

BUYER'S ELECTION OF INSPECTIONS

This is a form created by the San Diego Association of REALTORS® and as such is not covered by the C.A.R. User Protection Agreement. This form is intended for use primarily in the San Diego County area.

Property Address: _____

Accepting the condition of the property within the contractual time limitations is a contingency of the Residential Purchase Agreement. Civil Code Section 2079.5 obligates Buyer to exercise reasonable care to protect himself/herself. Also, as provided in the Residential Purchase Agreement and as stated in the buyer's Inspection Advisory, Buyer has the right, and is encouraged by Broker(s)/Agent(s) (hereafter referred to as Broker), to fully evaluate the condition of the property in order to ascertain that it is satisfactory to Buyer. **Broker is not qualified to evaluate the condition of the property nor its related systems. Broker cannot and will not verify information made by others and cannot verify information contained in inspection reports.** Accordingly, all inspections and evaluations should be conducted by qualified contractors, engineers or other experts. Buyer should review all inspections and reports with the person who conducted the inspection. Buyer is advised to follow all recommendations that such inspections and reports set forth. Buyer is encouraged to consider having the following types of inspections of the property. This inspection list does not include all possible types of inspections. Buyer is electing, at his/her own cost, to have inspections performed as initialed below and agrees to return the property to its pre-inspection condition. **Buyer shall be responsible for arranging inspections within the time frames specified in the Residential Purchase Agreement.**

INITIALS

EACH ITEM MUST BE INITIALED "YES" OR "NO" TO INDICATE AN ELECTION BY BUYER. By initialing "No," Buyer is NOT waiving the right to such inspection. Provided that contractual time limitations are followed, Buyer may later elect to conduct inspections which are initialed "No."

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YES NO

1. GENERAL PHYSICAL INSPECTION. This is a general inspection conducted by a licensed building contractor or other qualified home inspector familiar with residential construction requirements, including the systems contained within the home. This inspection is primarily based upon observation, while the operating systems are customarily tested for proper operation, condition and serviceability. This inspection varies in scope, nature and quality, depending on the inspector. Additional and more detailed inspections include:

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YES NO

a. ROOF INSPECTION. This inspection is typically conducted by a licensed roofing contractor for the purpose of evaluating the age, quality, condition, water-tightness and serviceability of the roof, including any flashing, sealing of joints, and other related areas of the roofing system. Such roofing inspections are often not included within the scope of the above Physical Inspection.

/
YES NO

b. ELECTRICAL INSPECTION. This inspection is typically conducted by a licensed electrical contractor to evaluate the condition of the electrical systems and their compliance with building code and safety requirements. Electrical standards have increased over the years, and what was acceptable when improvements were completed may be considered a hazard today. Alterations to electrical systems may not meet standards or may be hazardous. This inspection may detect hazards including faulty wiring, aluminum wiring (which may not be hazardous if properly installed), system overloads, and fire hazards.

Buyer acknowledges receipt of copy of this page, which constitutes Page 1 of 7 pages.

Buyer's Initials (____) (____) Date: _____

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INITIALS

(PLEASE INITIAL AT "YES" OR "NO" FOR EACH ITEM.)

_____/_____
YES NO

c. PLUMBING INSPECTION. This inspection is typically conducted by a licensed plumbing contractor to evaluate the condition, serviceability, and code-compliance of the plumbing, including the water heater and related systems. This inspection may also detect plastic/polybutelene piping and faulty ABS plumbing.

_____/_____
YES NO

d. HEATING/AIR-CONDITIONING INSPECTION. This inspection is typically conducted by a licensed contractor who specializes in the installation and/or service of heating and air conditioning systems to evaluate their condition, operation and serviceability. In some instances, the local utility company will conduct a limited inspection at no cost. Buyer is advised to contact the utility company and check for its services and availability.

_____/_____
YES NO

e. HORIZONTAL FURNACE. The U.S. Consumer Product Safety Commission (CPSC) has issued a warning regarding certain gas-fired horizontal forced-air furnaces that present a substantial risk of fire. The furnaces in question were manufactured from 1983 through 1994 by Consolidated Industries (formerly Premier Furnace Company) and were marketed under many different brand names. Homes built before 1983 or after 1994 could still have the furnaces in question due to replacements or remodeling. This issue can be investigated by a qualified heating professional to determine if the furnace in the property is defective or dangerous.

_____/_____
YES NO

f. CHIMNEY INSPECTION. A certified chimney sweep is best qualified to evaluate the condition of a chimney and the various elements necessary for a safe and efficient chimney system. Broker is not qualified to evaluate chimney operation or components.

