

## **AMERICAN DREAM HOME INSPECTION**

### **INSPECTION AGREEMENT**

**THIS AGREEMENT LIMITS OUR LIABILITY – THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT.**

**PLEASE READ IT CAREFULLY**

This home inspection agreement (the "Agreement") is made effective on the date on PAGE 4 of this agreement by and between American Dream Home Inspection operated by Justin Watts (hereinafter "American Dream" "Company", "we" "Inspector" "us" and "our") and client named on page 4 of this agreement (hereinafter "client", "you" or "your") (collectively "parties"). You desire and authorize to have a **general home inspection** (the "inspection") performed at the address stated on the PAGE 4 of this Agreement.

**SCOPE OF THE INSPECTION:** The real estate inspection to be performed for Client is a non-invasive and limited visual examination, performed for the fee on Page 4, designed to identify material defects in the systems, structures, and components of the primary residence and its associated primary parking structure as they exist at the time of the inspection. A material defect is a condition that significantly affects the value, desirability, habitability, or safety of the building. Style or aesthetics shall not be considered in determining whether a specific system, structure, or component is defective. The inspection shall be limited to those specific systems, structures, and components that are present and visually accessible. Components and systems shall be operated with normal user controls only as conditions permit. **This inspection is not intended to be technically exhaustive.** Inspector shall prepare a written inspection report for the sole use and benefit of the Client. The inspection report shall describe and identify the inspected systems, structures, and components of the building and shall identify material defects in those systems, structures, and components observed during the inspection. The inspection will be performed in accordance with the Standards and Practice of the National Association of Certified Home Inspectors ("NACHI") in effect at the time of this inspection. A copy of NACHI standards is available upon request. Some property components may be inspected on a random sampling of like items, including but not limited to windows, electrical outlets, doors, etc. Client agrees to read the entire inspection report when it is received and shall promptly call the Company / Inspector with any questions or concerns client may have regarding the real estate inspection or the inspection report. The inspector is a **generalist** and is not a licensed engineer or expert in any specific craft or trade. The inspection is that of a generalist, and has clearly defined limitations. It is performed on-site within a few hours, and does not include any warranty or guaranty of any kind. I agree and understand that I should read the full inspection report, and follow every recommendation for service, repairs or evaluation by licensed specialists. Furthermore, I agree and understand that failure to do so I will violate this inspection agreement and that American Dream Home Inspection shall be held harmless for any subsequently alleged defects or deficiencies.

**I have read, understand and agree to the scope of the inspection (client initial here) X**

### **LIMITATIONS, EXCEPTIONS AND EXCLUSIONS:**

Any person, who accepts, uses or relies on the Inspection report for any purpose whatsoever, agrees to and accepts all of the limitations and exclusions of this agreement. Excluded from this real estate inspection is any system, structure, or component of the building that is inaccessible, concealed from view, difficult to reach, latent, or cannot be inspected due to circumstances beyond the control of the Inspector. American Dream cannot and does not look behind drywall, paneling, wall papering, under carpeting or other floor covering, above drop ceilings, or other areas that may be blocked or impeded by furniture, personal items, or other structures. While it is rare, some homeowners purposely conceal damage or defects in the Subject Property. This type of concealment is difficult to detect in a visual inspection. Any comments (either oral or in writing) provided as a courtesy by the inspector relating to items not included in the inspection are to be considered partial and incomplete. The Client agrees to consult with independent licensed experts for more detailed information when recommended in the inspection report.

In addition, American Dream Home Inspection does not tacitly endorse or guarantee the integrity or safety of any structure or any component that was built or installed without a City or County Building permit, and which could include latent defects, or any item that may have been subject to a manufacturer's recall. It is the client's responsibility to research and verify all permits obtained for the inspected property. The client agrees and understands that whereas American Dream Home Inspection may report on suspicious stains or mold-like substances, that the inspector is not an environmental hygienist and is not licensed, qualified, or authorized to identify or test any purported mold or fungi.

