



# YOUR INSPECTION REPORT

Making "PEACE OF MIND" Possible

### PREPARED BY:

Dean H. at Safeguard Inspection Services



# FOR THE PROPERTY AT:

123 Indigo Ct. Lakewood, CO 80226

### PREPARED FOR:

JOHN DOE

# INSPECTION DATE:

Tuesday, September 17, 2013



Safeguard Inspection Services Inc.

Proudly Serving:

Denver, CO and entire Front Range

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Dean@SIScolorado.com

# SUMMARY

Report No. 1100, v.2

123 Indigo Ct., Lakewood, CO September 17, 2013 www.siscolorado.com

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SUMMARY	ROOFING	EXTERIOR	STRUCTURE	ELECTRICAL	HEATING	COOLING	INSULATION	PLUMBING	INTERIOR
APPLIANCES	BATHROOM	FIREPLACE	SITE INFO	APPENDIX					

**Note:** For the purpose of this report the building is considered to be facing **South**.

This Summary outlines potentially significant issues from a cost or safety standpoint. This section is provided as a courtesy and cannot be considered a substitute for reading the entire report. Please read the complete document.

Priority Maintenance Items

# Roofing

### **SLOPED ROOFING \ Asphalt shingles**

**Condition:** • Cracks, deterioration, minor pitting and multiple loose shingles observed. Prior repairs and exposed nail heads noted. Shingles are at their design life. Recommend tear-off and replacement of shingles due to age and condition by licensed roofing contractor.









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**EXTERIOR** STRUCTURE

HEATING

COOLING

INSULATION PLUMBING INTERIOR

SUMMARY APPLIANCES

ROOFING BATHROOM

FIREPLACE

APPENDIX





# Exterior

### WALLS \ Wood siding

Condition: • The composite wood siding and trim were in poor condition. Paint is peeling and deteriorated. Areas of water damage, wood rot and warped siding observed. Multiple countersunk nails noted. Missing/cracked caulking allowing water intrusion. Missing paint and significant deterioration observed on trim and fascia. Loose fascia on west elevation. Recommend further evaluation, repairs and repainting by qualified contractor.





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SUMMARY ROOFING EXTERIOR

STRUCTURE

HEATING

COOLING

INSULATION

PLUMBING

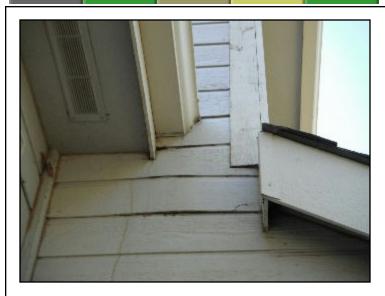
INTERIOR

APPLIANCES

BATHROOM

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SUMMARY ROOFING EXTERIOR STRUCTURE ELECTRICAL HEATING COOLING INSULATION PLUMBING INTERIOR

APPLIANCES BATHROOM FIREPLACE SITE INFO APPENDIX

# Structure

#### FLOORS \ Concrete slabs

**Condition:** • Note: Basement walls are not floated which can cause stress/movement to the structure of the property. No significant movement or deflection of the slab was observed, although observation was limited due to stored material and floor coverings. Recommend further evaluation by qualified contractor and monitor condition.



# Electrical

### **DISTRIBUTION SYSTEM \ Smoke detectors**

Condition: • Smoke detectors present at time of inspection, although due to age recommend replacing for safety.

# Heating

### **RECOMMENDATIONS \ Overview**

**Condition:** • Although the furnace was operating properly with no carbon monoxide detected, the furnace is at it's design life. Minor gas leak detected at flexible gas line connection to shut-off valve. Recommend repairs and/or replacement of unit due to age by a qualified HVAC technician.

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SUMMARY ROOFING EXT

EXTERIOR STRUCTURE

CTRICAL HEATING

COOLING

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This concludes the Summary section.

The remainder of the report describes each of the home's systems and also details any recommendations we have for improvements.

#### LIMITING FACTORS

The inspection is performed by a generalist, and in some cases, we will recommend specialists to further investigate conditions that we have identified. This is very similar to the doctor who is a general practitioner, identifying a physical condition and recommending further testing by a specialist.

Home inspectors have a limited amount of time on site. Market conditions and inspection fees dictate that inspections typically run about three hours. As a result, there will be things that are not picked up by inspectors. We ask that you understand and accept this. The inspection provides great value, and adds considerably to your understanding of the home. But it is not an insurance policy with a one-time only premium, no exclusions, no deductible and no limits.

Please read the report carefully, and feel free to ask any questions that you may have of the inspector. Again, we will remind you that a home inspection addresses visually accessible components of the home, and does not include destructive testing. We will operate mechanical systems with normal homeowner controls. Where there are many systems of a similar type and a home, we inspect a representative sample. For example, we do not inspect every electrical outlet, every piece of siding or every brick.

As you read the report, we encourage you to contact us with any questions about the report or the home.

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SUMMARY	ROOFING	EXTERIOR	STRUCTURE	ELECTRICAL	HEATING	COOLING	INSULATION	PLUMBING	INTERIOR
APPLIANCES	BATHROOM	FIREPLACE	SITE INFO	APPENDIX	1				

# Description

Sloped roofing material: • 3-Tab Asphalt Shingles

# Condition/Recommendation

# **SLOPED ROOFING \ Asphalt shingles**

**1. Condition:** • Cracks, deterioration, minor pitting and multiple loose shingles observed. Prior repairs and exposed nail heads noted. Shingles are at their design life. Recommend tear-off and replacement of shingles due to age and condition by licensed roofing contractor.









**ROOFING** 

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SUMMARY ROOFING EXTERIOR STRUCTURE ELECTRICAL HEATING COOLING INSULATION PLUMBING INTERIOR

APPLIANCES BATHROOM FIREPLACE SITE INFO APPENDIX





Report No. 1100, v.2 **EXTERIOR** 

123 Indigo Ct., Lakewood, CO September 17, 2013

www.siscolorado.com SUMMARY ROOFING **EXTERIOR** STRUCTURE INSULATION PLUMBING

APPLIANCES FIREPLACE SITE INFO APPENDIX

# Description

Gutter & downspout material: • Aluminum

Wall surfaces: • Wood Composite • Brick

**Driveway:** • Concrete

Walkway: • Concrete

Porch: • Concrete Patio: • Concrete

Fence: • Wood

Garage: • 2 Car automatic opener

# Condition/Recommendation

### **ROOF DRAINAGE \ Gutters**

2. Condition: • The gutters should be checked and cleaned routinely.

Note: Standing water observed in north gutter above patio. Recommend repairs for proper drainage by qualified contractor.



