



# RNC Inspections

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## 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 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.

**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 shall 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 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 <sup>1</sup> utilizing their 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.

<sup>1</sup> A qualified company to be determined by RNC Inspections.

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 rate of \$125 per instance. Client also agrees to pay for the inspector's time to participate in any legal or administrative proceeding at the hourly rate of \$45 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 \$ \_\_\_\_\_

Payment acknowledged:

## CALIFORNIA REAL ESTATE INSPECTION ASSOCIATION 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 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*
- 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 III. 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.

### 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 home 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, 'Definition 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 home inspection, which may require disassembly, specialized knowledge, special equipment, measuring, calculating, quantifying, testing, exploratory probing, research, or analysis



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