

**RESIDENTIAL PROPERTY INSPECTION AGREEMENT**

THIS IS A LEGALLY BINDING CONTRACT. CONSULTATION WITH AN ATTORNEY OR OTHER PROFESSIONAL MAY BE APPROPRIATE. THIS AGREEMENT ALSO CONTAINS AN ARBITRATION CLAUSE. PLEASE READ THE ENTIRE AGREEMENT CAREFULLY BEFORE SIGNING.

Property Address:

Date: \_\_\_\_\_

Time: \_\_\_\_\_  a.m.  p.m.

Inspection Report Number: \_\_\_\_\_

Customer(s): \_\_\_\_\_

**Customer** named above hereby requests a **Residential Property Inspection** of the primary residence and all appurtenant structures at the above address, to be conducted by the above inspection company (herein referred to as the **Inspector**), for the **Customer's** sole use and benefit. **Customer** agrees to carefully read the entire **Agreement** and **Inspection Report** as they receive them and promptly call the **Inspector** with any questions **Customer** may have. To the extent any information discussed in any said oral communications are important to **Customer**, such discussions shall be incorporated into this **Agreement** in writing and signed by each of the parties or such discussions shall be superceded by the **Inspection Report**. **Customer** warrants that all necessary approvals have been secured for **Inspector's** safe entrance onto the subject property.

**SCOPE OF SERVICES PROVIDED**

The **Residential Property Inspection** the **Inspector** will perform for **Customer** (it being understood and agreed that the person or persons signing this **Agreement** as "**Customer(s)**") do so on behalf of all those on whose behalf the Inspection and Report is being obtained) is a non-invasive physical and visual observation of the visible portions of the structures, components, features, systems or items on the property identified and described below. Based on that observation, the **Inspector** will provide **Customer** with an **Inspection Report**. This **Agreement** and all printed and written statements in the **Inspection Report** define the limited scope of the **Residential Property Inspection** and the **Inspection Report**.

The **Inspection Report** will inform the **Customer** of significant visible defects or conditions that were observed at the time of the **Residential Property Inspection**. The **Inspector** will not be obligated to comment upon or disclose conditions that are aesthetic in nature.

This **Residential Property Inspection** is limited to a visual examination of the structures, components, features, systems or items that are normally exposed and readily accessible during the time of the **Residential Property Inspection**. The **Residential Property Inspection** does not contemplate or involve the dismantling, removal or moving of any object or portion of the premises. Generally, this means that the following major structures, components, features, systems or items will be observed and evaluated to the extent possible under the circumstances: the building's foundation; subfloor framing; site drainage as it affects the structure(s); electrical system and equipment; plumbing system and fixtures; heating, ventilation and air conditioning system, controls and ducting; water heating; exterior walls, eaves, windows, doors, trim, and appurtenances; roof and gutters; attic; venting; fireplaces and chimneys; interior walls, ceilings, floors and their coverings, stairs, doors, windows. Additional property features that may be included in the scope of the **Residential Property Inspection**, if they are within **12** feet of the primary structure(s), include decks, fencing and paving. Any minor defects that may be mentioned in the **Inspection Report** are included as a courtesy only and in no way expand or redefine the scope. The inspection will be performed in accordance with the Standards of Practice enclosed with this report or otherwise provided to **Customer**. Inherent, latent and concealed defects and deficiencies are excluded from the **Inspection Report**. **Inspector** shall have no liability for defects or conditions in structures, components, features, systems or items which are concealed from view or not readily accessible to the **Inspector** at the time of the **Residential Property Inspection**, for whatever reason. Weather conditions at the time of the **Residential Property Inspection** may limit the inspection of some structures, components, features, systems or items, or the ability of the **Inspector** to detect defects, damage or potential for problems.

The **Residential Property Inspection** and **Inspection Report** thereon is not a warranty, guarantee, or insurance policy. The **Residential Property Inspection** and **Inspection Report** are not intended and should not be used as a substitute for or relied upon as real estate transfer disclosures, which may be required by law. Home warranty policies, which include coverage for appliances, electrical, plumbing, heating and air conditioning systems are available, if desired. For information on such insurance, consult a licensed real estate professional. Your use or reference to the **Inspection Report** may help you identify some deficiencies in the property that is the subject of this **Residential Property Inspection**, but it cannot, and is not intended to, eliminate all risk.

