STANDARD NEW CONSTRUCTION INSPECTION AGREEMENT

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

SCOPE OF THE INSPECTION: The real estate inspection to be performed for Client is a non-invasive physical examination, performed for the fee set forth below, designed to identify material defects in the systems, structures, and components of the herein-referenced primary building and its associated primary parking structure as they exist at the time of the inspection(s). 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 and as conditions permit.

Where applicable the inspection shall be performed in accordance with the Standards of Practice of the California Real Estate Inspection Association (CREIA) or the American Society of Home Inspectors (ASHI) in effect at the time of this inspection. A copy of the CREIA and or ASHI Standards is available upon request. The inspector may use local minimum construction standards and accepted trade practices to determine if a system or component is a material defect. This inspection is not intended to be technically exhaustive.

Inspector shall prepare a written inspection report for the sole use and benefit of Client(s). 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. Client agrees to read the entire inspection report when it is received and shall promptly notify the Inspector with any questions or concerns client(s) may have regarding the inspection and/or the inspection report.

ENVIRONMENTAL CONCERNS: Client acknowledges what is being contracted for is a building inspection and not an environmental evaluation and the inspection is not intended to; detect, identify or disclose any health or environmental concerns regarding the building(s) and/or adjacent property, including, but not limited to, the presence of asbestos, radon, lead, urea-formaldehyde, fungi, mold, mildew, bio-organic growth, PCBs, or any other toxic materials or substances contained in the water, air, soils, or building materials or products.

LIMITATIONS, EXCEPTIONS AND EXCLUSIONS:

Excluded from this inspection are any of the building's systems, structure, or components, which are inaccessible, concealed from view, or cannot be inspected due to circumstances beyond the control of Inspector, or which Client(s) have agreed to not be inspected.

The following are excluded from the scope of this real estate inspection unless specifically agreed otherwise between Inspector and Client(s):

- Determining compliance with: installation guidelines, manufacturers' specifications, code compliance, local ordinances, zoning regulations, Americans With Disabilities Act, covenants, or other restrictions, including local interpretations thereof.
- Obtaining or reviewing information from any third-parties including, but not limited to: government agencies (such as permits), component or system manufacturers information (including product defects, recalls or similar notices), contractors, managers, sellers, occupants, neighbors, vendors, consultants, homeowner or similar associations, attorneys, agents or brokers.
- Geotechnical, engineering, structural, architectural, design, geological, hydrological, seismic, land surveying or soils-related examinations.
- Examination of conditions related to animals, birds, rodents, insects, wood-destroying insects, organisms, bio-organic growth, mold, and mildew or damage caused thereby.
- 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, applicability, marketability, quality, or advisability of purchase.
- Environmental hazards or conditions, including, but not limited to, toxic, reactive, combustible, corrosive contaminants, wildfire, windstorm, geologic, floods or damage caused thereby.
- Dismantling of any system, structure, or component, or perform any intrusive or destructive examination, test or analysis.
- Examining or evaluating fire-resistive/proofing, damp/waterproofing or weather-protection characteristics of any system, structure or component of the building.
- 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 thereof, including, but not limited to, those of a common interest development as defined in California Civil Code section 1351, et seq.
- 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, security systems, cable or satellite television, telephone, remote controls, radio controls, timers, intercoms, computers, computer cabling, house control systems, photo-electric, motion sensing, or other such similar non-primary electrical power devices, components, or systems.
- Examining or operating any sewage disposal system or component including, but not limited to: septic tanks and/or any underground system or portion thereof.
- Negotiating with builder, contractor or any other person or acting as the owner's representative unless specifically contracted and incorporated into a separate agreement and fees schedule for such service.
- It is the sole responsibility of the client(s) to assure items noted in report are corrected.
- Determine future performance of any system or component.

Services for inspecting or evaluating the excluded items listed above may be available from Inspector for an additional fee or from specialists qualified to inspect or evaluate a particular category or item.

