



CALIFORNIA REAL ESTATE INSPECTION ASSOCIATION
STANDARD RESIDENTIAL INSPECTION AGREEMENT
(PLEASE READ CAREFULLY, THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT)

Client Name: _____
Inspection Address: _____
Report #: _____

Date: _____
Time: _____

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.

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 must 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 must be performed in accordance with the Home Inspection 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.

CLIENT'S 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 must be the final and exclusive findings of Inspector.

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 the 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 notify Inspector and makes repairs, alterations, or replacements, is in 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, must be resolved between the parties by BINDING ARBITRATION conducted by _____ utilizing their Rules and Procedures, which can be viewed on its website. The parties hereto must be entitled to all discovery rights and legal motions as provided in the California Code of Civil Procedure and serving discovery must not be deemed a waiver of the right to compel arbitration. The decision of the Arbitrator must 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 must be binding upon and inure to the benefit of the parties hereto and their heirs, successors, and assigns.

This Agreement, including the attached CREIA Home Inspection 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 must 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 \$_____ 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 \$_____ per hour. This includes time for depositions, research, and court or other appearances.

Inspector for Company

Date

Client (One signature binds all)

Date

Total Fee \$ _____

CALIFORNIA REAL ESTATE INSPECTION ASSOCIATION Residential Home Inspection 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 *corrections* or *further evaluations* the Client should have *corrected*, evaluated or obtained estimates for repair 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 will include the Inspector's recommendations for *correction* or *further evaluation*.
- C. All *corrections* or *further evaluations* need to be provided by an appropriate, competent, licensed and/or certified professional as stated in the CA Business and Professions Code 7195(c).
- 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 –

Items to be inspected/reported:

- 1. Foundation

- 2. Floor framing
- 3. Under-floor ventilation
- 4. Foundation anchoring
- 5. Cripple wall bracing
- 6. Wood separation from soil
- 7. Insulation

SECTION 2 – Exterior – Items to be inspected/reported:

- 1. Surface grade directly adjacent to the *building*
- 2. Doors and windows
- 3. Attached decks, porch, and balconies
- 4. Stairways that are attached to the *building*, attached decks or porch
- 5. Wall cladding and trim
- 6. Portions of patios, walkways and driveways that are adjacent to the *buildings*
- 7. *Pool/spa drowning prevention safety features*, for the sole purpose of identifying which, if any, are present
- 8. *Pool/spa drowning prevention safety features*, for the sole purpose of identifying if less than two are present

SECTION 3 – Roof – Items to be inspected/reported:

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

SECTION 4 – Attic Areas and Roof Framing – Items to be inspected/reported:

- 1. Framing
- 2. Ventilation
- 3. Insulation

SECTION 5 – Plumbing – Items to be inspected/reported:

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

SECTION 6 – Electrical – Items to be inspected/reported:

- 1. *Service equipment*
- 2. Electrical panels

3. Circuit wiring
4. Switches, receptacles, outlets, and lighting fixtures

SECTION 7 – HVAC – Items to be inspected/reported:

1. Heating equipment
2. Central cooling equipment
3. Energy source and connections
4. Combustion air
5. Exhaust vents
6. Condensate drainage
7. Conditioned air distribution systems

SECTION 8 – Interior – Items to be inspected/reported:

1. Walls, ceilings, and floors
2. Doors and windows
3. Stairways
4. Permanently installed cabinets
5. Permanently installed cook-tops
6. Ovens
7. Cooktop exhaust vents
8. Dishwashers
9. Food waste disposals
10. Absence of smoke and carbon monoxide alarms
11. Vehicle doors and openers

SECTION 9 – Fireplaces and Chimneys – Items to be inspected/reported:

9. Chimney exterior
10. Spark arrestor
11. Firebox
12. Damper
13. Hearth extension

Part III. Limitations, Exceptions, and Exclusions

1. Determine size, spacing, location, or adequacy of foundation bolting or bracing components or reinforcing systems
2. Determine the composition or energy rating of insulation materials.
3. Inspect door or window screens, shutters, awnings, or security bars
4. Inspect fences or gates or automated door or gate openers or their safety devices, except as required by applicable law
5. Use a ladder to inspect systems or components
6. Walk on the roof if in the opinion of the Inspector there is risk of damage or a hazard to the Inspector
7. Warrant or certify that roof systems, coverings, or components are free from leakage
8. Inspect mechanical attic ventilation systems or components
9. Fill any fixture with water, inspect overflow drains or drain stops, or evaluate backflow devices, waste ejectors, sump pumps, or drain line cleanouts
10. Inspect or evaluate water temperature balancing devices, temperature fluctuation, time to obtain hot water, water circulation, or solar heating systems or components
11. Inspect whirlpool baths, steam showers, or sauna systems or components
12. Inspect fuel tanks or determine if the fuel gas system is free of leaks
13. Inspect wells, private water supply or water treatment systems
14. Operate circuit breakers
15. Inspect de-icing systems or components
16. Inspect onsite electrical generation or storage or emergency electrical supply systems or components
17. Inspect heat exchangers or electric heating elements
18. Inspect non-central air conditioning units or evaporative coolers
19. Inspect radiant, solar, hydronic, or geothermal systems or components
20. Determine volume, uniformity, temperature, airflow, balance, or leakage of any air distribution system
21. Inspect electronic air filtering or humidity control systems or components
22. Determine whether a building is secure from unauthorized entry

