

HomeFront Inspection LLC

Contract rev. 6/17/2010

Date: ___/___/___

Inspection Fee:	\$
Sewer Inspection	\$
Radon Test	\$
Thermal Imaging	\$
Other _____	\$

Total \$ _____

Customer: _____ Email _____

Subject Property Address: _____ City _____ St _____ Zip _____

THIS IS A LEGALLY BINDING DOCUMENT CONSISTING OF 4 PAGES. IT CONTAINS LIMITATIONS ON THE SCOPE OF INSPECTION, REMEDIES AND LIABILITY. PLEASE READ IT CAREFULLY.

Customer hereby authorizes HomeFront Inspection LLC ("Company") to perform an inspection of the Subject Property in accordance with the terms and conditions of this Contract, and agrees to pay Company the Inspection Fee specified above at the time of the inspection. Company has the right to not release its Inspection Report without payment in full. Customer's signature below acknowledges he/she has read, understands and agrees to be bound by the terms and conditions below and intends to bind his/her spouse, heirs and successors as his/her/their authorized agent. Any acceptance or use of the Inspection Report shall constitute acceptance of all of the terms and conditions below. Initially, Customer has selected whether he/she desires to remove a liability limitation from this Contract as follows:

_____ (Customer's Initials) I have received, had the opportunity to read, and have read all pages of the Contract and I DO NOT ELECT TO PAY AN ADDITIONAL FEE FOR THE REMOVAL OF THE LIMITATION OF LIABILITY AND LIQUIDATED DAMAGES described in paragraph 5 for this inspection and report. If no option box is initialed, Customer selects this option.

_____ (Customer's Initials) I have received, had the opportunity to read, and have read all pages of the Contract and I ELECT TO PAY AN ADDITIONAL FEE OF \$1,500.00 FOR THE REMOVAL OF THE LIMITATION OF LIABILITY AND LIQUIDATED DAMAGES described in paragraph 5 for this inspection and report.

- Company is authorized to release copies of the Inspection Report to:
 - the selling agent the listing agent the seller
 - other parties involved in this specific transaction
 - [Specify: _____].
 - (_____) Customer's Initials

By his or her signature below, Customer acknowledges that he or she has read and understands the entire Contract and intends to be bound by its terms.

Contract Agreed and Accepted by Customer: _____

1. The scope of this inspection ("Scope") is limited to the visual examination of the safely and readily accessible portions of the structural, heating, cooling, plumbing, roofing, electrical and permanently attached kitchen appliance systems and components of the Subject Property specified in this Contract and the Inspection Report for conditions which are adversely affecting their normally intended function or operation within the limits set forth in this Contract and the Inspection Report. No other systems, items or appliances are included in this inspection.

Contract rev. 6/17/2010

2. Excluded is any inspection of any systems or items not included in the Inspection Report including but not limited to the following: any information pertaining to manufacturers' recalls of any component or "class action" litigation or settlements against contractors or manufacturers, detached buildings or equipment, the presence of insects or other pests, low-voltage systems, swimming pools, saunas, spa, whirlpool, and hot tubs systems, electrostatic precipitators or electronic air cleaners or filters, septic systems, gray water systems, any component or system which is underground, private water systems or equipment, wells and well pumps, cisterns, surface or subsurface water collection systems, ponds, fountains, water quality or volume, water conditioning systems, elevators, lifts, dumbwaiters, audio and video systems, central vacuum systems, fencing, landscaping, irrigation systems, active and passive solar systems, soils, security systems, and any inspection of or sampling or testing for any harmful, toxic or dangerous substances or environmental hazards including but not limited to carbon monoxide, mold, bacteria, asbestos, lead, gases including radon (except pursuant to a separate contract) other than gases typically used as fuel for home heating systems, formaldehyde, chemicals, contaminants or compounds, or any system or item not included in the Inspection Report. In the event the Inspection Report or the Inspector supplies information about any of the forgoing, this information shall be deemed to be informational only and supplied as a courtesy to the Customer, and shall not be deemed to be an amendment to or waiver of the forgoing exclusions.

