

Walker Property Evaluation Services

3001 Sneath Lane San Bruno CA 94066
Tel: 650-873-4224 Fax: 650-873-4282 Mobile: 650-740-8783
www.PropertyEvaluation.net HomeInspection@sanbrunocable.com

INSPECTION OVERVIEW

Client: Ken & Barbie Doll

Inspection Address: 1234 Beach Avenue Unit D, Malibu, CA 94000

Inspection Date: 12/27/2008 Start: 1:00 pm End: 4:30 pm

Inspected by: Skip Walker

This Overview is intended to provide a convenient and cursory preview of the conditions and components that we have identified within the body of the report as needing further evaluation and or service. The conditions and components in the Overview should not be considered the only significant findings or issues. This Overview is obviously not intended to be comprehensive, and should never be used as a substitute for reading the entire report, nor is it a tacit endorsement of the condition of components or features that may not appear in this brief overview. The reader must establish their own priorities after thoroughly studying all the comments/recommendations in the entire report and consulting with other experts and or specialists as the reader may deem necessary. We recommend that any service/repairs, safety upgrades, etc. be completed only by licensed/qualified specialists and only with the benefit of permit. The prospective buyer is specifically cautioned to obtain any further evaluations, information, price quotes, et cetera pertaining to the comments, service and or safety recommendations made in this report well before the close of escrow. These qualified specialists may well identify additional issues/defects and or recommend additional upgrades, the scope and price of which could affect your evaluation of the property.

NOTICE TO THIRD PARTIES: *The inspection report was created for the sole benefit and reliance of the Client named in the original report and is nontransferable. The report is issued subject to the terms, conditions and limitations under which the inspection was performed which are attached hereto and incorporated by reference herein. This report is not a substitute for disclosures required by California Civil Code 1102 et. seq.*

Narrative Color Legend: - Informational or Lessor Issues v Requires Direct Attention
m Functional/Serviceable q Defect or Safety Related Issue

Components & Conditions Needing Service/Evaluation

Electrical

Sub Panel - A

Sub Panel

- – There are one or more open or improperly sealed knockouts in the front cover that should be sealed

Circuit Protection

- qA 40 Amp 220 VAC circuit breaker appears to be serving undersized wires and should be serviced
- qA 40 Amp 220 VAC circuit breaker is improperly serving multiple circuits and should be serviced

Living

Entry

Front Door

- → The unit entry door did not automatically self-close and latch when tested and should be serviced

Living

Receptacles

- → One of the receptacles in the living room was non-responsive when tested

Bedrooms

Master Bedroom

Lights

- → The switched receptacle and or light switch appears to be wired improperly and should be serviced

Bathrooms

Hallway Bathroom

Exhaust Fan

- → The bathroom exhaust fan did not respond properly when tested and should be serviced

Common

Kitchen

Trap and Drain

- q There is a leak where the garbage disposal attaches to the kitchen sink that should be serviced

Dishwasher

- q The dishwasher does not appear equipped with the required countertop air-gap assembly
- q The dishwasher did not progress through its cycle when tested and should be serviced or replaced

Hallway

Smoke Alarms

- q There is no smoke alarm installed in the hallway adjacent to the sleeping area as required

Walker Property Evaluation Services

3001 Sneath Lane San Bruno CA 94066
Tel: 650-873-4224 Fax: 650-873-4282 Mobile: 650-740-8783
www.PropertyEvaluation.net HomeInspection@sanbrunocable.com

PROPERTY INSPECTION REPORT

Prepared Exclusively For:

Ken & Barbie Doll

INSPECTION ADDRESS

1234 Beach Avenue Unit D, Malibu, CA 94000

INSPECTION DATE

12/27/2008 1:00 pm to 4:30 pm



NOTICE TO THIRD PARTIES: The inspection report was created for the sole benefit and reliance of the Client named in the original report and is nontransferable. The report is issued subject to the terms, conditions and limitations under which the inspection was performed which are attached hereto and incorporated by reference herein. This report is not a substitute for disclosures required by California Civil Code 1102 et. seq.

Walker Property Evaluation Services

3001 Sneath Lane San Bruno CA 94066
Tel: 650-873-4224 Fax: 650-873-4282 Mobile: 650-740-8783
www.PropertyEvaluation.net HomeInspection@sanbrunocable.com

PROPERTY INSPECTION REPORT

Prepared Exclusively For:

Ken & Barbie Doll

INSPECTION ADDRESS

1234 Beach Avenue Unit D, Malibu, CA 94000

INSPECTION DATE

12/27/2008 1:00 pm to 4:30 pm



NOTICE TO THIRD PARTIES: *The inspection report was created for the sole benefit and reliance of the Client named in the original report and is nontransferable. The report is issued subject to the terms, conditions and limitations under which the inspection was performed which are attached hereto and incorporated by reference herein. This report is not a substitute for disclosures required by California Civil Code 1102 et. seq.*

GENERAL INFORMATION

Inspection Address: 1234 Beach Avenue Unit D, Malibu, CA 94000
Inspection Date: 12/27/2008 Time: 1:00 pm to 4:30 pm
Weather: Clear and Dry - Temperature at time of inspection: 50-60 Degrees
Inspected by: Skip Walker



Client Information: Ken & Barbie Doll

Structure Type: Wood Frame
Furnished: No
Structure Occupied: No
Number of Stories: One

Structure Style: Condominium

Estimated Year Built: 1972
Unofficial Sq.Ft.: 840

People on Site At Time of Inspection: Buyer(s)
WDO Inspector
Buyer's Agent

General Property Conditions

The inspection was performed on a condominium unit with one bedroom and one bath. The unit is believed to have one assigned space in the common carport parking area. The spaces appear sufficient to park one compact/standard size auto each.

The electric power, and water were on at the time of inspection.

Please refer to the enclosed inspection report for a detailed discussion of the conditions observed at the time of inspection. Interested parties are specifically cautioned to obtain any further evaluations, information, price quotes, et cetera pertaining to the service and or safety recommendations made in this report well before the removal of any transaction inspection contingencies. These qualified specialists, may well identify additional defects and or recommend additional upgrades, the scope and price of which could affect your evaluation of the property.

Because this is an inspection of a common interest development, we do not evaluate and or report on items, areas or components that would typically be the responsibility of the home owners association (HOA) for maintenance, service and or repair. This typically would include such things as the roof, exterior trim and wall surfaces, grading and drainage and any components or areas beyond the dwelling and its specific parking area. We may comment on certain exterior/common elements at the discretion of the inspector

where they appear for the exclusive use of the dwelling. However, the actual maintenance responsibility for any such areas should be ascertained prior to the removal of transaction contingencies, as the actual responsibility may vary by complex and the specific CC&R's/HOA documents governing this particular dwelling.

We noted one or more apparently older smoke alarms installed within this dwelling. While these older smoke alarm units may very well test properly, experience tells us that it is wise to replace any units that approximately ten years or older with modern devices. The sensors on these older units may not be as sensitive as the newer units and become may dirty and or obstructed with age. This may result in them failing to respond when they are needed most. The newer units tend to be far more reliable and are relatively inexpensive to replace. We suggest that you consider replacement of any older units as a property safety upgrade.

It is critical that your smoke alarm batteries be changed twice per year to insure the safe operation of the important devices. Like you, we need a way to remind ourselves of critical routine maintenance items such as this. We have found that doing this when we change our clocks for daylight savings time is a good way to insure that it happens.

Conditions associated with all forms of microbial growth may or may not be present at this property. CREIA and industry standards for a general property inspection call for reporting conditions resulting from moisture intrusion and or the resulting damage/deterioration. The actual inspection and or identification of microbial growths/molds/mildews is outside the scope of our expertise and the scope of this inspection. All such issues are SPECIFICALLY DISCLAIMED. The analysis of such issues requires very sophisticated laboratory testing and a highly trained specialist to determine the type of growth, any associated health risk and any remedial action necessary for the specific conditions present. If conditions related to possible moisture intrusion and or damage are noted within the report, it is recommended that further evaluation/testing/remediation be conducted by a qualified specialist such as an industrial hygienist. Any necessary repair/correction of moisture damage and or mold remediation should follow generally accepted standards such as IIRC S500 for Water Damage Restoration or IIRC S520 for Mold Remediation. Failure to follow generally accepted guidelines or standards can result in reoccurrence of such issues and the need for additional remediation or corrective measures.

It is not uncommon for dwellings constructed prior to 1977-1978 to use materials that are now considered hazardous. These are typically found in the heating system, gas flues, in certain types of exterior cladding and in several types of interior wall and floor finishes. These materials can often be found in ventilation duct wrap materials, older blown-in insulation, "pop-corn" or "cottage cheese" ceiling texturing material, older floor tile materials, wall texturing materials, etc.

The United States Environmental Protection Agency (EPA) publishes a wealth of material on asbestos and its use in residential construction. Interested parties with desiring further information or that are concerned about this issues are encouraged to consult the information available online at:
<http://www.epa.gov/asbestos/ashome.html>

Given the apparent age of this dwelling, interested parties may wish to have the property evaluated by a licensed hazardous materials abatement firm.