Inspector is an inspection generalist and is not acting as an expert in any craft or trade. The inspection report may contain recommendations for further evaluation by an individual other than Inspector herein who is qualified as an expert or specialist. If Inspector recommends consulting other specialized experts, Client agrees to do so at their own expense.

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA REAL ESTATE INSPECTION ASSOCIATION (CREIA™). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. IF YOU DESIRE LEGAL ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL. USE OF THIS FORM DOES NOT GUARANTEE THAT THE USER IS A QUALIFIED INSPECTOR MEMBER OF CREIA. TO LOCATE A QUALIFIED CREIA INSPECTOR CALL 800/388-8443 OR WWW.CREIA.ORG © 2003/2004 CREIA™ All Rights Reserved. CREIA IS A PUBLIC-BENEFIT, NONPROFIT ORGANIZATION.

CONTRACT CONTINUES ON NEXT PAGE ⇨

It is Client's duty and obligation to exercise reasonable care to protect himself or herself regarding the condition of the subject property, including those facts which are known to or within the diligent attention and observation of Client.

The inspection is based upon the inspector's training, experience and professional judgment. Every building is different and the inspector(s) must rely upon their skills as inspectors to make decisions taking into account field conditions, which may include, but not limited to, completeness of the construction at the time of the inspection, site conditions, type of construction and visual accessibility.

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. Client may distribute copies of the inspection report to the seller and the real estate agents directly involved in this 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 INDEMNIFY, DEFEND AND HOLD INSPECTOR HARMLESS FROM ANY THIRD PARTY CLAIMS ARISING OUT OF CLIENT'S UNAUTHORIZED DISTRIBUTION OF THE INSPECTION REPORT.

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

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 that may be required by law.

No legal action or proceeding of any kind, including those sounding in tort or contract, can be commenced against Inspector/Inspection Company, or its officers, agents or employees more than one year from the date the Client discovers, or through the exercise of reasonable diligence should have discovered, the cause of action. In no event shall the time for commencement of a legal action or proceeding exceed two years from the date of the subject inspection. 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 Inspector, Client shall so notify Inspector in writing and allow Inspector and/or Inspector's designated representative 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.

The written report(s) to be prepared by Inspector shall be considered the final and exclusive findings of the Inspector 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 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.

LIQUIDATED DAMAGES: IT IS UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES THAT THE INSPECTOR/INSPECTION COMPANY IS NOT AN INSURER, THAT THE PAYMENT FOR THE SUBJECT INSPECTION(S) IS BASED SOLELY ON THE VALUE OF THE SERVICES PROVIDED BY INSPECTOR/INSPECTION COMPANY IN THE PERFORMANCE OF THE INSPECTION(S) AND PRODUCTION OF THE INSPECTION REPORT(S) AS DESCRIBED HEREIN, THAT IT IS IMPRACTICABLE AND EXTREMELY DIFFICULT TO FIX THE ACTUAL DAMAGES, IF ANY, WHICH MAY RESULT FROM A FAILURE TO PERFORM SUCH SERVICES, AND IN CASE OF FAILURE TO PERFORM SUCH SERVICES AND A RESULTING LOSS, CLIENT'S DAMAGES HEREIN SHALL BE LIQUIDATED AND FIXED IN AN AMOUNT EQUAL TO THE INSPECTION FEE PAID MULTIPLIED BY ONE HUNDRED TWENTY-FIVE PERCENT (125%) AS LIQUIDATED DAMAGES AND NOT AS A PENALTY, AND THIS REMEDY SHALL BE EXCLUSIVE.

Client acknowledges that they have read and understood all the terms, conditions and limitations of this contract and voluntarily agrees to be bound thereby and agrees to pay the fee listed herein.

Client: _____ Date: _____

Client: _____ Date: _____

Inspector: _____ Date: _____

INSPECTION FEE: $_____ Report #: _____

_____FEE: $_____ Client: _____

TOTAL FEE: $_____ Address/lot number: _____

Form of Payment : _____ City, State, Zip: _____

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