

**Limited Liability Home inspection Contract for:  
JLM & Sons, Inc.**

**THIS CONTRACT LIMITS OUR LIABILITY.  
Please read carefully before signing.**

Client(s): \_\_\_\_\_

Address to be Inspected: \_\_\_\_\_

**SCOPE OF INSPECTION**

The home inspection will be performed in compliance with the Standards of Practice of the State of Oregon Construction Contractors Board. The scope of this visual home inspection is limited to the following items:

- Visible structural components including foundation, floors, walls, columns or piers, ceilings, roof framing
- General visible exterior including roof, gutters, chimneys, drainage, siding, windows and doors
- General visible interior including attic, ceilings, walls, floors, doors, windows, insulation and ventilation
- Accessible basements and or crawlspaces
- Permanent visible components of the electrical, plumbing, heating and air conditioning systems
- Basic functioning of built-in kitchen appliances
- Visible evidence of wood destroying pests and wood destroying fungus, including required treatments
- Patios and decks

The buyer has received a copy of: *Summary Of Home Inspector Certification Law (ORS 701) and Standards of Practice for Home Inspectors*

Buyer's initial: \_\_\_\_\_

**OUTSIDE THE SCOPE OF INSPECTION**

Any area that is not exposed to view is concealed or is inaccessible because of soil, walls, floors, carpets, ceilings, furnishings, insulation or any other thing is not included in this inspection. Client assumes all risk for conditions that are concealed from view at the time of inspection. This is not a home warranty or guarantee. Any comments regarding excluded systems or conditions are for information only and are not part of the inspection. The inspection does not include or address the following items or the possible presence of danger from any potentially harmful substances and environmental hazards, including but not limited to:

- Radon gas, Lead Paint, or Asbestos
- Mold and Mildew
- Urea Formaldehyde
- Toxic or flammable chemicals
- Water and airborne hazards
- Building or zoning code violations
- Geological stability or soil condition
- Structural and seismic stability or engineering analysis
- Pools, spas, saunas, and detached buildings
- Security or sprinkler systems
- Private water or sewage systems including but not limited to: cess pools, wells, septic tanks, drain fields and 'french' drains
- Water softeners, purifiers, or filters
- Furnace heat exchangers
- Underground tanks, water, sewage, or drainage lines whether public or private
- Life expectancy of any given component
- Zero clearance gas stoves

**CLAIMS:**

**Any dispute concerning an alleged act or omission in connection with this inspection shall follow the following sequence for resolution:**

- 1) Notification in writing from client to JLM & Sons, Inc. within 180 days of the inspection and 10 days of discovery.
- 2) Unless the condition is an emergency, access to the property before repairs are made to assess conditions and conduct repairs by licensed professionals during business hours within 10 business days of written notification.
- 3) Client agrees to immediately accept a refund of the fee as full settlement of any and all claims which may ever rise from the inspection.
- 4) Use of the State of Oregon Construction Contractor's Board Arbitration Process as final arbiter if JLM & Sons, Inc. refuses to refund the inspection fee.

**You understand that failure to engage in each successive step of this process shall constitute a full bar and waiver of any and all claims you may have against us related to the alleged act or omission.**

**It is understood and agreed that should JLM & Sons, Inc. and/or its agents or employees be found liable for any loss or damages resulting from failure to perform any of its obligations, including but not limited to negligence, breach of contract, or otherwise, then the liability of JLM & Sons, Inc. and/or its agents or employees shall be limited to a sum of \$500.00.**

You understand that the performance of the services without this limitation on liability would be more technically exhaustive, would require specialists and would cost significantly more than the fee paid for this limited visual inspection. Buyer's initial: \_\_\_\_\_

**The cost of this home inspection is:** \_\_\_\_\_

Payment is due at time of inspection. There will be a \$20.00 fee for returned checks.

Please initial if applicable: \_\_\_\_\_ I allow a copy of this report to be released to my Realtor.

