



Inspection Report

John Doe

Property Address:
XXX
Denver CO 80203



Safeguard Inspection Services Inc.

Dean Hogsett NACHI#10053103

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Date: 7/18/2019	Time:	Report ID: 901
Property: XXX Denver CO 80203	Customer: John Doe	Real Estate Professional:

Comment Key or Definitions

INSPECTED: The SYSTEM or COMPONENT was EXAMINED and no ADVERSE CONDITIONS were observed.

NOT EXAMINED: The specified SYSTEM or COMPONENT was not visually evaluated because it was not READILY ACCESSIBLE due to weather, landscaping, personal property, pets, factors beyond the inspector’s control, and/or factors beyond the contractual scope of inspection. When the Inspection Report indicates that a specific SYSTEM or COMPONENT could not be visually evaluated, the Inspection Report will also indicate the specific reason(s).

NOT APPLICABLE: The specified SYSTEM or COMPONENT was not present or it was outside the contractual scope of inspection.

ACTION RECOMMENDED: It is strongly recommended that further evaluation and any necessary modifications or corrections be performed by a QUALIFIED individual, technician, or contractor **as soon as possible**. If such evaluation reveals other ADVERSE CONDITIONS for which modifications or corrective measures are also deemed necessary, it is recommended that they be addressed by a QUALIFIED individual at that time.

ROUTINE MAINTENANCE: Requiring minor and typical maintenance. It is recommended that all ROUTINE MAINTENANCE conditions be addressed before additional wear and tear or deterioration occur. After addressing ROUTINE MAINTENANCE conditions it is recommended that COMPONENTS associated with such conditions be periodically reexamined as part of an ongoing, prudent overall property and building SYSTEMS maintenance program.

In Attendance: Agent and Management	Type of building: Multi-family	Approximate age of building: 12yrs
Property Faces: East	Temperature: 80-100 (F)	Weather: Clear
Ground/Soil surface condition: Dry		

1. Roofing

The inspector shall observe: Roof covering; Roof drainage systems; Flashings; Skylights, chimneys, and roof penetrations; and Signs of leaks or abnormal condensation on building components. The inspector shall: Describe the type of roof covering materials; and Report the methods used to observe the roofing. The inspector is not required to: Walk on the roofing; or Observe attached accessories including but not limited to solar systems, antennae, and lightning arrestors.

Styles & Materials

Roof Covering: EPDM-Rubber membrane	Estimated Age: 10-13yrs	Life Expectancy: 20-30yrs
Viewed roof covering from: Walked roof	Gutters/Downspouts: Steel	

Items

1.0 Roof Coverings

Comments: Action Recommended
(1) The EPDM (Ethylene Propylene Diene Monomer) roofing membrane present was in fair overall condition. Moderate cut observed in membrane near southwest corner allowing minor water intrusion. Numerous unsealed penetrations made by tenant on northeast corner present in parapet wall. Minor gaps and loose membrane/patches noted at seam tape, drains and corner details. Drain cover on southeast corner is not installed. Several uplifting screws noted below seam tape. Several prior repairs/patches observed. Poorly sloped/tapered sections on small flat roofs over stairwells. Recommend further evaluation, minor repairs and annual inspections by licensed roofing contractor.



1.0 Item 1(Picture)



1.0 Item 2(Picture)



1.0 Item 3(Picture)



1.0 Item 4(Picture)



1.0 Item 5(Picture)



1.0 Item 6(Picture)



1.0 Item 7(Picture)



1.0 Item 8(Picture)



1.0 Item 9(Picture)



1.0 Item 10(Picture)



1.0 Item 11(Picture)



1.0 Item 12(Picture)



1.0 Item 13(Picture)



1.0 Item 14(Picture)



1.0 Item 15(Picture)



1.0 Item 16(Picture)

(2) Cracked/damaged skylight observed on deck of Unit 101 allowing water intrusion. Caulking at skylights and curbs is becoming weathered and deteriorated. Peeling paint and evidence of minor water intrusion noted below skylights in Units 101 and 106. Recommend further evaluation and repairs/replacement by licensed roofing contractor.



1.0 Item 17(Picture)

1.0 Item 18(Picture)



1.0 Item 19(Picture)

1.0 Item 20(Picture)



1.0 Item 21(Picture)

1.1 Roof Drainage Systems
Comments: Routine Maintenance

Recommend further evaluation to confirm underground drains are operating properly to direct water away from foundation. Monitor and maintain underground drains routinely.



1.1 Item 1(Picture)

The roof of the property was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Roof coverings and skylights can appear to be leak proof during inspection and weather conditions. Our inspection makes an attempt to find a leak but sometimes cannot. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

2. Exterior



The inspector shall observe: Wall cladding, flashings, and trim; Entryway doors and a representative number of windows; Decks, balconies, stoops, steps, areaways, porches and applicable railings; Eaves, soffits, and fascias; and Vegetation, grading, drainage, driveways, patios, walkways, and retaining walls with respect to their effect on the condition of the building. The inspector shall: Describe wall cladding materials; Probe exterior wood components where deterioration is suspected. The inspector is not required to observe: Storm windows, storm doors, screening, shutters, awnings, and similar seasonal accessories; Fences; Presence of safety glazing in doors and windows; Geological conditions; Soil conditions; Recreational facilities (including spas, saunas, steam baths, swimming pools, tennis courts, playground equipment, and other exercise, entertainment, or athletic facilities); Detached buildings or structures; or Presence or condition of buried fuel storage tanks. The inspector is not required to: Move personal items, panels, furniture, equipment, plant life, soil, snow, ice or debris that obstructs access or visibility.

Styles & Materials

Siding Material: <div>Wood Composite Siding</div> <div>Brick</div> <div>Stone</div> <div>Stucco</div>	Drive/Parking Lot: <div>Concrete</div>	Walkways: <div>Concrete</div>
Entrance/Porch: <div>Concrete</div>	Deck: <div>Pavers</div>	Exterior Steps: <div>Concrete</div>

Items

2.0 Wall Cladding Flashing and Trim

Comments: Action Recommended

(1) Brick, stone and mortar were in good overall condition at time of inspection. Minor deterioration and gaps in mortar observed. Minor damage and small gap present on southeast outlet. Minor gap observed on upper west elevation vent cover. Several damaged columns present in courtyard. Unused scupper located on southwest corner and all penetrations should be properly sealed to prevent water intrusion. Recommend repairs by qualified contractor.