New product recalls and consumer product safety alerts are added almost daily to the thousands of already existing notices. Should the clients/interested parties be concerned that appliances and or other items installed in the dwelling might be on such lists, they may wish to visit the U.S. Consumer Protection Safety Commission (CPSC) web site <http://www.cpsc.gov> or www.recalls.com for further information. A property

inspection and the recognized standards of practice does not include the identification or research for appliances and other items installed in the dwelling that may be subject to recalls, safety bulletins and or may appear on the CPSC lists. We may make note of certain systems that we have personal knowledge of in the course of an inspection. Any such notations are made for the convenience of the client and should never be considered exhaustive. Interested parties should independently research the installed systems in the dwelling if this is an area of personal concern.

We noted one or more components in this dwelling that may be approaching or even beyond the normally anticipated average life span for similar systems. All systems and components have a finite life span. It is not possible to predict what the life span may be for a given system. While we test accessible fixtures, systems and or built-in appliances for their basic functionality. We cannot guarantee the systems function in all modes and or operating conditions nor can we predict their remaining life. The inspection of an appliance and or a system does not constitute a guarantee or warranty as to their future operation or remaining life. Rather our inspection simply reflects the systems basic functionality at the time of inspection. If you desire an insurance policy on these types of systems they are available from your Realtor or other sources through a Home Warranty policy. These policies are generally available at the time of purchase for a nominal fee.

We recommend that all grout and or caulk joints should be re-sealed periodically as part of your routine homeowner maintenance. Even minor leaks can quickly cause significant damage.

We provide an overview of this inspection at the front of the report where we list the recommendations we believe may be important to the client. These recommendations should not be considered the only significant findings or issues. You must establish your own priorities after thoroughly studying this report, reviewing all the recommendations in this report, and consulting with other experts, and or specialists as you may deem necessary. Please see the full report for an in-depth discussion of all conditions observed/evaluated.

PLEASE NOTE:

NOTICE TO THIRD PARTIES: This report is a work product and is copyrighted as of the date of this report. The inspection report is for the sole benefit and reliance of the Client named in the original report and is nontransferable. The report is a summary of the inspection and all consultation between Inspector and Client and is issued subject to the terms, conditions and limitations under which the inspection was performed. The terms, conditions and limitations are a part of this report and are attached hereto and incorporated by reference herein. Inspector assumes no liability for third party interpretation and or use of the report. Third parties are encouraged to obtain a property inspection from a qualified inspector of their choice.

Unauthorized duplication and/or distribution of, use of or reliance on this report by any party other than the clients has the effect of all parties agreeing to hold harmless, individually, jointly, and/or otherwise, the inspector, the Company, their successors and assigns from any third party claims arising out of unauthorized distribution of the inspection report. Any use or reliance, whether authorized or unauthorized, of the information contained herein, constitutes your ascent to the terms of use and scope of work governing this document and to the scope and limitations of the inspection as described in the terms of use, the written agreement and in the CREIA Standards of Practice.

We recommend that any and all repairs, safety issues or upgrades, be completed only by licensed

Inspection Address: 1234 Beach Avenue Unit D, Malibu, CA 94000
Inspection Date/Time: 12/27/2008 1:00 pm to 4:30 pm

specialists and only with the benefit of permit. The prospective buyer is specifically cautioned to obtain any further evaluations, information, price quotes, et cetera pertaining to the service and or safety recommendations made in this report well before the close of escrow. These licensed and or qualified specialists, may well identify additional defects and or recommend additional upgrades, the scope and price of which could affect your evaluation of the property. We provide an overview of this inspection at the front of the report where we list the recommendations we believe may be important to the client. These recommendations should not be considered the only significant findings or issues. You must establish your own priorities after thoroughly studying this report, reviewing all the recommendations in this report, and consulting with other experts, and or specialists as you may deem necessary.

Report File: Condo - Sample Report

SCOPE OF WORK

You have contracted for us to perform a general property inspection in accordance with the CREIA Standards of Practice. A property inspection is not intended to be technically exhaustive. It is limited to the visible and or accessible portions of the dwelling and is non-invasive. It is distinct from a specialist inspection, which requires a person with very specialized knowledge, licensing and/or training. Specialist inspections can be costly, take days to complete, involve the use of specialized instruments, the dismantling of equipment, video-scanning, destructive testing, and laboratory analysis. By contrast, the general property inspection is completed within a few hours and at a fraction of the cost. Consequently, a general inspection report will not be as comprehensive as that generated by specialists - nor is it intended to be. Our goal is to identify visible defects or adverse conditions that, in the opinion of the inspector, might result in injury or lead to costs that could have a significant impact on your overall evaluation of the property, and to alert you to the need for a specialist to perform further evaluation.

We evaluate conditions, systems, or components, and report on their condition at the time of inspection, which does not mean that they are ideal but that they are either functional or met a reasonable standard at a given point in time. We do take into consideration when a dwelling was built and allow for the predictable deterioration that would occur naturally through time and use, such as the cracks that appear in concrete and in the plaster around windows and doors, scuffed walls or woodwork, worn or squeaky floors, stiff or stuck windows, and cabinetry that does not function as it did when new. Therefore, we tend to ignore insignificant and predictable issues and may not annotate them - particularly those that would be apparent to the average person and or to someone without any trade/construction experience. This property evaluation and report are not a building code or zoning compliance inspection. Any inference that this is a "Code" inspection would be incorrect. The observations and recommendations made are based upon a wide variety of standards that were either in place at the time of original construction of the dwelling or may have developed into the standards, trade practices, etc. since the period of installation/construction. The building codes are intended as a minimum standard for construction/safety and local interpretations of the codes varies widely. The building codes may not necessarily reflect the best method of installation. Our evaluation is not intended to determine whether or not an area or component is "Code Compliant", but rather in the opinion of the inspector, that a condition(s) exists which requires further evaluation and or attention by an appropriate trade specialist.

We are generalists and are not authorized, nor do we have the expertise to test for environmental contaminants, or comment on termite, dry rot, fungus or mold, or pests but we may alert you to indications of their presence if visible to us. Similarly, we do not test the quality of the air within a residence. Any comments made regarding any such environmental or, insect, pest or other related issues are those of a lay person only and should NEVER be considered a substitute for an evaluation by a qualified specialist. Therefore, interested parties should schedule any such specialized inspections with the appropriate specialist well before the removal of transaction inspection contingencies.

A dwelling and its components are complicated, and because of this and the limitations of a visual inspection, we offer unlimited follow-up consultation via telephone and e-mail. We encourage you to ask questions. In fact, we encourage candid and forthright communication between all parties, because we believe that it is the only way to avoid stressful disputes and costly litigation. Remember, if you were present at the time of inspection, we can only summarize the report on-site - so it is essential that you read the entire report to obtain full benefit of the information, and that any recommendations that we make for service or further evaluation by specialists should be completed and documented well before the removal of transaction inspection contingencies, because additional defects or issues could be revealed by specialists, and or some upgrades recommended that could potentially affect your evaluation of the property. Our service necessarily cannot include any form of warranty or guarantee. We cannot predict the remaining life of a given system and or component.

This report was produced specifically for the subject dwelling, the site within approximately six feet of the dwelling and the associated primary parking area. This report does not include any other portions and or features of the site except as agreed to by the inspector and client prior to the inspection. The purpose of this inspection and written report is to provide an unbiased opinion of the material defects and conditions visible at that point in time. Further, it is to describe the physical condition of the selected key systems and

components and parking area. We provide an overview of this inspection at the front of the report where we list the recommendations we believe may be important to the client. These recommendations should not be considered the only significant findings or issues. You must establish your own priorities after thoroughly studying this report, reviewing all the recommendations in this report, and consulting with other experts, and or specialists as you may deem necessary.

The general property inspector for this property is also a California Licensed Appraiser Trainee. The inspection of this property was conducted in conformance with the CREIA Standards of Practice and the requirements of the State of California Business and Professions Code 7195-7196. Issues related to property valuation and or developing an opinion of value for the subject property are specifically excluded from the scope of work governing this report.

The general property inspector for this property is also a certified fireplace inspector. The inspection of this property was conducted in conformance with the CREIA Standards of Practice and the requirements of the State of California Business and Professions Code 7195-7196. The evaluation of installed fireplaces and or related systems for the subject property are performed to those standards of practice. An NFPA Level II exhaustive evaluation of these systems was not performed and any such issues are excluded from the scope of work governing this report. Interested parties should consult with a qualified fireplace specialist for further information and or evaluation.

For the purpose of clarity, we use the words LEFT, RIGHT, FRONT, BACK and CENTER are used throughout to describe locations within or around the dwelling. These directions are all made relative to standing facing the dwelling from the street or in the case of a multi-unit dwelling from the entry door. Interior room designations are as defined by general purpose or at the discretion of the inspector. We use several abbreviations throughout for the purpose of brevity. HVAC stands for Heating Ventilation Air Conditioning. WDO stands for Wood Destroying Organism and is the term used to describe the termite inspector or report.