The **Residential Property Inspection** and the **Inspection Report** are limited to the real property and do not include any personal property unless otherwise indicated in this

**Inspection Report**. In the case of those items that are present in multiples in a typical residence, a representative sample of such items (e.g., cabinets, windows, the presence of safety glass in doors and windows, the operation and safety of electrical outlets and switches) is selected and checked. No representation is made as to the remaining useful life of any structure, component, feature, system, equipment or item that is covered by this **Residential Property Inspection**. Maintenance conditions may be discussed, but they are not a part of this **Residential Property Inspection**.

The **Residential Property Inspection** covers only those structures, components, features, systems or items expressly listed in the **Inspection Report**. Unless specifically agreed in advance between the **Inspector** and the **Customer**, the areas, structures, components, features, systems, equipment, items, risks, hazards or conditions excluded from the **Residential Property Inspection** and **Inspection Report** include, but are not limited to the following:

1. Evaluating or reporting on compliance or non-compliance with: international, state or local building, use, or zoning codes; ordinances; regulations; covenants; charters or other restrictions; requirements of the federal Americans with Disabilities Act (A.D.A.) and similar state or local laws or regulations. Researching, evaluating or reporting on permits and/or their verification. Researching, evaluating or reporting on compliance or non-compliance with set-backs and easements; rights of way; property boundaries; conditions of title; previous ownership(s), events, use or occupancies relative to the subject property.
2. Seeking, obtaining, evaluating or reporting on information that may be available from any third parties, including but not limited to: sellers, occupants, contractors, consultants, managers, government agencies, attorneys, agents, manufacturers, or homeowner associations. Researching, evaluating or reporting on compliance with manufacturers' specifications or installation guidelines.
3. Inspecting, testing, evaluating or reporting on common areas or systems, structures or components thereof, including, but not limited to, those systems, structures or components maintained by a homeowners association or similar common management.
4. Inspecting, evaluating or reporting on conditions related to animals, rodents, insects, wood-destroying insects or organisms, mold and mildew, or damage(s) caused thereby.
5. Researching, testing, evaluating or reporting on information and/or conditions pertaining to the history or likelihood of wildfires or floods.
6. Performing or reporting any form of engineering analysis such as: structural, geological, seismic, hydrological stability, or soil condition and/or erosion evaluations; land surveying; or architectural evaluations. Performing or reporting any technically exhaustive or technically specialized inspections, evaluations, or tests of any type. Performing or reporting evaluations regarding the fire-resistive properties of any system, structure or component of the building. Testing, analysis, evaluation or reporting on unique, custom and/or technically complex systems or devices, such as: heat exchangers; solar and radiant heat performance of buildings; insulative performance; remote control systems; light, motion or pressure sensing devices used in conjunction with lighting and/or security systems; security, emergency or fire safety systems (other than smoke alarms); security bars and/or safety/escape equipment;

secured, safety or panic rooms and their systems; seismic safety valves or controls; solar heating and/or solar electric systems; air filters and/or air quality systems; radio-, telephone- or computer-controlled devices or systems; automatic timer controls; elevators, lifts and dumbwaiters; satellite dishes; automatic gates, their sensors and controls; clocks, thermostats, etc.

