

PRE-INSPECTION AGREEMENT

Subject Property to be Inspected:

Inspection Date:

Inspection Time:

() AM () PM

Client(s) Name:

Client(s) Present Address:

Inspected By:

License#:

PLEASE READ THIS DOCUMENT AND ATTACHED ADDENDUM(S) CAREFULLY. IT CONTAINS PROVISIONS THAT LIMIT YOUR RIGHTS, INCLUDING YOUR RIGHT TO MAINTAIN A COURT ACTION. IF YOU HAVE ANY QUESTIONS REGARDING THE TERMS OF THIS PRE-INSPECTION AGREEMENT YOU SHOULD DISCUSS THEM WITH THE INSPECTOR PRIOR TO SIGNING THIS AGREEMENT.

The Client authorizes _____ hereinafter referred to as "the Company", to provide the following inspection services at the above identified Subject Property, and agrees to pay the price stated to the Company for the performance of the inspection(s) and issuance of the inspection report(s).

_____ ONLY THOSE SERVICES CHECKED OFF WITH A WRITTEN PRICE WILL BE PROVIDED _____

- () Home Inspection \$ () \$
- () \$ () \$
- () \$ () \$

The total fee for our service(s) is \$ _____ Payment is expected before or at the time of inspection. All expenses incurred in collecting any overdue payments or returned checks are the responsibility of the Client.

Payment is made by: () Check No. () Cash / Money Order No. () Credit Card

REPORT DISTRIBUTION: The Client controls the distribution of all inspection reports and authorizes the Company to release copies of the report or summary to the following: () CLIENT () CLIENT'S Real Estate Agent () CLIENT'S Attorney () Other:

NOTE: IMPORTANT LIMITATIONS AND EXCLUSIONS OF THIS PRE-INSPECTION AGREEMENT ARE CONTAINED IN THE ATTACHED ADDENDUM ENTITLED *LIMITATIONS AND EXCLUSIONS OF THE HOME INSPECTION AND REPORT*. PLEASE THE READ THE ADDENDUM CAREFULLY. PLEASE FEEL FREE TO ASK ANY QUESTIONS. For all other services provided by the Company, if any, the terms and conditions of such services are contained in the additional attached Agreements and/or Addendums.

I have read and agree to each of the terms, conditions, limitations and exclusions of this Pre-Inspection Agreement and the attached addendum(s).

Client's Signature: _____ Date: _____

Client's Name: _____
Please Print

Inspector's Signature: _____ Date: _____

Inspector's Name: _____
Please Print

LIMITATIONS AND EXCLUSIONS OF THE HOME INSPECTION AND REPORT

CLIENT AND COMPANY (Company is also defined to include any and all inspectors who perform the contracted-for inspections as an employee or independent contractor of the Company) agree to the following terms and conditions:

