



ALLIANCE REAL ESTATE INSPECTIONS

Professional Commercial & Residential Inspections

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

Client: _____

Property Address: _____

Date of Inspection: _____

Total Fee: \$_____

SCOPE OF THE ALLIANCE PROPERTY INSPECTION: Client agrees that this is a “General” Limited Visual and non-invasive Inspection of the reasonably available portions of the property and “operating systems” without changing its condition and pursuant to the Standards of Practice (SOP) of the California Real Estate Inspection Association (CREIA) and for commercial properties ASTM Standards E 2018. Any area which the inspector believes is unsafe, has inadequate access, or may damage property is identified but not inspected within the written inspection report. The inspector is to identify visible “potential” material defects in a System as it existed at the inspection. This includes “potential” safety issues or conditions that may life expectancy. The inspector will conduct random sampling of common components such as electrical outlets, etc. without special testing equipment within the SOP of CREIA. This is not a “Code Compliant”, termite/wood destroying, adequacy/calibrative or analysis of functionalist of air flow, measurement of ducting, electricity, gas, water, or life expectancy cost analysis inspection. The client agrees to rely only on the written report tendered by the inspection and **not** any alleged statement by anyone. **Commercial inspections only:** Cost to Cure items noted in the report are figures given as a general guide. These figures may vary greatly from contractor to contractor, season to season, special exterior circumstances, such as economics and availability, or any other factors that may be unseen during a general inspection that may affect cost, and are not a firm estimate. Client is encouraged to seek the advice of appropriate professionals as to actual costs.

ENVIRONMENTAL: Client agrees this is not an environmental inspection and the inspector will not opine to same. If the Client wants an environmental inspection, said inspection must be arranged by the client or with his Realtor. Environmental conditions include, but are not limited to: radon, lead, asbestos, creosote, any type of mold or fungus or related conditions in a home.

WEATHER DISCLOSURE: California has seasonable rains which occur at the end and the beginning of each calendar year. When rainfall is exceptionally high, this is called an El Nino year. During drought periods many conditions do not appear that would be visible following rains. The duty of a home inspector is to disclose “visible” conditions. If a condition is not visible, it can’t be reported.

CLIENT WARRANTS: (a) Client will read the entire contract and inspection report. Client’s signature binds the Client to the contract terms. (b) Client will contact the inspector should any condition be found before the close of escrow. (c) Client will consult with a Specialist identified by the inspector in the home inspection report during the conditions period of his escrow. (d) Following the close of escrow, Client will contact the inspector if a non-reported defect is found which the client believes should have been disclosed in the inspection report. This notice shall be sent return receipt request, within 10 days while preserving and not modifying the condition. Should more than 10 days pass or the condition is modified, the Client agrees that no damage claim will be filed against the inspector. Upon proper notice, as set forth above, the inspector shall be allowed a reasonable period to inspect and photograph this condition before any change occurs. (e) Client is the owner of the inspection report and agrees that the Client has no right to assign or allow 3rd party rights to accrue to anyone else without the inspector’s written permission. (f) Client will give full access (home and utilities) to the inspector at the time of the inspection. Client understands the importance of full access by the inspector and agrees that failure to obtain the above is not the responsibility of the inspector. This may be detrimental to the Client’s best interests. (g) Client agrees to pay the inspector to return to the home to complete an inspection at the rate of \$225 per hour plus applicable travel fees. (h) Client agrees to accept the inspection report by email, which will be tendered to the Client and/or the Client’s agent, unless notified in writing to the contrary. No other form of delivery is contemplated without further written agreement with the Inspector. **The Client agrees that all conditions mentioned herein are material terms and conditions to this contract. The price of this inspection is based on these terms.**

Systems Excluded by the Standards of Practice include, but not limited to: Systems or component installation; permits; structural and design engineering; geological; soil; wave/hydrological stability; surveys of the land and property; dry-rot, fungus, mold, mildew and related conditions, termites/wood destroying insects, rodents or other pests; latent/hidden defects; security systems including window bars, fire prevention and electrical systems including lighting; wells and private water systems including water softeners, purifiers and related systems; sewer and exterior drainage systems, pools-spa-hot tubs-saunas-steam baths and fountains (unless agreed upon otherwise by both parties); radio controlled devices including automatic gates, elevators-lifts of all types; solar systems of all types; odors/noises; radiant heat systems; furnace heat exchanger; gas appliances such as fire pits, barbecues, heaters and lamps, testing of gas lines/valve; adverse condition that may affect the desirability of the property; and any analysis of life expectancy of any systems or component of the property. Client understands that the inspection report does not constitute a guarantee or warranty of merchantability or fitness for a particular purpose, expressed or implied, or insurance policy, nor is it a substitute for real estate transfer disclosures, relevant local disclosures, or retention of a "specialist" for a construction system called out by the Inspector.

Liquidated Damage Provision: For good and justifiable consideration, the parties to this contract do hereby agree to a liquidated damage provision of two times the costs of the inspection. The cost of the inspection is set based on this provision.

