

2016e FOX INSPECTION GROUP REAL ESTATE INSPECTION SERVICE AGREEMENT

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT

BETWEEN YOU THE CLIENT AND FOX RESIDENTIAL SERVICES GROUP LLC, ITS SUBSIDIARIES, AND ALL
SUBCONTRACTORS SCHEDULED OR ARRANGED THROUGH US

PLEASE READ CAREFULLY

1. **SCOPE OF THE INSPECTION:** The inspector will perform a general, non-Invasive limited visual ("eyeball") inspection of the property structure at the address listed below to provide Client(s) with a written opinion as to the apparent general condition of the structure(s) components and systems at the time of the inspection. The inspection will be performed in a manner consistent with the "Standard of Practice" and "Code of Ethics" of "TREC" Texas Real Estate Commission and prepare a written report of the apparent condition of the readily accessible systems and components of the Property unless otherwise indicated existing at the time of the inspection. A copy of these Standards are readily available to the Client(s) at http://www.trec.state.tx.us/inspector/rules_governing_inspectors.asp Only systems and components that can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may result in damage to the property or personal injury to the Inspector will be inspected. Latent and concealed defects and deficiencies are excluded from the inspection, and Inspector is not liable for latent and concealed defects and deficiencies. Any area which is not exposed to view, concealed, is inaccessible because of soil, walls, floors, carpets, ceilings, furnishings or other things, or areas/items which have been excluded by "TREC" Texas Real Estate Commission standards and/or by the agreement of the parties is not included in this inspection. The inspection does not include any destructive testing or dismantling. In the event that the property is a part of a condominium unit, such inspection will not include any other connected or external portions of a multi-unit building or any common areas covered by a joint use agreement or considered common areas.
2. **STANDARDS OF PRACTICE:** The parties agree that the Standards of Practice "TREC" Texas Real Estate Commission shall define the standard of duty and the conditions, limitations, scope, and exclusions of the inspection and are incorporated by reference herein.
3. **CLIENT'S DUTY:** Client agrees to read the entire report when it is received and promptly call the Inspector with any question or concern regarding the inspection or written report. The written report shall be the final exclusive findings of the Inspector. In the event client becomes aware of a reportable condition which was not reported by the Inspector, Client agrees to promptly notify Inspector and allow Inspector and/or Inspector's designated representative(s) to inspect said condition(s) before making any repair, alteration, or replacement.
4. **FURTHER EVALUATION:** Client acknowledges and agrees that the Inspector is a generalist and that further investigation of a reported condition by an appropriate certified licensed specialist may provide additional information that may affect a Client(s) decision to purchase the home. Client should seek further evaluation from licensed professionals regarding the deficiencies identified in the written report. Inspector is not liable for Client(s) failure to further investigate reported deficiencies.
5. **CHANGE IN CONDITION(S):** The parties agree and understand that conditions of systems and components may change between the inspection date and the time of closing. It is the Client's responsibility to further investigate before closing and the Inspector is not liable for any changes of conditions.
6. **NOT A WARRANTY:** The parties agree and understand the Inspector is not an insurer or guarantor against defects in the structure, items, components, or systems inspected. Client(s) understand that the inspection and inspection report does not constitute a guarantee or warranty of merchantability or fitness for a particular purpose, expressed or implied, or insurance policy, nor is it a substitute for real estate transfer disclosures which may be required by law. **INSPECTOR MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE PRESENT OR FUTURE FITNESS FOR USE, CONDITION, PERFORMANCE OR ADEQUACY OF ANY INSPECTED STRUCTURE, ITEM, COMPONENT, OR SYSTEM, THE PRESENCE OR ABSENCE OF LATENT OR HIDDEN DEFECTS THAT ARE NOT REASONABLY ASCERTAIN IN A COMPETENTLY PERFORMED HOME INSPECTION, OR THE REMAINING USEFUL LIFE OF ANY SYSTEM OR COMPONENT OF THE PROPERTY.**
7. **NOT AN APPRAISAL:** The Inspection will not include an appraisal of the value or a survey of building and/or property lines. This inspection or the inspection report may not be construed as an appraisal or survey and may not be used as such for any purpose.
8. **NOT A COMPLIANCE INSPECTION:** This inspection or inspection report is NOT a code compliance inspection or certification for past or present governmental codes or regulations.
9. **INSURABILITY:** The inspection or inspection report does not determine whether the property is insurable.