2. STRUCTURAL/FOUNDATION/SLAB/SOILS/GEOLOGICAL INSPECTION. Soils and geological conditions throughout San Diego County are subject to various types of movement that can cause structural damage to foundation, slab floors and the structure itself. Some detailed inspections include:

_____/_____
YES NO

a. MANOMETER READING. A manometer test can detect the slope or "levelness" of floors. Some general physical inspectors do this as a part of their inspections (see #1 on previous page).

_____/_____
YES NO

b. SLAB EVALUATION. Cracks in the slab foundation may affect the structural integrity and value of a property. Subject to Seller's consent, Buyer should consider requesting that floor coverings in the property be lifted or removed to examine potential cracks in the slab. Lifting the carpets can be done by a carpet installer, a physical inspector or a structural inspector. Buyer shall be responsible, at Buyer's expense, to replace carpets and furniture to their pre-inspection condition.

_____/_____
YES NO

c. STRUCTURAL EVALUATION. This inspection is typically conducted by a licensed structural engineer capable of evaluating whether the property has sustained, structural damage.

_____/_____
YES NO

d. SOILS AND GEOLOGICAL EVALUATION. This inspection is typically conducted by a civil or geotechnical engineer to evaluate soils stability, grading, drainage and other soils matters.

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(PLEASE INITIAL AT "YES" OR "NO" FOR EACH ITEM.)

_____/_____
YES NO

3. PERMIT RECORDS AND CODE COMPLIANCE. Improvements or alterations to a property may not have been built according to building codes or be in compliance with current law, or have had permits issued. The lack of building permits or permits without a final inspection "sign-off" may have a material effect on the value or desirability of a property. In some instances, the City or County may require that the property owner remove or correct the nonpermitted improvement. The fact that the owner may be unaware of a lack of permits does not guarantee that all improvements are properly permitted. The Broker has no knowledge as to the status of permits on this property, and as stated in the Buyer's Inspection Advisory, the Broker and its Agents are not qualified to review or interpret such information. Therefore, the Broker has not, and will not, perform such duties. Buyer, or a qualified service retained by Buyer, is advised to check with the appropriate governmental agency to satisfy his/her concerns about improvement permits.

_____/_____
YES NO

4. ZONING AND OTHER LAND USE REGULATIONS. The existing use of the property, or the anticipated use by Buyer, may not be in compliance with existing zoning designations, set-back requirements, or other land use regulations. Unless otherwise stated in writing, Broker has no knowledge as to the status of zoning regulations, land use restrictions, or suitability for improvements or further development in connection with this property. Broker has no knowledge of future development in the surrounding areas. Broker is not qualified to, and will not, obtain, review or evaluate permits, zoning designations or land use regulations. Buyer, or a qualified service retained by Buyer, is advised to check with the appropriate governmental agency to satisfy his/her concerns about zoning regulations and other land use considerations.

_____/_____
YES NO

5. LOT SIZE, BOUNDARIES, EASEMENTS AND ENCROACHMENTS. Broker has not verified lot size, boundaries, easements and encroachments. This evaluation is performed by a land surveyor or civil engineer in conjunction with title records to accurately verify the true property lines and to accurately identify easement locations. Fences, walkways and other improvements may neither correspond with property lines nor reveal easements or other restrictions to the property. Even if all easements are plotted, preliminary reports from a title insurance company may not provide adequate or accurate information on these issues.

_____/_____
YES NO

6. SQUARE FOOTAGE EVALUATION. The square footage of a property may affect its value. There are different methods of determining square footage, all of which are approximations. Square footage may be taken from government records, the builder's plans or brochures, an appraisal or other source, or may have been provided by Seller, all of which may not be accurate. This home is not being sold on a "price per square foot" basis. If the exact square footage is important to Buyer, Buyer is advised to arrange for a square footage evaluation. Broker has not verified the square footage of the property.

_____/_____
YES NO

7. POOL/SPA INSPECTION. This inspection is conducted by a pool/spa contractor or service company qualified to evaluate pool/spa conditions and related operation and servicing systems, including code compliance and safety problems.

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(PLEASE INITIAL AT "YES" OR "NO" FOR EACH ITEM.)

 /
YES NO

8. WATER SUPPLY INSPECTION. Properties that are serviced by a private water well and pumping system (either on the property or off the property through a private water company) may require the property owner's maintenance of those systems. Buyer should verify that such a system has adequate water flow and that it is unaffected by contamination from chemicals or bacteria. This inspection is typically conducted by a qualified individual to evaluate the operation, condition and serviceability of the system, including the evaluation of potability and possible contamination. Broker recommends that any property serviced by a well be inspected by a pump contractor, well driller and/or other qualified individual.

