

INSPECTION AGREEMENT

You, the undersigned Client(s), herein referred to as "You/Your", have requested that We, along with our employees and any persons conducting inspections, herein referred to as "We"/"Our"/"Us", conduct an inspection of the Property consistent with the terms and conditions of this Agreement. The inspection service is being provided at the request of you, our Client(s), and is intended for your exclusive use and benefit. Not all conditions are apparent at the time of inspection, so it is recommended, and you agree herein, to consult with the Seller of the property regarding any significant deficiencies/malfunctions known to exist to the Seller. Please read the final report carefully, as additional information and details concerning the nature of the inspection are found in the report.

SCOPE OF THE INSPECTION:

Visual Home Inspection - The Home Inspection you receive is a **non-invasive, visual** examination of the readily accessible items identified in the inspection report. The inspector is not an expert in every building craft or profession. Therefore, the home inspection that we conduct is **not** technically exhaustive. The inspection is designed only to identify unsafe/non-functioning systems, structures and/or components that were **exposed to view and apparent as of the time/day of the inspection**. A written inspection report will describe and identify the inspected systems, structures, or components of the building inspected, and shall list any unsafe or non-functioning systems, structures, and components observed during the inspection. The inspection report is a written opinion of a trained home inspector based upon what was visible and evident at the time of the inspection. The report is not a listing of repairs to be made and is not intended for use as a guide in re-negotiating a real estate transaction. Items that are not listed in the inspection report **were not inspected and are not included** under the scope of the inspection service provided. It is agreed that the inspector is not, as part of the inspection, determining compliance with installation guidelines, construction documents, manufactures specifications, building codes, local ordinances, zoning regulations, covenants, or other restrictions, including local interpretations thereof. If this is a "verbal" inspection you agree that there shall be no legal liability for the inspection until/unless a full written inspection report is requested and paid for within 7 calendar days of the inspection.

Inspection Standards - The home inspection and/or systems inspected will be performed in accordance with the scope and standards of practice of the *International Association of Certified Home Inspectors (InterNACHI)* and/or the *American Society of Home Inspectors (ASHI)* and in accordance with any specific State or Provincial standards and/or licensing requirement. A copy of the standards of practice is available through your inspector. This Home Inspection is conducted in accordance with the Arizona Standards of Professional Practice for Home Inspectors.

GENERAL EXCLUSIONS:

The inspector cannot examine what cannot be seen by a non-invasive, visual examination. No removal of materials or dismantling of systems shall be performed during this inspection. The inspector is not required to, nor will he/she move furniture, floor coverings, insulation, stored materials, personal belongings, open walls or perform any type of destructive or invasive testing in order to perform the inspection. This inspection company is not responsible for any condition that may be covered, concealed or inaccessible because of, but not limited to, soil or vegetation, walls, structural members, furniture, floor coverings, insulation, stored items, personal belongings, water, ice, snow, soot or conditions that would be considered a danger to the inspector. The home inspection is not a compliance inspection or certification of compliance with past or present governmental codes or regulations of any kind.

Whether or not they are concealed or inaccessible, the following items and systems are not within the scope of the inspection service provided under this Agreement: *Engineering Analysis of any kind including structural integrity, system design problems, acoustical characteristics, functional adequacy, operational capacity or costs, quality or suitability for a particular use *Geological stability or ground condition of site *Soils or Soil Contamination *Scientific or specialized technician tests, readings or evaluations *Issues directly or indirectly related to Drywall from the People's Republic of China *Fireplace draft *Cosmetic items, including without limitation, paint, scratches, scrapes, dents, cracks, stains or faded surfaces, flooring, insulation unless required by law, wall coverings, carpeting, paneling, lawn and landscaping *Condominium or co-op common areas or areas under the management of the condominium or co-op association *Home warranty, system warranty and/or component warranty *Telephone and TV cables *Cisterns *Fountains *Low voltage lighting and electrical systems *Electrostatic precipitators *Electronic air cleaners or filters *Active or passive solar system *Pressure tests on central air conditioning systems *Furnace heat exchangers *Radiant heating systems *Free standing appliances and other personal property *Water volume or flow *Water conditioning/softening systems *Security system *Central vacuum system *Landscaping *Irrigation systems *We do not address conditions relating to animals, rodents or other household pests or the damage caused thereby. **Unless you have paid an additional fee and the specific item is noted and initialed by you and the inspector on page 2 of this Agreement, the following items are also excluded under this agreement and not within the scope of the inspection service:** (a) Septic System (b) Wells or Well Pump (c) Water Quality (d) Swimming pools, Saunas, Hot tubs, Spas/Whirlpools or attached equipment (e) Mold/Mildew/Fungus or spores thereof or conditions related to Mold, Mildew or Fungus (f) Detached Buildings or Equipment (g) Environmental hazards including, but not limited to; Asbestos, Radon, Lead, Formaldehyde, Electro Magnetic Fields (EMF's), Microwaves (h) Wood Destroying Organisms including, but not limited to, Termites, Carpenter Ants, Wood Boring Beetles and Fungal Rot.