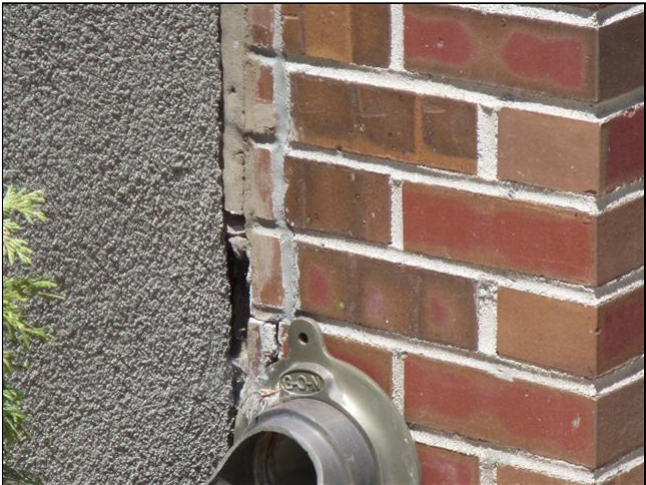


2.0 Item 1(Picture)

2.0 Item 2(Picture)



2.0 Item 3(Picture)



2.0 Item 4(Picture)



2.0 Item 5(Picture)



2.0 Item 6(Picture)



2.0 Item 7(Picture)



2.0 Item 8(Picture)



2.0 Item 9(Picture)



2.0 Item 10(Picture)

(2) The composite siding was in fair condition. Caulking is deteriorated at joints and terminations, minor water damage observed at grade. Several countersunk nails noted throughout. Properly seal all penetrations to prevent water intrusion. Recommend repairs by qualified contractor. Maintain painting and caulking to extend life.



2.0 Item 11(Picture)



2.0 Item 12(Picture)



2.0 Item 13(Picture)



2.0 Item 14(Picture)



2.0 Item 15(Picture)

(3) Metal siding and flashing were in good overall condition. Several areas of peeling paint observed. Poorly sealed condensate lines and light fixtures noted. Minor damage and gaps observed at east deck intercom boxes. Confirm all penetrations are properly sealed to prevent water intrusion. Recommend repairs by qualified contractor and monitor condition.



2.0 Item 16(Picture)



2.0 Item 17(Picture)



2.0 Item 18(Picture)



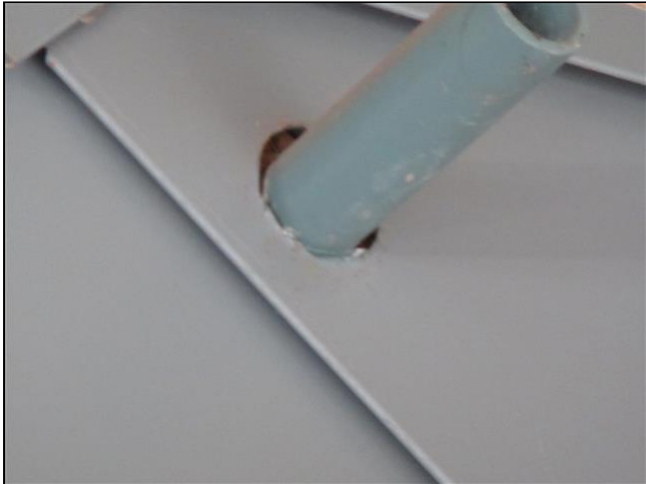
2.0 Item 19(Picture)



2.0 Item 20(Picture)



2.0 Item 21(Picture)



2.0 Item 22(Picture)



2.0 Item 23(Picture)



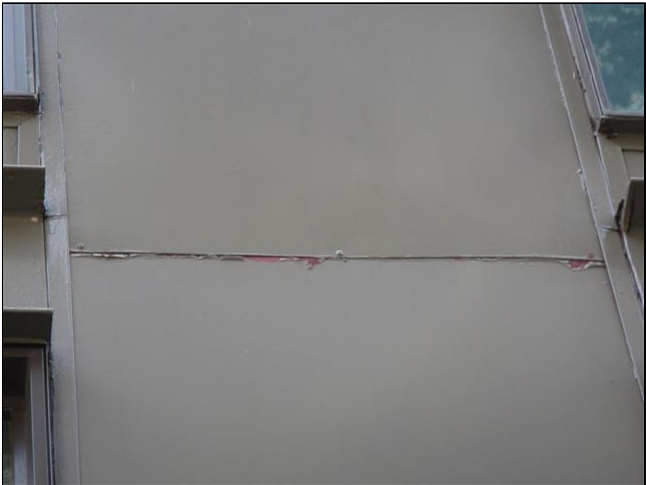
2.0 Item 24(Picture)



2.0 Item 25(Picture)



2.0 Item 26(Picture)



2.0 Item 27(Picture)



2.0 Item 28(Picture)



2.0 Item 29(Picture)

(4) Stucco was in good overall condition. Very minor efflorescence observed along east elevation. Monitor condition.



2.0 Item 30(Picture)



2.0 Item 31(Picture)

2.1 Doors (Exterior)

Comments: Action Recommended

(1) Weathering/fading observed throughout exterior doors. The majority of balcony french doors are fogged and difficult to operate. Several doors rub on frames, peeling paint noted. Minor water damage observed at interior of doors in Units 108 and 109. Unit 105 door was inoperable. Moderate rust present on metal doors frames of Units 101 and 106 in

courtyard. Unit 104 screen door is damaged on balcony. Recommend further evaluation and repairs/replacement by qualified contractor.



2.1 Item 1(Picture)



2.1 Item 2(Picture)



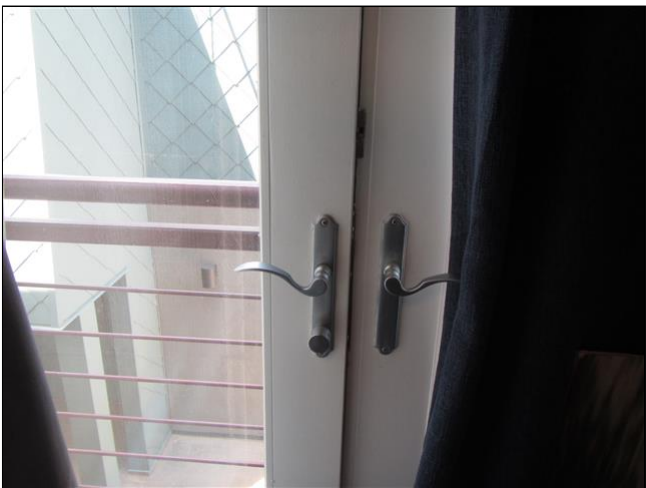
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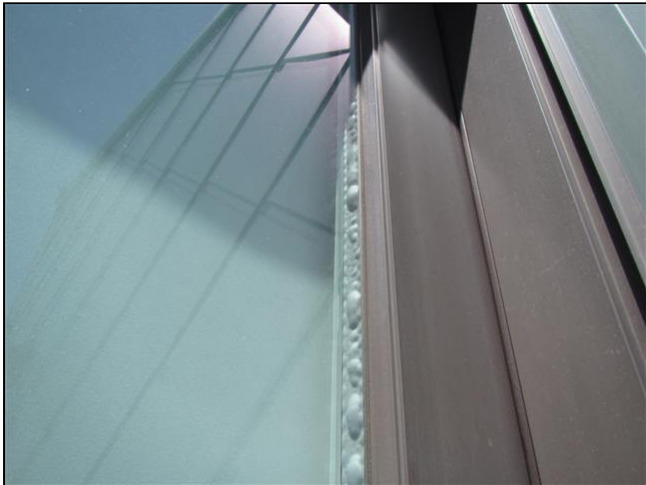
2.1 Item 4(Picture)



2.1 Item 5(Picture)



2.1 Item 6(Picture)



2.1 Item 7(Picture)



2.1 Item 8(Picture)



2.1 Item 9(Picture)

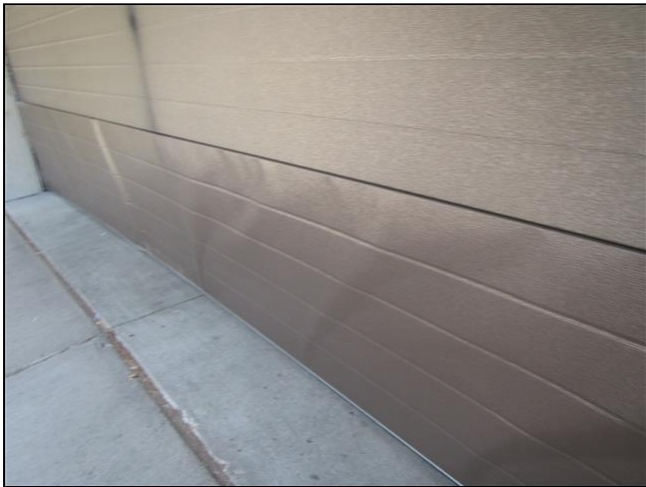


2.1 Item 10(Picture)



2.1 Item 11(Picture)

(2) Minor damage present on overhead garage door. Recommend replacement by qualified contractor.



2.1 Item 12(Picture)



2.1 Item 13(Picture)

2.2 Windows

Comments: Action Recommended

Windows appeared in good overall condition. Windows were excessively dirty at time of inspection. A couple windows appeared fogged. Recommend cleaning and repairs if necessary by qualified contractor. Keep all interior and exterior sills/seams caulked as part of routine maintenance.



2.2 Item 1(Picture)



2.2 Item 2(Picture)



2.2 Item 3(Picture)

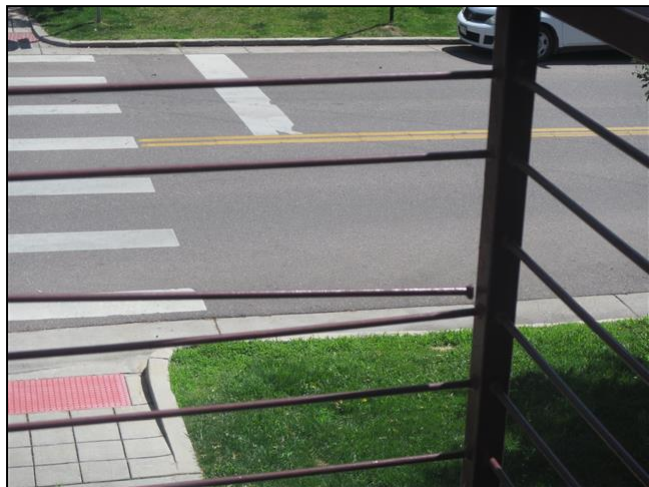


2.2 Item 4(Picture)

2.3 Porches, Patios, Decks, Balconies, Steps

Comments: Action Recommended

(1) Damaged railing observed on balcony of Unit 101. Support anchor on northeast entry roof is pulling away. Recommend further evaluation and repairs by qualified contractor.



2.3 Item 1(Picture)



2.3 Item 2(Picture)



2.3 Item 3(Picture)

(2) Areas of minor spalling, cracks and deteriorated mortar noted on concrete stairs. Recommend repairs by qualified contractor.



2.3 Item 4(Picture)



2.3 Item 5(Picture)



2.3 Item 6(Picture)



2.3 Item 7(Picture)

(3) Several small cracks observed on balcony stone caps. Uplifting screw present on railing of Unit 105. Minor gaps observed in EPDM seams/patches at corner and drain details. Drains are clogged and in need of cleaning. Note: Limited observation due to furniture and pavers. Recommend further evaluation and repairs by qualified contractor.



2.3 Item 8(Picture)



2.3 Item 9(Picture)



2.3 Item 10(Picture)



2.3 Item 11(Picture)



2.3 Item 12(Picture)



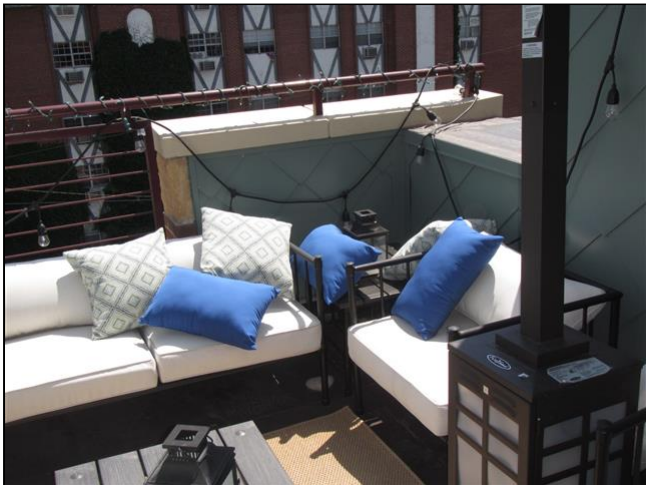
2.3 Item 13(Picture)



2.3 Item 14(Picture)



2.3 Item 15(Picture)



2.3 Item 16(Picture)



2.3 Item 17(Picture)

2.4 Walkways

Comments: Action Recommended

Peeling traffic coating observed in areas throughout courtyard. Recommend repair/replacement by a qualified contractor.



2.4 Item 1(Picture)

2.4 Item 2(Picture)



2.4 Item 3(Picture)

2.4 Item 4(Picture)

2.5 Parking Lot/Drive

Comments: Routine Maintenance
Concrete parking lot was in good overall condition. Monitor condition and perform routine maintenance.

2.6 Grading

Comments: Action Recommended

Near level grading present in areas around structure. Recommend monitoring during rainfall/wet conditions for possible ponding near the perimeter of the property. Confirm ground level patios are properly draining. Improve grading if necessary to prevent possible water intrusion problems that may effect the foundation system. Recommend sealing large gaps in concrete along grade to prevent water intrusion.



2.6 Item 1(Picture)

2.6 Item 2(Picture)



2.6 Item 3(Picture)

The exterior of the property was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

3. Structural Components

The Inspector shall observe structural components including foundations, floors, walls, columns or piers, ceilings and roof. The inspector shall describe the type of Foundation, floor structure, wall structure, roof structure. The inspector shall: Probe structural components where deterioration is suspected; Enter under floor crawl spaces, basements, and attic spaces except when access is obstructed or limited, when entry could damage the property, or when dangerous or adverse situations are suspected; Report the methods used to observe under floor crawl spaces and attics; and Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components. The inspector is not required to: Enter any area or perform any procedure that may damage the property or its components or be dangerous to or adversely effect the health of the inspector or other persons.

Styles & Materials

Foundation Material:	Floor Structure:	Roof Structure:
Poured concrete	Not visible	Rafter/roof joists

Items

- 3.0 Foundations
- Comments: Inspected
- Limited observation of foundation walls due to interior wall finishes. The foundation walls appeared to be plumb and stable; no significant settlement or cracks were observed.
- 3.1 Floors/Slabs
- Comments: Inspected
- No significant cracks or movement in slab observed at time of inspection. Monitor condition. Note: Concrete slabs are susceptible to cracking and heaving due to variations in soil conditions. It is reasonable to expect that cracks and differential may not be visible and observed due to carpet or covering.
- 3.2 Roof Structure and Attic
- Comments: Not Examined
- Not inspected: Not visible due to flat roof design.