- 1. Client Attendance and Permission to Access Subject Property:** The Client acknowledges that Client and/or any authorized representative has been encouraged to attend and participate in the inspection and recognizes that failure to do so may result in less than a complete understanding of the findings. The Client further acknowledges that such participation is at the Client's own risk. The Client warrants that permission has been secured for the Company to enter and inspect the Subject Property.
- 2. Standards of Practice:** The scope of this inspection is defined and limited by the standards, limitations, exceptions and exclusions as contained in *The Rules of the Texas Real Estate Commission, 22 TAC §535.201, et seq.*, ("TREC SoP") and this Pre-Inspection Agreement. A home inspection performed under the TREC SoP is not technically exhaustive. It is limited visual inspection and basic performance evaluation of the systems and components of the property using normal controls and without the use of specialized equipment or procedures.
- 3. Definitions and Purpose of the Inspection:** **Inspect** means to operate in normal ranges using ordinary controls at typical settings, look at and examine accessible systems or components and report observed deficiencies as specified by the TREC SoP. A **deficiency** is a condition that, in the reasonable judgment of the Company: (A) adversely and materially affects the performance of a system, or component; or (B) constitutes a hazard to life, limb, or property as specified by the TREC SoP. **Technically exhaustive** means a comprehensive investigation beyond the scope of a real estate inspection which would involve determining the cause or effect of deficiencies, exploratory probing or discovery, the use of specialized knowledge, equipment or procedures. The purpose of a home inspection is to provide the Client with information regarding the general condition of the property at the time of the inspection.
- 4. Inspection Report:** The Company shall: (A) prepare a written inspection report noting observed deficiencies and other items required to be reported; and (B) deliver the report to the Client within three (3) days unless otherwise agreed in writing by the client. The inspection report shall include: (A) the name and license number of each inspector who participated in performing the inspection, as well as the name(s) and license number(s) of any supervising real estate inspector(s) and sponsoring professional inspector(s), if applicable; (B) the address or other unique description of the property on each page of the report; and (3) the Client's name. The inspection report will be in the form approved by the Texas Real Estate Commission, or will be written in accordance with 22 TAC §535.223.
- 5. Inspection Exclusions:** The Company **IS NOT REQUIRED TO INSPECT:** (i) items other than those listed within the TREC SoP; (ii) elevators; (iii) detached buildings, decks, docks, fences, or waterfront structures or equipment; (iv) anything buried, hidden, latent, or concealed; (v) sub-surface drainage systems; (vi) automated or programmable control systems, automatic shut-off, photoelectric sensors, timers, clocks, metering devices, signal lights, lightning arrestor system, remote controls, security or data distribution systems, solar panels or smart home automation components; or (vii) concrete flatwork such as driveways, sidewalks, walkways, paving stones or patios. The Company **IS NOT REQUIRED TO REPORT:** (i) past repairs that appear to be effective and workmanlike except as specifically required by these standards; (ii) cosmetic or aesthetic conditions; or (iii) wear and tear from ordinary use. The Company **IS NOT REQUIRED TO DETERMINE:** (i) insurability, warrantability, suitability, adequacy, compatibility, capacity, reliability, marketability, operating costs, recalls, counterfeit products, product lawsuits, life expectancy, age, energy efficiency, vapor barriers, thermostatic performance, compliance with any code, listing, testing or protocol authority, utility sources, or manufacturer or regulatory requirements except as specifically required by these standards; (ii) the presence or absence of pests, termites, or other wood-destroying insects or organisms; (iii) the presence, absence, or risk of asbestos, lead-based paint, mold, mildew, corrosive or contaminated drywall "Chinese Drywall" or any other environmental hazard, environmental pathogen, carcinogen, toxin, mycotoxin, pollutant, fungal presence or activity, or poison; (iv) types of wood or preservative treatment and fastener compatibility; or (v) the cause or source of a condition. The Company **IS NOT REQUIRED TO** anticipate future events or conditions, including but not limited to: (i) decay, deterioration, or damage that may occur after the inspection; (ii) deficiencies from abuse, misuse or lack of use; (iii) changes in performance of any component or system due to changes in use or occupancy; (iv) the consequences of the inspection or its effects on current or future buyers and sellers, (v) common household accidents, personal injury, or death; (vi) the presence of water penetrations; or (vii) future performance of any item. The Company **IS NOT REQUIRED TO:** (i) operate shut-off, safety, stop, pressure or pressure-regulating valves or items requiring the use of codes, keys, combinations, or similar devices; (ii) designate conditions as safe; (iii) recommend or provide engineering, architectural, appraisal, mitigation, physical surveying, realty, or other specialist services; (iv) review historical records, installation instructions, repair plans, cost estimates, disclosure documents, or other reports; (v) verify sizing, efficiency, or adequacy of the ground surface drainage system; (vi) verify sizing, efficiency, or adequacy of the gutter and downspout system; (vii) operate recirculation or sump pumps; (viii) remedy conditions preventing inspection of any item; (ix) apply open flame or light a pilot to operate any appliance; (x) turn on decommissioned equipment, systems or utility services; or (xi) provide repair cost estimates, recommendations, or re-inspection services. The Company **IS NOT REQUIRED TO DETERMINE** whether any system or component of the Subject 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 any and all chemicals, tools, household fixtures or appliances used to facilitate such illegal activities.
- 6. BINDING ARBITRATION PROVISION. PLEASE READ CAREFULLY:** Any 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 Pre-Inspection Agreement or arising out of, from or related to the inspection or the report shall be submitted to final and binding arbitration as conducted by and according to the Rules and Procedures of Construction Dispute Resolution Services, LLC. The decision of the arbitrator appointed by Construction Dispute Resolution Services, LLC shall be final and binding and judgment on the decision may be entered in any Court of competent jurisdiction. All proceedings must be held in the state where the inspection was performed. **NOTICE: YOU AND WE WOULD HAVE A RIGHT OR OPPORTUNITY TO LITIGATE DISPUTES THROUGH A COURT AND HAVE A JUDGE OR JURY DECIDE THE DISPUTES BUT HAVE AGREED INSTEAD TO RESOLVE DISPUTES THROUGH BINDING ARBITRATION.**

