

Property Inspection Agreement

BY ACCEPTING THIS REPORT, YOU ARE VERIFYING THAT YOU HAVE READ, UNDERSTAND AND AGREE TO ALL OF THE FOLLOWING TERMS AND CONDITIONS.

Jane T Sample and their agent(s) are herein referred to as the "client". Client requests a limited visual inspection of the subject property to be conducted by a licensed real estate inspector with **Anchor Inspection Group**. The real estate inspector and the company and their agents, employees, and owners are jointly referred to herein as the "inspector". The purpose of the inspection is to inform the client of visually observable major deficiencies in the condition of the inspected systems and items at the time of the inspection. Client represents and warrants that client has secured all approvals necessary for inspector's entrance onto the subject property for the purpose of conducting the inspection. Client warrants that they will carefully read the entire inspection report (herein called report) when they receive it and will promptly call the inspector with any questions they may have. Client and inspector understand that they are bound by all terms of this agreement.

FEE: Client agrees to pay the fee of \$350.00 for the performance of the inspection. This amount shall be paid in full prior to the delivery of the inspection report. Should client fail to timely pay agreed upon fee, client shall be responsible for paying any and all fees associated with collection, including but not limited to attorney's fees and costs. The parties agree that the fee agreed to herein is not contingent on the reporting of any specific, predetermined condition of the subject property. The inspector has not and will not accept a fee or other valuable consideration in this transaction from any person other than the client. The inspector has not and will not pay any portion of the fee received herein to any participant in this real estate transaction.

SCOPE OF INSPECTION: The inspection to be performed for client is a non-invasive visual examination of the inspected systems and items of the subject property. Major visible defects as they exist on the date of the inspection will be noted on the report, which will be prepared by the inspector during the actual inspection. The inspection will be performed in accordance with the Standards of Practice set forth by the Texas Real Estate Commission (TREC) and the inspector will use the TREC Property Inspection Report to report the findings. The TREC Standards of Practice and the Property Inspection Report define the scope of the inspection to be performed. Copies of the TREC Standards of Practice and Property Inspection Report will be provided upon request or client may view them at www.trec.state.tx.us. The inspection only includes those systems and items expressly and specifically identified in the report. Some items are randomly examined. Examples of randomly selected items include but are not limited to:

1. switch and light operation;
2. Ground fault interrupt operation;
3. roof shingle condition;
4. siding material and other large surface area items' condition;
5. secure mounting of light fixtures, cabinets, door knobs, locks etc.;
6. mortar condition
7. brick condition;
8. accessible insulation depth or thickness;
9. door operability;
10. electrical plug continuity, polarity etc.;

The inspection and report thereon is not a warranty, guarantee, insurance policy, or substitute for real estate transfer disclosures, warranties or Seller's Disclosure Statement which may be required by law.

EXCLUSIONS: This inspection is limited to the real property and does not include personal property unless so indicated in the report. Inspector will not inspect or report on systems and items that are not included or that are specifically excluded in the TREC Standards of Practice or Property Inspection Report unless otherwise agreed to in writing signed by parties. Inspector is not required to inspect anything identified in the TREC Standards of Practice as limitations or exclusions specific to the systems and components inspected. No representation is made as to how long any equipment will continue to function. Maintenance conditions may be discussed, but they are not a part of this inspection. The inspector shall not inspect **evaporative cooling equipment**. The inspection to be performed is a visual inspection only. Latent and concealed defects and deficiencies are excluded from the inspection. Inspector shall have no liability for conditions that are concealed from view or inaccessible to the inspector. A system or component is not accessible if inspection requires moving personal property, dismantling, destructive measures, or any action that will, in the opinion of the inspector, likely involved risk to persons or property. Anything not readily observable because it is concealed or inaccessible due to obstructions including (but not limited to) floor coverings, suspended ceiling tiles, insulation, furniture or other personal property, soil, vegetation, water, ice or snow cannot be inspected. Inspector is not required to move or disturb such items in order to diminish or eliminate the obstruction.

LICENSED INSPECTOR: Inspector is licensed as a real estate inspector by the Texas Real Estate Commission. Client understands that the inspector generalist, knowledgeable in a variety of areas, but does not hold himself as an expert in any field. A preliminary generalist inspection and report is an unbiased opinion, based upon the experience of the individual inspector. Inspector is not an insurer or guarantor against defects in the systems and items inspected. If the inspector recommends consulting specialized experts for further evaluation or repair, it is up to the Client, at the Client's expense, to proceed with further inspections or evaluations with experts as selected by Client. Client agrees to consult with an appropriate specialist on any item noted in need of repair, replacement or further evaluation prior to closing.