Narrative Color Legend: – Informational or Lessor Issues ✓ Requires Direct Attention
m Functional/Serviceable □ Defect or Safety Related Issue

Structural

Structures are not uniform, and need only meet the standards of the year in which they were built or renovated. We describe and identify the various foundation types, and the floor, wall, ceiling, and roof structures in accordance with CREIA and industry standards of practice. If the foundation is a slab type, we examine the visible portions on the interior surfaces and the exposed portions between grade and the exterior cladding. If it is a raised foundation, we either enter the crawlspace to inspect its structural components, or indicate in what manner it was evaluated. Similarly, we identify the structure of walls and the roof framing. However, we are generalists and not specialists. However, in the absence of any major defects, we may not recommend that you consult with a geo- technical or structural engineer, but this should not deter you from seeking the opinion of any such expert.

Slab Foundation

General Comments and Description

Informational Conditions

- This dwelling has a slab foundation. Such foundations vary considerably from older ones that have no moisture barrier under them and no reinforcing steel within them to newer ones that have both. Our inspection of slab foundations conforms to industry standards, which is that of a generalist and not a specialist. We do not inspect areas that are under the control of the HOA, which is in accordance with CREIA and industry standards of practice. We make note of the type and any obvious areas of concern as a courtesy to the client. Any observations noted are that of a generalist and not a specialist and any observations of such areas are not to be construed as an inspection of these areas or a substitute for the any required reserve study inspections and or required common interest disclosure information. Ultimately, the responsibility for undertaking any such further evaluation and or repair work would be the sole responsibility of the HOA.

Structural Elements

Wall Structure

Informational Conditions

- The visible portions of the walls appear to be framed using dimensional lumber.

Floor Structure

Informational Conditions

- The dwelling floor system appears to be conventional wood framed construction with a poured non-structural concrete slab.

Ceiling Structure

Informational Conditions

- The visible portions of the ceiling structure appear framed using dimensional wood joists.

Roof Structure

Informational Conditions

- The visible portions of the roof structure appear framed using dimensional wood joists, et cetera.

General Multi-Unit Structural Comments

Informational Conditions

- The floors in the units appear to be conventionally wood framed with a concrete pad poured over the wood sub floor. In this type of installation, the concrete pad would generally be one to one and a half inches thick. The purpose of the concrete pad is to limit sound transmission between units and for fire safety reasons. In conformance to CREIA and industry standards, we do not remove floor coverings as part of our inspections. However, if the flooring is removed, it would not be unusual to find cracks in the concrete pad. In some cases, these may appear to be larger than might be expected. The concrete pad/covering used in this application would not generally be a structural element and consequently, any cracks would not typically be an area of concern. However, we are generalists and not specialists. Interested parties that desire further information and or are concerned about any such issues should consult with a registered design

Inspection Address: 1234 Beach Avenue Unit D, Malibu, CA 94000
Inspection Date/Time: 12/27/2008 1:00 pm to 4:30 pm

professional.

Exterior

Our evaluation of the exterior of a property conforms to CREIA and industry standards of practice, and includes the identification of wall cladding, and an evaluation of common components, such as driveways, walkways, fences, gates, handrails, guardrails, yard walls, carports, patio covers, decks, fascia and trim, balconies, doors, windows, lights, and outlets. However, we do not evaluate any detached structures, such as storage sheds and stables, and we do not water test or evaluate subterranean drainage systems or any mechanical or remotely controlled components, such as driveway gates. Also, we do not evaluate any landscape components, such as trees, shrubs, fountains, ponds, statuary, pottery, fire pits, patio fans, heat lamps, and ornamental or decorative lighting. Similarly, we do not comment on surface coatings or cosmetic deficiencies and the wear and tear associated with usage or the passage of time that would be readily apparent to the average person.

Wall Covering

Type of Material

Informational Conditions

- The exterior walls are clad with a combination of cement fiber board siding and a wood sheathing coated with a elastomeric spray texture sealant/coating.
- The maintenance of the exterior appears to be the responsibility of the HOA. Any comments made are for the convenience of the client only and are not intended to be a comprehensive inspection of any such areas. Interested parties should thoroughly review the required reserve study inspection and pro forma operating budget available from the HOA.

Exterior Wall Insulation

Informational Conditions

- Exterior wall insulation was not generally required on dwellings built prior to 1978-79. Under current energy conservation standards, insulation would be required for all newly constructed dwellings. Any significant renovation to an existing property may trigger additional requirements as well. It is beyond the scope of this limited visual inspection to positively confirm the presence or absence of insulation within concealed wall cavities. No representations can be made as to the conditions within concealed and or inaccessible areas. However, due to the apparent age of this dwelling it is likely that the exterior walls are un-insulated. We suggest that consideration be given to upgrading this property as properly installed insulation can significantly impact energy requirements. Interested parties desiring further information should contact a qualified insulation contractor for further evaluation, and or alternatives available to install insulation as a property upgrade.

General Site Comments

HOA Comments

Informational Conditions

- The multi-unit residential dwelling appeared to be part of a complex that is managed and maintained by a Home Owners Association. The inspection will be limited to a visual evaluation of the systems and components that are located within the dwelling unit inspected. The current condition of the "common elements" such as, but not limited to, stairs; landings; porches; hallways; walks; balconies; decks; patios; pools; spas; recreational areas/equipment; elevators; utility metering; parking stalls/ports; building site condition; structural stability; drainage systems; and all common areas on the property are outside the scope of this inspection and should not be considered a part of the inspection report. Any comments made regarding same have been made as a courtesy to the client only, and should be addressed to the Home Owners Association or their representative. It is suggested that the Home Owner Association's Pro forma Operating Budget, including a Reserve Study as required by California Civil Code Section 1365 & 1365.5 and the Department of Real Estate, be carefully reviewed. The Reserve Study should provide an awareness as to the anticipated remaining life expectancies of the major components and systems. The budget should also include a statement of present funds, and a funding strategy to cover future major repair and/or replacement. Approved or anticipated special assessments should also be addressed. It is also suggested

that the current residential unit owner (the seller) and the Home Owners Association be consulted regarding known past defects, all corrective work performed, and to thoroughly review the "C.C. & Rs" and Reserve Study for disclosure of pertinent facts effecting the current condition and market value of the residential unit, the complex's common elements and areas, and any previous, existing or pending litigation.

Exterior Features

General Comments and Description

Informational Conditions

- The exterior of this complex appears to be the responsibility of the Home Owners Association (HOA). The exterior maintenance of the units can have a significant impact on the future value of the complex. Consequently, it is important that the property be properly maintained, including painting or sealing walkways, decks, and other hard surfaces, and it is particularly important to keep the building walls sealed, which provide the only barrier against deterioration. Unsealed cracks around windows, doors, thresholds, cable/telephone cables and pipes can permit moisture intrusion, which is the principle cause of the deterioration of any surface. Unfortunately, the evidence of such intrusion may only be obvious when it rains. It is common to discover leakage issues while it is raining that may not have been apparent otherwise. Too often, the damage progresses to a point at which a major repair is necessary. Such occurrences are not uncommon, and demonstrate why the cost of renovating a neglected property will always exceed that of having maintained it. We may comment on areas/components that appear to be adjacent to the unit and or in areas that are for the exclusive use of the unit. However, any such comments are made as a courtesy to the client only and are not a substitute for a review of any reserve study inspection. We recommend that service responsibility for this area be ascertained prior to the removal of transaction inspection contingencies. Any issues requiring service should be directed to the appropriate contact at the HOA. We suggest that the buyers participate in the HOA meetings, etc. It is important to take an active role in shaping the maintenance policy for the complex as a means of insuring the future value of the units.

Balcony

Functional Components and Conditions

- m The visible portions of the balcony appear in generally serviceable condition.

Informational Conditions

- All wood balcony's require periodic maintenance and or service. This includes such things as periodic cleaning, sealing, securing loose planks, setting nails, all of which will prolong the life of the installation. All elevated balconies, stairs, decks or surfaces should be periodically inspected by a qualified design professional, structural pest control operator and or general contractor for indications of deterioration and or damage to insure the safety of the installation.
- The balcony of this townhouse/condominium is believed to be the responsibility of the HOA. Consequently, we do not generally inspect items, conditions or components that would not be the responsibility of the property owner for maintenance and or repair. However, we may comment on areas that appear for the exclusive use of the unit. However, any such comments are made as a courtesy to the client only. We recommend that service responsibility for this area be ascertained prior to the removal of transaction inspection contingencies. Any issues requiring service should be directed to the appropriate contact at the HOA.
- We noted indications of prior repairs to the balcony. The maintenance of this area appears to be the responsibility of the HOA. We recommend confirming the maintenance responsibility for this area with the complex legal documents. Interested parties are encouraged to consult with the responsible party regarding the nature and scope of any repairs to this area.

Guards

Functional Components and Conditions

- m The guards are functional, but the standards for guardrails are not uniform. Generally accepted safety standards require them to be a minimum of forty-two inches high with openings that will not allow a four-inch sphere to pass through any openings. We recommend using caution in any such areas especially if the presence of small children is anticipated.

