

Insight Inspection Service, Inc.  
INSPECTION AGREEMENT  
THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT  
PLEASE READ IT CAREFULLY

Customer: Mr. and Mrs. Buyers  
Report Number: 2011-1201C Buyers  
Address: 1234 Any Street Any Town CO  
Inspection (and Radon Fee if applicable): \$xxxx

THIS AGREEMENT is made and entered into at Any Town , CO on 12/01/2011 , between Insight Inspection Service, Inc. and Mr. and Mrs. Buyers (the "Customer"), with respect to the real property identified as 1234 Any Street, Any Town, CO (the "Subject Property").

**Authorization; Presence of Customer; Binding Effect:** Customer hereby authorizes and contracts for Insight Inspection Service, Inc. to perform a home inspection at the Subject Property in accordance with the terms and conditions of this Contract, and agrees to pay Insight Inspection Service, Inc. the Fee stated above. Customer's signature below acknowledges he/she has read, understands and agrees to be bound by the terms and conditions below. Any acceptance or use of the Inspection Report shall constitute acceptance of all of the terms and conditions below. The presence of the Customer has been requested and encouraged during the inspection. The Customer's participation shall be at his own risk for falls, injuries, property damage, etc. This agreement is binding on Customer, Customer's spouse, heirs, distributees, guardians, legal representatives, successors and assigns.

**Scope of the Inspection:**

The scope of this inspection is to examine *visually* the safely and readily accessible portions of the structural, roofing, plumbing, electrical, heating, central cooling, and permanently attached kitchen appliance systems and components of the Subject Property specified in this contract for conditions which are adversely affecting their normally intended function or operation within the limits set forth in this Contract and the Property Inspection Report. Only the visible and safely and readily accessible portions of the systems and components specified in the Property Inspection report shall be inspected. No other systems, items, components, or appliances are included in this inspection. The inspection performed by Insight Inspection Service, Inc. is supplemental to any real estate transfer or Seller's Disclosure Statement and shall *not* be used as a substitute for such Disclosure Statements.

The Inspector cannot light pilot lights, activate the main water, gas or electrical controls, energize electrical circuits which are off, or operate any controls other than user controls, which are normally operated by the building occupants, 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.

Excluded, unless otherwise stated, is any inspection of any systems or items not included in the Property Inspection Report including but not limited to the following: any information pertaining to manufacturers' recalls of any component or equipment, swimming pools, saunas, spa, whirlpool and hot tub systems, electrostatic precipitators or electronic air cleaners or filters, low voltage systems, septic systems, private water systems or equipment, wells and well pumps, cisterns, ponds, fountains, water quality or volume, central vacuum systems, fencing, landscaping, irrigation systems, active and passive solar systems, soils and security systems, any system or component underground, elevators, lifts, dumb waiters, AV systems, presence of insects or pests, and testing for presence of toxic or dangerous substances including asbestos, lead, formaldehyde, or mold, and the presence of Chinese drywall and related problems. Detached garages, pool houses, cottages or other structures are not included in a standard home inspection but will be inspected upon request, in advance, for an additional fee.

This inspection will be conducted in compliance with the **Standards of Practice** of the **American Society of Home Inspectors®** (Standards of Practice) unless otherwise noted and where conditions permit. A copy of the entire Standards of Practice is available upon request. This inspection is not technically exhaustive. This is not an engineering analysis. Thus, 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 purpose of the inspection is for the Customer to be informed of as many conditions as possible within the brief period of time allotted for the inspection. The Customer has no expectation of being notified of all conditions and waives any claim to conditions which are not reported. Since all home inspections are based upon *visual* observations made on one day during a limited time period, Insight Inspection Service, Inc. cannot be responsible for any condition affecting any system or component which occurs *subsequent* to the inspection or is *intermittent* and *not detectable during the inspection*.

**Property Inspection Report:**

Insight Inspection Service, Inc. agrees to prepare a Property Inspection Report as documentation of the Inspector's observations resulting from his performance of the specified Scope of Inspection. The Property Inspection Report and its contents are intended for the exclusive use of and are the nontransferable property of the Customer. The Property Inspection Report is not to be considered an implied or expressed warranty on the Subject Property or its components concerning future use, operability, habitability or suitability.  
Customer Initial page one of contract \_\_\_\_\_

**INSIGHT INSPECTION SERVICE, INC. CONTRACT**

**Inspection Fee:**

The Customer agrees to pay the total fee of \$xxxx at, or before, the time of the inspection. If such payment is not received by the time of the inspection, Customer agrees that Insight Inspection Service, Inc. may choose not to release the Report until payment is received.