3. This inspection is not technically exhaustive. This is not an engineering inspection or analysis, and no engineering tests will be made. This is not an inspection for lead based paint or methamphetamine contamination. No examination will be made to determine compliance with any governmental ordinance, regulation or code (notwithstanding any reference in the Inspection Report to any code provision). No testing by the introduction of water or any other substance will be made of any sump or surface or subsurface drainage component or system. The inspection performed is not intended as a substitute for a seller's disclosure statement. The Inspection Report is not to be considered an implied or express warranty or insurance on the Subject Property or its components concerning value, safety, future use, operability, habitability, or suitability, or the impact on any of these concerns arising from the condition of any system or component. Customer acknowledges and agrees that it is the Customer's intention to use the inspection and report for the purpose of becoming better informed regarding some of the conditions of the subject property and not for the purpose of negotiating other contracts. The sole purpose of a limited visual inspection is for Customer to be informed of as many conditions as possible within the brief period of time allotted for the inspection and the limited access to the Subject Property which is made available by the owner. CUSTOMER HAS NO EXPECTATION OF BEING NOTIFIED OF ALL CONDITIONS, and waives any claim to conditions which are not reported. Company is not responsible for any condition affecting any system or component which occurs subsequent to the inspection or is intermittent and not detectable during the inspection. This inspection will comply with the STANDARDS OF PRACTICE OF THE INTERNATIONAL ASSOCIATION OF CERTIFIED HOME INSPECTORS, INC. (available online at www.nachi.org/sop) (herein "Standards of Practice"), except as modified by this Contract and the limits set forth in this Contract and the Inspection Report.

4. CUSTOMER ACKNOWLEDGES THAT COMPANY WARRANTS SOLELY THAT ITS INSPECTION SERVICES WILL BE PERFORMED IN ACCORDANCE WITH THE SCOPE, THE INSPECTION REPORT AND THE STANDARDS OF PRACTICE . THIS IS A LIMITED AND NONTRANSFERABLE WARRANTY AND IS THE ONLY WARRANTY GIVEN BY COMPANY. COMPANY MAKES AND CUSTOMER RECEIVES NO OTHER WARRANTY, EXPRESS OR IMPLIED. ALL OTHER WARRANTIES INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE ARE EXPRESSLY EXCLUDED. THIS STATED EXPRESS WARRANTY IS IN LIEU OF ALL LIABILITIES OR OBLIGATIONS OF COMPANY FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OF THE INSPECTION AND ANY DELIVERY AND USE OF AND RELIANCE ON THE INSPECTION REPORT. CUSTOMER WAIVES ANY CLAIM FOR CONSEQUENTIAL, EXEMPLARY OR INCIDENTAL DAMAGES, EVEN IF COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CUSTOMER EXPRESSLY INTENDS AND AGREES THAT THE INSPECTOR AND COMPANY HAVE NO OBLIGATION OR DUTY TO CUSTOMER EXCEPT AS EXPRESSLY SET FORTH IN THIS CONTRACT.

5. IN THE EVENT OF A BREACH OR A FAILURE OF THE FOREGOING WARRANTY, OR A CLAIM OF MISREPRESENTATION OR NEGLIGENT INSPECTION BY COMPANY (EXCLUDING WILLFUL MISCONDUCT), CUSTOMER AGREES THAT THE LIABILITY OF COMPANY, AND OF ITS AGENTS, EMPLOYEES AND INSPECTORS, FOR CLAIMS OR DAMAGES, COSTS OF DEFENSE AND SUIT, ATTORNEYS' FEES, AND EXPENSES AND PAYMENTS ARISING OUT OF OR IN ANY WAY CONNECTED WITH ERRORS OR OMISSIONS IN THE INSPECTION OR THE INSPECTION REPORT SHALL BE LIMITED TO LIQUIDATED DAMAGES IN AN AMOUNT EQUAL TO THE AMOUNT PAID FOR THE INSPECTION TO COMPANY BY CUSTOMER. Customer and Company acknowledge the liquidated damages are not intended as a penalty but are intended (i) to reflect the fact actual damages other than the full contract amount may be difficult and impractical to ascertain; (ii) to allocate risk among Company and Customer; (iii) to reflect the reasonably anticipated amount of damage which Customer would suffer; and (iv) to enable Company to