**Acceptance and understanding of this agreement are hereby acknowledged.**

**Signed by Client:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Signed by Client:** \_\_\_\_\_ **Date:** \_\_\_\_\_

**Signed by Inspector:** \_\_\_\_\_ **Date:** \_\_\_\_\_

Client Email Address:

JLM & Sons, Inc.

www.jlmsons.com

15015 NW West Union Rd.  
Portland, OR 97229

Phone: 503.645.5253 Fax: 503.690.6547

CCB# 82692 ♦ OCHI# 106



# Summary of Oregon Home Inspector Certification Law (ORS 701) and Standards of Practice for Home Inspections

This is a summary of your rights and responsibilities when having a home inspection done by an Oregon certified home inspector

- Part 1 explains home inspector certification and licensing and the role of the Construction Contractors Board.
- Part 2 explains the general requirements and limitations of an inspection.
- Parts 3 and 4 are the Standards of Practice and Behavior that list what an Oregon certified home inspector must, may and cannot do.

## PART 1: WHO NEEDS TO BE CERTIFIED AND LICENSED AND HOW THE CCB CAN HELP

Oregon law requires individuals who perform home inspections of two or more components to be certified by the Oregon Construction Contractors Board (CCB). (Example: an inspection of a roof, the electrical system and the plumbing system would be three components.) Individuals who bid or offer to do this kind of inspection must also be certified.

An individual must pass a comprehensive test to become certified and must complete continuing education courses to renew his/her certification. Each certified home inspector must be an owner or an employee of a business licensed with the CCB.

**Licensing and certification do not guarantee quality of work or mean the inspector will not make a mistake. Licensing offers some financial protection for you, the customer.**

To check out a home inspection business, first get the business' license number. CCB businesses are required to show their license number on individual's business cards, in written contracts and inspection reports, and in all newspaper and phone directory advertising.

Check with the CCB to determine if the license is active and if there are any open claims filed against the business. You can also find out if the person performing the home inspection is an Oregon-Certified Home Inspector.

Businesses that perform home inspections get licensed with the CCB as a General or Specialty Contractor or Inspector. This means they have a \$10,000 bond and either a \$100,000 or \$500,000 liability insurance policy. (A few licensed general contractors are allowed to do home inspections without being certified. You can get this information from the CCB when you call to check on a business.)

The CCB provides consumer protection and regulates the home inspection industry. When disagreements occur

between consumers and home inspection businesses, the CCB may be able to help.

Homeowners may file claims with the CCB if they think a licensed home inspection business has done negligent or improper work or breached a contract. If your contract contains an arbitration clause, you may still file a claim but the CCB may suspend its claims process to allow arbitration to occur. The CCB may send a mediator/investigator to the site to look at the claim issues and try to resolve the dispute.

If the dispute continues, the Construction Contractors Board offers a hearing process to determine the validity of the claim and whether damages are due the claimant.

You may file a CCB claim against a licensed home inspection business within one year of the inspection being performed. The CCB can process claims only against licensed businesses and only when there is a direct contract between the claimant and licensee or when the claimant purchased real estate conditioned upon the license.

Claims filed against unlicensed businesses or home inspection businesses using uncertified individuals to perform inspections are sent to the CCB's Enforcement Section, but will probably not result in direct benefit to the claimant.

- **To check if the business is licensed and if individuals can legally do inspections, contact the CCB at 503-378-4621 or check at [www.ccb.state.or.us](http://www.ccb.state.or.us).**
- To request a claim packet or ask general claims questions, call 503-378-4621.
- To request a free copy of a *Looking for a Home Inspector? Here's What You Need to Know* brochure, or this document, call 503-378-4621. Or you can download the brochure at [www.ccb.state.or.us](http://www.ccb.state.or.us)
- To download other publications and for other information about the CCB, visit [www.ccb.state.or.us](http://www.ccb.state.or.us).

