



PRE-INSPECTION AGREEMENT

Please read carefully.

This inspection agreement is a binding legal document between the Inspection Company (COMPANY) and the CLIENT and needs to be read in its entirety by the CLIENT. We recommend that the CLIENT seek legal counsel regarding anything in this Agreement before proceeding.

PROPERTY ADDRESS: _____

CITY: _____ STATE: _____ ZIP: _____

CLIENT/AGENT FOR CLIENT: _____

E-MAIL: _____

DATE OF THE INSPECTION: _____

INSPECTION COMPANY (FIRM): (Please print) Midnight Sun Home Inspections

INSPECTOR: (Please print) Jerry Larson Jr

INSPECTOR BOTR CERTIFICATION # 71946

ADDRESS of COMPANY (FIRM): 211 W Camino De Mesa

CITY: Huachuca City STATE: Arizona ZIP: 85616

This Pre-Inspection Agreement is divided into four sections which outlines and makes up the COMPANY'S and CLIENT'S entire agreement for inspection services.

- SECTION #1 Scope of Inspection
- SECTION #2 Legal Issues and Limitations on Liability
- SECTION #3 Fees
- SECTION #4 Acceptance of Terms

ABOUT THIS INSPECTION REPORT

This inspection report will generally consist of four primary categories (A-D):

- A. The Pre-Inspection Agreement
- B. An Executive Summary
- C. Home or Building Inspection Report and at the **COMPANYS** discretion –
- D. Photographs with comments

SECTION #1

SCOPE OF INSPECTION:

This inspection report will be performed generally consistent to the Standards of Professional Practice of the State of Arizona Board of Technical Registration (**STANDARDS**), (see attached). Not all components of the home, building or property will be inspected as noted in the **STANDARDS** and as noted additionally in portions of this Agreement. **CLIENT** needs to read and understand the limitations as set forth in the **STANDARDS**. Other professionals will need to be hired by the **CLIENT** to investigate or inspect those items not addressed, or not able to be addressed, in this inspection prior to accepting the home or building.

The purpose of this inspection report to give the **CLIENT** a better understanding regarding the visible and accessible property conditions of the home or building at the time of this inspection. This report is general in nature and is not meant to be technically exhaustive.

The inspection report will contain an Executive Summary of what the **COMPANY** believes to need immediate major repairs, monitoring, attention or consideration. These Summary items are pulled from the Home or Building Inspection Report. It is entirely the **CLIENTS** decision whether to include additional items from the Home or Building Inspection Report they may feel are important to them, or concerns of their own, and add them to any document that may be drafted by the **CLIENT** or others as a request for repairs or corrections. Some of the items mentioned in the Inspection Report are typical general maintenance considerations or recommendations.

Any items mentioned in this report whether noted in the Executive Summary, the Inspection Report, comments at the Photo section, or of concern to the **CLIENT** should be investigated, monitored, or evaluated further at the **CLIENTS** discretion, and remediated or corrected if or as needed by a qualified contractor or appropriate person. We highly recommend that any repairs made to this property because of this inspection, be done by licensed contractors and experts familiar with proper methods of repair and for their ability to warranty. The **COMPANY** does not advise, recommend, refer, direct or supervise any contractor or expert. All suggestions, if made or implied by **COMPANY**, are the **COMPANY'S** opinion and **CLIENT** agrees to, and should always consult with, the appropriate contractor or expert and make any decision based on the contractors or expert's suggestion.

COMPANY agrees to conduct a visual inspection of the property. This inspection will be limited to readily accessible areas without movement of furnishings, contents, fixtures or appliances. If the property inspected is occupied, the **CLIENT** understands that some areas will not be visible or accessible to inspect. **CLIENT** understands that defects or deficiencies may exist at concealed areas, such as, but not limited to: under insulation, inaccessible attic areas, inside wall and ceiling cavities, under floors and floor coverings, underground areas, etc. Latent and concealed defects and deficiencies are excluded from this inspection. Equipment, components, and systems will not be dismantled except those that a property owner in the process of normal household or building maintenance would dismantle, such as heating and cooling equipment air filter access panels.

