

LaRocca Inspection Systems, Inc.

Inspection Agreement

Client: _____ **Date:** _____

Address: _____ **Fee: \$** _____

Scope of the Inspection: The Real Estate inspection to be performed is a non-invasive physical examination, performed for the fee set forth above, designed to identify material defects in the systems, structures, and components of the building and its associated primary parking structure as they exist at the time of the inspection. A material defect is a condition that significantly affects the value, desirability, habitability or safety of the building. This definition specifically excludes cosmetic items deficiencies that may be remedied with routine or regular maintenance and miscellaneous minor repairs.

The report emphasis is on the material defects and while some minor defects will be mentioned it is not intended to be an all-inclusive list of the buildings flaws and is not a focus of the inspection. The specific systems, structures and components to be examined are listed in the Standards of Practice of the California Real Estate Inspection Association (CREIA) that are in effect at the time of the inspection. A copy of the CREIA standards is available at www.creia.com.

The inspection shall be limited to those specific systems, structures and components that are present and visually accessible. Components shall be operated with normal controls only and as conditions permit. The inspection performed in accordance with the standards listed above is not intended to be technically exhaustive. Testing, measuring, using meters or devices of any kind, dismantling equipment or doing calculations for any system or component to determine adequacy, capacity or compliance with any standard is outside the scope of the inspection.

The inspection report shall describe and identify in written form the inspected structures and components of the building and shall identify material defects. Client shall not rely on any oral statements made by the inspector.

It is understood that no inspection can completely eliminate the risk of purchasing and the possibility of the presence of physical defects in the building systems. An inspection report performed in accordance with this contract and the above standards is intended to reduce, but not eliminate, the uncertainty regarding the potential for a system or component failure. The building has many identical components such as windows and electrical outlets. We do a representative sampling of these only and do not move furniture or personal belongings. The client also recognizes the inherent subjective nature of the inspector's opinions as to the issues of workmanship, materials used, and the remaining useful life of any given component.

I have read and agree with the scope of the inspection – Client Initials _____

General Exclusions: The following are outside the scope of this real estate inspection:

- A. Any system, structure, or component of the building, which is not readily available or concealed from view.
- B. Determining compliance with installation guidelines or manufacturer's specifications.
- C. Determining compliance to building codes. **This is not a building code inspection.** Therefore, determining compliance to any building code, ordinance, regulation, covenant or other restrictions, including local interpretations thereof is specially excluded.
- D. Geotechnical, engineering, structural, hydrological inspections, land surveying, or soils examinations.
- E. Determining the presence of rodents, termites, dry rot or other wood destroying organisms. **This is not a wood destroying organism (termite) inspection.** California law requires a specific license to make any opinion or statement relating to the absence or presence of wood destroying pests or organisms and the inspector does not have this license.
- F. Certain factors related to any systems, structures or components of the building, including but not limited to: adequacy, efficiency, durability or remaining useful life, costs to repair, replace or operate.
- G. Environmental hazards or conditions, including but not limited to, mold, mildew, toxins, reactive combustible or corrosive contaminants, wildfire, geological or flood.

H. Dismantling or removing the panels of any equipment, system, structure or component, lighting pilot lights or performing any intrusive or destructive examination, test or analysis.

I. Examining or evaluating fire-resistive qualities of any system, structure or component of the building.

J. Systems, structures or components of the building that are not permanently installed or are disconnected.

K. Systems, structures or components that are not in the report or specific systems listed as excluded in the report.

L. Common areas or systems, structures, or components.

M. Examining or evaluating the acoustical or other nuisance characteristics of any system, structure, or component of a building, complex, or adjoining properties of the neighborhood.

N. Operating or evaluating low voltage electrical, antennas, security systems, central vacuum systems, cable or satellite television, audio systems, telephone, remote controls, radio controls, timers, intercoms or computerized systems.

O. Private sewage disposal systems, septic tanks or leach fields. Sump pumps and sewer ejection systems, motors and tanks are excluded, as are wells and ground water.

P. Obtaining or reviewing information from any government agency, including building departments permits, product recall notices or any third party.

