



South Metro Home Inspections L.L.C.
 1413 Seventh St NE
 New Prague, MN 56071
 Phone:952-465-5174
 Fax:952-758-5518

INSPECTION AGREEMENT
THIS IS A LEGALLY BINDING CONTRACT
AND CONTAINS AN ARBITRATION CLAUSE
 PLEASE READ IT CAREFULLY

Report #: 0000

Property Address To Be Inspected:

Client:

Total Inspection Fee \$

Phone:

This Inspection Agreement contains the terms and conditions of your (the Client) contract with South Metro Home Inspections L.L.C. (the Company) for an Inspection of the Property at the above address. This Inspection Agreement contains limitations on the scope of the Inspection, remedies and liability. Please read it carefully. By signing below, Client represents and warrants that Client has secured all approvals necessary for the Company to conduct the Inspection of the Property. Client also warrants they will read the entire Inspection Report when received and shall promptly call with any questions or concerns client may have regarding the Inspection or Inspection Report. This Inspection is being performed for the exclusive use and benefit of the Client, and the Inspection, including the written Report, is not to be transferred to, utilized or relied upon by any other person or entity without prior written permission of the Company.

1. INSPECTION AND DUTIES

The Company agrees to perform a limited visual Inspection of the systems and components included in the inspection as they exist at the time of the inspection and for which the Client agrees to pay a fee. The Inspection will be performed in accordance with the Standards of Practice of the American Society of Home Inspectors, these Standards may be obtained at www.ashi.com or from the company upon request, and is limited by the limitations, exceptions and exclusions so stated in the Standards of Practice and this Agreement. You agree that if the Company recommends further evaluation of a condition noted in the Inspection Report that you will do so before the end of any inspection contingency and prior to closing.

2. DISCLAIMER OF WARRANTY

Client understands that the Inspection and Inspection Report do not, in any way, constitute a/an: (1) guarantee, (2) warranty of merchantability or fitness for a particular purpose, (3) express or implied warranty, or (4) insurance policy. Additionally, neither the Inspection nor Inspection Report are substitutes for any real estate transfer disclosures which may be required by law.

3. NOTICE AND STATUTE OF LIMITATIONS

Client agrees that any claim, for negligence, breach of contract or otherwise, be made in writing and reported to Company within ten(10) business days of discovery. Client further agrees to allow Inspector the opportunity to re-inspect the claimed discrepancy, with the exception of emergency conditions, before Client or Client's agents, employees or independent contractors repairs, replaces, alters or modifies the claimed discrepancy. Client understands and agrees that any failure to notify Inspector as stated above shall constitute a waiver of any and all claims Client may have against Inspector. Any legal action must be brought within one (1) year from the date of the Inspection, failure to bring said action within one (1) year of the date of the Inspection is a full and complete waiver of any rights, actions or causes of actions that may have arisen therefrom. Time is expressly of the essence herein. This time period may be shorter than otherwise provided for by law.

3. LIQUIDATED DAMAGES – LIMITED LIABILITY CLAUSE

Due to the nature of the services we are providing, it is difficult to foresee or determine (at the time this Agreement is formed) potential damages in the event of negligence or breach of this Agreement by us. Thus, if we fail to perform the Services as provided herein or are careless or negligent in the performance of the Services and/or preparing the Report, our liability for any and all claims related thereto is limited to the fee paid for the Services (unless contrary to state law), and you release us from any and all additional liability, whether based on contract, tort, or any other legal theory. There will be no recovery for consequential damages. You understand that the performance of the Services without this limitation of liability would be more technically exhaustive, likely require specialties and would cost substantially more than the fee paid for this limited visual inspection. You understand that you are free to consult with another professional if you do not agree to this provision.

X

By signing here, the client agrees to be bound by the provisions of this limitation of liability provision.