## PART 2: GENERAL REQUIREMENTS AND LIMITATIONS

### Oregon certified home inspectors:

1. Shall provide a written inspection contract, signed by both the Oregon certified home inspector and client, prior to completing (delivering the initial inspection report) a home inspection that shall:
  - State that the home inspection is in accordance with standards and practices set forth below in Part 3;
  - Describe the services provided and their cost;
  - State where the planned inspection differs from the standard home inspection categories as set forth in the Standards of Practice in Part 3 below, and
  - Conspicuously state whether the home inspection includes a pest and dry rot inspection to discover wood destroying organisms and that such inspections are available for a fee.
2. Shall observe readily visible and accessible installed systems and components listed as part of a home inspection as defined by these rules unless excluded according to the Standards of Practice in Part 3 below.
3. Shall submit a written report to the client that shall:
  - Describe those systems and components as set forth in the Standards of Practice in Part 3 below,
  - Record in the report each item listed in Part 3 and indicate whether or not the property inspected was satisfactory with regard to each item of inspection; it will not be sufficient to satisfy this subsection that the certified home inspector prepare a report listing only deficiencies;
4. Shall submit to each customer at the time the contract is signed a copy of Summary of Oregon Home Inspector Certification Law (ORS 701) or Summary of Oregon Home Inspector Certification Law (ORS 701) and Standards of Practice for Home Inspectors.
5. Are not limited from reporting observations and conditions or rendering opinions of items in addition to those required below.
6. Shall conduct home inspections based solely on the property conditions, as observed at the time of the home inspection.
7. Shall conduct home inspections that are visual and are not technically exhaustive.
8. Shall include their certification number on all written reports, bids, contracts and individual business cards.

## PART 3: STANDARDS OF PRACTICE

If you and your home inspector agree that certain categories in Part 3 will not be included in your inspection, all changes or deviations must be stated in the written contract that you and your inspector sign.

### **General Exclusions**

(a) *Oregon certified home inspectors are not required to report on:*

- Life expectancy of any component or system;
- The causes of the need for a repair;
- The methods, materials, and costs of corrections;
- The suitability of the property for any specialized use;
- Compliance or non-compliance with codes, ordinances, statutes, regulatory requirements or restrictions;
- The advisability or inadvisability of purchase of the property;
- The presence or absence of pests such as wood damaging organisms, rodents, or insects;
- Cosmetic items, underground items, or items not permanently installed; or
- Detached structures.

(b) *Oregon certified home inspectors are not required to:*

- Offer or undertake any act or service contrary to law;
- Offer warranties or guarantees of any kind;
- Offer to undertake engineering, architectural, plumbing, electrical or any other job function requiring an occupational license in the jurisdiction where the inspection is taking place, unless the Oregon certified home inspector holds a valid occupational license, in which case the Oregon certified home inspector may inform the client that the home inspector is so certified, and is therefore qualified to go beyond these rules and undertake additional inspections beyond those within the scope of the basic inspection;
- Calculate the strength, adequacy, or efficiency of any system or component;
- Enter any area, undertake any procedure that may damage the property or its components, or be dangerous to the Oregon certified home inspector or other persons;
- Operate any system or component that is shut down or otherwise inoperable;
- Operate any system or component that does not respond to normal operating controls;

- Disturb insulation, move personal items, panels, furniture, equipment, plant life, soil, snow, ice, or debris that obstructs access or visibility;
- Determine the presence or absence of any suspected adverse environmental condition or hazardous substance, including but not limited to toxins, carcinogens, noise or contaminants in the building or soil, water, and air;
- Determine the effectiveness of any system installed to control or remove suspected hazardous substances;
- Predict future condition, including but not limited to failure of components;
- Project operating costs of components;
- Evaluate acoustical characteristics of any system or component;
- Observe special equipment or accessories that are not listed as components to be observed in these rules; or
- Identify presence of odors or their source;

### **Structural Components**

(a) *The Oregon certified home inspector shall observe visible structural components including:*

- Foundation;
- Floors;
- Walls;
- Columns or piers;
- Ceilings; and
- Roofs.

(b) *The Oregon certified home inspector shall describe the type of:*

- Foundation;
- Floor structure;
- Wall structure;
- Columns or piers;
- Ceiling structure; and
- Roof structure.

