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Fidelity National Title Company

ISSUING OFFICE: 2099 Gateway Place, Suite 100, San Jose, CA 95110

FOR SETTLEMENT INQUIRIES, CONTACT:

Fidelity National Title Company
405 Primrose Road • Burlingame, CA 94010
(650)348-8261 • FAX (650)348-0584

**Another Prompt Delivery From Fidelity National Title Company Title Department
Where Local Experience And Expertise Make A Difference**

PRELIMINARY REPORT

Title Officer: Komar Chan
Title No.: FSMO-3051300886-KC

Escrow Officer: Amy Darius
E-Mail: amy.darius@fnf.com
Escrow No.: FSMO-3051300886

TO: Alain Pinel Realtors
520 S. El Camino Real, Suite 100
San Mateo, CA 94402
Attn: Erica Damelio

PROPERTY ADDRESS(ES): 150 31st Avenue, San Mateo, CA 94402

EFFECTIVE DATE: April 24, 2013 at 07:30AM

The form of policy or policies of title insurance contemplated by this report is:

1. THE ESTATE OR INTEREST IN THE LAND HEREINAFTER DESCRIBED OR REFERRED TO COVERED BY THIS REPORT IS:

Fee Simple

2. TITLE TO SAID ESTATE OR INTEREST AT THE DATE HEREOF IS VESTED IN:

Charlotte Rita Clements, as Trustee of the Charlotte Rita Clements 1989 Trust

3. THE LAND REFERRED TO IN THIS REPORT IS DESCRIBED AS FOLLOWS:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

Read & Approved _____ Date _____

Read & Approved _____ Date _____

EXHIBIT "A"
Legal Description

For APN/Parcel ID(s): 039-397-100

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SAN MATEO, COUNTY OF SAN MATEO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Lot 119, as shown on that certain Map entitled, "MAP OF SUBDIVISION OF BERESFORD PARK NO. 3 (BEING LOT 18 AND A PORTION OF LOTS 16 AND 17, BERESFORD PARK), SAN MATEO COUNTY, CALIFORNIA", filed in the office of the Recorder of the County of San Mateo, State of California on July 28, 1931 in Book 19 of Maps at pages 63 and 64.

JPN 039-039-397-10

AT THE DATE HEREOF, EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

1. Property taxes, which are a lien not yet due and payable, including any assessments collected with taxes to be levied for the fiscal year 2013-2014.
2. The lien of supplemental taxes, if any, assessed pursuant to the provisions of Chapter 3.5 (Commencing with Section 75) of the Revenue and Taxation code of the State of California.
3. Easement(s) for the purpose(s) shown below and rights incidental thereto as delineated or as offered for dedication, on the map of said tract.

Purpose: Public utilities
Affects: The rear 5 feet

4. Covenants, conditions and restrictions in the declaration of restrictions but omitting any covenants or restrictions, if any, including, but not limited to those based upon race, color, religion, sex, sexual orientation, familial status, marital status, disability, handicap, national origin, ancestry, or source of income, as set forth in applicable state or federal laws, except to the extent that said covenant or restriction is permitted by applicable law.

Recorded: June 30, 1936, Book 701, Page 108, of Official Records

Said covenants, conditions and restrictions provide that a violation thereof shall not defeat the lien of any mortgage or deed of trust made in good faith and for value.

5. A deed of trust to secure an indebtedness in the amount shown below,

Amount: \$61,500.00
Dated: November 4, 1993
Trustor/Grantor: Charlotte Rita Clements, an unmarried woman
Trustee: Quality Loan Service Corporation
Beneficiary: Ameristar Financial Services, Inc., a corporation
Recording Date: November 16, 1993
Recording No.: 93197750

By various assignments, the beneficial interest thereunder is now held of record in:

Assignee: Homeside Lending, Inc.
Recording Date: November 16, 1998
Recording No.: 98-188448

6. Any invalidity or defect in the title of the vestees in the event that the trust referred to herein is invalid or fails to grant sufficient powers to the trustee(s) or in the event there is a lack of compliance with the terms and provisions of the trust instrument.

If title is to be insured in the trustee(s) of a trust, (or if their act is to be insured), this Company will require a Trust Certification pursuant to California Probate Code Section 18100.5.

The Company reserves the right to add additional items or make further requirements after review of the requested documentation.

END OF EXCEPTIONS

NOTES

Note 1. Note: The current owner does NOT qualify for the \$20.00 discount pursuant to the coordinated stipulated judgments entered in actions filed by both the Attorney General and private class action plaintiffs, for the herein described Land.

Note 2. Note: There are NO conveyances affecting said Land recorded within 24 months of the date of this report.

Note 3. Note: The Company is not aware of any matters which would cause it to decline to attach CLTA Endorsement Form 116 indicating that there is located on said Land single family dwelling , known as 150 31st Avenue, San Mateo, CA, to an Extended Coverage Loan Policy.

Note 4. Note: Property taxes for the fiscal year shown below are PAID. For proration purposes the amounts were:

Tax ID No.:	039-397-100
Fiscal Year:	2012-2013
1st Installment:	\$1,418.30
2nd Installment:	\$1,418.30
Exemption:	\$7,000.00
Land:	\$81,311.00
Improvements:	\$143,194.00
Personal Property:	\$0.00
Code Area:	12-001

Note 5. The City of San Mateo imposes a transfer tax of \$5.00 per thousand, based on the full value of the property, at the time a Deed or other transfer is recorded. This is in addition to the \$1.10 per thousand County transfer tax.

Note 6. Note: The name(s) of the proposed insured(s) furnished with this application for title insurance is/are:

Name(s) furnished: to follow

If these name(s) are incorrect, incomplete or misspelled, please notify the Company.

Note 7. Your application for title insurance was placed by reference to only a street address or tax identification number. Based on our records, we believe that the legal description in this report covers the parcel(s) of Land that you requested. If the legal description is incorrect, the seller/borrower must notify the Company and/or the settlement company in order to prevent errors and to be certain that the correct parcel(s) of Land will appear on any documents to be recorded in connection with this transaction and on the policy of title insurance.

Note 8. If a county recorder, title insurance company, escrow company, real estate broker, real estate agent or association provides a copy of a declaration, governing document or deed to any person, California law requires that the document provided shall include a statement regarding any unlawful restrictions. Said statement is to be in at least 14-point bold face type and may be stamped on the first page of any document provided or included as a cover page attached to the requested document. Should a party to this transaction request a copy of any document reported herein that fits this category, the statement is to be included in the manner described.

NOTES
(continued)

Note 9. If this company is requested to disburse funds in connection with this transaction, Chapter 598, Statutes of 1989 mandates hold periods for checks deposited to escrow or sub-escrow accounts. The mandatory hold period for cashier's checks, certified checks and teller's checks is one business day after the day deposited. Other checks require a hold period of from two to five business days after the day deposited. In the event that the parties to the contemplated transaction wish to record prior to the time that the funds are available for disbursement (and subject to Company approval), the Company will require the prior written consent of the parties. Upon request, a form acceptable to the company authorizing said early recording may be provided to Escrow for execution.

Wire Transfers

There is no mandated hold period for funds deposited by confirmed wire transfer. The Company may disburse such funds the same day.

Fidelity National Title Company will disburse by Wire (Wire-out) only collected funds or funds received by confirmed Wire (Wire-in). Wiring Instructions for Fidelity National Title Company, are as follows:

Receiving Bank: Wells Fargo
707 Wilshire Blvd., 13th Fl
Los Angeles, CA 90017
ABA Routing No.: 121000248
Credit Account Name: Fidelity National Title Company
Credit Account No.: 4124012493
Escrow No.: [Include applicable Escrow Number]

These wiring instructions are for this specific transaction involving the Title Department of the Fidelity National Title Company. These instructions therefore should not be used in other transactions without first verifying the information with our accounting department. It is imperative that the wire text be exactly as indicated. Any extraneous information may cause unnecessary delays in confirming the receipt of funds.

Note 10. Any documents being executed in conjunction with this transaction must be signed in the presence of an authorized Company employee, an authorized employee of an agent, an authorized employee of the insured lender, or by using Bancserv or other approved third-party service. If the above requirements cannot be met, please call the company at the number provided in this report.

END OF NOTES

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NOTICE

You may be entitled to receive a Twenty And No/100 Dollars (\$20.00) discount on escrow services if you purchased, sold or refinanced residential property in California between May 19, 1995 and November 1, 2002. If you had more than one qualifying transaction, you may be entitled to multiple discounts.

If your previous transaction involved the same property that is subject of your current transaction, you do not have to do anything; the Company will provide the discount, provided you are paying for escrow or title services in this transaction.

If your previous transaction involved property different from the property that is subject of your current transaction, you must - prior to the close of the current transaction - inform the Company of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount.

Unless you inform the Company of the prior transaction on property that is not the subject of this transaction, the Company has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide the Company information concerning a prior transaction, the Company is required to determine if you qualify for a discount which is subject to other terms and conditions.



PRIVACY STATEMENT

Effective Date: May 1, 2008

Order No.: FSMO-3051300886

Fidelity National Financial, Inc. and its subsidiaries ("FNF") respect the privacy and security of your non-public personal information ("Personal Information") and protecting your Personal Information is one of our top priorities. This Privacy Statement explains FNF's privacy practices, including how we use the Personal Information we receive from you and from other specified sources, and to whom it may be disclosed. FNF follows the privacy practices described in this Privacy Statement and, depending on the business performed, FNF companies may share information as described herein.

PERSONAL INFORMATION COLLECTED

We may collect Personal Information about you from the following sources:

- Information we receive from you on applications or other forms, such as your name, address, social security number, tax identification number, asset information, and income information;
- Information we receive from you through our Internet websites, such as your name, address, email address, Internet Protocol address, the website links you used to get to our websites, and your activity while using or reviewing our websites;
- Information about your transactions with or services performed by us, our affiliates, or others, such as information concerning your policy, premiums, payment history, information about your home or other real property, information from lenders and other third parties involved in such transaction, account balances, and credit card information; and
- Information we receive from consumer or other reporting agencies and publicly recorded documents.

DISCLOSURE OF PERSONAL INFORMATION

We may provide your Personal Information (excluding information we receive from consumer or other credit reporting agencies) to various individuals and companies, as permitted by law, without obtaining your prior authorization. Such laws do not allow consumers to restrict these disclosures. Disclosures may include, without limitation, the following:

- To insurance agents, brokers, representatives, support organizations, or others to provide you with services you have requested, and to enable us to detect or prevent criminal activity, fraud, material misrepresentation, or nondisclosure in connection with an insurance transaction;
- To third-party contractors or service providers for the purpose of determining your eligibility for an insurance benefit or payment and/or providing you with services you have requested;
- To an insurance regulatory authority, or a law enforcement or other governmental authority, in a civil action, in connection with a subpoena or a governmental investigation;
- To companies that perform marketing services on our behalf or to other financial institutions with which we have joint marketing agreements and/or
- To lenders, lien holders, judgment creditors, or other parties claiming an encumbrance or an interest in title whose claim or interest must be determined, settled, paid or released prior to a title or escrow closing.

PRIVACY STATEMENT

Effective Date: May 1, 2008

(continued)

We may also disclose your Personal Information to others when we believe, in good faith, that such disclosure is reasonably necessary to comply with the law or to protect the safety of our customers, employees, or property and/or to comply with a judicial proceeding, court order or legal process.

Disclosure to Affiliated Companies:

We are permitted by law to share your name, address and facts about your transaction with other FNF companies, such as insurance companies, agents, and other real estate service providers to provide you with services you have requested, for marketing or product development research, or to market products or services to you. We do not, however, disclose information we collect from consumer or credit reporting agencies with our affiliates or others without your consent, in conformity with applicable law, unless such disclosure is otherwise permitted by law.

Disclosure to Nonaffiliated Third Parties:

We do not disclose Personal Information about our customers or former customers to nonaffiliated third parties, except as outlined herein or as otherwise permitted by law.

CONFIDENTIALITY AND SECURITY OF PERSONAL INFORMATION

We restrict access to Personal Information about you to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard Personal Information.

ACCESS TO PERSONAL INFORMATION / REQUESTS FOR CORRECTION, AMENDMENT, OR DELETION OF PERSONAL INFORMATION

As required by applicable law, we will afford you the right to access your Personal Information, under certain circumstances to find out to whom your Personal Information has been disclosed, and request correction or deletion of your Personal Information. However, FNF's current policy is to maintain customers' Personal Information for no less than your state's required record retention requirements for the purpose of handling future coverage claims.

For your protection, all requests made under this section must be in writing and must include your notarized signature to establish your identity. Where permitted by law, we may charge a reasonable fee to cover the costs incurred in responding to such requests. Please send requests to:

Chief Privacy Officer
Fidelity National Financial, Inc.
601 Riverside Avenue
Jacksonville, FL 32204

CHANGES TO THIS PRIVACY STATEMENT

This Privacy Statement may be amended from time to time consistent with applicable privacy laws. When we amend this Privacy Statement, we will post a notice of such changes on our website. The effective date of this Privacy Statement, as stated above, indicates the last time this Privacy Statement was revised or materially changed.

ATTACHMENT ONE

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
 - land use
 - improvements on the land
 - land division
 - environmental protection

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at policy date.

This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.

2. The right to take the land by condemning it, unless:
 - a notice of exercising the right appears in the public records on the Policy Date
 - the taking happened prior to the Policy Date and is binding on you if you bought the land without knowledge of the taking
3. Title Risks:
 - that are created, allowed, or agreed to by you
 - that are known to you, but not to us, on the Policy Date-unless they appeared in the public records
 - that result in no loss to you
 - that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
4. Failure to pay value for your title.
5. Lack of a right:
 - to any land outside the area specifically described and referred to in Item 3 of Schedule Aor
 - in streets, alleys, or waterways that touch your land

This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

In addition to the Exclusions, you are not insured against loss, costs, attorneys' fees, and the expenses resulting from:

1. Any rights, interests, or claims of parties in possession of the land not shown by the public records.
2. Any easements or liens not shown by the public records. This does not limit the lien coverage in Item 8 of Covered Title Risks.
3. Any facts about the land which a correct survey would disclose and which are not shown by the public records. This does not limit the forced removal coverage in Item 12 of Covered Title Risks.
4. Any water rights or claims or title to water in or under the land, whether or not shown by the public records.

**ATTACHMENT ONE
(CONTINUED)**

**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy; or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

**SCHEDULE B, PART I
EXCEPTIONS FROM COVERAGE**

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

PART I

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (10-17-92)
WITH A.L.T.A. ENDORSEMENT-FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
4. Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
5. Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
6. Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
7. Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or
 - (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**FORMERLY AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (10-17-92)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims, or other matters:
 - (a) created, suffered, assumed or agreed to by the insured claimant;
 - (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy;
 - (c) resulting in no loss or damage to the insured claimant;
 - (d) attaching or created subsequent to Date of Policy, or
 - (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on:
 - (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or
 - (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure:
 - (a) to timely record the instrument of transfer; or
 - (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**2006 AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
 - (a) a fraudulent conveyance or fraudulent transfer; or
 - (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage.

In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the Public Records.

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (10-22-03)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:
 - a. building
 - b. zoning
 - c. Land use
 - d. improvements on Land
 - e. Land division
 - f. environmental protection

This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.

This Exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 18.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 14:	<u>1.00%</u> of Policy Amount or <u>\$2,500.00</u> (whichever is less)	<u>\$10,000.00</u>
Covered Risk 15:	<u>1.00%</u> of Policy Amount or <u>\$5,000.00</u> (whichever is less)	<u>\$25,000.00</u>
Covered Risk 16:	<u>1.00%</u> of Policy Amount or <u>\$5,000.00</u> (whichever is less)	<u>\$25,000.00</u>
Covered Risk 18:	<u>1.00%</u> of Policy Amount or <u>\$2,500.00</u> (whichever is less)	<u>\$5,000.00</u>

**ATTACHMENT ONE
(CONTINUED)**

**CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
EXCLUSIONS**

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
 - a. building;
 - b. zoning;
 - c. land use;
 - d. improvements on the Land;
 - e. land division; and
 - f. environmental protection.

This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.

2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.

This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 16, 18, 19 and 21, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$10,000.00
Covered Risk 18:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 19:	1.00% of Policy Amount Shown in Schedule A or \$5,000.00 (whichever is less)	\$25,000.00
Covered Risk 21:	1.00% of Policy Amount Shown in Schedule A or \$2,500.00 (whichever is less)	\$5,000.00

**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvements now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
- (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without Knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters:
 - (a) created, suffered, assumed or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or
 - (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at:
 - (a) The time of the advance; or
 - (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

**ATTACHMENT ONE
(CONTINUED)**

**ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07/26/10)
EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to
 - (i) the occupancy, use, or enjoyment of the Land;
 - (ii) the character, dimensions, or location of any improvement erected on the Land;
 - (iii) the subdivision of land; or
 - (iv) environmental protection;or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
- (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
 - (a) created, suffered, assumed, or agreed to by the Insured Claimant;
 - (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
 - (c) resulting in no loss or damage to the Insured Claimant;
 - (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
 - (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured mortgage, is
 - (a) a fraudulent conveyance or fraudulent transfer, or
 - (b) a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

Notice of Available Discounts

Pursuant to Section 2355.3 in Title 10 of the California Code of Regulations Fidelity National Financial, Inc. and its subsidiaries ("FNF") must deliver a notice of each discount available under our current rate filing along with the delivery of escrow instructions, a preliminary report or commitment. Please be aware that the provision of this notice does not constitute a waiver of the consumer's right to be charged the filed rate. As such, your transaction may not qualify for the below discounts.

You are encouraged to discuss the applicability of one or more of the below discounts with a Company representative. These discounts are generally described below; consult the rate manual for a full description of the terms, conditions and requirements for such discount. These discounts only apply to transactions involving services rendered by the FNF Family of Companies. This notice only applies to transactions involving property improved with a one-to-four family residential dwelling.

Not all discounts are offered by every FNF Company. The discount will only be applicable to the FNF Company as indicated by the named discount.

FNF Underwritten Title Companies

CTC – Chicago Title Company
CLTC – Commonwealth Land Title Company
FNTC – Fidelity National Title Company
FNTCCA – Fidelity National Title Company of California
TICOR – Ticor Title Company of California
LTC – Lawyer's Title Company

Underwritten by FNF Underwriters

CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
FNTIC – Fidelity National Title Insurance Company
CTIC – Chicago Title Insurance Company
CLTIC – Commonwealth Land Title Insurance Company

Available Discounts

CREDIT FOR PRELIMINARY TITLE REPORTS AND/OR COMMITMENTS ON SUBSEQUENT POLICIES (CTIC, FNTIC)

Where no major change in the title has occurred since the issuance of the original report or commitment, the order may be reopened within 12 to 36 months and all or a portion of the charge previously paid for the report or commitment may be credited on a subsequent policy charge.

FEE REDUCTION SETTLEMENT PROGRAM (CTC, CTIC, CLTC, CLTIC, FNTC, FNTCCA, FNTIC, LTC, TICOR)

Eligible customers shall receive a \$20.00 reduction in their title and/or escrow fees charged by the Company for each eligible transaction in accordance with the terms of the Final Judgments entered in *The People of the State of California et al. v. Fidelity National Title Insurance Company et al.*, Sacramento Superior Court Case No. 99AS02793, and related cases.

DISASTER LOANS (CTIC, CLTIC, FNTIC)

The charge for a Lender's Policy (Standard or Extended coverage) covering the financing or refinancing by an owner of record, within 24 months of the date of a declaration of a disaster area by the government of the United States or the State of California on any land located in said area, which was partially or totally destroyed in the disaster, will be 50% of the appropriate title insurance rate.

CHURCHES OR CHARITABLE NON-PROFIT ORGANIZATIONS (CTIC, FNTIC)

On properties used as a church or for charitable purposes within the scope of the normal activities of such entities, provided said charge is normally the church's obligation the charge for an owner's policy shall be 50% to 70% of the appropriate title insurance rate, depending on the type of coverage selected. The charge for a lender's policy shall be 32% to 50% of the appropriate title insurance rate, depending on the type of coverage selected.

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT


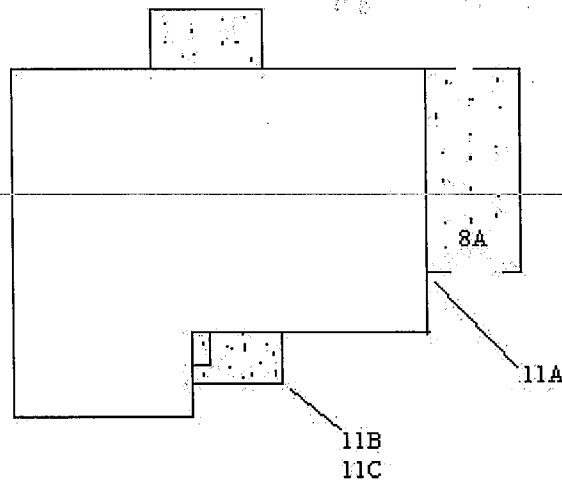
Building No. 150	Street 31st Avenue	City San Mateo	Zip 94403	Date of Inspection 6/24/13	Number of Pages 6
 A & R Termite Control P. O. Box 1262 San Mateo CA 94401 Tel 650-347-9512 Fax 650-343-1436 ARTermite@Comcast.net				Report #: 13-0618 Registration #: PR 0581 Escrow # : <input type="checkbox"/> CORRECTED REPORT	
Ordered by: Erica Damelio Alain Pinel 520 S. El Camino Real San Mateo CA 94402		Property Owner and/or Party of Interest: Charlotte Clements 150 31st Avenue San Mateo CA 94403		Report sent to:	
COMPLETE REPORT <input checked="" type="checkbox"/> LIMITED REPORT <input type="checkbox"/> SUPPLEMENTAL REPORT <input type="checkbox"/> REINSPECTION REPORT <input type="checkbox"/>					
GENERAL DESCRIPTION: ONE STORY FRAME STUCCO SINGLE FAMILY RESIDENCE				Inspection Tag Posted: GARAGE Other Tags Posted:	
An inspection has been made of the structure(s) shown on the diagram in accordance with the Structural Pest Control Act. Detached porches, detached steps, detached decks and any other structures not on the diagram were not inspected.					
Subterranean Termites <input type="checkbox"/> Drywood Termites <input type="checkbox"/> Fungus / Dryrot <input checked="" type="checkbox"/> Other Findings <input checked="" type="checkbox"/> Further Inspection <input type="checkbox"/> If any of the above boxes are checked, it indicates that there were visible problems in accessible areas. Read the report for details on checked items.					

Diagram Not To Scale



Read & Approved _____ Date _____

Read & Approved _____ Date _____

Front

Inspected By: Clifton Williams State License No. FR 22410

Signature: _____

Clifton Williams

You are entitled to obtain copies of all reports and completion notices on this property reported to the Structural Pest Control Board during the preceding two years. To obtain copies contact: Structural Pest Control Board, 1418 Howe Avenue, Suite 18, Sacramento, California, 95825-3204.

NOTE: Questions or problems concerning the above report should be directed to the manager of the company. Unresolved questions or problems with services performed may be directed to the Structural Pest Control Board at (916) 561-8708, (800) 737-8188 or www.pestboard.ca.gov.

43M-41 (Rev. 10/01)

A & R Termite Control

Page 2 of inspection report

150	31st Avenue	San Mateo	CA	94403
Address of Property Inspected		City	State	Zip
6/24/13		13-0618		
Stamp No.	Date of Inspection	Co. Report No.	Escrow No.	

Thank you for selecting our company to perform a structural pest control inspection report on your property. Please take a few moments to read all documents and become familiar with their contents. This report, the work authorization contract, the occupant's chemical notice and any other attachments (if applicable) contain important information regarding the inspection, inspection report and any work to be performed by **A & R TERMITE CONTROL**.

A Wood Destroying Pest & Organism Inspection Report contains findings as to the presence or absence of evidence of wood destroying pests and organisms in visible and accessible areas on the date of inspection, and contains recommendations for correcting any infestations, infections or other adverse conditions found. The contents of these reports are governed by the Structural Pest Control Act and its rules and regulations.

Some areas of the structure are not accessible to inspection, such as the interior of hollow walls, spaces between floors, areas concealed by carpeting, built-in appliances or cabinet work, insulated attics, or portions thereof. Our inspectors do not carry thirty foot ladders on their trucks. Eaves, trim, wood siding, and windows above eleven feet from the ground were not inspected. Infestations or infections may be active in these areas without visible and accessible evidence. If you desire information about areas that were not inspected, a further inspection may be performed upon request and at an additional cost.

THE EXTERIOR SURFACE OF THE ROOF WAS NOT INSPECTED. You should contact a qualified roofing contractor who is licensed by the contractor's State Licensing Board for any recommendations regarding the condition of roof coverings.

IF DURING THE PERFORMANCE OF ANY REPAIRS OR REINSPECTIONS BY THIS COMPANY ANY INFESTATIONS OR INFECTIONS ARE REVEALED THAT WERE NOT EVIDENT AT THE TIME OF OUR ORIGINAL INSPECTION, A SUPPLEMENTAL REPORT WILL BE ISSUED WITH FINDINGS, RECOMMENDATIONS AND FURTHER COST FOR ANY ADDITIONAL CORRECTIONS. No additional work will commence without prior authorization.

Re-inspection. A re-inspection of work done by others will be performed only if requested. Re-inspections must be performed within four months (120 days) from the date of the original inspection. The re-inspection fee will be equal to but not more than the original inspection fee. Depending on our workload, we may not be able to perform re-inspections on short notice, so please plan ahead.

Certification. If certification is desired on work done by **A & R TERMITE CONTROL**, all Section I work must be done within 120 days from the date of the original inspection. If certification is desired on work done by others, a re-inspection must be performed within 120 days from the date of the original inspection. To provide certification, we must re-inspect the areas of repair after all damage has been removed and before the area is closed, covered, or any new material is installed. We will not re-inspect areas that have been closed, covered, or otherwise obscured. To avoid confusion, we advise parties performing repairs to contact us prior to commencing any work requiring certification by this company. We cannot re-inspect and will not certify chemical applications performed by others.

Guarantees. Repairs performed by **A & R TERMITE CONTROL** are guaranteed for a period of one year, with the following exceptions: The resetting of toilets, caulking and grouting, plumbing repairs and resetting and sealing of tub or shower enclosures are guaranteed for 30 days only, as these are owner maintenance areas. Guarantees on termite treatments are limited to the areas treated only. The guarantee covers treatment only and does not include or cover any resultant damage or reimbursement for any other costs. We do not guarantee against future infestations, infections or for conditions present but not evident at the time of our inspection.
A & R TERMITE CONTROL CANNOT GUARANTEE WORK PERFORMED BY OTHERS.

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. Therefore, you have a right to seek a second opinion since there may be alternative methods of correcting the findings listed on this report that may be less costly from another company.

This Wood Destroying Pest & Organisms Report **DOES NOT INCLUDE MOLD** or any mold like conditions. No reference will be made to mold or mold-like conditions. Mold is not a Wood Destroying Organism and is outside the scope of this report as defined by the Structural Pest Control Act. If you wish your property to be inspected for mold or mold like conditions, please contact the appropriate mold professional.

A & R Termite Control

Page 3 of inspection report

150 31st Avenue

Address of Property Inspected

San Mateo

City

CA

State

94403

Zip

6/24/13

13-0618

Stamp No.

Date of Inspection

Co. Report No.

Escrow No.

This company will reinspect repairs done by others within four months of the original inspection. A charge, if any, can be no greater than the original inspection fee for each reinspection. The reinspection must be done within ten (10) working days of request. The reinspection is a visual inspection and if inspection of concealed areas is desired, inspection of work in progress will be necessary. Any guarantees must be received from parties performing repairs.

State Law requires that you be given the following information:

“CAUTION: PESTICIDES ARE TOXIC CHEMICALS. Structural Pest Control Operators are licensed and regulated by the Structural Pest Control Board, and apply pesticides which are registered and approved for use by the California Department of Food and Agriculture and the United States Environmental Protection Agency. Registration is granted when the state finds that based on scientific evidence, there are no appreciable risks weighted by the benefits. The degree of risk depends on 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 and your pest control operator immediately.”

For further information, contact any of the following:

County Health Department (650) 573-2757

County Poison Control Center (800) 622-9885

County Agricultural Commissioner (650) 363-4700

Structural Pest Control Board (916) 920-6323

The pesticides proposed to be used and their active ingredients are:

COPPER NAPHTHENATE 20

☐ Active Ingredients: 20%

Inert Ingredients: 80%

PREMISE 75 (Imidacloprid)

☐ Active Ingredients: 75%

Inert Ingredients: 25%

ZYTHOR or VIKANE (Sulfuryl Fluoride)

☐ Active Ingredients: 99%

Inert Ingredients: 1%

TIMBOR (Disodium Octaborate)

☐ Active Ingredients: 98%

Inert Ingredients: 2%

BAYGON INVADER HPX

(Phenyl Methylcarbamate)

☐ Active Ingredients: 1%

Inert Ingredients: 99%

A & R Termite Control

Page 4 of 6 of Standard Inspection Report

150	31st Avenue	San Mateo	CA	94403
Address of Property Inspected		City	State	Zip
Stamp No.	6/24/13	13-0618	Escrow No.	
Date of Inspection		Co. Report No.		

This is a separated report which is defined in Section I/II conditions evident on the date of the inspection. Section I contains items where there is visible evidence of active infestation, infection or conditions that have resulted in or from infestation or infection. Section II 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 areas which during the original inspection did not allow the inspector access to complete his inspection and cannot be defined as Section I or Section II.

1. SUBSTRUCTURE

1A - FINDING: Moisture stains were noted on the underside of the subfloor at various areas. No evidence of infestation or infection was noted as a result of this condition.

RECOMMENDATION: Owner is advised to keep these areas under observation and have these areas periodically inspected.

1B - FINDING: Some cellulose debris and/or wood scrap was noted on the subarea surface. No evidence of infestation or infection was found at this time.

RECOMMENDATION: Owner is advised to remove and dispose of all cellulose debris and/or wood scrap material.

1C - FINDING: Alkali deposits were noted on the substructure's ratproofing and/or foundation at various areas.

RECOMMENDATION: Owner is advised to contact qualified tradesman for further evaluation, solutions and possible impact of this condition.

2. STALL SHOWER

~~2A - FINDING: The hall bathroom stall shower was water tested and revealed no leakage at this time.~~

RECOMMENDATION: As stall showers are subject to leakage, we recommend that the owner keep the stall shower well sealed, caulked and maintained as part of normal home maintenance and have the stall shower periodically inspected.

8. GARAGE

8A - FINDING: Fungus damage was noted to the base of the garage door jambs at area indicated.

RECOMMENDATION: Cut off the base of the jambs and damaged sections and install raised concrete footings.

8B - FINDING: The garage service door was noted to be in a weathered condition. Probing of the door revealed no outward evidence of infestation or infection at this time.

RECOMMENDATION: Suggest interested parties keep the doors well sealed and caulked in future home maintenance.

10. OTHER INTERIOR

A & R Termite Control

Page 5 of 6 of Standard Inspection Report

150	31st Avenue	San Mateo	CA	94403
Address of Property Inspected		City	State	Zip
Stamp No.	6/24/13	13-0618	Escrow No.	
Date of Inspection		Co. Report No.		

10A - FINDING: Slight deterioration was noted to the paint and sheetrock below the front living room windows.

RECOMMENDATION: Suggest interested parties keep the windows well sealed and caulked in future home maintenance. Should any further information be desired, further inspection could be performed upon request and at an additional charge.

10B - FINDING: Portions of the hardwood floor coverings were noted to be stained, buckled and/or loose at various areas. No indications of damage were evident at this time.

RECOMMENDATION: Owner is advised to contact a qualified floor covering contractor for any necessary repairs and/or corrections.

10C - FINDING: Some shifting and/or settling cracks were noted to the interior. No evidence of infestation or infection was noted as a result of this condition.

RECOMMENDATION: Owner is advised to contact qualified tradesman for further evaluation, solutions and possible impact of this condition.

10D - FINDING: The toilet was noted to be loose in the hall bathroom. No evidence of infestation, infection or leakage was noted as a result of this condition.

RECOMMENDATION: Suggest interested parties reset the toilet on a new wax seal.

11. OTHER EXTERIOR

11A - FINDING: Fungus damage was noted to portions of the rafter tail at the front of the structure.

~~RECOMMENDATION: Remove the roof coverings from above these areas as necessary to facilitate the removal of the damaged material. Remove and replace with new treated materials as necessary. Prime paint exposed areas with one coat of white primer.~~

NOTE: Owner will be responsible for contacting a qualified roofing contractor for patching or replacement of the roof coverings that were removed during the course of these repairs, as this is not included in this cost estimate.

11B - FINDING: Fungus damage was noted to the support post at the front porch.

RECOMMENDATION: Remove the damaged post and replace with a new prime painted post.

11C - FINDING: Fungus damage was noted to the soffit material at the roof overhang at the front porch.

RECOMMENDATION: Remove the damaged material and replace with new prime painted material.

NOTE: Should damage be found to extend into the wood members above the soffit material during the course of these repairs, a supplemental report will be issued outlining our findings and recommendations. The additional work shall be performed at the owner's direction and additional cost.

11D - FINDING: Cracks were noted in the structures exterior stucco at various areas. No

A & R Termite Control

Page 6 of 6 of Standard Inspection Report

150	31st Avenue	San Mateo	CA	94403
Address of Property Inspected		City	State	Zip
6/24/13		13-0618		
Stamp No.	Date of Inspection	Co. Report No.	Escrow No.	

evidence of infestation or infection was noted as a result of this condition.

RECOMMENDATION: Suggest interested parties keep the cracks and stucco well sealed and caulked in future home maintenance.

NOTE: WE DO ALL REPAIRS. We have included a firm cost quote for your repairs. Please consider US to perform all your certified repairs and treatments.

SECTION I, ITEMS # 8A,11A,11B,11C

SECTION II, ITEMS # 1A,1B,1C,2A,8B,10A,10B,10C,10D,11D

A & R Termite Control
P. O. Box 1262 San Mateo CA 94401 650-347-9512
WORK AUTHORIZATION CONTRACT

This is a contract between A & R TERMITE CONTROL, INC., and:

Address of Property: 150 31st Avenue
City: San Mateo
State/Zip: CA 94403
Inspection report dated: 6/24/13 Report number 13-0618

ITEMIZED COST BREAKDOWN (Refer to items on the report for complete descriptions)

8A \$ 210.00
11A 395.00
11B 510.00
11C 430.00

Total \$ 1545.00

ITEMS ON THE REPORT MAY CONTAIN PROVISIONS FOR ADDITIONAL COSTS OVER AND ABOVE THE ORIGINAL ESTIMATE.
Please read the report carefully and completely. Minimum charge for any work is \$180.00

CONDITIONS

1. Time is of the essence in this contract. If A & R TERMITE'S offer is not accepted within 45 days of the date of the report, A & R TERMITE reserves the right to increase prices.
2. If further inspection is recommended, or if additional work is required by any government agency, A & R TERMITE reserves the right to increase prices.
3. Notice to owner of Mechanic Lien: Under the California Mechanics Lien Law, any structural pest control operator who contracts to do work for you and any contractor, subcontractor, laborer, supplier or other person who helps to improve your property, but is not paid for his 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 contractor 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". General 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.
4. In the event that legal action is necessary to enforce the terms of this contract, attorney's fees and cost of suit may be awarded to the prevailing party.
5. Unless otherwise specified, prices quoted for work performed by A & R TERMITE exclude the following: all painting, decorating work or texturing; repair or replacement of wall coverings, carpets, appliances or roof coverings removed to accommodate repair work; replacing or refinishing hardwood floors; any electrical work; any plumbing work; any damage to plant life; and/or any fumigation preparation work.
6. NOTICE: The charge for service that this company subcontracts to another person or entity 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. We subcontract to the Ultratech Division, P.O. Box 610666, San Jose, CA, 95161, (408) 929-5621.
7. TERMS OF PAYMENT: The undersigned owner, owner's agent or other responsible party (hereinafter known as "We") agrees to pay A & R TERMITE CONTROL, INC., the sum of \$ _____ upon issuance of Notice of Work Completed. Accounts are past due thirty days after date of completion. Interest, at the maximum legal rate, will be charged on all past due accounts.
8. We instruct _____, holder of escrow # _____, to pay A & R TERMITE CONTROL, INC., the sum of \$ _____ upon close of escrow. We understand that we are responsible for payment, and if escrow does not close within 60 days of completion of work we will pay A & R TERMITE CONTROL, INC., in full.
9. We authorize A & R TERMITE CONTROL, INC., to perform the following items: _____
_____ for a contract price of \$ _____

I have read this contract and the termite report to which it refers.

NAME OF PERSON RESPONSIBLE:

SIGNED:

(Owner)

SIGNED

(Owner's Agent)

Print Name:

Print Name:

Date:

Date:

PHONE:

PHONE:

NAME OF PERSON CONTACT FOR ACCESS:

HOME PH#:

Notes:

WORK PH#:

Is upgrading or choice of linoleum or tile color desired?

☐ YES

☐ NO

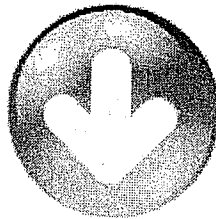
Note: There will be additional charges for special material chosen. If no choice is given, neutral colors and /or standard grades will be installed.

Your Inspection Report



150 31st Ave San Mateo California 94403
Inspected on June 20, 2013 4:00 PM PDT



Thank you for your business!



Read & Approved _____ Date _____

Read & Approved _____ Date _____

Click to view your inspection report!

-  i-inspection, LLC Inspection Agreement
-  CRIEA Residential Standards of Practice



Inspected by: **Greg Shepherd**
630 Palm Ave
Los Altos, CA 94022
(650)5754156
greg_inspector@yahoo.com

www.i-inspection.com

Powered by Tap Inspect

i-inspection, LLC RESIDENTIAL INSPECTION AGREEMENT

This is intended to be a legally binding contract.

SCOPE OF THE INSPECTION: The real estate inspection to be performed for Client is a survey and basic operation of the systems and components of a building which can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may result in damage to the property or personal injury to the Inspector. The purpose of the inspection is to provide the Client with information regarding the general condition of the building(s). Inspector will prepare and provide Client a written report for the sole use and benefit of Client. The written report shall document any material defects discovered in the building's systems and components which, in the opinion of the Inspector, are safety hazards, are not functioning properly, or appear to be at the ends of their service lives. The inspection shall be performed in accordance with the Standards of Practice of the California Real Estate Inspection Association (CREIA), attached hereto and incorporated herein by reference, and is limited to those items specified herein.

CLIENT'S DUTY: Client agrees to read the entire written report when it is received and promptly call Inspector with any questions or concerns regarding the inspection or the written report. The written report shall be the final and exclusive findings of Inspector. Client acknowledges that Inspector is a generalist and that further investigation of a reported condition by an appropriate specialist may provide additional information which can affect Client's purchase decision. Client agrees to obtain further evaluation of reported conditions before removing any investigation contingency and prior to the close of the transaction. In the event Client becomes aware of a reportable condition which was not reported by Inspector, Client agrees to promptly notify Inspector and allow inspector and/or Inspector's designated representative(s) to inspect said condition(s) prior to making any repair, alteration, or replacement. Client agrees that any failure to so notify Inspector and allow inspection is a material breach of this Agreement.

ENVIRONMENTAL CONDITIONS: Client agrees what is being contracted for is a building inspection and not an environmental evaluation. The inspection is not intended to detect, identify, or disclose any health or environmental conditions regarding this building or property, including, but not limited to: the presence of asbestos, radon, lead, urea-formaldehyde, fungi, molds, mildew, PCBs, or other toxic, reactive, combustible, or corrosive contaminants, materials, or substances in the water, air, soil, or building materials. The Inspector is not liable for injury, health risks, or damage caused or contributed to by these conditions.

GENERAL PROVISIONS: The written report is not a substitute for any transferor's or agent's disclosure that may be required by law, or a substitute for Client's independent duty to reasonably evaluate the property prior to the close of the transaction. This inspection Agreement, the real estate inspection, and the written report do not constitute a home warranty, guarantee, or insurance policy of any kind whatsoever. No legal action or proceeding of any kind, including those sounding in tort or contract, can be commenced against Inspector/Inspection Company or its officers, agents, or employees more than one year from the date Client discovers, or through the exercise of reasonable diligence should have discovered, the cause of action. In no event shall the time for commencement of a legal action or proceeding exceed two years from the date of the subject inspection. THIS TIME PERIOD IS SHORTER THAN OTHERWISE PROVIDED BY LAW.

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, successors, and assigns. This Agreement constitutes the entire integrated agreement between the parties hereto pertaining to the subject matter hereof and may be modified only by a written agreement signed by all of the parties hereto. No oral agreements, understandings, or representations shall change, modify, or amend any part of this Agreement. Each party signing this Agreement warrants and represents that he/she has the full capacity and authority to execute this Agreement on behalf of the named party. If this Agreement is executed on behalf of Client by any third party, the person executing this Agreement expressly represents to Inspector that he/she has the full and complete authority to execute this Agreement on Client's behalf and to fully and completely bind Client to all of the terms, conditions, limitations, exceptions, and exclusions of this Agreement.

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

MEDIATION: The parties to this Agreement agree to attend, in good faith, mediation with a retired judge or lawyer with at least 5 years of mediation experience before any lawsuit is filed. All notices of mediation must be served in writing by return receipt requested allowing 30 days for response. If no response is forthcoming the moving party may then demand binding arbitration under the terms and provisions set forth below.

ARBITRATION: Any dispute concerning the interpretation or enforcement of this Agreement, the inspection, the inspection report, or any other dispute arising out of this relationship, shall be resolved between the parties by binding arbitration conducted in accordance with California Law, except that the parties shall select an arbitrator who is familiar with the real estate profession. The parties agree that they shall be entitled to discovery procedures within the discretion of the arbitrator.

The arbitrator shall manage and hear the case applying the laws of the State of California to all issues submitted in the arbitration proceeding. The award of the arbitrator shall be final, and a judgment may be entered on it by any court having jurisdiction. Client acknowledges having read and understood all the terms, conditions, and limitations of this Agreement and voluntarily agrees to be bound thereby and pay fee(s) listed in the inspection report.

CRIEA Residential Standards of Practice - Four or Fewer Units

- Originally Adopted September 13, 1983
- Revised November 1, 1996
- Revised April 15, 1999
- Revised July 12, 2003
- Revised April 15, 2006 — Effective July 1, 2006

Note: *Italicized words* in this document are defined in the Glossary of Terms.

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I. Definitions and Scope

These Standards of Practice provide guidelines for a *real estate inspection* and define certain terms relating to these inspections. *Italicized words* in these Standards are defined in Part IV, Glossary of Terms.

- A. A *real estate inspection* is a survey and basic operation of the systems and components of a building which can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may result in damage to the property or personal injury to the *Inspector*. The purpose of the inspection is to provide the Client with information regarding the general condition of the building(s). Cosmetic and aesthetic conditions shall not be considered.
- B. A *real estate inspection* report provides written documentation of material defects discovered in the inspected building's systems and components which, in the opinion of the *Inspector*, are safety hazards, are not functioning properly, or appear to be at the ends of their service lives. The report may include the *Inspector's* recommendations for correction or further evaluation.
- C. Inspections performed in accordance with these Standards of Practice are not *technically exhaustive* and shall apply to the *primary building* and its associated *primary parking structure*.

II. Standards of Practice

A real estate inspection includes the readily accessible systems and components or a representative number of multiple similar components listed in Sections 1 through 9 subject to the limitations, exceptions, and exclusions in Part III.

1. Foundation, Basement, and Under-floor Areas

A. Items to be inspected:

1. Foundation system
2. Floor framing system
3. Under-floor ventilation
4. Foundation anchoring and cripple wall bracing
5. Wood separation from soil
6. Insulation

B. The inspector is not required to:

1. Determine size, spacing, location, or adequacy of foundation bolting/bracing components or reinforcing systems
2. Determine the composition or energy rating of insulation materials

2. Exterior

A. Items to be inspected:

1. Surface grade directly adjacent to the buildings
2. Doors and windows
3. Attached decks, porches, patios, balconies, stairways, and their enclosures
4. Wall cladding and trim
5. Portions of walkways and driveways that are adjacent to the buildings

B. The inspector is not required to:

1. Inspect door or window screens, shutters, awnings, or security bars
2. Inspect fences or gates or operate automated door or gate openers or their safety devices
3. Use a ladder to inspect systems or components

3. Roof Covering

A. Items to be inspected:

1. Covering
2. Drainage
3. Flashings
4. Penetrations
5. Skylights

B. The inspector is not required to:

1. Walk on the roof surface if in the opinion of the Inspector there is risk of damage or a hazard to the Inspector
2. Warrant or certify that roof systems, coverings, or components are free from leakage

4. Attic Areas and Roof Framing

A. Items to be inspected:

1. Framing
2. Ventilation
3. Insulation

B. The inspector is not required to:

1. Inspect mechanical attic ventilation systems or components
2. Determine the composition or energy rating of insulation materials

5. Plumbing

A. Items to be inspected:

1. *Water supply piping*
2. *Drain, waste, and vent piping*
3. *Faucets and fixtures*
4. *Fuel gas piping*
5. *Water heaters*
6. *Functional flow and functional drainage*

B. The inspector is not required to:

1. *Fill any fixture with water, inspect overflow drains or drain-stops, or evaluate backflow devices, waste ejectors, sump pumps, or drain line cleanouts*
2. *Inspect or evaluate water temperature balancing devices, temperature fluctuation, time to obtain hot water, water circulation, or solar heating systems or components*
3. *Inspect whirlpool baths, steam showers, or sauna systems or components*
4. *Inspect fuel tanks or determine if the fuel gas system is free of leaks*
5. *Inspect wells or water treatment systems*

6. Electrical

A. Items to be inspected:

1. *Service equipment*
2. *Electrical panels*
3. *Circuit wiring*
4. *Switches, receptacles, outlets, and lighting fixtures*

B. The inspector is not required to:

1. *Operate circuit breakers or circuit interrupters*
2. *Remove cover plates*
3. *Inspect de-icing systems or components*
4. *Inspect private or emergency electrical supply systems or components*

7. Heating and Cooling

A. Items to be inspected:

1. *Heating equipment*
2. *Central cooling equipment*
3. *Energy source and connections*
4. *Combustion air and exhaust vent systems*
5. *Condensate drainage*
6. *Conditioned air distribution systems*

B. The inspector is not required to:

1. *Inspect heat exchangers or electric heating elements*
2. *Inspect non-central air conditioning units or evaporative coolers*
3. *Inspect radiant, solar, hydronic, or geothermal systems or components*
4. *Determine volume, uniformity, temperature, airflow, balance, or leakage of any air distribution system*
5. *Inspect electronic air filtering or humidity control systems or components*

8. Fireplaces and Chimneys

A. Items to be inspected:

1. *Chimney exterior*

2. Spark arrestor
3. Firebox
4. Damper
5. Hearth extension

B. The inspector is not required to:

1. Inspect chimney interiors
2. Inspect fireplace inserts, seals, or gaskets
3. Operate any fireplace or determine if a fireplace can be safely used

9. Building Interior

A. Items to be inspected:

1. Walls, ceilings, and floors
2. Doors and windows
3. Stairways, handrails, and guardrails
4. Permanently installed cabinets
5. Permanently installed cook-tops, mechanical range vents, ovens, dishwashers, and food waste disposers
6. Absence of smoke alarms
7. Vehicle doors and openers

B. The inspector is not required to:

1. Inspect window, door, or floor coverings
2. Determine whether a building is secure from unauthorized entry
3. Operate or test smoke alarms or vehicle door safety devices
4. Use a ladder to inspect systems or components

III. Limitations, Exceptions and Exclusions

A. The following are excluded from a real estate inspection:

1. Systems or components of a building, or portions thereof, which are not readily accessible, not permanently installed, or not inspected due to circumstances beyond the control of the Inspector or which the Client has agreed or specified are not to be inspected
2. Site improvements or amenities, including, but not limited to; accessory buildings, fences, planters, landscaping, irrigation, swimming pools, spas, ponds, waterfalls, fountains or their components or accessories
3. Auxiliary features of appliances beyond the appliance's basic function
4. Systems or components, or portions thereof, which are under ground, under water, or where the Inspector must come into contact with water
5. Common areas as defined in California Civil Code section 1351, et seq., and any dwelling unit systems or components located in common areas
6. Determining compliance with manufacturers' installation guidelines or specifications, building codes, accessibility standards, conservation or energy standards, regulations, ordinances, covenants, or other restrictions
7. Determining adequacy, efficiency, suitability, quality, age, or remaining life of any building, system, or component, or marketability or advisability of purchase
8. Structural, architectural, geological, environmental, hydrological, land surveying, or soils-related examinations

9. Acoustical or other nuisance characteristics of any *system* or *component* of a *building*, complex, adjoining property, or neighborhood
 10. Conditions related to animals, insects, or other organisms, including fungus and mold, and any hazardous, illegal, or controlled substance, or the damage or health risks arising there from
 11. Risks associated with events or conditions of nature including, but not limited to; geological, seismic, wildfire, and flood
 12. Water testing any *building*, *system*, or *component* or *determine* leakage in shower pans, pools, spas, or any body of water
 13. *Determining* the integrity of hermetic seals at multi-pane glazing
 14. Differentiating between original construction or subsequent additions or modifications
 15. Reviewing information from any third-party, including but not limited to; product defects, recalls, or similar notices
 16. Specifying repairs/replacement procedures or estimating cost to correct
 17. Communication, computer, security, or low-voltage *systems* and remote, timer, sensor, or similarly controlled *systems* or *components*
 18. Fire extinguishing and suppression *systems* and *components* or *determining* fire resistive qualities of materials or assemblies
 19. Elevators, lifts, and dumbwaiters
 20. Lighting pilot lights or activating or *operating* any *system*, *component*, or *appliance* that is *shut down*, unsafe to *operate*, or does not respond to *normal user controls*
 21. *Operating* shutoff valves or *shutting down* any *system* or *component*
 22. Dismantling any *system*, structure, or *component* or removing access panels other than those provided for homeowner maintenance
- B. The *Inspector* may, at his or her discretion:
1. *Inspect* any *building*, *system*, *component*, *appliance*, or improvement not included or otherwise excluded by these Standards of Practice. Any such *inspection* shall comply with all other provisions of these Standards.
 2. Include photographs in the written report or take photographs for *Inspector's* reference without inclusion in the written report. Photographs may not be used in lieu of written documentation.

IV - Glossary of Terms

Note: All definitions apply to derivatives of these terms when *italicized* in the text.

- **Appliance:** An item such as an oven, dishwasher, heater, etc. which performs a specific *function*
- **Building:** The subject of the *inspection* and its *primary parking structure*
- **Component:** A part of a *system*, *appliance*, *fixture*, or *device*
- **Condition:** Conspicuous state of being
- **Determine:** Arrive at an opinion or conclusion pursuant to a *real estate inspection*
- **Device:** A *component* designed to perform a particular task or *function*
- **Fixture:** A plumbing or electrical *component* with a fixed position and *function*
- **Function :** The normal and characteristic purpose or action of a *system*, *component*, or *device*
- **Functional Drainage:** The ability to empty a plumbing *fixture* in a reasonable time
- **Functional Flow:** The flow of the water supply at the highest and farthest *fixture* from the *building* supply shutoff valve when another *fixture* is used simultaneously
- **Inspect:** Refer to Part I, "Definition and Scope", Paragraph A
- **Inspector:** One who performs a *real estate inspection*

- Normal User Control:** Switch or other *device* that activates a *system* or *component* and is provided for use by an occupant of a *building*
- Operate:** Cause a *system*, *appliance*, *fixture*, or *device* to *function* using *normal user controls*
- Permanently Installed:** Fixed in place, e.g. screwed, bolted, nailed, or glued
- Primary Building :** A *building* that an *Inspector* has agreed to *inspect*
- Primary Parking structure:** A *building* for the purpose of vehicle storage associated with the *primary building*
- Readily Accessible:** Can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may harm persons or property
- Real Estate Inspection:** Refer to Part I, "Definitions and Scope", Paragraph A
- Representative Number:** Example, an average of one *component* per area for multiple similar *components* such as windows, doors, and electrical outlets
- Safety Hazard:** A *condition* that could result in significant physical injury
- Shut Down:** Disconnected or turned off in a way so as not to respond to *normal user controls*
- System:** An assemblage of various *components* designed to *function* as a whole
- Technically Exhaustive:** Examination beyond the scope of a *real estate inspection*, which may require disassembly, specialized knowledge, special equipment, measuring, calculating, quantifying, testing, exploratory probing, research, or analysis



630 Palm Ave
Los Altos, CA 94022
(650)5754156

www.i-inspection.com

greg_inspector@yahoo.com

Inspected By: Greg Shepherd



Home Inspection Report

Prepared For:

Property Address:

150 31st Ave San Mateo California 94403

Inspected on Thu, Jun 20 2013 at 4:00 PM

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A home inspection is primarily visual and done in a limited time. Not every defect will be discovered. This inspection and report were performed according to the Residential Standards of Practice of the California Real Estate Inspection Association (CREIA). A copy of those standards are attached here and are an integral part of the report. Please read these standards and the full report.

This home was inspected visually. The inaccessible parts of the home, such as, inside the walls, or the internal components of equipment or fixtures which would require disassembly to inspect are beyond the scope of this inspection. The evaluation of the home and its systems to Building Code standards are specifically beyond the scope of this inspection. The structure and systems are inspected for visual damage and function at the time of the inspection. It is also possible that latent defects may exist which could not be visually detected at the time of the inspection and may eventually impair function in the future.

The identification or evaluation of potential hazardous materials such as chemical toxins, mold, lead paint, asbestos, and other hazardous materials in the home or on the grounds are specifically beyond the scope of this inspections and are beyond the expertise of the INSPECTOR. I recommend consulting with Hazardous Materials specialists or Industrial Hygienists if such inspections or evaluations are desired.

I recommend a permit search be performed on all houses I inspect where any remodeling has taken place (no permit research was requested). Please be sure to read the inspection agreement and the enclosed copy of the Residential Standards of Practice of the California Real Estate Inspection Association, which delineate the areas and items that we inspect and those which are excluded. A signed copy of the inspection agreement must be returned to the inspector to be covered by our warranty or guarantee regarding its contents. As with most other houses in this area, drainage control is an important element in ongoing maintenance of the house. The condition of the drainage and sub area of the house is described as it existed at the time of the inspection. The items recommended in the report have been shown from our experience as property inspectors to be of help in this problem, and we urge the recommendations be followed. Certain drainage conditions can only be detected by the long run occupancy of the house, and I recommend the seller be consulted regarding any unusual or seasonal conditions. The owners should be consulted to see if other conditions exist during other times of the year. This report is not to be considered a bidding document for repairs, and contractors doing so will be doing so at their own risk. We recommend that all conditions be verified in the field. Please read through this entire report, and call if you have any questions.

Sincerely,

Greg M. Shepherd

Invoice

i-inspection, LLC.
630 Palm Avenue
Los Altos, CA 94022
650-575-4156

Inspection Service Fee:

\$400.00

Payment:

Please mail your check to: i-inspection, LLC at 630
Palm Avenue, Los Altos, CA. 94022

Thank you for selecting us to perform your inspection!

Inspection Agreement

Parties To The Agreement:

The inspection contract has not been signed. As such this report is for information only. No warranty as to its contents is implied. Reliance upon the information in this report in making a purchase decision is at the purchasers risk.

(Inspection Agreement continued)

i-inspection, LLC RESIDENTIAL INSPECTION AGREEMENT

This is intended to be a legally binding contract.

SCOPE OF THE INSPECTION: The real estate inspection to be performed for Client is a survey and basic operation of the systems and components of a building which can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may result in damage to the property or personal injury to the Inspector.

The purpose of the inspection is to provide the Client with information regarding the general condition of the building(s). Inspector will prepare and provide Client a written report for the sole use and benefit of Client. The written report shall document any material defects discovered in the building's systems and components which, in the opinion of the Inspector, are safety hazards, are not functioning properly, or appear to be at the ends of their service lives. The inspection shall be performed in accordance with the Standards of Practice of the California Real Estate Inspection Association (CREIA), attached hereto and incorporated herein by reference, and is limited to those items specified herein.

CLIENT'S DUTY: Client agrees to read the entire written report when it is received and promptly call Inspector with any questions or concerns regarding the inspection or the written report. The written report shall be the final and exclusive findings of Inspector.

Client acknowledges that Inspector is a generalist and that further investigation of a reported condition by an appropriate specialist may provide additional information which can affect Client's purchase decision. Client agrees to obtain further evaluation of reported conditions before removing any investigation contingency and prior to the close of the transaction. In the event Client becomes aware of a reportable condition which was not reported by Inspector, Client agrees to promptly notify Inspector and allow inspector and/or Inspector's designated representative(s) to inspect said condition(s) prior to making any repair, alteration, or replacement. Client agrees that any failure to so notify Inspector and allow inspection is a material breach of this Agreement.

ENVIRONMENTAL CONDITIONS: Client agrees what is being contracted for is a building inspection and not an environmental evaluation. The inspection is not intended to detect, identify, or disclose any health or environmental conditions regarding this building or property, including, but not limited to: the presence of asbestos, radon, lead, urea-formaldehyde, fungi, molds, mildew, PCBs, or other toxic, reactive, combustible, or corrosive contaminants, materials, or substances in the water, air, soil, or building materials. The Inspector is not liable for injury, health risks, or damage caused or contributed to by these conditions.

(Inspection Agreement continued)

GENERAL PROVISIONS: The written report is not a substitute for any transferor's or agent's disclosure that may be required by law, or a substitute for Client's independent duty to reasonably evaluate the property prior to the close of the transaction. This inspection Agreement, the real estate inspection, and the written report do not constitute a home warranty, guarantee, or insurance policy of any kind whatsoever. No legal action or proceeding of any kind, including those sounding in tort or contract, can be commenced against Inspector/Inspection Company or its officers, agents, or employees more than one year from the date Client discovers, or through the exercise of reasonable diligence should have discovered, the cause of action. In no event shall the time for commencement of a legal action or proceeding exceed two years from the date of the subject inspection. **THIS TIME PERIOD IS SHORTER THAN OTHERWISE PROVIDED BY LAW.**

This Agreement shall be binding upon and inure to the benefit of the parties hereto and their heirs, successors, and assigns. This Agreement constitutes the entire integrated agreement between the parties hereto pertaining to the subject matter hereof and may be modified only by a written agreement signed by all of the parties hereto. No oral agreements, understandings, or representations shall change, modify, or amend any part of this Agreement. Each party signing this Agreement warrants and represents that he/she has the full capacity and authority to execute this Agreement on behalf of the named party. If this Agreement is executed on behalf of Client by any third party, the person executing this Agreement expressly represents to Inspector that he/she has the full and complete authority to execute this Agreement on Client's behalf and to fully and completely bind Client to all of the terms, conditions, limitations, exceptions, and exclusions of this Agreement.

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

MEDIATION: The parties to this Agreement agree to attend, in good faith, mediation with a retired judge or lawyer with at least 5 years of mediation experience before any lawsuit is filed. All notices of mediation must be served in writing by return receipt requested allowing 30 days for response. If no response is forthcoming the moving party may then demand binding arbitration under the terms and provisions set forth below.

ARBITRATION: Any dispute concerning the interpretation or enforcement of this Agreement, the inspection, the inspection report, or any other dispute arising out of this relationship, shall be resolved between the parties by binding arbitration conducted in accordance with California Law, except that the parties shall select an arbitrator who is familiar with the real estate profession. The parties agree that they shall be entitled to

(Inspection Agreement continued)

discovery procedures within the discretion of the arbitrator.

The arbitrator shall manage and hear the case applying the laws of the State of California to all issues submitted in the arbitration proceeding. The award of the arbitrator shall be final, and a judgment may be entered on it by any court having jurisdiction.

Client acknowledges having read and understood all the terms, conditions, and limitations of this Agreement and voluntarily agrees to be bound thereby and pay fee(s) listed in the inspection report.

CREA Residential Standards Of Practice

Inspection & Reporting Standards: This inspection was performed to the Standards of the California Real Estate Inspection Association. A copy of those standards are available as an attachment to this report and at www.CREIA.org.

General

Occupied:	No
Furnished:	No
Weather:	Sunny
Temperature:	Cool
Soil Condition:	Dry
People Present:	None

Roof & Chimneys

INSPECTION CRITERIA

The visible condition of the roof covering, flashings, skylights, chimneys and roof penetrations are inspected. Roofs are generally inspected by walking on the roof which allows the entire surface to be closely visually examined. Certain circumstances prevent the possibility of walking on the roof. These include, where the roof is too high, too steep, wet, or made a material that would be damaged by walking on it. In cases where the roof cannot be walked on, it is advised to have it inspected by a licensed roofing professional. The roofing material is inspected for damage, wear, or defects in manufacturing or installation. Roof flashings, gutters, drainage systems, and penetrations are also reviewed for their condition and appropriateness to the installation. It is important to note that the roof is inspected for its condition at the time of the inspection. It is not usually possible to determine if a roof will leak in the future.

Chimneys , if any, are also inspected and pressure tested to determine if they are stable and in serviceable condition. A pressure test generally exposes all but the most subtle fractures. However, it is not an absolute test.

The purpose of the inspection is to determine general condition, NOT to determine life expectancy.

All of the listed components were found to be in functional condition unless specifically commented on below.

Inspection Method:

Walking on the roof surface

Roofing Material:

Composition shingles: This material is composed of tar saturated fiberglass with a granular protectant covering. Expected lifespan is between 30 to 50 years with minimal maintenance., The roofing material appears to be in functional condition with no evidence of premature aging.

Flashing Material:

Metal, No issues.

Skylights:

Not Present

Ventilation Present:

Roof vents, Eave vents, Roof ventilation appears to be adequate to prevent condensation damage.

Gutter & Downspout Material:

Metal, The roof drains while showing some debris and minor corrosion are in functional condition.

Leaders/Extension:

Leaders, It is good maintenance to keep these drains clear.

Chimneys:

Masonry, The chimney moved when a pressure test was applied. This could indicate a broken chimney.

(Roof & Chimneys continued)



Comment 1:

The chimney moves at the roofline when pressure is applied. This indicates a fracture in the unreinforced masonry. Evaluation by a licensed mason is recommended to provide repair or replacement costs.

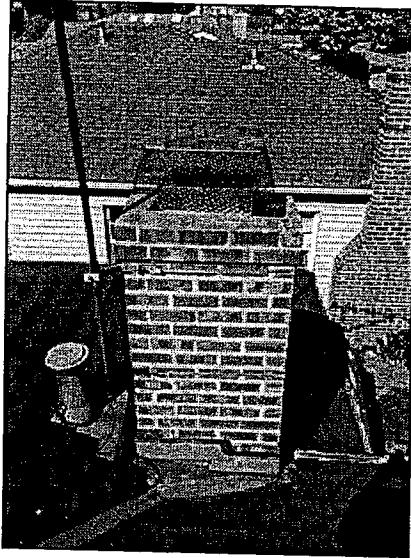


Figure 1-1



Comment 2:

There are no gutters on the left side of the building. I recommend upgrading to complete gutter coverage to better control rainwater.

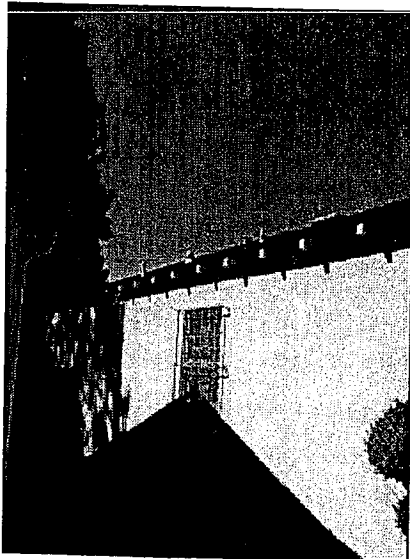


Figure 2-1

(Roof & Chimneys continued)

MAINTENANCE SUGGESTIONS

The roof vents protude through a flashing called a "Roof Jack". The joint should be sealed with mastic, tape, or a rubber collar to prevent rain water from dripping down the vent pipe and causing damage to the attic insulation, or walls. This is a maintenance item that should be checked each year prior to the first rains.

It is good maintenance to check the roof and drainage system annually to make sure it is clear of debris. I recommend cleaning gutters and roof drains now and every year before the rainy season to control roof water run off. The installation of gutter screens will help minimize clogging. These efforts will help maximize the life of the systems and protect the home and from water damage.

Lots & Grounds

INSPECTION CRITERIA

The grounds are inspected for their safety and impact on the house. Grading and drainage are evaluated with respect to how rain and site water might effect the foundation. Complete analysis of the site is not within the scope of this inspection and can only be performed by a licensed professional engineer. Retaining walls and vegetation are checked for their impact on the building. Fencing is generally a shared expense with neighbors and is not evaluated as part of this inspection.

All of the listed components were found to be in functional condition unless specifically commented on below.

Driveways:	Concrete, General cracking noted, No unsafe conditions noted.
Walkways & Patios:	Concrete, Normal cracking observed.
Decking:	Not Present
Grading & Drainage:	Standard city lot, Drains to the rear
Landscaping:	Typical, No impact on the building.
Retaining Walls:	Not Present

(Lots & Grounds continued)



Comment 3:

Potential tripping hazard noted at the back patio.. I recommend blending the edges to prevent injuries.

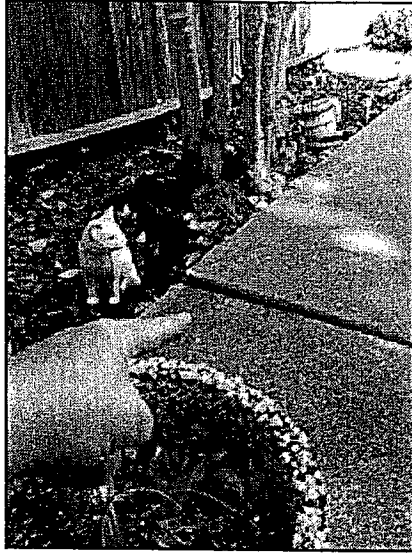


Figure 3-1

MAINTENANCE SUGGESTIONS

Monitor your property during periods of rainy weather for pooling of rainwater. It is important to keep the soils around the foundation as dry as possible to maintain the stability of the soils supporting the home.

Vines growing on a home will have the potential to damage the siding and roof structure. Good home maintenance will include keeping vegetation pruned away from the structure.

Building Exterior

INSPECTION CRITERIA

The exterior, the exterior wall coverings, flashings, and trims as well as the eaves, soffits, and fascias, where accessible from ground level. The exterior doors and windows, and their respective operating hardware.

All of the listed components were found to be in functional condition unless specifically commented on below.

Exterior Covering:

Stucco, Minor stucco cracks were observed. These are considered normal for stucco finishes in this area., The stucco coating extends into the soil. This is a practice that is no longer used., The exterior materials were found to be in functional condition with adequate paint coverage.

Exterior Trim & Eave Materials:

Wood, No significant deterioration was found. See the Pest Control report for findings on wood destroying organisms.



Comment 4:

Possible wood decay was noted at the front porch post. Please see the pest control report for details and recommendations.

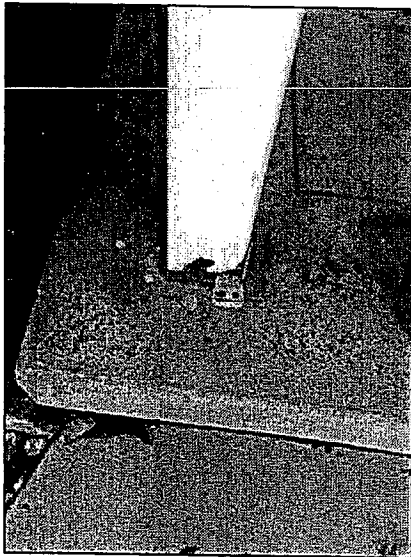


Figure 4-1

(Building Exterior continued)



Comment 5:

Repainting the use is recommended to protect the wood.

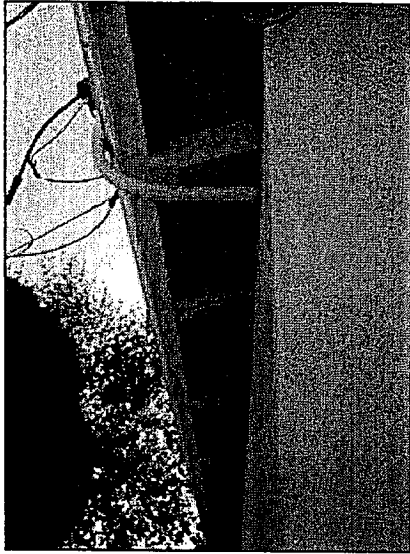


Figure 5-1



Comment 6:

Evidence of water penetration was noted above the entry. Evaluation by pest control and a licensed roofing contractor is recommended.

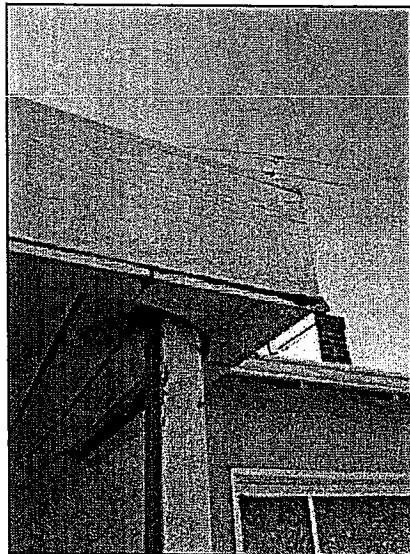


Figure 6-1

(Building Exterior continued)



Comment 7:

The window coverings prevent safe egress in the event of a fire. I recommended removing these metal coverings.

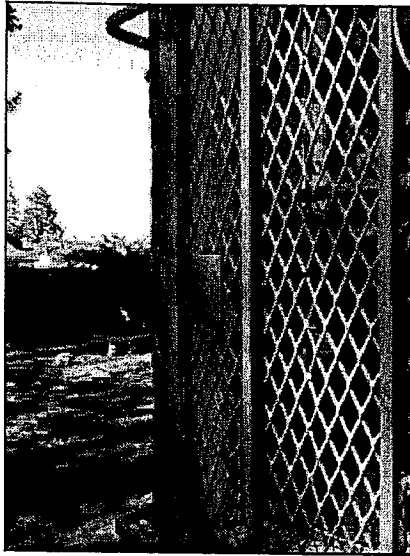


Figure 7-1

Garage

INSPECTION CRITERIA

I have inspected the garage structure, floor slab / foundation, firewalls, access doors, electrical systems and any permanently installed structures for function in safety. The inspector is not required to open walls and move personal belongings to access hidden areas of the garage.

All of the listed components were found to be in functional condition unless specifically commented on below.

Number Of Spaces:	1
Vehicle Door Type:	Overhead, Function normal with no structural damage
Mechanical Opener:	Yes, Light beam safety installed
Service Doors:	Operating within normal parameters
House Entry Door:	Non-fire rated, I recommend upgrading to a self closing fire rated door for fire safety.
Garage Floor:	Concrete, Minor typical cracking was observed. No significant defects were noted.

(Garage continued)



Comment 8:

Deteriorated wood was noted at the garage door jambs. Please see the pest control report for details and recommendations.



Figure 8-1

Electrical

INSPECTION CRITERIA

The inspector can not inspect hidden wiring or confirm that the system meets current National Electric Code requirements. A representative number of outlets, switches and fixtures are tested for operation.

I have inspected the service drop, the visible service entrance conductors, cables, and raceways, the service equipment and main disconnects, the visible service grounding, the interior components of service panels and sub panels, the conductors, the over-current protection devices, a representative number of installed lighting fixtures, switches, and receptacles, and the ground fault circuit interrupters. The inspector is NOT required to inspect the remote control devices unless the device is the only control device, the alarm systems and components, the low voltage wiring, systems and components, the ancillary wiring, systems and components not a part of the primary electrical power distribution system, or measure amperage, voltage, or impedance.

All of the listed components were found to be in functional condition unless specifically commented on below.

Type of Service:	Overhead
Service Panel Location:	Front of the house
Main Disconnect Location:	Service Panel
Service Voltage:	220 volts
Service Amperage:	60 amp buss fuses
Subpanel Locations:	Garage, Service entrance
Over Current Devices:	Fuses
Wiring Method:	Knob and Tube, Copper, Romex, Conduit, The majority of the circuits are ungrounded. This is typical for homes of this age.
GFCI Locations:	None, We recommend Ground-Fault protection for all outlets in wet or exterior locations.
Smoke Detectors Present:	Partial, Recommended in the hallway and in each bedroom, Install prior to close of escrow.
Carbon Monoxide Alarm Present?:	No, Now required by law. A CO alarm should be installed on each level of the house near any sleeping areas.

(Electrical continued)



Comment 9:

The fuse size is too large for the wire gauge used. The number of circuits are inadequate for the home. This is an older fuse based panel. These panels are no longer considered safe. I highly recommend upgrading to modern breaker based equipment.



Figure 9-1



Comment 10:

Exposed wiring was noted at the center rear of the property. This wire should be in conduit.

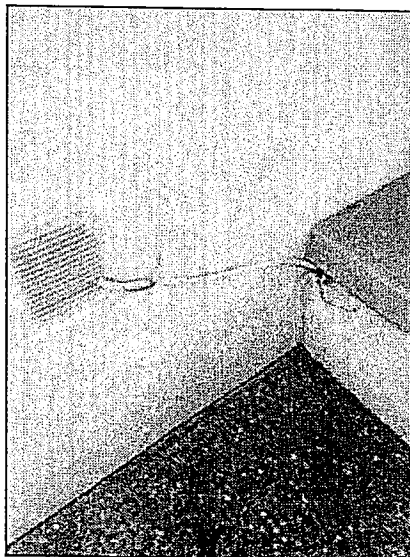


Figure 10-1

(Electrical continued)



Comment 11:

3 prong outlets were installed on ungrounded circuits. Although this is common in older homes, grounding of 3 prong outlets is recommended for safety.



Comment 12:

This electric panel is made by a company called Federal Pacific. These panels were not for design flaws and fires. I recommend these panels be upgraded to more modern equipment for safety.



Figure 12-1

(Electrical continued)



Comment 13:

Open junction box in the attic. Cap for safety.



Figure 13-1

MAINTENANCE SUGGESTIONS

I recommend verifying / completing the panel label prior to occupying the home.

Outlet and switch cover-plates should be kept in place for electrical safety. I recommend installing them if they are missing.

GFCI protection is recommended in kitchens, bathrooms, laundry, garages, and outside.

Plumbing

INSPECTION CRITERIA

The plumbing system is inspected visually and by operating a representative number of fixtures. Private water and waste systems are beyond the scope of a home inspection.

All of the listed components were found to be in functional condition unless specifically commented on below.

Location of Water Shutoff:	Front of the house, Normal operation with no leaks
Location of Gas Shutoff:	Right front corner
Water Pipe Material:	Copper, No leaks, excessive corrosion, or low pressure was found., Old abandoned galvanized pipes were found under the house.
Gas Pipe Material:	Black pipe & Galvanized steel pipe, No deficiencies were found.
Waste Pipe Material:	ABS Plastic, Cast Iron, Galvanized Steel, No leaks or excessive corrosion noted, No leakage noted.
Location of Water Heater(s):	Garage, Strapping needs improvement for earthquake safety. See the homeowners guide to earthquake safety and local building officials for compliance details., 15 years old, This water heater is nearing the end of its useful life. I recommend budgeting for its replacement.
Water Heater Fuel:	Natural Gas
Water Heater Capacity:	40 gal

(Plumbing continued)



Comment 14:

Per Water Heater Health And Safety Code Section 19211. (a) "All new and replacement water heaters and all existing residential water heaters shall be braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion." The current bracing does not meet these requirements. I recommend the use of the packaged kits available at local hardware stores. These kits have all the instructions and components needed to comply with California law.

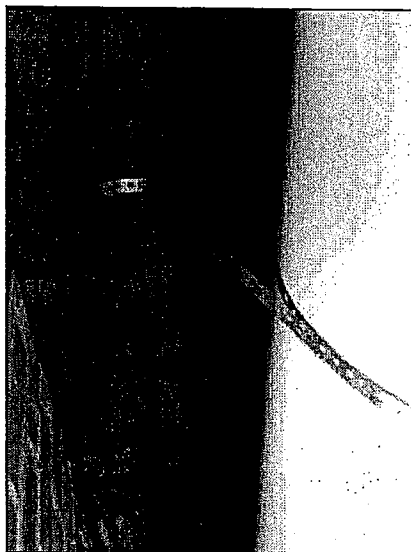


Figure 14-1

(Plumbing continued)



Comment 15:

The pressure relief valve drain tube should be terminated within 6 inches of the floor or to the exterior of the building for safe discharge.

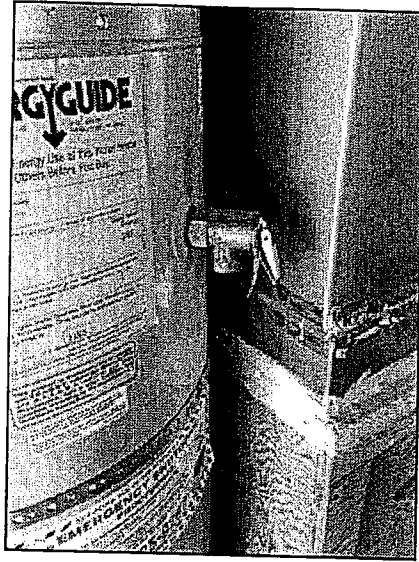


Figure 15-1



Comment 16:

The burn marks on the water heater connectors indicates poor drafting of the flue.

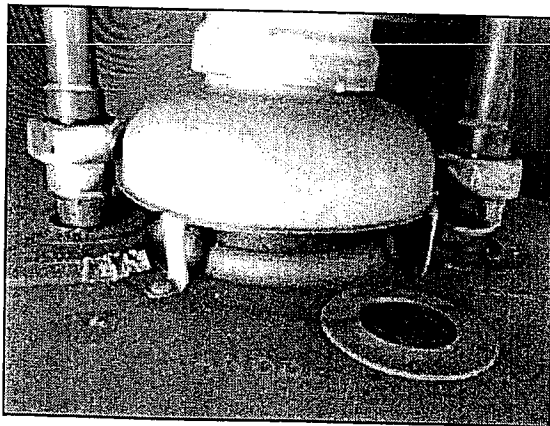


Figure 16-1

MAINTENANCE SUGGESTIONS

I recommend attaching an earthquake gas meter wrench so the gas may easily be turned off in case of an emergency.

Heating

INSPECTION CRITERIA

The heating system is inspected visually and operated by normal controls to determine general condition NOT life expectancy. The capacity or adequacy of the heating system is beyond the scope of a home inspection. A licensed HVAC contractor should be consulted if in question.

Please Note: The inside of the heat exchanger is not within the scope of this inspection (see the ASHI Standards attached). You may wish to consult with a heating and air conditioning contractor for a full inspection of the heat exchanger.

All of the listed components were found to be in functional condition unless specifically commented on below.

Location Of System(s):	Garage, The unit responded normally, no fame distortion was observed., Newer system
Energy Source:	Gas
Type of Equipment:	Forced Air
Type of Distribution:	Metal Ducting, Possible asbestos insulation on the ductwork

MAINTENANCE SUGGESTIONS

Dirty furnace filters reduce heating and cooling efficiency and lower indoor air quality. A single good quality filter which should be changed each season will help maximize function.

Kitchen

INSPECTION CRITERIA

The kitchen was inspected for the functionality of its installed plumbing, electrical, cabinetry, finishes, and appliances. Cosmetic defects are not included in this inspection.

This is a cursory evaluation of the specified appliances for general function and condition. The accuracy or operation of timers, temperature or power level controls is beyond the scope of this inspection. Refrigerators and compactors are not tested as part of this inspection. Dishwashers are run through a rinse cycle to test for leaks. Microwave ovens are not tested as part of this inspection.

All of the listed components were found to be in functional condition unless specifically commented on below.

Components Installed:	Dishwashers, Food Disposer, Range, Range Vent, The appliances responded normally to the controls. No temperature testing was performed.
Cooking Appliance Fuel:	Gas
Ventilation Type:	Exhaust
Cabinetry:	Wood, No structural damage noted.
Counters:	Tile, The counters appear to be in functional condition. We do not inspect for cosmetic damage.
Plumbing:	Sinks & Traps, No leaking noted

MAINTENANCE SUGGESTIONS

Monitor under the sinks for leaks and excessive corrosion. Caulk around the rim and rear of the counters to provide a better water seal.
Test GFCI outlets monthly for proper function.

Bathrooms

INSPECTION CRITERIA

All of the listed components were found to be in functional condition unless specifically commented on below.

Number Of Bathrooms:	1
Cabinets:	Wood, The cabinets appear to be structurally sound with no significant defects.
Sink/Plumbing:	No leaks or damage
Tubs:	Coated metal, No repairs needed.

(Bathrooms continued)

Showers:	Tile , No damage or malfunction found.
Toilets:	Low flow
Ventilation:	Windows, Function normal.



Comment 17:

The toilet is loose at the floor and will need to be reset and sealed to prevent water damage.



Figure 17-1

MAINTENANCE SUGGESTIONS

Monitor under the sinks for leaks and excessive corrosion. I recommend removing & replacing the old caulking every 6 months to keep showers and tub enclosures sealed. Caulk around the rim and rear of the counters to provide a better water seal.

Note: second floor spa tubs are not filled and tested to avoid possible water damage.

Laundry Facilities

INSPECTION CRITERIA

The laundry facility was inspected for proper hookups and safe discharge of water and dryer exhaust. Testing the washer and dryer are beyond the scope of this inspection.

Note: Valves are not operated as part of this inspection, any reference to any valve inspected is visual only unless otherwise noted. There are devices on the market which will detect any leakage at the washer and shut off the valves to prevent water damage. I highly recommend one of these devices be installed. Alternately, be sure to shut off the washer valves when not actively running the washing machine.

All of the listed components were found to be in functional condition unless specifically commented on below.

Washer Hose Bibs:

Gate valves, I recommend the installation of solenoid actuated washing machine valves to prevent flooding damage. This website link can provide additional details -

<http://media.wattswater.com/1911430.pdf>

Washer Drain:

Drains to Laundry Tub, A pan is recommended under the washing machine

Dryer Vent:

Plastic, Plastic or foil vents are not recommended for fire safety, Provide a smooth metal exhaust to the exterior of the building

Gas Available?:

Yes

220 Electric Available?:

No

Laundry Tub:

Fiberglas/ plastic, No leaks

MAINTENANCE SUGGESTIONS:

Dryer vents should be cleaned regularly to prevent lint buildup.

Interior Living Spaces

INSPECTION CRITERIA

The interior inspection is limited to readily accessible areas that are not concealed by furnishings or stored items. A representative number of windows and doors. We do not lift flooring materials as part of this inspection. As such there may be damage to the underlying components that will not be revealed in this inspection.

Some cosmetic cracks were noted in the walls and ceilings, especially around the door and window openings. These hairline cracks are typical of homes in the area.

All of the listed components were found to be in functional condition unless specifically commented on below.

Window Types:	Double Hung, Sliding, Vent
Window Materials:	Wood, Metal
Entry Door Types:	Hinged, Sliding
Entry Door Materials:	Wood, Metal, Glass
Interior Door Types:	Hinged
Interior Door Materials:	Wood
Fireplace Locations:	Living Room
Fireplace/Stove Type:	Masonry, Wood burning, The chimney needs repair or replacement prior to use of this fireplace. I recommend full evaluation of the entire unit by a licensed Mason.
Ceiling Materials:	Drywall, Ceiling texture could contain asbestos fibers. Lab testing is needed for a positive evaluation. , No significant defects noted.
Wall Materials:	Drywall, No significant defects noted.
Flooring Materials:	Tile, Linoleum, Carpet, No significant defects noted.
Stairs:	Not Present



Comment 18:

The older wood double hung windows will need some repair and maintenance for full function and be well protected.

(Interior Living Spaces continued)



Comment 19:

The sliding door handle mechanism needs repair.



Figure 19-1

MAINTENANCE SUGGESTIONS

NOTE: The smoke & CO detectors were not tested, and should be checked before assuming occupancy. At least one detector is required at the entrance to any sleeping area.

Structure

INSPECTION CRITERIA

The condition of the structural components is visually inspected. Probing a representative number of structural components will be done where deterioration is suspected or where clear indications of possible deterioration exist. Probing is NOT required when probing would damage any finished surface or where no deterioration is visible. The inspector is NOT required to provide any engineering service or architectural service offer an opinion as to the adequacy of any structural system or component.

Unless otherwise noted below, the crawl spaces were crawled around the interior perimeter to examine the stem walls, mud sills, framing, and soil condition of the entire sub floor area. The plumbing, electrical wiring and HVAC ductwork was examined for damage. PLEASE NOTE: All comments and findings regarding this structure relate only to the existing building, as constructed, at the time of this inspection. No assertions are made regarding how well a particular component is suited to future potential applications (ie. remodeling) or how well they will perform under future conditions. I have inspected the accessible attic spaces for damage to the framing, roof sheathing, insulation, electrical, mechanical, and plumbing components. Please be advised that due to insulation and cramped spaces, many areas of the attics are not always visible for inspection.

All of the listed components were found to be in functional condition unless specifically commented on below.

Foundation Types:	Perimeter
Foundation Materials:	Concrete
Floor Structure:	Wood Framed
Wall Structure:	Wood Framed

Note: Small fine cracks up to 1/8" are typically found in all concrete foundation walls & slabs. These do not represent unusual stress or failure to the foundation. Small amounts efflorescence (salty deposits) are almost always found on the concrete. This is normal.

Attic

Attic Access Location:	Bedroom closet
Inspection Method:	From the access only due to a lack of headroom, There may be deficiencies that are not disclosed due to lack of access
Ceiling Structure:	Wood Joists

(Attic continued)

Roof Structure:	Wood Framed, No visible damage or leaks were found.
Sheathing:	Plywood over skip sheathing
Attic Insulation:	None



Comment 20:

Insulation in the attic should improve HVAC efficiency.

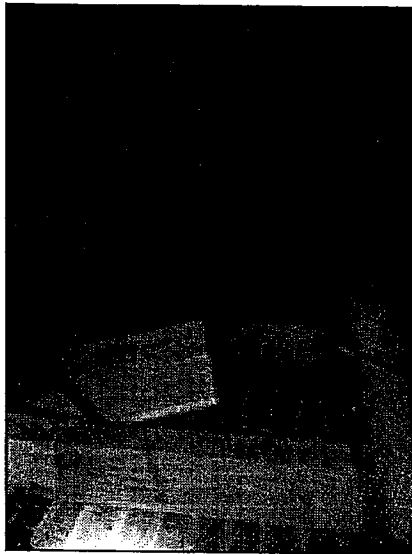


Figure 20-1

(Attic continued)



Comment 21:

This home has very light gauge roof framing. This is typical of homes in this area. The heavy roofing materials cause some minor sagging where the spans are long. Consider additional rafter support in these areas.



Figure 21-1

Crawl Space

Access Locations:

Inspection Method:

Stem Walls:

Foundation Anchors (Bolts):

Cripple Walls:

Interior Floor Supports:

Floor Framing System:

Subfloor:

Underfloor Insulation:

Foundation Ventilation:

Exterior stem wall

Crawling the interior of the crawlspace

Poured Concrete, Fine vertical cracking was noted. These are considered normal and non-structural., No evidence of foundation failure was observed.

Observed - Although foundation bolts were found. The adequacy of these bolts for this foundation was not determined. Evaluation by a licensed professional engineer would be required to determine that information.

Not Present

Piers & Wood Posts

Standard Joist Framework

1x diagonal floorboards

None, Typical for the age of the home

Perimeter Vents

(Crawl Space continued)

Moisture Present:

There was no indication of current moisture intrusion.

Moisture Barrier:

Rat slab

Sump Pump:

Not Present



Comment 22:

An old floor furnace was still in the crawlspace. These parts should be removed to prevent them from becoming a rodent habitat.

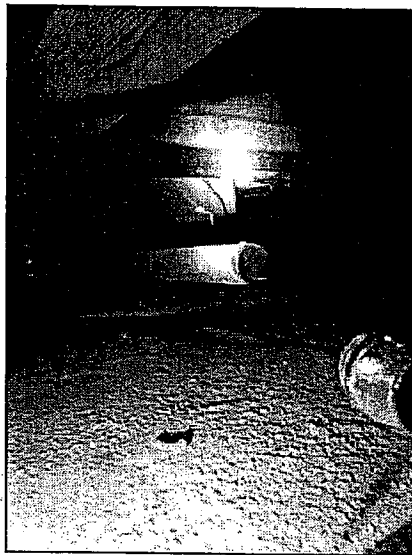


Figure 22-1



Figure 22-2

Earthquake Safety Checklist

- | | |
|--|---------------|
| 1) Is the water heater properly braced?: | No |
| 2) Is the framework anchored to the foundation?: | Yes |
| 3a) If the home has "Cripple Walls", are they braced?: | Doesn't Apply |
| 3b) If the home has unconnected piers and posts, have they been braced?: | Doesn't Apply |
| 4) Is any part of the foundation constructed from unreinforced masonry?: | Doesn't Apply |

(Earthquake Safety Checklist continued)

5a) If the home has tall frame foundation walls, have they been braced?: Doesn't Apply

5b) If the home has tall hillside posts, have they been braced?: Doesn't Apply

6) Does the home have unreinforced masonry walls?: Doesn't Apply

7) If there is 2nd story living space over the garage, has the door frame opening been seismically strengthened?: Doesn't Apply

8 & 9) Please see Environmental Reports for details.:

Report Summary

Roof & Chimneys

- 1) The chimney moves at the roofline when pressure is applied. This indicates a fracture in the unreinforced masonry. Evaluation by a licensed mason is recommended to provide repair or replacement costs.
- 2) There are no gutters on the left side of the building. I recommend upgrading to complete gutter coverage to better control rainwater.

Lots & Grounds

- 3) Potential tripping hazard noted at the back patio.. I recommend blending the edges to prevent injuries.

Building Exterior

- 4) Possible wood decay was noted at the front porch post. Please see the pest control report for details and recommendations.
- 5) Repainting the use is recommended to protect the wood.
- 6) Evidence of water penetration was noted above the entry. Evaluation by pest control and a licensed roofing contractor is recommended.
- 7) The window coverings prevent safe egress in the event of a fire. I recommended removing these metal coverings.

Garage

- 8) Deteriorated wood was noted at the garage door jambs. Please see the pest control report for details and recommendations.

Electrical

- 9) The fuse size is too large for the wire gauge used. The number of circuits are inadequate for the home. This is an older fuse based panel. These panels are no longer considered safe. I highly recommend upgrading to modern breaker based equipment.
- 10) Exposed wiring was noted at the center rear of the property. This wire should be in conduit.

(Report Summary continued)

11) 3 prong outlets were installed on ungrounded circuits. Although this is common in older homes, grounding of 3 prong outlets is recommended for safety.

12) Open junction box in the attic. Cap for safety.

Plumbing

13) Per Water Heater Health And Safety Code Section 19211. (a) "All new and replacement water heaters and all existing residential water heaters shall be braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion." The current bracing does not meet these requirements. I recommend the use of the packaged kits available at local hardware stores. These kits have all the instructions and components needed to comply with California law.

14) The pressure relief valve drain tube should be terminated within 6 inches of the floor or to the exterior of the building for safe discharge.

15) The burn marks on the water heater connectors indicates poor drafting of the flue.

Bathrooms

16) The toilet is loose at the floor and will need to be reset and sealed to prevent water damage.

Interior Living Spaces

17) The older wood double hung windows will need some repair and maintenance for full function and be well protected.

18) The sliding door handle mechanism needs repair.

Structure: Attic

19) Insulation in the attic should improve HVAC efficiency.