

STANDARD RESIDENTIAL INSPECTION AGREEMENT

PLEASE READ IT CAREFULLY - THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT

Client: _____

Report #: _____

Address: _____

Fee: _____

SCOPE OF THE INSPECTION: A home inspection is a noninvasive, visual survey and basic operation of the accessible systems and components of a home, to identify conditions that have a significant negative effect on the value, desirability, habitability or safety of the building(s) and to identify issues that Client should further investigate prior to the release of any contingencies.

Martin Hewitt, dba Camelot Home Inspection Services ("Inspector"), will prepare and provide Client a written report for the sole use and benefit of Client. Except as otherwise provided herein, the written report shall document any material defects discovered in the building's systems and components which, in the opinion of the Inspector, are safety hazards, are not functioning properly, or appear to be at the ends of their service lives.

The inspection shall be performed in accordance with the Standards of Practice of the California Real Estate Inspection Association (CREIA®), attached hereto and incorporated herein by reference, and is limited to those items specified herein.

CLIENTS DUTY: Client understands and accepts that an inspection and report in accordance with this Agreement is intended to reduce, but cannot eliminate, the uncertainty regarding the condition of the property. Client is responsible to review the permit history and research any legal actions or insurance claims involving the property. Investigating the property, neighborhood and area are also recommended.

Client agrees to read the entire written report when it is received and promptly contact Inspector with any questions or concerns regarding the inspection or the written report. The written report shall be the final and exclusive findings of Inspector. Client agrees to provide payment to Inspector in a prompt and timely manner prior to Inspector's Issuance of the written report.

Client acknowledges that Inspector is a generalist and that further investigation of a reported condition by an appropriate specialist may provide additional information which can affect Client's purchase decision. Client agrees to obtain further evaluation of reported conditions before removing any investigation contingency and prior to the close of the transaction.

In the event Client becomes aware of a reportable condition which was not reported by Inspector, Client agrees to promptly notify Inspector and allow Inspector and/or Inspector's designated representative(s) to inspect said condition(s) prior to making any repair, alteration, or replacement. Client agrees that any failure to so notify Inspector and allow inspection is a material breach of this Agreement.

ENVIRONMENTAL CONDITIONS: Client agrees what is being contracted for is a home inspection and not an environmental evaluation. The inspection is not intended to detect, identify, or disclose any health or environmental conditions regarding this building or property, including, but not limited to: the presence of asbestos, radon, lead, urea-formaldehyde, wood destroying organisms, fungi, molds, mildew, feces, urine, vermin, pests, or any animal or insect, "Chinese drywall", PCBs, or other toxic, reactive, combustible, or corrosive contaminants, materials, or substances in the water, air, soil, or building materials. The Inspector is not liable for injury, health risks, or damage caused or contributed to by these conditions.

SEVERABILITY: Should any provision of this Agreement be held by an arbitrator or court of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect, unimpaired by the court's holding.

MEDIATION: If a dispute arises out of or relates to this Agreement, or the alleged breach thereof, or any alleged torts, and if the dispute cannot be settled through negotiation, the parties agree to try in good faith to settle the dispute by mediation administered by a mutually agreed upon neutral, third-party mediator and according to the rules and procedures designated by the mediator, before resorting to further litigation.

ARBITRATION OF DISPUTES: Any dispute concerning the interpretation or enforcement of this Agreement, the inspection, the inspection report, or any other dispute arising out of this relationship, shall be resolved between the parties by **BINDING ARBITRATION** conducted by Construction Dispute Resolution Services, LLC, utilizing their respective Rules and Procedures, which can be viewed on its website. The parties hereto shall be entitled to all discovery rights

and legal motions as provided in the California Code of Civil Procedure and serving discovery shall not be deemed a waiver of the right to compel arbitration. The decision of the Arbitrator shall be final and binding and judgment on the Award may be entered in any Court of competent jurisdiction. The Parties understand and agree that they are waiving their right to a jury trial.