The Client agrees and understands specialist inspections take considerably longer, typically include the use of specialized instruments, could involve sampling or destructive testing, and commonly include some form of guaranty. Specialized inspections are essential to evaluate soil conditions, determine structural movement, establish quality of air and water, or reveal the presence of harmful environmental contaminants such as radon, methane, asbestos, lead, formaldehyde, electromagnetic radiation, molds and fungi, and other wood destroying organisms. Therefore please be aware of the limitations of a generalist inspection: It is not a termite inspection, a code-compliance inspection and does not include any research, such as that necessary to establish boundaries, easements, or the issuance of permits, and it should not be used as a substitute for the Transfer Disclosure Statement, which the sellers are required to provide by Civil Code.

**THE FOLLOWING ITEMS NUMBERED 1 - 9 ARE EXCLUDED FROM THE INSPECTION AND REPORT AND ARE OUTSIDE THE SCOPE OF THE PERFORMED INSPECTION:**

1. Determining compliance with installation guidelines, manufactures' specifications, building codes, city ordinances, regulations, covenants, or other restrictions, including local interpretations thereof including evaluation of accessibility for (ADA) Americans with Disabilities requirements.

2. Obtaining or reviewing information from any third parties for compliance including, but not limited to: government agencies, component or system manufacturers (including product defects, recalls, installation plans or similar notices) blue print plans, contractors, managers, sellers, occupants, neighbors, consultants, homeowner or similar associations, attorneys, agents, brokers or other real estate professionals.

3. Geotechnical, engineering, structural, architectural, geological, hydrological, land surveying or soils related examinations. Examination of conditions including but not limited to animals and or vermin, rodents, insects, bats, bees, wood-destroying insects including termites, organisms, mold, moisture intrusion, mildew, water pipe or gas leaks or the damage caused thereby.

4. Certain factors relating to any systems, structures, or components of the building, including but not limited to: adequacy, efficiency, durability, or remaining useful life, costs to repair, replace or operate, fair market value, marketability, quality, or advisability of purchase.

5. Environmental hazards or conditions, including, but not limited to, wildfire, geologic, flooding, landslides, toxic, lightning, reactive, combustible, corrosive contaminants, electromagnetic radiation, carcinogens, indoor air quality including mold and fungi, and moisture intrusion, carbon monoxide from systems, Sick Building Syndrome, toxicity present from illegal clandestine narcotics labs, radon gas, urea formaldehyde, asbestos, lead based paint, lead piping, contaminants in the soil, structure or water.

6. Dismantling of any system, structure, or component, or perform any intrusive or destructive examination, test or analysis. Examining or evaluating fire-resistive qualities of any system, structure or component of the building including gas leaks of any piping or system, and identifying cracks or defects in furnace heat exchangers.

7. Systems, structures, or components of the building, which are not permanently installed. Systems, structures, or components not specifically identified in the written inspection report. Common areas, or systems, structures, or components hereof, including but not limited to, those of a common interest development as defined in California Civil Code Section 1351, et seq.

8. Examining or evaluating the acoustical or other nuisance characteristics of any system, structure, or component of a building, complex, adjoining properties, or neighborhood. Operating or evaluating low voltage electrical, antennas or satellites, free standing appliances, the waterproof membrane beneath roofs, balconies, or shower pans, and surfaces and components concealed by furnishings, rooftops that are not accessible or viewable from standing on a 7ft. ladder. Slabs under carpets or floor coverings, Landscaping sprinkler systems, security systems, fish aquariums, faded surfaces, wood rot and evidence of termite damage, carpet, wood, vinyl, or tile flooring, window treatments including shutters, awnings, blinds and drapes, wallpaper or paneling, acoustic ceiling textures, floor coverings, scratches, cracks, shower pans, buried piping, the availability of plumbing clean-out access lines, cable or satellite television, telephone, remote controls, radio controls, wireless internet access and related systems, electrical wiring, lights or other components covered by attic insulation, dumbwaiters, thermostatic controls, humidifiers, BBQ cooking systems, fire-pits, fireplace draft, garage door springs and hardware, water softeners and expansion tanks, water purification devices, timers, intercoms, pool and spa equipment/systems, water softeners, retaining walls, refrigerators, washer and dryers, swimming pools and spas in ground and above ground, pool safety fencing and lights, pool sweep assemblies, in-line chlorinators, and the coatings on pools or spas, countertops, fixtures, appliances decks or walkways, ponds and fountains, automatic gates, fireplace draft, mist systems, window air conditioning units, safety glass including tempered ratings, the lighting of pilot lights and lighting of fireplaces, fire pits, solar powered systems, ceiling fans, elevators, steam baths and saunas, evaporative coolers and air-conditioning coils, the hermetic seals of dual-glazed windows or skylights, EIFS Stucco, paranormal activity, central vacuum systems, fire protection systems including sprinklers and smoke detectors, carbon monoxide detectors, playground equipment and tree houses, furnace heat exchangers, laundry shoots, wells, electronic air filters, recreational equipment or facilities, private water supply or treatment systems, detached buildings other than garages, solar heating systems, individual system inspection forms, computers, photo-electric, security or display lighting, motion sensing, or other such similar non-primary electrical power devices, components and systems.

