



## Commercial Real Property Inspection Agreement

This Commercial Real Property Inspection **AGREEMENT** is by and between REM Inspecting LLC (REMI) and the Client. The Client agrees to contract with REMI and REMI agrees to perform work as outlined and agreed to by both parties via Email or Text. For all inspections, REMI will provide to the Client a written report via email after payment of all fees is received. Payment is due at time of service.

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### 1. Purpose and Scope:

- 1.1. **Commercial real property inspection:** REMI strives to perform a reasonably competent and diligent inspection of the readily accessible; visually observable, installed systems and components of the real property as agreed to in writing by the client and REMI. The inspection and report are provided as an objective opinion to help the client make their own evaluation of the overall condition of the real property and is not intended to reflect the value of the real property, or to make any representation as to the advisability of a purchase. Expected and unexpected repairs should still be anticipated in the future. Environmental conditions or tenants' belongings may hinder the visually observable parts of the real property at the time of the inspection and these parts are not included as part of this inspection. Examples include, but not limited to, furniture; wall coverings; secured panels; snow; ice; rain; etc. The report is effectively a snapshot of the real property, recording some of the visible conditions at the time of the inspection. Photos taken at the time of the inspection are provided to the client as additional visual information aids for the client to review and interpret. The inspection is not intended to catch every defect or predict future behaviors. The inspection is not technically exhaustive. REMI recommends hiring specific contractors to evaluate specific items not included as part of this inspection. The inspection is intended to detect observable conditions of an improvement to real property, subject to certain limitations and exclusions listed below.
- 1.2. Other add on inspections and/or tests may be agreed to by both parties for an additional fee as outlined in writing/email/text.

### 2. Exclusions and Limitations: The following are excluded from the inspection under this contract:

- 2.1. Calculating the strength, adequacy or efficiency of an improvement to real property or a component of an improvement to real property;
- 2.2. Entering any area or performing any procedure that may damage an improvement to real property or a component of an improvement to real property, or entering any area or performing any procedure that may be dangerous to REMI or other persons;
- 2.3. Operating any component of an improvement to real property that is inoperable;
- 2.4. Operating any component of an improvement to real property that does not respond to normal operating controls;
- 2.5. Disturbing insulation or moving personal items, furniture, equipment, vegetation, soil, snow, ice, or debris that obstructs access to or visibility of an improvement to real property;
- 2.6. Determining the effectiveness of a component of an improvement to real property;
- 2.7. Predicting future conditions, including the failure of a component of an improvement to real property;
- 2.8. Projecting or estimating the operating costs of a component of an improvement to real property;
- 2.9. Evaluating acoustic characteristics of a component of an improvement to real property;
- 2.10. Inspecting for the presence or absence of pests, including rodents, insects and wood damaging organisms;
- 2.11. Inspecting cosmetic items, underground items, or items not permanently installed;
- 2.12. Inspecting for the presence of any hazardous, or noxious substances;
- 2.13. Disassembling any component of an improvement to real property, except for removing unsecured/unsealed access panels that do not require the use of tools and is normally removed by an occupant of real property.
- 2.14. The life expectancy of an improvement;
- 2.15. Causes for needing major repairs;
- 2.16. The methods, materials, or cost of making repairs or corrections;
- 2.17. The suitability of improvements or components of improvements for a specialized use;
- 2.18. The presence of mold, the type of mold, potential locations of mold or effects of mold.
- 2.19. The original inspection fee amount is the maximum limited amount for damages and for liability that may be claimed of REMI for its failure to comply with this agreement.

### 3. The inspection is not technically exhaustive.

### 4. This inspection does not cover any latent defects or defects not observed during the inspection, including but not limited to, recent repairs, paint or covering that may conceal current or prior defects, whether deliberately concealed or otherwise.