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YES NO

9. SEPTIC INSPECTION. Buyer is advised to contact the appropriate governmental agency to verify that the property is connected to a sewer or on a septic system. A property may be on a septic system even if adjoining properties are on a sewer line. A full inspection of the septic system should include a check for adequate percolation, adequate leach fields and adequate water table conditions. A Certificate of Inspection should be issued. If repairs or modifications are needed, Buyer should have this work completed prior to close of escrow. Home warranty policies may not cover certain portions of the septic or sewer system.

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YES NO

10. ENVIRONMENTAL HAZARD INSPECTION(S). Properties may contain one or more environmental hazards, such as asbestos, lead, radon and formaldehyde. Information on these and other hazards is contained in the "Homeowner's Guide to Environmental Hazards." Buyer is advised to obtain this booklet. Buyer may have the following inspections (telephone numbers are subject to change):

 /
YES NO

a. LEAD HAZARD INSPECTION. The Centers for Disease Control and Prevention (CDC) has identified lead poisoning as the number one preventable environmental hazard facing children. The primary source of poisoning is found in deteriorated lead-based paint and associated dust in residential units built before 1978; the year lead was banned from residential paint. Buyer is to receive the Federal Lead-Based Paint Pamphlet and disclosure by owner of any known lead-based paint. Buyer should review this information carefully and consider hiring a certified lead-based paint inspector to assess potential lead hazards. For further information to inspect for lead, contact the California Department of Health Services certified inspector/assessor at 800-622-5000 or www.epa.gov/lead.

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YES NO

b. ASBESTOS INSPECTION. Asbestos is a naturally occurring fibrous mineral that was used from the 1920s to the 1970s in building materials, especially for insulation and as a fire retardant. Scientists have discovered that if inhaled asbestos can cause lung cancer and other illnesses. As a result, many asbestos-containing products have been banned, and homes built within the last 20 years probably have no asbestos, according to the EPA. Contact a certified asbestos consultant for more information. A list may be obtained by calling 916-263-1581.

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YES NO

c. RADON INSPECTION. Radon is an odorless, colorless radioactive gas that can, after prolonged exposure, cause lung cancer, especially among smokers. When uranium contained in soil, rock (granite and shale), and water naturally decays, it releases radon gas into the air. Outside of buildings, radon diffuses into the atmosphere. However, radon can enter buildings through cracks in concrete, crawl spaces and other openings and become problematic. For further information contact the California List of Certified Radon Measurement Laboratories at 800-745-7236.

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INITIALS

(PLEASE INITIAL AT "YES" OR "NO" FOR EACH ITEM.)

_____/_____
YES NO

d. FORMALDEHYDE INSPECTION. Formaldehyde is a colorless but pungent gas used in certain household products, such as pressed wood products, paint, fiberboard and foam insulation. Formaldehyde gas can be emitted from these products, especially when the products are new. Exposure to formaldehyde may cause cancer and allergy-type reactions. For further information, download a fact sheet from the California Air Resources Board Website at www.arb.ca.gov/research/indoor/formald.htm.

_____/_____
YES NO

e. METHANE GAS. Most dry waste ends up in landfills, where it decomposes and produces landfill gas. Landfill gas, if uncontrolled, can contribute to local smog and present health and safety hazards. Landfill gas is approximately 50 percent methane, a potent greenhouse gas that contributes to global climate change. For more information, go to www.epa.gov or www.epa.gov/lmopl/index.

_____/_____
YES NO

f. MOLD. The presence of some types of mold may cause health problems in certain individuals. Not all molds are detectable by visual inspection conducted by Brokers or even a professional home inspector. Properties may have hidden mold problems of which the Seller is not aware. Brokers have not and cannot verify whether or not there is any mold or other health hazard at the property. A reasonable method to try to determine if the property has mold or other health hazard conditions is to retain the services of an environmental expert to conduct appropriate tests of the property. Any discovered mold should be professionally evaluated. For additional information on mold contact:

California Department of Health Services (CDHS)
Publication: *Mold in My Home: What Can I Do?*
Telephone: 916-445-4171
Internet: www.dhs.ca.gov

U.S. Environmental Protection Agency
EPA Indoor Air Quality Information
Clearinghouse Line: 800-438-4318 or 703-356-4020
Internet: www.epa.gov

_____/_____
YES NO

11. ENVIRONMENTAL SURVEY. Certain properties may be at a "high risk" for the presence of oil, gas or other pollutants in the soil. Storage facilities, tanks or spills may contaminate the subject property or adjoining properties. This inspection is conducted by a specialist in environmental chemicals who evaluates and reports on those conditions in the property.

