



Inspection Contract

SCOPE OF INSPECTION: The inspection of the subject property shall be performed by General Contractors Inspection Service (GCIS) in accordance with the American Society of Home Inspectors (ASHI) Standards of Practice and Code of Ethics. The PURPOSE OF THE INSPECTION IS TO IDENTIFY AND DISCLOSE TO THE CLIENT MAJOR DEFICIENCIES AND DEFECTS OF THE SYSTEMS AND COMPONENTS of the subject premises that are visually observable at the time of the inspection. Unless indicated otherwise, the following major systems will be included:

- FOUNDATION:** Examined to determine its type, general condition, evidence of excessive settlement and damage.
STRUCTURE: Wall, floor and roof structures will be identified and evaluated for damage and abnormal wear.
ELECTRICAL: The electrical system capacity and condition will be evaluated with an emphasis on safety issues.
PLUMBING: Water supply and drainage systems will be examined to determine age, condition and serviceability.
HEATING: Heating systems will be evaluated for type, age, general condition and serviceability.
ROOFING: Roofing materials will be identified and evaluated for evidence of leakage and serviceability.
OTHER: Miscellaneous items will be inspected and evaluated where applicable.

The Inspection and Inspection Report are intended to provide the Client with a better understanding of the property conditions as observed at the time of the inspection. Although minor problems may be mentioned, the report will not attempt to list them all. The inspection will consist of a visual analysis of major systems and components of the property and comment on those that are in need of immediate repair, replacement, or further evaluation by a specialist. The Inspection Report may contain information that was not discussed by the inspector during the inspection. It is agreed that no claim shall be made against GCIS for any oral representations, which are perceived to be inconsistent with the written report. The scope of the inspection is limited to the items listed within the report pages.

LIMITATIONS OF THE INSPECTION: The inspection is limited to readily accessible and visible major systems, components, and equipment located in and attached to the premises. The inspection is not technically exhaustive, and it does not include destructive testing. Any area which is not exposed to view, is concealed, or is inaccessible because of soil, wall coverings, floor coverings, ceiling coverings, rugs, carpets, furnishings, or other materials is not to be considered part of this inspection. Low crawlspaces and any area judged by the inspector as potentially hazardous will not be entered. Weather limitations may affect the extent to which the inspector can access and inspect the property or operate heating and air conditioning systems. This inspection is not considered to be an expressed or implied guarantee or warranty of any kind regarding the condition of the property, its systems or components. An exhaustive inspection that includes a guarantee of the conditions of the property for which GCIS would be held responsible would require the services of a number of experts in different fields, and it would cost 3% of the property's fair market value. Further limitations described in the report also apply.

INSPECTION EXCLUSIONS: The following items are specifically excluded from this inspection:

- 1) Building code compliance and zoning violations
- 2) Hidden or latent defects
- 3) Geological stability and soils condition
- 4) Structural stability and engineering analysis
- 5) Termites, pests or other wood destroying organisms
- 6) Asbestos, radon, formaldehyde, lead, water or air quality, mold, electromagnetic fields, underground fuel tanks or other environmental hazards
- 7) Building value appraisal or cost estimates for repairs and remodeling
- 8) Cosmetic conditions. Conditions of the surrounding neighborhood and properties as they may affect the subject property or its desirability
- 9) Detached buildings or structures, unless specifically included
- 10) Pools, exterior spas/hot-tubs, saunas, steam baths, or similar fixtures with enclosed equipment, underground piping, sprinkler systems
- 11) Specific components noted as being excluded in the context of the report
- 12) Kitchen or other appliances not specifically addressed in the report, including but not limited to ranges, dishwashers, laundry equipment, microwave ovens
- 13) Appliances may be checked for connections, but not for functionality and suitability. We do not perform research for product recalls.
- 14) Private water or private sewage (septic) systems, water softener / purifier systems
- 15) Radio-controlled devices, automatic gates, elevators, car-lifts, dumbwaiters and thermostatic controls, timers, security alarms
- 16) Photovoltaic (solar) power systems, solar water-heating systems, geo-thermal heating/cooling systems
- 17) Furnace heat exchangers are not accessible without disassembly, and they are excluded.
- 18) Interiors of fireplace flues or chimneys
- 19) Adequacy, efficiency or prediction of the life expectancy of any system or component