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5. The inspection will not include items that are concealed, not readily accessible, or would require cleaning, alteration, excavation, or destructive testing. The Client understands that REMI will not dig, probe, dismantle equipment, or remove permanent materials or items that would be damaged by such, nor will REMI enter unsafe or inaccessible areas to perform the inspection. REMI will not break any sealed access hatches or open any access hatches that require the use of tools. If access is requested by the client, then the client will coordinate with their realtor to have any access hatches opened by the existing owner prior to any inspection. Other limitations encountered during the inspections may be noted in the report itself.
6. **Warranty:** *No warranties or guarantees are expressed or implied as a result of this inspection.* REMI PROVIDES NO REPRESENTATION OF WARRANTY OR GUARANTEE OF EXPECTED OR REMAINING FUTURE LIFE FOR ANY ITEMS INSPECTED.
7. **Confidentiality:** Client agrees that the report is the sole property of the Client and REMI. The inspection and report become null and void if used by anyone else or by any other entity. The information shall be held as confidential between client and REMI. In the event that the Client provides the inspection report to a third party, the Client agrees to indemnify and hold harmless REMI from any claims made by a third party against REMI and for all reasonable cost and attorney's fees incurred in defending said claims.
8. **Negotiation Resolution Forum:** If the Client feels that there was some deficiency or flaw in the inspection, then they shall immediately contact REMI and schedule a meeting at the property before performing any repairs. The purpose of this meeting is to discuss the problem and to allow REMI a chance to observe the problem firsthand, as it was discovered, without alteration or repair. If you have a problem with the inspection, call REMI right away for negotiations. Performing repairs before REMI has an opportunity to review the problem could affect your legal rights. Client agrees to pay the reasonable attorney fees and costs incurred by REMI (or the person performing the inspection on behalf of REMI) to enforce this provision.
9. **Dispute Resolution Forum:** REMI and Client (and any other person claiming to have relied upon the inspection report) specifically agree that any controversy or claim arising out of or relating to the inspection or other services provided under this contract, or breach thereof, including any negligence, tort or other claims, against the person who performed the inspection, shall be resolved exclusively by arbitration in accordance with the Wisconsin Association of Home Inspectors (WAHI) Dispute Resolution Program, as in effect on the date such controversy or claim arises, which is currently administered by Resolute Systems, Inc., subject to the applicable Wisconsin Statutes and the Administrative Rules. Notwithstanding the foregoing, Client retains the right to report home inspection problems to the Wisconsin Department of Safety and Professional Services. Information about the WAHI Dispute Resolution Program, including costs, fees, Rules and Procedures are available from the WAHI office.
10. **Governing Law and Severability of Provisions:** Wisconsin law shall govern this agreement. If any term or condition of this agreement is held to be invalid or unenforceable, the remainder of the terms and conditions herein shall not be affected thereby and all remain valid and enforceable. Titles to paragraphs are for reference only. Any dispute between Client and REMI that cannot be resolved through negotiations or arbitration shall be venue in a court of competent jurisdiction in Polk County, Wisconsin.
11. **Entire Agreement:** This Agreement contains the entire understanding between REMI and the Client. There are no other representations, warranties, or commitments, expressed or implied, except as are specifically set forth herein. This Agreement supersedes any and all representation or discussion, whether oral or written, if any, among the parties relating to the subject matter of this Agreement. This Agreement may be modified, altered or amended only by a writing signed by REMI and the Client. Electronic signature is acceptable.
12. **Fees: Services + Rates,**
  - 12.1. The Client agrees to pay REMI the amounts as agreed to via email/text.
  - 12.2. The Client agrees to pay for travel to and from the project site at the MILEAGE rate of \$1.00 per mile or as listed in the online pay Now website.
  - 12.3. The Client agrees to pay for any additional work performed at the request of the Client and agreed to by both parties via email/text at an HOURLY rate of \$100 per hour with a minimum of 1 hour.
  - 12.4. The Client agrees to pay for any project expenses incurred in the performance of the services provided
  - 12.5. The Client agrees to pay for industry standard MARKUP rate that is added to the overall cost.
  - 12.6. The Client agrees to pay a BOOKKEEPING rate of \$25 per month for any unpaid balance due.
13. **REMI definitions:**
  - 13.1. "Automatic safety controls" means devices designed and installed to protect systems and components from excessively high or low pressure and temperatures, excessive electrical current, loss of water, loss of ignition, fuel leaks, fire, freezing, or other similar unsafe conditions.
  - 13.2. "Central air conditioning" means a system which uses ducts to distribute cooling or dehumidified air to more than one room or uses pipes to distribute chilled water to heat exchangers in more than one room, and which is not plugged into an electrical convenience outlet.
  - 13.3. "Client" means a person who contracts with a real property inspector for the purpose of a real property inspection.
  - 13.4. "Compensation" means direct or indirect payment, including the expectation of payment whether or not actually received.
  - 13.5. "Component" means a readily accessible and observable element of a system, such as a floor or wall.
  - 13.6. "Cosmetic" means not required for the proper operation of the essential systems and components of a real property.
  - 13.7. "Cross connection" means any physical connection or arrangement between potable water and any source of contamination.
  - 13.8. "Defect" means a condition of any component of an improvement that would significantly impair the health or safety of future occupants of a property or that, if not repaired, removed, or replaced, would significantly shorten or adversely affect the expected normal life of the component of the improvement.
  - 13.9. "Describe" means to identify in writing a system or component by type or characteristics.

