

NEW CONSTRUCTION INTERVAL INSPECTION PROPOSAL

DATE: September 18, 2008

TO: Clients
123 Street
North Carolina

FROM: Ron Wells
Wells Inspection Services, Inc.

RE: Proposal: New Construction Evaluation Services

This proposal and contract are made and entered by and between Wells Inspection Services, Inc. (hereinafter called the Inspector) the clients (hereinafter called the Client/Owner).

INTRODUCTION:

Wells Inspection Services, Inc. proposes to supply building evaluation and progress reporting services related to your new home. We are very interested in working with you on this project and believe that we can contribute significantly to both the quality control and the communication aspects of the building process.

SCOPE OF SERVICES TO BE PROVIDED:

The scope or involvement of the work to be provided by the inspector changes significantly depending upon the size of the house, types of accessories, complexity of construction and envisioned needs of the client/owner. Larger, more complex, custom homes generally require more time on site and more things to discuss or communicate and more expense both to build and evaluate. Also, the needs of individual clients differ significantly depending upon the stage at which the project is undertaken. Most new houses reflect stock plans which are engineered and specified by the contractor prior to any contract with the owner/client. Our inspection services are designed to interface flexibly at just about any time within the construction program. Sometimes our input or services is merited prior to construction, during the contractual plans and specification stages. Also, perhaps other inspection schedules occur (construction loan dispersal requirements, etc.) in addition to what we propose as our standard routine.

Use of e-mail communication is encouraged as it is more expedient. Written inspection reports will be utilized in addition to any e-mail notification following each formal interval inspection. Client participation is encouraged at the time of final inspection, however it is discouraged during the interval inspections as these often occur outside of normal business hours and are usually unscheduled. The inspector will be available to communicate via e-mail or telephone following each interval inspection. If it is a high priority for the client to try and attend the various interval inspections then additional fees will be discussed regarding communication, advanced scheduling, cancellations or rescheduling. Communication from the client/owner is encouraged throughout the building process and most questions can be handled via e-mail or telephone, without site visits. The inspector also uses a digital camera which can often expedite the clarification of issues or problems which might arise during the inspection.

I. PLANS AND SPECIFICATIONS REVIEW:

Initially I would envision a review of the building plans (working drawings) and specifications. Related to this review I would offer my opinions to you regarding the suitability of the various materials proposed by the contractor. My opinions would be based on my past experiences in building and estimating similar homes in other comparable neighborhoods. In this process I can help to identify and/or seek clarity for those items which may not be adequately described or which may be potentially misinterpreted. This review process normally requires approximately **two hours**.

II. INTERVAL INSPECTIONS:

During the course of construction I propose to make site inspections during the following specific construction intervals:

1. Preliminary review of plans and specifications at site (**two hours**)
2. Footing(s) inspection (**one hour**)
3. Footing and foundation walls prior to backfill after waterproofing if applicable (**one hour**)
4. Completion of utility rough-ins (plumbing, electrical, HVAC, insulation and framing) just prior to drywall (**two hours**)

Upon each inspection I would deliver a brief report to you relaying:

1. General status of trade activities

2. Observations by trade
3. Items which (in my opinion) are defective or have not to been performed suitably
4. Items which may not conform to contractual specifications (if applicable)
5. Items which may merit discussion or consideration
6. Recommendations

The construction interval reports will be communicated to you next working day in most cases. This will be done my email or fax. The intent of these interval inspections is to observe and report, at key stages, whether work is being performed in a good and workman-like manner and according to contract documents (plans and specifications, if applicable).

III. FINAL INSPECTION

Upon completion (after issuance of certificate of occupancy and installation of permanent electric meter), I will conduct a final inspection (**four hours**). The client is strongly urged to attend or be present during the final portions of this inspection. The inspector does not encourage group participation when mounting the roof.

A final comprehensive narrative report will be completed within three days following the final inspection. The narrative inspection report will relate findings regarding suitability and operability of major appliances, electrical, plumbing, mechanical systems, drainage, and structural foundation, framing and roof systems. The final report will list major equipment specifications as installed and also suggest recommended maintenance procedures to be employed related to certain appliances or fixtures in the future. The final report will also list all observations or items which in the inspector's opinion remain incomplete at that time. Portions of this final report in concert with the owners' walk through and "punchlist" at your discretion could form the performance criteria by which the final construction disbursements are made.

OPTIONAL SERVICES:

Construction loan/percentage completion assessment
One-year warranty re-inspection

IV. TERMS:

I would propose to provide the services outlined in sections II and III for a basic fee of \$2500 (10 hours at \$250/hour). In order to initiate this work I will require a \$500 deposit or retainer which will apply towards the final billing.

CONCLUSION:

In order to begin serving you I will need the following:

- Your signature(s) on this initial letter of intent;
- A \$500 retainer fee to apply towards your final billing;

- One complete copy of each of the construction plans (including site plan), specifications, and any construction agreement(s) or addenda, if applicable;
- Any other instructions you may wish to offer;
- Your written or verbal communication to the builder (when chosen) that I have been retained.
- Instructions from you concerning telephone or fax numbers and emails (and times) which may be used in best contacting you in the future.

Upon receipt of a countersigned original proposal and your deposit I will introduce myself informally to the builder(s). Should you wish to clarify any language in this proposal or add amendments please feel free to modify and/or add any conditions and initial on the last page.

If there are any questions please feel free to contact me at 302-2652 (mobile), rcwells@bellsouth.net or through the office 919-968-4981.

I look forward to working with you.

Sincerely,



RON WELLS, President
Wells Inspection Services, Inc.

AS AGREED AND ACCEPTED BY: _____

I (we) authorize the release of written inspection reports to:

_____ ()

_____ ()

_____ ()