23. Operate, test or determine the type of smoke or carbon monoxide alarms
24. Inspect chimney interiors, fireplace inserts, seals, or gaskets. Operate any fireplace or determine if a fireplace can be safely used
25. Test vehicle door safety impact reversing devices
26. Inspect 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 are not to be inspected
27. Inspect site improvements or amenities (i.e., accessory buildings, fences, planters, landscaping, irrigation, swimming pools, spas, ponds, waterfalls, fountains, landscape stairs...)
28. Inspect auxiliary features of appliances beyond the appliance's basic function
29. Inspect systems or components, or portions thereof, which are under ground, under water, or where the Inspector must come into contact with water
30. Inspect common areas as defined in California Civil Code section 1351, et seq., and any dwelling unit systems or components located in common areas
31. Determine compliance with manufacturers' installation guidelines or specifications, building codes, accessibility standards, conservation or energy standards, regulations, ordinances, easements, setbacks, covenants, or other restrictions
32. Determine adequacy, efficiency, suitability, quality, age, marketability or advisability of purchase or remaining life of any building, system, or component.
33. Conduct structural, architectural, geological, environmental, hydrological, land surveying, or soils-related examinations
34. Evaluate acoustical or other nuisance characteristics of any system or component of a building, complex, adjoining property, or neighborhood
35. Report Wood Destroying Organisms (WDO) including termites or any insect, as well as rot or any fungus, that damage wood.
36. Inspect or identification for the presence of animals or animal activity
37. Evaluate risks associated with events or conditions of nature including (i.e., geological, seismic, wildfire, flood...)
38. Conduct any water testing or determine leakage in any body of water (i.e., shower pans, water features...)
39. Determine the integrity of hermetic seals or reflective coatings at multi-pane glazing
40. Differentiate between original construction or subsequent additions or modifications
41. Review or interpret information or reports from any third-party (i.e., permits, disclosures, product defects, construction documents, litigation concerning the Property, recalls, insurance requirements...)
42. Specify correction procedures or estimating cost to correct
43. Inspect communication, computer, security, or low-voltage, timer, sensor, or similarly controlled systems or components
44. Evaluate fire extinguishing and suppression systems and components or determine fire resistive qualities of materials or assemblies
45. Inspect elevators, lifts, and dumbwaiters
46. Lighting pilot lights or activating or operate any system, component, or appliance that is shut down, unsafe to operate, or does not respond to normal user controls
47. Operate shutoff valves or shutting down any system or component
48. Dismantle any system, structure or component or removing cover plates or access panels other than those provided for homeowner maintenance
49. Test, operate or determine if any drowning prevention safety feature is installed properly or is adequate, effective or meets ASTM standards

IV. Home Glossary of Terms

Note: All definitions apply to derivatives of these terms when italicized in the text.

Appears: When the *Inspector* observes an item or defect but, cannot determine the state or cause of the item or defect, when analysis or procedures are out of the scope of the Standard of Practice, or it is beyond the *Inspectors'* expertise

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

Correction: The appropriate corrective action taken by the appropriate, competent, licensed and/or certified person (i.e., repair, replace, remove...)

Determine: Arrive at an opinion or conclusion

Device: A *component* designed to perform a particular task or *function*

Drowning Prevention Safety Features (as per CA Health and Safety Code 115992):

1. *Isolation barrier*
2. *Mesh barrier*
3. *Pool/spa cover*
4. Home exit alarms
5. Self-closing and self-latching home doors
6. *Pool/spa alarm*

Equipment: An *appliance, fixture, or device*

Evaluate: form an idea of the amount, number, or value of; assess

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*

Further Evaluation: a recommendation when the *Inspector* can not determine the state or cause, when analysis or procedures are out of the scope of the Standard of Practice, or it is beyond the *Inspectors'* expertise

Home Inspection: Refer to Part I, 'Definitions and Scope', Paragraph A

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

Inspector: One who performs a home inspection

Isolation Barrier: The *barrier* around the *pool* area that isolates the *pool* area from the house

Mesh Barrier: The *barrier* around the *pool* area that isolates the *pool* area from the house of which any portion is made of mesh

Natural Barrier: A portion of the *barrier* that is not man-made (cliff, lake, boulder...)

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*, which may be attached or detached. Only one *primary parking structure* may be designated as primary.

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 home *inspection*, which may require disassembly, specialized knowledge, specialized *equipment*, measuring, calculating, quantifying, specialized testing, exploratory probing, research, or analysis



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