Safety

- q We noted one or more areas on the guardrails where the methods of construction may not conform to current standards regarding strength and or resistance to impact. These areas should not be relied on as an effective barrier. Interested parties are encouraged to consult with a qualified general contractor regarding further information and or regarding upgrades to these areas in order to bring them into conformance with current safety standards.

Exterior Doors

Functional Components and Conditions

- m The exterior doors appear in generally serviceable condition. Please refer to the room/area/location in the report for any specific comments.

Informational Conditions

- One or more of the exterior doors may need to be sanded, shaved or trimmed, to open and close smoothly.

Safety

- q The unit entry door is not fully self-closing as is required. This is a fire door and the door must automatically self close and latch in order to maintain the necessary fire separation between a common areas and unit living quarters. We recommend that a qualified trades person adjust or serviced the door as necessary.

Sliding Glass Doors

Functional Components and Conditions

- m The sliding glass door is tempered is tempered and appears in generally serviceable condition. Please refer to the room/area/location in the report for any specific comments.

Informational Conditions

- One or more of the sliding glass doors may need service such as cleaning, lubrication, adjustment or minor repair

Safety

- q One or more of the sliding glass doors open to balconies, stair landing, or other areas that may pose a hazard to small children. We suggest that interested parties install secondary latches or safety stops on the doors as a property safety upgrade. These are designed to allow the doors to open for ventilation but would not allow them to open enough to allow a small child through. This would generally be considered less than four inches on guardrails. Any such installation should not inhibit emergency egress and should conform to all appropriate rules governing this issue.

Windows

Informational Conditions

- Various windows appear to be older and should not be expected to function smoothly. Some of the windows may need service to work well, such as cleaning, lubrication, sanding/shaving and or other service. We attempt to test the accessible/unobstructed window in the bedrooms to ensure that at least one window is operable and can facilitate an emergency exit. Interested parties should consult with a qualified trades person for any necessary service.

Screens

Functional Components and Conditions

- m The visible portions of the window screens appear in generally serviceable condition. Due to furniture, stored personal property and or window treatments, all areas may not have been visible at the time of inspection. No opinions are offered as to the conditions within concealed and or inaccessible areas. Please refer to the body of the report for more specific comments on each room or area.

Informational Conditions

- One or more slider screens were not installed at the time of inspection. Screens are often removed for aesthetic reasons, but you may wish to have them installed.

Roof/Attic

Our evaluation of roof coverings, the components and drainage systems, conforms to CREIA and industry standards of practice. We access every roof in order to examine it, or we indicate our unwillingness or inability to do so. There are many different roof types, and every roof will wear differently relative to its age, the number of its layers, the quality of its material, the method of its application, its exposure to direct sunlight or to other prevalent weather conditions, and its maintenance. However, regardless of its design-life, every roof is only as good as the waterproof membrane beneath it, which is concealed and cannot be examined without removing the roofing material, and this is equally true of almost all roofs. It is always recommended that the installation documentation and permit be obtained as they will indicate the precise age of the roof, any applicable guarantees or warranties that may be transferable.

There are two basic roof types, pitched and flat. Pitched roofs are the most common, and the most dependable. They are variously pitched, and typically finished with composition shingles that have a design life of twenty to twenty-five years, or concrete, composite, Spanish, or metal tiles that have a design-life of forty to fifty years, and gravel roofs that have a lesser pitch and a shorter design-life of ten to fifteen years. The material on most pitched roofs is not designed to be waterproof only water-resistant. These roofs may be layered, or have one roof installed over another, which is a common practice but one that is never recommended because it reduces the design-life of the new roof by several years, can impede emergency service by fire department personnel, and requires a periodical service of the flashings. These are serviced with mastic, which eventually shrinks and cracks and provides a common point of leakage. However, among the pitched roofs, gravel ones are the least dependable, because the low pitch and the gravel prevent them from draining as readily as other roofs. For this reason, they must be conscientiously maintained. In this respect, the least dependable of all roofs are flat or built-up ones. Some flat roofs are adequately sloped toward drains but many are not, and water simply ponds and will only be dispersed by evaporation. However, the most common cause of leakage results when roofs are not serviced, and foliage and other debris blocks the drainage channels.

What remains true of all roofs is that, whereas their condition can be evaluated, it is virtually impossible for anyone to detect a leak except as it is occurring or by specific water tests, which are beyond the scope of our service. Even water stains on ceilings, or on the framing within attics, will not necessarily confirm an active leak without some corroborative evidence, and such evidence can be deliberately concealed. Consequently, only installers can credibly guarantee that a roof will not leak, and they do. We cannot, and do not give any such guarantees. We will examine every roof, evaluate it, and even attempt to approximate its age, but we can not predict the remaining life-expectancy of the roof, nor guarantee that it will not leak. Naturally, the sellers or the occupants of a residence will generally have the most intimate knowledge of the roof and of its history. We recommend that you inquire of the sellers about history of the roof, and that you either include comprehensive roof coverage in your home insurance policy, or that you obtain a roof certification from an established local roofing company.

Common Interest Development Roof

Built-Up Roof General Comments & Description

Functional Components and Conditions

- The roofs found on larger multi-unit developments are generally commercial grade roofs. These are designed to last between twenty and forty years. Many types of commercial roofs utilize exotic materials and require installation by certified contractors to achieve the warranted design life. These types of roofs are generally not accessible to anyone but trained personnel. The warranties may be voided by unauthorized access.

A common variety of commercial roof is what is called a modified bitumen roof. These are relatively inexpensive and are designed to be waterproof, not just water resistant. They generally last twenty to thirty years, depending on the particular material used and the quality of the installation. They are typically found on flat or low slope roofs.

Other types of flat roofs include gravel roofs. These are among the most common and least expensive of roofs. They are designed to last for approximately fifteen to twenty years, and are typically guaranteed against leaks by the installer for three years. They are similar to flat roofs, inasmuch as they are comprised of layers of fifteen-pound asphalt paper and a heavier mineral cap sheet that is swabbed with boiling tar and then covered with rock and gravel, which is designed to deflect the deteriorating rays of the sun. They are low-pitched and do not drain efficiently. Drainage is further impeded by the gravel, and moisture is actually held at the edges by metal that is designed to prevent the gravel from spilling over. For this reason, flat roofs are particularly susceptible to moisture damage at the eaves and must be kept clean and inspected regularly.

Flat roofs generally slope toward a drain called a scupper, in or near the eaves or drip edge. Water inevitably ponds on most roofs and that can only be dispersed by evaporation. For this and related reasons, flat roofs have always been problematic and must be properly maintained.

The roof on this building appears to be the responsibility of the HOA. Consequently, neither the roof or any associated components were accessed nor evaluated. Interested parties desiring further information on the type of roof and any periodic or planned maintenance, etc should contact the HOA. Information on roof maintenance schedules and or anticipated replacement time frames may be available in the condominium association financial disclosure information as well.

Informational Conditions

- We were unable to positively verify the type of roof used on this multi-story dwelling. The roof was not visible from any ground vantage points. No representations can be made as to the conditions within inaccessible and or concealed areas. This area would be the sole responsibility of the HOA. We recommend consulting with the HOA or management company regarding the condition of the roof and the results of the last inspection. All roofs should be periodically inspected by a qualified roofing contractor.

Plumbing

We evaluate plumbing systems and their components in accordance with CREIA and industry standards of practice, which include testing for pressure and functional flow. Plumbing systems have common components but they are not uniform. In addition to fixtures, components typically consist of gas pipes, potable water pipes, drain and vent pipes, shut-off valves, which we do not test, pressure regulators, pressure relief valves, and water-heating devices. The best and most dependable water pipes are copper, because they are not subject to the build-up of minerals that bond to the inside of galvanized pipes and gradually reduce their inner diameter and restrict the volume of water. A water softener will remove most of these minerals, but not once they are bonded within the pipes, for which there would be no remedy other than a re-pipe.

The water pressure within pipes is commonly confused with water volume, but whereas high water volume is good high water pressure is not. In fact, whenever the street pressure exceeds eighty pounds per square inch a regulator is recommended, which typically comes factory preset between forty-five and sixty-five pounds per square inch. However, regardless of the pressure, leaks will occur in any system, and particularly in one with older galvanized pipes, and commonly when the regulator fails and high pressure begins to stress the washers and diaphragms within the various components.

Waste pipes are equally varied and are comprised of older ones, such as those made of clay, or others that are made of a material like cardboard coated with tar, and modern plastic ones referred to as ABS. Typically, the condition of these pipes is directly related to their age. ABS pipes, for instance, are virtually impervious to deterioration. However, some ABS pipes are alleged to have manufacturing defects. Regardless, inasmuch as most drainpipes are concealed, we can only infer their condition by observing the draw at drains. Nonetheless, blockages will occur at some point in the life of any system, but blockages in the waste lines, and particularly in a main sewer line, can be costly, and it would be prudent to have the main sewer line video scanned. This would also confirm that the house is connected to the public sewer system, which is important because such systems should be evaluated by a specialist before the close of escrow.