#### **ROOF DRAINAGE \ Downspouts**

3. Condition: • Install and maintain downspout extensions to direct water away from foundation where needed.

ROOFING

SUMMARY

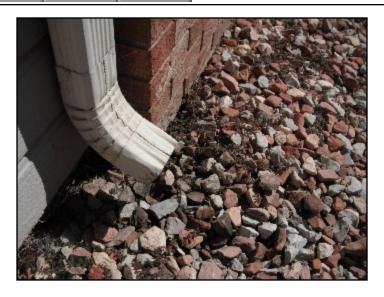
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FIREPLACE SITE INFO APPENDIX

**EXTERIOR** 

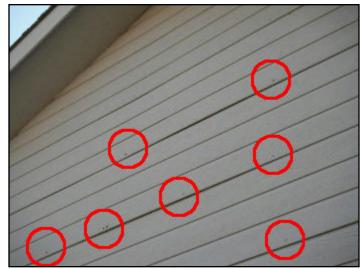
STRUCTURE



### WALLS \ Wood siding

4. Condition: • The composite wood siding and trim were in poor condition. Paint is peeling and deteriorated. Areas of water damage, wood rot and warped siding observed. Multiple countersunk nails noted. Missing/cracked caulking allowing water intrusion. Missing paint and significant deterioration observed on trim and fascia. Loose fascia on west elevation. Recommend further evaluation, repairs and repainting by qualified contractor.





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ROOFING

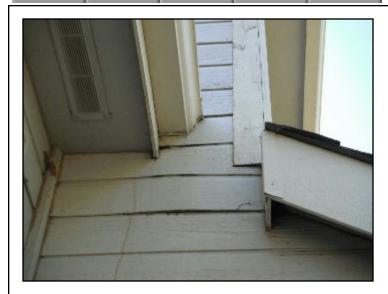
SUMMARY

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APPLIANCES BATHROOM FIREPLACE SITE INFO APPENDIX

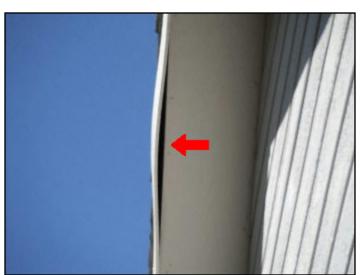
EXTERIOR

STRUCTURE













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SUMMARY	ROOFING	EXTERIOR	STRUCTURE	ELECTRICAL	HEATING	COOLING	INSULATION	PLUMBING	INTERIOR
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#### WALLS \ Brick, stone and concrete

**5. Condition:** • Brick and mortar were in good condition at time of inspection. No significant cracks or deterioration observed, monitor condition.

### **EXTERIOR GLASS \ General**

**6. Condition:** • Majority of windows appeared to be operating properly at time of inspection, general deterioration consistent with age observed. Keep all interior and exterior sills/seams caulked as part of routine maintenance.



7. Condition: • Recommend installing window well covers for safety and to prevent water intrusion.

#### **DOORS \ General**

**8. Condition:** • All exterior doors were operating properly and no leaks were detected. Keep thresholds caulked as a part of routine maintenance.

### PORCHES, DECKS, STEPS, PATIOS AND BALCONIES \ General

**9. Condition:** • General deterioration and typical settlement cracks observed in concrete porch/patio consistent with soils in the area. Monitor settlement cracks and caulk/seal routinely to prevent moisture intrusion.

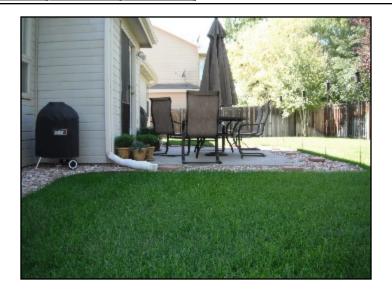
#### **LANDSCAPING \ Lot grading**

**10. Condition:** • Near level grading present in areas around dwelling. Recommend monitoring during rainfall/moist conditions for possible ponding near the perimeter of the home. Improve grading if necessary to prevent possible water intrusion problems that may effect the foundation system of the home.

# **EXTERIOR**

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123 Indigo Ct., Lakewood, CO September 17, 2013 SUMMARY ROOFING STRUCTURE COOLING INSULATION PLUMBING **EXTERIOR** APPLIANCES FIREPLACE SITE INFO



### **LANDSCAPING \ Driveway**

11. Condition: • Cracks in driveway slabs will vary depending on soil conditions in the area; no significant cracks observed during inspection. Monitor settlement cracks and caulk/seal routinely to prevent moisture intrusion.

#### LANDSCAPING \ Walkway

12. Condition: • Moderate settlement observed in concrete walkway. Recommend repair/replacement by a qualified masonry contractor.

### **LANDSCAPING \ General**

13. Condition: • Sprinkler system was operating properly at time of inspection, monitor condition and adjust heads as needed.

#### **GARAGE \ Floor**

14. Condition: • General deterioration consistent with age, keep all settlement cracks caulked to prevent moisture damage to the concrete slab.

#### **GARAGE \ Walls and ceilings**

- **15. Condition:** Minor holes/gaps in garage walls, recommend repairs by qualified contractor.
- 16. Condition: Water stains noted in garage ceiling below upstairs bathroom, tested dry at time of inspection. Monitor condition.

#### **GARAGE \ Man-door into garage**

17. Condition: • Door is fire rated but not automatically closing at time of inspection, recommend adjusting spring loaded hinges to automatically close for safety.

**EXTERIOR** 

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123 Indigo Ct., Lakewood, CO September 17, 2013 PLUMBING SUMMARY ROOFING EXTERIOR STRUCTURE ELECTRICAL APPLIANCES FIREPLACE APPENDIX

### **GARAGE \ Vehicle doors**

**18. Condition:** • Loose hardware observed on overhead garage door, recommend repairs by qualified person.



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STRUCTURE ELECTRICAL HEATING COOLING INSULATION PLUMBING INTERIOR

APPLIANCES BATHROOM FIREPLACE SITE INFO APPENDIX

# Description

SUMMARY

Configuration: • Basement • Crawl space

Foundation material: • Poured concrete

Floor construction: • Wood I-joists

Roof and ceiling framing: • Trusses

ROOFING

# Condition/Recommendation

### **FOUNDATIONS \ Foundation**

**19. Condition:** • Limited observation of foundation walls due to insulation and stored material. The foundation walls appeared to be plumb and stable; no significant settlement or cracks were observed or detected.





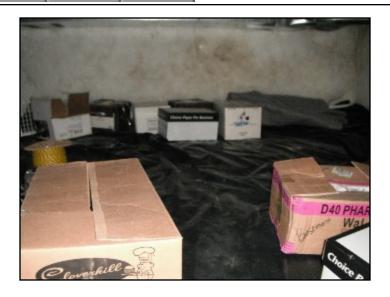
### FLOORS \ Beams

**20. Condition:** • Crawlspace was dry with vapor barrier present. No leaks observed at time of inspection. Monitor condition.

