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**PRE-INSPECTION AGREEMENT & ORDER FORM**

**Part I: Type of Inspection(s) Requested**

1. Please select the type of inspection(s) being requested:

[ ] General Residential Inspection (Based on TREC Guidelines)

[ ] Wood Destroying Insect Inspection (aka Termite Inspection)

[ ] Mold Inspection

[ ] Residential Apartments Number of Units to Inspect: \_\_\_\_\_\_\_\_\_\_\_

[ ] Commercial Building Inspection

[ ] Custom (Other Type) Building Inspection:

For Custom Inspections ONLY, please select the building components you would like inspected:

[ ] Roof Covering Materials [ ] Roof Structure & Attic Components

[ ] Foundation [ ] General Framing

[ ] Electrical System [ ] HVAC

[ ] Plumbing [ ] Other: Specify \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[ ] Complete Structure (Foundation to Roof)

[ ] Pre-Drywall

1. Please select additional inspection(s) being requested for Optional Systems:

[ ] Detached Building(s) Specify Type of Building: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

[ ] Swimming Pool Inspection

[ ] Lawn Irrigation Systems

**Part II: Parties**

1. **PARTIES**: THIS AGREEMENT is made and executed by and between Oscar C. Leal (Herein referred to as the “Inspector” or “Inspection Company”) and \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (Herein referred to as the “Client”).

**Part III: General Liability Terms**

1. **CLIENT’S RESPONSIBILITIES:** The Client agrees to the responsibility of getting all the items marked as “Deficient” (where applicable) on the inspection report, further evaluated by specialists. For example, if the Inspector marks the “Ceilings” as deficient due to some water stains found on some of the ceilings, it is the Client’s responsibility to further evaluate (with the use of professional specialists) what caused the water stains and how to correct the problem.
2. **DISPUTE RESOLUTION**: In the event a dispute arises regarding this inspection, the Client agrees to notify the inspection Company, so as to give reasonable opportunity to reinspect the property. The Client further agrees that the inspection company can conduct the reinspection itself or can employ others (at the Inspector’s own expense) or a combination of both. In the event the Client files suit against the inspection Company, or its inspector, the Client agrees to pay all the Inspector’s legal fees, cost of the expert witness, court costs, costs of depositions and all other such expenses incurred by the Inspection Company if the Client fails to prevail in the lawsuit. Any lawsuit brought forward against the Inspector must be done in Hidalgo County, Texas.
3. **MEDIATION**: Before any lawsuit is brought forward toward this Inspector (or Inspection Company) in regard to this inspection, both parties agree to Mediate the dispute before a mutually accepted Mediator. The Mediation shall be done in Hidalgo County, Texas. The cost of the Mediation will be paid by the Client.
4. **TOTAL LIABILITY**: In case a lawsuit is brought forward against the Inspector, the Client agrees the Inspector is only liable for the cost of the inspection fee. This means the dollar amount of the inspection fee is the total dollar amount the Client can sue for; and this amount will be the sole and exclusive remedy for any liability incurred by the Inspector.
5. **AGENT’S LIABILITY**: In some instances, real estate agents will provide their buyers with a list of inspectors for different types of inspections or will even recommend one inspection company over another due to professional preferences. This does not mean the inspector is working for the agent, since licensed Home Inspectors work for the buyers in traditional real estate transactions. Therefore, any real estate agent AND the real estate company they work for will be held harmless from ANY and ALL liability resulting from this home inspection, including but not limited to any independent contractor this Inspector hires to inspect Optional Systems, as mentioned in Paragraph 7 of Part V of this Agreement.
6. **ENTIRE AGREEMENT**: This Agreement includes the entire agreement of the Parties involved in this transaction and supersedes all prior contracts or agreements, whether oral or written.
7. **SEVERABILITY**: If any provision of this Agreement or the application thereof to any person or circumstance is held invalid or unenforceable to any extent, the remainder of this Agreement and the application of it will NOT be affected thereby, and the remainder of this Agreement shall survive and be enforced to the greatest extent permitted by law.

