

## INSPECTION AGREEMENT

**THIS IS A LEGALLY BINDING CONTRACT PLEASE READ IT CAREFULLY**

Address of Structure to be Inspection:

Inspection Fee:

1 Client requests a visual inspection of the structure identified at the above address by Phil's Home Inspections hereinafter collectively referred as the "Company" and Client hereby represents and warrants that all approvals necessary have been secured for the Company's entrance on to the property.

2 Client warrants that (a) Client has read this Agreement carefully, (b) Client understands the Client is bound by all the terms of this Agreement, and (c) Client will read the entire Inspection Report and follow every recommendation for repairs, maintenance, safety or further evaluation by a specialist. Furthermore, Client agrees that if such action is not undertaken and documented that the Company shall be held harmless for any subsequently alleged defects or deficiencies regarding that specific component/system or condition.

3 **CONFIDENTIAL REPORT:** Client understands that the inspection and the Inspection Report are performed and prepared for Client's sole, confidential use. Client agrees that Client will not transfer, disseminate or otherwise disclose any part of the Inspection Report to any other persons. The ONLY exceptions to this non-disclosure are as follows: (a) one copy may be provided to the current Seller (b) one copy may be provided to the Real Estate Agent directly representing Client and/or Client's lending institution for the use in the Client's transaction only. (c) one copy may be provided to the Attorney directly representing Client. **IN THE EVENT THAT ANYONE OR ANY ENTITY CLAIMS DAMEGES AS A RESULT OF THE RELIANCE UPON THE INSPECTION REPORT, AND SEEKS RECOMPENSE FOR SAID DAMAGES FROM THE COMPANY,** Client agrees to indemnify, defend, and hold Company and/or Inspector harmless from any third party claims arising out of Client's unauthorized distribution of the Inspection Report, including, but not limited to, any claims caused by the alleged negligence, breach of contract, fraud, misrepresentation, or any other theory of liability of the company.

4 Company agrees to perform a limited visual inspection of the structure at the above address and to provide Client with a written opinion as to the apparent general condition of the structure's components and systems, including identification of significant observable deficiencies, as they exist at the time of the inspection. The inspection will be performed in a manner consistent with the Standards of Practice of the National Association of Certified Home Inspectors (NACHI). A copy of these standards is attached to the Inspection Agreement

5 **SCOPE OF INSPECTION:** The inspection only includes those systems and components expressly and specifically identified in the inspection report. Any area, which is not exposed to view, is concealed, is inaccessible because of soil, walls, floors, Carpets, ceilings, furnishings or any other thing, or those areas/items, which have been excluded is not included in this inspection. The inspection does not include any destructive testing or dismantling. In addition to the other LIMITATIONS provisions in this Agreement, Client agrees to assume all the risk for all conditions which are concealed from view at the time of the inspection or exist in any area excluded from Inspection by the terms of this agreement. Maintenance and other items may be discussed but will NOT form a part of the inspection report. The following areas/items, systems and components are among those NOT INCLUDED in the scope of inspection:

Code or Zoning Violations/ Permit Research/ Building value appraisal/ADA compliance/ Repair cost estimates/ System or component installation/ Adequacy of efficiency of any system component/ prediction of life expectancy of any item/ Latent or concealed defects/ Structural, geological, soil, wave action or hydrological stability, survey, engineering, analysis or testing/ Soil condition/ Termites or other Wood Destroying Organisms, rodents or other pests/ Dry rot or fungus or the damage from or relating to the preceding/ Asbestos, radon gas, lead paint, mold, urea formaldehyde, toxic or flammable chemicals, water or air quality, PCB's or other toxins, electromagnetic fields, underground storage tanks, proximity to toxic waste sites, Sick Building Syndrome or other environmental or health hazards/ Spas/ hot tubs/ Swimming pools/ Saunas/ Steam baths/ Fountains or other types of or related systems or components/ Water softener or purifiers/ Private water or sewage systems/ Seawalls, docks, davits, boat lifts or other marine equipment/ Radio controlled devices/ Telephone and cable television wiring and service/ Automatic gates/ Elevators/ Lifts/ Dumbwaiters/ Thermostatic or time clock controls/ Radiant heat systems/ Furnace heat exchanger/ Solar heating systems/ Heat pump recovery units/ Gas appliances such as fire pits, barbecues, heaters, lamps, and pool heaters/ Main gas shut off valve/ Gas leaks/ Seismic or hurricane safety/ Flood zone determination/ Previous flood history/ Boundaries/ Easements or right of way/ Freestanding appliances and buildings and sheds/ Security system/ Fire safety/ Sprinkler Systems/ Low voltage and landscape lighting systems/ Personal property/ Items specifically noted as excluded in the inspection report/ Odors & noise or any adverse condition that may affect the desirability of the property/ Proximity of railroad tracks or airplane routes/ Unique or technically complex systems or components.

If inspection is desired in any of the areas/items, systems or components listed above, then Client shall contact the appropriate professionals. (Some of the above items may be included in this inspection for additional fees-check with your inspector) If your inspector recommends consulting other specialized experts, client must do so at client's expense.