Both the waste drain pipes and water supply pipes for the dwelling are typically concealed. In the case of slab foundations, they may be partially or substantially run under the slab. In all cases, significant portions of these pipes are routinely located inside wall cavities or are otherwise not visible. This can make service on these pipes difficult should an issue arise. It is possible that issues with these pipes may exist and go undetected for some time because they do not visually manifest themselves in any way. While we make every reasonable effort to determine the condition of all systems evaluated, this inspection is a visual inspection and not technically exhaustive. It would take specialized equipment and a trained specialist to test the hidden portions of these systems, which is beyond the scope of this limited visual inspection. We would not discourage you from seeking a specialist opinion, particularly on older homes where many of these systems may be nearing or even past what would be considered the typical design life of the materials involved.

This is why it is advisable to obtain prior water usage records for the property. The water consumption for a dwelling will obviously vary with the occupants usage patterns and types of fixtures or systems installed, but they may give clues to issues that might otherwise go undetected. For example, a sudden significant rise in water usage might indicate a leak in the underground portion of a pipe or it may simply be the result of installing a lawn sprinkler system. This is why it is important to ask the occupants about such issues as they often have the most intimate knowledge of the property and its unique conditions.

Potable Water Pipes

Water Meter

Informational Conditions

- COMMON WATER METER: The main water service for the dwelling appears to use a common meter for all living units.
- The water meter for this condominium appears to be located at the rear exterior entry area leading to the property.

Water Main Location

Informational Conditions

- The main water shut-off location for the building could not be determined. We recommend that you contact the Home Owners Association to determine the location for your building in case of an emergency.
- The unit water shut-off location could not be determined. Older complexes may pre-date the requirement to individual unit water supply shut-offs. Interested parties should consult with the Home Owners Association(HOA) or management company to ascertain the location of this units shut-off in case of emergency or for service.

Water Pressure

Functional Components and Conditions

- The water pressure is within what would be considered the normal range for most areas. Water pressure is a function of the pressure that the city feels is adequate and the age/condition of the water supply pipes from and in the street, as well as local demand at the time of the reading. A pressure range of between 40 PSI to 80 PSI is considered within the acceptable range by most people.

Informational Conditions

- The main supply water pressure was 60 PSI (Pounds Per Square Inch) and was measured between 10 AM and 11 AM. Water pressure may vary with time of day and local demands. The pressure shown is only a snapshot in time and should not be taken as an absolute number. Interested parties desiring further information should consult with a qualified plumbing contractor.

Type of Material

Informational Conditions

- We observed copper water supply piping at the visible portions of the residence. The balance of the dwelling is thought to be served by copper potable water pipes as well. However, wall finishes precluded us from positively verifying the material type in all areas.

Copper Water Pipes

Functional Components and Conditions

- The copper pipes appear in acceptable condition except as may be noted elsewhere.

Informational Conditions

- The interior wall finishes coverings preclude a complete evaluation of the copper water supply distribution system. No opinions are offered as to the conditions within concealed or inaccessible areas.
- We noted one or more older style faucets, showerheads, toilets, dishwashers, and or other fixtures that appear to that pre-date current water conservation standards. Upgrading to modern low consumption fixture may result in significant reductions in water consumption and associated water/sewer costs. Certain water districts and or cities offer rebate or subsidy upgrade programs to encourage water conservation. Interested parties may wish to consult with the local jurisdiction regarding any applicable programs and or requirements. A significant remodel of any such areas may trigger mandatory upgrades to the fixtures to new low consumption designs. We recommend upgrading any such fixtures as a property upgrade. Interested parties desiring further information or service should consult with a qualified plumbing contractor.
- We noted one or more tub/shower and or shower installations where the control valves appear to be an older style that pre-dates the requirement for an integral anti-scald safety feature. New style control valves must include a temperature and or pressure compensating feature that will maintain a safe water temperature in the event of a significant change in water temperature and or pressure. These valves are designed to reduce the possibility of accidental scald burns from hot water. Interested parties are encouraged to consult with a qualified plumbing contractor regarding upgrading the installation to include this safety feature.

Waste and Drainage System

General Comments and Description

Informational Conditions

- We attempt to evaluate drain pipes viewing the visible portions of the system and by flushing every drain that has an active fixture while observing its draw and watching for blockages or slow drains, but this is not a conclusive test and only a video-scan of the main line would confirm its actual condition. As is common, significant portions of the drain and vent system may be concealed inside walls, floors and are buried underground. No representations can be made as to the conditions within concealed or inaccessible areas. However, you can be sure that blockages will occur, usually relative in severity to the age of the system, and will range from minor ones in the branch lines, or at the traps beneath sinks, tubs, and showers, to major blockages in the main line. The minor ones are easily cleared, either by chemical means or by removing and cleaning the traps.

Type of Material

Informational Conditions

- The residence appears served by cast iron / steel drain waste and vent pipes.

Drain Pipes Waste Pipes and Vent Pipes

Functional Components and Conditions

- Based on industry recommended water tests for functional flow, the draw observed at the fixture/drainpipes appeared to be adequate at the time on inspection except as noted elsewhere. However, only a video-scan of the sanitary sewer pipe system can confirm the actual condition of the drain pipes and or system. No opinions can be offered as to the conditions within concealed and or inaccessible areas.

Informational Conditions

- As noted elsewhere, one or more fixture drains are slow/blocked, and should be serviced by a qualified plumbing contractor.
- We noted one or more tub/shower/hydro-spa trap assembly's that do not appear fully accessible/visible and consequently could not be fully evaluated. Generally accepted plumbing practices require that any slip-joints on drain connections be accessible for service/replacement. It is suggested that any such installations be brought into conformance with applicable current standards. Interested parties desiring further information should consult with a qualified plumbing contractor.
- See Attached Illustration 1
- As noted elsewhere, we noted one or more sinks that appear to leak at the drain or trap below the sink. We recommend that all such areas be evaluated and serviced as needed by a qualified plumbing contractor.

Cross Connections

Safety

- Q There is a potential waste to potable water cross connection at one or more toilets. The water supply at the flush valve should be installed to allow a minimum one inch air-gap at the fill tube. Air-gaps are required to prevent any possible contamination of the drinking water system should a sewer back-up/blockage occur at the toilet tank area. We recommend that a qualified plumbing contractor further evaluate and adjust or service as needed to insure conformance with current standards.
- See Attached Illustration 2

Gas

Gas Meters

Informational Conditions

- COMMON GAS METER: The gas service for the dwelling appears to use a single meter for all units.

Gas Main Shut-Off Location

Informational Conditions

- The gas main shut-off is located at the rear of the dwelling adjacent to the entry area.

Safety

- q We suggest that the occupants/homeowner become familiar with how to shutoff the gas in case of emergency. You should be aware that gas leaks are not uncommon, particularly after an earthquake or seismic event. Therefore, we recommend that you keep an emergency gas shutoff wrench in an accessible area and become familiar with how to shutoff gas should an emergency arise. Specialized equipment is necessary to detect a gas leak. Only the local gas utility or a trained professional should turn service back on after an emergency.

In an emergency, your gas can be turned off at the main gas service shutoff valve normally located near your gas meter. Using a 12 to 15 inch adjustable pipe or crescent-type wrench or other suitable tool, give the valve a quarter turn in either direction; the valve is closed when the tang (the part you put the wrench on) is crosswise to the pipe.

- See *Attached Illustration 3*

Gas Main

Functional Components and Conditions

- m The gas main shutoff appears serviceable but was not tested.

Safety

- q There is no wrench at the gas shut-off valve to facilitate an emergency shut-off. Gas shut-off wrenches are relatively inexpensive tools. We recommend that one be left in-place by the valve for use in an emergency.

Gas Seismic Shut-Off Valve

Safety

- q The gas main does not have an automatic seismic gas shut-off valve installed. These devices are designed to automatically shut off the main gas service to the dwelling when an earthquake occurs. Please be aware, that certain homeowners insurance carriers may require the installation of these safety devices as a condition of insurance. Significant repairs/renovations to the dwelling may trigger a mandatory upgrade requirement in certain jurisdictions. We recommended installation of the safety devices as a property safety upgrade. Interested parties desiring further information should consult with a qualified plumbing contractor.

Gas Pipes

Functional Components and Conditions

- m The visible portions of the gas pipes appear to be in generally acceptable condition.

Fuel Supply

Informational Conditions

- This common interest development/condominium project was built with electric power as the sole energy source for heating, etc. within the units. We saw no indications that individually metered natural gas is provided to the units within this complex. Interested parties desiring further information should consult with the HOA.

Central Hot Water or Boiler System

General Hot Water System Comments

Informational Conditions

- The dwelling appears to be served by a centralized hot water system. Since this system would be the responsibility of the Home Owners Association (HOA), no evaluation of the system was made. Please refer to the HOA Reserve Study for information regarding anticipated remaining life and other related information.