CLIENT understands this report is based on the inspector's opinion and the requirements of the inspector under the **STANDARDS** only. Special notes in this report and verbal consultation are important. If **CLIENT** chooses not to be present or is unable to be present at the completion of the inspection, the **COMPANY** cannot be responsible for the **CLIENT'S** misunderstanding of the limitations of the inspection and the content of the report. Arrangements can be made for verbal consultation. **CLIENT** agrees that only statements made in writing are to be relied upon.

The older the property, the more likely that deterioration, defects or deficiencies may be present. **CLIENT** understands that all components of a building deteriorate over time. It is not the intent of this inspection to highlight the age of any component or system if not apparent to the inspector. If not disclosed otherwise by the seller or seller's agent, it should be assumed that all components are at least the age of the structure.

If **CLIENT** or **CLIENT'S** agent, or anyone having knowledge of this property, becomes aware of a disclosure, a disclosure report, a past inspection report, or issue not known and considered material by **COMPANY** at any time before, during or after this inspection, **CLIENT** agrees to notify and allow **COMPANY** to make changes or modifications to this report and opinions if

COMPANY deems necessary and to not hold **COMPANY** responsible for this omission. The **CLIENT** further agrees that any inspection report by **COMPANY** is not a substitute for any required seller or agent disclosures.

Access to the property and all areas needs to be arranged by the **CLIENT** and/or **CLIENTS** agent prior to the inspection. This includes but is not limited to all exterior doors, gates, attic and crawl space areas, and mechanical devices such as electric panels that may be padlocked. Electrical service and breakers, gas service and gas valves, water service and water valves, are not the responsibility of the **COMPANY** to turn on or off. All such mechanical devices will be left as found. It is the **CLIENTS** responsibility to have these services and devices on for the inspection and should verify with the seller, owner's representative, or **CLIENTS** agent, that these are on prior to the inspection. Arrival at site constitutes beginning of inspection. If any of the utility's services are off including valves and breakers, the **COMPANY** will continue with the inspection of components that can be inspected and complete the report. Arrangements can be made for the inspector to come back and inspect these items once power, water, gas, and access are restored, for an additional fee.

CLIENT agrees and allows **COMPANY** at the **COMPANY'S** sole discretion to inspect components and include comments in this Inspection Report that are not governed or required to be reported by the State of Arizona Board of Technical Registration. **CLIENT** understands that these comments or components mentioned or inspected are limited to the comment made for each item and may not be a complete inspection of that component or system. If the **COMPANY** elects to perform any non-required inspection act, the **CLIENT** agrees to the following: the election will in no way be interpreted, (a) as a requirement for the **COMPANY** to engage in the same act in all similar areas, (b) as a requirement for the **COMPANY** to engage in any non-required inspection act anywhere else on the property, (c) as an implied representation or opinion of the likely absence of negatives in any similar or dissimilar area, component, or system.

The **COMPANY** is not required to determine conformity of the property to any set of building codes. The **CLIENT** understands and agrees that the home or building inspection is not a code inspection. **CLIENT** understands that though the **COMPANY** may utilize knowledge of building codes to assist in determination of lack of proper functioning of systems or for clarifying safety concerns, and direct or indirect reference to building codes is not set forth for determining conformity or non-conformity with those standards. Systems or components sometimes can function and serve their intended purpose without maintaining compliance, to some degree, with codes. **CLIENT** agrees that if the **COMPANY** elects to make any direct or indirect reference to a building code or refers to any observed condition as being "substandard" or similar term, that the **COMPANY** as a result has not elected to engage in assessment of compliance, or degree of compliance, with building codes. **CLIENT** understands that any direct or indirect reference to building codes or standards is done for the sole purpose of generating understanding of the nature of a condition of a system or component, or of a safety item. **CLIENT** further agrees that if the **COMPANY** makes any direct reference to building codes, that the **COMPANY** has not accepted responsibility to, and will not be expected by the **CLIENT** to, determine conformity with codes in relation to any structural or nonstructural component or system.

