

INSPECTION SERVICE AGREEMENT WITH RESPECT TO A CHIEFLY RESIDENTIAL IMMOVABLE

1. PARTIES

BETWEEN:

Represented by: _____ (Member No.)
 (hereinafter referred to as **THE INSPECTOR**)

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

GST #: _____ QST. #: _____

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 IMMOVABLE** 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 of the advantages of an exhaustive inspection of the immovable involving the services of several professionals requiring 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 IMMOVABLE** covered by this Agreement performed.

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4. DESCRIPTION OF THIS IMMOVABLE

The inspection shall be performed on the chiefly residential immovable located at:

If applicable:

- The immovable 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 immovable, although chiefly 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 IMMOVABLE shall be inspected on _____ at _____ a.m./p.m.

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5.2 Preparation of the Inspection Report

The INSPECTOR shall prepare the inspection report within _____ day(s) of the visual inspection of THE IMMOVABLE.

THE CUSTOMER hereby pledges to THE INSPECTOR that he will take no decision to purchase THE IMMOVABLE 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.

Customer's Initials

5.3 Content of the Inspection

The inspection includes one (1) visit of THE IMMOVABLE 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 IMMOVABLE, 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 IMMOVABLE, as observed at the time of the inspection.
The inspection is not aimed at discovering, nor to allow for the discovery of latent defects affecting THE IMMOVABLE, but is aimed at discovering apparent defects and signs revealing problems, that could substantially affect the integrity and the usefulness of THE IMMOVABLE, as well as meeting the requirement of a prudent and diligent examination of THE IMMOVABLE 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 Initials

The professional services provided herein shall be performed in accordance with the State-of-the-Art by THE INSPECTOR.

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 IMMOVABLE 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 IMMOVABLE, the Owners / Seller's declaration and and warranty documents. THE CUSTOMER pledges also 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 IMMOVABLE.

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 Chiefly Residential Immovable 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 17 of the present agreement, plus applicable taxes.

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THE CUSTOMER shall pay the fees to **THE INSPECTOR** on the day the the inspection is performed as per paragraphe 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, specially with respect to additional fees that **THE CUSTOMER** will have to pay, according to the rates indicated at paragraph 17 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 to the state-of-the-art shall not constitute any warranty or insurance representation for representation against repairs, improvements, or work whether it be past, present or and future work to be performed on **THE IMMOVABLE**.

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 also, 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. SUPEROR FORCE

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 prestations 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 15.3 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.

15.1 Arbitration (next)

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 IMMOVABLE** 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 15.1 and 15.2, 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 17 hereof.

THE CUSTOMER hereby declares that he agrees to accept this clause

Customer's Initials

16. ADDITIONS OR MODIFICATIONS TO THIS AGREEMENT

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 service would be 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.