

## BUILDING INSPECTION AGREEMENT

### 1. PARTIES

BETWEEN:

\_\_\_\_\_

\_\_\_\_\_

Represented by: \_\_\_\_\_  
 (hereinafter referred to as **THE INSPECTOR**)

\_\_\_\_\_

\_\_\_\_\_

(hereinafter referred to as **THE CUSTOMER**)

Q.A.B.I Member No.: \_\_\_\_\_

Telephone: \_\_\_\_\_

GST #: \_\_\_\_\_ QST # \_\_\_\_\_

E-mail: \_\_\_\_\_

### 2. PURPOSE OF THE AGREEMENT

**THE INSPECTOR'S** services are hereby retained by the purchaser (**THE CUSTOMER**) to perform a PRE-PURCHASE inspection of **THE BUILDING** covered by this Inspection Service Agreement.

### 3. WAIVER OF EXHAUSTIVE

**THE CUSTOMER** hereby confirms that he has been duly advised of the limits of the present inspection as well as the advantages of an exhaustive inspection of the building which would involve the services of several professionals and require an average of 24 to 36 hours of work. This information having been supplied, **THE CUSTOMER** hereby refuses to have such an exhaustive inspection of **THE BUILDING** performed as covered by this Agreement.

Customer's Initial's

### 4. DESCRIPTION OF THIS BUILDING

The inspection shall be performed on the residential building located at:

\_\_\_\_\_

\_\_\_\_\_

If applicable:

The building is held in divided co-ownership (condominium) and the present inspection shall be subject to the terms and conditions contained in Appendix C attached hereto to form an integral part hereof.

YES

AC- \_\_\_\_\_

NO

The building, although mainly residential, includes premises that are operated by a business and the present inspection shall be subject to the terms and conditions contained in Appendix E attached hereto to form an integral part hereof.

YES

AE- \_\_\_\_\_

NO

### 5. PERFORMANCE OF SERVICES

#### 5.1 Date and Time of the Inspection

**THE BUILDING** shall be inspected on \_\_\_\_\_ at \_\_\_\_\_ a.m. / p.m.

#### 5.2 Preparation of the Inspection Report

The **INSPECTOR** shall prepare the inspection report within \_\_\_\_ day(s) of the inspection of visual **THE BUILDING**.

Customer's Initial's

**THE CUSTOMER** hereby pledges to **THE INSPECTOR** that he will take no decision to purchase **THE BUILDING** until he has obtained the written inspection report, carefully read such report and if required discussed the same with **THE INSPECTOR**, in order to ensure that he fully understands the report.

**5.3 Inspection Content**

The inspection includes one (1) visit of THE BUILDING and the preparation of one (1) inspection report.

**5.4 Scope and limitations of the Inspection**

The inspection consists of a visual examination of the readily accessible systems and components of **THE BUILDING**, as listed in the Standards of Practice of the Quebec Association of Building Inspectors (QABI) attached hereto. Such an examination shall be careful but brief and is intended to provide **THE CUSTOMER** with the necessary information required for a better understanding of the condition of **THE BUILDING**, as observed at the time of the inspection.

The inspection is not aimed at discovering, nor designed for the discovery of latent defects affecting **THE BUILDING**, but is aimed at discovering apparent defects and signs indicating potential problems, that could substantially affect the integrity and the usefulness of **THE BUILDING**, as well as meeting the requirement of a prudent and diligent examination of **THE BUILDING** that is imposed on a given buyer by article 1726 of the Civil Code of Quebec (printed on the reverse) all in order to protect **THE CUSTOMER'S** right to allow claims for latent defects against the seller.

The costs of eventual repairs referred to in the unit cost table annexed to the present inspection report, if applicable, are to be understood as being approximate only and may vary from region to region. Moreover, such costs do not constitute any firm tender and consequently must be checked by a licensed contractor.

**6. COMPLIANCE WITH QABI'S STANDARDS OF PRACTICE**

The inspection shall be performed in accordance with the Standards of Practice of the Quebec Association of Building Inspectors, which forms an integral part of the present agreement.

**THE CUSTOMER** hereby confirms, that he has read and fully understood, prior to the inspection, the complete document "Standards of Practice for Building Inspections" attached hereto and that he has been given the necessary time to review, discuss and make comments, if any, with **THE INSPECTOR** to fully understand these Standards.

Customer's Initial's

The professional services provided herein shall be performed by the **INSPECTOR** in accordance accepted trade practices.