Electrical

We evaluate electrical systems in accordance with CREIA and industry standards of practice, which includes identifying the type and capacity of the service, and evaluating panels, overload conductors, wires, panel grounds, and a representative number of switches and outlets. However, there are a wide variety of electrical systems with an equally wide variety of components, and any one particular system may not conform to current standards or provide the same degree of service and safety. We are generalists and not specialists. In compliance with industry standards, we do not perform load-calculations to determine if the supply meets the demand of the household. It is essential that any service recommendations or upgrades recommendations that we make should be further evaluated by specialist well before the close of escrow. They may well provide further evaluation, information, price quotes, et cetera and may well identify additional defects and or recommend further upgrades, the scope and price of which could affect your evaluation of the property.

Main Panel

General Comments

Informational Conditions

- Generally accepted safety standards require electrical panels to be weatherproof, readily accessible, and have a minimum of thirty-six inches of clear space in front of them for service. They should also have a main disconnect and each circuit within the panel should be clearly labeled. It is beyond the scope of a general property inspection to verify the accuracy of any circuit labeling. Circuit labeling should clearly identify the system or area served in a manner that will not change over time; i.e. Blue Bedroom versus Rear Left Bedroom.
- The main electrical service disconnect is located in an area controlled by the HOA. It was not accessible at the time of inspection. It is important that the occupants of a dwelling have access to the main electrical shut-off for their unit for safety and service reasons. Interested parties should consult with the HOA regarding access procedures.

Service Entrance Mast Weatherhead and Cleat

Informational Conditions

- The main service conductor lines are run underground, or part of a lateral service entrance. This is typical of a modern electrical service installation. However, since the service lines are run underground and are not visible, they are not evaluated as part of our service.

Meters

Informational Conditions

- The unit electrical service appears to be metered via a non-PG&E meter located at the sub panel area. We recommend inquiring of the HOA as to the billing arrangements may be in place.

Type of Wiring

Informational Conditions

- The visible portions of the residence appear wired with a combination of rigid and flexible metal conduit
- Wiring Material Visible at Accessible Areas: Copper and Stranded Aluminum

Size and Location

Informational Conditions

- The main service panel appears to be located in an interior enclosure that is controlled by a HOA. It was locked at the time of inspection and was not evaluated. We suggest confirming the location of the main shut-off with the HOA and becoming familiar with the emergency access procedure for the service area.
- The main electric service shut-off is located adjacent to the entry area at the main entry area enclosure. The unit appears served by a 100 Amp / 240 VAC service.

Sub Panel - A

General Comments

Informational Conditions

- Sub-panels are commonly located inside residences. Any exterior panel installations should be properly protected from the elements or be listed for exterior use. Electrical panels are required to be readily accessible and should not be blocked by stored personal property, installed finishes, shelving, etc. The circuits should be clearly labeled as to purpose. It is beyond the scope of a general property inspection to verify the accuracy of any circuit labeling. Circuit labeling should clearly identify the system or area served in a manner that will not change over time; i.e. Blue Bedroom versus Rear Left Bedroom.

Size and Location

Informational Conditions

- The residence is served by a 100 amp, 240 volt sub panel, located in the hallway closet. For safety reasons and for ease of access, the area around the panel should be left clear of any obstructions. Current safety standards would not allow the installation of new sub panels in any closet. We suggest that consideration be given to relocation of the sub panel as repairs and or renovations are undertaken over time.
- The panel capacity is an estimate only. The precise capacity of the panel could not be determined the main panel was illegible, obstructed or inaccessible.

Sub Panel

Informational Conditions

- We noted no anti-oxidant paste on the terminal lugs in the panel. While this is not a requirement, it is intended to reduce oxidation on the wire connections and thus reduce any potential fire-safety risks in the panel. Interested parties may wish to have a qualified electrician evaluate and add this as a system upgrade.

Components & Conditions Needing Service/Evaluation

- There are one or more open or improperly sealed knockouts in the front cover that should be sealed with rated covers for safety reasons. Any openings in the front panel cover expose the underlying energized electrical components/buss/ wiring. This poses a potential electrical shock hazard. We recommend that a qualified electrical contractor evaluate the installation and service/seal the panel as needed.

Safety

- One or more circuits within the panel do not appear properly labeled. Generally accepted electrical safety standards require that all circuits be clearly labeled so that in an emergency the appropriate circuit can be readily identified. Interested parties should consult with a qualified electrical contractor for service.

Exterior Cover Panel

Functional Components and Conditions

- The exterior cover of the electrical sub panel is in acceptable condition.

Wiring

Further Evaluation

- As noted elsewhere, one or more circuit wires appear undersized for the circuit protection rating. This may pose a fire safety hazard. We recommend that a qualified electrician evaluate and service as necessary.

Circuit Protection

Informational Conditions

- The dwelling appears to pre-date the requirement for a new type of circuit safety device called an Arc Fault Circuit Interrupter (AFCI) breaker. They are designed to detect particular type of arcing faults in an electrical circuit and shut off power if it is detected. Current standards require AFCI breakers to be installed on all interior convenience outlets within the dwelling. We recommend that the dwelling be upgraded to meet current standards as a property safety upgrade. Interested parties desiring further information or service should consult with a qualified electrical contractor.
- We noted fewer electrical circuits installed in the electrical panel than current standards would deem necessary. While not unusual in an older installation, current standards are designed to insure that the electrical load for the receptacles, lighting, appliances, etc. are segmented in such a way that the corresponding electrical loads are evenly distributed across multiple circuits. In doing this, the chance of a circuit overloading and tripping under apparent normal load conditions is minimized. Insufficiently distributed loads may result in tripped circuits even under relatively normal usage conditions, i.e. simultaneously watching a television while running a dishwasher and using a hair dryer as an example.

Interested parties may wish to consult with a qualified electrician regarding installation of additional circuits and or further information on this issue.

Components & Conditions Needing Service/Evaluation

- q A 40 Amp 220 VAC circuit breaker appears to be serving undersized wires. This may allow the wire insulation to overheat/become damaged in an overload or short-circuit condition and poses a potential fire safety-hazard. We recommend that this installation be further evaluated and serviced as necessary by a qualified electrical contractor.
- q A 40 Amp 220 VAC circuit breaker is improperly serving multiple circuits. This practice is referred to as double-lugging or double tapping and is improper unless the breaker is specifically designed for this situation. Double lugging may result in improper electrical connections which can overheat the connection/circuit breaker. We recommend that the installation be evaluated and serviced as necessary by qualified electrical contractor.



Grounding

Informational Conditions

- The sub panel grounding methods appears consistent with the practices at the time of apparent installation. Today, more stringent safety standards apply. Should any major electrical work be done on the panel, the affected areas may be required to comply with any of the relevant safety regulations in place at that point in time.
- The ground connection is not bonded at the conduit bushing connection where the metal conduit connects to the panel as current electrical safety standards would require. We recommend that this installation be brought into conformance with current standards as a property safety upgrade. Interested parties should consult with a qualified electrician for further information and or service.
- The grounding installation at the sub panel appears to conform to older standards. We noted no separate ground buss installed in the panel as current standards would require. As additional circuits are added to this panel, it will be necessary to install a rated ground buss for use with new circuit installations. We suggest that this installation be brought into conformance with current standards as a property safety upgrade. Interested parties should consult with a qualified electrician for further information and or service.

Electrical Branch Circuits & Wiring Distribution

General Interior Electrical Wiring & Conditions

Informational Conditions

- This property is older, as such it will generally have fewer electrical receptacles installed in a given area/room than current standards might call for. This is typical of older homes, in some cases there may only be one to two receptacles installed per room. We recommend that the reader take this into account and give consideration to upgrading the installation to meet current standards. Interested parties should

consult with a qualified electrician for any further information and or what would be required to add additional receptacles and or circuits.

GFCI & AFCI Testing

Informational Conditions

- We noted one or more areas where ground fault circuit interrupter (GFCI) receptacles and or circuit breakers are installed. These are important electrical safety devices and generally installed anywhere that moisture may be present, i.e. kitchen, baths, laundry, adjacent to sinks, garage, and exterior. The units contain electronics components and are prone to random failure. We recommend periodic testing of all such devices in keeping with generally accepted electrical safety standards. Please refer to the manufacturers instructions for recommendations on the procedure and frequency of any recommended testing.
- AFCI breakers are designed to protect electrical circuits from a particular type of arcing fault that would go undetected by a conventional breaker or even GFCI protection device. The period of construction for this property appears to pre-date the requirement for all electrical convenience circuits to be AFCI protected. Any significant remodel/renovation of the property may trigger mandatory upgrade requirements. Generally speaking - with some exceptions - AFCI breakers would now be required on all electrical outlets in the dwelling for new construction or a significant remodel. An electrical outlet is any place where an electrical device is connected/installed; i.e. wall convenience receptacles, light fixtures, hardwired smoke detectors, etc. We recommend that this installation be brought into conformance with current guidelines as a property upgrade. Interested parties desiring further information should consult with a qualified electrician.