Mandatory Mediation Agreement: The contracting parties agree to select a mediator and complete mediation before any litigation is demanded or filed. The moving party must send a demand for mediation in writing, return receipt request, and the responding party has 30 days to respond. If the moving party does not comply with the above, the moving party forfeits all rights to attorney fees, expert fees, and all costs. If the moving party complies and the responding party does not comply with these terms, the responding party forfeits all attorney fees, expert fees and costs. If both parties comply, a mediator with knowledge of the home inspection industry will be selected by the parties. If the parties can't agree, a motion can be filed and a court will appoint the mediator. Both parties share the costs of the mediator as a recoverable cost.

Client Initials _____

Mandatory Binding Arbitration Clause: Assuming that all terms and conditions of the Mediation Clause have been complied with, waived, or lost, the parties to this contract are required to complete the binding arbitration. If one party refuses, that party waives all rights to attorney fees, costs and expert fees. Should the parties not agree on an arbitrator, either part can file a motion with the court and have the court appoint the mediator. The same requirements of a mediator apply to the arbitrator even if appointed by the court. The decision of the mediator is final. The parties have the right to the same discovery as if the parties were in court. The parties agree to voluntarily waive all rights to a trial by jury or judge as well as any actions for punitive damages. All notices of binding arbitration must be served in the same manner set forth in the "Mandatory Mediation Clause". Any party failing to comply waives all rights to attorney fees, costs and expert fees. The decision of the arbitrator is final and without right of appeal. The arbitrator is to hear all post arbitration motions (attorney fees, costs, etc.)

Client Initials _____

Statute of Limitations Clause: No legal action of any kind can be commenced against the inspector, et.al., more than one year after the inspection. A legal action includes filing suit or a demand for binding arbitration brought in any case. **THIS TIME IS SHORTER THAN OTHERWISE PROVIDED BY LAW. THE COST OF THE INSPECTION IS CONDITIONAL ON THIS LIMITATION CLAUSE.**

Client's initials _____

Attorney Fees: If any action in law or equity is filed by any party to this agreement, the prevailing party shall be entitled to attorney fees, costs and all expenses including experts, conditioned on compliance with the mediation and arbitration clauses.

FULL AND COMPLETE AGREEMENT: This agreement constitutes the entire integrated agreement and must be modified in writing signed by all parties to modify the above. Client has read and understands all of the terms, conditions and limitations of this contract and voluntarily agrees to be bound thereby and agrees to pay the fee listed above. If any portion of this Agreement is found to be invalid or unenforceable by any court or arbitrator, the remaining terms shall remain in force between parties. Like all contracts, it is also advisable to consult with your own attorney or advisor before signing any contract.

Dated: _____

Client: _____

Dated: _____

Client: _____

Dated: _____

Inspector: _____



STANDARDS OF PRACTICE — RESIDENTIAL STANDARDS — FOUR OR FEWER UNITS

Originally Adopted September 13, 1983; Revised November 1, 1996; Revised April 15, 1999

Revised July 12, 2003; Revised April 15, 2006 – Effective July 1, 2006; Revised June 11, 2012 – Effective August 1, 2012

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Part I. Definitions and Scope

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

A.A real estate inspection is a survey and basic operation of the systems and components of a building 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). Cosmetic and aesthetic conditions shall not be considered.

B.A real estate 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.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.

Part II. Standards of Practice

A real estate 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

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

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 and fixtures
4.Fuel gas piping
5.Water heaters
6.Functional flow and functional drainage

B.The Inspector is not required to:

- 1.Fill any fixture with water, inspect overflow drains or drain-stops, or evaluate backflow devices 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 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 private or emergency electrical 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*

SECTION 8 – Fireplaces and Chimneys

A. Items to be *inspected*:

1. Chimney exterior
2. Spark arrestor
3. Firebox

SECTION 9 – 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

Part III. Limitations, Exceptions, and Exclusions

A. The following are excluded from a *real estate 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, covenants, or other restrictions
7. *Determining* adequacy, efficiency, suitability, quality, age, or remaining life of

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*

Functional Drainage: The ability to empty a plumbing *fixture* in a reasonable time

Functional Flow: The flow of the water supply at the highest and farthest *fixture* from the *building* supply shutoff valve when another *fixture* is used simultaneously

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. Damper
5. Hearth extension

B. The *Inspector* is not required to:

1. *Inspect* chimney interiors

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

- 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. Conditions related to animals, insects, or other organisms, including fungus and mold, and any hazardous, illegal, or controlled substance, or the damage or health risks arising there from
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 at multi-pane glazing
14. Differentiating between original construction or subsequent additions or modifications
15. Reviewing information from any third-party, including but not limited to; product defects, recalls, or similar notices
16. Specifying repairs/replacement procedures or estimating cost to correct

Inspect: Refer to Part I, "Definition and Scope", Paragraph A

Inspector: One who performs a *real estate 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

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*

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

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*

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.

Real Estate Inspection: Refer to Part I, "Definitions and Scope", Paragraph A

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