(c) *The Oregon certified home inspector shall:*

- Probe or sound structural components where deterioration is suspected, except where probing would damage any finished surface;
- Enter underfloor crawl spaces, basements, and attic spaces except when access is obstructed or restricted, when entry could damage any property, or when dangerous or adverse situations are suspected;
- Report the methods used to observe underfloor crawl spaces and attics; report inaccessible areas; and
- Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components.

### **Exterior**

(a) *The Oregon certified home inspector shall observe:*

- Wall cladding, flashings, and trim;
- Entryway doors and all windows;

- Garage door operators;
- Attached decks, balconies, stoops, steps, areaways, porches, and applicable railings;
- Eaves, soffits, and fascias; and
- Vegetation, grading, drainage, driveways, patios, walkways, and retaining walls with respect to their effect on the condition of the building.

(b) *The Oregon certified home inspector shall:*

- Describe wall cladding materials;
- Operate all entryway doors and a representative number of windows;
- Operate garage doors manually or by using permanently installed controls for any garage door operator; and
- Report whether or not any garage door operator will automatically reverse or stop when meeting reasonable resistance during closing.

(c) *The Oregon certified home inspector is not required to observe:*

- Storm windows, storm doors, screening, shutters, and awnings;
- Garage door operator remote control transmitters;
- Geological conditions;
- Recreational facilities (including spas, saunas, steam baths, swimming pools, tennis courts, playground equipment, and other exercise, entertainment, or athletic facilities); or
- Detached buildings or structures.

### **Roofing**

(a) *The Oregon certified home inspector shall observe:*

- Roof coverings;
- Roof drainage systems;
- Flashings;
- Skylights, chimneys, and roof penetrations; and
- Signs of leaks or abnormal condensation on building components.

(b) *The Oregon certified home inspector shall:*

- Describe the type of roof covering materials; and
- Report the method used to observe the roofing and components.

### **Plumbing**

(a) *The Oregon certified home inspector shall observe:*

- Interior water supply and distribution system, including piping materials, supports, and insulation, fixtures and faucets, functional flow, leaks, and cross connections;
- Interior drain, waste, and vent system, including traps, drain, waste, and vent piping, piping supports and pipe insulation, leaks, and functional drainage;
- Hot water systems including water heating equipment, normal operating controls, automatic safety controls, and chimneys, flues, and vents;
- Above ground oil storage and distribution systems including interior oil storage equipment, supply piping, venting, and supports; leaks; and

- Sump pumps and sewage ejection pumps.
- (b) *The Oregon certified home inspector shall describe:*
- Water supply and distribution piping materials;
  - Drain, waste, and vent piping materials; and
  - Water heating equipment.
- (c) *The Oregon certified home inspector shall operate* all plumbing fixtures, including their faucets and all exterior faucets attached to the house except where the flow end of the faucet is connected to an appliance or interior faucets not serviced by a drain.
- (d) *The Oregon certified home inspector is not required to:*
- State the effectiveness of anti-siphon devices and anti-backflow valves;
  - Determine whether water supply and waste disposal systems are public or private;
  - Operate automatic safety controls;
  - Operate any valve except toilet flush valves, fixture faucets, and hose faucets;
  - Observe:
    - Water conditioning systems;
    - Fire and lawn sprinkler systems;
    - On-site water supply quantity and quality;
    - On-site waste disposal systems;
    - Foundation irrigation systems;
    - Whirlpool tubs, except as to functional flow and functional drainage;
    - Swimming pools and spas; or
    - Solar water heating equipment.