Heat

We evaluate heating systems in accordance with CREIA and industry standards of practice, which includes identifying, testing, and evaluating systems and their components. All operational testing is done using normal user controls - no special tools or devices are employed. However, there are a wide variety of systems, which range from older floor, wall, and gravity furnaces to newer forced-air furnaces. Older ones, such as gravity furnaces and most floor and wall furnaces, are the least energy-efficient and the most dangerous. Therefore, it would be prudent to consider replacing them with more economical and reliable forced-air units. However, if they are not replaced, you should be aware that many of them and their parts may no longer be available, and you should also be aware of common safety concerns associated with their use. We do test and describe each system, but we do not attempt to dismantle any portion of it, nor do we evaluate the following concealed components: the heat exchanger, or firebox, electronic air-cleaners, humidifiers, and in-line duct motors or dampers. Similarly, we do not check every register, at which the airflow may well be uneven and will decrease proportionate to its distance from the furnace. However, the airflow and the efficiency of any system can be compromised by poor maintenance, such as by the filters not being changed regularly, which will contaminate the ducts and have an adverse effect on air quality.

Regardless, the sellers or the occupants of a property are often the best judges of how well a system works, and it would be prudent to ask them about its maintenance history and if they have been satisfied with its performance, or you may wish to have a comprehensive evaluation by a specialist. Most heating systems have a design life of twenty years, but if any system is more than ten years old, or if poor maintenance is suspected, it would be wise to schedule a comprehensive service that includes cleaning motors, fans, and ducts. Then, change the filters every two to three months, and schedule biannual maintenance service.

You should also be aware that we do not evaluate or endorse any heating device that utilizes fossil fuels and is not vented. The presence and use of these within a residence commonly indicates the inadequacy of the primary heating system or of its distribution. However, these and every other fuel burning appliances that are not vented are potentially hazardous. Such appliances include open flames or heated elements, which are capable of igniting any of the myriad flammable materials found in the average home. Also, even the most modern of these appliances can produce carbon monoxide, which in a tightly sealed modern home or a poorly ventilated room can result in sickness, debilitating injury, and even death. We perform a conscientious evaluation of heating systems, but we are not specialists and cannot see inside ducts. Therefore, it is imperative that any recommendation that we may make for service or a second opinion be scheduled well before the close of escrow, because a specialist could reveal additional defects or recommend further upgrades that could affect your evaluation of the property. Our inspection reflects the operational/installation conditions at the time of inspection and does not constitute of warranty or guarantee as the future functionality of the system.

Heating System

Type of Fuel

Informational Conditions

- The residence is served by an electric powered heating system.

Baseboard

Functional Components and Conditions

- Heat for one or more areas is provided electric baseboard heating units. The units appear older/original to the dwelling. When tested the unit(s) responded to normal user controls and a heat rise was noted at the unit.

Informational Conditions

- The baseboard heaters are controlled via individual room or area controls. There is no master thermostatic control.
- There are baseboard heating units installed at the following areas/locations: The living room and master bedroom.

Inspection Address: 1234 Beach Avenue Unit D, Malibu, CA 94000
Inspection Date/Time: 12/27/2008 1:00 pm to 4:30 pm

Safety

- q The grillwork on the baseboard units can become extremely hot when in operation. We recommend that caution be used when children are present as this area can represent a significant burn hazard.
- q It is important to maintain adequate clearances between furnishing, draperies, doors, etc. and the heating unit. This is for fire safety reasons. The units will also function more efficiently as they rely on air convection to move warm air into the room. Care should be exercised around this unit because the units become quite hot during operation. These units may pose a burn hazard to small children. Please refer to the manufacturers installation/use manual for the clearance requirements for these specific units.

Living

In accordance with CREIA and industry standards of practice, our inspection of the interior of the living space includes the visually accessible areas of walls, floors, cabinets and closets, and includes the testing of a representative number of windows and doors, switches and outlets. However, we do not evaluate window treatments, nor move furniture, lift carpets or rugs, empty closets or cabinets, and we do not comment on cosmetic deficiencies. We may comment on the cracks that appear around windows and doors, or which follow the lines of framing members and the seams of drywall and plasterboard. These cracks are a consequence of movement, such as wood shrinkage, common settling, and seismic activity, and will often reappear if they are not correctly repaired. Such cracks can become the subject of disputes, and are therefore best evaluated by a geologist or a structural engineer. Similarly, there are a number of environmental pollutants that can contaminate a home, such as asbestos, carbon monoxide, radon, and a variety of molds and fungi that require specialized testing equipment, which is beyond our expertise and the scope of our service. There are also lesser contaminants, such as odors that are typically caused by moisture penetrating concealed slabs, or those caused by household pets. And inasmuch as the sensitivity to such odors is not uniform, we recommend that you make this determination for yourself, and particularly if domestic pets are occupying the premises, and then schedule whatever service may be deemed appropriate before the close of escrow.

General Interior Conditions and Comments

General Comments

Informational Conditions

- This property may have had multiple occupants over the course of its "life". Additionally, a variety of trades people, etc. may have had access to the property over time. Consequently, there may be multiple copies of the keys in existence for the property. We recommend that the buyers have all locks re-keyed prior to occupancy. Additionally, all access points should be reviewed for both security and egress. The evaluation of property security issues is outside the scope of this inspection and is specifically disclaimed in the scope of work governing this inspection and the CREIA Standards of Practice. However we may note areas of concern should they become apparent during the course of our inspection. Any comments are made for the convenience of the client only and are not intended to be comprehensive. Interested parties desiring further information should consult with a state licensed locksmith.
- We did not review the unit HOA or CC&R documents as part of this inspection. Any issues related to compliance with the complexes rules, CC&R's are specifically disclaimed. However, we may make note of potential issues for the benefit of the reader. These comments are in no way a substitute for a review of the documentation. In the process of inspection the subject property, we noted the installation of hardwood, engineered wood, tile and or stone flooring materials within this unit. Some Home Owners Associations (HOA) through the CC&R's related to the unit enforce restrictions on the type of flooring materials they allow to be installed within the individual units. These restrictions are primarily a means to reduce noise/sound transmission between the units. We noted flooring installed in this unit that are of types know to be acoustically problematic. Interested parties should thoroughly review the HOA documentation to determine whether or not this particular complex places restrictions on the type of flooring installed and what - if any repercussions - there may be from any such installations.

Further Evaluation

- Portions of the interior living area ceilings are finished with a texturing material sometimes referred to as cottage-cheese or popcorn. Based on the apparent age of this dwelling, it is possible that this texture coating may include a suspect hazardous material. Given the age of the dwelling, this would not be considered an unusual finding. We do not endorse nor have the authority to evaluate any such materials and specifically disclaim them. If this is a concern, we would encourage you to seek the counsel of an hazardous material abatement specialist. Please refer to the general conditions section and or the US Environmental Protection Agency web site (www.epa.gov) for a further discussion of this issue.

Entry

Front Door

Functional Components and Conditions

- The front entry door appears generally serviceable with wear and tear commensurate with age and use

Informational Conditions

- The front entry door may need to be sanded, shaved or trimmed, to open and close easily.

Components & Conditions Needing Service/Evaluation

- The unit entry door does not self-close and latch as required. The unit entry door is a fire door and must automatically self close and latch in order to maintain the necessary fire separation between the common areas and unit living area. We recommend that a qualified trades person adjust/service the door and or closer assembly as necessary to insure proper operation.

Floor

Functional Components and Conditions

- The carpet in the entry has wear and tear commensurate with its age and use.

Walls and Ceiling

Functional Components and Conditions

- The walls and ceiling in the entry have typical cosmetic damage.

Informational Conditions

- The walls and ceiling in the entry have one or more areas that appear to have been patched or repaired.

Closet

Functional Components and Conditions

- m The closet(s) in the entry appear in acceptable condition.

Informational Conditions

- One or more entry closet doors need typical hardware service.

Lights

Functional Components and Conditions

- m The lights in the entry are functional.

Receptacles

Informational Conditions

- There are fewer convenience receptacles installed than would be required under current standards. Interested parties may wish to consult an electrician with a view to upgrading the installation to conform to current standards.

Living

Floor

Functional Components and Conditions

- The floor appears to be an engineered wood veneer, a wood laminate material, or a similar material. The floor appears to be in generally serviceable condition with wear and tear and or cosmetic issues that appear commensurate with both age and use. As with all types of flooring, it requires periodic cleaning to maintain its appearance and water seal. This type of flooring is susceptible to denting and mechanical damage. Care should be exercised when moving heavy objects across them.

Informational Conditions

- The floor covering prevents a complete evaluation of the floor system. No opinions are offered as to the conditions within inaccessible or concealed areas.

Walls and Ceiling

Functional Components and Conditions

- The walls and ceiling in the living room have typical wear and tear commensurate with age and use.

Informational Conditions

- We noted indications of prior repairs and or patching consistent with ongoing property maintenance.

Sliding Glass Doors

Functional Components and Conditions

m The sliding glass door is tempered and is in acceptable condition.

Informational Conditions

- The sliding glass screen door is not installed.

Safety

- q The sliding glass door(s) in this area open to a balcony, stair landing, or other areas that may pose a hazard to small children. We suggest that interested parties install secondary latches or safety stops on the doors as a property safety upgrade. These are designed to allow the doors to open for ventilation but would not allow them to open enough to allow a small child through. This would generally be considered less than four inches on guardrails. Any such installation should not inhibit emergency egress and should conform to all appropriate rules governing this issue.