In addition, **THE INSPECTOR** pledges to act in a prudent and diligent manner in the best interests of the **CUSTOMER**. In this regard, **THE INSPECTOR** confirms also that he does not have any financial interest in **THE BUILDING** covered by the present inspection.

**7. CUSTOMER'S OBLIGATIONS****7.1 Duty to Disclose**

The **CUSTOMER** pledges to provide all documents and information that are required for the performance of **THE INSPECTOR'S** services, namely the Promise to Purchase and its Annexes if these contain information related to the condition of **THE BUILDING** as well as the Owners/Seller's declaration and warranty documents. **THE CUSTOMER** also pledges to disclose to **THE INSPECTOR** any known defects of which he is aware, whether apparent or not, and any problem that may affect the integrity and use of **THE BUILDING**.

**7.2 Inspection Completion Certificate**

**THE CUSTOMER** pledges, upon completion of the inspection, to sign or have signed by any person that he may appoint to accompany **THE INSPECTOR**, on the day of the inspection, a form entitled Building Inspection Completion Certificate.

**7.3 Fees and Additional Services**

In consideration of the professional services provided in the present agreement, the **CUSTOMER** shall pay to **THE INSPECTOR** the fees indicated at paragraph 18 of the present agreement, plus applicable taxes.

**THE CUSTOMER** shall pay the fees to **THE INSPECTOR** on the day the inspection is performed as per paragraph 5.1.

It is understood that additional services not provided for in the present agreement, such as additional visits of the premises, preparation of an additional inspection report or, by request of **THE CUSTOMER**, the appearance of **THE INSPECTOR** as a witness before a court of law, shall be subject to an additional agreement between the parties, particularly with respect to additional fees that **THE CUSTOMER** will have to pay, according to the rates indicated at paragraph 18 of the present agreement.

**8. DISCLAIMER OF WARRANTY AND LIMITATION OF LIABILITY**

**THE INSPECTOR** hereby disclaims any and all risks related to a real estate transaction. An inspection performed in accordance with current inspection standards shall not constitute any warranty or insurance against repairs, improvements, or work whether it be past, present or and future work to be performed on **THE BUILDING**.

**9. OWNERSHIP AND TRANSMISSION OF THE INSPECTION REPORT**

The inspection, including the production of the written report, shall be performed solely for and on behalf of **THE CUSTOMER** in relation to a potential real estate transaction. Consequently, **THE INSPECTOR** will not deliver a copy of the inspection report to a third party without **THE CUSTOMER'S** prior written consent or pursuant to a court order.

However, **THE INSPECTOR** hereby acknowledges that even if the inspection report that he provides to **THE CUSTOMER** under the present agreement is intended to become the sole property of **THE CUSTOMER**. **THE CUSTOMER** has the right to transmit said report to any person of his choice.

**10. OBSERVANCE OF THE LAW**

**THE INSPECTOR** shall comply with all laws, regulations or orders applicable to the kind of services that he provides.

**11. FORCE MAJEURE**

No party shall be considered in default in the performance of the obligations herewith where such performance is delayed, prevented or hindered as a result of absolute necessity, that is, any event that is beyond the parties' control, that the parties could not foresee or prevent and that rendered the performance of the obligation herewith absolutely impossible.

**12. APPLICABLE LAWS**

This agreement shall be governed by the applicable laws in the Province of Quebec.

**13. INTERPRETATION**

Where applicable, the use of a word in masculine form shall apply also to the feminine form and vice versa and any word in singular form shall apply also to the plural form and vice versa.

**14. CONTINUATION OR CANCELLATION**

In such case that the present agreement contains any prohibited provision, all other provisions shall remain in full force and shall be binding to the parties unless the provision that derogates from applicable law is essential to the proper utilization of the agreement or to the balance of respective presentations to the parties thereof, and unless such interpretation compatible with applicable laws cannot correct this deficiency, in which case the agreement shall be declared null and void ab initio.

**15. ARBITRATION AND PRIOR NOTICE CLAUSE****15.1 Arbitration**

Subject to the terms of paragraph 16.3 hereunder, any contested claim arising directly or indirectly from this agreement, any disagreement relating to the performance thereof, including its cancellation, as well as any dispute stemming from a problem of interpretation of the agreement shall be submitted to arbitration, **to the exclusion of any court of law.**

The parties mutually waive the right to initiate any proceeding against each other, other than by an arbitration process established hereunder, whether the claim is of contractual or extra-contractual nature, a direct claim against the other party in the case of a warranty claim, a forced intervention of any nature or a proceeding involving more than one plaintiff or defendant.

