

#### THIS AGREEMENT LIMITS OUR LIABILITY—PLEASE READ CAREFULLY

This Home Inspection Agreement (the "Agreement") is made effective on the date of inspection by and between Frank Home Inspections LLC (hereinafter "Frank Home Inspections", "we", "us") and the client listed in this Agreement (hereinafter "client", "you", "your") (collectively "parties"). You desire to have a GENERAL HOME INSPECTION performed on a home located at the address provided below on this Agreement. THE INSPECTION, INSPECTION AGREEMENT, AND REPORT DO NOT CONSTITUTE A WARRANTY, GUARANTEE, OR AN INSURANCE POLICY OF ANY KIND, NOR DO THEY SUBSTITUTE FOR ANY DISCLOSURE STATEMENT AS MAY BE REQUIRED BY LAW. You agree to pay the fee stated below in this Agreement for services rendered at the time of inspection. THIS AMOUNT SHALL BE PAID IN FULL PRIOR TO COMPLETION OF THE SERVICES (unless otherwise agreed to in writing by the parties). Should you fail to pay the agreed fee(s) on a timely basis, you shall be responsible for paying any and all fees associated with collection, including but not limited to administration costs, attorney's fees, and cost of litigation.

The scope of this inspection is a limited visual examination of certain readily accessible systems and components using normal operating controls and opening readily openable access panels on some components. The purpose of this inspection is to provide you with valuable information about the condition of certain systems and components of the home at time of inspection. We are not responsible for any errors or omissions that may have occurred while performing this inspection. We are not responsible for latent or hidden defects not found at time of inspection. All terms used herein and not otherwise defined shall have the meaning set forth in the Arizona Standards of Professional Practice. This inspection shall comply with the Standards of Practice of the Arizona State Board of Technical Registrations. (See Arizona Standards of Practice section below). The inspector is a "generalist" and is not a licensed engineer or expert in any specific craft or trade. If the inspector recommends further action, including (but not limited to) consulting with a specialized expert(s), you must do so at your own expense or otherwise assume all risks associated with failure to do so. This inspection is not technically exhaustive. The fee charged for this inspection is significantly lower than that of a technically exhaustive inspection.

A written inspection Report will be provided describing the following systems and components: structural components (including foundation and framing where visible), exterior, roof system, plumbing system, electrical system, heating system, installed central and through-wall air conditioning systems, interiors, insulation & ventilation, and fireplaces & solid fuel burning appliances. The Report will identify the following: (a) which systems and components designated for inspection herein are, in the professional opinion of the inspector, significantly deficient and nearing end of their expected service lives, (b) why the inspector deems the system or component to be significantly deficient or nearing end of its expected service life, (c) whether further evaluation, correction or monitoring is needed, and (d) whether any system or component described herein was not inspected and why it was not inspected. We reserve the right to modify the Report for a period of time not to exceed seventy-two (72) hours after the report was first delivered to you. Nothing in this agreement is intended to limit the inspector from reporting observations and conditions in addition to those identified herein or excluding systems and components from the inspection if agreed to in writing and signed by the parties. This inspection is limited to only those systems and components agreed upon by the client and the inspector as reflected in this agreement or addenda hereto. Should we, as a courtesy, exceed any particular requirement set forth herein in one area, we shall not be obligated to exceed the requirements in other areas.

**MOLD EXCLUSION:** Frank Home Inspections is not responsible for discovering or reporting on the presence or absence of mold or mildew. Furthermore, Frank Home Inspections is not responsible for any damages that arise from or related to mold or mildew, even if the mold or mildew is a direct consequence of a condition upon which Frank Home Inspections is required to report as set forth in this agreement.

**GENERAL EXCLUSIONS:** A system or component is not readily accessible if the inspection requires moving personal property, dismantling, destructive measures, or any action that will, in the opinion of the inspector, likely involve risk to persons or property. Anything not readily observable because it is concealed or inaccessible due to obstructions including (but not limited to) floor coverings, suspended ceiling tiles, insulation, furniture or other personal property, soil, vegetation, water, ice or snow cannot be inspected. We are not required to move or disturb such items in order to diminish or eliminate the obstruction. We are not required to report on or engage in any practice or act that is not included or that is excluded in the Arizona Standards unless otherwise agreed to in writing signed by the parties. We are not required to inspect anything identified in the Arizona Standards as limitations or exclusions specific to the system and components inspected. The list of the following specific exclusions is not an exhaustive list: see the Arizona Standards for additional exclusions and limitations. We are not required to determine the following: remaining life of any system or component, the causes of any condition or deficiency, methods and cost or corrections, suitability of the property for specialized use, market value or marketability, advisability of purchase of the property, the presence of pest such as wood damaging organisms (including termites), rodents or insect, rot/decay, fungus, including mold and mildew, decorative items, underground items, breached vacuum seals in insulated glass or items not permanently installed. We are not required to do the following: predict future conditions including (but not limited to) failure of components, operate any system or component that is shut down or otherwise inoperable, light pilot lights, determine the presence of hazardous substances, enter hazardous areas, or perform engineering, architectural, plumbing, or any other job function requiring an occupational license or certification in your jurisdiction (unless the inspector holds a valid license or certification and the parties agree in writing signed by the parties on the additional service(s) for an additional fee). We are not required to inspect fences, soil conditions, spas, saunas, steam baths, pools (and related equipment), outbuildings (other than garage or carport), sprinkler systems, private and community waste disposal systems, telephones, cable television, intercoms, security systems, low voltage lighting systems, timing systems, well systems, window-unit air conditioning systems, furnace heat exchangers, and heating or cooling systems when weather conditions or other circumstances may cause equipment damage. We are not required to inspect cosmetic items such as paint, wallpaper, carpet, or other finishes on walls, ceilings or floors, and any type of window treatment (such as blinds or draperies). We are not required to determine non-compliance with manufacturer's specifications or applicable regulatory requirements, included (but not limited to) building code compliance. Water/Moisture, leaks, seepage and drainage problems are often only visible during and after a certain amount of rainfall. It is thus impossible to observe water/moisture, leaks, seepage, and drainage problems unless the inspection is conducted during or immediately after a rain sufficient to reveal such problems. It is beyond the scope of this inspection to determine if any system or component is, has been, or will be part of any product, component, or system recall in the future. You may wish to subscribe to or contact the CPSC (Consumer Product Safety Commission) for recall information regarding any system or component.