Initiation of binding arbitration or court action, whether based in tort, contract or equity, must be made no more than one year from the date Client discovers, or through the exercise of reasonable diligence should have discovered, its claim(s) under this Agreement. In no event shall the time for commencement of arbitration or court action, exceed two years from the date of the subject inspection. **THIS TIME PERIOD IS SHORTER THAN OTHERWISE PROVIDED BY LAW.**

LIMITATION ON LIABILITY: THE PARTIES UNDERSTAND AND AGREE THAT INSPECTOR'S MAXIMUM CUMULATIVE LIABILITY FOR (A) ACTUAL AND ALLEGED ERRORS OR OMISSIONS IN THE INSPECTION OR THE INSPECTION REPORT, (B) ANY BREACH OF THIS AGREEMENT, AND (C) ALL OTHER LOSSES, CLAIMS, LIABILITIES OR CAUSES OF ACTION, WHETHER SOUNDING IN TORT OR CONTRACT WHICH ARISES FROM OR RELATES TO THIS AGREEMENT, IS LIMITED TO 3 TIMES THE INSPECTION FEE PAID. CLIENT SPECIFICALLY ACKNOWLEDGES THAT INSPECTOR IS NOT AN INSURER, AND IS NOT RESPONSIBLE FOR ANY REPAIRS, WHETHER DISCOVERED OR NOT, THAT MUST BE MADE. CLIENT ASSUMES THE RISK OF ALL LOSSES IN EXCESS OF THIS LIMITATION OF LIABILITY.

GENERAL PROVISIONS: The written report is not a substitute for any transferor's or agent's disclosure that may be required by law, or a substitute for Client's independent duty to reasonably evaluate the property prior to the close of the transaction. This inspection Agreement, the real estate inspection, and the written report do not constitute a home warranty, guarantee, or insurance policy of any kind whatsoever.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, successors, and assigns.

This Agreement, including the attached CREIA Standards of Practice, constitutes the entire integrated agreement between the parties hereto pertaining to the subject matter hereof and may be modified only by a written agreement signed by all of the parties hereto. No oral agreements, understandings, or representations shall change, modify, or amend any part of this Agreement.

Each party signing this Agreement warrants and represents that he/she has the full capacity and authority to execute this Agreement on behalf of the named party. If this Agreement is executed on behalf of Client by any third party, the person executing this Agreement expressly represents to Inspector that he/she has the full and complete authority to execute this Agreement on Client's behalf and to fully and completely bind Client to all of the terms, conditions, limitations, exceptions, and exclusions of this Agreement.

Client acknowledges having read and understood all the terms, conditions, and limitations of this Agreement, and voluntarily agrees to be bound thereby and to pay the fee listed herein. Client understands that the inspection fee stated is for the initial inspection and report. Client agrees to pay for the inspector's time for any re-inspection or meetings with third parties at the hourly rate of \$150.00 per hour, including travel time. Client also agrees to pay for the inspector's time to participate in any legal or administrative proceeding at the hourly rate of \$300.00 per hour. This includes time for depositions, research, and court or other appearances.

Client: _____ Date: _____
(One signature binds all)

Inspector: _____ Date: _____
Martin Hewitt

CREIA STANDARDS OF PRACTICE

RESIDENTIAL STANDARDS OF PRACTICE - FOUR OR FEWER UNITS

Part I. Definitions and Scope

These Standards of Practice provide guidelines for a *home inspection* and define certain terms relating to these *inspections*. *Italicized* words in these Standards are defined in Part IV, Glossary of Terms.

A. A *home inspection* is a noninvasive visual survey and basic *operation* of the systems and *components* of a home which can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may result in damage to the property or personal injury to the *Inspector*. The purpose of the inspection is to provide the Client with information regarding the general *condition* of the *building(s)* to assist client in determining what further evaluation, inspection, and repair estimates Client should perform or obtain prior to the release of contingencies.

B. A *home inspection* report provides written documentation of material defects discovered in the inspected *building's* systems and *components* which, in the opinion of the *Inspector*, are *safety hazards*, are not *functioning* properly, or appear to be at the ends of their service lives. The report may include the *Inspector's* recommendations for correction or further evaluation.

C. All further evaluation, inspection, and repair work needs to be provided by competent and qualified professionals who are licensed and/or certified.

D. Client should consider all available information when negotiating regarding the Property.

E. *Inspections* performed in accordance with these Standards of Practice are not *technically exhaustive* and shall apply to the *primary building* and its associated *primary parking structure*.

F. Cosmetic and aesthetic conditions shall not be considered

Part II. Standards of Practice

A home inspection includes the readily accessible systems and components or a representative number of multiple similar components listed in Sections 1 through 9 subject to the limitations, exceptions, and exclusions in Part III.