**Limited Warranty:**

THE CUSTOMER ACKNOWLEDGES THAT INSIGHT INSPECTION SERVICE, INC. WARRANTS THAT ITS INSPECTION SERVICES WILL BE PERFORMED IN ACCORDANCE WITH THE SCOPE, THE INSPECTION REPORT AND THE STANDARDS OF PRACTICE OF THE ROCKY MOUNTAIN CHAPTER OF THE AMERICAN SOCIETY OF HOME INSPECTORS ONLY. **THIS IS A LIMITED AND NON-TRANSFERRABLE WARRANTY** AND IS THE ONLY WARRANTY GIVEN BY INSIGHT INSPECTION SERVICE, INC. INSIGHT INSPECTION SERVICE, INC. MAKES AND CUSTOMER RECEIVES NO OTHER WARRANTY EXPRESS OR IMPLIED. ALL OTHER WARRANTIES INCLUDING WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE ARE EXPRESSLY EXCLUDED. THIS STATED EXPRESS WARRANTY IS IN LIEU OF ALL LIABILITIES OR OBLIGATIONS OF INSIGHT INSPECTION SERVICE, INC. FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OF THE INSPECTION AND DELIVERY AND USE OF AND RELIANCE ON INSIGHT INSPECTION SERVICE, INC. REPORT. INSIGHT INSPECTION SERVICE, INC., DOES NOT GUARANTEE THAT THE STRUCTURE INSPECTED WILL BE FREE FROM FAULTS OR DEFECTS. CUSTOMER WAIVES ANY CLAIM FOR CONSEQUENTIAL, EXEMPLARY OR INCIDENTAL DAMAGES, EVEN IF INSIGHT INSPECTION SERVICE, INC. HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

IN THE EVENT OF A BREACH OR A FAILURE OF THE FOREGOING WARRANTY, MISREPRESENTATION OR NEGLIGENT INSPECTION BY INSIGHT INSPECTION SERVICE, INC. (EXCLUDING WILLFUL MISCONDUCT), CUSTOMER AGREES THAT THE **LIABILITY** OF INSIGHT INSPECTION SERVICE, INC., 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 AN AMOUNT PAID FOR THE INSPECTION TO INSPECTION COMPANY BY CUSTOMER.** Customer and Insight Inspection Service, Inc. acknowledge the liquidated damages are not intended as a penalty but are intended (1) to reflect the fact that actual damages may be difficult and impractical to ascertain; (2) to allocate risk among Insight Inspection Service, Inc. and Customer; and (3) to enable Insight Inspection Service, Inc. to perform the inspection at the stated fee. In the event of the tender by Insight Inspection Service, Inc. of a refund of the inspection fee, such refund shall be full and final settlement for all present and future claims and causes of action, and Insight Inspection Service, Inc. shall be thereupon generally and fully released.

EXCEPT AS EXPRESSLY PROVIDED HEREIN, CUSTOMER AGREES TO INDEMNIFY AND HOLD INSIGHT INSPECTION SERVICE, INC. HARMLESS FROM AND AGAINST ALL LIABILITY, CLAIMS, CAUSES OF ACTION, DAMAGES AND ACTIONS, INCLUDING INSIGHT INSPECTION SERVICE, INC.'S BREACH OF CONTRACT, MISREPRESENTATION AND NEGLIGENCE, AND INCLUDING COSTS AND ATTORNEY'S FEES, RELATED TO OR ARISING FROM THE CONDUCT OF THE INSPECTION WHICH IS THE SUBJECT OF THIS CONTRACT (EXCLUDING WILLFUL MISCONDUCT).

CUSTOMER HEREBY EXPRESSLY WAIVES ANY CAUSE OF ACTION AGAINST THE INSPECTOR 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. CUSTOMER HEREBY AGREES TO INDEMNIFY THE INSPECTOR PERSONALLY FOR ANY AND ALL CAUSES OF ACTION, INCLUDING COSTS OF DEFENSE AND ATTORNEYS' FEES, RELATED TO OR ARISING FROM ANY CLAIM BROUGHT BY CUSTOMER AGAINST THE INSPECTOR.