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- 13.10. "Dismantle" means to take apart or remove any component, device, or piece of equipment that is bolted, screwed, or otherwise fastened and which would not be taken apart or removed in the ordinary course of household maintenance.
- 13.11. "Real property" means a structure or that part of a structure that is used or intended to be used as a real property, residence or sleeping place by one person or by 2 or more persons who are maintaining a common household, to the exclusion of all others.
- 13.12. "Functional drainage" means the emptying of a drain in a reasonable amount of time with no sign of overflow when another fixture is drained simultaneously.
- 13.13. "appliances" means washers, dryers, refrigerators, freezers, stoves, ovens, room air conditioners and other similar equipment.
- 13.14. "Inspect" means to examine observable systems and components.
- 13.15. "Material adverse fact" means a condition or occurrence that is generally recognized by a competent real property inspector as doing any of the following:
  - 13.15.1. Significantly reducing the functionality or structural integrity of components or systems of the improvements to the property being inspected.
  - 13.15.2. Posing a significant health or safety risk to occupants of the improvements.
- 13.16. "Normal operating controls" means real property owner operated devices including, but not limited to, thermostats and wall or safety switches.
- 13.17. "On-site water supply quality" means the condition of water, based on the existence of bacteria, chemicals, minerals, solids, or other similar elements in the water.
- 13.18. "On-site water supply quantity" means the rate of water flow from a well or a municipal water source.
- 13.19. "Operate" means to cause a piece of equipment or a system to function.
- 13.20. "Permanently installed" means attached or connected to an item in a manner which requires tools to remove.
- 13.21. "Primary" means an item such as a window or door designed to remain in the same place year-round.
- 13.22. "Real property inspection" means the process by which a real property inspector examines the observable systems and components of improvements to residential real property that are readily accessible.
- 13.23. "Real property inspection report" means a written opinion of a real property inspector concerning all the following:
  - 13.23.1. The condition of the real property.
  - 13.23.2. The condition of mechanical and structural components.
- 13.24. "Real property inspector" means an individual who, for compensation, conducts a real property inspection.
- 13.25. "Reasonably competent and diligent inspection" means an inspection that is similar to those of a home inspection established under Wisconsin Statue 440 and DSPS chapter 131.
- 13.26. "Recreational facilities" means spas, saunas, steam baths, swimming pools, tennis courts, playground equipment, and other exercise, entertainment, or athletic facilities.
- 13.27. "Roof drainage systems" means gutters, downspouts, leaders, splash blocks, and similar components used to carry water off a roof and away from a building.
- 13.28. "Safety glazing" means tempered or laminated glass, or rigid plastic.
- 13.29. "Secured" means to be bolted; screwed; caulked; glued or similar fastening that would require it to be dismantled in order to gain access.
- 13.30. "Solid fuel heating device" means any wood, coal, or other similar solid organic fuel burning device including, but not limited to, fireplaces, fireplace inserts and stoves, wood stoves, and central furnaces, or any combination of those devices.
- 13.31. "Structural component" means a component which supports a load bearing member.
- 13.32. "System" means a combination of interacting or interdependent components, assembled to carry out one or more functions.
- 13.33. "Technically exhaustive" means the extensive use of measurements, instruments, testing, calculations, and other means to develop scientific or engineering findings, conclusions or recommendations.