

# STANDARD RESIDENTIAL INSPECTION AGREEMENT

Mercer  
Inspection  
Services

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT, PLEASE READ IT CAREFULLY

Client: \_\_\_\_\_ Report #: \_\_\_\_\_ Inspection Address: \_\_\_\_\_

**SCOPE OF THE INSPECTION:** The real estate inspection to be performed for Client is a survey and basic operation of the systems and components of a building which 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. The purpose of the inspection is to provide the Client with information regarding the general condition of the building(s). Inspector will prepare and provide Client a written report for the sole use and benefit of Client. The written report shall document any material defects discovered in the building(s) systems and components which, in the opinion of the Inspector, are safety hazards, are not functioning properly or appear to be at the end of their normal service life. The inspection shall be performed in accordance with the Standards of Practice of the International Association of Certified Home Inspectors (InterNACHI) <http://www.nachi.org/sop.htm> and incorporated herein by reference, and is limited to those items specified herein.

**CLIENT'S DUTY:** Client agrees to read the entire written report when it is received and promptly call Inspector with any questions or concerns regarding the inspection or the written report. The written report shall be the final and exclusive findings of Inspector. Client acknowledges that Inspector is a generalist and that further investigation of a report condition by an appropriate specialist may provide additional information which can affect Client's purchase decision. Client agrees to obtain further evaluation of reported conditions before removing any investigation contingency and prior to the close of the transaction. In the event Client becomes aware of a reportable condition which was not reported by Inspector, Client agrees to promptly notify Inspector and allow Inspector and/or Inspector's designated representative(s) to inspect said condition(s) prior to making any repair, alteration, or replacement. Client agrees that any failure to so notify Inspector and allow inspection is a material breach of this Agreement.

**ENVIRONMENTAL CONDITIONS:** Client agrees what is being contracted for is a building inspection and not an environmental evaluation. The inspection is not intended to detect, identify, or disclose any health or environmental conditions regarding this building or property, including, but not limited to: the presence of asbestos, radon, lead, urea-formaldehyde, fungi, molds, mildew, PCBs, or other toxic, reactive, combustible, or corrosive contaminants, materials, or substances in the war, air, soil, or building materials. The Inspector is not liable for injury, health risks, or damage caused or contributed to by these conditions.

**GENERAL PROVISIONS:** The written report is not a substitute for any transferor's or agent's disclosure that may be required by law, or a substitute for Client's independent duty to reasonably evaluate the property prior to the close of the transaction. This inspection Agreement the real estate inspection and the written report do not constitute a home warranty, guarantee, or insurance policy of any kind whatsoever.

No legal action or proceeding of any kind, including those sounding in tort or contract, can be commenced against Inspector/Inspection Company more than one year from the date Client discovers, or through the exercise of reasonable diligence should have discovered, the cause of action. In no event shall the time for commencement of a legal action or proceeding exceed two years from the date of the subject inspection **THIS TIME PERIOD IS SHORTER THAN OTHERWISE PROVIDED BY LAW.** Recovery for damages by client is limited to the fee for inspection. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, successors, and assigns. This Agreement constitutes the entire integrated agreement between the parties hereto pertaining to the subject matter hereof and may be modified only by a written agreement signed by all of the parties hereto. No oral agreements, understandings, or representations shall change, modify, or amend any part of this Agreement. Each party signing this Agreement warrant and represents that he/she has the full capacity and authority to execute this Agreement on behalf of the named party. If this Agreement is executed on behalf of Client by any third party, the person executing this Agreement expressly represents to Inspector that he/she has the full and complete authority to execute this Agreement on Client's behalf and to fully and completely bind Client to all of the terms, conditions, limitations, exceptions, and exclusions of this Agreement.

**SEVERABILITY:** Should any provision of this Agreement be held by a court of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect, unimpaired by the court's holding.

**MEDIATION:** The parties to this Agreement agree to attend, in good faith, mediation with a retired judge or lawyer with at least 5 years of mediation experience before any lawsuit is filed. All notices of mediation must be served in writing by return receipt requested allowing 30 days for response. If no response is forthcoming the moving party may then demand binding arbitration under the terms and provisions set forth below.

**ARBITRATION:** Any dispute concerning the interpretation or enforcement of this Agreement the inspection, the inspection report or any other dispute arising out of this relationship, shall be resolved between the parties by binding arbitration concluded in accordance with California Law, except that the parties shall select an arbitrator who is familiar with the real estate profession. The parties agree that they shall be entitled to discovery procedures within the discretion of the arbitrator. The arbitrator shall manage and hear the case applying the laws of the State of California to all issues submitted in the arbitration proceeding. The award of the arbitrator shall be final, and a judgment may be entered on it by any court having jurisdiction. Any disputes are to be arbitrated by: *Construction Dispute Resolution Services, LLC*

Client acknowledges having read and understood all the terms, conditions, and limitations of this Agreement and voluntarily agrees to be bound thereby. Client acknowledges the availability and location of the Standards of Practice of the International Association of Certified Home Inspectors (InterNACHI).

Client(s): \_\_\_\_\_

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

Inspector: \_\_\_\_\_

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

The fee for this inspection and report is \$ \_\_\_\_\_ and is due and payable on the date of the inspection.  
Payment not made on the day of the inspection or billed to escrow will incur an additional \$100 fee.  
Client is responsible for payment regardless if escrow closes or not.  
\$50 fee for returned checks.