9. Examining or operating any sewage disposal system or component including, but not limited to: septic tanks and/or any underground systems or portion thereof, or ejector pumps for rain or waste.

I have read, understand and agree to the exclusions, limitations and exceptions listed as 1 – 9 on Page 2 of 4 (client initial here) x

**GENERAL PROVISIONS:** This inspection contract, the real estate inspection, and the inspection report do not constitute a home warranty, guarantee, or insurance policy of any kind whatsoever. The real estate inspection and inspection report are not a substitute disclosure for real estate transactions, which may be required by law. No legal action or proceeding of any kind, including those sounding in tort or contract, can be commenced against American Dream or its officers, agents or employees more than one year after the date of the subject inspection. Time is expressly of the essence herein. THIS TIME PERIOD IS SHORTER THAN OTHERWISE PROVIDED BY LAW. In the event Client discovers a material defect or other deficiency that was not identified and reported by the Inspection Company, Client shall so notify Inspector/Company in writing within (5) business days and allow the Inspector and/or Inspector's designated to re-inspect and document the condition(s) of the material defect or deficiency prior to making any repair, alteration or replacement to said material defect or deficiency. IF REPAIR IS COMPLETED PRIOR TO NOTIFICATION, THEN RECOURSE SHALL BE DEEMED WAIVED.

### **THIRD PARTIES**

The written report to be prepared by the Inspector shall be considered the final and exclusive findings of the Company regarding the inspection of the property. Client shall not rely on any oral statements made by the Inspector prior to issuance of the written report. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, successors and assigns. This Agreement constitutes the entire integrated agreement between the parties hereto pertaining to the subject matter hereof, and may be modified only in 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 without consent from the Company and Client.** 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 the Company / Inspector that he/she has the full and complete authority to execute to all of the terms, conditions, limitations, exceptions and exclusions of this Agreement. If for any reason any provision in this Agreement is not acceptable to the Client, before the performed inspection or within (5) days after the inspection the Client or Client's representative should immediately return the Inspection report and the payment for the inspection fee will be refunded, a written reason for this request must be signed and dated by the client and provided to American Dream for the refund to be processed.

### **CLIENT SAFETY**

Client and/or Client Representative(s) are responsible for their own safety during and after the inspection. Use of American Dream's / Inspector's equipment is at your own risk, including but no limited to ladder equipment. American Dream Advises specifically against entering dangerous areas or manipulating equipment including but not limited to climbing in attics, crawlspaces, or onto rooftops. Client is responsible for any damage caused to property components and systems resulting from normal operation of components by American Dream / Inspector. The inspection is performed for the purpose of informing the Client of the condition of the property on the day of the inspection. If any stated limitation or standard is exceeded it is done solely at the inspector's discretion and does not void the terms and conditions of this Agreement. In addition, American Dream strongly recommends the Client have the local utility Gas Company conduct a safety inspection prior to occupying the property and on an annual basis. American Dream recommends installing carbon monoxide detectors and smoke detectors in every room and the client must verify and maintain these safety devices since we do not test them nor install them during the inspection. American Dream also does not complete any repairs of any kind. It is imperative that you complete any service recommendation in relation to any safety upgrades that are listed in your report. It is your responsibility to follow the recommendations in the report or assume all risks with failure to do so.