The structure of the property was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

4. Insulation and Ventilation

The inspector shall observe: Insulation and vapor retarders in unfinished spaces; Ventilation of attics and foundation areas; Bathroom venting systems; and the operation of any readily accessible attic ventilation fan, and, when temperature permits, the operation of any readily accessible thermostatic control. The inspector shall describe: Insulation in unfinished spaces; and Absence of insulation in unfinished space at conditioned surfaces. The inspector shall: Move insulation where readily visible evidence indicates the need to do so; and Move insulation where chimneys penetrate roofs, where plumbing drain/waste pipes penetrate floors, adjacent to earth filled stoops or porches, and at exterior doors. The inspector is not required to report on: Concealed insulation and vapor retarders; or Venting equipment that is integral with appliances.

Styles & Materials

Attic Insulation:

Unknown

Ventilation:

None present

Items

4.0 Insulation in Attic

Comments: Not Examined

Not inspected: Not visible due to roof design.

4.1 Venting Systems (Kitchens, Baths and Laundry)

Comments: Routine Maintenance

Bathroom exhaust vents in all units were operating properly. Clean and maintain exterior vent covers. Recommend confirming all vent ducts are in good condition and vents are discharging to the exterior of the structure.

The insulation and ventilation of the property was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Venting of exhaust fans or clothes dryer cannot be fully inspected and bends or obstructions can occur without being accessible or visible (behind wall and ceiling coverings). Only insulation that is visible was inspected. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

5. Electrical System

The inspector shall observe: Service entrance conductors; Service equipment, grounding equipment, main over current device, and main and distribution panels; Amperage and voltage ratings of the service; Branch circuit conductors, and their over current devices; The operation of ground fault circuit interrupters; and Smoke detectors, with exception to any occupied commercial business or multi-family structure. The inspector shall describe: Service amperage and voltage; Service entry conductor materials; Service type as being overhead or underground. The inspector shall report any observed aluminum branch circuit wiring. The inspector shall report on presence or absence of smoke and carbon monoxide detectors, and operate their test function, if accessible, except when detectors are part of a central system or any occupied commercial business or multi-family structure. The inspector is not required to: Insert any tool, probe, or testing device inside the panels; Test or operate any over current device except ground fault circuit interrupters; Dismantle any electrical device or control other than to remove the covers of the main and auxiliary distribution panels with exception to any occupied commercial business; or Observe: Low voltage systems; Security system devices, heat detectors; Telephone, security, cable TV, intercoms, or other ancillary wiring that is not a part of the primary electrical distribution system; or Built-in vacuum equipment.

Styles & Materials

Service Size: 800 AMPS 200AMP/Unit	Electrical Service Conductors: Below ground	Panel Type: Circuit breakers
System Grounding Material & Type: Not Visible	Electric Panel Manufacturer: SIEMENS	Distribution Wire Material: Copper
Type of Outlets(Receptacles): Grounded-typical	Circuit interrupters: Ground Fault (GFCI) & Arc Fault (AFCI): Bedroom outlets are AFCI protected Kitchen, bathroom and exterior outlets are GFCI protected	Smoke detectors: Present
Carbon monoxide (CO) detectors: Present		

Items

5.0 Main and Distribution Panels

Comments: Inspected
The service panels were wired properly with copper branch wiring; no deficiencies were detected.



5.0 Item 1(Picture)



5.0 Item 2(Picture)

5.1 Service Drop and Service Entrance

Comments: Action Recommended

Note: Missing panel observed on low volt service entry panel. Recommend repairs by qualified contractor.



5.1 Item 1(Picture)

5.2 Distribution System-Wiring

Comments: Action Recommended

Garage door opener outlet is loose on ceiling. Recommend minor repairs by a licensed electrician.



5.2 Item 1(Picture)

5.3 Distribution System-Outlets(Receptacles)

Comments: Inspected

5.4 Fire Protection

Comments: Not Examined

Note: Inspection of fire protection system is beyond the scope of this inspection (see plumbing notes).

The electrical system of the property was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Outlets were not removed and the inspection was only visual. Any outlet not accessible (behind the refrigerator for example) was not inspected or accessible. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report

6. Plumbing System

The inspector shall observe: Interior water supply and distribution system, including: piping materials, supports, and insulation; fixtures and faucets; leaks; and cross connections; Interior drain, waste, and vent system, including: traps; drain, waste, and vent piping; piping supports and pipe insulation; and leaks; Hot water systems including: water heating equipment; automatic safety controls; and chimneys, flues, and vents; and Sump pumps. The inspector shall describe: Water supply and distribution piping materials; Drain, waste, and vent piping materials; Water heating equipment; and Location of main water supply shutoff device. The inspector is not required to: State the effectiveness of anti-siphon devices; Determine whether water supply and waste disposal systems are public or private; Operate automatic safety controls; Operate any valve except water closet flush valves, fixture faucets, and hose faucets; Observe: Water conditioning systems; Fire and lawn sprinkler systems; On-site water supply quantity and quality; On-site waste disposal systems; Foundation irrigation systems; Spas, except as to functional flow and functional drainage; Swimming pools; Solar water heating equipment; or Observe the system for proper sizing, design, or use of proper materials.

Styles & Materials

Main Shut-Off Location: Fire Riser Room	Water Source: Public	Plumbing Water Supply (into structure): Copper
Plumbing Water Distribution (inside structure): Copper	Plumbing Waste: Plastic	Water Heater Power Source: Gas
Gas Line Main Shut-off Valve Location: At Meter		

Items

6.0 Hot Water

Comments: Action Recommended
All Units:
Manufacturer: Bradford White
Size: 48 gallon
Age: 12 yrs
Typical Life Expectancy: 10-14yrs
Condition: The water heaters in all units are at their design life. Unit 102 is slightly leaking from TRP valve. Unit 101 is missing the TPR valve extension. A discharge pipe should be installed and terminated near the floor for safety. Recommend replacement of units due to age by licensed plumber.



6.0 Item 1(Picture)



6.0 Item 2(Picture)



6.0 Item 3(Picture)



6.0 Item 4(Picture)

6.1 Plumbing Drain, Waste and Vent Systems

Comments: Action Recommended

- (1) Note: Inspection of the main sewer line is outside of the scope of a this inspection, see additional report provided by Sewer Scope LLC.
- (2) Minor rust present on sink drain in Unit 104. Recommend repairs/replacement by licensed plumber.



6.1 Item 1(Picture)

6.2 Plumbing Water Supply, Distribution System and Fixtures

Comments: Action Recommended

(1) Numerous small leaks observed in fire sprinkler lines throughout garage. Recommend repairs by qualified contractor.



6.2 Item 1(Picture)



6.2 Item 2(Picture)



6.2 Item 3(Picture)



6.2 Item 4(Picture)



6.2 Item 5(Picture)



6.2 Item 6(Picture)

(2) No active leaks were observed below kitchen and bathroom fixtures. Note: Limited observation of multiple units due to stored items in cabinets. Maintain caulking around tub and sink areas to prevent water intrusion.



