

HOMERUN INSPECTION SERVICE, LLC
Contract

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Today's Date: _____ Inspection Date: [_____]
Customer Name: _____
Subject Property: _____

Inspection Fee: _____ Radon Fee: _____ Total Inspection Fee: _____

Customer hereby authorizes Homerun Inspection Service, LLC. ("Inspection Company") to perform an inspection of the Subject Property in accordance with the terms and conditions of this Contract, and agrees to pay Inspection Company the Fee specified above at the time of the inspection. 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. Inspection Company has the right to supplement any report within two business days of the inspection date. Initially, Customer has whether he/she desires a "Limited Visual Inspection" or a "Technical Inspection" as follows:

Inspection Options. Due to the varying needs and interests of customers for information and post-inspection options, Inspection Company offer its customers a choice of inspection plans as described below. Customer shall select the preferred option by initialing the appropriate box. If no option box is initialed, Inspection Company will perform a Limited Visual Inspection.

_____ (Customer's Initials) I have received, had the opportunity to read, and have read all pages of the Contract and I elect to receive a Limited Visual Inspection. In approximately 2 - 3 hours, for an average house, Inspection Company will provide the Customer with specified limited information on the condition of the major components of the house at the time of the inspection. INSPECTION COMPANY'S LIABILITY FOR ANY AND ALL CLAIMS IS LIMITED TO A MAXIMUM OF THE INSPECTION FEE PAID as provided in paragraph 5.

_____ (Customer's Initials) I have received, had the opportunity to read, and have read all pages of the Contract and I elect to receive a Technical Inspection. In approximately 10 to 12 hours, for an average house, Inspection Company will provide the Customer with a specified in-depth evaluation of the condition of the major elements of the house at the time of the inspection. Since Inspection Company will not be constrained by the limitations of a limited visual inspection, and since Inspection Company can and will utilize the services of system and component specialists, in its discretion, INSPECTION COMPANY WILL ASSUME FULL RESPONSIBILITY FOR INSPECTOR ERRORS AND OVERSIGHTS, UP TO A MAXIMUM LIABILITY OF \$25,000 PER INSPECTION, RELATED TO THE VISIBLE, ACCESSIBLE AND INSPECTED ELEMENTS, FOR A PERIOD OF 12 MONTHS FROM THE DATE OF THE INSPECTION. Accordingly, the liquidated damages provisions of paragraph 5 will be amended to be a limitation on liability in the amount of \$25,000. The cost of this extended inspection will vary, and will be determined by a written quotation. The range is typically \$1,700 to \$2,200 per house. The Customer must allow sufficient time to prepare the quotation and conduct the inspection, typically 7 to 10 days, and must procure the separate written authorization of the owner of the Subject Property to conduct this in-depth evaluation.

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

Contract Agreed and Accepted by Customer: _____

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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 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.
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, kitchen appliances, low-voltage systems, swimming pools, saunas, spa, whirlpool, and hot tubs systems, electrostatic precipitators or electronic air cleaners or filters, septic systems, any component or system which is underground, private water systems or equipment, wells and well pumps, cisterns, 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 or testing for any toxic or dangerous substances including asbestos, lead, or gases including radon (except for an additional fee) and formaldehyde, other than gases typically used as fuel for home heating systems, or any system or item not included in the Inspection Report. In the event the Inspection Report 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. 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). 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 future use, operability, habitability, or suitability. The sole purpose of the 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. Inspection 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. If Inspection Company refers the Customer to a third party for evaluation of a condition, Inspection Company intends for the Customer to pursue this evaluation PRIOR TO CLOSING on the purchase of or taking of other action with respect to the Subject Property. This inspection will comply with the STANDARDS OF PRACTICE OF THE AMERICAN SOCIETY OF HOME INSPECTORS unless otherwise noted and where conditions permit.
4. CUSTOMER ACKNOWLEDGES THAT INSPECTION COMPANY WARRANTS ITS INSPECTION SERVICES WILL BE PERFORMED IN ACCORDANCE WITH THE SCOPE, THE INSPECTION REPORT AND THE STANDARDS OF PRACTICE OF THE AMERICAN SOCIETY OF HOME INSPECTORS ONLY. THIS IS A LIMITED AND NONTRANSFERABLE WARRANTY AND IS THE ONLY WARRANTY GIVEN BY INSPECTION COMPANY. INSPECTION 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 INSPECTION 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 INSPECTION COMPANY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. CUSTOMER EXPRESSLY INTENDS FOR INSPECTION COMPANY TO HAVE NO OBLIGATION OR DUTY EXCEPT AS EXPRESSLY SET FORTH IN THIS CONTRACT.
5. IN THE EVENT OF A BREACH OR A FAILURE OF THE FOREGOING WARRANTY, MISREPRESENTATION OR NEGLIGENT INSPECTION BY INSPECTION COMPANY (EXCLUDING WILLFUL

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MISCONDUCT), CUSTOMER AGREES THAT THE LIABILITY OF INSPECTION 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 ALL AMOUNTS PAID FOR THE INSPECTION TO INSPECTION COMPANY BY CUSTOMER. Customer and Inspection Company acknowledge the liquidated damages are not intended as a penalty but are intended (i) to reflect the fact actual damages may be difficult and impractical to ascertain; (ii) to allocate risk among Inspection Company and Customer; and (iii) to enable Inspection Company to perform the inspection at the stated inspection fee. In the event of the tender by Inspection 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 Inspection 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 INSPECTION 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 INSPECTION 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 INSPECTION 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 the Customer to make the Subject Property and its components accessible for this inspection. 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, 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 personal property from or at the Subject Property in order to conduct the inspection. CUSTOMER AGREES TO INDEMNIFY AND HOLD INSPECTION 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 WILFUL MISCONDUCT.

9. Additional trips for reinspection, or to perform or complete an inspection, for reasons beyond the control of Inspection 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 an applicable trip charges.

10. In the event Customer has a claim of a breach or failure of warranty, misrepresentation or negligent inspection, Customer shall provide Inspection Company with three working days to reinspect the component or item before Customer

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repairs or replaces the component or item. This right of reinspection is to protect Inspection Company and Customer from the business practices of contractors. If Customer fails to allow Inspection Company to reinspect, Customer waives any claim against Inspection 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 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 Inspection Company written notification of the dispute and Customer's intent to file a legal action, and Inspection 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.

12. No action, whether in contract or tort, shall be brought against Inspection Company in arbitration or a court of law beyond the earlier of one year 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 Inspection 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 Inspection Company and its inspectors.

14. 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 Inspection 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. Customer's request that Inspection Company release copies of the Inspection Report shall be at Customer's risk with respect to the contents of this paragraph.

15. Customer acknowledges that neither the Inspection Company nor the inspector have any interest in or prior knowledge of the Subject Property, 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 Inspection Company nor the inspector can or will make, (a) representations as to the characteristics, ingredients, uses, benefits, alterations, or quantities of the Subject Property, or (b) representations that the Subject Property is of a particular standard, quality, or grade, or of a particular style or model. Customer agrees to indemnify the Inspection Company and the inspector for any breach by Customer of the forgoing warranty.