Contract rev. 6/17/2010

perform the inspection at the stated inspection fee. IN THE EVENT OF THE TENDER BY COMPANY OF A REFUND OF THE INSPECTION FEE, SUCH REFUND SHALL BE FULL AND FINAL SETTLEMENT OF ALL PRESENT AND FUTURE CLAIMS AND CAUSES OF ACTION (EXCLUDING WILLFUL MISCONDUCT) AND COMPANY AND ITS AGENTS, EMPLOYEES AND INSPECTORS SHALL BE THEREUPON GENERALLY AND FULLY RELEASED.

6. EXCEPT AS EXPRESSLY PROVIDED HEREIN, CUSTOMER AGREES TO INDEMNIFY AND HOLD COMPANY AND ITS INSPECTOR(S) HARMLESS (INCLUDING COSTS OF DEFENSE AND ATTORNEYS' FEES) FROM AND AGAINST ALL LIABILITY, CLAIMS, CAUSES OF ACTION, DAMAGES AND ACTIONS, INCLUDING THE COMPANY'S BREACH OF CONTRACT, MISREPRESENTATION AND NEGLIGENCE, AND INCLUDING COSTS AND ATTORNEYS FEES, RELATED TO OR ARISING FROM THE CONDUCT OF THE INSPECTION OR THE DELIVERY OF THE INSPECTION REPORT WHICH ARE THE SUBJECT OF THIS CONTRACT (EXCLUDING ONLY WILLFUL MISCONDUCT).

7. CUSTOMER HEREBY EXPRESSLY WAIVES AND RELEASES ANY CLAIMS AND CAUSE OF ACTION AGAINST THE INSPECTOR(S) PERSONALLY, EXCLUDING ONLY WILLFUL MISCONDUCT, AND AGREES TO LOOK SOLELY TO COMPANY FOR ANY AND ALL LIABILITY RELATED TO THE INSPECTION INCLUDING THE MISREPRESENTATION OR NEGLIGENCE OF THE INSPECTOR(S). CUSTOMER HEREBY AGREES TO INDEMNIFY THE INSPECTOR(S) PERSONALLY FOR ANY AND ALL CLAIMS AND CAUSES OF ACTION, INCLUDING COSTS OF DEFENSE AND ATTORNEYS' FEES, RELATED TO OR ARISING FROM ANY CLAIM BROUGHT BY CUSTOMER AGAINST THE INSPECTOR(S).