6.2 Item 7(Picture)

6.3 Backflow Device

Comments: Not Examined

Note: Inspection for backflow device and operation of device is outside the scope of this inspection.



6.3 Item 1(Picture)

6.4 Gas Supply and Piping

Comments: Action Recommended

Recommend properly capping unused gas lines for safety.



6.4 Item 1(Picture)



6.4 Item 2(Picture)

The plumbing in the property was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Washing machine drain line for example cannot be checked for leaks or the ability to handle the volume during drain cycle. Older properties with galvanized supply lines or cast iron drain lines can be obstructed and barely working during an inspection but then fails under heavy use. If the water is turned off or not used for periods of time (like a vacant property) rust or deposits within the pipes can further clog the piping system. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

7. Interiors

The inspector shall observe: Walls, ceiling, and floors; Steps, stairways, balconies, and railings; Counters and a representative number of installed cabinets; and a representative number of doors and windows. The inspector shall: Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components. The inspector is not required to observe: Paint, wallpaper, and other finish treatments on the interior walls, ceilings, and floors; Carpeting; or Draperies, blinds, or other window treatments.

Items

7.0 Ceilings

Comments: Action Recommended

Peeling paint observed on bathroom ceiling of Unit 109 (see bathroom tile notes). Minor crack present on ceiling near stairwell. Prior damage/repairs noted on bathroom ceiling of Unit 108 (area was dry at time of inspection). Small area of peeling paint observed on ceiling of Unit 102. Stains noted in bedroom ceiling of Unit 101. Recommend further evaluation and repairs by qualified contractor.



7.0 Item 1(Picture)



7.0 Item 2(Picture)



7.0 Item 3(Picture)



7.0 Item 4(Picture)



7.0 Item 5(Picture)

7.1 Walls

Comments: Action Recommended

Minor deterioration and/or small gaps observed in bathroom tile grout of Units 106, 108, 109, 101. Recommend repairs by qualified contractor to prevent water intrusion.



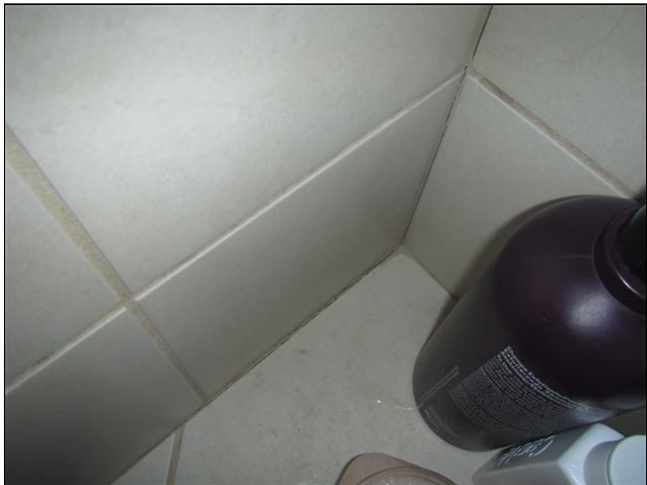
7.1 Item 1(Picture)



7.1 Item 2(Picture)



7.1 Item 3(Picture)



7.1 Item 4(Picture)



7.1 Item 5(Picture)



7.1 Item 6(Picture)



7.1 Item 7(Picture)



7.1 Item 8(Picture)

7.2 Floors

Comments: Action Recommended

Significant damage to carpet and minor scratches in hardwoods observed in Unit 104. Water damaged flooring present at courtyard entry of Unit 101, several cracked tile noted at east entry. Recommend repairs/replacement by qualified contractor.



7.2 Item 1(Picture)



7.2 Item 2(Picture)



7.2 Item 3(Picture)



7.2 Item 4(Picture)

7.3 Steps, Stairways, Balconies and Railings

Comments: Action Recommended

(1) Poorly installed railings present in Unit 101. Recommend repairs by qualified contractor.



7.3 Item 1(Picture)



7.3 Item 2(Picture)

(2) Unit 109 elevator was inspected by 1 Elevator Service of Colorado-303-777-7345. Elevator was in good condition and operating as designed. These are a minimum use elevators and parts are available. Recommend a bi annual lube type service by qualified contractor keep the chains in good condition.

7.4 Cabinets/Countertops

Comments: Inspected

7.5 Doors

Comments: Action Recommended

Door frame damage and missing strike plate observed in Unit 104. Recommend replacement by qualified contractor.



7.5 Item 1(Picture)



7.5 Item 2(Picture)

7.6 Windows

Comments: Routine Maintenance

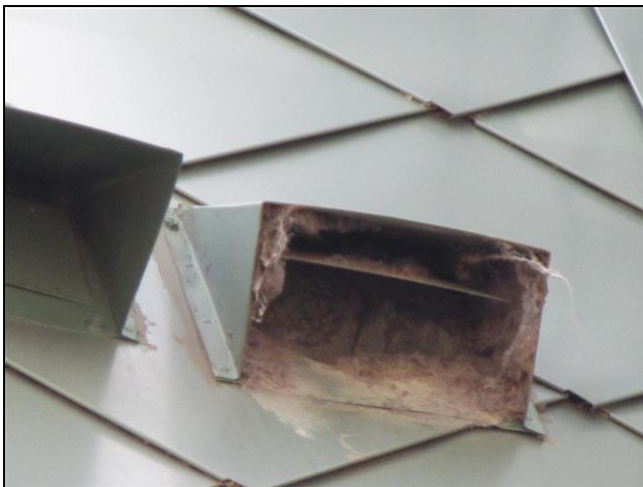
Keep all interior sills/seams caulked as part of routine maintenance.

7.7 Laundry Facilities

Comments: Action Recommended

(1) No leaks were observed in visible supply lines of the washing machines at time of inspection. Note: Operation/ draining of washing machine is not inspected during inspection.

(2) Note: Clothes dryers are not inspected during property inspection. Recommend confirming dryer vent ducts are in good condition and discharging to the exterior of the building. Perform vent duct cleaning by qualified person.



7.7 Item 1(Picture)

7.8 General Interior

Comments: Not Examined

Due to the nature of this inspection and accessibility in each unit, the condition of ALL interior finishes including operation of appliances, plumbing fixtures, switches, outlets, doors and windows were not inspected. Unit 110 was not inspected as key would not work in entry door.

The interior of the was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection did not involve moving furniture and inspecting behind furniture, area rugs or areas obstructed from view. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

8. Heating / Central Air Conditioning

The inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to property; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation registers, radiators and convectors; The inspector shall describe: Energy source; and Heating equipment and distribution type. The inspector shall open readily openable access panels provided by the manufacturer or installer for routine maintenance. The inspector is not required: Operate heating systems when weather conditions or other circumstances may cause equipment damage or disrupt tenants; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms. The inspector does not evaluate the size of heating systems and it's components. This inspection is not meant to be technically exhaustive.