7. Researching, inspecting, testing, evaluating or reporting on information and/or conditions pertaining to environmental and health hazards, concerns or conditions, including, but not limited to: toxic, reactive, combustible and corrosive contaminants, such as asbestos, lead, radon, electromagnetic fields, urea formaldehyde, PCB's, or chlordane; soil quality or contamination; water quality or contamination; underground storage tanks; proximity or other exposure to toxic waste sites; mold or mildew; organic or inorganic allergens; and chemical sensitizers.
8. Performing or reporting any electrical load calculations. Testing, evaluation or reporting on low voltage electrical systems, such as TV antennae, TV signal cables, telephones, telephone cables and lines, intercoms, security systems and their wiring, speaker wires, automated equipment, landscape lighting, etc. Testing, evaluation or reporting on gas shutoff valves. Inspecting for, detection of, or evaluation or reporting of any active or potential gas leaks.
9. Researching, inspecting, testing, evaluating or reporting on private water or private sewage systems or related equipment, such as wells, septic systems, sewage ejector pumps, water softeners, water purification systems, etc. Researching, inspecting, testing, evaluating or reporting on fire sprinklers. Inspecting, testing, evaluating or reporting on landscaping sprinklers and irrigation systems, except as otherwise noted. Inspecting, testing, evaluating or reporting on swimming pools, spas or hot tubs; fountains, ponds or water features; saunas or steam baths; or similar fixtures and equipment.
10. Researching, inspecting, evaluating or reporting on building or property line measurements, property value appraisal, and costs for any corrective work that might result from information provided in the **Inspection Report** or otherwise. Inspecting, evaluating or reporting on detached ancillary buildings (except for parking structures if included or as otherwise noted in the **Inspection Report**).
11. Inspecting, testing, evaluating or reporting on awnings, sun shades/screens, window films or coatings, sealed multi-pane window systems, storm windows, storm doors, shutters, and other such accessories.
12. Evaluating or reporting on the adequacy, efficiency, durability or quality of any system, structure or component. Researching, identifying or reporting on any product recalls, reported defects, or similar notices. Researching, inspecting, identifying or reporting on inherent or latent defects or known impairments to the useful life expectancy of systems, structures or components.
13. Inspecting, testing, evaluating or reporting on appliances and systems, structures, or components that are not permanently installed and are not typically sold as part of a residential property. Inspecting, testing, evaluating or reporting on window-mount or through-the-wall air conditioners or gas-powered air conditioners. Inspecting, testing, evaluating or reporting on gas and electrical appliances such as fire pits, barbecues, outside heaters and lamps.
14. Researching, evaluating or reporting on the desirability, advisability of purchase, the fair market value, or the current or potential marketability of the subject property. Examining, testing, evaluating or reporting on noise, vibration, odor, light or other nuisance characteristics of any system, structure, or component on the subject property, or of any adjoining or nearby property, neighborhood or region. Researching, evaluating or reporting on regional weather patterns or animal migratory habits, and/or their potential effects on the subject property and its desirability, marketability or enjoyment. Researching, identifying, testing, evaluating and/or reporting on any condition located off the subject property that may adversely affect the desirability, marketability or enjoyment of the property, including, but not limited to: railroad tracks and yards; roadways and highways; agricultural, commercial and industrial establishments; and airplane routes or airports.
15. Inspecting, evaluating or reporting on cosmetic finishes and/or their condition, trees, lawns, landscaping and plants.
16. Items specifically noted as excluded in the **Inspection Report** or items not specifically identified as included in the **Inspection Report**.

Inspecting and reporting on some of the excluded items listed above may be available from **Inspector** for an additional fee.

## INSPECTOR QUALIFICATIONS

**Customer** understands that the **Inspector** is a generalist, with only a general and non-specialized knowledge of residential property construction and related fields. The **Inspector** is not and does not represent him/herself as an expert in any specific field unless otherwise indicated in writing. The **Residential Property Inspection** and the **Inspection Report** provides the **Customer** with an independent evaluation of the subject property, based upon the experience of the individual **Inspector**. The **Inspection Report** identifies general, visible conditions that are believed to currently affect the subject property. The **Inspector** may recommend specialized experts for further evaluations or repairs; the decision to contact and employ any such experts is at the **Customer's** sole discretion and expense. **Customer's** failure to consult specialized experts as recommended by the **Inspector** or as would otherwise be prudent under the circumstances shall absolve the **Inspector** of all liability.

## INDEMNITY

**Customer** shall ensure that all portions of the subject property to be made available to **Inspector** shall be in a condition suitable for safe entry and/or other safe access including but not limited to the removal of any potentially dangerous animals. **Customer** further warrants that **Inspector** shall have all lawful right to enter upon the subject property. **Customer** shall defend, indemnify and hold harmless **Inspector** from and against any injury, loss, damage, claims, penalties, fines, and/or other liability incurred as a result of any breach of the foregoing, any breach of any other representation, warranty or agreement on the part of **Customer**, the condition of the subject property, and/or any negligent act or omission by or on behalf of **Customer**. The foregoing defense, indemnity and hold harmless in favor of **Inspector** shall supersede any waiver by **Inspector** of damages, consequential or otherwise, elsewhere herein provided.