The **Standard Terms and Conditions** printed on the page following and attached to this Contract are a part of this Contract and are incorporated by reference. Together these documents represent the entire agreement between the parties. In the event any provision is held to be unenforceable, it shall be severed from the contract document and the remaining provisions shall be fully enforced.

I acknowledge that I have read, understand, and accept the terms, conditions and limitations as outlined in this Property Inspection Contract.

Customer: \_\_\_\_\_ Date: \_\_\_\_\_

**INSIGHT INSPECTION SERVICE, INC. CONTRACT**  
**STANDARD TERMS AND CONDITIONS OF THE PROPERTY INSPECTION CONTRACT**

**Accessibility and Non-Inspection:** When inspection of any system or component is limited or is designated as not inspected due to inaccessibility or for any other reason, the Customer must understand that conditions affecting the structure, systems or components may be present. Therefore, it is strongly recommended that the customer take additional measures to examine the areas or items. Additional trips for reinspection, or to perform or complete an inspection, for reasons beyond the control of Insight Inspection Service, Inc. (e.g. weather, inaccessibility of the normal to the inspection, inactive utilities, or an inability to gain access to the premises), will be performed at an additional fee plus applicable trip charges.

**Reinspection Right:** In the event that the Customer has a claim of a breach or failure of warranty, or for negligent inspection or misrepresentation of any component or items in the inspection, the Customer shall provide Insight Inspection Service, Inc. with three (3) working days in which to reinspect the component or item before the Customer repairs or replaces the component or items. This right of reinspection is to protect Insight Inspection Service, Inc. and the Customer from the business practices of some contractors who base their recommendations to repair or replace components on false or misleading information. If the Customer fails to allow Insight Inspection Service, Inc. to reinspect, the Customer waives any claim against Insight Inspection Service, Inc. with respect to the component or item.

**Time Limit for Action:** No action, whether in contract or tort, shall be brought against Insight Inspection Service, Inc. in arbitration or a court of law beyond the earlier of six months following the date of the Property Inspection Report or 120 days after discovery by Customer of the condition which forms the basis of the action.

**Dispute Resolution:** In the event any dispute arises regarding this Contract or the Property 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 Insight Inspection Service, Inc. written notification of the dispute and Customer's intent to file a legal action, and Insight Inspection Service, Inc. shall have the right but not the obligation within thirty (30) days to submit the dispute to binding arbitration in Denver, Colorado. Any dispute, controversy, interpretation or claim including claims for, but not limited to, breach of contract, any form of negligence, fraud or misrepresentation arising out of, from or related to, this contract or arising out of, from or related to the inspection or inspection report may be submitted by Insight Inspection Service, Inc. to final and binding arbitration under 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.

**Attorneys' Fees:** Except as provided above for arbitration of disputes, if a claim is made against Insight Inspection Service, Inc. for any alleged error, omission or other act arising out of the performance of this inspection, and the Customer fails to prove such claim, Customer agrees to pay all costs, attorneys' fees, arbitrator's fees and legal expenses incurred by Insight Inspection Service, Inc. and its employees, agents, inspectors, directors, shareholders, successors and assigns in the defense of the claim.

**Third Party Indemnification:** This Property 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 for the furnishing of the Property Inspection Report, the Customer agrees to indemnify and hold harmless Insight Inspection Service, Inc., its agents, employees, inspectors, directors, officers, shareholders, successors and assigns, for all costs, expenses, legal fees, awards, settlements, judgements, and any other payments of any kind whatsoever incurred and arising out of a law suit, cross-complaint, countersuit, arbitration, administrative proceeding, or any other legal proceeding brought by any third party who claims that he/she relied on representations made in such Property Inspection Report and was damaged thereby. Customer's request that Insight Inspection Service, Inc., release copies of the property Inspection Report shall be at Customer's risk with respect to the contents of this paragraph.

**Insight Inspection Service, Inc.** is authorized to release copies of the Inspection Report to:

The Agent for the Buyers     The Agent for the Sellers     The Seller, or

Other parties involved in this specific transaction. Specify: \_\_\_\_\_

Customer's Initials \_\_\_\_\_

**Customer acknowledges** that neither Insight Inspection Service, Inc. 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 Insight Inspection Service, Inc. 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 Insight Inspection Service, Inc. and the inspector for any breach by Customer of the foregoing warranty.