected, or that every possible defect was discovered.
- d. No disassembly of equipment, intrusive or destructive inspection, moving of furniture, appliances or stored items, or excavation will be performed.
- e. All components and conditions which by the nature of their location are concealed, deliberately hidden, camouflaged or difficult to inspect are excluded from the report.
- f. Any suggestions or recommendations contained in the report are suggestion only and it shall be the responsibility of the person or persons carrying out the work to ensure the most

appropriate remedy is carried out in conjunction with any further discoveries, warranty's or manufacturers recommendation and warranty's, and any necessary local authority consents obtained prior to proceeding with remedial work.

g. Inspections of the systems at the home are outside of the scope of our report. The Inspector will, however, conduct a cursory inspection of the hot water system, the plumbing system, the electrical system (including testing the accessible power points and lights in each room). You should note that this will only be the opinion of the Inspector, who is not a qualified plumber, electrician or gas fitter. You should note that our Inspector does not inspect the air conditioning system, dishwashers, stoves, hobbs heating systems, aerials, swimming pools or spas.

h. It is not our policy to give verbal advice; we will provide a written report. If you do require us to give you verbal advice, we shall not be held responsible for that advice.

i. Matters which are not within the scope of the Inspection under the Standards include, but are not limited to: the existence of formaldehyde, lead paint, asbestos, toxic or flammable materials, pest infestation and other health or environmental hazards; the condition of playground equipment; the efficiency measurement of insulation or heating and cooling equipment; any internal or underground drainage or plumbing; any systems which are shut down or otherwise secured; water wells (water quality and quantity); zoning ordinances; cosmetics or building code conformity; intercoms, security systems, fire detection systems, heat sensors (any general comments about these systems and conditions are informational only and do not represent an inspection or form part of the report).

j. The Inspection and report should not be construed as a compliance inspection of any building, legal or territory authority standards, codes or regulations. The report is not intended to be a warranty or guarantee of the present or future weather tightness, adequacy or performance of the structure, its systems, or their component parts. The report does not constitute any express or implied warranty of merchantability or fitness for use regarding the condition of the property and it should not be relied upon as such. Any opinions expressed regarding adequacy, capacity, or expected life of components are general statements based on information about similar components and occasional variations are to be expected between such estimates and actual experience.

k. You accept that the Inspector will not detect some faults because:

- i. The fault only occurs intermittently.
- ii. Part of the home has not been used for a while and the fault usually occurs after regular use (or detection of the fault would only occur after regular use).
- iii. The type of weather that would normally reveal the fault is not prevailing at, or around, the time of the inspection.
- iv. The fault has been deliberately concealed.
- v. Furnishings are obscuring the fault (see clause 6d).
- vi. We have been given incorrect information by you, the vendor (if any), the real estate consultant, or any other person.
- vii. The fault is/was not apparent on a visual Inspection.

l. For properties in below average or poor condition, you accept that the inspector will concentrate on the more significant issues as it may not be possible to cover off all the defects in the allocated inspection time.

7. Inspectors have no personal interest

a. We certify that our Inspectors have no interest, present or contemplated, in the property or its improvement and no involvement with trades people or benefits derived from any sales or improvements. To the best of our knowledge and belief, all statements and information in the report are true and correct.

8. Disputes

a. Should any dispute arise as a result of the inspection or report, it must be submitted to us in writing immediately.

b. You agree that upon raising a dispute the contents of the report may not be used to satisfy any terms of a sale and purchase agreement until the disagreement/dispute has been resolved.

c. You agree that if, after raising a dispute, you use the Inspection or report to make an unconditional offer or confirm a sale and purchase agreement, that you waive all of your rights to continue with the dispute, and/or raise any future dispute or claim against us.

d. In the event of a claim/dispute regarding damage to a home, you will allow us to investigate the claim prior to any repairs to the home be undertaken or completed. You agree that if you do not allow us to investigate the claims of damage before any repairs are carried out that you waive your rights to continue with and/or make any future claim against us.

e. In the event of any dispute, you agree not to disturb, repair, or attempt to repair anything that may constitute evidence relating to the dispute, except in the case of an emergency.

f. Any complaints will be subject to our internal complaints process.