Styles & Materials

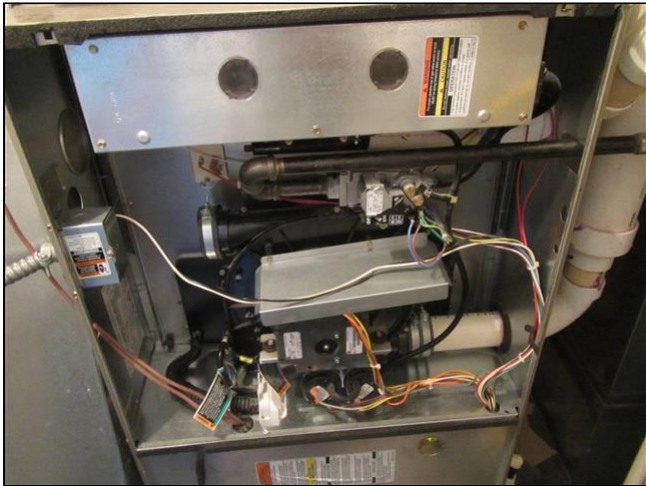
Heat Type: Forced Air Electric Base	Heat Distribution: Ducts and Registers Baseboards	Types of Fireplaces: Gas Burning
Cooling Equipment Type: Air conditioner unit		

Items

8.0 Heating Equipment

Comments: Routine Maintenance

(1) All Units:
Manufacturer: Carrier
Size: 120,000BTU/hr
Age: 12yrs
Typical Life Expectancy: 20-25yrs
Condition: The furnaces are within their design life and appeared to be in good operating condition. Note: Excessive rust draining from condensate line of Unit 107. Recommend further evaluation, routine cleaning, maintenance and certification by a qualified HVAC technician.



8.0 Item 1(Picture)

8.0 Item 2(Picture)



8.0 Item 3(Picture)



8.0 Item 4(Picture)

(2) Electric baseboard heaters present at lower entries were in good condition. Maintain proper clearances for safety.



8.0 Item 5(Picture)

(3) Unit 108 gas fireplace was inoperable at time of inspection. Recommend further evaluation and repairs by qualified technician. Confirm all units are operating and venting properly prior to use. Note: Limited observation of some units to stored items.



8.0 Item 6(Picture)



8.0 Item 7(Picture)

8.1 Cooling and Air Handler Equipment
Comments: Action Recommended

All Units:
Manufacturer: Carrier
Size: 4 & 5 Ton
Age: 12yrs
Typical Life Expectancy: 18-25yrs
Condition: The AC units are original and within their design life. Several rooftop units have moved on curbs, multiple damaged pads observed. Minor deterioration noted on line sets. Recommend minor repairs, routine cleaning and maintenance by a qualified HVAC technician.



8.1 Item 1(Picture)



8.1 Item 2(Picture)



8.1 Item 3(Picture)



8.1 Item 4(Picture)



8.1 Item 5(Picture)



8.1 Item 6(Picture)

The heating and cooling system of this property was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

General Summary



Safeguard Inspection Services Inc.

Customer
John Doe

Address
XXX
Denver CO 80203

The following items or discoveries indicate that these systems or components **do not function as intended** or **adversely affects the habitability of the dwelling**; or **warrants further investigation by a specialist**, or **requires subsequent observation**. This summary shall not contain recommendations for routine upkeep of a system or component to keep it in proper functioning condition or recommendations to upgrade or enhance the function or efficiency of the property. This Summary is not the entire report. The complete report may include additional information of concern to the customer. It is recommended that the customer read the complete report.

1. Roofing

1.0 Roof Coverings

Action Recommended

(1) The EPDM (Ethylene Propylene Diene Monomer) roofing membrane present was in fair overall condition. Moderate cut observed in membrane near southwest corner allowing minor water intrusion. Numerous unsealed penetrations made by tenant on northeast corner present in parapet wall. Minor gaps and loose membrane/patches noted at seam tape, drains and corner details. Drain cover on southeast corner is not installed. Several uplifting screws noted below seam tape. Several prior repairs/patches observed. Poorly sloped/tapered sections on small flat roofs over stairwells. Recommend further evaluation, minor repairs and annual inspections by licensed roofing contractor.



1.0 Item 1(Picture)



1.0 Item 2(Picture)



1.0 Item 3(Picture)



1.0 Item 4(Picture)



1.0 Item 5(Picture)



1.0 Item 6(Picture)



1.0 Item 7(Picture)



1.0 Item 8(Picture)



1.0 Item 9(Picture)



1.0 Item 10(Picture)



1.0 Item 11(Picture)



1.0 Item 12(Picture)



1.0 Item 13(Picture)



1.0 Item 14(Picture)



1.0 Item 15(Picture)



1.0 Item 16(Picture)

(2) Cracked/damaged skylight observed on deck of Unit 101 allowing water intrusion. Caulking at skylights and curbs is becoming weathered and deteriorated. Peeling paint and evidence of minor water intrusion noted below skylights in Units 101 and 106. Recommend further evaluation and repairs/replacement by licensed roofing contractor.



1.0 Item 17(Picture)



1.0 Item 18(Picture)



1.0 Item 19(Picture)



1.0 Item 20(Picture)



1.0 Item 21(Picture)

2. Exterior



2.0 Wall Cladding Flashing and Trim

Action Recommended

(1) Brick, stone and mortar were in good overall condition at time of inspection. Minor deterioration and gaps in mortar observed. Minor damage and small gap present on southeast outlet. Minor gap observed on upper west elevation vent cover. Several damaged columns present in courtyard. Unused scupper located on southwest corner and all penetrations should be properly sealed to prevent water intrusion. Recommend repairs by qualified contractor.



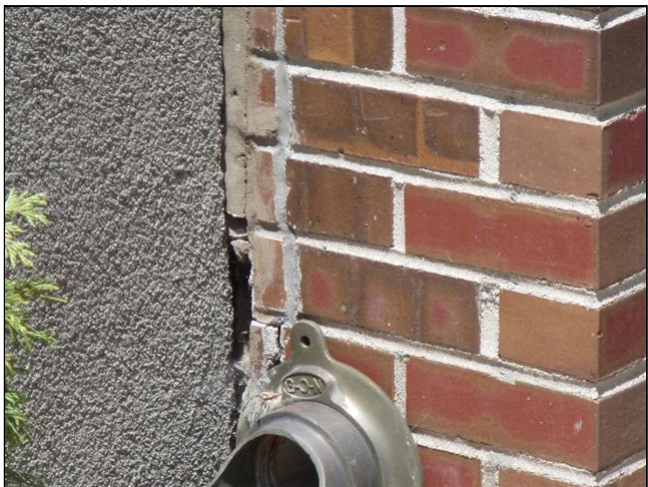
2.0 Item 1(Picture)



2.0 Item 2(Picture)



2.0 Item 3(Picture)



2.0 Item 4(Picture)



2.0 Item 5(Picture)



2.0 Item 6(Picture)



2.0 Item 7(Picture)



2.0 Item 8(Picture)



2.0 Item 9(Picture)



2.0 Item 10(Picture)

(2) The composite siding was in fair condition. Caulking is deteriorated at joints and terminations, minor water damage observed at grade. Several countersunk nails noted throughout. Properly seal all penetrations to prevent water intrusion. Recommend repairs by qualified contractor. Maintain painting and caulking to extend life.