SECTION 1 - Foundation, Basement, and Under-floor Areas

A. Items to be *inspected*:

1. Foundation *system*
2. Floor framing *system*
3. Under-floor ventilation
4. Foundation anchoring and cripple wall bracing
5. Wood separation from soil
6. Insulation

B. The *inspector* is not required to:

1. *Determine* size, spacing, location, or adequacy of foundation bolting/bracing *components* or reinforcing *systems*
2. *Determine* the composition or energy rating of insulation materials

SECTION 2 - Exterior

A. Items to be *inspected*:

1. Surface grade directly adjacent to the *buildings*
2. Doors and windows
3. Attached decks, porches, patios, balconies, stairways, and their enclosures, handrails and guardrails
4. Wall cladding and trim
5. Portions of walkways and driveways that are adjacent to the *buildings*
6. Pool or spa drowning prevention features, for the sole purpose of identifying which, if any, are present

B. The *inspector* is not required to:

1. *Inspect* door or window screens, shutters, awnings, or security bars
2. *Inspect* fences or gates or operate automated door or gate openers or their safety devices
3. Use a ladder to *inspect* *systems* or *components*
4. Determine if ASTM standards are met or any drowning prevention feature of a pool or spa is installed properly or is adequate or effective.
5. Test or *operate* any drowning prevention feature.

SECTION 3 - Roof Covering

A. Items to be *inspected*:

1. Covering
2. Drainage
3. Flashings
4. Penetrations
5. Skylights

B. The *inspector* is not required to:

1. Walk on the roof surface if in the opinion of the *Inspector* there is risk of damage or a *hazard* to the *Inspector*
2. Warrant or certify that roof *systems*, coverings, or *components* are free from leakage

SECTION 4 - Attic Areas and Roof Framing

A. Items to be *inspected*:

1. Framing
2. Ventilation
3. Insulation

B. The *inspector* is not required to:

1. *Inspect* mechanical attic ventilation *systems* or *components*
2. *Determine* the composition or energy rating of insulation materials

SECTION 5 - Plumbing

A. Items to be *inspected*:

1. Water supply piping
2. Drain, waste, and vent piping
3. Faucets, toilets, sinks, tubs, showers
4. Fuel gas piping
5. Water heaters

B. The *inspector* is not required to:

1. Fill any *fixture* with water, *inspect* overflow drains or drain-stops, or evaluate backflow *devices*, waste ejectors, sump pumps, or drain line cleanouts
2. *Inspect* or evaluate water temperature balancing *devices*, temperature fluctuation, time to obtain hot water, water circulation, or solar heating *systems* or *components*
3. *Inspect* whirlpool baths, steam showers, or sauna *systems* or *components*
4. *Inspect* fuel tanks or *determine* if the fuel gas *system* is free of leaks
5. *Inspect* wells, private water supply or water treatment *systems*

SECTION 6 - Electrical

A. Items to be *inspected*:

1. Service equipment
2. Electrical panels
3. Circuit wiring
4. Switches, receptacles, outlets, and lighting *fixtures*

B. The *inspector* is not required to:

1. *Operate* circuit breakers or circuit interrupters
2. Remove cover plates
3. *Inspect* de-icing *systems* or *components*
4. *Inspect* onsite electrical generation or storage or emergency supply *systems* or *components*

SECTION 7 - Heating and Cooling

A. Items to be *inspected*:

1. Heating equipment
2. Central cooling equipment
3. Energy source and connections
4. Combustion air and exhaust vent *systems*
5. Condensate drainage
6. Conditioned air distribution *systems*

B. The *inspector* is not required to:

1. *Inspect* heat exchangers or electric heating elements
2. *Inspect* non-central air conditioning units or evaporative coolers
3. *Inspect* radiant, solar, hydronic, or geothermal *systems* or *components*
4. *Determine* volume, uniformity, temperature, airflow, balance, or leakage of any air distribution *system*
5. *Inspect* electronic air filtering or humidity control *systems* or *components*

SECTION 8 - Building Interior

A. Items to be *inspected*:

- 1. Walls, ceilings, and floors
- 2. Doors and windows
- 3. Stairways, handrails, and guardrails
- 4. *Permanently installed* cabinets
- 5. *Permanently installed* cook-tops, mechanical range vents, ovens, dishwashers, and food waste disposals
- 6. Absence of smoke and carbon monoxide alarms
- 7. Vehicle doors and openers

