

INSPECTIONS DIRECT

South Jordan Utah
801.280.8508

HOME INSPECTION AGREEMENT

THIS INSPECTION AGREEMENT IS INTENDED TO BE A LEGALLY BINDING CONTRACT. PLEASE READ IT CAREFULLY!

Client Name: _____

Property Address: _____

Inspection Date: _____ Inspection Number: _____

This Agreement is between Johnstone Management, LLC dba Inspections Direct (Company) and the Client listed above (Client).

SCOPE OF THE INSPECTION

The residential property inspection to be performed for Client is a noninvasive visual inspection of the general systems of the home to identify material defects in any system or component listed in the report. A material defect is a condition that significantly affects the value, desirability, habitability or safety of the building(s). The examination is limited to the residence listed above and its primary parking structure as they exist at the time of the inspection. The inspection will be performed in compliance with the standards of the National Association of Certified Home Inspectors, a copy of which is available upon request. The scope of the inspection is limited to the items listed within the report pages. The inspection is not intended to be technically exhaustive.

OUTSIDE THE SCOPE OF THE INSPECTION

Any area that is not exposed to view, is concealed, or is inaccessible because of soil, walls, floors, floor covering, ceilings, furnishings, weather conditions, or any other thing is not included in this inspection. The inspection does not include any destructive testing or dismantling. Client agrees to assume all the risk for all conditions that are latent or concealed from view at the time of the inspection.

Whether or not they are concealed, the following ARE OUTSIDE THE SCOPE OF THIS INSPECTION:

- Code or zoning ordinance violations
- Geological stability or soils condition
- System or component installation
- Structural stability or engineering analysis
- Termites or other wood destroying insects, rodents or other pests
- Asbestos, radon gas, lead, formaldehyde, toxic or flammable chemicals, water or air quality, PCBs or other toxins, electromagnetic fields, or any other environmental or health hazards
- Pools, spas, underground water or piping
- Condition of detached buildings
- Building value appraisal or cost estimates
- Stucco, mold, fungus or dry-rot.
- Prediction of life expectancy of any item
- Saunas, steam baths, or fixtures and equipment
- Private water or private sewage (septic) systems
- Radio-controlled devices, automatic gates, elevators, lifts, dumbwaiters and thermostats or time clock controls
- Low voltage systems, cable/satellite television systems, antennas, security systems, home theater, telephone, intercoms, photo -electric, motion sensing, or other such non -primary electrical power devices, components, or systems.
- Water softener/purifier systems or solar heating systems
- Built in vacuum systems
- Irrigation or sprinkler systems
- Adequacy or efficiency of any system or component
- Furnace heat exchangers, freestanding appliances.
- Systems, structures, or components not specifically identified in the written inspection report

Services for inspecting or evaluating the excluded items listed above may be available from specialists qualified to inspect or evaluate a particular category or item.

The inspector is a home inspection generalist and is not acting as a licensed engineer or expert in any craft or trade. The inspection is not intended to be a building code compliance inspection or engineering evaluation, nor does the inspector have an obligation to conduct and report on the same but the inspector reserves in his discretion, the ability to exceed the report limitations and exclusions specified herein. The inspection report may contain recommendations for further evaluation by an individual other than the inspector herein who qualifies as an expert or specialist. If the inspector recommends consulting other specialized experts, Client agrees to do so at their own expense.

This inspection contract and the inspection report do not constitute a home warranty, guarantee, or insurance policy of any kind whatsoever. The inspection and inspection report are not a substitute for seller's real estate disclosures.

CONFIDENTIAL REPORT

The inspection report to be prepared for Client is solely and exclusively for Client's own information and may not be relied upon by any other person. Client agrees to maintain the confidentiality of the inspection report and agrees not to disclose any part of it to any other person. Client may distribute copies of the report to the seller, real estate agents, or lenders directly involved in this transaction, but said persons are not specifically intended beneficiaries of this Agreement or the inspection report. Client agrees to indemnify, defend and hold inspector and Company harmless from any third party claims arising out of client's unauthorized distribution of the inspection report.

DISPUTES

Client understands and agrees that any claim for failure to accurately report the visually discernible conditions at the subject Property, as limited herein above, shall be made in writing and reported to the Company within ten business days of discovery. Client further agrees that, with the exception of emergency conditions, Client or Client's agents, employees or independent contractors, will make no alterations, modifications or repairs to the claimed discrepancy prior to a re-inspection by the inspector. Client understands and agrees that any failure to notify the Company as stated above shall constitute a waiver of any and all claims for said failure to accurately report the condition in question.