### **LIABILITY CLAUSE**

It is understood and agreed by and between the parties hereto that American Dream / Inspector is not an insurer, that the payment for the subject inspection is based solely on the value of the service provided by American Dream / Inspector in the performance of a limited visual inspection and production of a written inspection report as described herein. The client understands, accepts and agrees that American Dream does not impliedly or expressly warrant or guarantee its home inspection, inspection report, or the condition of the subject property. The client agrees that American Dream and the inspector assume no liability or responsibility for the costs of repair or replacement of any unreported or reported defects or deficiencies, either current or arising in the future of any property damage, consequential damage or bodily injury of any nature. Client agrees and understands that if American Dream or any of its agents are found are found legally liable for any loss or damages due to negligence or the failure to perform obligations in this agreement, including the improper or negligent performance of the inspection or the improper negligent reporting of conditions of the subject property, the Company and inspector's maximum liability shall be limited to the fee of the inspection plus a fee of \$100 paid to the Client (unless contrary to California State Law) and this liability shall be exclusive. This limitation of liability specifically covers liability for: Damaged property, Bodily Injury and Death, loss of the use of the property, lost profits, consequential

damages, special damages, incidental damages and governmental fines and damages, punitive damages, attorney fees and court costs.

**CONFIDENTIAL REPORT:** The inspection report to be prepared for Client is solely and exclusively for Client's own information and may not be relied upon by any other person. Client agrees to maintain the confidentiality of the inspection report and agrees not to disclose any part of it to any other person or business, referred to as ("third party"). Client may distribute copies of the inspection report to the seller and the real estate agents directly involved in the transaction, but Client and inspector do not in any way intend to benefit said seller or the real estate agents directly or indirectly through this agreement or the inspection report. CLIENT AGREES TO IDEMNIFY, DEFEND, AND HOLD COMPANY, INSPECTOR, AND ITS MEMBERS, HARMLESS FROM ANY THIRD PARTY CLAIMS ARISING OUT OF CLIENT'S UNAUTHORIZED DISTRUBUTION OF THE INSPECTION REPORT. I also agree and give consent for my report to be delivered via e-mail to me and any parties I verbally authorize that request to receive the inspection report.

**I have read, understand and agree to the liability, confidential report, and client safety sections (Client initial here) x**

**ATTORNEY FEES:** If the Client makes a claim against the Company for any alleged error, omission or other act arising out of this inspection and/or inspection report and fails to prove such claim, Client will pay all attorney's fees, arbitrators' fees, legal expenses and costs incurred by the Company / Inspector in defense of the claim.

**SEVERABILITY:** Should any provision of this contract be held by a court or arbitrator of competent jurisdiction to be either invalid or unenforceable, the remaining provisions of this contract shall remain in full force and effect and be binding on all parties, unimpaired by the court's holding.

**BINDING ARBITRATION:** Any dispute, controversy, interpretation or claim for, but not limited to, breach of contract, any form of negligence, fraud or misrepresentation or any other theory of liability arising out of, from or related to, this contract arising out of, from or related to the inspection or inspection report shall be submitted to final and 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.

**I have read, understand and agree to the binding arbitration agreement (Client initial here) x**

**Authorization from Client:**

*I have read and fully understand the entire inspection agreement contract, and agree to all of the terms, conditions and limitations therein and agree to be voluntarily bound thereby. I authorize Justin Watts, of American Dream Home Inspection to complete a "generalist" inspection and report of the property address listed below. I also agree that the inspection report will be produced in accordance with the signed agreement and is subject to the terms and conditions agreed upon therein. Payment of the inspection fee and your signed signature down below constitutes your acceptance of the inspection agreement contract.*

X \_\_\_\_\_ Date: \_\_\_\_\_  
Client Name (Print name and sign )

\_\_\_\_\_  
Property Address to be Inspected including City  
( )

\_\_\_\_\_  
Client Phone Number

\_\_\_\_\_  
Form of Payment Fee (\$)

\_\_\_\_\_  
Client email address: \_\_\_\_\_  
Date:

\_\_\_\_\_  
Justin Watts, Inspector Date:  
American Dream Home Inspection

