

INSPECTION AGREEMENT

THIS AGREEMENT is entered into by and between MANAGEMENT SCIENCE INTERNATIONAL, INC., a Michigan Corporation, doing business as MANAGEMENT SCIENCE INTERNATIONAL, INC. (hereinafter "MSI") and

_____, whose address is _____ (hereinafter "CUSTOMER").

WHEREAS, CUSTOMER desires to have MSI inspect real property located at _____ (hereinafter "property");

WHEREAS, CUSTOMER has hired MSI to perform an inspection of the property in accordance with the terms, conditions and limitations hereinafter set forth;

NOW, THEREFORE, in consideration of the foregoing, and for other good and valuable consideration, the sufficiency of which and the receipt of which are acknowledged, CUSTOMER and MSI agree as follows:

1. CUSTOMER will pay MSI the sum of \$ _____ for an inspection of the property, consisting of the main building and attached garage or carport, if applicable;
2. MSI will perform a **VISUAL INSPECTION** of the property as described herein. MSI will also prepare a written report noting the items inspected and the apparent condition, if the condition is less than satisfactory, of the readily accessible installed systems and components of the property existing at the time of the inspection. **LATENT AND/OR CONCEALED DEFECTS, CONDITIONS AND/OR DEFICIENCIES ARE EXCLUDED FROM THE INSPECTION.**
3. The Terms and Conditions attached to this agreement shall define the standard of duty and the conditions, limitations and exclusions of the inspection. The Terms and Conditions are incorporated into this agreement by reference.
4. **CUSTOMER UNDERSTANDS AND AGREES THAT MSI AND ITS REPRESENTATIVES ASSUME NO LIABILITY OR RESPONSIBILITY FOR COSTS OF REPAIRING OR REPLACING ANY UNREPORTED DEFECTS, CONDITIONS OR DEFICIENCIES, EITHER CURRENT OR ARISING IN THE FUTURE, OR OF ANY PROPERTY DAMAGE, CONSEQUENTIAL DAMAGE OR BODILY INJURY ON ANY NATURE.**
5. CUSTOMER understands and agrees that MSI is not an insurer or guarantor against defects in the structure, items, components or systems inspected. **MSI MAKES NO WARRANTY, EXPRESS OR IMPLIED, AS TO THE FITNESS FOR USE, CONDITION, PERFORMANCE OR ADEQUACY OF ANY INSPECTED STRUCTURE, ITEM, COMPONENT, OR SYSTEM.**
6. If CUSTOMER is married, CUSTOMER's spouse is equally bound by all terms and conditions of this Agreement, even if spouse has not signed this Agreement.
7. This Agreement, including the terms and conditions on the reverse side, constitute the entire understanding and agreement between MSI and CUSTOMER. All negotiations between the parties hereto are merged into this Agreement, and there are no representations, warranties, covenants, understandings, or agreements, oral or otherwise, in relations thereto between the parties other than those incorporated herein and to be delivered hereunder. This Agreement shall be amended, modified or supplemented only by written agreement signed by both parties. This Agreement shall be construed and enforced in accordance with the laws of the State of Michigan.

CUSTOMER ACKNOWLEDGES THAT CUSTOMER HAS READ THIS INSPECTION AGREEMENT AND THE TERMS AND CONDITIONS SUPPLEMENTING THIS AGREEMENT. CUSTOMER FULLY UNDERSTANDS AND ACCEPTS ALL OF THE CONDITIONS OUTLINED HEREIN AND HEREBY ACKNOWLEDGES THIS BY SIGNING THE DOCUMENT BELOW.

MANAGEMENT SCIENCE INTERNATIONAL, INC.

CUSTOMER (Signature)

By

CUSTOMER (Signature)

Title

Date

Date

TERMS AND CONDITIONS

The following terms and conditions apply to all work performed by MANAGEMENT SCIENCE INTERNATIONAL, INC. ("MSI").