### **Electrical**

- (a) *The Oregon certified home inspector shall observe:*
- Service entrance conductors;
  - Service equipment, grounding equipment, main overcurrent device, and distribution panels;
  - Amperage and voltage ratings of the service;
  - Branch circuit conductors, their overcurrent devices, and the compatibility of their amperages and voltages;
  - The operation of a representative number of installed ceiling fans, lighting fixtures, switches, and receptacles located inside the house, garage, and on the dwelling's exterior walls;
  - The polarity and grounding of all receptacles within six feet of interior plumbing fixtures, and all receptacles in the garage or carport, and on the exterior of inspected structures;
  - The operation of ground fault circuit interrupters; and
  - Smoke detectors.
- (b) *The Oregon certified home inspector shall describe:*
- Service amperage and voltage;
  - Service entry conductor materials; and
  - Service type as being overhead or underground;
- (c) *The Oregon certified home inspector shall report:*
- Any observed 110 volt aluminum branch circuit wiring; and

- The presence or absence of smoke detectors, and operate their test function, if accessible, except when detectors are part of a central security system.

- (d) *The Oregon certified home inspector is not required to:*
- Insert any tool, probe, or testing device inside the panels;
  - Test or operate any overcurrent device except ground fault circuit interrupters;
  - Dismantle any electrical device or control other than to remove the covers of the main or auxiliary distribution panels;
  - Observe:
    - Low-voltage systems except to report the presence of solenoid-type lighting systems;
    - Security system devices, heat detectors, or carbon monoxide detectors;
    - Telephone, security, TV, intercoms, lightning arrestors or other ancillary wiring that is not a part of the primary electrical distribution system; or
    - Built-in vacuum equipment.

### **Heating**

- (a) *The Oregon certified home inspector shall observe permanently installed heating systems including:*
- Heating equipment;
  - Normal operating controls;
  - Automatic safety controls;
  - Chimneys, flues, and vents, where readily visible;
  - Solid fuel heating devices;
  - Heat distribution systems including fans, pumps, ducts, and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and
  - The presence of installed heat source in each room.
- (b) *The Oregon certified home inspector shall describe:*
- Energy source; and
  - Heating equipment and distribution type.
- (c) *The Oregon certified home inspector shall operate* the systems using normal operating controls.
- (d) *The Oregon certified home inspector shall open* readily accessible panels provided by the manufacturer or installer for routine homeowner maintenance.
- (e) *The Oregon certified home inspector is not required to:*
- Operate automatic safety controls;
  - Ignite or extinguish solid fuel fires;
  - Observe:
    - The interior of flues;
    - Fireplace insert flue connections;
    - Humidifiers; or
    - The uniformity or adequacy of heat supply to the various rooms.

### **Central Air Conditioning.**

(a) *The Oregon certified home inspector shall observe:*

- Central air conditioning systems including cooling and air handling equipment and normal operating controls.
- Distribution systems including fans, pumps, ducts and piping, with associated supports, dampers, insulation, air filters, registers, and fan-coil units.

(b) *The Oregon certified home inspector shall describe:*

- Energy sources; and
- Cooling equipment type.
  - The Oregon certified home inspector shall operate the systems using normal operating controls.
  - The Oregon certified home inspector shall open readily openable panels provided by the manufacturer or installer for routine homeowner maintenance.

(e) *The Oregon certified home inspector is not required to:*

- Operate cooling systems when weather conditions or other circumstances may cause equipment damage;
- Observe non-central air conditioners; or
- Observe the uniformity or adequacy of cool-air supply to the various rooms.

### **Interiors**

(a) *The Oregon certified home inspector shall observe:*

- Walls, ceiling, and floors;
- Steps, stairways, balconies, and railings;
- Counters and cabinets; and
- Doors and windows.

(b) *The Oregon certified home inspector shall:*

- Operate a representative number of windows and interior doors; and
- Report signs of abnormal or harmful water penetration or damage in the building or components or signs of abnormal or harmful condensation on building components.

(c) *The Oregon certified home inspector is not required to:*

- Operate a representative number of cabinets and drawers;
- Observe paint, wallpaper, and other finish treatments on the interior walls, ceilings, and floors; or
- Observe draperies, blinds, or other window treatments.

### **Insulation and Ventilation**

(a) *The Oregon certified home inspector shall observe:*

- Insulation and vapor retarders/barriers in unfinished spaces;
- Ventilation of attics and foundation areas;
- Kitchen, bathroom, and laundry venting systems; and
- The operation of any readily accessible attic ventilation fan, and when the temperature

permits, the operation of any readily accessible thermostatic control.