8. It is the responsibility of Customer to make the Subject Property and its components fully accessible for this inspection. Company inspectors are not authorized to turn on gas mains or valves, water mains or valves, activate electrical power or pilot lights, nor move items in order to gain access to an area or component. Except for the removal of electrical service panels (where possible without damage to property), furnace and water heater inspection panels (excluding flame shields), inspectors will not remove panels, or disassemble any item for access to a component which is contained by fasteners that require tools for entry. Areas containing standing water or mud are considered inaccessible. Decisions relating to safety are at the inspector's discretion, but they are specifically prohibited from climbing on roofs during high winds, roofs that are slippery or high pitched, or entering areas in which potentially dangerous pets are contained. INSPECTORS ARE NOT REQUIRED OR EXPECTED TO MOVE OR REMOVE ANY PERSONAL PROPERTY FROM OR AT THE SUBJECT PROPERTY IN ORDER TO CONDUCT THE INSPECTION. CUSTOMER AGREES TO INDEMNIFY AND HOLD COMPANY AND ITS INSPECTOR(S) HARMLESS (INCLUDING COSTS OF DEFENSE AND ATTORNEYS' FEES) FOR ANY AND ALL CLAIMS BY THE OWNER(S) OF THE SUBJECT PROPERTY FOR ANY AND ALL CAUSES OF ACTION, INCLUDING PERSONAL INJURY OR DAMAGE TO PROPERTY, WHICH DO NOT ARISE OUT OF THE INSPECTOR'S WILLFUL MISCONDUCT. CUSTOMER ADDITIONALLY AGREES THAT UNLESS CUSTOMER HAS ELECTED ON THE FIRST PAGE OF THIS CONTRACT TO REMOVE THE LIMITATION OF LIABILITY AND LIQUIDATED DAMAGES, CUSTOMER ASSUMES AND ACCEPTS ALL RISK OF OWNER CONCEALMENT OR MISREPRESENTATION. IN THE ABSENCE OF SUCH AN ELECTION BY CUSTOMER, IF CUSTOMER MAKES A DEMAND OR BRINGS AN ACTION AGAINST THE OWNER(S) FOR FRAUD, CONCEALMENT OR MISREPRESENTATION REGARDING A CONDITION OR COMPONENT OF THE SUBJECT PROPERTY, CUSTOMER HEREBY WAIVES AND RELEASES ANY AND ALL CLAIMS OR LIABILITY AGAINST COMPANY AND INSPECTOR(S) FOR DAMAGES RELATED TO THE CONDITION OR COMPONENT FOR WHICH THE DEMAND OR CLAIM IS MADE AGAINST THE OWNER.

9. Company reserves the right to terminate the inspection and to return the inspection fee (if paid), in its absolute discretion, for any reason or for no reason and without any obligation to state a reason, at any time prior to delivery of the Inspection Report. Such termination and refund shall terminate all relationships between Company and Customer with regard to the inspection, and Customer agrees that Company owes no duty whatsoever to Customer, and Customer will not use or rely on any information obtained during the course of the inspection. The stated fee is for a single trip to the Subject Property. Additional trips for re-inspection, or to perform or complete an inspection, for reasons beyond the control of Company (e.g. weather, inaccessibility of the items normal to the inspection, inactive utilities, or an inability to gain access to the Subject Property), will be performed at an additional fee plus any applicable trip charges. Company reserves the right to modify the written Inspection Report by a written addendum for a period of forty-eight (48) hours after the Inspection Report has been delivered to the Customer. If Company exercises this right to modify the written report within the time as specified above, Company shall provide telephone, fax, or email notification of the need for such addendum to the Customer or authorized agent and Customer agrees that the Inspection Report is not complete until receipt of the written addendum. Any such written addendum shall be mailed, emailed, faxed to the Customer, or made available for pickup by Customer, within two (2) business days of the date of the Inspection Report.

Contract rev. 6/17/2010

10. IN THE EVENT CUSTOMER HAS A CLAIM OF A BREACH OR FAILURE OF WARRANTY, MISREPRESENTATION OR NEGLIGENT INSPECTION, CUSTOMER SHALL PROVIDE COMPANY WITH THREE WORKING DAYS TO RE-INSPECT THE COMPONENT OR ITEM BEFORE CUSTOMER REPAIRS OR REPLACES THE COMPONENT OR ITEM (unless the repair or replacement is of an urgent nature, in which case Customer shall notify Company within three working days and retain all parts and materials for inspection by Company within 30 days). This right of re-inspection is to protect Company and Customer from the business practices of contractors. IF CUSTOMER FAILS TO HONOR COMPANY'S RIGHT OF RE-INSPECTION, CUSTOMER WAIVES ANY CLAIM AGAINST COMPANY WITH RESPECT TO THE COMPONENT OR ITEM.