B. The *inspector* is not required to:

- 1. *Inspect* window, door, or floor coverings
- 2. *Determine* whether a *building* is secure from unauthorized entry
- 3. *Operate*, test or *determine* the type of smoke or carbon monoxide alarms or test vehicle door safety devices
- 4. Use a ladder to *inspect systems or components*

SECTION 9 - Fireplaces and Chimneys

A. Items to be *inspected*:

- 1. Chimney exterior
- 2. Spark arrestor
- 3. Firebox
- 4. Damper
- 5. Hearth extension

B. The *inspector* is not required to:

- 1. *Inspect* chimney interiors
- 2. *Inspect* fireplace inserts, seals, or gaskets
- 3. *Operate* any fireplace or *determine* if a fireplace can be safely used

Part 111. Limitations, Exceptions, and Exclusions

A. The following are excluded from a *home inspection*:

- 1. *Systems or components* of a *building*, or portions thereof, which are not *readily accessible*, not *permanently installed*, or not *inspected* due to circumstances beyond the control of the *Inspector* or which the Client has agreed or specified are not to be *inspected*
- 2. Site improvements or amenities, including, but not limited to; accessory buildings, fences, planters, landscaping, irrigation, swimming pools, spas, ponds, waterfalls, fountains or their *components* or accessories
- 3. Auxiliary features of *appliances* beyond the *appliance's* basic *function*
- 4. *Systems or components*, or portions thereof, which are under ground, under water, or where the *Inspector* must come into contact with water
- 5. Common areas as defined in California Civil Code section 1351, et seq., and any dwelling unit *systems or components* located in common areas
- 6. *Determining* compliance with manufacturers' installation guidelines or specifications, *building* codes, accessibility standards, conservation or energy standards, regulations, ordinances, easements, setbacks, covenants, or other restrictions
- 7. *Determining* adequacy, efficiency, suitability, quality, age, or remaining life of any *building*, *system*, or *component*, or marketability or advisability of purchase
- 8. Structural, architectural, geological, environmental, hydrological, land surveying, or soils-related examinations
- 9. Acoustical or other nuisance characteristics of any *system or component* of a *building*, complex, adjoining property, or neighborhood
- 10. Wood Destroying Organisms (WDO) including termites or any insect, as well as rot or any fungus, that damage wood. Under California law, only an inspector licensed by the Structural Pest Control Board is qualified or authorized to inspect for any rot or termite activity or damage. You are advised to obtain a current WDO report and must rely on that report for any potential rot or termite activity and recommendations for repair.
- 11. Risks associated with events or *conditions* of nature including, but not limited to; geological, seismic, wildfire, and flood
- 12. Water testing any *building*, *system*, or *component* or *determine* leakage in shower pans, pools, spas, or any body of water
- 13. *Determining* the integrity of hermetic seals or reflective coatings at multi-pane glazing
- 14. Differentiating between original construction or subsequent additions or modifications

- 15. Reviewing or interpreting information or reports from any third-party, including but not limited to; permits, disclosures, product defects, construction documents, litigation concerning the Property, recalls, or similar notices
- 16. Specifying repairs/replacement procedures or estimating cost to correct
- 17. Communication, computer, security, or low-voltage systems and remote, timer, sensor, or similarly controlled *systems or components*
- 18. Fire extinguishing and suppression *systems and components* or *determining* fire resistive qualities of materials or assemblies
- 19. Elevators, lifts, and dumbwaiters
- 20. Lighting pilot lights or activating or operating any *system, component, or appliance* that is *shut down*, unsafe to *operate*, or does not respond to *normal user controls*
- 21. *Operating* shutoff valves or *shutting down* any *system or component*
- 22. Dismantling any *system*, structure, or *component* or removing access panels other than those provided for homeowner maintenance

B. The *Inspector* may, at his or her discretion:

- 1. *Inspect* any *building, system, component, appliance*, or improvement not included or otherwise excluded by these Standards of Practice. Any such *inspection* shall comply with all other provisions of these Standards.
- 2. Include photographs in the written report or take photographs for *Inspector's* reference without inclusion in the written report. Photographs may not be used in lieu of written documentation.