In addition to the limitations and exclusions specific to individual systems noted in the **STANDARDS**, we also list the following items which are not included: structural engineering or engineering of any kind, soils conditions such as but not limited to expansive or collapsible soils, ground water, underground components and conditions, septic systems, well systems below grade, toxic substances, radon gas, urea formaldehyde, lead contamination, asbestos, mold, mildew, fungus, pests, termites, wood destroying organisms, noise, carcinogens, contamination of soil, water of air, the presence of product recalls or product related class action lawsuits, offsite conditions that may affect this property, suitability of a property for a specific use, the insurability of the property, permits or the lack thereof, property and/or setback lines in relation to improvements, and past or present governmental regulation or homeowner or building owner association regulations that may exist.

Although not included in this inspection (unless noted below in FEE SECTION), BINSR inspections are available upon request and are highly recommended. BINSR is defined as: The Arizona Association of Realtors Residential Buyer's Inspection Notice and Seller's Response. These inspections are limited to the following:

Inspections of the items requested by the buyer and agreed to by the seller directly off the BINSR form **only**. This is not a re-inspection of the entire property or portions of the property or components. It is the buyer's (**CLIENTS**) responsibility to assure that receipts have been provided by the seller for all work agreed to in the BINSR from qualified contractors. Only qualified licensed contractors can warranty their work under the guidelines of the State of Arizona Registrar of Contractors. The inspector cannot assure that all agreed to work has been completed or completed properly if repairs are now concealed, such as but not limited to, roof repairs to flashings and substrates now concealed by finish roof covering materials such as tiles or shingles. These inspections follow requirements of the BOTR Standards of Professional Practice as applies to "readily visible without destructive testing".

SECTION #2

LEGAL ISSUES AND LIMITATIONS OF LIABILITY:

CLIENT agrees this inspection is not a guarantee or warranty regarding the condition of items, adequacy, or performance of systems inspected. Outside warranty companies are available and are highly recommended (consult your realtor or agent). This inspection report is for the sole use and possession of the **CLIENT** only. If this inspection is part of a real estate pre-purchase inspection, **COMPANY** and **CLIENT** agrees to allow the **CLIENT'S** agent to receive a copy of this report but no one else. This report is not to be used for any transaction in which the **COMPANY** is not directly a part of. The **COMPANY** has no third-party obligations. Under no circumstances will the **COMPANY** discuss the inspection report with anyone other than the **CLIENT** or **CLIENT'S** agent unless agreed to in writing by the **CLIENT** directly. **CLIENT** allows **COMPANY** to provide copies of this report to anyone who may lawfully subpoena them, or as may be required by any State agency.

CLIENT agrees that they will not post anything of a positive or negative nature about the **COMPANY** or inspector on any social media outlet without the **COMPANY'S** approval.

LIMIT OF LIABILITY:

CLIENT further agrees that the **COMPANY'S** liability for errors, omissions, and consequential damages is limited to the refund of all fees paid and agrees to immediately accept a refund of the fees paid as full settlement for all claims which may ever arise from this inspection. **CLIENT** must submit this request for a refund in writing. If this clause is exercised, **CLIENT** agrees to immediately sign a release of full liability of the **COMPANY** upon presentation. The liability of the **COMPANY'S** principals, agents, and employees is also limited to the fee paid. This limitation applies to anyone who is damaged or must pay expenses of any kind because of mistakes or omissions in this inspection and the report. The liability limitation is binding on **CLIENT** and **CLIENT'S** spouse, heirs, principles, assigns and anyone else who may otherwise claim through **CLIENT**. **CLIENT** assumes the risk of all losses greater than the fee paid for the inspection. **CLIENT** understands and agrees that under no circumstances will any claim be made, or action taken, against the **COMPANY** for items or conditions which, at the time of the inspection were under warranty (whether voluntary or involuntary), guarantee, service plan, or similar obligation by any other contractor, company or individual.