**Part IV: Payment & Cancellation Policies**

1. **PAYMENT**: Payment for all services is due the day the service is performed. A grace period of three (3) days may be extended to the Client, but the payment will be considered late after these 3 days and a late fee of $50 will be assessed to the inspection fee. Mold Inspections are required to be paid upfront, since the inspection company has to pay an independent lab for analysis. In addition, any inspection fee larger than $500 must be paid upfront as well. The Client acknowledges that ALL inspection reports must be paid in full before this inspection company releases them to the Client or corresponding parties. The Client waives any rights set forth by the State of Texas in regard to the Inspector sending the Client the inspection report within a certain amount of time. Furthermore, if the Client does not pay for the inspection service within 3 days of the inspection, the Client authorizes the inspection company to invoice whichever Title Company (or attorney’s office) is being used to hold escrow, for the services rendered, including late fees and PAC (Pay-at-Closing) fees.
2. **CANCELLATION & POSTPONING PENALTIES**: If the Client (or the Client’s real estate agent) cancels or postpones an inspection that has already been scheduled, within 24 hours of the inspection, the Client will be charged a cancellation fee of $200. An inspection is considered to be scheduled when both parties (the Inspector and the Client) mutually agree to a date and time. A Client wanting to cancel or postpone an inspection that has already been scheduled should do so more than 24 hours in advance. However, if the Client cancels/postpones, but later decides to schedule another home inspection with this Inspection Company, within 30 days of the cancellation, the Inspection Company will provide the Client with a $50 credit.
3. **LATE FEES & PAC FEES**: Any inspection fee not paid within 3-days of the inspection service will be considered late, and a $50 Late Fee will be assessed to the total inspection fee. In addition, if the inspection is not paid on time, and the Inspection Company has to invoice a Title Company on behalf of the Client, and now has to wait until the transaction closes to collect from the closing proceeds, the inspection company will assess a Pay-at-Closing convenience fee of $50, which is in addition to the Late Fee.
4. **TRIP FEES**: There are several instances when the Inspector will not be able to access a certain component, system, room, or section of a house or building, through no fault of the Inspector. One example is if the Seller of the house neglected to pay a utility bill, and that utility is turned off at the time of the inspection. Another example would be if the seller has a vehicle parked in the garage which blocks access to the attic entrance. Another example would be if the A/C thermostat is broken, and the cooling and heating equipment cannot be turned on to inspect the HVAC system. These are all scenarios that are outside the control of this Inspection Company. Therefore, if the Client requires the Inspector to go back to the property to inspect that particular item that was not originally inspected, this Inspection Company will charge a $50 Trip Fee to go back to the subject property, and will only go back if the original inspection has been paid in full. This Trip Fee must be paid before the updated inspection report is turned in to the Client.
5. **FOLLOW-UP INSPECTION FEES**: Many times, after a building inspection is performed, the Client will ask the seller of a house or building to complete several repairs that had been noted as deficient in the inspection report. If the Client would like to request the Inspector go back to the property to inspect if the repairs were done correctly, the Client may hire this inspection company to perform a Follow-Up Inspection for an additional fee of $100/hour, with a one-hour minimum. This fee must be paid before this new report is delivered to the Client or the representing agent.
6. **DIRECTIVE TO TITLE COMPANY**: The Client agrees to the Payment & Cancellation Policies in this section of this Agreement, and directs the Title Company (or Attorney’s Office) holding any monetary funds in escrow for the purchase of the property being inspected, to release any of these fees, including Cancellation Fees (for either cancellation or postponement) or Payments to this Inspection Company.