5. ENVIRONMENTAL AND HEALTH ISSUES

The Client specifically acknowledges that a Property Inspection is NOT an Environmental Survey and is not intended to detect, identify, disclose or report on the presence of any actual or potential environmental concerns or hazards in the air, water, soil or building materials. Such environmental concerns and hazards include but are not limited to asbestos; radon; lead; urea formaldehyde; mold; mildew; fungus; odors; noise; toxic or flammable chemicals; water or air quality; PCB's or other toxins; electro-magnetic fields; underground storage tanks; proximity to toxic waste sites; carbon monoxide. You agree to hold the Company and Inspector harmless for any injury, health risk or damage caused or contributed to by these conditions.

6. LIMITATIONS, EXCEPTIONS AND EXCLUSIONS

The Inspection only includes those systems and components expressly and specifically identified in the Inspection Report. The Inspection limitations, exceptions and exclusions in the Standards of Practice are incorporated herein. In addition, any area which is not exposed to view, is concealed, is inaccessible because of soil, walls, floors, carpets, ceilings, furnishing or in any other fashion is excluded. The Inspection does not include any destructive testing or dismantling. The following systems and components and areas are among those NOT included in the Inspection or Inspection Report:

- Latent or concealed defects, compliance with code or zoning ordinances or permit research or system or component installation or recalls.
- Structural, geological, soil, wave action or hydrological stability, survey, engineering, analysis or testing.
- Termites or other wood destroying insects and or organisms, rodents or other pests, dry-rot or fungus; or damage from or relating to the preceding. This exclusion is deleted if the Client has the Company perform wood destroying organism inspection for an additional fee.
- Private water, sewage systems, water softeners or purifiers, radiant heat systems or solar heating systems.
- Pools, spas, hot tubs, saunas, steam baths, fountains or other types of or related systems and components.
- Repair cost estimates or building value appraisal.
- Thermostatic or time clock controls, radio controlled devices, automatic gates or elevators, lifts, dumbwaiters.
- Free standing appliances and gas appliances such as fire pits, barbecues, heaters and lamps. Main gas shut off valve. Any gas leaks. Furnace heat exchangers.
- Seismic safety, security or fire safety systems or security bars and/or safety equipment.
- Any adverse condition that may affect the desirability of the property including but not limited to proximity to railroad tracks or airplane routes, boundaries, easements or rights of way, adjoining properties or neighborhood.
- Unique/technically complex systems or components, system or component life expectancy or adequacy or efficiency of any system or component.

7. GOVERNING LAW & SEVERABILITY

This Agreement shall be governed by (Minnesota) law. If any portion of this Agreement is found to be invalid or unenforceable by any court or arbitrator the remaining terms shall remain in force between the parties.

8. RECEIPT OF REPORT

The Company's agreement to perform the Inspection is contingent on Client's agreement to the provisions, terms, conditions and limitations of this Agreement. If this Agreement is not signed by Client prior to or at the time the written Inspection Report is provided to the Client and Client objects to any of the terms of this Agreement, Client shall return the written Inspection Report to the Company within seven (7) days and any fee that has been paid will be refunded to the Client. Failure to return the written Inspection Report and payment of the fee shall constitute the full acceptance of all of the terms of this Agreement by Client.

9. OTHER SERVICES

It is understood and agreed to by the parties hereto that all the provisions, limitations, exceptions and exclusions of this agreement shall apply to any optional services entered into by the parties.

10. ENTIRE AGREEMENT, MODIFICATION & 3rd PARTIES

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 and supported by valid consideration. 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.

11. DISPUTE RESOLUTION - ARBITRATION CLAUSE

Any dispute, controversy, interpretation or claim including claims for, but not limited to, breach of contract, any form of negligence, fraud or misrepresentation or any other theory of liability arising out of, from or related to this contract or arising out of, from or related to the inspection or inspection report shall be submitted to final and binding arbitration under the rules and procedures of the Expedited Arbitration of Home Inspection Disputes of Construction Arbitration Services, Inc. The decision of the arbitrator appointed thereunder shall be final and binding and judgement on the award may be entered in any court of competent jurisdiction. CLIENT INITIALS X_____

I have read, understand and agree to all the terms and conditions of this contract and to pay the fee listed above.

Dated _____ Signature of Client _____
(One signature binds all)

Dated _____ For South Metro Home Inspections L.L.C. _____