ARBITRATION:

Any dispute concerning the interpretation of this agreement or arising from this inspection and report, except one for inspection fee payment, shall be resolved informally between the parties (mediation) or by arbitration conducted in accordance with the rules of the locally recognized Arbitration Association except that the parties shall select an arbitrator who is familiar with the home or building inspection industry and the State requirements. The arbitrator shall conduct summary judgement motions and enforce full discovery rights as a court would as provided in civil proceeding by legal code. The decision of the arbitrator shall be final and binding, and judgement may be entered at any court of competent jurisdiction. The **CLIENT** understands they are giving up their right to a jury trial.

ATTORNEY'S FEES:

The prevailing party in any dispute arising out of this agreement, the inspection, or report(s) shall be awarded all attorney's fees, mediator, arbitrator and other costs.

SEVERABILITY:

CLIENT and **COMPANY** agree that should a court of competent jurisdiction determine and declare that any portion of this contract is void, voidable, or unenforceable, the remaining provisions and portions shall remain in full force and effect.

DISPUTES:

CLIENT understands and agrees that any claim for failure to accurately report the visually discernable conditions at the subject property, as limited herein, shall be made in writing and reported to the **COMPANY** within ten business days of discovery. **CLIENT** further agrees that, except for emergency conditions, **CLIENT** or **CLIENT'S** agents, employees or independent contractors, will make no alterations, modifications or repairs to the claimed discrepancy prior to a reinspection by the **COMPANY**. **CLIENT** understands and agrees that any failure to notify the **COMPANY** as stated above shall constitute a waiver of all claims for said failure to accurately report the condition in question. The **CLIENT** will allow **COMPANY** or **COMPANY'S** agent(s) full access to the property to re-document, measure, photograph, etc., if **COMPANY** feels necessary

SECTION #3

FEES:

As previously stated in **SECTION #2, LIMIT OF LIABILITY - CLIENT** further agrees that the **COMPANY'S** liability for errors, omissions, and consequential damages is limited to the refund of all fees paid and agrees to immediately accept a refund of the fees paid as full settlement for all claims which may ever arise from this inspection. **CLIENT** agrees to immediately sign a release of full liability of the **COMPANY** upon presentation.

Home Inspection Negotiated Fee: _____

Optional Pool and Spa Inspection Negotiated Fee: _____

Optional BINSR Inspection Negotiated Fee (Per Trip): _____

All fees are due prior to the time of the inspection. Arrival at site constitutes beginning of inspection. The report cannot be delivered in any manner verbal or written to the **CLIENT** or **CLIENT'S** agent until paid in full. Fees become non-refundable 24 hours prior to scheduled inspection time. Inspection reports will be electronically sent to **CLIENT** within 24 hours after the completion of the inspection.

Additional work or services, if requested are based on **COMPANYS** prevailing hourly rate at the time. Additional inspections or re-inspections, which are different than **BINSR** inspections, are available upon request and will be charged at the prevailing hourly rate or a flat rate established upon request at the **COMPANYS** choice. **CLIENT** agrees to pay all costs should **COMPANY'S** records, inspection reports, etc., relating to this property be subpoenaed by any party. **CLIENT** agrees to pay **COMPANY'S** cost for any depositions, expert witness testimony, hearings, consultations, and preparation for such at the **COMPANYS** prevailing hourly rate at the time. At the **COMPANYS** discretion, an upfront retainer fee may be required to cover immediate, future and ongoing expenses.

SECTION #4

ACCEPTANCE OF TERMS:

Payment or lack of payment for this inspection, the use of this inspection report, or any of its contents or information by **CLIENT**, or anyone in possession of the report, or knowledge gained from this inspection and/or report, shall constitute full acceptance of the report including all terms outlined in this Pre-Inspection Agreement.

Acceptance of this Pre-Inspection Agreement and authorization to proceed:

I/WE (CLIENT or CLIENTS AGENT) have read and fully understand and agree to all the terms and conditions of this PRE-INSPECTION AGREEMENT including receiving a copy of the Arizona Board of Technical Registration Standards of Professional Practice (as applies) and agree to pay the inspection fee(s).

Date: _____ **CLIENT/AGENT for CLIENT:** _____

Date: _____ **FOR COMPANY:** Midnight Sun Home Inspectionc LLC _____

COPY OF REPORT TO: _____