**Part V: General Residential Inspections (Based on TREC Guidelines)**

1. **DEFINITION**: A TREC (Texas Real Estate Commission) Inspection is an inspection done on a single-family dwelling when the dwelling is being sold in Texas. Most of the time, the dwelling is under contract in a real estate transaction, at the time this inspection is ordered and performed. A private building inspector must be licensed by TREC, and the inspector follows the guidelines set forth by TREC to perform this type of inspection.
2. **PURPOSE**: The Client acknowledges that the home inspection performed by this Inspection Company is only a visual inspection and is NOT a technically exhaustive inspection of the structure, systems, or components. This inspection may NOT reveal all deficiencies. A general inspection based on TREC Guidelines helps reduce some of the risk involved in purchasing a home, but it cannot eliminate all risks, nor can the inspection anticipate future events or changes in performance due to changes in use or occupancy. The Client acknowledges this inspection is only a “Snapshot” of the condition of the house on the day of the inspection ONLY.
3. **LIMITATIONS**: This is a visual inspection only. We inspect only what we see. We do not disassemble anything. We do not inspect for any environmental issues such as lead paint, asbestos, etc. The inspector takes no responsibility of what cannot be visibly seen at the time of inspection. We do not inspect for the city building codes, soil analysis, adequacy of the design, capacity, efficiency size, value, flood plain location, pollution or habitability. Please remember that older houses do not meet the same standards as newer houses, even though items in both might be performing the function for what they were intended. We do not hold ourselves to be specialists for any particular item, nor are we engineers. This inspection report covers only items listed in the TREC report, which are reasonably observable and are based on the present condition of those items. For example, we do not move furniture, rugs, paintings or other furnishings. There is no responsibility expressed or implied for latent defects or for defects not reasonably observable at the time of the inspection or for defects that would require the removal of major or permanent coverings for observation. No representation is made as to the future performance of any item. There are no warranties, either expressed or implied. We do not inspect any components outside the property (unless specifically hired to do so in writing) such as lawn irrigation systems, swimming pools, water wells, septic systems, security systems or fire protection equipment as special training and certifications are required. We also do NOT inspect fences and detached buildings unless specifically hired to do so. In addition, this Inspector does NOT climb on roofs with more than a 6:12 pitch as it is considered unsafe.
4. **GENERAL INSPECTION METHODS**: This inspection will NOT place any system or component under stress, nor will we inspect any component in any way than what is considered normal use. We will NOT stop shower drains unless we have a suspicion to do so. Shower pans in second level bathrooms will NOT be inspected since this can damage building components underneath the shower if the shower pan were to leak. This Inspector will NOT install light bulbs in light fixtures, so if light fixtures do not have light bulbs in them, this inspector will not be able to inspect for proper functionality. Light fixtures that do not turn on could indicate faulty fixtures, faulty wiring, or both, and should be further evaluated by an electrician.
5. **CLIENT’S RESPONSIBILITIES:** The Client agrees to the responsibilities outlined in Part III, Paragraph 1 of this Agreement. In addition, it is the Client’s responsibility to read TREC form REI 7-5 (found at the TREC website www.TREC.Texas.gov), specifically the section titled “Purpose, Limitations and Inspector/Client Responsibilities”, for a more detailed explanation of what a TREC Inspection consists of.
6. **SELLER’S DISCLOSURE**: This inspection report is NOT a substitute to the Seller’s Disclosure statement. The Seller’s Disclosure statement is a form that is required in the state of Texas for a Seller of a single-family dwelling to provide to the Buyer(s), which informs the Buyer(s) of any known defects. The Seller of the house is in a better position to provide more detailed information about the history and current condition of the house, and therefore the Client should obtain that document from the Seller and not rely on this inspection report as a substitute for such document.
7. **OPTIONAL SYSTEMS**: The Texas Real Estate Commission names several items/systems (such as swimming pools and lawn irrigation systems) at the end of the report under a section titled Optional Systems, which are not required by the inspector to inspect since they require special training and knowledge which most TREC licensed inspectors DO NOT poses. This Inspector does not inspect any of the items in this section since he does not poses the required training or knowledge to do so; however sometimes, when requested by the Client or the Client’s Agent, the Inspector will hire an independent contractor(s) that is a specialist in one of these listed systems to inspect one or more of items under the Optional Systems list. If this takes place during this inspection, the Client will hold the Inspector and the Inspection Company harmless from any inaccurate data or inaccurate reporting done by the independent contractor, regardless if the information is given to the Client by this Inspection Company, or regardless of how the information is provided to the Client.

**Part VI: Wood Destroying Insect Inspections**

1. **DEFINITION**: A Wood Destroying Insect Inspection (or WDI) is a special type of inspection performed for the purpose of identifying the presence of wood destroying insects in a building. Many times, during a real estate transaction, a lending institution may request a formal WDI Inspection to meet certain loan requirements. This inspection company is licensed by the Texas Department of Agriculture (TDA) to perform such inspections.
2. **PURPOSE**: The purpose of a WDI Inspection is to determine if the house (or building) has or had a wood-destroying infestation. The Inspector will mark on the WDI Report if the infestation is Active or Previous, and if there are any signs that the infestation has been treated. The Inspector will also identify the type of Wood Destroying insect(s) found in the building. The Inspector will also identify any conditions present on or around the property that might attract these insects and will make recommendations if they should be mechanically removed or chemically treated. In addition, the Inspector will make a recommendation of what infestation(s) should be treated and how to treat it, and many times will include a bid for the treatment.
3. **LIMITATIONS**: A WDI Inspection is a visual inspection only. We inspect only what we see. We do not disassemble anything. We do not move furniture, rugs, paintings or other furnishings. This Inspection is NOT a warranty stating that the house or building is free of wood destroying insects, but only states that we did not see any such insects at the time of the inspection. There are instances where certain walls or ceilings have an internal infestation without showing any evidence of such. A termite infestation can manifest itself from one week to the next, therefore, if a termite infestation is discovered some time later after this inspection, we are not responsible for such infestation, and the Client agrees to hold the Inspector and the Inspection Company harmless and free of any liability.