9. Limitation of Liability

a. Subject to any statutory provisions, if we become liable to you, for any reason, for any loss, damage, harm or injury in any way connected with the completion of the Inspection and/or report, our liability shall be limited to a sum not exceeding the cost of the Inspection and report. We will not be liable to you for any consequential loss of whatever nature suffered by you or any other person injured and indemnify us in respect of any claims concerning any such loss.

b. The purchaser agrees to indemnify and keep indemnified the Building Surveyor and/or the Surveying Company from any and all claims by the vendor or any third party arising from the purchaser's release of all or part of the Building Report and/or Report Summary. Further, the purchaser shall pay all legal costs incurred by the Building Surveyor and/or the Surveying Company arising from such claims.

10. Disclaimer

a. This is a report of a visual only, non-invasive inspection of the areas of the building which are readily visible at the time of inspection. The inspection did not include any areas or components which were concealed or closed in behind finished surfaces (such as plumbing, drainage, heating, framing, ventilation, insulation or wiring) or which required the moving of anything which impeded access or limited visibility (such as floor coverings, furniture, appliances, personal property, vehicles, vegetation, debris or soil).

- b. The inspection did not assess compliance with the NZ Building Code including the Code's weathertightness requirements, or structural aspects. On request, specialist inspections can be arranged of weathertightness or structure or of any systems including electrical, plumbing, gas or heating.
- c. As the purpose of this inspection was to assess the general condition of the building based on the limited visual inspection described in (a), this report may not identify all past, present or future defects. Descriptions in this report of systems or appliances relate to existence only and not adequacy or life expectancy. Any area or component of the building or any item or system not specifically identified in this report as having been inspected was excluded from the scope of the inspection.

11. Terms of Trade

In consideration for us providing you with the Inspection and report, you agree:

- a. Payment is due prior to the survey being undertaken and report released. Accounts not paid by the due date shall incur a late payment interest charge of 15% of the total amount owing for each calendar month the account is overdue, together with all debt collection costs.
- b. All work in progress will be billed monthly, with a final invoice issued on completion.
- c. If a quotation is given for the Inspection/report, any expenses incurred in addition to the quote, will be on the basis of cost to us, plus 15%.
- d. If, after a subsequent quotation/estimate, any additional work is found to be required you will be contacted for your approval before any further work is completed.
- e. We have no responsibility or liability for any cost, loss or damage arising from:
- i. any errors or omissions from information, data or documents not prepared by us, our employees, or other persons under the direct control of us;
 - ii. any act or omission, lack of performance, negligent or fraudulent act by you;
 - iii. any act or omission, lack of performance, negligence or fraud by any consultant, contractor or supplier to you, or any of your employees or agents.

f. That all commercially sensitive information obtained by either party during the preparation of the report shall remain confidential.

g. The contents of the report, or any other work prepared by us is confidential and has been prepared solely for you and shall not be relied upon by any third parties. We accept no responsibility for anything done or not done by any third party in reliance, whether wholly or partially, on any of the contents of the report.

h. Where the content of any report is relied upon for industry research or evaluation purposes, such research or evaluation shall not include any information that may allow for the identification of any property or any personal information included in the report in any way.

i. You shall pay all costs and expenses (including legal costs on a solicitor/Client basis) resulting from any breach of these terms of trade by you or the enforcement by us of these terms of trade.

j. The parties agree that the Laws of New Zealand govern these terms and conditions and proceedings taken by the other party shall be heard in the District or High Court at Wellington, New Zealand, regardless of the location of your place of business/residence.

k. The building inspector has not reviewed a LIM report nor inspected the Council file in relation to the property and is unable to provide advice as to the content of any LIM report. The building inspector recommends that the client obtain independent legal advice in relation to all aspects of the LIM report. If you require the building inspector to compare floor plans in detail, this will need to be arranged prior to the inspection and will cost \$120 per hour including GST (charged in 15 minute blocks).

12. Cancellation Fee

If you cancel the inspection you agree, in consideration for us arranging a time for the inspection, to pay us a cancellation fee equal to the full cost of the inspection and report, provided however that if we have received twenty-four hours (one full working day) written notice of cancellation no fee will be payable.

Dated this day of 20

I/we have read the above Terms and Conditions and agree to be bound by them.

Customer to sign and Print Name

Address of Property to be inspected.