LIMITATION ON LIABILITY

It is understood and agreed by and between the parties hereto that Company is not an insurer, that the payment for the subject inspection is based solely on the value of the service provided by Company in the performance of a limited visual inspection of the general condition of the structure's systems and components within the scope of the inspection and production of a written inspection report, that because of the limited nature of this inspection the inspector cannot be expected to uncover all defects or deficiencies within the structure and that it is impracticable and extremely difficult to fix the actual damages, if any, which may result from a failure to perform such services. Thus, the parties agree, that in the event that the Company breaches its obligation or duty to perform such services and Client is thereby damaged, then the maximum liability for the Company, its principals, agents and employees, for ordinary negligence, mistakes, or omissions in the inspection report is limited to a refund of the fee paid, and this liability shall be exclusive.

Client understands that if Client wants an inspection WITH AN INCREASED LIMIT ON LIABILITY to a refund of the fee paid for the inspection, **Client may pay an additional fee to receive a report with an increase in the limit.**

I have read and agree to the above Limitation on Liability clause _____ (Client's initials)

ARBITRATION

This agreement shall be interpreted under the law of the State of Utah. Client and Company agree that any claim, dispute, or controversy concerning the interpretation of this agreement or arising from this inspection and report, except for inspection fee payment, shall be resolved between the parties by BINDING ARBITRATION administered by Intermountain ADR Group of Salt Lake City, Utah or comparable entity in Salt Lake City, Utah and conducted in accordance with the Utah Arbitration Act, arbitrated by an arbitrator with at least two years experience in the home inspection industry. The language of such arbitration shall be in English. The arbitrator shall conduct summary judgment motions and enforce full discovery rights as a court would as provided in civil proceedings by legal code.

I have read and agree to the above Arbitration clause _____ (Client's initials)

ATTORNEY'S FEES

The prevailing party in any dispute arising out of this agreement, the inspection, or report shall be awarded all attorney's fees, arbitrator fees and other costs.

SEVERABILITY

Client and Company agree that should any provision of this contract be held by a court of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this contract shall remain in full force and effect, unimpaired by the court's holding.

GENERAL PROVISIONS

No legal action or proceeding of any kind, including those sounding in tort or contract, can be commenced against Inspector/Company, or its officers, agents or employees more than one year from the date the Client discovers, or through the exercises of reasonable diligence, should have discovered, the cause of action. In no event shall the time for commencement of legal action or proceeding exceed two years from the date of the inspection. **THIS TIME PERIOD IS SHORTER THAN OTHERWISE PROVIDED BY LAW.**

This Agreement represents the entire agreement between the parties. No oral agreements, understandings or representations shall change, modify or amend any part of this agreement. No change or modification shall be enforceable against any party unless such changes or modification is in writing and signed by the parties. When the final written home inspection report is issued, it shall constitute a part of this agreement and is incorporated by this reference. The written report of the Company shall be the final exclusive findings of the Company of the structure. Client further agrees and understands and agrees Company reserves the right to modify the inspection report for a period of time that shall not exceed forty-eight (48) hours after the inspection report has first been delivered to Client. This Agreement shall be binding upon and inure to the parties hereto and their spouses, heirs, executors, administrators, successors assigns and representatives of any kind whatsoever.

INSPECTION FEE

Inspection fee is due on or before completion of the inspection. The report will not be delivered before payment of the fee. The fee is due whether the contemplated real estate transaction, for which the inspection was requested, is consummated or not. Return checks are subject to an additional fee of \$25. Delinquent payments are subject to 1.5% monthly (18% annually) service charge until paid. Client to pay all costs for collection of past due accounts, including attorney's fees.

Agreed Inspection Fee \$ _____:_____
Additional Fee For: _____ \$ _____:_____
TOTAL INSPECTION FEE: \$ _____:_____

A New Construction Addendum is included as part of this Agreement. The INSPECTION FEE is listed in that addendum.

I have read, understand and agree to all of the terms and conditions of this contract, including the Limitation on Liability clause, and agree to pay the total inspection fee listed above.

Client: _____ Dated: _____

Inspector: _____ Dated: _____

There are one or more Addendums to this Agreement.