10. **THIRD PARTIES AND SUBROGATION:** The inspection and written report are performed and prepared for the sole and exclusive use and possession of the Client. No other person or entity may rely on the report issued pursuant to this Agreement. In the event that any person, not a party to this Agreement, makes any claim against the Inspector, its employees or agents, arising out of the services performed by the Inspector under this Agreement, or claims alleging in whole or part any negligent act or omission of the Inspector, the Client agrees to indemnify, defend, and hold harmless Inspector from any and all damages, expenses, costs, and attorney fees, arising from such a claim.
11. **LIMITATION OF LEGAL ACTION:** The parties agree that any legal action must be brought within one (1) year from the date of the inspection(s), or will be deemed waived and forever banned.
12. **LIABILITY:** The parties agree that the Fox Inspection Group and its employees and its agents assume no liability or responsibility for cost of repairing or replacing any defects specified in the written report, as well as no liability for the costs of further evaluation or investigation of the defects specified in the written report. Further, the parties agree and understand that the Inspector and its employees and its agents assume no liability for the costs of repairing or replacing any of the unreported defects or deficiencies either current or arising in the future or any property damage, consequential damage or bodily injury of any nature. In the event of a claim by the Client that an installed system, or component of the premises which was inspected by the inspector was not in the condition reported by the Inspector, the Client agrees to notify the Inspector at least 72 hours prior to repairing or replacing such system or component. If repairs or replacement are done without giving the Inspector the required notice, the Inspector will have no liability to the client. Client agrees that prior to taking any action, legal or otherwise, Client shall: submit a written claim to Inspection Company within 10 days of the deficiency discovery to 11227 Endicott Lane, Houston TX 77035. The written claim shall describe the suspected deficiency. Allow the Inspection Company, their agent or legal representative to perform a re-inspection of the deficiencies stated in the claim. Agree to not to disturb or repair the disputed item prior to a re-inspection except in cases where injury or subsequent property damage may occur.

13. **DISPUTES AND ARBITRATION** In the event a dispute arises regarding an inspection that has been performed under this service agreement, Client(s) agree to notify Fox Inspection Group within ten (10) days of the time of discovery to give Fox Inspection Group a reasonable opportunity to re-inspect the property and resolved the dispute amicably. Upon the request of either party, all unresolved disputes relating to this agreement shall be submitted for arbitration in accordance with (AAA) American Association of Arbitrators and pursuant to the Federal Arbitration Act then in effect with costs shared equally. This provision shall be specifically enforceable and damages for breach of this provision shall include but not limited to court costs and attorney's fees. Client agrees that Fox Inspection Group and its agents' liability, if any, shall be limited to the amount of the inspection fee paid for inspection. This limitation shall apply regardless of the cause of action or the legal theory pled or asserted specifically including, but not limited to, negligence.

14. **SEVERABILITY:** If any court of competent jurisdiction determines that any section, provision or part of this Agreement is void, unenforceable, or contrary to Texas law, the remaining sections of this Agreement shall remain in full force and effect.
15. **DAMAGES:** If the inspection company or any of its employees, agents, providers, officers, members, or shareholders, are found to be liable for any claim or damage due to the alleged negligence or willful misconduct of the Inspection company performing the home inspection or in the reporting on the condition of the property in the inspection report, **THE MAXIMUM DAMAGE THAT THE CLIENT CAN RECOVER SHALL NOT EXCEED THE COST OF THE INSPECTION FEE PAID BY THE CLIENT.** The Inspection Company shall not be liable to the Client for any loss of use of the property, repair or replacement cost, consequential or punitive damages or for attorneys' fees or court costs. The Inspection Company shall not be liable to the Client for any claims, loss or damage if the Client alters, tampers with or repairs or replaces the condition which is the subject matter of the Client's claim before the Inspection Company has had an opportunity to inspect the alleged defective condition.