1. It is understood and agreed that this inspection will be of readily accessible areas of the property and is limited to visual observations of apparent condition existing at the time of the inspection only.
2. LATENT AND CONCEALED DEFECTS AND DEFICIENCIES ARE EXCLUDED FROM THE INSPECTION. Items and systems will not be dismantled. The inspector is not required to move personal property, debris, furniture, equipment, carpeting, or like materials that may impede access or limit visibility. Crawl spaces will not be entered if there is less than three feet of clearance or inspector feels endangered.
3. THE INSPECTION IS NOT INTENDED TO BE TECHNICALLY EXHAUSTIVE. If cost estimates are quoted in the report, the estimates are based upon the inspector's judgement or a range of prices available in the area. The estimates are not binding and the ranges may vary. Individual bids from contractors may vary substantially depending on the quality of the work, the circumstances, and the contractor submitting bids. CUSTOMER is urged to solicit bids from properly licensed contractors on repairs reported here before closing.
4. Maintenance and other items may be discussed, but they are not a part of this inspection. THE REPORT IS NOT A COMPLIANCE INSPECTION OR CERTIFICATION FOR PAST OR PRESENT GOVERNMENTAL CODES OR REGULATIONS OF ANY KIND. Opinions of the inspector are independent of any governmental codes or regulations. The inspector may disagree with past or present governmental codes or regulations. The inspector's opinions may be inconsistent with, or may contradict, past or present governmental codes or regulations. The inspector does not have any authority, nor does the inspector purport to have any authority, to interpret any past or present governmental codes or regulations.
5. Pressure gauges are **NOT** used to test air conditioners, water lines, or **GAS LINES**. Garbage disposers are checked for on and off operation only. Only the dishwasher's ability to fill and drain without obvious leaks is checked. Dishwashers, ranges, ovens, microwave ovens and like appliances, and their timers, controls or elements are not checked. Self-cleaning ovens are not operated, inspected, or tested. Remote controls for garage doors or any other appliances or systems are not checked. Electrical outlets are randomly checked. A sampling of windows and doors will be operated.
6. This inspection and report does not address and is not intended to address the possible presence of, or danger from, any potential harmful substances or environmental hazards, including, but not limited to natural gas, radon gas, lead paint, asbestos, urea formaldehyde, carbon monoxide, carbon dioxide, toxic or flammable chemicals, water related illness or disease, including lead or other harmful substance, or airborne related illness or disease and all other similar or potentially harmful substances. CUSTOMER is urged to contact a reputable specialist if information, identification or testing for the above is desired. In addition, the presence or absence of rodents, termites, other insects, or other vermin is not covered by this inspection or the damage caused by rodents, termites, other insects or other vermin.
7. It is the responsibility of the CUSTOMER to inquire about burglar/security alarm operation and service procedures to determine whether the alarm is owned or leased from a servicing MSI.
8. This inspection and associated reports or other documentation **do not include and do not address any ancillary or auxiliary systems or buildings**. Auxiliary and ancillary systems and buildings include, but are not limited to: private water wells, private gas wells, private septic systems, private sewage systems, water treatment systems, electricity generating systems, irrigation systems, ponds, swimming pools, fuel storage or dispensing, appliances, computers or other electronic devices or apparatuses, pole barns or other out-buildings, greenhouses, kennels or other animal housing, solar powered systems, wind powered systems, water powered systems.
9. It is the responsibility of the CUSTOMER to furnish the inspector with a list of any defects that are known at the time of the inspection. All disclosure statements must be given to the inspector immediately. The CUSTOMER is encouraged to attend the inspection. THIS INSPECTION IS CONSIDERED TO BE A POINT IN TIME INSPECTION.
10. MSI's report is prepared exclusively for CUSTOMER. The report is not intended for third party dissemination. This report shall not be forwarded to any other person, MSI, or legal entity without MSI's express written approval. MSI copyrights this report, which is protected by copyright law.