Part IV. Glossary of Terms

- Note: All definitions apply to derivatives of these terms when *italicized* in the text.
- Appliance: An item such as an oven, dishwasher, heater, etc. which performs a specific *function*
- Building: The subject of the *inspection* and its *primary parking structure*
- Component: A part of a *system, appliance, fixture, or device*
- Condition: Conspicuous state of being
- Determine: Arrive at an opinion or conclusion pursuant to a *real estate inspection*
- Device: A *component* designed to perform a particular task or *function*
- Fixture: A plumbing or electrical *component* with a fixed position and *function*
- Function : The normal and characteristic purpose or action of a *system, component, or device*
- Home Inspection: Refer to Part I, "Definitions and Scope", Paragraph A
- Inspect: Refer to Part I, "Definitions and Scope", Paragraph A
- Inspector: One who performs a *home inspection*
- Normal User Control: Switch or other *device* that activates a *system or component* and is provided for use by an occupant of a *building*
- Operate: Cause a *system, appliance, fixture, or device* to *function* using *normal user controls*
- Permanently Installed: Fixed in place, e.g. screwed, bolted, nailed, or glued
- Primary Building : A *building* that an *Inspector* has agreed to *inspect*
- Primary Parking structure: A *building* for the purpose of vehicle storage associated with the *primary building*
- Readily Accessible: Can be reached, entered, or viewed without difficulty, moving obstructions or requiring any action which may harm persons or property
- Representative Number: Example, an average of one *component* per area for multiple similar *components* such as windows, doors, and electrical outlets
- Safety Hazard: A *condition* that could result in significant physical injury
- Shut Down: Disconnected or turned off in a way so as not to respond to *normal user controls*
- System: An assemblage of various *components* designed to *function* as a whole
- Technically Exhaustive: Examination beyond the scope of a *real estate inspection*, which may require disassembly, specialized knowledge, special equipment, measuring, calculating, quantifying, testing, exploratory probing, research, or analysis

Client acknowledges having read and understood the CREIA Standards of Practice and understands that the inspection is to be performed in accordance with these Standards

Client: _____ Date: _____
(One signature binds all)

Inspector: _____ Date: _____
Martin Hewitt

ACTIVATION OF UTILITIES AND NOTICE OF CANCELLATION AGREEMENT

THIS IS A LEGALLY BINDING CONTRACT - PLEASE READ IT CAREFULLY

Client: _____ Date and Time: _____

Address: _____ Fee: _____

ACTIVATION OF UTILITIES: In order for Inspector to be able to properly inspect and test the property's systems and components, the gas, water, and electricity ("utilities") must be turned on or otherwise fully activated prior to the time of the inspection. In buildings that are vacant, it is not uncommon for one or more of the utilities to be turned off or otherwise deactivated. Due to liability and/or safety concerns, Inspector will not turn on or activate any utility, system, or component at the time of the inspection.

Client understands and agrees that it is Clients responsibility to ensure that the gas, water, and electricity will be activated at the time of the inspection, both inside and outside of the inspected structure(s). Unless damage or danger may result, all water and gas valves should be open, all gas pilot lights should be lit, and all electrical system components (panelboards, circuit breakers, etc.) should be activated.

If any of the utilities, systems, or components to be inspected are not activated at the time of the inspection and Client is not present at the inspection, Client understands that Inspector will proceed with the inspection as scheduled. If any of the utilities, systems, or components to be inspected are not activated at the time of the inspection and Client is present, Client has the option of having Inspector proceed with the inspection, or to cancel the inspection (see "Notice of Cancellation" below) and paying Inspector a fee equal to 50% of the fee ("fee") listed above. If any of the utilities, systems, or components to be inspected are not activated at the time of the inspection and Client and/or Clients agent(s) or legal representative(s) opt to proceed with the inspection, Client understands that Inspector will not return to the property at a later date for any further inspections, nor issue any additional written inspection reports, unless agreed upon in writing between Inspector and Client.

NOTICE OF CANCELLATION: Client and/or Clients agent(s) or legal representative(s) may cancel the inspection up to 24 hours prior to the time of the inspection listed above ("Date and Time"). If, for any reason, foreseeable or unforeseeable, the inspection is cancelled or Inspector is otherwise instructed by Client and/or Clients agent(s) or legal representative(s) not to proceed with the inspection without first providing Inspector with 24 hours advance notice, Client agrees to pay Inspector a fee equal to 50% of the fee listed above.

To cancel a scheduled inspection, please call or text Inspector at 805-471-9447. To cancel by email, please email Inspector at martin@homeinspectionsservices.com.

By signing below, Client acknowledges having read and understood all the terms and conditions of this addendum to the Home Inspection Agreement and voluntarily agrees to be bound thereby.

Client: _____ Date: _____
(One signature binds all)

Inspector: _____ Date: _____
Martin Hewitt