# **STRUCTURE**

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123 Indigo Ct., Lakewood, CO September 17, 2013 SUMMARY ROOFING STRUCTURE COOLING INSULATION PLUMBING APPLIANCES FIREPLACE SITE INFO APPENDIX



#### **FLOORS \ Concrete slabs**

21. Condition: • Note: Basement walls are not floated which can cause stress/movement to the structure of the property. No significant movement or deflection of the slab was observed, although observation was limited due to stored material and floor coverings. Recommend further evaluation by qualified contractor and monitor condition.



#### **ROOF FRAMING \ Rafters/trusses**

22. Condition: • The attic interior was visually inspected from access, no cracked trusses/rafters, stains, or leaks were observed at time of inspection.

**STRUCTURE** 

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www.siscolorado.com 123 Indigo Ct., Lakewood, CO September 17, 2013 INSULATION PLUMBING SUMMARY STRUCTURE

APPLIANCES BATHROOM FIREPLACE SITE INFO APPENDIX





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APPLIANCES FIREPLACE SITE INFO APPENDIX

# Description

Service entrance cable and location: • Underground

Service size: • 100 Amps (240 Volts)

Main disconnect/service box rating: • 100 Amps Main disconnect/service box type and location:

• Breakers - garage

Note: Main disconnect is located on the west exterior wall





System grounding material and type: • Copper - water pipe and ground rod

Auxiliary panel (subpanel) type and location: • Breakers - garage

Distribution wire material and type: • Copper

Circuit interrupters: Ground Fault (GFCI) & Arc Fault (AFCI): • GFCI - bathroom • GFCI - garage • GFCI - kitchen

Smoke detectors: • Present

Carbon monoxide (CO) detectors: • Present

# Condition/Recommendation

#### **RECOMMENDATIONS \ Overview**

23. Condition: • The main service panel was wired properly with copper branch wiring; no deficiencies were detected.

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SUMMARY ROOFING EXTERIOR STRUCTURE ELECTRICAL HEATING COOLING INSULATION PLUMBING INTERIOR

APPLIANCES BATHROOM FIREPLACE SITE INFO APPENDIX

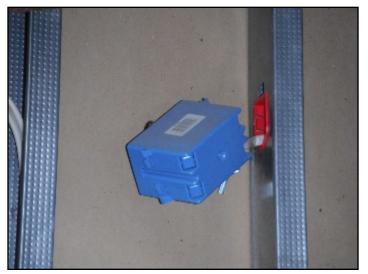




### **DISTRIBUTION SYSTEM \ Junction boxes**

**24. Condition:** • Multiple loose and improperly installed junction boxes observed in the basement mechanical room. Recommend further evaluation and repairs by licensed electrician.





# **DISTRIBUTION SYSTEM \ Outlets (receptacles)**

**25. Condition:** • Upstairs hallway bathroom GFCI wall outlet is loose and damaged. Recommend replacement by licensed electrician.

# **ELECTRICAL**

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SUMMARY ROOFING EXTERIOR STRUCTURE ELECTRICAL HEATING COOLING INSULATION PLUMBING INTERIOR

APPLIANCES BATHROOM FIREPLACE SITE INFO APPENDIX



### **DISTRIBUTION SYSTEM \ Smoke detectors**

**26. Condition:** • Smoke detectors present at time of inspection, although due to age recommend replacing for safety.

### **DISTRIBUTION SYSTEM \ Carbon monoxide (CO) detectors**

**27. Condition:** • Monitor and test as recommended.

Report No. 1100, v.2 **HEATING** 

123 Indigo Ct., Lakewood, CO

www.siscolorado.com September 17, 2013 ROOFING STRUCTURE ELECTRICAL HEATING INSULATION PLUMBING

APPLIANCES FIREPLACE SITE INFO APPENDIX

# Description

SUMMARY

Fuel/energy source: • Gas

System type: • Furnace

Furnace manufacturer: • Amana

Heat distribution: • Ducts and registers Approximate capacity: • 92,000BTU/hr

Approximate age: • 19 years

Typical life expectancy: • 18-25 Years

Main fuel shut off at: • Meter

Chimney/vent: • Metal

# Condition/Recommendation

# **RECOMMENDATIONS \ Overview**

28. Condition: • Although the furnace was operating properly with no carbon monoxide detected, the furnace is at it's design life. Minor gas leak detected at flexible gas line connection to shut-off valve. Recommend repairs and/or replacement of unit due to age by a qualified HVAC technician.





### **GAS FURNACE \ Thermostat**

**29. Condition:** • Operating properly at time of inspection.

# **COOLING & HEAT PUMP**

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123 Indigo Ct., Lakewood, CO September 17, 2013 SUMMARY ROOFING STRUCTURE COOLING PLUMBING APPLIANCES FIREPLACE SITE INFO APPENDIX

# Description

Air conditioning type: • Air cooled • None present

Manufacturer: • Goodman Cooling capacity: • 2.5 Tons

Compressor approximate age: • 6 years Typical life expectancy: • 20-25 Years

# Condition/Recommendation

### **RECOMMENDATIONS \ Overview**

30. Condition: • The temperature differential was 22 degrees at the unit which is within industry standards for normal operation. Recommend routine cleaning and maintenance by a qualified HVAC technician.





# INSULATION AND VENTILATION

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123 Indigo Ct., Lakewood, CO September 17, 2013 SUMMARY ROOFING STRUCTURE INSULATION APPLIANCES FIREPLACE SITE INFO APPENDIX

Description

Attic/roof insulation material: • Loose fill

Attic/roof insulation amount/value: • R-38

Attic/roof ventilation: • Static Vents Attic/roof ventilation: • Soffit vent

# Condition/Recommendation

### **General**

**31.** • Adequate insulation and ventilation present.





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SUMMARY ROOFING EXTERIOR STRUCTURE ELECTRICAL HEATING COOLING INSULATION PLUMBING INTERIOR

APPLIANCES BATHROOM FIREPLACE SITE INFO APPENDIX

# Description

Water supply source: • Public

Service piping into building: • Copper Supply piping in building: • Copper

Main water shut off valve at the: • Basement utility room



Water heater fuel/energy source: • Gas

Water heater manufacturer: • Rheem

Tank capacity: • 50 gallons

Water heater approximate age: • 1 year

Typical life expectancy: • 10-14 years

Waste piping in building: • PVC plastic

**Pumps:** • Ejector pump present

# Condition/Recommendation

### **SUPPLY PLUMBING \ Supply piping in building**

**32. Condition:** • Note: Corrosion observed in supply line located in basement mechanical room. Recommend repairs by qualified plumber.

# **PLUMBING**

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SUMMARY ROOFING EXTERIOR STRUCTURE ELECTRICAL HEATING COOLING INSULATION PLUMBING INTERIOR

APPLIANCES BATHROOM FIREPLACE SITE INFO APPENDIX



### **WATER HEATER \ Tank**

**33. Condition:** • The water heater was operating properly with no leaks observed at time of inspection. Monitor routinely for change in condition.

# WASTE PLUMBING \ Sewage ejector pump

**34. Condition:** • Ejector pump was operating properly at time of inspection. Duct tape noted on drain pipe. No leaks present at time of inspection. Recommend further evaluation by qualified plumber and monitor condition.



# INTERIOR

Report No. 1100, v.2

123 Indigo Ct., Lakewood, CO September 17, 2013 SUMMARY ROOFING STRUCTURE INSULATION PLUMBING INTERIOR APPLIANCES FIREPLACE SITE INFO APPENDIX

# Description

General: • Living room: Inspected

General: • Dining room: Inspected

General: • Kitchen: Inspected

General: • Laundry room: Inspected

**General:** • Master Bedroom: Inspected.

General: • Upstairs West Bedroom: Inspected

General: • Upstairs East Bedroom: Inspected

General: • Basement Rec Room: Inspected

General: • Basement Unfinished Area: Inspected

General: • Basement Bedroom: Inspected

# Condition/Recommendation

#### WALLS \ General

**35. Condition:** • Minor wall damage noted in upstairs west bedroom closet. Recommend repairs by qualified contractor.

### **CEILINGS \ General**

**36. Condition:** • Minor/typical ceiling cracks observed, monitor condition.



# INTERIOR

Report No. 1100, v.2

www.siscolorado.com 123 Indigo Ct., Lakewood, CO September 17, 2013 SUMMARY ROOFING STRUCTURE ELECTRICAL PLUMBING INTERIOR

APPLIANCES FIREPLACE SITE INFO APPENDIX

### WINDOWS \ General

37. Condition: • Master bedroom north windows(2) balances were out. Recommend repairs by qualified contractor.



### **DOORS \ Doors and frames**

38. Condition: • Damage observed to master bedroom and basement doors. Recommend replacement by qualified person.



### **EXHAUST FANS \ Exhaust duct**

39. Condition: • Upstairs and basement bathroom exhaust vents are not discharging to the exterior of home. Recommend further evaluation and repairs by qualified contractor.

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SUMMARY	ROOFING	EXTERIOR	STRUCTURE	ELECTRICAL	HEATING	COOLING	INSULATION	PLUMBING	IN <sup>-</sup>
APPLIANCES	BATHROOM	FIREPLACE	SITE INFO	APPENDIX					

# Condition/Recommendation

#### **COOKTOP \ General**

**40. Condition:** • Inspected, electric stove top operating properly at time of inspection.

#### OVEN \ General

**41. Condition:** • Inspected, electric oven operating properly although no anti-tip devise is installed. Recommend installing anti-tip bracket for safety by qualified person.

#### **DISHWASHER \ General**

**42. Condition:** • Inspected, operating properly and no leaks observed at time of inspection.

#### **MICROWAVE OVEN \ General**

**43. Condition:** • Inspected, operating properly at time of inspection.

#### **WASTE DISPOSAL \ General**

**44. Condition:** • Inspected, disposal operating properly at time of inspection.

#### **CLOTHES WASHER \ General**

**45. Condition:** • No leaks were observed in supply lines at time of inspection. Note: Operation/draining of washing machine is not inspected during home inspection. Recommend replacing rubber supply hoses with braided stainless steel hoses.



#### **CLOTHES DRYER \ General**

**46. Condition:** • Electric dryer outlet is operational. Note: Clothes dryer unit is not inspected during home inspection. Recommend inspecting and cleaning dryer vent.

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APPLIANCES BATHROOM FIREPLACE SITE INFO APPENDIX

# Description

Master Bathroom: • Full bath: Inspected

Upstairs Hallway Bathroom: • Full bath: Inspected

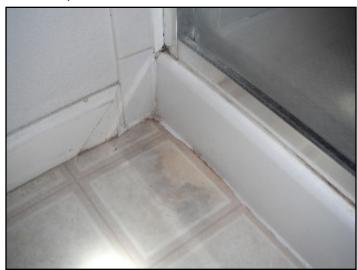
Basement Bathroom: • 3/4 Bath: Inspected Hallway Bathroom: • 1/2 Bath: Inspected

# Condition/Recommendation

#### **General**

47. • Master bathroom shower valve is improperly installed. Nail pop noted on bathroom ceiling. Recommend repairs by qualified person. Maintain caulking around tub/shower and sink areas to prevent water intrusion.





48. • Basement sink hot shut-off valve is not fully opening. Sink drain is slow. Multiple lights bulbs are burnt out in fixtures. Recommend further evaluation and repairs by qualified contractor.





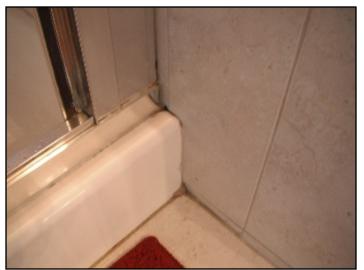
# **BATHROOM**

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49. • All fixtures in the upstairs and hallway 1/2 bathrooms were inspected and operating properly with no leaks observed. Maintain caulking around tub/shower and sink areas to prevent water intrusion. Note: No heat source present in upstairs bathroom.





**FIREPLACE** 

Report No. 1100, v.2

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# Condition/Recommendation

### **General**

**50.** • The fireplace was operating properly, no gas leaks detected.



Report No. 1100, v.2 SITE INFO

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FIREPLACE

www.siscolorado.com SUMMARY ROOFING STRUCTURE ELECTRICAL INSULATION PLUMBING

Description

Weather: • Clear

APPLIANCES BATHROOM

Approximate temperature: • 86

**Attendees:** • Buyer

Access to home provided by: • Buyer

**Occupancy:** • The home was occupied at the time of the inspection.

**Utilities:** • All utilities were on during the inspection.

**Approximate inspection Start time:** • The inspection started at 2:30 p.m.

**Approximate inspection End time:** • The inspection ended at 5:30 p.m.

Approximate age of home: • 19 years Approximate size of home: • 3100 ft.<sup>2</sup>

Number of stories: • Two

Number of bedrooms: • Four

Number of bathrooms: • Four

**END OF REPORT** 

September 17, 2013

123 Indigo Ct., Lakewood, CO SUMMARY STRUCTURE COOLING INSULATION PLUMBING ROOFING APPLIANCES FIREPLACE SITE INFO **APPENDIX** 