16. CLIENT UNDERSTANDS: The integrity and moisture content of framing and sheathing behind finished wall coverings (exterior siding, stucco, cement stone coverings, fiber cement siding, drywall, interior bath and shower tile walls, etc) is not visible to inspect and beyond the scope of our services and is excluded within our services and is excluded within our inspection and inspection report. The lack of proper detailing and flashing may result in water penetration behind siding resulting in water penetration and structural damage which Fox Inspection Group makes no guarantee, warranty, or implied in the inspection or inspection report.
17. EXPERT TESTIMONY / LITIGATION FINANCIAL COMPENSATION CLAUSE: In the event our services are needed at any time in the future as expert testimony or in a litigation case, client agrees at this time / in advance to financially compensate this firm for it's time and services. Terms: Non-refundable retainer of \$2,500.00 upfront, Hourly rate of \$175.00 for any activities on our part for your case, including but not limited to; deposition, phone time, research, court time, travel time portal to portal, review of case prior to court appearance, etc. Balance due invoiced weekly, submitted Friday, payable the next Friday
18. RE-INSPECTIONS: Fox Inspection Group does not normally conduct re-inspection services. We are not in the business of certifying the workmanship and/or warranting another company's repair work. Receipts and/or warranty for work performed should be obtained from the company or companies who have provided repairs. In the event a re-inspection is performed it is agreed to in advance that Fox Inspection Group does not assume responsibility of any kind for another company's work.
19. LIMITATION AND EXCLUSION CLAUSE: The Client expressly acknowledges and agrees that the following are not included in the scope of the inspection and the inspection report and further acknowledges that the Inspector makes no representations or warranties as to them. **THE FOLLOWING SYSTEMS, ITEMS, AND CONDITIONS WHICH ARE NOT WITHIN THE SCOPE OF THE BUILDING INSPECTION INCLUDE BUT ARE NOT LIMITED TO:** recreational, leisure, playground or decorative equipment or appliances including but not limited to pools, hot tubs, saunas, steam baths, landscape lighting, fountains, shrubs, trees, and tennis courts. Cosmetic conditions wallpapering, painting, carpeting, scratches, scrapes, dents, cracks, stains, soiled or faded surfaces on the structure ,equipment or component, soiled, faded, torn, or dirty floor, wall or window coverings, etc. Noise pollution or air quality. Earthquake hazard, flood plain certification, liquefaction, soil, retaining walls, slide potential, wave action and hydrological stability, soil and earth measurements and stability, seismic safety, code and zoning, engineer level analysis, underground utilities, sink hole potential, formaldehyde, lead paint, asbestos, toxic or flammable materials, molds, mildew, fungi, other environmental hazards, pest infestation, security systems, fire protection systems, sump pumps, household appliances, humidifiers, paint, other treatment windows, interior walls, ceilings and floors, water purification systems, (ozone generator/saltwater, etc), underground storage tanks, energy efficiency measurements, motion or photo electric sensor lighting, concealed or private security systems, water wells, all over flow drains, heating system's accessories, solar heating systems, heat exchangers, wood burning stoves, sprinkler systems, water softener or purification systems, central vacuum systems, telephone intercom or cable TV systems, internet connections and cable connections, antennae, lightning arrestors, load controllers, governing codes, permits, ordinances, statutes, and covenants, and manufacturer specifications, recalls, EIFS, Chinese drywall and tainted materials, plasterboard, sheet rock, gypsum board, latent and concealed defects, and manufactured stone veneer, culture stone siding, fiber cement siding, flues or chimneys, coal stoves, water leaks, water intrusion, design and architect problems, circuit breaker operation, fireplace drafting, boundaries egress and ingress, quality of materials, private sewage, wattage and wiring, electromagnetic field, non-built in appliances, rodents, ants, birds, or other wood boring organisms, security locks and devices, thermostat and gauges. Client understands that these systems, items, and conditions, are excepted and excluded from this inspection and Inspection report. Any general comments about these systems, items, and conditions of the written report are informal only and **DO NOT REPRESENT AN INSPECTION.**
20. COMPENSATION BY OTHERS: Fox Inspection Group may accept a fee from various vendors in this real estate transaction to compensate for administrative / coordinating / scheduling their services. Fox Inspection Group is accepting a fee or other valuable consideration from HomeSwitch LLC., in this real estate transaction. Client(s) acknowledges that they have been informed of this arrangement between Fox Inspection Group and HomeSwitch LLC and authorizes HomeSwitch LLC to call Client at the phone number provided to discuss options regarding setting up TV, Internet, Home Phone, Electricity, Home Security, Pest Control – even municipal utilities at their future home. If client(s) does not want to be contacted just let us know by phone (713-723-3330) or by email (Office@FoxInspectionGroup.com) .

21. **PERSONAL SAFETY:** We are not responsible for another participant's personal safety during the inspection process. Client, their representative's, or others participation shall be at his/her own risk for falls, injuries, property damage, etc. We reserve the right to refuse service to anyone for any reason.
22. This Agreement, including the terms and conditions on all pages, represents the entire agreement between the parties and there are no other agreements either written or oral between them. This Agreement shall be amended only by written agreement signed by both parties.
23. **ACKNOWLEDGMENT:** the undersigned has reviewed this document, understands its content and agrees to the terms and conditions contained. The client further represents and warrants that he or she has full and complete authority to execute this contract on behalf of any spouse or significant other, and to fully bind any spouse or significant other to all terms, conditions, exclusions and limitations of this agreement. The report adheres to the "TREC" Texas Real Estate Commission Standards which is readily available) at
http://www.trec.state.tx.us/inspector/rules_governing_inspectors.asp.

Client Signature(s): _____ **Date** _____

Client e-mail _____

Gordon G. Fox
 Fox Inspection Group

*The following inspection services are available upon request for additional fee if desired by client:
 Termite / WDI report, underground sewer line inspection, pool inspection, invasive stucco moisture inspection, infrared / thermal imaging, indoor air quality, Chinese drywall, well and septic, forensic inspections, as well as other types of inspection.*

If after walking thru the property with the inspector, if you are in anyway dissatisfied with the services provided by Fox Inspection Group, you are under no obligation to pay the inspection fee.

Unless otherwise instructed we will provide a copy of this report to YOUR realtor only

Please do not send a copy of the report to my agent _____
clients initials

Inspection Fee \$ _____ *made payable to Fox Inspection Group*

Paid Check # _____ *Or by (circle one) Credit Card / Cash*

Property Address: _____