## SEVERABILITY

Should a court of competent jurisdiction determine that any portion of this contract is void or unenforceable, the remaining provisions shall remain in full force and effect.

## COPIES/CONFIDENTIALITY

The **Inspection Report** is confidential and is provided by the **Inspector** solely and exclusively for the private use of the **Customer**. **Customer** may provide copies of the **Inspection Report** to other party(ies) for informational purposes and real estate agent/broker(s) directly involved in a transaction involving the subject property; otherwise, **Customer** agrees not to loan, transfer, copy, transmit or disseminate it to any third party (including but not limited to lenders and insurance companies) without the express written consent of the **Inspector**. Any copy of the **Inspection Report** provided to any third party with such consent shall be complete, unaltered, and shall include this **Agreement**.

## DISPUTE RESOLUTION

**Customer** understands and agrees that any claim for failure to accurately report any defect or condition in the subject property, as limited herein above, shall be made in writing and reported to the **Inspector** within 10 business days of discovery by the **Customer**, and **Customer** shall take all reasonable and prudent measures to prevent damage or loss. **Inspector** agrees to respond within 10 business days after actual receipt of any such notice. **Customer** and **Customer's** agents, employees or independent contractors shall make no alterations, repairs or replacements to the reported condition that is the subject of the notice prior to a reinspection by the **Inspector** and/or the **Inspector's** designated representative(s). **Customer** waives any and all claims relating to conditions that are altered or repaired without said notice or reinspection.

## MEDIATION

Any dispute, controversy, interpretation of, or claims of any kind or nature whatsoever, including, but not limited to, claims for breach of contract, any form of negligence, fraud or misrepresentation arising out of, from, or related to this contract or arising out of, from, or related to the **Residential Property Inspection** and **Inspection Report** shall be submitted to mediation as the initial venue for dispute resolution. The mediation will be non-binding.

## ARBITRATION

If mediation proves unsuccessful in resolving a dispute, controversy, or claim of any type as described above, said claim shall be submitted to final and binding arbitration under the Rules and Procedures of the American Arbitration Association. The Arbitrator shall be knowledgeable in the business of residential property inspections, shall have at least five (5) years experience as a home and building inspector, and be a member in good standing of a recognized association of professional property inspectors, as evidenced by his/her date of full membership. An arbitrator must be selected within one (1) month's time from the request for arbitration. The accepted standard against which the **Residential Property Inspection** shall be judged is the "Standards of Practice" of that professional association in effect at the time of the inspection. The decision of the Arbitrator shall be final and binding, and judgment on the award may be entered in any Court of competent jurisdiction. By initialing immediately below, I certify that I have read, understood, and agree to this provision, and herewith waive my right to a trial.

CUSTOMER'S INITIALS: \_\_\_\_\_ / \_\_\_\_\_

**STATUTE OF LIMITATIONS**

THE PARTIES AGREE THAT NO LEGAL ACTION OR PROCEEDING OF ANY KIND, INCLUDING THOSE SOUNDING IN TORT OR CONTRACTS MAY BE COMMENCED AGAINST THE INSPECTOR OR THE INSPECTION COMPANY, OR ITS OFFICERS, AGENTS OR EMPLOYEES MORE THAN ONE YEAR AFTER THE DATE OF THE SUBJECT RESIDENTIAL PROPERTY INSPECTION. TIME IS EXPRESSLY OF THE ESSENCE HEREIN. CUSTOMER(S) UNDERSTAND(S) THAT THIS TIME PERIOD MAY BE SHORTER THAN OTHERWISE PROVIDED BY LAW. BY INITIALING IMMEDIATELY BELOW, I CERTIFY THAT I HAVE READ, UNDERSTOOD, AND AGREE TO THIS PROVISION.

