

McKinney Inspection Services

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TREC I.D. #21965

PROPERTY INSPECTION AGREEMENT

Property Address: _____ City: _____ Zip: _____

Client name(s): _____ Date of inspection: _____

Definitions

MIS means McKinney Inspection Services (A division of McKinney Consulting Services LLC) and/or any TREC licensed inspector performing the inspection and/or employee or subcontractor of the aforementioned. TREC means Texas Real Estate Commission. Client means person(s) named above and **everyone** related to this specific real estate transaction as a purchaser or investor associated party.

Scope of Inspection

It is important to understand this contracted home inspection **attempts to reduce your risk, but will not eliminate your risk**. Although the inspector tries to be thorough, this limited report does not represent all defects (large or small) and unsafe conditions (minor or major) to have been discovered or completely interpreted. This inspection will not find all the problems associated with this property. Such expectation is simply beyond the scope of this limited service. MIS uses the TREC Standards of Practice as minimum standards for inspections.

It is possible the inspector will not recognize all repair needs. Guarantees, warranties or protection against errors and omissions are not expressed or implied. The inspector(s) liability is limited to the report fee.

MIS reports visually discovered conditions that, in the opinion of the inspector, appear to be significant adverse performance related defects. Some minor items may be reported as a courtesy. MIS will perform a limited visual inspection of the property for the Client using the TREC Standards of Practice (SOP) as a guideline with the following departures.

Unless specified in the report, MIS:

- A) Does not inspect or compare the property to building code or manufacturer specifications
- B) Inspects only accessible items and components
- C) Does not inspect: Corrugated Stainless Steel Tubing (CSST) Smart controls, Smoke/CO Detectors, Security Systems, Specialized Electronics and Water Heater PRVs. Electrical grounding and bonding is not verified for all systems and components.
- D) Cannot determine life spans and/or future failures of components or systems
- E) May not inspect roof from the surface if roof is determined to be unsafe for the inspector to walk.
- F) Smoke and Carbon Monoxide alarms are not inspected. Proper testing requires a specialist to assure event related operations.

These departures are due to the typical time limitations that are common in real estate inspections and to reduce cost of service to the Client. MIS is available to discuss comprehensive inspection options and their associated costs. The TREC Standards are available to review at the Texas Real Estate Commission (TREC) internet site. MIS reserves the right to revise opinions as information changes and welcomes further relevant information. The inspection fee does not include the cost of reviewing previous documentation about the property; any comment about such is limited.

The inspection is limited in time and scope:

- 1) Items are operated using only normal controls or modes if, in the opinion of the inspector, damage will not occur.
- 2) Occupied properties may **limit or prevent access** to areas and/or components of the property
- 3) The inspector does not move furniture, climb over obstacles, move or disassemble items and **only accessible areas are inspected**.
- 4) Accompanied Inspections: Due to time constraints and safety concerns, MIS does not allow person(s) to accompany (follow along) with the inspector through the inspection process. If requested, Inspector will meet with client(s) at the end of inspection for approximately 30 minutes, to discuss any major findings.

Inspection Agreement and Report

The inspection report will be generated using the current TREC Promulgated Form, using all of the TREC Standards of Practice as a minimum guideline.

Client agrees to sign, date and return this agreement prior to the commencement of the on-site inspection. **Client agrees to pay the inspection fee prior to report delivery**. The report will be delivered via email within two working days and because email can sometimes fail, Client agrees to contact MIS if the report has not been received in the time specified.

Client agrees **This contracted inspection is not completed until the report is delivered to the client**. Electronic recordings (audio and or video) of inspector's comments may not be made, distributed or published without written permission of MIS.

Client gives permission to MIS to distribute and discuss report findings with parties directly related to this transaction. The Client agrees the report may not be provided to or relied upon by any insurance provider, residential service contract provider (home warranty) or mortgage company without written permission from MIS.

PEST / MOLD: MIS does not provide an Official Mold, Wood Destroying Insect or Termite report. These areas require specialized, licensed professionals to inspect and a provide detailed report. Inspecting for Mold or Pests is outside the scope of this inspection. Any comments by MIS are limited and provided without compensation. MIS Recommends the client contract with a professional WDI / Pest Inspector and/or a Mold Inspection Specialist to provide an official report on the listed property prior to closing.

On-Site Inspection Comments

Unless stated, the inspection does not: (a) determine the cause of the defect; (b) prescribe repair methods; (c) inspect or compare to codes or manufacturing standards; (d) provide comprehensive reporting (e) verify prior documentation such as the Sellers's disclosure or prior reports (f) document prior history (g) Any comment regarding the aforementioned is partial.