_____/_____
YES NO

12. OTHER.

Buyer acknowledges receipt of copy of this page, which constitutes Page 5 of 7 pages.

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Additional Reports, Documents and Expanded Coverage

Broker advises Buyer that additional property reports and insurance coverage may be available for an extra cost. To protect Buyer's investment in real property, Broker strongly urges all Buyers to obtain and review all appropriate inspections, documents and reports and to obtain appropriate additional insurance coverage.

1. NATURAL HAZARD ZONE DISCLOSURE REPORTS. Certain hazard zone disclosures are mandated by federal, state and local laws. The companies that provide these disclosure reports often will have additional reports available for added fees. Such additional reports include but are not limited to local geological hazards; building permits; sewer and septic tank permits; environmental risks; violations on record; zoning designations; proximity to airports, railways, freeways and high tension power lines; and more. **Buyers are advised to consult with the zone disclosure company for additional reports available and costs.**

2. HOME WARRANTY INSURANCE. In addition to customary insurance coverage in their base policies, most Home Warranty Insurance companies provide expanded or optional coverage for an added charge. Such additional coverage may include central air, pool/spa equipment, washer/dryer, refrigerator, well pump, septic tank pumping, solar hot water system, and some limited roof coverage. **Buyer is advised to obtain all appropriate coverage.**

3. HOMEOWNER'S ASSOCIATION DOCUMENTS. If the property is part of a Homeowner's Association ("HOA"), the contract provides that the Seller request from the HOA and, upon receipt, provide to Buyer specified documents relating to the property and Homeowner's Association. **The Broker has not reviewed, and will not review, these documents.** The Articles of Incorporation; Bylaws; Covenants, Conditions and Restrictions; and Rules and Regulations set forth important information relating to the organization of the Association and the limitations on use of the property. The Financial Statement and Assessment Statement provide valuable information as to the financial condition of the Association. Finally, the Buyer should read the last 12 months of minutes of the board of directors to familiarize the Buyer with problems and concerns of the Association. Your approval of these documents is a contingency of the purchase. **Buyer are urged to give important consideration to these matters and seek advice of appropriate professional where applicable.**

I have read and carefully considered each of the above three paragraphs.

Buyer's Initials (_____) (_____) Date: _____

Buyer acknowledges receipt of copy of this page, which constitutes Page 6 of 7 pages.

Buyer's Initials (_____) (_____) Date: _____

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Acknowledgment and Waiver

Buyer expressly reserves the right to conduct an inspection(s) that was not initially elected on this form. If an inspection is subsequently desired, Buyer shall immediately notify Broker in writing of the additional inspection(s) requested. Buyer understands that the Residential Purchase Agreement (RPA) provides a limited amount of time within which Buyer may complete any desired inspections and evaluations of the property. Unless specifically set forth in the Agreement, Seller is not obligated to perform any corrective work that may be recommended by any of the above inspections/evaluations.

Buyer agrees that, although Broker may be able to offer the names of one or more inspection services, **the selection of any inspectors or inspection services is the sole responsibility of Buyer.** Any names of inspectors provided by Broker are provided solely for informational purposes and are not a recommendation or endorsement of the inspector. When conducting inspections, Buyer shall carry, or require the inspectors to carry, insurance as required in the Residential Purchase Agreement. Broker does not guarantee the quality, thoroughness or results of any inspections or evaluations; nor can Broker verify the information contained in inspection reports or representations made by others.

Buyer acknowledges that he/she has reviewed each of these inspection options. Buyer agrees that the decision to obtain or waive an inspection is solely that of Buyer. Unless subsequently requested, Buyer hereby waives the above inspections that are not initialed. By waiving the above inspections, Buyer may be assuming liability, responsibility and expense for the condition of the property and for repairs and/or corrections that such an inspection would have revealed. **In exchange for services rendered and further services to be rendered, Buyer hereby releases Broker from any liability with respect to the condition of the property.** This release shall not apply to any person who conceals actual knowledge of a defect that has not been disclosed to Buyer.

Buyer: _____ Date: _____

Buyer: _____ Date: _____

SAMPLE

Buyer acknowledges receipt of copy of this page, which constitutes Page 7 of 7 pages.

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