**Part VII: Mold Inspections**

1. **DEFINITION**: A Mold Inspection is a special type of inspection performed onsite for the purpose of discovering the presence of mold spores in the indoor air of the building or on any building components. A Mold Inspection can be performed in various ways, including visually, by taking air samples, by taking swab or tape lift samples, or a combination of any of these. This inspection company is licensed by the Texas Department of Licensing and Regulations (TDLR) to perform such inspections.
2. **PURPOSE**: The purpose of a Mold Inspection is to determine the presence of mold spores in a building, either in the indoor air or on any of the indoor building components. Biological samples are usually taken and sent to a lab to determine the type of mold present in the building, if any, to determine the possible cause and the severity. If high spore counts are found in the indoor air, then a remediation procedure is usually recommended.
3. **LIMITATIONS**: There is no universal, federal, or state guideline to determine how an air sample is to be analyzed. Therefore, this inspection company will provide its opinion based on its own interpretation of the lab results based on its own research and field experience. Therefore, it is possible that another Mold Inspector can reach different results or a different opinion on the same building. In addition, a mold inspection does not include a Mold Remediation Protocol, in the event mold is discovered to be present in the building. However, this inspection company may be hired to write one for the Client for an additional fee.

**Part VIII: Residential Apartment Inspections**

1. **DEFINITION**: A Residential Apartment Inspection is an inspection of any building that houses more than one family, which could range from a simple duplex to a multi-building complex. This type of inspection is not subject to TREC (Texas Real Estate Commission) Guidelines but will still be inspected similar to a single-family dwelling.
2. **PURPOSE**: The purpose of this inspection is similar to that of a single-family residence. It is to discover different types of deficiencies in the systems and building components of the building. Please see Paragraph 2 of Part V of this Agreement.
3. **LIMITATIONS**: The limitations of this inspection are similar to the limitations of a single-family inspection. Please see Paragraph 3 of Part V of this Agreement.
4. **PAYMENT AND FEES:** Apartment inspections are required to be paid upfront before the inspection is performed. This Inspection Company requires all the tenants whose units will be inspected to be notified of the inspection. This Inspection Company also requires that someone who is authorized to enter the apartment units be present at the time of the inspection with the keys to let the Inspector in to all the units being inspected. It is the Client’s responsibility to coordinate all this with the corresponding parties. This Inspection Company is NOT liable for any units that cannot be accessed during the inspection appointment. Any unit (or units) that are not accessible for inspection will not be credited or refunded to the Client. In addition, if the Client requires the Inspector to go back to inspect those units that were not accessible during the original inspection appointment, the Client will be charged a $50 Trip Fee for each additional trip made to the subject property.

**Part IX: Commercial Building Inspections**

1. **DEFINITION**: A Commercial Building Inspection is an inspection of any type of commercial building such as a commercial plaza, a strip mall, a medical office, a school, a government building, etc. This type of inspection is not subject to TREC (Texas Real Estate Commission) Guidelines but the inspection still covers most of the principal components, such as the foundation, the roof, the structure, the electrical systems, the HVAC equipment, plumbing components, etc.
2. **PURPOSE**: The purpose of this inspection is similar to that of a single-family residence. It is to discover different types of deficiencies in the systems and building components of the building. Please see Paragraph 2 of Part V of this Agreement.
3. **LIMITATIONS**: The limitations of this inspection are similar to the limitations of a single-family inspection. Please see Paragraph 3 of Part V of this Agreement.

**Part X: Custom Building Inspections**

1. **DEFINITION**: A Custom Building Inspection is a special inspection where only certain components of a house or building are inspected. Many times, a Client might only be interested in a certain component of a house or building, and for the purposes of saving on the cost, will request that only certain components be inspected. A Custom Inspection performed on a house that is in the middle of a real estate transaction is still subject to TREC guidelines, but not any other type of building such as an apartment or commercial building.
2. **PURPOSE**: The purpose of this inspection is to discover deficiencies only on a certain section, system, or component of a house or building, in exchange of a reduced inspection fee. A Custom Inspection on a house still follows TREC guidelines, therefore please make reference to Part V of this Agreement.
3. **LIMITATIONS**: The limitations of this inspection are similar to the limitations of a single-family inspection. Please see Paragraph 3 of Part V of this Agreement. Please note that during a typical Pre-Drywall Inspection the utilities are not on, and therefore most of the mechanical equipment will not be tested for proper functionality.

**Part XI: Acknowledgments**

1. **If acknowledged by Client:**

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (The Client) have fully read this entire inspection agreement and understand fully, and acknowledge so by signing below:

(Signature of Client) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. **If acknowledged by Client’s Agent, on behalf of The Client:**

I, \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ , as duly acting Agent of The Client, have explained this entire agreement to my Client, and represent The Client’s acknowledgment by signing below:

(Signature of Agent) \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

1. **Property Info:**

Property Address (include city): \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title Company or Attorney’s Office Holding Escrow: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

GF#: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_