The parties hereto agree that all arbitration costs shall be shared equally between them and that the provisions of articles 940 following the Civil Code Procedure, R.S.Q.,c. C-25 shall govern any arbitration held under this section.

The parties agree that the arbitrary decision shall be final, binding and without appeal.

**15.2 Prior Notice**

**THE CUSTOMER** pledges to promptly notify **THE INSPECTOR** of the discovery of any latent defect, deficiency or problem of any nature affecting **THE BUILDING** for which **THE INSPECTOR** could be held liable.

In the event that **THE CUSTOMER** fails to give notice in accordance with the provisions of the preceding paragraph, **THE CUSTOMER** agrees to unconditionally waive the right to exercise any claim against **THE INSPECTOR** and this before any judicial, extra-judicial, administrative, arbitration or any other body, court or tribunal.

**15.3 Recovery of THE INSPECTOR'S Fees**

Notwithstanding the preceding provisions of paragraphs 16.1 and 16.2, the present arbitration clause shall not be applicable for any case where the claim submitted by **THE INSPECTOR** has the sole purpose to recover from **THE CUSTOMER** the fees for his professional services provided as per clause 18 hereof.

**THE CUSTOMER** hereby declares that he agrees to accept this clause.

Customer's Initial's

**16. ADDITIONS OR MODIFICATIONS TO THIS AGREEMENT**

**16.1 Limitations Period**

*Any legal action arising from this Agreement or from the Services and Report, including (but not limited to) the arbitration proceeding more specifically described above, must be commenced within one (1) year from the date of the Services. **Failure to bring such an action within this time period shall be a complete bar to any such action and a full and complete waiver of any rights, or claims based thereon.** This time limitation period may be shorter than otherwise provided by law.*

**16.2 Limit of Liability**

*Due to the nature of the Services we are providing, it is difficult to foresee or determine (at the time this Agreement is formed) potential damages in the event of an actual or perceived error or omission negligence or breach of this Agreement by us. Thus, **if we fail to perform the Services as provided herein or are careless or negligent in the performance of the Services and/or preparing the Report, our liability for any and all claims related thereto is limited to the fee paid for the Services and you release us from any and all additional liability. There will be no recovery for consequential damages.** You understand that the performance of the Services without this limitation of liability would be more technically exhaustive, likely require specialist(s) and would cost substantially more than the fee paid for this limited visual inspection.*

**16.3 Consent to Retention of Information**

*Information related to properties inspected by AmeriSpec is retained in a central database for statistical purposes and to address specific issues that may arise regarding the properties that the information relates to. AmeriSpec's database enables it to better serve you and all of its customers. **By signing this Agreement, you consent to the retention of the information relating to your property that is received by AmeriSpec through its inspection.***

**17. FEES**

For the professional services rendered, **THE CUSTOMER** shall pay **THE INSPECTOR** the following fees:

Payment received on: \_\_\_\_\_  
By: \_\_\_\_\_

FEES: \_\_\_\_\_ \$  
GST: \_\_\_\_\_ \$  
QST: \_\_\_\_\_ \$  
TOTAL: \_\_\_\_\_ \$

In the event that any additional services are required, **THE CUSTOMER** shall pay **THE INSPECTOR** additional fees at an hourly rate of \$\_\_\_\_\_, plus applicable taxes and for a minimum of four (4) hours of work.

**18. SIGNATURES**

**IN WITNESS WHEREOF, THE PARTIES HAVE SIGNED AT \_\_\_\_\_, THIS \_\_\_ DAY OF \_\_\_\_\_, 20\_\_.**

**THE INSPECTOR**

**THE CUSTOMER**

\_\_\_\_\_  
INSPECTOR

\_\_\_\_\_  
Customer 1(or his authorized representative)

\_\_\_\_\_  
Customer 2 (if applicable)

**CIVIL CODE OF QUEBEC**

- Art. 1726.** The seller is bound to warrant the buyer that the property and its accessories are, at the time of the sale, free of latent defects which render it unfit for the use for which it was intended or which so diminish its usefulness that the buyer would not have bought it or paid so high a price if he had been aware of them.
- Art. 1728.** If the seller was aware or could not have been unaware of the latent defect, he is bound not only to restore the price, but to pay all damages suffered by the buyer.
- Art. 1739.** A buyer who ascertains that the property is defective may give notice in writing of the defect to the seller only within a reasonable time after discovering it. The time begins to run, where the defect appears gradually, on the day that the buyer could have suspected the seriousness and extent of the defect.  
The seller may not invoke tardy notice from the buyer if he was aware of the defect or could not have been unaware of it.

SPECIMEN