(b) *The Oregon certified home inspector shall describe:*

- Insulation in unfinished spaces; and
- Absence of insulation in unfinished space adjacent to heated living areas.

(c) *The Oregon certified home inspector is not required to report on:*

- Concealed insulation and vapor retarders;
- Venting equipment that is integral with household appliances; or
- Thermal efficiency ratings.

### **Built-in Kitchen Appliances**

(a) *The Oregon certified home inspector shall observe and operate the basic functions of the following kitchen appliances:*

- Installed dishwasher, through its normal cycle;
- Range, cook top, and installed oven;
- Trash compactor;
- Garbage disposal;
- Ventilation equipment or range hood;
- Installed microwave oven; and
- Built-in refrigerators.

(b) *The Oregon certified home inspector is not required to observe:*

- Clocks, timers, self-cleaning oven function, or thermostats for calibration or automatic operation;
- Non built-in appliances;
- Refrigeration units that are not installed; or
- Microwave leakage.

(c) *The Oregon certified home inspector is not required to operate:*

- Appliances in use; or
- Any appliance that is shut down or otherwise inoperable.

### **Site**

(a) *The Oregon certified home inspector shall observe:*

- Walks, driveways, and patios;
- Visible site drainage systems;
- Site grade and water drainage at the foundation; and
- Visibly accessible retaining walls and rockeries.

(b) *The Oregon certified home inspector shall describe:*

- Tripping hazards and other adverse conditions in walks and drives;
- Site grade and drainage;
- Site retaining walls;
- Earth to wood proximity.

(c) *The Oregon certified home inspector is not required to report on:*

- Fences or privacy walls;
- Ownership of fencing, privacy walls, retaining walls;
- Condition of trees, shrubs, or vegetation; or

- Soil or geological conditions, site engineering, property boundaries, encroachments, or easements.

## PART 4: STANDARDS OF BEHAVIOR

1. An Oregon certified home inspector shall not engage in dishonest or fraudulent conduct or undertake activities that are injurious to the welfare of the public, which result in injury or damage to another person.
2. Opinions expressed by Oregon certified home inspectors shall only be based on their education, experience, and physical evidence observed by the inspector.
3. An Oregon certified home inspector shall not disclose any information about the results of an inspection without the approval of the client for whom the inspection was undertaken.
4. No Oregon certified home inspector shall accept compensation or any other consideration from more than one interested party for the same service without the consent of all interested parties.
5. No Oregon certified home inspector shall give any gift, rebate, kickback or any thing of value, including but not limited to any payment of money, to any person for the purposes of obtaining an engagement, referral or preference selection to perform a home inspection. However, this section shall not apply to items of nominal value given as part of an advertising promotion of general distribution.
6. No Oregon certified home inspector shall express, within the context of an inspection, an appraisal or opinion of the market value of the inspected property.
7. Before the execution of a contract to undertake a home inspection, an Oregon certified home inspector shall disclose to the client any interest in a business that may affect the client. No Oregon certified home inspector shall allow his or her interest in any business to affect the quality or results of inspection work that the Oregon certified home inspector may be called upon to undertake.
8. An Oregon certified home inspector shall not engage in false or misleading advertising or otherwise misrepresent any matters to the public.
9. A certified home inspector shall not offer to undertake, submit a bid to undertake, or undertake repairs of a structure inspected by an owner or employee of the business within 12 months following the inspection. (ORS 701.355)

- Oregon certified home inspectors must give all residential customers a written contract, a written inspection report and a copy of this document or a Summary of the information in Part 1.
- If you and your home inspector decide that the inspector will deviate from the Standards of Practice in Part 3, all deviations must be specifically stated in the written contract.
- Be aware that Oregon businesses employing or owned by certified home inspectors are not allowed to bid or offer to do or actually perform repairs on a structure that the business inspected within the past 12 months.



**Oregon Construction Contractors Board**

503-378-4621

[www.ccb.state.or.us](http://www.ccb.state.or.us)

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