#### DESCRIPTION OF HOME INSPECTION SERVICES AND GENERAL HOME INSPECTION **INFORMATION®**

A HOME INSPECTION\* is more than a report on the condition of the PERMANENT SYSTEMS and PERMANENT COMPONENTS specified in the "Home Inspection Authorization and Contract and Scope of Inspection." It's an investment and an education. In addition to documenting ADVERSE CONDITIONS in specified SYSTEMS and COMPONENTS, the information developed in the course of a HOME INSPECTION can help in managing home maintenance costs and preserving their

A HOME INSPECTION is a limited and primarily visual, non-destructive, and non-technical examination (using NORMAL OPERATING CONTROLS where appropriate) of the applicable READILY ACCESSIBLE SYSTEMS and COMPONENTS specified in the "Home Inspection Authorization and Contract and Scope of Inspection" and in the Inspection Report for ADVERSE CONDITIONS. Only the visible and READILY ACCESSIBLE portions of the specified SYSTEMS and COMPONENTS will be inspected. A HOME INSPECTION is not a technical inspection or an engineering evaluation. Destructive testing and/or disassembly of materials of components, other than the removal of access covers intended to allow normal homeowner maintenance, is excluded. Barriers, carpet, walls, ceilings, tile, obstacles, personal goods or stored items are not removed or moved to gain access or to provide a clearer view.

Examination of certain systems and components and specific testing, evaluation, and remedial design work require substantial additional time and the services of licensed contractors or individuals with necessarily narrow and highly specialized training. Such services may be provided by the Company as separate services but are not a part of the HOME INSPECTION. These include but are not limited to the performance of engineering services, the inspection of swimming pools, spas, solar SYSTEMS, irrigation, well and septic SYSTEMS, or inspections for insects, pests, toxic substances, and environmental hazards. If inspection or other services not included in the HOME INSPECTION are desired, the Company, under a separate contract and for an additional fee, may provide same of these services or you may also seek any of these services independently.

A HOME INSPECTION is not a home warranty, guarantee, or insurance of any kind. It is not a substitute for a seller's disclosure statement or a pre-closing walk through. It does not replace insurance to protect against eventual deterioration of SYSTEMS or COMPONENTS. Contact your real estate professional, insurance agent, or lender for information about this type of insurance.

In order to provide our Customers with a competitively priced HOME INSPECTION the Company offers a choice of inspection options. Customers have the option of choosing a HOME INSPECTION for which the liability of the Company is limited to liquidated damages in the amount equal to all amounts paid for the HOME INSPECTION by the Customer or a HOME INSPECTION for which the specific limitation on liability is removed for an additional fee of \$850.00 over and above the fee for a **HOME INSPECTION** with the specific limitations on liability.

The Company is not a party to any contracts or other agreements pertaining to the subject property between the Customer and any third parties. Therefore, the Company cannot offer recommendations pertaining to the use of the information contained in the Inspection Report with regard to such contracts or agreements. All decisions pertaining to consulting with any representatives or other parties including, but not limited to, real estate agents, insurers, title companies, surveyors, mortgage lenders, and attorneys with regard to the use or to the timeliness of use of the information contained in the Inspection Report are solely the responsibility of the Customer.

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<sup>\*</sup>The terms that appear in all capitalized bold letters in this "Description of Home Inspection Services and General Home Inspection Information" document are defined in the "Home Inspection Report Glossary" which accompanies the written Inspection Report.

SUMMARY

Report No. 1100, v.2

www.siscolorado.com 123 Indigo Ct., Lakewood, CO September 17, 2013

COOLING

INSULATION

PLUMBING

APPLIANCES SITE INFO **APPENDIX** 

#### DESCRIPTION OF HOME INSPECTION SERVICES AND GENERAL HOME INSPECTION **INFORMATION®**

The following are answers to Frequently Asked Questions regarding HOME INSPECTIONS.

#### What about...

ROOFING

moisture staining? When moisture staining or efflorescence on walls, ceilings, floors, or other surfaces is noted, it shall be understood that it cannot always be determined whether the conditions contributing to the staining have been corrected or are still present. Therefore, it is recommended that additional measures be taken immediately to determine whether the cause of the staining has been corrected.

destructive examination? If additional examinations requiring destructive measures are desired, permission from the property owner must be obtained prior to retaining the services of a QUALIFIED party to perform any such additional examinations.

COMPONENTS which are NOT EXAMINED due to inaccessibility or for other reasons? When inspection of any SYSTEM or COMPONENT is limited or is designated as NOT EXAMINED due to inaccessibility or for any other reason, it shall be understood that the presence of ADVERSE CONDITIONS affecting the SYSTEM or COMPONENT cannot be determined. Therefore, it is recommended that additional measures be taken to evaluate and to assess the condition of such **SYSTEMS** or **COMPONENTS** as soon as possible.

SYSTEMS and COMPONENTS which are excluded in the scope of the inspection? Information regarding such SYSTEMS or COMPONENTS may be available through various governmental departments or agencies or through appropriate QUALIFIED companies, contractors, or service technicians.

de-energized SYSTEMS? Inspectors will not light standing pilots, activate the main water, gas, or electrical controls, energize electrical circuits which are shut off or out of service, or operate any controls other than NORMAL OPERATING CONTROLS which are typically operated by building occupants in the daily use of the building.

geological stability or condition of the site? For information regarding geological stability or site conditions, a geo-technical/soils engineer should be consulted.

structural stability or engineering analysis? Analysis of the structure, foundation and retaining walls for sustaining capacity, soundness, and adequacy of seismic, shear, and design calculations should be obtained from a registered structural engineer. All Professional Engineering work should be stamped by the Professional Engineer performing the work and should bear the registration number and signature of that Professional Engineer.

building value or appraisal? Consult your real estate professional or appraisal professional for this information.

cost estimates? It is recommended that multiple separate estimates be obtained from QUALIFIED parties for all repairs, modifications, or corrective measures.

condition of detached buildings? Pool houses, cottages or other structures are not included but may be inspected upon request for an additional fee.

duplex and other multi-family units? These types of residential buildings typically have multiple kitchens and often have multiple, separate heating, electrical, plumbing, and other SYSTEMS which require additional time to inspect. Therefore, a different fee structure applies to the inspection of such buildings.

public records? Legality of property and its present use; conditions of title, boundaries and easements; compliance with local codes, ordinances or regulations and location in earthquake or hazard zones are not addressed and can be obtained from the appropriate public records and documents.

permits and zoning? Inspectors are not responsible for determining if any permits were required or obtained for any work performed on the subject property. Consult the appropriate jurisdictional building and/or land use department for information pertaining to permits and zoning.

