

## What are the limitations of a home inspection?

Below is the inspection agreement you will receive as a customer of Kennedy Inspections which describes what the home inspection process is and is not. This does not include additional inspections that can be ordered (termite, radon, water, well, septic, etc).

Client:

Property Address:

Total Inspection Fee:

This Inspection Agreement contains the terms and conditions of your ("Client") contract with Ross Kennedy, Home Inspector, ("Company") for an Inspection of the Property at the above address. This Inspection agreement contains limitations on the scope of the Inspection, remedies, and liability. Please read it carefully. By signing below, Client represents and warrants that Client has secured all approvals necessary for the Company to conduct the Inspection of the Property. This Inspection is being performed for the exclusive use and benefit of the Client, and the Inspection, including the written Report, is not to be transferred to, utilized or relied upon by any other person or entity without the prior written permission of the Company.

1. Inspection. The Home Inspection and this agreement reflect the provisions of Act 114, Section 75, known as the Pennsylvania Home Inspectors Law. A home inspection is intended to assist in the evaluation of the overall condition of the dwelling. The inspection is based on observation of the visible and apparent condition of the structure and its components on the date of inspection. The Company agrees to perform a limited visual inspection of the systems and items included in the Inspection as they exist at the time of the Inspection, and Client agrees to pay the fee. The Inspection will be performed in conformance with the Standards of Practice of the National Association of Home Inspectors, Inc. (NAHI), and is limited by the exclusions and limitations listed in the Standards and this Agreement. NAHI Standards of Practice and Code of Ethics:

<http://www.nahi.org/about-us/nahi-standards-of-practice-code-of-ethics/>

2. Exclusions. Exclusions from and limitations on the Inspection are set forth in the Standards. In addition, any area or system that is not exposed to view or is otherwise in whole or in part concealed or inaccessible because of soil, walls, coverings, floors, ceilings, furnishings, personal belongings or like impediments to view; being sealed or locked; location in a crawl space; location of access door; or potential danger to the inspector is excluded from the Inspection. The inspector will not perform any destructive testing or dismantling-and will not move any personal property or furnishings. Latent and concealed defects and the following items and systems are also excluded from the Inspection:

Maintenance items, life expectancies, repair costs, repair methods, and items not required to be reported on or that are excluded may be discussed verbally or in the written Report, but are not part of the Inspection. The Client should consult with a qualified specialist in each particular repair area, prior to settlement. Unless expressly contracted for in writing, the Inspection does not address the possible presence or absence of any potentially harmful substance or environmental hazard or defect, including but not limited to radon gas, asbestos, lead paint, electromagnetic waves, toxic or flammable chemicals, urea formaldehyde, fiberglass, odors (including pet odors), insects, rodents, mold, mildew and water or airborne hazards. Insect damage (e.g. caused by termites, carpenter ants, etc.) is often concealed and difficult to detect even if the damage is extensive, and insect damage, whether obvious or concealed, is excluded from the Inspection. Because there is such a variance in building codes among different municipalities and among different ages of homes, the Inspection does not address compliance with past or present governmental codes or regulations.

3. Entire Agreement. This Agreement contains the entire understanding between parties and supersedes all prior contracts, agreements, arrangements, communications, discussions, representations and warranties,

whether written or oral, between the parties regarding the same subject matter. Any amendment of this Agreement or any waiver of its provisions must be in a writing signed by both parties that expressly references this Agreement and the provision that is being waived or amended.

4. Written Report. A written Report will be provided to and discussed with the Client as part of the Inspection. The Client agrees to promptly review the Report and to call the Inspector concerning any part of the Report the Client does not fully understand or that may be ambiguous or unclear. The Inspector reserves the right to change or modify the Inspection Report within forty-eight (48) hours of providing the Report to the Client or at any time to clarify any ambiguity that may exist. The person conducting your home inspection is not a licensed structural engineer or other professional whose license authorizes the rendering of an opinion as to the structural integrity of a building or its other component parts; you may be advised to seek a professional opinion as to any defects or concerns mentioned in the report. This home inspection report is not to be construed as an appraisal and may not be used as such for any purpose.