Client is advised to assure gas, water and electric utilities are on at the time of inspection. If utilities are not on, MIS will inspect what is possible to avoid purchase contract delays. Return trips and same day cancellations are subject to a fee. *Without all utilities operating on the date of the on-site inspection, the resulting report will be partial in all related areas.*

Client and/or client's agent agrees to assure that any and all animals (pets) on the property to be inspected, are secured or removed from the premises for the entire duration of the on-site inspection. MIS does not assume care and custody of resident's pets or animals. MIS is NOT responsible for any animal/pet owned by or under the care of a home owner / resident.

The inspector may make recommendations for further inspection by a professional specific to a particular system or component of the home. Any such recommendations are made without compensation and may or may not result in additional discovered defects. Additional discovered repairs or costs are not the responsibility of MIS. If major additional repair needs are discovered, it is recommended you get several opinions / estimates prior to closing.

Client is advised that oral explanations by MIS are partial in context and **Client agrees to read the entire report and addenda before prioritizing concerns and action items.**

Disputes and Statutes of Limitations

Client agrees to all of the following:

1. Should any disputed condition arise, customer agrees that before taking any other action and **within 10 days of discovery of the problem**, to allow MIS to perform an inspection of the condition in question before any changes are made, except in cases where injury or subsequent property damage may occur.
2. **Client agrees to pay all of MIS expenses and attorney's fees, if they do not prevail on any and all claims against MIS.**
3. Client agrees any unresolved dispute shall be submitted for final and binding arbitration within Grayson County, Texas, under the Rules and Procedures of a mutually agreed upon Arbitration Services company pursuant to Chapter 171 of the Texas Civil Practice & Remedies Code 10.
4. Client agrees the statute of limitations for any and all claims against MIS and MIS Employees, including but not limited to; Property Damage, Liability, Errors and Omissions, Financial Loss , are valid for a maximum of One Year from the date of this signed document for all claims.

INDEMNIFICATION

IN THE EVENT THAT ANY PERSON, NOT A PARTY TO THIS AGREEMENT, MAKES ANY CLAIM AGAINST INSPECTOR, ITS EMPLOYEES OR AGENTS, ARISING OUT OF THE SERVICES PERFORMED BY INSPECTOR UNDER THIS AGREEMENT, THE CLIENT AGREES TO INDEMNIFY, DEFEND AND HOLD HARMLESS THE INSPECTOR FROM ANY AND ALL DAMAGES, EXPENSES, COSTS AND ATTORNEYS FEES ARISING FROM SUCH A CLAIM.

LIMITATIONS OF LIABILITY: Client understands and agrees: (a) that the inspection fee paid to MIS is small relative to the liability associated with performing home inspections and that without the ability to limit liability, MIS would be forced to charge Client much more than the inspection fee agreed upon; (b) Client agrees that MIS and MIS insurance total liability is limited to the amount of the Inspection Fee* paid; (c) Client is advised by the Texas Real Estate Commission (TREC) to consult an attorney if they do not understand the effect of any contractual term contained in this Agreement, The Inspection Report or any attachments, before a binding agreement regarding the property occurs. (d) Client acknowledges that the services provided by the Inspector fall within the Professional Services Exemption of the Texas Deceptive Trade Practices Act ("DTPA") and agrees that no cause of action exists under the DTPA related to the services provided. Client agrees to pay the inspector all fees, both legal and representative, should a claim against MIS not prevail.

CLIENT SIGNATURE BELOW IS ACKNOWLEDGEMENT OF THIS LIMITATIONS OF LIABILITY STATEMENT AND AGREES TO STIPULATIONS LISTED HERIN

BY UNDERSIGNING BELOW, CLIENT WARRANTS A COMPLETE UNDERSTANDING OF THE TERMS AND CONDITIONS OF THIS PROPERTY INSPECTION AGREEMENT. IF THIS IS A JOINT PURCHASE, CLIENTS SIGNATURE WARRANTS EXPRESSED CONSENT AND AUTHORITY TO SIGN FOR ALL UNSIGNED PARTIES.

Client Signature X _____

(IF THIS IS A JOINT PURCHASE, SIGNED REPRESENTS AUTHORITY TO SIGN FOR ALL PARTIES)

Inspector Signature Mark S. McKinney Date _____ *Inspection Fee = \$ _____