Q. Water testing roofs, walls, windows or drainage systems for leaks.

I have read and agree with the General Exclusions – Client Initials _____

Environmental: The Client acknowledges that this is a general visual property inspection and not an environmental evaluation of the property. The inspection is not intended to detect, identify or disclose any health or environmental evaluation of the property. This includes but not limited to asbestos, radon, and lead, urea-formaldehyde, mold, fungus or toxic substances in the water, air, soil or building materials. **This is not a MOLD Inspection. It is recommended that this property be fully tested and checked out by a mold specialist at this time.** Client Initials _____

Please choose one of the types of inspections listed below:

General Inspection: The Client requests a general visual inspection designed to identify material defects of the systems, structures and components of the building and performed and prepared in a manner consistent with the Inspection standards of the California Real Estate Inspection Association. Client Initials _____

--or--

Specialist Inspection: The client understands the company recommends an inspection and inspection report performed and prepared in a manner consistent with the Inspection standards of the California Real Estate Inspection Association by a generalist inspector and the following specialists: Plumbing, Electrical, Heating/Cooling, Roofing, Foundation, Fireplace, Pool, Geo-Technical and Structural Engineers. The fee for this inspection is a minimum of \$5,000 to be determined by the size of the property and type of experts involved. The Client requests the Specialist Inspection. Client Initials _____

Confidential: The inspection report is prepared for the Client solely and exclusively for the client's own information and may not be relied upon by any other person. The Client agrees to maintain the confidentiality of the inspection report and agrees not to disclose any part of it to any other person. The Client or the Inspector may distribute copies of the inspection report to the seller and the real estate agents directly involved in this transaction but the Client and the Inspector do not in any way intend to benefit the seller or the real estate agents directly or indirectly. The Client agrees to indemnify, defend and hold the inspector harmless from any third party claims arising out of the clients unauthorized distribution of the inspection report. The client agrees to read the entire inspection report when it is received and shall promptly call the Inspector with any questions or concerns the client may have regarding the real estate inspection or the inspection report.

Mediation: The parties of this agreement agree that preceding the filing of any legal action each party is bound to participate in a mediation before a locally recognized mediator/mediation service accepted by all parties and familiar with the inspection standards of the California Real Estate Inspection Association and applicable civil code provisions. If the parties cannot agree on a mediator then the parties shall adopt a plan where each side selects mediators who will then select a final mediator. In the event the mediation does not resolve the dispute then the dispute, controversy, interpretation, or claim including but not limited to, breach of contract, any form of negligence, fraud or misrepresentation, or any other theory of liability arising from or related to the inspection or the inspection report shall be submitted to binding arbitration. The arbiter shall be familiar with the standards of the California Real Estate Inspection Association. The decision of the arbiter shall be final and binding and the judgment of the award may be entered in any court of competent jurisdiction. Client Initials _____

General Provisions: The inspection contract and the real estate inspection do not constitute a warranty, guarantee or insurance policy of any kind whatsoever. The real estate inspection and inspection report are not a substitute disclosure for real estate transactions, which may be required by law.

It is agreed that any claim for failure to accurately report a material defect of the property in accordance with this contract shall be made in writing within 10 days of discovery and the inspector and/or the inspector's designated representative must be allowed to re-inspect and document conditions of the material defect prior to making any repair, alteration or replacement to the claimed discrepancy, except in case of emergency. Failure to follow this procedure shall constitute a waiver of any and all claims relating to the alleged material defect.

No legal action or proceeding of any kind can be commenced against the Inspector/Inspection Company, or its officers, agents or employees more than one year after the date of the inspection. Time is expressly of the essence herein. Any dispute must be brought within one year of the date of the inspection. A dispute shall be defined as any form of dispute resolution, mediation, arbitration, civil lawsuit or any action brought in any court. THIS TIME IS SHORTER THAN OTHERWISE PROVIDED BY LAW. Client Initials _____

This agreement constitutes the entire agreement between parties and may modified only by a written agreement signed by all the parties. If any portion of this agreement is found to be invalid or unenforceable the remaining parts of the contract shall remain in full force and effect. This contract shall be binding upon the undersigned parties and their heirs, successors and assigns. If this contract is executed on behalf of the Client by a third party, the person executing this contract expressly represents to the inspector that he/she has the full and complete authority to execute this contract on the Client's behalf and to fully and completely bind the Client to all the terms, conditions, limitations, exceptions and exclusions of the contract. The Client acknowledges that they have read, understood and agreed voluntarily to all the terms, conditions and limitations of the contract and agrees to pay the fee listed above.

Client Signature _____ Date _____

Client Printed Name _____

Inspector _____ Date of Inspection _____