5. Notice and Statute of Limitations. Client agrees that he or she will not bring a claim, whether for negligence, breach of contract or otherwise, against the Company, its directors, officers, owners, employees, representatives or agents, unless Client has provided written notice to the Company of the alleged deficiency with ten (10) days of discovery and has given the Company a reasonable opportunity to inspect the alleged deficiency prior to any repairs being made. In no event shall any action, claim or demand relating to the Inspection be brought or maintained unless it is commenced within one (1) year following the date of the Inspection.

6. Liquidated Damages. Because of the limited general nature of the Inspection and because any potential damages that may arise from the Inspection cannot be reasonably ascertained at this time, Client agrees that should the Company and/or its directors, officers, owners, employees, representatives or agents be found liable for any loss or damages arising from the Inspection, whether for negligence, breach of contract or otherwise, liability shall be limited to a sum equal to the amount of the fee paid by the Client as liquidated damages. In no event shall the Company and/or its directors, officers, owners, employees, representatives or agents be held liable for incidental or consequential damages or for bodily injury of any nature.

7. Arbitration Clause. The Client agrees to submit any dispute, controversy or claim arising out of or related to this Agreement or the Inspection for final and binding arbitration to the American Arbitration Association; 230 South Broad Street, 12th Floor Philadelphia, PA 19102. The parties shall be entitled to discovery to the full extent allowed under the applicable court rules for the state in which the arbitration proceeding is held. The decision of the Arbitrator appointed there under shall be final and binding, and judgment on the Award may be entered in any Court of competent jurisdiction. Client agrees to pay to the Company all of its costs, including actual attorney fees, incurred as a result of Client's failure to abide by this provision.

8. Indemnification. Client agrees to hold harmless and indemnify the Company and its directors, officers, owners, employees, representatives or agents for all damages and costs, including actual attorney fees, resulting from any claim, demand or action that is in any way related to the Inspection and that is brought by any person or entity who is not a party to this Agreement.

9. Attorneys Fees and Costs. If either party commences a lawsuit or arbitration action that is in any way related to this Agreement or the Inspection and that party fails to substantially prevail on each of its claims, that party shall pay to the other party all of its costs, including attorney fees, incurred in defending against the lawsuit or arbitration action.

10. Disclaimer of Warranty. The results of this home inspection are not intended to make any representation regarding the presence or absence of latent or concealed defects that are not reasonably ascertainable in a competently performed home inspection. No warranty or guaranty is expressed or implied. The Inspection is not intended to find and report on all defects and deficiencies in the Property or to provide advice as to the value of or advisability of purchasing the Property. The Client understands that the Inspection is of a limited general nature conducted within a limited time, and that while the Inspection may reduce the risk to the Client of unknown needed repairs, it cannot eliminate the risk. The Inspection is not a guarantee or warranty, express or implied, regarding the adequacy, condition, or value of any item, system or component in or on the Property, and is not an insurance policy.

11. Severability. If any term of this Agreement is found to be invalid or unenforceable by a Court or Arbitrator, the remaining terms shall remain in full force and effect between the parties.

12. Choice of Law. This Agreement shall be construed and enforced in accordance with the internal laws of the State of Pennsylvania, without reference to the choice of law rules of that State.

13. Receipt of Report. The Company's agreement to perform the Inspection is contingent on Client's agreement to the above terms, conditions and limitations. If this Agreement is not signed by Client prior to or at the time the written Report is provided to the Client and Client objects to any of the terms of this Agreement, Client shall return the written Report to the Company within seven (7) days and any fee that has been paid will be refunded to Client. Failure to return the written Report and payment of the fee shall constitute full acceptance of all of the terms of this Agreement by Client.

Agreed to by:

Representative of Company: Ross Kennedy :

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*Signature of Client* : \_\_\_\_\_ *Dated* :

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*Signature of Client* : \_\_\_\_\_ *Dated* :

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