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### CONTRACT

During our inspection we will evaluate the following five systems.

### FOUNDATION

The foundation will be checked for type and visible condition, including evidence of damage, deterioration or settling. We will examine all accessible crawl areas.

### STRUCTURE

The structure will be examined for adequacy of exposed framing, significant damage of deterioration, related settlement and building modifications. The examination will include a thorough check of exterior and interior surfaces, floor condition, attic framing and insulation.

### PLUMBING & HEATING

We check for type and condition of both supply and waste lines, including drains, vents and traps. Visible leakage or weakness in this system will be noted. The water heater and heating systems will be analyzed for type and condition.

### ELECTRICAL

The electric service and branch wiring, where visible, will be checked for condition. Unsafe wiring practices (unprotected conductors, ungrounded plugs, extension cords) will be pointed out.

### ROOFING

The type of roof will be identified and its condition assessed. Unfortunately, it is not possible to warranty the roof against leakage. Visible signs of leakage will be noted and discussed. Condition of gutters, downspouts, flashing, and rain caps will be noted.

### NON-SYSTEM CHECKPOINTS

These are the items that do not fit conveniently into the other five classifications.

Our property inspection form listing approximately 135 items is available for your examination and questions. Please feel free to ask to review it before you proceed in authorizing the inspection.

### THE INSPECTION

Inspections are performed in accordance with ASHI (American Society of Home Inspectors) Standards of Practice.

Our inspection is limited to a visual inspection of those areas of the premises which are exposed to view. We do not deface or probe into window sash or door frames of decorative trim. The interior of walls are inaccessible for inspection, as are underground gas and sewer lines. We do not move built-ins, furniture, appliances, raise floor coverings or finished surfaces. In the case of condominiums or co-op properties, we will inspect the unit and the adjacent common areas which are made accessible to the inspector. The client is to understand that neither the inspection nor the report covers concealed defects. Client should be sure to obtain a full property disclosure statement, with explanations, from the property seller. This inspection does not include any destructive testing or dismantling of equipment, systems or exposed surfaces.

We are not structural pest control inspectors. The client is advised to have a licensed structural pest control inspection. The client agrees that he/she is not relying upon our inspection or report to ascertain the condition of the property with regard to structural pest or dry-rot conditions.

The client understands that in requesting the visual inspection and report by our company, he/she agrees to assume the risk of any concealed defects in the property which are not apparent on visual inspection. Concealed defects may appear during seasonal weather changes or in the course of remodeling or repair.

### GENERAL CONTRACTORS INSPECTION SERVICE, LTD.

specifically does NOT check the following items:

1. Kitchen appliances, refrigerators, dishwashers, garbage disposals, stoves, trash compactors;
2. Intercoms, security systems and alarms;
3. Efficiencies of heating or cooling systems;
4. Swimming pools or outdoor spas;
5. Accuracy of thermostats or timers;
6. Water quality;
7. Inaccessible areas, hazardous areas;
8. Plugs blocked by heavy furniture or appliances;
9. Utilities not turned on, sealed service panels;
10. Flooring beneath floor coverings;
11. Air conditioning during cold weather (68 degrees);
12. Interiors of fireplace flues, draw of fireplaces;
13. Solar systems, exterior hot tubs;

(Cont. next page)

14. Heat exchangers in gas-fired furnaces;
15. Toxic and/or hazardous substance identification or testing, including but not limited to asbestos, EMF (electromagnetic fields), fiberglass, lead, radon, ureaformaldehyde, or UST (underground storage tanks);
16. Soil stability utilizing geo-technical methods. We are not civil engineers, geologists or structural engineers;
17. Safety glazing

**THE REPORT**

This report is not a guarantee of the building or any of its parts nor is it a guarantee of code compliance of the building. We recommend the client be present for the inspection and the accompanying oral explanation. We suggest the client discuss this report and the condition of the property with the property resident and owner. The client is advised to check with the local building department as to the zoning and status of any permit or pending inspections on this property. The local building department can require correction of violations or removal of illegal units. California Civil Code Section 1134.5 requires that sellers of one to four-unit buildings deliver to the prospective buyer a written statement specifying whether or not the appropriate building permits and other necessary governmental approvals were obtained for any structural additions or alterations, or the installation, alteration, repair or replacement of significant components of the structures on the property, either completed during the term the property was owned by the seller or of which the seller has knowledge (whether or not completed during the seller's term of ownership).

Our opinion as to the condition of the property is reflected in the observations in the report. We are not responsible for any persons involved in this transaction, including owners, buyers or realtors, as to correction of defects or actual condition. Any reliance on such statements is wholly at the client's risk.

We do not express any opinion as to the probable cost of correction any defective conditions in the property. The client is advised to seek competitive bids from properly qualified and licensed individuals or firms to ascertain the cost of any contemplated work.

The client understands and agrees that an inspection and report which would guarantee the condition of the property and require GCIS to pay for correction of any problems which were not discovered would cost 3% of the property's fair market value. Such an inspection will require the services of a number of experts in different fields. In consideration for the reduced charge agreed upon for this inspection report, the client agrees that we shall not be responsible for any defective conditions in the property which are not discovered, unless we have committed gross negligence or willful misconduct.

**LIMITS OF LIABILITY**

Except for willful misconduct or gross negligence, the liability of the inspection company for damages arising out of, or in any way

connected with, error or omissions in the inspection and/or report, shall be limited to twice the cost of the inspection. Refund of the inspection and/or report fee shall be accepted by the undersigned in full settlement of all claims and the inspection company shall thereupon be generally released. The undersigned waive(s) all rights under Section 1542 of the California Civil Code, which reads as follow:

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

**SEVERABILITY**

The client agrees that should any portion of this contract be found void or unenforceable, the remaining portions shall remain in full force and effect.

**DISPUTES**

The client understands and agrees that any claim arising from a perceived failure to accurately report the visually apparent conditions of the subject property within the limitations described above shall be made in writing and reported to GCIS within ten (10) business days of discovery. The client further agrees that, with the exception of emergency conditions, the client will not make or have made any alterations or repairs to the items of claimed discrepancy prior to a reinspection by GCIS and any appropriate specialists within a reasonable time period. Failure to notify GCIS in the above manner shall constitute a waiver of any and all claims for said failure.

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 Arbitrator appointed thereunder shall be final and binding, and judgment on the Award may be entered in any Court of competent jurisdiction.

**ON SIGNING**

The undersigned hereby orders a visual inspection of the structure herein named to be conducted by GENERAL CONTRACTORS INSPECTION SERVICE, LTD. for the sole use and benefit of the undersigned. Under no circumstances shall the inspection be deemed for the benefit of any third party nor shall it constitute a warranty of any nature, expressed or implied.

CHARGE: \$ \_\_\_\_\_ Date \_\_\_\_\_

Signed: \_\_\_\_\_

Property Address: \_\_\_\_\_

REPORT SENT TO:

Property Address:

Date: