

MINUTES OF THE
LAW AND REGULATION COMMITTEE
STRUCTURAL PEST CONTROL BOARD
December 17, 2002

The meeting was held on Tuesday, December 17, 2002, at the Structural Pest Control Board, 1418 Howe Avenue, Suite 18, Conference Room, Sacramento, California, commencing at 9:00 AM with the following members constituting a quorum:

Larry Musgrove – Chair
John Ellinger
Harvey Logan
Dennis Patzer
John Van Hooser

Board staff present:

Kelli Okuma, Registrar
Susan Saylor, Assistant Registrar
Delores Coleman, Staff Services Analyst

The minutes for the November 13, 2002, Laws and Regulations Committee meeting were read. Harvey Logan moved that the minutes be approved as read Dennis Patzer seconded the motion. The vote was unanimous in favor of the motion.

John Ellinger submitted a draft of proposed changes to section 8516 of the Business and Professions Code. Mr. Ellinger suggested that the section 8516 be broken down into the following categories: inspection report requirements; regulations for filing reports; disclosures; and control service agreements.

It was agreed by the committee to use John Ellinger's draft of changes incorporating modifications suggested by the committee as the meeting progressed.

John Ellinger moved that the committee approve all changes on his draft copy up to Section 8516.2. John Van Hooser seconded the motion. The vote was unanimous.

The amendments are as follows:

8516. (a) This section shall apply only to wood destroying pests or organisms.

(b) No registered company or individual shall commence work on a contract, or sign, issue, or deliver any documents expressing an opinion or statement relating to the

absence or presence of wood destroying pests or organisms until an inspection has been made by a licensed Branch 3 field representative or operator. All registered companies shall prepare a written inspection report in a consistent manner or style approved by the board. The report shall be prepared and delivered to the person requesting the inspection or to the person's designated agent within 10 business days of the inspection. The report shall be delivered before work is commenced on any property.

The following shall be set forth in the report:

- (1) The date of the inspection and the name of the licensed field representative or operator making the inspection.
- (2) The name and address of the person or firm ordering the report.
- (3) The name and address of any person ~~who is a party in interest~~ the report is sent to.
- (4) The address or location of the property.
- (5) A general description of the building or premises inspected.
- (6) A foundation diagram of the structure or structures or portions of the structure or structures inspected, indicating thereon the approximate location of any infested or infected areas evident, and the parts of the structure where conditions that would ordinarily subject those parts to attack by wood destroying pests or organisms exist.
- (7) A written description of findings of wood destroying pests and organisms or evidence thereof, and its approximate locations. Wood destroying pests and organisms may shall include, but are not limited to; decay fungi, beetles, drywood termites, subterranean termites, dampwood termites, carpenter bees, or carpenter ants.

- (8) A written description of findings for conditions usually deemed likely to lead to wood destroying pests and organisms and ~~its~~ their approximate locations.
Conditions ~~may~~ shall include, but are not limited to, earth-wood contacts, excessive cellulose debris, faulty grade levels, excessive moisture conditions, evidence of roof leaks, and insufficient ventilation.
- (9) A written description of findings, which indicate or describe any locations that are inaccessible or not inspected with recommendations for further inspection, if practical. If authority is given later to open inaccessible areas, a supplemental report on conditions in these areas shall be made.
- (10) Primary recommendations for corrective measures of all findings.
- (11) In addition to the primary recommendation, a secondary recommendation may also be made and shall have a full explanation to the consumer of why they are below industry standards secondary.

8516.1

1. An estimate or bid for structural repairs shall be given if the person who ordered the inspection report so requests, and if the registered company is regularly in the business of performing corrective measures repairs. When an estimate or bid for making repairs is given it shall be recorded on the report or a separate work agreement and shall include a specific price for each recommendation.
2. The report and any contract entered into shall also state specifically when any guarantee for the work is made, and if so, the specific terms of the guarantee and the period of time for which the guarantee shall be in effect.
3. A reinspection shall be an inspection of those items previously reported to determine if the recommendations have been completed. Each reinspection shall be prepared on

an inspection report form and shall be labeled as a reinspection. Each reinspection shall also identify the previous report(s) by date. If no estimate or bid was given with the report originally, then the registered company shall not be required to perform a reinspection.

4. At the time a report is ordered, the registered company or individuals shall inform the person or entity ordering the report, that a separated report is available. If a separated report is requested at the time the inspection report is ordered, the registered company or licensee shall separately identify on the report each finding and corrective recommendation as follows:

- a. The infestation or infection, or damage that is evident shall be listed as a Section 1 finding with appropriate corrective recommendation(s).
- b. The conditions that are present that are deemed likely to lead to infestation or infection shall be listed as a Section 2 finding with appropriate corrective recommendation.
- c. When a corrective condition is identified, either as a Section 1 or Section 2 finding and corrective recommendation are made, and the responsible parties as negotiated between the buyer and the seller, chooses not to correct those conditions, the registered company or licensee shall not be liable for damages resulting from a failure to correct those conditions or subject to any disciplinary action by the board.
- d. Nothing in this subdivision, however, shall relieve a registered company or a licensee of any liability resulting from negligence, fraud, dishonest dealing, other violations pursuant to this chapter, or contractual

obligations between the registered company or licensee and the responsible parties.

- e. The inspection report form prescribed by the board shall separately identify the infestation or infection that is evident and the conditions that are present that are deemed likely to lead to infestation or infection.
- f. If a separated report is requested, the report shall explain the infestation or infection that is evident and the conditions that are present that are deemed likely to lead to infestation or infection and the difference between those conditions.
- g. In no event, however, shall conditions deemed likely to lead to infestation or infection be characterized as actual "defects" or as actual "active" infestations or infections or in need of correction as a precondition to issuing a certification pursuant to Section 8519.

h. If a registered company or licensee fails to inform as required by this subdivision and a dispute arises, or if any other dispute arises as to whether this subdivision has been complied with, a separated report shall be provided within 24 hours of the request but, in no event, later than the next business day, and at no additional cost.

Harvey Logan moved that the committee approve all changes on his draft copy up to Section 8516.3. John Van Hooser seconded the motion. The vote was unanimous.

The amendments are as follows:

8516.2 Inspection reports shall also include the following statements. The registered company shall indicate include on in the report which of the following disclosures that pertain to each specific property inspected.

1. "The exterior surface of the roof was not inspected. If you want the water tightness of the roof determined, you should contact a roofing contractor who is licensed by the Contractors' State License Board." Or, "The exterior surface of the roof was inspected to determine whether or not wood destroying pests or organisms are present."
2. "A reinspection of the structure will be performed if an estimate or bid for making repairs was given on the inspection report, or thereafter. This The request must be made within four (4) months. After four months a new inspection shall be performed. Any reinspection shall be performed for not more than the price of the registered company's previous inspection and shall be completed within 10 working days after a reinspection has been ordered."
3. "Reports on this structure prepared by various registered companies should list the same findings (i.e. termite infestations, termite damage, fungus damage, etc.). However, recommendations to correct these findings may vary from company to company. You have a right to seek a second opinion from another company."
4. "NOTICE: The charge for service that this company subcontracts to another registered company may include the company's charges for arranging and administering such services that are in addition to the direct costs associated with paying the subcontractor. You may accept this company's bid or you may contract directly with another registered company licensed to perform the work. If you choose to contract directly with another registered company, this firm will not in any way be responsible for a ~~any act~~ **any act** or omission in the performance of work that you directly contract with another to perform."

5. "NOTICE TO OWNER: Under the California Mechanics Lien Law any structural pest control company which contracts to do work for you, any contractor, subcontractor, laborer, supplier or other person who helps to improve your property, but is not paid for his or her work or supplies, has a right to enforce a claim against your property. This means that after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your structural pest control company in full if the subcontractor, laborers or suppliers remain unpaid.

To preserve their right to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are required to provide you with a document entitled "Preliminary Notice." Prime contractors and laborers for wages do not have to provide this notice. A Preliminary Notice is not a lien against your property. Its purpose is to notify you of persons who may have a right to file a lien against your property if they are not paid."

6. "State law requires that you be given the following information: CAUTION— PESTICIDES ARE TOXIC CHEMICALS. Structural Pest Control Companies are registered and regulated by the Structural Pest Control Board and apply pesticides which are registered and approved for use by the California Department of Pesticide regulation and the United States Environmental Protection Agency. Registration is granted when the state finds that based on existing scientific evidence there are no appreciable risks if proper use conditions are followed or that the risks are outweighed by the benefits. The degree of risk depends upon the degree of exposure, so exposure should be minimized.

If within 24 hours following application you experience symptoms similar to common seasonal illness comparable to the flu, contact your physician or poison control center (insert telephone number) and your pest control company immediately.

For further information, contact any of the following: Your Pest Control Company (insert telephone number); for Health Questions—the County Health Department (insert telephone number); for Application Information—the County Agricultural Commissioner (insert telephone number) and for Regulatory Information--the Structural Pest Control Board, (insert telephone number and address of the board)”

~~7. “This inspection is limited to those parts of the structure(s) that are visible and accessible at the time of the inspection. Examples of inaccessible areas include, but are not limited to (1) areas concealed by wall coverings, furniture, equipment and stored articles and (2) any portion of the structure in which inspection would necessitate removing or defacing any part of the structure.”~~

~~8. “A building permit may be required for some corrective recommendations outlined in this report.”~~

9 ~~7~~. “This is a separated report which is defined as Section 1/Section 2 conditions evident on the date of the inspection. Section 1 contains items where there is visible evidence of active infestation, infection or conditions that have resulted in or from infestation of infection, Section 2 items are conditions deemed likely to lead to infestation or infection but where no visible evidence of such was found. Further inspection items are defined as recommendations to inspect area(s) which during the original inspection did not allow the inspector access to complete the inspection and cannot be defined as Section 1 or Section 2.”

John Van Hooser moved that the committee approve all changes on his draft copy up to Section 8516.4. Harvey Logan seconded the motion. The vote was unanimous.

The amendments are as follows:

8516.3

1. The address of each property inspected or upon which work is completed shall be reported on a Wood Destroying Organisms Inspection and Completion Activity Form prescribed by the board and shall be filed with the board no later than 10 business days after the commencement of an inspection or upon completed work. The registered company shall retain for three years all field notes and inspection reports on paper which are personally signed by the inspector with an original signature or electric signature. Wood Destroying Organisms Inspection and Completion Activity Forms Reports are also required to be retained for the three-year period. Reports shall be made available for inspection and reproduction to the registrar of the board or his or her duly authorized representative during business hours. Inspection reports or certified copies thereof shall be submitted to the board upon request within two business days.

~~2. ADD SECTION 8618~~

- ~~3. ADD SECTION 8619~~** 2. An inspection tag shall be posted whenever an inspection for wood destroying pests or organisms is made.

- 4 3. Every property inspected pursuant to this subdivision or Section 8518 shall be assessed a filing fee pursuant to Section 8674. Failure of a registered company to report and file with the board the address of any property inspected or work completed pursuant to Section 8518 or this section is grounds for disciplinary action and shall subject the registered company to a fine of not more than two thousand five hundred dollars (\$2,500) per each violation.

~~5 4.~~ Any person, whether or not a party to a real estate property transaction, has a right to ~~may~~ request and, upon payment of the ~~a~~ required fee, to obtain directly from the board certified copies of all inspection reports and completion notices prepared and reported on a Wood Destroying Organisms Activity form submitted by any registered company during the preceding two years. ~~This~~ Notice of this right shall be prominently disclosed on every inspection report and work completion notice.

~~6 5.~~ The certified copy fee required by this chapter shall accompany each request for certified copies made by the board. In return for such fee the board shall prepare and transmit to the requester certified copies of all inspection reports and completion notices filed with the board on the subject property within the preceding two years, except that if a search of the board's records discloses that no inspection report and completion notice has been filed on the property within the preceding two years, the board shall retain the fee as a search fee.

6. An inspection report prepared for use by an attorney for litigation purposes is not required to be reported to the board.

John Van Hooser moved that the committee approve all changes on his draft copy of Section 8516.4 and 8516.5. Larry Musgrove seconded the motion. The vote was: John Van Hooser – Yes, John Ellinger – Yes, Harvey Logan – Yes, Larry Musgrove – Yes, and Dennis Patzer – No. The motion carried.

The amendments are as follows:

8516.4

1. Control service is defined as the regular reinspection of a property after a report has been made in compliance with this section and any corrections as have been agreed upon have been completed.

2. Under a control service agreement a registered company shall refer to the original report and contract in a manner as to identify them clearly, and the report shall be assumed to be a true report of conditions as originally issued, except it may be modified after a control service inspection.
3. A registered company is not required to issue a report after each control service inspection. If after control service inspection, no modification of the original report is made in writing, then it will be assumed that conditions are as originally reported.
4. A control service contract shall state specifically the particular wood destroying pests or organisms and the portions of the buildings or structures covered by the contract.

8516.5

A registered company or licensee may enter into and maintain a control service agreement provided following requirements are met:

1. The control service agreement shall be in writing, signed by both parties, and shall specifically include the following:
 - a. The wood destroying pests and organisms that could infest and infect the structure.
 - b. The wood destroying pests and organisms covered by the control service agreement. Any wood destroying pest or organism that is not covered must be specifically listed.
 - c. The type and manner of treatment to be used to correct the infestations or infections. Type of all-encompassing treatment if included.

~~d. Whether the type and manner of treatment covered is below standard measure and why the treatment it is below standard measure.~~

~~e d. If all-encompassing treatments are not included as part of the agreement the following the following statement must be included as part of the agreement. "Fumigation and all-encompassing treatments are not included as part of this agreement. If fumigation or an all-encompassing treatment is deemed necessary during a subsequent inspection additional costs will be incurred by consumer."~~

f e. The structures or buildings, or portions thereof, covered by the agreement, including a statement specifying whether the coverage for purposes of periodic inspections is limited or full. Any exclusions from those described in the initial report must be specifically listed.

g f. A reference to the initial inspection report and agreement.

h g. The frequency of the inspections to be provided, the fee to be charged for each renewal, and the duration of the agreement.

i h. Whether the fee includes structural repairs.

j i. If the services provided are guaranteed, and, if so, the terms of the guarantee.

k j. A statement that all corrections of infestations or infections covered by the control service agreement shall be completed within six months of discovery, unless otherwise agreed to in writing by both parties.

2. Inspections made pursuant to a control service agreement shall be conducted by a Branch 3 field representative or operator licensee. Section 8506.1 does not modify this provision.

3. A full or limited inspection of the property covered by the control service agreement shall be conducted and a report made filed at least once every three years from the date that the agreement was entered into, unless the consumer cancels the contract within three years from the date the agreement was entered into.
4. A written report shall be required for the correction of any infestation or infection unless all of the following conditions are met:
 - a. The infestation or infection has been previously reported.
 - b. The infestation or infection is covered by the control service agreement.
 - c. There is no additional charge for correcting the infestation or infection.
 - d. Correction of the infestation or infection takes place within 45 days of its discovery.
 - e. Correction of the infestation or infection does not include fumigation.
 - f. All notice requirements pursuant to Section 8538 shall apply to all pesticide treatments conducted under control service agreements.

For purposes of this section, "control service agreement," means any agreement, including extended warranties, to have a licensee conduct over a period of time regular inspections and other activities related to the control or eradication of wood destroying pests and organisms.

John Ellinger moved that the committee recommend to the board that Business and Professions Code section 8519 be amended and that all references to "infestation or infection" in the Structural Pest Control Act be amended to "wood destroying pests or organisms."

Proposed amendment to section 8519

8519. Certification as used in this section means a written statement by the registered company attesting to the statement contained therein relating to the absence or presence of wood-destroying pests or organisms and, listing such recommendations, if any, which appear on an inspection report prepared pursuant to Section 8516, and which relate to (1) infestation or infection of wood-destroying pests or organisms found, or (2) repair of

structurally weakened members caused by such infestation or infection, and which recommendations have not been completed at the time of certification.

Any registered company which makes an inspection report pursuant to Section 8516, shall, if requested by the person ordering the inspection report, prepare and deliver to that person or his or her designated agent, a certification, to provide:

(a) When the inspection report prepared pursuant to Section 8516 has disclosed no ~~infestation or infection~~ wood destroying pests or organisms: "This is to certify that the above property was inspected on ____ (date) in accordance with the Structural Pest Control Act and rules and regulations adopted pursuant thereto, and that no evidence of active ~~infestation or infection~~ wood destroying pests or organisms found in the visible and accessible areas."

(b) When the inspection report prepared pursuant to Section 8516 discloses ~~infestation or infection~~ wood destroying pests or organisms and the notice of work completed prepared pursuant to Section 8518 indicates that all recommendations to remove ~~that infestation or infection~~ wood destroying pests or organisms and to repair damage caused by ~~that infestation or infection~~ wood destroying pests or organisms have been completed: "This is to certify that the property described herein is now free of evidence of active ~~infestation or infection~~ wood destroying pests or organisms in the visible and accessible areas."

(c) When the inspection report prepared pursuant to Section 8516 discloses ~~infestation or infection~~ wood destroying pests or organisms ~~and~~ or the notice of work completed prepared pursuant to Section 8518 indicates that the registered company has not completed all recommendations to remove ~~that infestation or infection~~ wood destroying pests or organisms or to repair damage caused by it: "This is to certify that the property described herein is now free of evidence of active ~~infestation or infection~~ wood destroying pests or organisms in the visible and accessible areas except as follows: ____ (describing wood destroying pests or organisms, damage or evidence thereof, excepted)."

This certificate shall be accompanied by a copy of the inspection report prepared pursuant to Section 8516, and by a copy of the notice of work completed prepared pursuant to Section 8518, if any notice has been prepared at the time of the certification, or the certification may be endorsed on and made a part of that inspection report or notice of work completed.

8516. (a) This section, and Section 8519, apply only to wood destroying pests or organisms.

(b) No registered company or licensee shall commence work on a contract, or sign, issue, or deliver any documents expressing an opinion or statement relating to the absence or presence of wood destroying pests or organisms until an inspection has been made by a licensed Branch 3 field representative or operator. The address of each property inspected or upon which work is completed shall be reported on a form prescribed by the board and shall be filed with the board no later than 10 business days after the commencement of an inspection or upon completed work.

Every property inspected pursuant to this subdivision or Section 8518 shall be assessed a filing fee pursuant to Section 8674.

Failure of a registered company to report and file with the board the address of any property inspected or work completed pursuant to

Section 8518 or this section is grounds for disciplinary action and shall subject the registered company to a fine of not more than two thousand five hundred dollars (\$2,500).

A written inspection report conforming to this section and on a form approved by the board shall be prepared and delivered to the person requesting the inspection or to the person's designated agent within 10 business days of the inspection, except that an inspection report prepared for use by an attorney for litigation purposes is not required to be reported to the board. The report shall be delivered before work is commenced on any property. The registered company shall retain for three years all original inspection reports, filed notes, and activity forms.

Reports shall be made available for inspection and reproduction to the executive officer of the board or his or her duly authorized representative during business hours. Original inspection reports or copies thereof shall be submitted to the board upon request within two business days. The following shall be set forth in the report:

- (1) The date of the inspection and the name of the licensed field representative or operator making the inspection.
- (2) The name and address of the person or firm ordering the report.
- (3) The name and address of any person who is a party in interest.
- (4) The address or location of the property.
- (5) A general description of the building or premises inspected.
- (6) A foundation diagram or sketch of the structure or structures or portions of the structure or structures inspected, indicating thereon the approximate location of any infested or infected areas evident, and the parts of the structure where conditions that would ordinarily subject those parts to attack by wood destroying pests or organisms exist.
- (7) Information regarding the substructure, foundation walls and footings, porches, patios and steps, air vents, abutments, attic spaces, roof framing that includes the eaves, rafters, fascias, exposed timbers, exposed sheathing, ceiling joists, and attic walls, or other parts subject to attack by wood destroying pests or organisms. Conditions usually deemed likely to lead to infestation or infection, such as earth-wood contacts, excessive cellulose debris, faulty grade levels, excessive moisture conditions, evidence of roof leaks, and insufficient ventilation are to be reported.
- (8) One of the following statements, as appropriate, printed in bold type:
 - (A) The exterior surface of the roof was not inspected. If you want the water tightness of the roof determined, you should contact a roofing contractor who is licensed by the Contractors' State License Board.
 - (B) The exterior surface of the roof was inspected to determine whether or not wood destroying pests or organisms are present.
- (9) Indication or description of any areas that are inaccessible or not inspected with recommendation for further inspection if practicable. If, after the report has been made in compliance with this section, authority is given later to open inaccessible areas, a supplemental report on conditions in these areas shall be made.
- (10) Recommendations for corrective measures.
- (11) Information regarding the pesticide or pesticides to be used for their control as set forth in subdivision (a) of Section 8538.
- (12) The inspection report shall clearly disclose that if

requested by the person ordering the original report, a reinspection of the structure will be performed if an estimate or bid for making repairs was given with the original inspection report, or thereafter.

(13) The inspection report shall contain the following statement, printed in boldface type:

"NOTICE: Reports on this structure prepared by various registered companies should list the same findings (i.e. termite infestations, termite damage, fungus damage, etc.). However, recommendations to correct these findings may vary from company to company. You have a right to seek a second opinion from another company."

An estimate or bid for repairs shall be given separately allocating the costs to perform each and every recommendation for corrective measures as specified in subdivision (c) with the original inspection report if the person who ordered the original inspection report so requests, and if the registered company is regularly in the business of performing corrective measures.

If no estimate or bid was given with the original inspection report, or thereafter, then the registered company shall not be required to perform a reinspection.

A reinspection shall be an inspection of those items previously listed on an original report to determine if the recommendations have been completed. Each reinspection shall be reported on an original inspection report form and shall be labeled "Reinspection" in capital letters by rubber stamp or typewritten. Each reinspection shall also identify the original report by date and stamp numbers.

After four months from an original inspection, all inspections shall be original inspections and not reinspections.

Any reinspection shall be performed for not more than the price of the registered company's original inspection price and shall be completed within 10 working days after a reinspection has been ordered.

(c) At the time a report is ordered, the registered company or licensee shall inform the person or entity ordering the report, that a separated report is available pursuant to this subdivision. If a separated report is requested at the time the inspection report is ordered, the registered company or licensee shall separately identify on the report each recommendation for corrective measures as follows:

(1) The infestation or infection that is evident.

(2) The conditions that are present that are deemed likely to lead to infestation or infection.

If a registered company or licensee fails to inform as required by this subdivision and a dispute arises, or if any other dispute arises as to whether this subdivision has been complied with, a separated report shall be provided within 24 hours of the request but, in no event, later than the next business day, and at no additional cost.

(d) When a corrective condition is identified, either as paragraph (1) or (2) of subdivision (c), and the responsible party, as negotiated between the buyer and the seller, chooses not to correct those conditions, the registered company or licensee shall not be liable for damages resulting from a failure to correct those conditions or subject to any disciplinary action by the board. Nothing in this subdivision, however, shall relieve a registered company or a licensee of any liability resulting from negligence, fraud, dishonest dealing, other violations pursuant to this chapter,

or contractual obligations between the registered company or licensee and the responsible parties.

(e) The inspection report form prescribed by the board shall separately identify the infestation or infection that is evident and the conditions that are present that are deemed likely to lead to infestation or infection. If a separated form is requested, the form shall explain the infestation or infection that is evident and the conditions that are present that are deemed likely to lead to infestation or infection and the difference between those conditions.

In no event, however, shall conditions deemed likely to lead to infestation or infection be characterized as actual "defects" or as actual "active" infestations or infections or in need of correction as a precondition to issuing a certification pursuant to Section 8519.

(f) The report and any contract entered into shall also state specifically when any guarantee for the work is made, and if so, the specific terms of the guarantee and the period of time for which the guarantee shall be in effect.

(g) Control service is defined as the regular reinspection of a property after a report has been made in compliance with this section and any corrections as have been agreed upon have been completed. Under a control service agreement a registered company shall refer to the original report and contract in a manner as to identify them clearly, and the report shall be assumed to be a true report of conditions as originally issued, except it may be modified after a control service inspection. A registered company is not required to issue a report as outlined in paragraphs (1) to (11), inclusive, of subdivision (b) after each control service inspection. If after control service inspection, no modification of the original report is made in writing, then it will be assumed that conditions are as originally reported. A control service contract shall state specifically the particular wood destroying pests or organisms and the portions of the buildings or structures covered by the contract.

(h) A registered company or licensee may enter into and maintain a control service agreement provided the following requirements are met:

(1) The control service agreement shall be in writing, signed by both parties, and shall specifically include the following:

(A) The wood destroying pests and organisms that could infest and infect the structure.

(B) The wood destroying pests and organisms covered by the control service agreement. Any wood destroying pest or organism that is not covered must be specifically listed.

(C) The type and manner of treatment to be used to correct the infestations or infections.

(D) The structures or buildings, or portions thereof, covered by the agreement, including a statement specifying whether the coverage for purposes of periodic inspections is limited or full. Any exclusions from those described in the original report must be specifically listed.

(E) A reference to the original inspection report and agreement.

(F) The frequency of the inspections to be provided, the fee to be charged for each renewal, and the duration of the agreement.

(G) Whether the fee includes structural repairs.

(H) If the services provided are guaranteed, and, if so, the terms of the guarantee.

(1) A statement that all corrections of infestations or infections covered by the control service agreement shall be completed within six months of discovery, unless otherwise agreed to in writing by both parties.

(2) Inspections made pursuant to a control service agreement shall be conducted by a Branch 3 licensee. Section 8506.1 does not modify this provision.

(3) A full inspection of the property covered by the control service agreement shall be conducted and a report filed pursuant to subdivision (b) at least once every three years from the date that the agreement was entered into, unless the consumer cancels the contract within three years from the date the agreement was entered into.

(4) A written report shall be required for the correction of any infestation or infection unless all of the following conditions are met:

(A) The infestation or infection has been previously reported.

(B) The infestation or infection is covered by the control service agreement.

(C) There is no additional charge for correcting the infestation or infection.

(D) Correction of the infestation or infection takes place within 45 days of its discovery.

(E) Correction of the infestation or infection does not include fumigation.

(5) All notice requirements pursuant to Section 8538 shall apply to all pesticide treatments conducted under control service agreements.

(6) For purposes of this section, "control service agreement" means any agreement, including extended warranties, to have a licensee conduct over a period of time regular inspections and other activities related to the control or eradication of wood destroying pests and organisms.

(i) All work recommended by a registered company, where an estimate or bid for making repairs was given with the original inspection report, or thereafter, shall be recorded on this report or a separate work agreement and shall specify a price for each recommendation. This information shall be provided to the person requesting the inspection, and shall be retained by the registered company with the inspection report copy for three years.

8556. (a) Licensed contractors acting in their capacity as such, may remove and replace any structure or portions of a structure damaged by wood destroying pests or organisms if that work is incidental to other work being performed on the structure involved or if that work has been identified by a structural pest control inspection report. Licensed contractors acting in their capacity as such may apply wood preservatives directly to end cuts and drill holes of pressure treated wood, and to foundation wood as required by building codes, as well as to fencing and decking, by brush, dip, or spray method and need not obtain a license under this chapter for performance of that work, provided a disclosure in the following form is submitted to the customer in writing: "The application of a wood preservative is intended to prevent the establishment and flourishing of organisms which can deteriorate wood. If you suspect

~~pest infestation or infection~~ wood-destroying pests or organisms, contact a registered structural pest control company prior to the application of a wood preservative." These exemptions do not authorize the performance of any other acts defined in Section 8505.

(b) A licensed contractor may contract for the performance of any soil treatment pest control work to eliminate, exterminate, control, or prevent infestations or infections of pests or organisms in the ground beneath or adjacent to any existing building or structure or in or upon any site upon which any building or structure is to be constructed, but the actual performance of any such work must be done by a registered structural pest control company.

8644. Fraud or misrepresentation, after inspection, by any licensee or registered company engaged in pest control work of any ~~infestation or infection of~~ wood-destroying pests or organisms found in property or structures, or respecting any conditions of the structure that would ordinarily subject structures to attack by wood-destroying pests or organisms, whether or not a report was made pursuant to Sections 8516 and 8517 of this code, is a ground for disciplinary action.

Dennis Patzer seconded the motion. The vote was unanimous in favor of the motion

8516. ~~(a) This section, and Section 8519, apply only to wood destroying pests or organisms:~~

~~—(b) No registered company or licensee shall commence work on a contract, or sign, issue, or deliver any documents expressing an opinion or statement relating to the absence or presence of wood destroying pests or organisms until an inspection has been made by a licensed Branch 3 field representative or operator. The address of each property inspected or upon which work is completed shall be reported on a form prescribed by the board and shall be filed with the board no later than 10 business days after the commencement of an inspection or upon completed work.~~

~~—Every property inspected pursuant to this subdivision or Section 8518 shall be assessed a filing fee pursuant to Section 8674.~~

~~—Failure of a registered company to report and file with the board the address of any property inspected or work completed pursuant to Section 8518 or this section is grounds for disciplinary action and shall subject the registered company to a fine of not more than two thousand five hundred dollars (\$2,500).~~

~~—A written inspection report conforming to this section and on a form approved by the board shall be prepared and delivered to the person requesting the inspection or to the person's designated agent within 10 business days of the inspection, except that an inspection report prepared for use by an attorney for litigation purposes is not required to be reported to the board. The report shall be delivered before work is commenced on any property. The registered company shall retain for three years all original inspection reports, filed notes, and activity forms.~~

~~—Reports shall be made available for inspection and reproduction to the executive officer of the board or his or her duly authorized representative during business hours. Original inspection reports or copies thereof shall be submitted to the board upon request within two business days. The following shall be set forth in the report:~~

~~—(1) The date of the inspection and the name of the licensed field representative or operator making the inspection.~~

~~—(2) The name and address of the person or firm ordering the report.~~

~~—(3) The name and address of any person who is a party in interest.~~

~~—(4) The address or location of the property.~~

~~—(5) A general description of the building or premises inspected.~~

~~—(6) A foundation diagram or sketch of the structure or structures or portions of the structure or structures inspected, indicating thereon the approximate location of any infested or infected areas evident, and the parts of the structure where conditions that would ordinarily subject those parts to attack by wood destroying pests or organisms exist.~~

~~—(7) Information regarding the substructure, foundation walls and footings, porches, patios and steps, air vents, abutments, attic spaces, roof framing that includes the eaves, rafters, fascias, exposed timbers, exposed sheathing, ceiling joists, and attic walls, or other parts subject to attack by wood destroying pests or organisms. Conditions usually deemed likely to lead to infestation or infection, such as earth wood contacts, excessive cellulose debris, faulty grade levels, excessive moisture conditions, evidence of roof leaks, and insufficient ventilation are to be reported.~~

~~—(8) One of the following statements, as appropriate, printed in bold type:~~

~~—(A) The exterior surface of the roof was not inspected. If you want the water tightness of the roof determined, you should contact a~~

roofing contractor who is licensed by the Contractors' State License Board.

~~—(B) The exterior surface of the roof was inspected to determine whether or not wood destroying pests or organisms are present.~~

~~—(9) Indication or description of any areas that are inaccessible or not inspected with recommendation for further inspection if practicable. If, after the report has been made in compliance with this section, authority is given later to open inaccessible areas, a supplemental report on conditions in these areas shall be made.~~

~~—(10) Recommendations for corrective measures.~~

~~—(11) Information regarding the pesticide or pesticides to be used for their control as set forth in subdivision (a) of Section 8538.~~

~~—(12) The inspection report shall clearly disclose that if requested by the person ordering the original report, a reinspection of the structure will be performed if an estimate or bid for making repairs was given with the original inspection report, or thereafter.~~

~~—(13) The inspection report shall contain the following statement, printed in boldface type:~~

~~—"NOTICE: Reports on this structure prepared by various registered companies should list the same findings (i.e. termite infestations, termite damage, fungus damage, etc.). However, recommendations to correct these findings may vary from company to company. You have a right to seek a second opinion from another company."~~

~~—An estimate or bid for repairs shall be given separately allocating the costs to perform each and every recommendation for corrective measures as specified in subdivision (c) with the original inspection report if the person who ordered the original inspection report so requests, and if the registered company is regularly in the business of performing corrective measures.~~

~~—If no estimate or bid was given with the original inspection report, or thereafter, then the registered company shall not be required to perform a reinspection.~~

~~—A reinspection shall be an inspection of those items previously listed on an original report to determine if the recommendations have been completed. Each reinspection shall be reported on an original inspection report form and shall be labeled "Reinspection" in capital letters by rubber stamp or typewritten. Each reinspection shall also identify the original report by date and stamp numbers.~~

~~—After four months from an original inspection, all inspections shall be original inspections and not reinspections.~~

~~—Any reinspection shall be performed for not more than the price of the registered company's original inspection price and shall be completed within 10 working days after a reinspection has been ordered.~~

~~—(c) At the time a report is ordered, the registered company or~~

licensee shall inform the person or entity ordering the report, that a separated report is available pursuant to this subdivision. If a separated report is requested at the time the inspection report is ordered, the registered company or licensee shall separately identify on the report each recommendation for corrective measures as follows:

~~—(1) The infestation or infection that is evident.~~

~~—(2) The conditions that are present that are deemed likely to lead to infestation or infection.~~

~~—If a registered company or licensee fails to inform as required by this subdivision and a dispute arises, or if any other dispute arises as to whether this subdivision has been complied with, a separated report shall be provided within 24 hours of the request but, in no event, later than the next business day, and at no additional cost.~~

~~—(d) When a corrective condition is identified, either as paragraph (1) or (2) of subdivision (c), and the responsible party, as negotiated between the buyer and the seller, chooses not to correct those conditions, the registered company or licensee shall not be liable for damages resulting from a failure to correct those conditions or subject to any disciplinary action by the board. Nothing in this subdivision, however, shall relieve a registered company or a licensee of any liability resulting from negligence, fraud, dishonest dealing, other violations pursuant to this chapter, or contractual obligations between the registered company or licensee and the responsible parties.~~

~~—(e) The inspection report form prescribed by the board shall separately identify the infestation or infection that is evident and the conditions that are present that are deemed likely to lead to infestation or infection. If a separated form is requested, the form shall explain the infestation or infection that is evident and the conditions that are present that are deemed likely to lead to infestation or infection and the difference between those conditions.~~

~~—In no event, however, shall conditions deemed likely to lead to infestation or infection be characterized as actual "defects" or as actual "active" infestations or infections or in need of correction as a precondition to issuing a certification pursuant to Section 8519.~~

~~—(f) The report and any contract entered into shall also state specifically when any guarantee for the work is made, and if so, the specific terms of the guarantee and the period of time for which the guarantee shall be in effect.~~

~~—(g) Control service is defined as the regular reinspection of a property after a report has been made in compliance with this section and any corrections as have been agreed upon have been completed. Under a control service agreement a registered company shall refer to~~

the original report and contract in a manner as to identify them clearly, and the report shall be assumed to be a true report of conditions as originally issued, except it may be modified after a control service inspection. A registered company is not required to issue a report as outlined in paragraphs (1) to (11), inclusive, of subdivision (b) after each control service inspection. If after control service inspection, no modification of the original report is made in writing, then it will be assumed that conditions are as originally reported. A control service contract shall state specifically the particular wood destroying pests or organisms and the portions of the buildings or structures covered by the contract.

~~—(h) A registered company or licensee may enter into and maintain a control service agreement provided the following requirements are met:~~

~~—(1) The control service agreement shall be in writing, signed by both parties, and shall specifically include the following:~~

~~—(A) The wood destroying pests and organisms that could infest and infect the structure.~~

~~—(B) The wood destroying pests and organisms covered by the control service agreement. Any wood destroying pest or organism that is not covered must be specifically listed.~~

~~—(C) The type and manner of treatment to be used to correct the infestations or infections.~~

~~—(D) The structures or buildings, or portions thereof, covered by the agreement, including a statement specifying whether the coverage for purposes of periodic inspections is limited or full. Any exclusions from those described in the original report must be specifically listed.~~

~~—(E) A reference to the original inspection report and agreement.~~

~~—(F) The frequency of the inspections to be provided, the fee to be charged for each renewal, and the duration of the agreement.~~

~~—(G) Whether the fee includes structural repairs.~~

~~—(H) If the services provided are guaranteed, and, if so, the terms of the guarantee.~~

~~—(I) A statement that all corrections of infestations or infections covered by the control service agreement shall be completed within six months of discovery, unless otherwise agreed to in writing by both parties.~~

~~—(2) Inspections made pursuant to a control service agreement shall be conducted by a Branch 3 licensee. Section 8506.1 does not modify this provision.~~

~~—(3) A full inspection of the property covered by the control service agreement shall be conducted and a report filed pursuant to subdivision (b) at least once every three years from the date that the agreement was entered into, unless the consumer cancels the~~

contract within three years from the date the agreement was entered into.

~~—(4) A written report shall be required for the correction of any infestation or infection unless all of the following conditions are met:~~

~~—(A) The infestation or infection has been previously reported.~~

~~—(B) The infestation or infection is covered by the control service agreement.~~

~~—(C) There is no additional charge for correcting the infestation or infection.~~

~~—(D) Correction of the infestation or infection takes place within 45 days of its discovery.~~

~~—(E) Correction of the infestation or infection does not include fumigation.~~

~~—(5) All notice requirements pursuant to Section 8538 shall apply to all pesticide treatments conducted under control service agreements.~~

~~—(6) For purposes of this section, "control service agreement" means any agreement, including extended warranties, to have a licensee conduct over a period of time regular inspections and other activities related to the control or eradication of wood destroying pests and organisms.~~

~~—(i) All work recommended by a registered company, where an estimate or bid for making repairs was given with the original inspection report, or thereafter, shall be recorded on this report or a separate work agreement and shall specify a price for each recommendation. This information shall be provided to the person requesting the inspection, and shall be retained by the registered company with the inspection report copy for three years.~~

Moved that John Ellingers draft version be modified as follows:

8516. (a) This section shall apply only to wood destroying pests or organisms.

(b) No registered company or individual shall commence work on a contract, or sign, issue, or deliver any documents expressing an opinion or statement relating to the absence or presence of wood destroying pests or organisms until an inspection has been made by a licensed Branch 3 field representative or operator. All registered companies shall prepare a written inspection report in a consistent manner or style approved by the board. The report shall be prepared and delivered to the person requesting the inspection or to the person's designated agent within 10 business days of the inspection. The report shall be delivered before work is commenced on any property. The following shall be set forth in the report:

(1) The date of the inspection and the name of the licensed field representative or operator making the inspection.

(2) The name and address of the person or firm ordering the report.

- (3) The name and address of any person ~~who is a party in interest~~ the report is sent to.
- (4) The address or location of the property.
- (5) A general description of the building or premises inspected.
- (6) A foundation diagram of the structure or structures or portions of the structure or structures inspected, indicating thereon the approximate location of any infested or infected areas evident, and the parts of the structure where conditions would ordinarily subject those parts to attack by wood destroying pests or organisms exist.
- (7) A written description of findings of wood destroying pests and organisms or evidence thereof, and its approximate locations. Wood destroying pests and organisms ~~may~~ shall include, but are not limited to; decay fungi, beetles, drywood termites, subterranean termites, dampwood termites, carpenter bees, or carpenter ants.
- (8) A written description of findings for conditions usually deemed likely to lead to wood destroying pests and organisms and ~~its~~ their approximate locations. Conditions ~~may~~ shall include, but are not limited to, earth-wood contacts, excessive cellulose debris, faulty grade levels, excessive moisture conditions, evidence of roof leaks, and insufficient ventilation.
- (9) A written description of findings, which indicate or describe any locations that are inaccessible or not inspected with recommendations for further inspection if practical. If authority is given later to open inaccessible areas, a supplemental report on conditions in these areas shall be made.
- (10) Primary recommendations for corrective measures of all findings.
- (11) In addition to the primary recommendation, a secondary recommendation may also be made and shall have a full explanation to the consumer of why they are ~~below industry standards~~ secondary.

8516.1 (a) An estimate or bid for structural repairs shall be given if the person who ordered the inspection report so requests, and if the registered company is regularly in the business of performing ~~corrective measures~~ repairs. When an estimate or bid for making repairs is given it shall be recorded on the report or a separate work agreement and shall include a specific price for each recommendation.

(b) The report and any contract entered into shall also state specifically when any guarantee for the work is made, and if so, the specific terms of the guarantee and the period of time for which the guarantee shall be in effect.

(c) A reinspection shall be an inspection of those items previously reported to determine if the recommendations have been completed. Each reinspection shall be prepared on an inspection report form and shall be labeled as a reinspection. Each reinspection shall also identify the previous report(s) by date. If no estimate or bid was given with the report originally, then the registered company shall not be required to perform a reinspection.

(d) At the time a report is ordered, the registered company or individuals shall inform the person or entity ordering the report, that a separated report is available. If a separated report is requested at the time the inspection report is ordered, the registered company or

licensee shall separately identify on the report each finding and corrective recommendation as follows:

1. The infestation, infection, or damage that is evident shall be listed as a Section 1 finding with appropriate corrective recommendation(s).
2. The conditions that are present that are deemed likely to lead to infestation or infection shall be listed as a Section 2 finding with appropriate corrective recommendation.
3. When a corrective condition is identified, either as a Section 1 or Section 2 finding and corrective recommendations are made, and the responsible parties as negotiated between the buyer and seller, chooses not to correct those conditions, the registered company or licensee shall not be liable for damages resulting from a failure to correct those conditions or subject to any disciplinary action by the board.
4. Nothing in this subdivision, however, shall relieve a registered company or a licensee of any liability resulting from negligence, fraud, dishonest dealing, other violations pursuant to this chapter, or contractual obligations between the registered company or licensees and the responsible parties.
5. The inspection report form prescribed by the board shall separately identify the infestation or infection that is evident and the conditions that are present that are deemed likely to lead to infestation or infection.
6. If a separated report is requested, the report shall explain the infestation or infection that is evident and the conditions that are present that are deemed likely to lead to infestation or infection and the difference between those conditions.
7. In no event, however shall conditions deemed likely to lead to infestation or infection be characterized as actual “defects” or as actual “active” infestations or infections or in need of correction as a precondition to issuing a certification pursuant to Section 8519.
8. If a registered company or licensee fails to inform as required by this subdivision and a dispute arises, or if any other dispute arises as to whether this subdivision has been complied with, a separated report shall be provided within 24 hours of the request but, in no event later than the next business day, and at no additional cost.

8516.2 Inspection reports shall also include the following statements. The registered company shall ~~indicate~~ include ~~on~~ in the report ~~which of the following~~ disclosures that pertain to ~~each specific~~ the property inspected.

1. “The exterior surface of the roof was not inspected. If you want the water tightness of the roof determined, you should contact a roofing contractor who is licensed by the Contractor’s State License Board” or, “The exterior surface of the roof was inspected to determine whether or not wood destroying pests or organisms are present.”
2. “A reinspection of the structure will be performed if an estimate or bid for making repairs was given on the inspection report, or thereafter. ~~This~~ The request must be made within four (4) months. After four months a new inspection shall be

- performed. Any reinspection shall be performed for not more than the price of the registered company's previous inspection and shall be completed within 10 working days after a reinspection has been ordered.
3. Reports on this structure prepared by various registered companies should list the same findings (i.e. termite infestations, termite damage, fungus damage, etc.). However, recommendations to correct these findings may vary from company to company. You have the right to seek a second opinion from another company."
 4. "NOTICE: The charge for service that this company subcontracts to another registered company may include the company's charges for arranging and administering such services that are in addition to the direct costs associated with paying the subcontractor. You may accept this company's bid or you may contract directly with another registered company licensed to perform the work. If you choose to contract directly with another registered company, this firm will not in any way be responsible for ~~a~~ any act or omission in the performance of work that you directly contract with another to perform."
 5. "NOTICE TO OWNER: Under the California Mechanics Lien Law any structural pest control company which contracts to do work for you, any contractor, subcontractor, laborer, supplier or other persons who helps to improve your property, but is not paid for his or her work or supplies, has a right to enforce a claim against your property. This means that after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your structural pest control company in full if the subcontractor, laborers or suppliers remain unpaid. To preserve their right to file a claim or lien against your property, certain claimants such a subcontractors or material suppliers are required to provide you with a document entitled "Preliminary Notice." Prime contractors and laborers for wages do not have to provide this notice. A preliminary Notice is not a lien against your property. Its purpose is to notify you of persons who may have a right to file a lien against your property if they are not paid.
 6. "State law requires that you are given the following information: CAUTION—PESTICIDES ARE TOXIC CHEMICALS. Structural Pest Control Companies are registered and regulated by the Structural Pest Control Board and apply pesticides which are registered and and approved for use by the California Department of Pesticide Regulation and the Environmental Protection Agency. Registration is granted when the state finds that based on existing scientific evidence there are no appreciable risks if proper use conditions are followed or that the risks are outweighed by the benefits. The degree of risk depends upon the degree of exposure, so exposure should be minimized. If within 24 hours following application you experience symptoms similar to common seasonal illness comparable to the flu, contact your physician or poison control center (insert telephone number) and your pest control company immediately. For further information, contact any of the following: Your Pest Control Company (insert telephone number); for Health Questions—the County Health Department (insert telephone number); for Application Information—County Agricultural Commissioner (insert telephone number)and for Regulatory Information—the

Structural Pest Control Board, (insert telephone number and address of the board).”

7. ~~“This inspection is limited to those parts of the structure(s) that are visible and accessible at the time of the inspection. Examples of inaccessible areas include, but are not limited to (1) areas concealed by wall coverings, furniture, furniture, equipment and stored articles and (2) any portion of the structure in which inspection would necessitate removing or defacing any part of the structure.”~~
8. ~~“A building permit may be required for some corrective recommendations outlined in this report.”~~
7. “This is a separated report which is defined as Section 1/Section 2 conditions evident on the date of the inspection. Section 1 contains items where there is visible evidence of active infestation, infection or conditions that have resulted in or from infestation or infection, Section 2 items are conditions deemed likely to lead to infestation or infection but where no visible evidence of such was found. Further inspection items are defined as recommendations to inspect area(s) which during the original inspection did not allow the inspector access to complete the inspection and cannot be defined as Section 1 or Section 2.”

~~8619. (a) An inspection tag shall be posted whenever an inspection for wood destroying pests or organisms is made.~~

~~—(b) If the registered company completes any work with respect to wood destroying pests or organisms, it shall post a completion tag next to the inspection tag.~~

8516.3 ~~4.~~ (a) The address of each property inspected or upon which work is completed shall be reported on a Wood Destroying Organisms ~~Activity Form~~ Inspection and Completion Activity Report Form prescribed by the board and shall be filed with the board no later than 10 business days after the commencement of an inspection or upon completed work. The registered company shall retain for three years all field notes and inspection reports, ~~on paper~~ which are personally signed by the inspector with an original signature or electronic signature. Wood Destroying Organisms ~~Activity Forms~~ Inspection and Completion Activity Reports are also required to be retained for the three-year period. Reports shall be made available for inspection and reproduction to the registrar of the board or his or her duly authorized representative during business hours. Inspection reports or certified copies thereof shall be submitted to the board upon request within two business days.

~~2. ADD SECTION 8618~~

~~3. ADD SECTION 8619~~ (b) An inspection tag shall be posted whenever an inspection for wood destroying pests or organisms is made.

~~3.~~ (c) if the registered company completes and work with respect to wood destroying pests or organisms, it shall post a completion tag next to the inspection tag.

4. (d) Every property inspected pursuant to this subdivision or Section 8518 shall be assessed a filing fee pursuant to Section 8674. Failure of a registered company to report and file with the board the address of any property inspected or work completed pursuant to Section 8518 or this section is grounds for disciplinary action and shall subject the

registered company to a fine of not more than two thousand five hundred dollars (\$2,500) per each violation.

~~5. (e) Any person, whether or not a party to a real estate property transaction, has a right to may request and, upon payment of the a required fee, to obtain directly from the board certified copies of all inspection reports and completion notices prepared and reported on a Wood Destroying Organisms Inspection and Completion Activity Report Form submitted by any registered company during the preceding two years. Notice of this right shall be.~~ This notice shall be prominently disclosed on every inspection report and work completion notice.

~~6. (f) The certified-copy fee required by this chapter shall accompany each request for certified copies made by the board. In return for such fee the board shall prepare and transmit to the requester certified copies of all inspection reports and completion notices filed with the board on the subject property within the preceding two years, except that if a search of the board's records discloses that no inspection report and completion notice has been filed on the property within the preceding two years, the board shall retain the fee as a search fee.~~

(g) An inspection report prepared for use by an attorney for litigation purposes is not required to be reported to the board.

8516.4 (a) Control service is defined as the regular reinspection of a property after a report has been made in compliance with this section and any corrections as have been agreed upon have been completed.

(b) Under a control service agreement a registered company shall refer to the original report and contract in a manner as to identify them clearly, and the report shall be assumed to be a true report of conditions as originally issued, except it may be modified after a control service inspection.

(c) A registered company is not required to issue a report after each control service inspection. If after control service inspection, no modification of the original report is made in writing, then it will be assumed that conditions are as originally reported.

(d) A control service contract shall state specifically the particular wood destroying pests or organisms and the portions of the buildings or structures covered by the contract.

8516.5 A registered company or licensee may enter into an maintain a control service agreement provided following requirements are met:

(a) The control service agreement shall be in writing, signed by both parties, and shall specifically include the following:

1. The wood destroying pests and organisms that could infest and infect the structure.
2. The wood destroying pests and organisms covered by the control service agreement. Any wood destroying pest or organism that is not covered must be specifically listed.
3. The type and manner of treatment to be used to correct the infestations or infections. Type of all-encompassing treatment if included.
4. If all encompassing treatments are not included as part of the agreement the following statement must be included as part of the agreement. "Fumigation and all-encompassing treatments are not included as part of this agreement. If

fumigation or an all-encompassing treatment is deemed necessary during a subsequent inspection additional costs will be incurred by consumer.”

5. The structures or buildings, or portions thereof, covered by the agreement, including a statement specifying whether the coverage for purposes of periodic inspections is limited or full. Any exclusions from those described in the initial report must be specifically listed.
6. A reference to the initial inspection report and agreement.
7. The frequency of the inspections to be provided, the fee to be charged for each renewal, and the duration of the agreement.
8. Whether the fee includes structural repairs.
9. If the services provided are guaranteed, and, if so, the terms of the guarantee.
10. A statement that all corrections of infestations or infections covered by the control service agreement shall be completed within six months of discovery, unless otherwise agreed to in writing by both parties.

(b) Inspections made pursuant to a control service agreement shall be conducted by a Branch 3 field representative or operator licensee. Section 8506.1 does not modify this provision.

(c) A full or limited inspection of the property covered by the control service agreement shall be conducted and a report made at least once every three years from the date that the agreement was entered into, unless the consumer cancels the contract within three years from the date the agreement was entered into.

(c) A written report shall be required for the correction of any infestation or infection unless all of the following conditions are met:

1. The infestation or infection has been previously reported.
2. The infestation or infection is covered by the control service agreement.
3. There is no additional charge for correcting the infestation or infection.
4. Correction of the infestation or infection takes place within 45 days of its discovery.
5. Correction of the infestation or infection does not include fumigation.
6. All notice requirements pursuant to Section 8538 shall apply to all pesticide treatments conducted under control service agreements.

(d) For purposes of this section, “control service agreement,” means any agreement, including extended warranties, to have a license conduct over a period of time regular inspections and other activities related to the control or eradication of wood destroying pests and organisms.