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www.siscolorado.com 123 Indigo Ct., Lakewood, CO September 17, 2013

SUMMARY	ROOFING	EXTERIOR	STRUCTURE	ELECTRICAL	HEATING	COOLING	INSULATION	PLUMBING	INTERIOR
APPLIANCES	BATHROOM	FIREPLACE	SITE INFO	APPENDIX					

#### DESCRIPTION OF HOME INSPECTION SERVICES AND GENERAL HOME INSPECTION **INFORMATION®**

Specifically excluded is the performance of any work and the performance of any inspection of any systems, components, or items not specifically included in this Contract, in the Inspection Report, and in the scope of inspection including, but not limited to, the following: the introduction or placing of water into any surface or subsurface water drainage management or sump system; placing any solid, liquid, or gaseous substances into the interior or exterior environment or into any system for the purpose of testing or evaluation other than running water into plumbing fixtures by the operation of their related normal operating controls; the performance of thermal imaging, thermal efficiency or energy audits; any information pertaining to consumer protection bulletins, or notifications, manufacturers' recalls of any component or equipment or "class action" litigation or settlements against contractors or manufacturers; low-voltage systems, swimming pools, saunas, spa (hot tub), or hydromassage systems; recreational equipment; electrostatic precipitators or electronic air filters or cleaners; 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; household appliances; elevators, lifts, dumbwaiters; pneumatic equipment and systems; audio and video systems; central vacuum systems; fencing or yard walls or gates, humidification, dehumidification, or air-to-air heat exchange/heat recovery ventilation equipment or systems; landscaping, landscape or other irrigation systems; active and passive solar space or water heating systems, photovoltaic systems; the presence, absence, function, or accuracy of electrical, fuel gas, or water metering devices; electrical system demand control devices; soils, security systems, fire, smoke, carbon monoxide, fuel, moisture, radon, or any other detection, warning, alarm, or suppression systems; window and door screening, awnings; retaining walls. Also excluded is any sampling of, examination, testing, analysis, or inspection for the presence or absence of or any suspected harmful, dangerous, or toxic substances or materials or environmental hazards including, but not limited to, any bio-aerosols, mold, fungus, bacteria, asbestos or other non-biological airborne particulates or in situ materials; chemicals, pharmaceutical substances, methamphetamine, lead, lead-based paint; radon, carbon monoxide, or other chemicals, compounds, substances, gases, or vapors; treated lumber, waterborne, airborne, or soil borne materials or contaminants; volatile organic materials, petroleum products or petrochemicals; radioactive materials, non-ionizing electromagnetic radiation; or plant, animal, or insect secretions or excretions; and any inspection for the presence or absence of any fauna including, but not limited to, rodents, reptiles, vermin, insects and/or any other pests.

A HOME INSPECTION is a "snapshot in time." Because a SYSTEM or COMPONENT is performing its NORMALLY INTENDED FUNCTION OR OPERATION at the time of the inspection does not assure that it will continue to do so. Any SYSTEM or COMPONENT, regardless of age, can fail catastrophically at any time and without any indication of impending failure.

The inspector cannot predict any future ADVERSE CONDITIONS including but not limited to roof leaks, component failures, or the remaining service life of any applicable SYSTEM or COMPONENT.

The Company is not responsible for and will not repair any COMPONENT which fails subsequent to this inspection or which is identified or described in this Inspection Report.

All repairs, corrective measures, or new work undertaken on any SYSTEM or COMPONENT should be performed only by QUALIFIED parties. Only new or appropriate materials should be used. All work should be performed in a workmanlike manner and in accordance with all appropriate and applicable industry standards and governmental codes and regulations. Subsequent to completion and where appropriate and applicable, it is recommended that all such work be documented by work orders, invoices, or receipts from the individuals or companies which performed the work as well as by copies of all signed off building permits and lien releases from contractors and their employees, other workers, and material suppliers. The Company will not re-inspect any property which it has previously inspected to verify that any ADVERSE CONDITION documented during the inspection has been properly corrected. All SYSTEMS and COMPONENTS require ongoing and prudent periodic maintenance to obtain their maximum serviceable lives.

When work requiring a permit is performed without obtaining the proper permit and inspections, that work may be considered nonconforming and illegal by governmental building code, ordinance, and regulation agencies that are charged with the promulgation and enforcement of such codes, ordinances, and regulations. Nonconforming work may jeopardize the safety of persons occupying or entering the property. It may also adversely affect specific insurance coverage and the salability of the property and may result in added costs in the form of additional fees and/or property taxes or other penalties.

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SUMMARY	ROOFING	EXTERIOR	STRUCTURE	ELECTRICAL	HEATING	COOLING	INSULATION	PLUMBING	INTERIOR
APPLIANCES	BATHROOM	FIREPLACE	SITE INFO	APPENDIX					

The written observations and recommendations contained in this Inspection Report are based on the knowledge and experience of the inspector. You may receive different information from other inspectors, tradespersons, insurance adjusters, private or public personnel, contractors, building and SYSTEM warranty services personnel, or other parties whose interests are different from the Company's interests. If you receive information which differs from that contained in the written Inspection Report, it is recommended that such information also be obtained in writing on the appropriate company or agency letterhead, bearing all applicable licensing numbers, and signed by the individual providing the information.

When other parties state that a COMPONENT or an ADVERSE CONDITION designated IMMEDIATE ACTION is safe and/or adequate at the present time, without the need for any modifications or corrective measures, it is recommended that those parties be asked to put such statements in writing accompanied by a signed letter bearing any applicable license numbers and which states that no action is necessary and that the COMPONENT or ADVERSE CONDITION identified in the Inspection Report is safe and adequate according to all industry standards and governmental regulations.

The following conditions and limitations apply to the use of ladders throughout this inspection: A ladder will be used only to aid in inspecting roof surfaces and reaching attic access openings. A ladder will be used only, when, in the judgment of the inspector, it is safe to do so. Under no circumstances will the use of ladder be considered when roof surfaces are not READILY ACCESSIBLE with a ladder twelve (12) feet or shorter in length and when attic access openings are not READILY ACCESSIBLE with a ladder six (6) feet or shorter in length.

This inspection is performed and this Inspection Report is prepared solely on behalf of and for your exclusive use and no third parties have any right to this inspection and Inspection Report.

Its sole purpose is to provide Customers with both an education and a better understanding of some of the conditions which may exist at the subject property in order to assist Customers in planning for both immediate and ongoing, regular maintenance of the specified **SYSTEMS** and **COMPONENTS**.

Therefore, it is recommended that the contents of this inspection and Inspection Report be kept strictly confidential and not be discussed with or shown to others, including but not limited to appraisers, insurance agents and adjusters, home warranty companies, and lenders, whose interests are different from those of the Company and its Customers.

The company will not return to any property which the Company has previously inspected for the purpose of reinspection to verify that any ADVERSE CONDITIONS documented in the course of the original inspection have been modified or corrected or that any remedial measures have been performed.