11. In the event any dispute arises regarding this Contract or the contents of the Inspection Report it is agreed that Customer shall provide Company with a detailed written statement of the dispute and thereafter all parties shall attempt in good faith to settle such disputes between themselves. In the event such attempts fail to resolve such disputes, prior to the filing of any legal action by the Customer the Customer shall submit to Company written notification of Customer's intent to file a legal action, and Company shall have the right but not the obligation within thirty (30) days to submit the dispute to binding arbitration in Denver, Colorado. Such arbitration shall be conducted in accordance with the Construction Industry Rules of the AMERICAN ARBITRATION ASSOCIATION, except for the rules pertaining to the arbitrator selection. The parties submitting the dispute shall appoint an arbitrator by mutual agreement who is knowledgeable in and familiar with the professional building inspection profession and industry and who will follow substantive rules of law. Each party further agrees to pay its own arbitration costs. Any award made by the arbitration and in compliance with this Contract shall be enforceable as a judgment in any court of competent jurisdiction. IN THE EVENT OF ANY JUDICIAL PROCEEDINGS, THE PARTIES KNOWINGLY AND VOLUNTARILY, AND HAVING HAD AN OPPORTUNITY TO CONSULT WITH COUNSEL, WAIVE ALL RIGHTS TO TRIAL BY JURY, AND AGREE THAT ANY AND ALL MATTERS SHALL BE DECIDED BY A JUDGE WITHOUT A JURY TO THE FULLEST EXTENT PERMISSIBLE UNDER APPLICABLE LAW.

12. Due to the inherent degradation of the systems and components of the Subject Property as a result of the passage of time which makes impossible a precise determination of conditions which were in existence at the time of the inspection, Customer agrees that no action, regardless of the legal theory under which the action is brought (expressly including negligence and negligent misrepresentation but excluding willful misconduct), shall be brought against Company or the inspector beyond the earlier of two years following the date of the Inspection Report or 180 days after discovery by Customer of the condition which forms the basis of the action.

13. If a claim is made against Company for any alleged error or omission or other act arising out of the performance of this inspection, whether in court or in arbitration, and if Customer fails to prove such claim, Customer agrees to pay all costs and attorneys' fees incurred by Company and its inspectors.

14. The Inspection Report is not intended for use by anyone other than the Customer. No third party shall have any right arising from this Contract or the Inspection Report. In consideration of the furnishing of the Inspection Report, and subject to all terms and limitations of this Contract, the Customer agrees to indemnify and hold harmless Company, and its inspectors for all costs, expenses, legal fees, awards, settlements and judgments in any legal proceeding brought by any third party who claims that he/she relied on representations made in such Inspection Report and was damaged thereby. If Customer releases or requests that Company release copies of the Inspection Report to any third party, such release shall be at Customer's risk with respect to the contents of this paragraph.

15. Customer acknowledges that neither the Company nor the inspector have any interest in the Subject Property, have no independent, prior or existing knowledge of the Subject Property (in the event the Company has previously inspected the Subject Property, due to the potential of changing conditions, the inspector will inspect the Subject Property as if it was an original inspection), and will have only a limited opportunity to observe the Subject Property. Accordingly, Customer acknowledges and agrees that Customer will receive only a summary of visual observations. Customer acknowledges, agrees and warrants that Customer will not receive, and neither the Company nor the inspector can or will make, (a) representations as to the characteristics, ingredients, uses, benefits, alterations, or quantities of the Subject Property, (b) representations that the Subject Property is of a particular standard, quality, or grade, or of a particular style or model; or (c) statements of the inspector's own knowledge. Customer agrees that to protect Company and the inspector from false claims of fraud, Customer shall make no claim for fraud and hereby stipulates to the dismissal without prejudice of any claim for fraud unless Customer can attach to such claim credible documentary or sworn evidence demonstrating first hand knowledge that the inspector knowingly conspired with a third party with the intent to defraud Customer as to a specific material fact regarding the Subject Property (with "material" stipulated as having a value of more than \$5,000). Customer agrees to indemnify the Company and the inspector for any breach by Customer of the forgoing agreement and warranty.