ARIZONA STANDARDS OF PRACTICE: The Arizona State Board of Technical Registration promulgated, under authority of Senate Bill # 1132, "Standards of Practice" ("Arizona Standards"), which set forth the minimum standards of practice required by the Arizona certified home inspector. The Arizona Standards require the inspector to "provide the client with a better understanding of the property conditions, as observed at the time of the home inspection." As indicated above Frank Home Inspections shall perform the inspection in accordance with these standards. This inspection shall be in accordance with the standards and practices set forth in Article 3 of the Rules of the Arizona State Board of technical Registration—the Arizona Standards. A copy of the Arizona Standards is available from us, the Arizona State Board of Technical Registration, or online (at [www.btr.state.az.us](http://www.btr.state.az.us)).

DISPUTE RESOLUTION AND REMEDY LIMITATION: NOTICE OF CLAIMS— You understand and agree that any claim(s) or complaint(s) arising out of or related to any alleged act or omission of Frank Home Inspections in connection with the services shall be reported to us, in writing, within ten (10) days of discovery. Unless there is an emergency condition, you agree to allow us a reasonable time period to investigate the claim(s) or complaint(s) by, among other things, re-inspection before you, or anyone acting on your behalf, repairs, replaces, alters or modifies the system or component that is the subject matter of the claim. You understand and agree that any failure to timely notify us and allow adequate time to investigate as stated above shall constitute a complete bar and waiver of any claims you may have against us related to the alleged act or omission unless otherwise prohibited by law.

ARBITRATION— Any dispute concerning the interpretation of this agreement or arising from the services and Report (unless based on payment of fees) shall be resolved by binding, non-appealable arbitration conducted in accordance with the rules of the American Arbitration Association, except that the parties shall mutually agree upon an Arbitrator who is familiar with the home inspection industry.

LIMITATIONS PERIOD- Any legal action arising from this agreement or from the services and Report, including (but not limited to) the arbitration proceeding more specifically described above, must be commenced within one (1) year from the date of the services. Failure to bring such an action within this time period shall be a complete bar to any such action and a full and complete waiver of rights, or claims based thereon. This time period may be shorter than provided by law.

LIMIT OF LIABILITY- 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. 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 additional liability. 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 specialist(s) and would cost substantially more than the fee paid for this LIMITED VISUAL INSPECTION.

CONFIDENTIALITY— You understand that the services are being performed (and the report is being prepared) for your sole, confidential, and exclusive benefit and use. The Report, or any portion thereof, is not intended to benefit any person not a party to this agreement, including (but not limited to) the seller or real estate agent(s) involved in the real estate transaction ("third party"). IF YOU DIRECTLY OR INDIRECTLY ALLOW OR CAUSE THE REPORT OR ANY PORTION THEREOF TO BE DISCLOSED OR DISTRIBUTED TO ANY THIRD PARTY, YOU AGREE TO INDEMNIFY, DEFEND, AND HOLD US HARMLESS FOR ANY CLAIMS OR ACTIONS BASED ON THE SERVICES OR THE REPORT BROUGHT BY THIRD PARTY. By initialing here (\_\_\_\_), you authorize us to distribute copies of the Report to the real estate agents or attorneys directly involved in this transaction, who are not intended beneficiaries on the Report.

SEVERABILITY AND ENTIRE AGREEMENT— The parties agree that should an Arbitrator or Court determine any provision(s) in this agreement is void, voidable, or unenforceable, the remaining portions shall remain in full force and effect. This agreement (in its entirety), and any attached, executed Addenda, contains the entire agreement between the parties, and there are no other representations, warranties, or commitments, except as are specifically set forth herein. This agreement supersedes any and all representations or discussions, whether oral or written, if any, among the parties relating to the subject matter of this agreement. This agreement may be modified, altered, or amended only if agreed to in writing and signed by the parties.

BY SIGNING BELOW YOU ACKNOWLEDGE THAT YOU HAVE READ, UNDERSTAND AND AGREE TO THE TERMS AND CONDITIONS OF THIS AGREEMENT, INCLUDING (BUT NOT LIMITED TO) THE LIMIT OF LIABILITY, ARBITRATION CLAUSE AND LIMITATIONS PERIOD, AND AGREE TO PAY THE FEE AGREED UPON BY THE PARTIES.

TOTAL FEES \$ \_\_\_\_\_

CLIENT NAME \_\_\_\_\_

PROPERTY ADDRESS \_\_\_\_\_

CLIENT SIGNATURE \_\_\_\_\_

ARIZONA CERTIFIED INSPECTOR \_\_\_\_\_

CLIENT SIGNATURE \_\_\_\_\_

BUSINESS ADDRESS \_\_\_\_\_

DATE \_\_\_\_\_

ARIZONA CERTIFICATION NUMBER \_\_\_\_\_