LIMITATION OF LIABILITY: In the event the inspector fails to fulfill the obligations under this agreement, Client's exclusive remedy at law or in equity against inspector is limited to a maximum recovery of damages equal to the inspection fee paid herein. This limitation of liability applies to anyone, including Client, who is damaged or has to pay expenses of any kind, including attorney fees and costs, because of mistakes or omissions by inspector in this inspection or report. Client assumes the risk of losses greater than the refund of the fee paid herein. Client acknowledges that this limitation of liability is reasonable in view of the relatively small fee that the inspector charges for making the inspection when compared with the potential of exposure that the inspector might otherwise incur in the absence of such limitation of liability.

CONFIDENTIALITY OF REPORT: The report is confidential and is for the sole and exclusive use of the Client. It is not to be copied or disseminated to any other party without the express written consent of the inspector. Use of all information contained in the report is specifically restricted to the transaction for which the inspection was performed. Use of or reliance upon the report by other parties, or for other transactions, is strictly prohibited. No third party shall have any right arising from this contract or the report and

may not rely on this report. In consideration of the furnishing of the report, the Client agrees to indemnify, defend, and hold harmless inspector for all costs, expenses, legal fees, awards, settlements, and judgments in any legal proceeding brought by any third party who claims that he/she relied on representation made in such report and was damaged thereby. Client's request that inspector release copies of the report to any third party or client's release of copies of the report to any third party shall be at Client's risk with respect to the contents of this paragraph.

DISCLOSURE: Client requests and authorizes inspector to disclose information and provide a copy of the report to real estate agents, sellers, lenders, attorneys and other parties intimate to this transaction. Inspector authorizes Client to provide a copy of the report to the seller, the lender and the real estate agents in this transaction.

DISPUTE RESOLUTION: Notice: Client understands and agrees that any claim for failure to accurately report the major visible defects of the subject property, as limited herein, shall be made in writing and reported to the inspector within 10 business days of discovery. Inspector agrees to respond promptly to any legitimate complaint and to re-inspect the portion of the property relating to the claimed condition by requesting permission to do so within 15 days of Client's written notice of the claimed condition. Client further agrees that Client and its agents, employees or independent contractors will make no alterations, repairs or replacements to the claimed condition prior to a re-inspection by the inspector. Client understands and agrees that any failure to timely notify inspector and allow adequate time to investigate and reinspect as stated above shall constitute a complete bar and waiver of any and all claims Client may have against inspector related to the alleged act, omission, or claimed condition.

MEDIATION: Client agrees that if a dispute or claim arises from this agreement, the inspection, or the report, and if the dispute cannot be settled through direct discussions, the parties agree to endeavor first to settle the dispute by mediation before resorting to arbitration. If the mediation does not result in a settlement of the dispute, then any unresolved controversy shall be submitted to arbitration, as set forth below. The parties shall share equally the costs of the mediator.

ARBITRATION: Any and all disputes, not resolved by direct discussions or mediation, concerning the interpretation of this Agreement or arising from the inspection and report shall be resolved by final, binding, non-appealable arbitration conducted in Collin County, Texas in accordance with the rules of the American Arbitration Association, except that the parties shall mutually agree upon an Arbitrator who is familiar with the real estate industry and the TREC Standards of Practice. At the arbitration the parties may adjudicate all claims and issues, as provided for or limited herein, that could have been raised before a court of law, including but not limited to, lawful attorneys fees and costs, where provided by statute. The decision of the Arbitrator shall be final and binding. The parties shall share equally the cost of the arbitrator. Either party may demand arbitration by written notice to the other. Such demand for arbitration must be made less than one year after the date of the inspection.

STATUTE OF LIMITATIONS: The parties agree that no claim, demand, or action, whether sounding in contract or in tort, maybe brought to recover damages against the inspector, or it's officers, agents, or employees **MORE THAN ONE YEAR AFTER THE DATE OF THE INSPECTION. TIME IS EXPRESSLY OF THE ESSENCE.** Client understands that this time period may be shorter than otherwise provided by law.

ACCEPTANCE OF REPORT: If the client has not signed an agreement then acceptance of