CUSTOMER'S INITIALS: \_\_\_\_\_ / \_\_\_\_\_

**WAIVER OF CONSEQUENTIAL AND PUNITIVE DAMAGES; LIQUIDATED DAMAGES**

IT IS UNDERSTOOD AND AGREED TO BY THE PARTIES HERETO THAT THE INSPECTOR IS NOT AN INSURER, THAT THE PAYMENT FOR THE RESIDENTIAL PROPERTY INSPECTION AND INSPECTION REPORT IS BASED SOLELY ON THE VALUE OF THE SERVICE PROVIDED BY THE INSPECTOR IN THE PERFORMANCE OF THE LIMITED VISUAL RESIDENTIAL PROPERTY INSPECTION AND PRODUCTION OF THE INSPECTION REPORT AS DESCRIBED HEREIN, THAT IT IS IMPRACTICABLE AND EXTREMELY DIFFICULT TO FIX ACTUAL DAMAGES, IF ANY, WHICH MAY RESULT FROM A FAILURE TO PERFORM SUCH SERVICES, AND IN THE CASE OF FAILURE TO PERFORM SUCH SERVICES AND A RESULTING LOSS, INSPECTOR'S LIABILITY HEREUNDER SHALL BE LIMITED AND FIXED IN AMOUNT EQUAL TO THE INSPECTION FEE MULTIPLIED BY FOUR AS LIQUIDATED DAMAGES, AND NOT AS A PENALTY, AND THIS LIABILITY SHALL BE EXCLUSIVE. FURTHERMORE, EXCEPT AS OTHERWISE HEREIN EXPRESSLY PROVIDED, AS MATERIAL CONSIDERATION HEREUNDER, THE PARTIES EACH WAIVE AGAINST THE OTHER, ALL DAMAGES OF A CONSEQUENTIAL NATURE AS WELL AS ALL THOSE WHICH MAY BE CHARACTERIZED OR DEEMED PUNITIVE OR EXEMPLARY. BY INITIALING IMMEDIATELY BELOW, I CERTIFY THAT I HAVE READ, UNDERSTOOD, AND AGREE TO THIS PROVISION.

CUSTOMER'S INITIALS: \_\_\_\_\_ / \_\_\_\_\_

**ACCEPTANCE**

The **Inspection Report** shall be considered the final and exclusive findings of the **Inspector** regarding the **Residential Property Inspection**. **Customer** shall not rely on any oral statements made by the **Inspector** prior to or incident to issuance of the written **Inspection Report**.

All the provisions, limitations, exceptions and exclusions of this agreement shall apply to any optional services that **Customer** requests and **Inspector** provides.

Each party signing this **Agreement** warrants and represents that he/she has the full capacity and authority to execute this **Agreement**. This **Agreement** shall be binding upon and inure to the benefit of the parties hereto, their heirs, successors, and assigns however this **Agreement** may not be enforced by or on behalf of any alleged third party beneficiary. This **Agreement** and the printed terms, descriptions, conditions, limitations, exceptions and exclusions contained in the printed **Inspection Report** constitute the entire agreement between the parties hereto pertaining to the subject matter hereof, and may be modified only by a mutual written agreement signed by the **Customer** and the **Inspector**. No oral agreements, understandings, or representations shall in any way modify this **Agreement**.

**INSPECTION COMPANY ("Inspector")**

**First Class Inspections (FCI)**

Property Inspection Fee: \_\_\_\_\_  
Additional Fees: \_\_\_\_\_  
TOTAL: \_\_\_\_\_

Paid:  Cash  
 Check: Check # \_\_\_\_\_  
 Credit Card  
 Visa  MasterCard  Amex  Discover  
Card No. \_\_\_\_\_  
Expiration Date \_\_\_\_\_

**Customer** acknowledges that he/she/they have read and understood all the terms, conditions and limitations of this **Agreement**. The **Customer** agrees to be bound thereby, and in consideration for the services provided by **Inspector**, the **Customer** agrees to pay the Property Inspection Fee listed above. **Customer** specifically acknowledges and agrees to the mediation, arbitration, waiver of jury trial, waiver of consequential and punitive damages, and liquidated damages provisions hereof.

Customer X \_\_\_\_\_

Date: \_\_\_\_\_

Customer X \_\_\_\_\_

Date: \_\_\_\_\_

Inspector X \_\_\_\_\_

Date: \_\_\_\_\_

**SPECIAL COMMENTS:**

\_\_\_\_\_