11. MSI accepts no responsibility for misinterpretation of this report.
12. Payment is expected and due upon completion of the inspection. There will be a billing charge for inspections not paid on completion, and an additional service charge of 1½% per month (18% per annum) for accounts not paid within 30 days. There will be a \$100.00 returned check charge. Any, and all, legal fees incurred by MSI to collect fees will be assessed against CUSTOMER. **The agreed upon inspection fee will be due in full for any inspections canceled by CUSTOMER for any reason (including failure to return the Pre-Inspection Checklist) within 36 hours or one business day, whichever time period is greater, of the scheduled inspection time.** For purposes of this clause, legal holidays, Saturdays and Sundays are not considered business days.
13. MSI ASSUMES NO LIABILITY AND SHALL NOT BE LIABLE FOR ANY MISTAKES, OMISSIONS, OR ERRORS IN JUDGMENT OF ITS EMPLOYEES, OR SUBCONTRACTORS, BEYOND THE COST OF THE INSPECTION REPORT. THIS LIMITATION OF LIABILITY SHALL INCLUDE AND APPLY TO ALL CONSEQUENTIAL DAMAGES, BODILY INJURY AND PROPERTY DAMAGE OF ANY NATURE. MSI'S LIABILITY ARISING OUT OF PERFORMANCE OF SERVICES TO CUSTOMER WILL BE LIMITED TO NO MORE THAN THE CONTRACT AMOUNT MSI HAS AGREED TO CHARGE CUSTOMER FOR THE SERVICES IDENTIFIED HEREIN. CUSTOMER AGREES TO INDEMNIFY AND HOLD HARMLESS MSI FROM AND AGAINST ALL LIABILITIES IN EXCESS OF THE CONTRACT AMOUNT.
14. BOTH PARTIES AGREE THAT MSI, IT'S EMPLOYEES, AGENTS, OR REPRESENTATIVES, ASSUME NO LIABILITY OR RESPONSIBILITY FOR THE COST OF REPAIRING OR REPLACING ANY UNREPORTED DEFECTS OR DEFICIENCIES, EITHER CURRENT OR ARISING IN THE FUTURE, OR FOR ANY PROPERTY DAMAGE, CONSEQUENTIAL DAMAGE, OR BODILY INJURY OF ANY NATURE.
15. THE INSPECTION AND REPORT ARE NOT INTENDED OR TO BE USED AS A GUARANTEE OR WARRANTY, EXPRESSED OR IMPLIED, REGARDING THE ADEQUACY, PERFORMANCE, LIFE EXPECTANCY OR CONDITION OF ANY INSPECTED STRUCTURE, ITEM OR SYSTEM. THIS REPORT IS TO BE CONSIDERED A POINT IN TIME INSPECTION, MEANING THE SYSTEMS AND ITEMS REPORTED ON ARE WORKING AS REPORTED AT THE TIME OF THE INSPECTION.
16. Any dispute, controversy or claim arising out of, or relating to, this agreement or the breach thereof shall be submitted to final and binding arbitration. Arbitration will be conducted through the offices of the Federal Mediation and Conciliation Service or in conjunction with some other arbitration service that is mutually agreeable to MSI and CUSTOMER. The arbitration shall be held in Monroe County, Michigan. The cost of the arbitration shall be borne by CUSTOMER, unless the arbitrator rules otherwise. Judgement on the award may be entered in any court of competent jurisdiction.
17. If any provision of this Agreement shall be held unenforceable, invalid, or void to any extent for any reason, such provision shall remain in force and effect to the maximum extent allowable, if any, and the enforceability or validity of the remaining provisions of the Agreement shall not be affected thereby.
18. This inspection does not include a test for the presence of radon or other harmful or hazardous, or potentially harmful or hazardous, substances. The United States Environmental Protection Agency recommends that all homes that are part of a real estate transaction be tested for radon gas, a known cancer causing substance, and that homes reaching a radon level of 4 pCi/L or higher be mitigated.¹
19. MSI reserves the right to modify or amend this report at any time or for any reason within 10 (ten) business days of completion of the inspection. For purposes of this provision, completion of the inspection is defined as being after the inspector has completed the physical examination of the property, has received and reviewed all property disclosure forms and has received payment from CUSTOMER.
20. Inspections are performed according to generally accepted industry standards and practices as they are understood by MSI. MSI does not guarantee that the inspection will be performed in full accordance with, or full compliance with, any particular set or sets of standards or practices.
21. **CUSTOMER understands and acknowledges that the inspection and any communication between CUSTOMER and either MSI or the INSPECTOR are based solely and exclusively on the INSPECTOR'S OPINION without respect to or prejudice for any past, present, or future building codes, any governmental requirements or standards, any trade association standards, or any other published or defined codes, standards, or laws. Nothing that MSI says or does before, during, or after the inspection shall be construed as being anything other than the INSPECTOR'S OPINION.**

CUSTOMER INITIALS _____