THE INSPECTION AGREEMENT, THE HOME INSPECTION AND THE INSPECTION REPORT DO NOT CONSTITUTE A HOME WARRANTY, AN INSURANCE POLICY, OR A GUARANTEE OF ANY KIND; NOR DO THEY SUBSTITUTE FOR ANY DISCLOSURE STATEMENT AS MAY BE REQUIRED BY LAW. We do not turn on, ignite or inspect any utility service, major system, item or component that is shut down or not connected to a functioning system at the time of the inspection. All utility services and major systems must be turned on to perform the inspection. Therefore, you agree not to hold us responsible for future failure and repair, or for the non-discovery of any patent or latent defects in material, workmanship, or other conditions of the property which may occur or become evident after the inspection date; nor for any alleged non-disclosure of conditions that are the express responsibility of the seller of the property. You agree to assume all the risk for conditions, which are concealed from view or inaccessible to us at the time of the inspection.

DISPUTE RESOLUTION AND REMEDY LIMITATION:

Notice Requirement - In the event that You have any dispute relating to this agreement, the inspection service, the inspection report, or You claim that there was any error or omission in the performance of the inspection service or writing of the report, You agree, upon discovering facts related to the dispute or any error or omission, to promptly notify Us in writing of the dispute or claim within ten (10) business days in order to provide Us or our representative a reasonable opportunity to reinspect and document the condition in dispute. In addition, if We determine that You have a legitimate dispute or claim, You will provide Us the opportunity to resolve the issue. Please understand that an unreasonable delay in affording Us with a notice of a dispute, claim or issue may prevent Us from remedying any valid dispute You might have.

Binding Arbitration - The undersigned parties below agree that any dispute between the parties, except those for non-payment of fees, that in any way, directly or indirectly, arising out of, connected with, or relating to the interpretation of this Agreement, the inspection service provided, the report or any other matter involving our service, shall be submitted to binding arbitration conducted by and according to the Accelerated Arbitration Rules and Procedures of Construction Dispute Resolution Services, LLC. You may recommend an alternative arbitration provider for our consideration. The arbitration decision shall be final and binding on all parties, and judgment upon the award rendered may be entered into any court having jurisdiction. In any dispute arising under this Agreement, Our inspection or the Inspection Report, the costs of the arbitration shall be the sole responsibility of the client up to and including the arbitration hearing. As part of the arbitration award, the arbitrator shall award to the prevailing party any or all costs of the arbitration process as he or she deems to be appropriate. Expenses related to personal attorneys, experts, engineers, witnesses, engineering reports or other inspection reports or similar individuals or documents shall be the direct responsibility of the parties and shall not be considered as part of the arbitration award. The arbitration award shall be limited in scope to the issues and terms as specified in the Inspection Agreement. No legal action or proceeding of any kind, including those sounding in tort or contract, can be commenced against us, or our officers, agents or employees more than one year after the date of the subject inspection. Time is expressly of the essence herein. **THIS TIME PERIOD IS SHORTER THAN OTHERWISE PROVIDED BY LAW.**

LIMITATION OF LIABILITY - IF WE, OUR EMPLOYEES, INSPECTORS, OR ANY OTHER PERSON YOU CLAIM TO BE OUR AGENT, ARE CARELESS OR NEGLIGENT IN PERFORMING THE INSPECTION AND/OR PREPARING THE REPORT AND/OR PROVIDING ANY SERVICES UNDER THIS AGREEMENT, OUR LIABILITY IS LIMITED TO THE FEE YOU PAID FOR THE INSPECTION SERVICE, AND YOU RELEASE US FROM ANY ADDITIONAL LIABILITY. WE HAVE NO RESPONSIBILITY FOR THE POSSIBILITY YOU LOST AN OPPORTUNITY TO RENEGOTIATE WITH THE SELLER. THERE WILL BE NO RECOVERY FOR SECONDARY OR CONSEQUENTIAL DAMAGES BY ANY PERSON. Please initial that you agree to this limit of liability. (_____).

Confidential Report - The inspection and report is being prepared for You, for Your own information and may not be used or relied upon by any other person unless that person is specifically named by Us in this Agreement as a recipient of the report. This report should not be relied upon by anyone other than the client(s). In addition, the client(s) agrees not to rely on this report alone in making decisions about the subject property. You agree to maintain the confidentiality of the report and reasonably protect the report from distribution to any other person. If you directly or indirectly cause the report to be distributed to any other person, You agree to indemnify, defend, and hold Us harmless if any third party brings a claim against Us relating to our inspection or the report. By initialing here (_____), You authorize Us to distribute copies of the Inspection report to the real estate agent(s) and/or mortgage company directly involved in this transaction, but they are not designated recipients of the report or this agreement, intended or otherwise.

Third Party Reliance (Seller's Inspection Only) - If anyone other than You will be relying on this agreement or inspection report, they are required to sign this Inspection Agreement, provide notice to Us, and submit a fee of \$_____ for a Buyer's Consultation Inspection. This is only applicable for 60 days from the date of the Original Inspection. In the absence of these steps, We will not be liable for the information contained in the inspection report.