2.0 Item 11(Picture)



2.0 Item 12(Picture)



2.0 Item 13(Picture)



2.0 Item 14(Picture)



2.0 Item 15(Picture)

(3) Metal siding and flashing were in good overall condition. Several areas of peeling paint observed. Poorly sealed condensate lines and light fixtures noted. Minor damage and gaps observed at east deck intercom boxes. Confirm all penetrations are properly sealed to prevent water intrusion. Recommend repairs by qualified contractor and monitor condition.



2.0 Item 16(Picture)



2.0 Item 17(Picture)



2.0 Item 18(Picture)



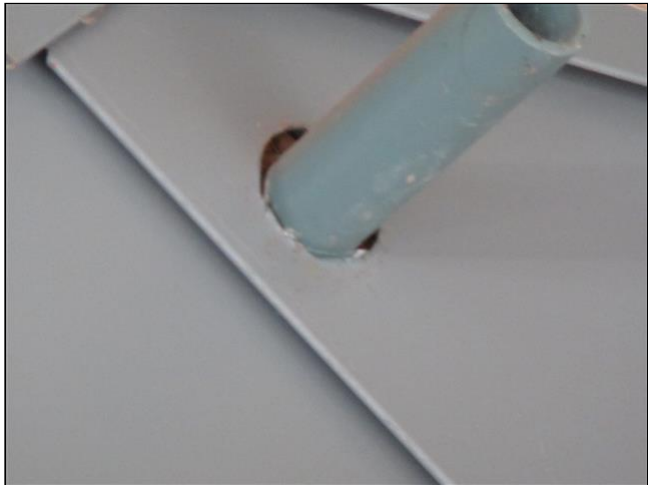
2.0 Item 19(Picture)



2.0 Item 20(Picture)



2.0 Item 21(Picture)



2.0 Item 22(Picture)



2.0 Item 23(Picture)



2.0 Item 24(Picture)



2.0 Item 25(Picture)



2.0 Item 26(Picture)



2.0 Item 27(Picture)



2.0 Item 28(Picture)



2.0 Item 29(Picture)

2.1 Doors (Exterior)

Action Recommended

(1) Weathering/fading observed throughout exterior doors. The majority of balcony french doors are fogged and difficult to operate. Several doors rub on frames, peeling paint noted. Minor water damage observed at interior of doors in Units 108 and 109. Unit 105 door was inoperable. Moderate rust present on metal doors frames of Units

101 and 106 in courtyard. Unit 104 screen door is damaged on balcony. Recommend further evaluation and repairs/ replacement by qualified contractor.



2.1 Item 1(Picture)



2.1 Item 2(Picture)



2.1 Item 3(Picture)



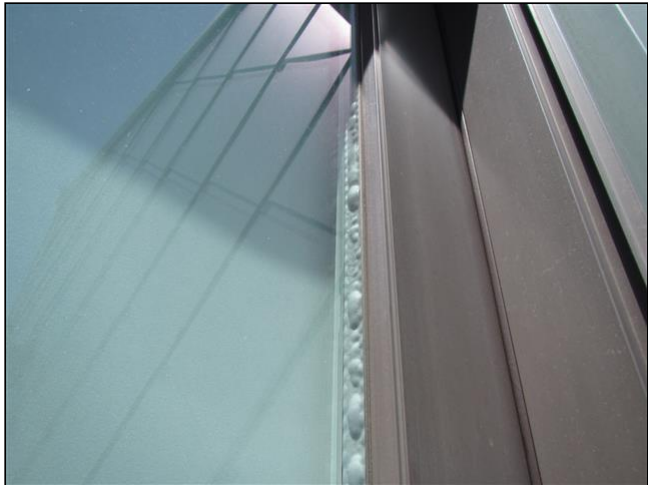
2.1 Item 4(Picture)



2.1 Item 5(Picture)



2.1 Item 6(Picture)



2.1 Item 7(Picture)



2.1 Item 8(Picture)



2.1 Item 9(Picture)



2.1 Item 10(Picture)



2.1 Item 11(Picture)

(2) Minor damage present on overhead garage door. Recommend replacement by qualified contractor.



2.1 Item 12(Picture)



2.1 Item 13(Picture)

2.3 Porches, Patios, Decks, Balconies, Steps

Action Recommended

(1) Damaged railing observed on balcony of Unit 101. Support anchor on northeast entry roof is pulling away. Recommend further evaluation and repairs by qualified contractor.



2.3 Item 1(Picture)



2.3 Item 2(Picture)



2.3 Item 3(Picture)

(3) Several small cracks observed on balcony stone caps. Uplifting screw present on railing of Unit 105. Minor gaps observed in EPDM seams/patches at corner and drain details. Drains are clogged and in need of cleaning. Note: Limited observation due to furniture and pavers. Recommend further evaluation and repairs by qualified contractor.



2.3 Item 8(Picture)



2.3 Item 9(Picture)



2.3 Item 10(Picture)



2.3 Item 11(Picture)



2.3 Item 12(Picture)



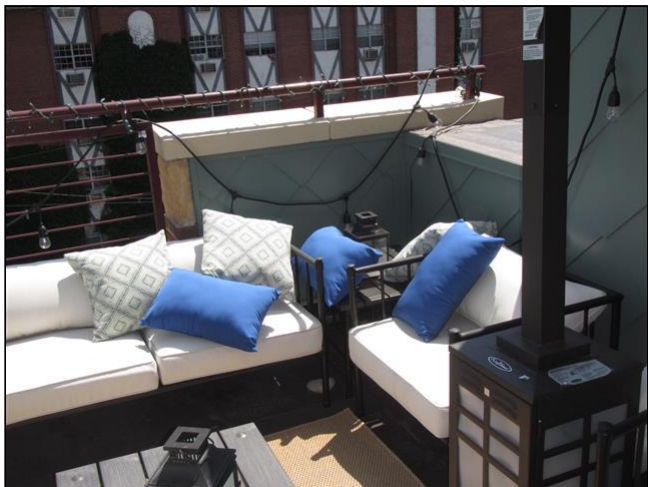
2.3 Item 13(Picture)



2.3 Item 14(Picture)



2.3 Item 15(Picture)



2.3 Item 16(Picture)



2.3 Item 17(Picture)

2.4 Walkways

Action Recommended

Peeling traffic coating observed in areas throughout courtyard. Recommend repair/replacement by a qualified contractor.



2.4 Item 1(Picture)



2.4 Item 2(Picture)



2.4 Item 3(Picture)



2.4 Item 4(Picture)

6. Plumbing System

6.0 Hot Water

Action Recommended

All Units:
Manufacturer: Bradford White
Size: 48 gallon
Age: 12 yrs
Typical Life Expectancy: 10-14yrs
Condition: The water heaters in all units are at their design life. Unit 102 is slightly leaking from TRP valve. Unit 101 is missing the TPR valve extension. A discharge pipe should be installed and terminated near the floor for safety. Recommend replacement of units due to age by licensed plumber.