(continued on next page)



LIMITATION OF LIABILITY: Client agrees and understands that this inspection is not a home warranty, guarantee, insurance policy, or substitute for real estate transfer disclosures which may be required by law. Neither GCIS, nor its agents, principals, and employees, shall be liable for any repairs or replacement of any components, systems, structure of the property or the contents therein, either during or after the inspection. The liability of GCIS for errors and omissions in the inspection and report is limited to a refund to the client of double the fee paid for the inspection and report. Refund of the fee shall be accepted by the client as full settlement of all claims, and GCIS shall thereupon be generally released. The undersigned waives all rights under Section 1542 of the California Civil Code, which reads as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known to them must have materially affected their settlement with debtor."

ADDITIONAL INSPECTIONS: Any recommendation made by GCIS to engage the services of specialty contractors or engineers for more detailed inspection, evaluation or repair of a specific system, component, and/or structure of the subject property, shall relieve GCIS from any liability to Client for the inspection and report of those components, systems, or structures. Any such additional inspections or repairs are to be made by contractors, consultants or other professionals who are duly licensed and qualified in the appropriate field or trade.

ARBITRATION: Any dispute, controversy, interpretation or claim including claims for, but not limited to, breach of contract, any form of negligence, fraud or misrepresentation arising out of, from or related to, this contract or arising out of, from of related to the inspection or inspection report shall be submitted to binding arbitration under the Rules and Procedures of the Expedited Arbitration of Home Inspection Disputes of Construction Arbitration Services, Inc. The decision of the appointed Arbitrator shall be final and binding, and judgment on the Award may be entered in any Court of competent jurisdiction.

CONFIDENTIAL REPORT: The report is the property of GCIS. It is prepared for Client's own information and may not be relied upon by any other person without compensation for, and expressed written permission of GCIS. Client agrees to maintain the confidentiality of the inspection report in accordance with these terms. This report is not a complete product without a signed contract and attendance of the client at the inspection. It is a summary of information presented and discussed during the inspection, and reliance upon this report without benefit of attendance is wholly at the risk of the Client or any other party. Client may distribute copies of the inspection report to authorized agents directly involved in this transaction, but said persons are not specifically intended beneficiaries of this Agreement or the inspection report. Client agrees to indemnify, defend, and hold GCIS harmless from any third party claims arising out of Client's unauthorized distribution of the inspection report.

NOTICE REQUIREMENTS: Client agrees that any claim alleging GCIS's failure to accurately report a visually observable defective condition of the subject property shall be made in writing and delivered to GCIS within ten (10) business days of discovery. Client further agrees that, with the exception of emergency repairs, neither Client, nor anyone acting on Client's behalf, will make alterations, modifications, or repairs to the subject of the claim prior to a re-inspection by GCIS within a reasonable time period. Client further agrees and understands that any failure to notify the Inspector as set forth above shall constitute a waiver of any and all claims for said failure to accurately report the condition.

ATTORNEY'S FEES: In the event that Client files suit in any civil court alleging claims arising out of this agreement or the services performed hereunder, Client agrees to pay to GCIS, all costs, expenses, and attorneys' fees incurred by GCIS, its agents, employees, or insurers in the defense of such suit. This section shall not apply to arbitration proceedings unless the selected arbitrator finds that the claim brought by Client is without merit and the Client has been given written notice of the claim's lack of merit prior to the proceedings.

SEVERABILITY: Client and GCIS agree that should a court of competent jurisdiction determine and declare that any portion of this contract is void, voidable, or unenforceable, the remaining provisions and portions shall remain in full force and effect.

I (Client) hereby request a limited visual inspection of the structure at the address named below, to be conducted by GCIS, for my sole use and benefit. I understand that I am bound by all the terms of this contract. I further warrant that I will read the entire inspection report when I receive it and promptly call the inspector with any questions I may have.

Property address: _____

City: _____

Fee: \$ _____ **Payment type:** _____

Signed: _____ **Date:** _____

Signed: _____ **Date:** _____

Signed: _____ **Date:** _____