For this reason, it is recommended that all repairs, corrective measures, or new work undertaken on any SYSTEM or COMPONENT be performed only by QUALIFIED parties and that only new, appropriate or specified materials be used. Further, that all work be performed in a workmanlike manner and in accordance with all appropriate applicable industry standards and governmental codes, ordinances and regulations.

Subsequent to completion and where appropriate and applicable, it is recommended that all such work be documented by work orders, invoices, or receipts from the individuals or companies which performed the work as well as by copies of all signed off building permits and lien releases from contractors and their employees, other workers, and material suppliers.

Your inspector may bring to your attention and discuss certain elective modifications of original and functioning installations and assemblies of SYSTEMS and COMPONENTS that you may wish to consider implementing as part of upgrading your home. These elective modifications may exceed some of the building and construction standards that applied at the time of the original construction of the home. The differences between any such original building and construction standards and current standards do not constitute ADVERSE CONDITIONS in the subject property. Elective modifications should be performed only by QUALIFIED parties in accordance with all applicable industry standards and governmental requirements pertaining to permits, codes, ordinances, and regulations.

Any oral statements made by the inspector pertaining to elective modifications or any inclusion in the Inspection Report of information regarding elective modifications shall be deemed to be informational only and supplied as a courtesy to you and shall not be deemed to be an amendment to or waiver of any exclusions included in the "Home Inspection Authorization and Contract and Scope of Inspection."

A HOME INSPECTION is a limited visual, non-technical examination of the multiple SYSTEMS and COMPONENTS of a home. Therefore, occasionally, in the course of performing examinations, modifications, or corrective measures as a result of the information contained in the Inspection Report, the appropriate and QUALIFIED parties performing such work may determine that there are other conditions which could not be determined in the course of the original inspection and for which modifications or corrective measures are also recommended.

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SUMMARY	ROOFING	EXTERIOR	STRUCTURE	ELECTRICAL	HEATING	COOLING	INSULATION	PLUMBING	INTERIOR
APPLIANCES	BATHROOM	FIREPLACE	SITE INFO	APPENDIX					

### SAFEGUARD INSPECTION SERVICES

HOME INSPECTION

# AUTHORIZATION AND CONTRACT AND SCOPE OF INSPECTION ©

SUBJECT PROPERTY

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

#### AUTHORIZATION AND AGREEMENT

- 1. Customer hereby authorizes and contracts for Safeguard Inspection Services to perform a home inspection at the Subject Property. Customer agrees to the terms and conditions in this Contract. The Home Inspection Report and its contents are intended for the exclusive use of and are the nontransferable property of the Customer. The agreed Inspection Fee is payable on or before the time of the home inspection.
- 2. My signature below acknowledges that I have read, understand, and accept the terms, conditions, and limitations as outlined in the Home Inspection Authorization and Contract and Scope of Inspection© and the Description of Home Inspection Services and General Home Inspection Information"©

I received and had the opportunity to read all four pages of the *Home Inspection Authorization and Contract and Scope of Inspection*© and all four pages of the *Description of Home Inspection Services and General Home Inspection Information*© and I DO NOT ELECT TO PAY AN ADDITIONAL FEE OF \$850.00 FOR THE REMOVAL OF THE LIMITATION OF LIABILITY AND LIQUIDATED DAMAGES AND INDEMNIFICATION described in paragraph 7 for this inspection and report.

THE TOTAL	FEE FOR THIS INSPECTION IS: \$			
	CUSTOMER'S SIGNATURE		_	DATE
Inspection© and ELECT TO PA LIQUIDATED I	had the opportunity to read all four pages of all four pages of the <i>Description of Home Ins</i> Y AN ADDITIONAL FEE OF \$850.00 FOR DAMAGES AND INDEMNIFICATION described by the control of t	pection Services of THE REMOVA	and General Home I L OF THE LIMITA	nspection Information© and I TION OF LIABILITY AND
	CUSTOMER'S SIGNATURE			DATE
INITIAL	Company is authorized to release copies of	his Inspection Re	port to:	

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# APPENDIX

Report No. 1100, v.2

www.siscolorado.com 123 Indigo Ct., Lakewood, CO September 17, 2013

SUMMARY COOLING INSULATION ROOFING STRUCTURE PLUMBING APPLIANCES FIREPLACE SITE INFO **APPENDIX** 

- 3. The scope of this inspection is to perform a primarily visual, non-destructive, and non-technical examination (using normal operating controls where appropriate) of the applicable readily accessible portions of the structural, heating, cooling, plumbing, roofing, electrical systems and components of the Subject Property specified in this Contract and Inspection Report for adverse conditions. Permanently installed and attached kitchen appliances are specifically excluded unless the Company elects to include them in the inspection and report. This inspection will be conducted with reasonable care and accordance with the International Association of Certified Home Inspectors for conducting general, visual, non-technical home inspections as they apply to the scope of the inspection unless otherwise noted and where conditions permit and except as modified by this Contract and the limits set forth in this Contract and the Inspection Report. The Scope of Inspection also includes the description of the scope and limitations of the inspection as set forth in the Description of Home Inspection Services and General Home Inspection Information. Only the visible and readily accessible portions of the items and components specified in the Inspection Report shall be inspected. THE INSPECTOR IS NOT EXPECTED OR REQUIRED TO MOVE OR REMOVE ANY PERSONAL PROPERTY FROM OR AT THE SUBJECT PROPERTY IN ORDER TO CONDUCT THE INSPECTION. No other systems, items or appliances are included in this inspection. The inspection performed by Company is supplemental to any real estate transfer or seller's disclosure statement and shall not be used as a substitute for such disclosure statements or for a pre-closing walk through.
- 4. Unless this Contract is modified in writing and any such written modification is agreed upon and initialed by both the Company and the Customer, specifically excluded is the performance of any work and the performance of any inspection of any systems, components, or items not specifically included in this Contract, in the Inspection Report, and in the scope of inspection (as referenced in paragraph 3. above). In the event that the Inspection Report or oral statements made by the Inspector supply any information about any systems, components, or items not specifically included in this Contract, in the Inspection Report, and in the scope of inspection, 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 foregoing exclusions and shall not be deemed to acknowledge or create any duty not otherwise expressly specified in this Contract.
- 5. This inspection is not technically exhaustive. This is not an engineering inspection or analysis, no engineering tests will be made. Excluded is the performance of any inspection to determine conformance to or compliance with any manufacturer's specifications or installation or use instructions, or to determine or calculate the strength, adequacy, or efficiency of any system or component or any effect of any condition on the value, desirability, or safety of the subject property or of any system or component at the subject property. No examination will be made to determine compliance with any governmental ordinances, regulations, acts, protocols, or codes. 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, safety, operability, habitability, or suitability or the impact on any of these concerns arising from the condition of any system or component.. Company is not responsible for any condition affecting any system or component which occurs subsequent to the inspection or is intermittent and/or otherwise not detectable for any reason during the inspection. CUSTOMER HAS NO EXPECTATION OF BEING NOTIFIED OF ALL CONDITIONS, and waives any claim to conditions which are not reported.
- 6. CUSTOMER ACKNOWLEDGES THAT COMPANY WARRANTS THAT ITS INSPECTION SERVICES WILL BE PERFORMED IN ACCORDANCE WITH THE SCOPE OF INSPECTION AND THE INSPECTION REPORT ONLY. THIS IS A LIMITED AND NON-TRANSFERABLE 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 DELIVERY AND USE OF AND RELIANCE ON THE INSPECTION REPORT. COMPANY 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 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.
- 7. IN THE EVENT OF A BREACH OR FAILURE OF THE FOREGOING WARRANTY, 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, OR 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 COMPANY BY CUSTOMER. CUSTOMER AGREES TO INDEMNIFY AND HOLD COMPANY HARMLESS FOR ALL DAMAGES AND LIABILITY INCURRED BY COMPANY, INCLUDING LIABILITY FOR NEGLIGENCE, EXCEPT AS SPECIFICALLY PROVIDED ABOVE.
- 8. Customer acknowledges the liquidated damages are not intended as a penalty but are intended (I) to reflect the fact that actual damages other than the full Contract amount may be difficult and impractical to ascertain; (II) to allocate risk among Company and Customer; and (III) to enable Company to 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 and Company shall be thereupon generally and fully released.