6.0 Item 1(Picture)



6.0 Item 2(Picture)



6.0 Item 3(Picture)



6.0 Item 4(Picture)

6.2 Plumbing Water Supply, Distribution System and Fixtures

Action Recommended

(1) Numerous small leaks observed in fire sprinkler lines throughout garage. Recommend repairs by qualified contractor.



6.2 Item 1(Picture)



6.2 Item 2(Picture)



6.2 Item 3(Picture)



6.2 Item 4(Picture)



6.2 Item 5(Picture)



6.2 Item 6(Picture)

7. Interiors

7.0 Ceilings

Action Recommended

Peeling paint observed on bathroom ceiling of Unit 109 (see bathroom tile notes). Minor crack present on ceiling near stairwell. Prior damage/repairs noted on bathroom ceiling of Unit 108 (area was dry at time of inspection). Small area of peeling paint observed on ceiling of Unit 102. Stains noted in bedroom ceiling of Unit 101. Recommend further evaluation and repairs by qualified contractor.



7.0 Item 1(Picture)



7.0 Item 2(Picture)



7.0 Item 3(Picture)



7.0 Item 4(Picture)



7.0 Item 5(Picture)

7.1 Walls

Action Recommended

Minor deterioration and/or small gaps observed in bathroom tile grout of Units 106, 108, 109, 101. Recommend repairs by qualified contractor to prevent water intrusion.



7.1 Item 1(Picture)



7.1 Item 2(Picture)



7.1 Item 3(Picture)



7.1 Item 4(Picture)



7.1 Item 5(Picture)



7.1 Item 6(Picture)



7.1 Item 7(Picture)



7.1 Item 8(Picture)

7.2 Floors

Action Recommended

Significant damage to carpet and minor scratches in hardwoods observed in Unit 104. Water damaged flooring present at courtyard entry of Unit 101, several cracked tile noted at east entry. Recommend repairs/replacement by qualified contractor.



7.2 Item 1(Picture)



7.2 Item 2(Picture)



7.2 Item 3(Picture)



7.2 Item 4(Picture)

8. Heating / Central Air Conditioning

8.1 Cooling and Air Handler Equipment

Action Recommended

All Units:

Manufacturer: Carrier

Size: 4 & 5 Ton

Age: 12yrs

Typical Life Expectancy: 18-25yrs

Condition: The AC units are original and within their design life. Several rooftop units have moved on curbs, multiple damaged pads observed. Minor deterioration noted on line sets. Recommend minor repairs, routine cleaning and maintenance by a qualified HVAC technician.



8.1 Item 1(Picture)



8.1 Item 2(Picture)



8.1 Item 3(Picture)



8.1 Item 4(Picture)



8.1 Item 5(Picture)



8.1 Item 6(Picture)

Inspectors are not required to report on the following: The causes of the need for a repair; The methods, materials, and costs of corrections; The suitability of the property for any specialized use; Compliance or non-compliance with codes, ordinances, statutes, regulatory requirements or restrictions; The market value of the property or its marketability; The advisability or inadvisability of purchase of the property; Any component or system that was not observed; The presence or absence of pests such as wood damaging organisms, rodents, or insects; or Cosmetic items, underground items, or items not

permanently installed. Inspectors are not required to: Offer warranties or guarantees of any kind; Calculate the strength, adequacy, or efficiency of any system or component; Enter any area or perform any procedure that may damage the property or its components or be dangerous to the inspector or other persons; Operate any system or component that is shut down or otherwise inoperable; Operate any system or component that does not respond to normal operating controls; Disturb insulation, move personal items, panels, furniture, equipment, plant life, soil, snow, ice, or debris that obstructs access or visibility; Determine the presence or absence of any suspected adverse environmental condition or hazardous substance, including but not limited to mold, toxins, carcinogens, noise, contaminants in the building or in soil, water, and air; Determine the effectiveness of any system installed to control or remove suspected hazardous substances; Predict future condition, including but not limited to failure of components; Since this report is provided for the specific benefit of the customer(s), secondary readers of this information should hire a licensed inspector to perform an inspection to meet their specific needs and to obtain current information concerning this property.

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Safeguard Inspection Services Inc.

Dean Hogsett NACHI#10053103



SAFEGUARD INSPECTION SERVICES INC.

COMMERCIAL INSPECTION
AUTHORIZATION AND CONTRACT
AND SCOPE OF INSPECTION ©

CUSTOMER: John Doe

SUBJECT PROPERTY: XXX Denver CO80203

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 Inc. to perform a commercial building inspection at the Subject Property. Customer agrees to the terms and conditions in this Contract. The Inspection Report and its contents are intended for the exclusive use of and are the nontransferable property of the Customer. The agreed Inspection Fee shall be paid within thirty (30) days of the commercial building inspection or a late payment penalty of five percent (5%) of the amount due will be assessed for each month payment is outstanding.
2. My signature below acknowledges that I have read, understand, and accept the terms, conditions, and limitations as outlined in the Commercial Building Inspection Authorization and Contract and Scope of Inspection© and the Description of Commercial Building Inspection Services and General Commercial Building Inspection Information.©

I received and had the opportunity to read all four pages of the Commercial Building Inspection Authorization and Contract and Scope of Inspection© and all four pages of the Description of Commercial Building Inspection Services and General Commercial Building Inspection Information© and I DO NOT elect to pay an additional fee of \$5000.00 for the removal of the limitation on liability, liquidated damages, and indemnification described in paragraph 7 for this inspection and report.

THE TOTAL FEE FOR THIS INSPECTION IS: \$0.00

CUSTOMER’S SIGNATURE/DATE

I received and had the opportunity to read all four pages of the Commercial Building Inspection Authorization and Contract and Scope of Inspection© and all four pages of the Description of Commercial Building Inspection Services and General Commercial Building Inspection Information© and I DO elect to pay an additional fee of \$5000.00 for the removal of the limitation on liability, liquidated damages, and indemnification described in paragraph 7 for this inspection and report.

THE TOTAL FEE FOR THIS INSPECTION IS: \$_____

CUSTOMER’S SIGNATURE/DATE

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 safely accessible and readily accessible portions of the structural, heating, cooling, plumbing, roofing, electrical and systems and components of the Subject Property specified in this Contract and Inspection Report for adverse conditions. The inspection is performed in accordance with the International Association of Certified Inspectors for conducting general, visual, non-technical commercial building 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 Commercial Building Inspection Services and General Commercial Building Inspection Information. Only the visible and safely accessible 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 is not a technical inspection and is, therefore, not technically exhaustive. 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 (notwithstanding any reference in the Inspection Report to any code provision). 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. 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 NONTRANSFERABLE 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.

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 Denver, Colorado. 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 commercial building 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. 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.

13. 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 action.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. The Inspection Report, any addenda, and Commercial building Inspection Report Glossary, along with the Commercial building Inspection Authorization and Contract and Scope of Inspection and the Description of Commercial building Inspection Services and General Commercial building 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.

20. 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 qualities 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.

21. 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, title companies, surveyors, insurers, attorneys, 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 or timeliness of 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.

22. 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 commercial building 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.

23. 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.

24. If the terms and conditions of this Commercial building 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.

25. If the terms and conditions of this "Commercial 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.