7. **Disclaimer of Warranty:** The Client understands that the inspection and report do not, in any way, constitute a guarantee, warranty of merchantability or fitness for a particular purpose, express or implied warranty, or an insurance policy. Additionally, neither the inspection nor inspection report is a substitute for any real estate transfer disclosures that may be required by law.

8. **Notice of Claims:** The Client agrees that any claim for failure of the Company to fulfill its obligations under this Agreement shall be made in writing to the Company upon discovery. The Client also agrees to allow the Company ten (10) days to come to the Subject Property to inspect and evaluate any condition complained of by the Client to the Company and not to make, or allow others to make, any alteration to the claimed condition until the Company has had the opportunity to inspect and evaluate the claimed condition, except in case of emergency.

9. **Choice of Law:** This Pre-Inspection Agreement shall be governed by Texas law. If any portion of this Agreement is found to be invalid or unenforceable by any court or arbitrator the remaining terms shall remain in force between the parties.

10. **Systems & Components Not Inspected By Agreement:** The Client and the Company agree that the following systems and/or components of the Subject Property are specifically excluded from the inspection at the request of the Client:

11. **LIMITATION ON TIME TO BRING LEGAL ACTION. PLEASE READ CAREFULLY:** Any legal action, including claims for, but not limited to, breach of contract, negligence, fraud or misrepresentation, and/or any violation of any law, statute, ordinance, regulation or code, 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 report must be brought within one (1) year from the date of the inspection, regardless of when the Client first discovers the facts supporting such possible claims as identified herein. Failure to bring said action within one (1) year of the date of the inspection shall be a complete bar to any such action and a full and complete waiver of any rights, actions or causes of action that may have arisen from the inspection and/or inspection report. This time period may be shorter than otherwise provided by State law.

12. **Responsibility for Return Inspections:** The Client understands that if any systems and/or components of the Subject Property cannot be inspected due to unforeseen circumstances during the inspection it is the Client's duty to contact the Company should the Client desire the Company to return to the Subject Property at a later date or time to inspect those systems and/or components. Any systems and/or components not inspected due to unforeseen circumstances will be identified in the report. If Client desires the Company to return at a later date or time the Client hereby agrees that the Company will charge the Client an additional fee in the amount of \$ _____ to conduct the return inspection.

13. **Entire Agreement:** This Pre-Inspection Agreement and any subsequent report issued to the Client by the Company represent 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. The inspection is being performed for the exclusive use and benefit of the Client. The inspection, including the written report, is not to be transferred to, utilized or relied upon by any other person or entity without prior written permission of the Company.

14. **Client's Agreement & Understanding of Terms:** By signing this Agreement, the undersigned Client agrees that he/she/they have read, understand, and agree to all of the terms and conditions on all pages of this Agreement, including the provisions for arbitration, and limitations and exclusions, and agree to pay the fee shown according to the terms above. The Client understands that the Client has a right to have an attorney of the Client's choice review this Agreement before signing it. The Client understands that if the Client does not agree with any of the terms, conditions, limitations and/or exclusions set forth in this Agreement, the Client is free to not sign it. The Client understands that the Client may retain another provider to perform the services contemplated by this Agreement. The Client further understands that, should the Client not agree to the terms and conditions set forth in this Agreement, the Client may negotiate with the Company for different terms and conditions.

Client's Signature: _____ Date: _____

Client's Name: _____
Please Print

Inspector's Signature: _____ Date: _____

Inspector's Name: _____
Please Print