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# **APPENDIX**

123 Indigo Ct., Lakewood, CO.

Report No. 1100, v.2

September 17, 2013

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SUMMARY	ROOFING	EXTERIOR	STRUCTURE	ELECTRICAL	HEATING	COOLING	INSULATION	PLUMBING	INTERIOR
APPLIANCES	BATHROOM	FIREPLACE	SITE INFO	APPENDIX					

- 9. CUSTOMER HEREBY EXPRESSLY WAIVES ANY CAUSE OF ACTION AGAINST THE INSPECTOR PERSONALLY, EXCLUDING SOLELY WILLFUL MISCONDUCT, AND AGREES TO LOOK SOLELY TO COMPANY FOR ANY AND ALL LIABILITY RELATED TO THE INSPECTION INCLUDING THE 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.
- 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 (3) business 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 some contractors who base their recommendations to repair or replace components on incorrect, false, or misleading information. IF CUSTOMER FAILS TO COMPLY WITH THIS NOTIFICATION REQUIREMENT OR TO HONOR COMPANY'S RIGHT TO RE-INSPECT, 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 and Customer's intent to file a legal action, and Company shall have thirty (30) days to submit the dispute to binding arbitration in Fort Collins, CO. Such arbitration shall be conducted in accordance with the Construction Industry Rules of the American Arbitration Association (or other appropriate entity), 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 home inspection 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 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. No action, whether in contract or tort, shall be brought against Company in arbitration or a court of law beyond the earlier of one year following the date of the Inspection Report or 120 days after discovery by Customer of the condition which forms the basis of the
- 13. 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 for the furnishing of the Inspection Report, the Customer agrees to indemnify and hold harmless Company, its agents, employees, inspectors, directors, officers, shareholders, successors and assigns, for all costs, expenses, legal fees, awards, settlements, judgments, 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 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.
- 14. 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 one year following the date of the Inspection Report or 120 days after discovery by Customer of the condition which forms the basis of the
- 15. 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, its inspectors, employees, agents, inspectors, directors, shareholders, successors and assigns.
- 16. 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 OWNERS, SELLERS, OR AGENTS 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 INSPECTION COMPANY AND INSPECTOR(S) FOR DAMAGES RELATED TO THE CONDITION OR COMPONENT FOR WHICH THE DEMAND OR CLAIM IS MADE AGAINST OWNERS, SELLERS, OR AGENTS.

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# APPENDIX

Report No. 1100, v.2

123 Indigo Ct., Lakewood, CO September 17, 2013 SUMMARY INSULATION ROOFING COOLING PLUMBING APPLIANCES SITE INFO **APPENDIX** 

- 17. Acceptance of the Inspection Report by any party shall constitute acceptance of the terms and conditions of this Contract as if signed by that party and shall constitute authorization to any person signing as Customer to act as an agent in agreeing to the terms and conditions. This Contract is binding on Customer, Customer's spouse, heirs, distributees, guardians, legal representative, successors and assigns.
- 18. The Customer's presence at the inspection is requested. If Customer is not present at the time of the inspection or for any other reason is unable to sign this Contract at the time of inspection, acceptance of the Inspection Report shall constitute acceptance of the terms and conditions of the Contract as if signed by Customer.
- 19. 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 Customer's 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.
- 20. The Inspection Report, any addenda, and Home Inspection Report Glossary, along with the "Home Inspection Authorization and Contract and Scope of Inspection"© and the "Description of Home Inspection Services and General Home Inspection Information,"© collectively constitute the Contract document. In the event any provision is held to be unenforceable, it shall be severed from the Contract and the remaining provisions shall be fully enforced.
- 21. 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 \$5,000.00). Customer agrees to indemnify the Company and the inspector for any breach by Customer of the forgoing agreement and warranty.
- 22. 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. Customer further acknowledges that the Company is not a party to any contracts, negotiations, or agreements between the Customer and any third parties including, but not limited to: sellers, lessors, lenders, appraisers, insurers, or real estate agents. The Customer further agrees that Company, its agents, employees, and inspectors cannot and will not provide any advice or direction pertaining to the use of any information contained in the Inspection Report with regard to any such contracts, negotiations, or agreements. The Customer also agrees that any decisions regarding consulting with any representatives or other parties are solely the responsibility of the Customer and to indemnify and hold harmless Company, its agents, employees, inspectors, directors, officers, shareholders, successors and assigns with regard to the Customer's decisions pertaining the use of any of the information contained in the Inspection Report.
- 23. Company reserves the right to terminate the inspection on site and to return the inspection fee, in its discretion, for any reason or for no reason, and at any time prior to delivery of the Inspection Report. Such termination and refund shall terminate all contractual relationships between Company and Customer with regard to the home 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.
- 24. To reduce the potential for distracting the inspector and interruption of the inspection process, video and/or audio recording of the inspection are expressly prohibited in any manner whatsoever without prior written permission from the Company.
- 25. If the terms and conditions of this "Home Inspection Authorization and Contract and Scope of Inspection" @ are not acceptable to the Customer, the Customer agrees to notify Company or Company's representatives prior to the inspection and the inspection shall be canceled, no fee charged, and the Customer shall be free to seek inspection services elsewhere.

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