1 **CLIENT UNDERSTANDS THAT THE INSPECTION AND THE INSPECTION REPORT DO NOT, IN ANY WAY, CONSTITUTE A/AN: (1) GUARANTEE, (2) WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, (3) EXPRESS OR IMPLIED WARRANTY, OR (4) INSURANCE POLICY. ADDITIONALLY, NEITHER THE INSPECTION NOR THE INSPECTION REPORT IS SUITABLE FOR ANY REAL ESTATE TRANSFER DISCLOSURES THAT MAY BE REQUIRED BY LAW.**

2 The written report to be prepared by Company shall be considered the final and exclusive findings of Company of the structure. Client understands and agrees that Client will not rely on any oral statements made by the inspector prior or subsequent to the issuance of the written Inspection Report. Client further understands and agrees Company reserves the right to modify the inspection report for a period of time that shall not exceed two business days after the inspection report has first been delivered to the Client.

3 **LIMITATION ON LIABILITY:** It is agreed that the Company, its employees, officers, owners, and heirs, are not in any way insurers of the property inspected and that payments for the inspection services provided herein are based solely upon the value of those services, and it is not the intention of the parties that the Company assume responsibility: (1) for any loss occasioned by malfeasance or misfeasance in the performance of the services under this Agreement, (2) for any loss or damage sustained through burglary, theft, robbery, fire or other cause, or (3) for any liability on the part of the Company by virtue of this Agreement or because of the relationship hereby established. If there shall, notwithstanding the above provision, at any time be, or arise, any liability on the part of the Company by virtue of this Agreement, or because of the relationship hereby established, whether due to the negligence, omission, breach of contract, misrepresentation of the Company or otherwise, such liability is, and shall be limited to, a sum equal to the price charged for the inspection service, which sum shall be paid and received as liquidated damages. Such liability is herein set forth as liquidated damages and not as a penalty, and this liability shall be complete and exclusive. **THE COMPANY MAKES NO WARRANTIES, EXPRESS OR IMPLIED, AND ANY SUCH WARRANTY IS SPECIFICALLY EXCLUDED AND DISCLAIMED.**

4 **DISPUTES:** Client understands and agrees that any claim for failure to accurately report the visually discernible conditions at the subject property, shall be made in writing and reported to the inspector within ten business days of discovery. Client further agrees that, with exception of 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 re-inspection by the Inspector. Client understands and agrees that any failure to notify the Inspector as stated above shall constitute a waiver of any and all claims for said failure to accurately report the condition in question.

5 **ARBITRATION:** It is agreed that any dispute, controversy, interpretation or claim, including claims for, but not limited to, 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 inspection or inspection report, shall be submitted to final and binding arbitration under the Rules and Procedures of the Expedited Arbitration of Home Inspection Disputes of Construction Arbitration Services, Inc. The decision of the arbitrator appointed hereunder shall be final and binding and judgment on the award may be entered in any court of competent jurisdiction. **CLIENT UNDERSTANDS AND AGREES THAT IN ANY SUCH ARBITRATION, ALL OF THE LIMITATIONS OF LIABILITY PROVISIONS OF THIS AGREEMENT SHALL APPLY.**

6 Any legal action, including the arbitration proceeding more specifically described above, including, but not limited to, those proceedings involving claims sounding in tort or contract, against the Company, or its officers, agents or employees, must be brought within one (1) year from the date of the inspection, or same will be deemed waived and forever barred. Time is expressly of the essence herein. This time period may be shorter than otherwise provided for by law. It is agreed and understood that the arbitrator, in rendering any decision above, is to apply the laws of the State of California.

7 **ATTORNEY'S FEES:** The prevailing party in any dispute arising out of this agreement, the inspection, or Report(s) shall be awarded all reasonable attorney's fees, arbitrator fees and other costs.

8 **Client understands and agrees that if he or she is not present at the time of the inspection or do not sign this Inspection Agreement that this Agreement will become part of the Inspection Report, and therefore delivery of the Inspection Report to the Client (by mail, in person or via internet) will constitute acceptance of ALL the terms and conditions of this Agreement.**

9 **SEVERABILITY:** If any portion of this Agreement is found to be invalid or unenforceable by any court or arbitrator the remaining terms shall remain in full force and effect between the parties.

10 **PAYMENT: Payment is expected when the report is delivered.** A 10% late fee (per month) will be charged for all late payments. All costs, including but not limited to, collections, liens & legal fees to recover past due payments will be added to the customer final bill. A \$50.00 fee will be added to all returned checks.

11 **ENTIRE CONTRACT:** This Agreement represents the entire agreement between the parties. No oral agreements, understandings or representations shall change, modify or amend any part of this agreement No change or modification shall be enforceable against any party unless such changes or modifications are in writing and signed by the parties. This Agreement shall be binding upon and inure to the parties hereto and their spouses, heirs, executors, administrators, successors, assigns and representatives of any kind whatsoever.

## 12 **Company Relationships/Third Party Providers.**

Phil's Home Inspections Independent contractor of Golden State Home Inspections may have an affiliation with third-party service providers in order to offer value-added services to its clients. Phil's Home Inspections may also arrange for these (TPSP) to send literature or make post-inspection contact with the company's clients.

**I have read, understand and agree to all the terms and conditions of this contract and to pay the fee listed above.**

Dated \_\_\_\_\_ Signature of Client \_\_\_\_\_ (One signature binds all)

Printed Name of Client: \_\_\_\_\_

Dated \_\_\_\_\_ Company: Phil's Home Inspections, Independent contractor for Golden State Home Inspections