Receptacles

Components & Conditions Needing Service/Evaluation

- One of the receptacles in the living room was non-responsive when tested and should be serviced. We recommend that a qualified electrician evaluate and service as necessary.

Smoke Alarms

Informational Conditions

- A smoke alarm is present in the living room , but was not tested. The occupants should test or replace the battery biannually.

Dining

Floor

Functional Components and Conditions

- The floor is an engineered wood veneer or a wood laminate material, or a similar material. The floor appears to be generally serviceable but has wear and tear and or cosmetic issues that are commensurate with its age and use. As with all types of flooring, it requires periodic cleaning to maintain its appearance and water seal. This type of flooring is susceptible to denting and mechanical damage. Care should be exercised when moving heavy objects across them.

Informational Conditions

- The floor covering prevents a complete evaluation of the floor system. No opinions are offered as to the conditions within inaccessible or concealed areas.

Walls and Ceiling

Functional Components and Conditions

- The walls and ceiling in the dining room have typical wear and tear commensurate with age and use.

Informational Conditions

- We noted indications of prior repairs and or patching consistent with ongoing homeowner maintenance.

Lights

Functional Components and Conditions

m The lights in the dining room are functional.

Receptacles

Functional Components and Conditions

m The receptacles in the dining room that were tested are functional.

Bedrooms

In accordance with CREIA and industry standards of practice, our inspection of bedrooms includes the visually accessible areas of walls, floors, cabinets and closets, and includes the testing of a representative number of windows and doors, switches and outlets. We evaluate windows to ensure that they meet light and ventilation requirements and facilitate an emergency exit or egress, but we do not evaluate window treatments, nor move furniture, lift carpets or rugs, empty closets or cabinets, and we do not comment on cosmetic deficiencies.

Master Bedroom

Location

Informational Conditions

- The master bedroom is located at the right rear of the residence.

Doors

Functional Components and Conditions

- The door has cosmetic wear and tear commensurate with age and use but appears generally serviceable.

Floor

Functional Components and Conditions

- m The bedroom floor is carpeted and has no significant defects.

Walls & Ceiling

Functional Components and Conditions

- The bedroom walls have typical wear and tear commensurate with age and use.

Single-Glazed Windows

Functional Components and Conditions

- m The single-glazed bedroom window is functional.

Informational Conditions

- The single-glazed window in the bedroom will need service to work well, such as cleaning the tracks, lubrication or servicing the hardware.

Lights

Components & Conditions Needing Service/Evaluation

- The switched receptacle and or light switch appears to be wired improperly. All of the area receptacles appear accessible yet we found none that appear controlled by the wall switch. This generally indicated an improperly wired connection at the receptacle. We recommend that a qualified electrician evaluate and service as needed.

Receptacles

Functional Components and Conditions

- m The bedroom receptacles tested are functional.

Informational Conditions

- There are fewer convenience receptacles installed than would be required under current standards. Interested parties may wish to consult an electrician with a view to upgrading the installation to conform to current standards.

Smoke Alarms

Informational Conditions

- A smoke detector is present in the bedroom, but was not tested. The unit should be tested periodically and the battery replaced bi-annually to insure safe operation.

Bathrooms

Our evaluation of bathrooms conforms to CREIA and industry standards of practice. We do not comment on cosmetic deficiencies, and we do not evaluate window treatments, steam showers and saunas, nor do we leak-test shower pans, which is the responsibility of the pest control inspector. However, because of the possibility of water damage, most pest control inspectors will not leak-test second floor shower pans without the written consent of the owners.

Hallway Bathroom

Size and Location

Informational Conditions

- The hallway bathroom is a full bathroom and is located at the front right of the dwelling in the hallway.

Doors

Functional Components and Conditions

- The door has cosmetic wear and tear commensurate with age and use but appears generally serviceable.

Floor

Informational Conditions

- We noted staining and or indications of prior moisture the floor adjacent to the tub/shower area which you may wish to evaluate for yourself. This area may be noted in the WDO report as well.
- The floor should be sealed at the tub/shower area to forestall any moisture infiltration/deterioration. This area may be noted in the WDO report. We suggest sealing the area as needed. Please refer to the WDO report for further recommendations.

Walls & Ceiling

Functional Components and Conditions

- m The walls and ceiling are in acceptable condition.

Cabinets

Functional Components and Conditions

- The bathroom cabinets are serviceable but have typical, cosmetic wear and tear.

Sink Countertop

Functional Components and Conditions

- m The bathroom sink countertop appears in generally serviceable condition.

Sink Faucet Valves & Connectors Trap & Drain

Functional Components and Conditions

- The bathroom sink and its components appear in serviceable condition except as may be noted elsewhere.
- ##### *Informational Conditions*
- The mechanical sink stopper is incomplete and should be serviced.

Tub-Shower

Functional Components and Conditions

- m The tub/shower is functional.

Informational Conditions

- The shower enclosure is mineral stained apparently from hard water, which cannot be easily removed.
- The glass enclosure doors will require service such as cleaning, lubrication and or adjustment to work smoothly. Interested parties should consult with a qualified trades person for further information and or service.
- We recommend periodic resealing the grout on the tile. This extends the life of the tile and should be done every few years as part of normal homeowner maintenance.
- The area around the spigot, handles and or shower head etc. should be properly sealed to forestall moisture intrusion.
- The control valves appear to be an older style that pre-dates the requirement for an integral anti-scald safety feature. New style control valves must include a temperature and or pressure compensating feature that will maintain a safe water temperature in the event of a significant change in water temperature and or pressure. These valves are designed to reduce the possibility of accidental scald burns from hot water. Interested parties are encouraged to consult with a qualified plumbing contractor regarding upgrading the

installation to include this safety feature.

- The showerhead in the tub/shower leaks when in use and should be serviced. We suggest that a qualified trades person service as necessary.
- The tub/shower appears to drain slowly and should be serviced. Interested parties should consult with a qualified plumber for any necessary service.
- The trap assembly for the tub/shower is not fully accessible/visible and could not be fully evaluated. Generally accepted plumbing practices require that the slip-joints on drain connections be accessible for service/replacement. It is suggested that any such installations be brought into conformance with applicable current standards. Interested parties desiring further information should consult with a qualified plumbing contractor.
- The showerhead appears to be an older style that pre-dates current water conservation standards. Upgrading to a more modern fixture may result in significant reductions in water consumption and associated costs. Certain water districts and or cities offer rebate or subsidy programs to encourage water conservation. Interested parties may wish to consult with the local jurisdiction regarding any applicable programs and or requirements. A significant remodel of this area may trigger mandatory fixture upgrades. We recommend upgrading any such fixtures as a property upgrade. Interested parties desiring further information or service should consult with a qualified plumbing contractor.

Safety

- q The tub/shower enclosure is glass but we were unable to determine if it is safety glass. While required at the time of apparent installation/construction, we could not positively confirm that the door includes tempered/safety glass where required. We were unable to locate the required etched safety glass marking on the visible portions of the glass enclosure. Even with safety glass, such areas pose a safety risk. We recommend caution in this area.

Toilet

Functional Components and Conditions

- m The toilet is functional.

Exhaust Fan

Informational Conditions

- The interior finishes preclude positively confirming the exterior termination of the exhaust fan. Interested parties desiring further information should consult with a qualified trades person.

Components & Conditions Needing Service/Evaluation

- The bathroom exhaust fan did not respond properly when tested. We recommend that the unit be serviced/replaced as needed by a qualified trades person.

Lights

Informational Conditions

- One or more bathroom ceiling lights do not respond, and may need the bulbs changed and or service.
- Current California energy conservation guidelines require that the bathroom lighting be a high efficacy type energy efficient lighting such as florescent lights or that manual on-auto off motion sensor switches be installed. We recommend that the lighting be upgraded to conform to current energy efficiency standards as a property upgrade. Significant remodeling to this area may trigger mandatory upgrades to this system. Interested parties desiring further information should consult with a qualified electrical contractor.
- The light fixture cover is missing and should be replaced.

Receptacles

Functional Components and Conditions

- m The bathroom receptacles are functional and include ground-fault protection as required. GFCI protection is an important safety feature and would be required on all new receptacles installed in high-risk/ damp areas such as bathrooms, the exterior, garage, laundry, kitchens, etc. Per the manufacturers instructions, all GFCI receptacles should be tested a minimum of once a month to insure proper operation. Interested parties desiring further information should consult with a qualified electrical contractor.

Informational Conditions

- There are not as many receptacles in the bathroom as would be required by current standards. Current standards would require at least one receptacles within three feet of the sink(s). We suggest consulting with a qualified electrician with a view to upgrading the installation.

Inspection Address: 1234 Beach Avenue Unit D, Malibu, CA 94000
Inspection Date/Time: 12/27/2008 1:00 pm to 4:30 pm

Common

Our evaluation of the common space is in accordance with CREIA and industry standards of practice. Which includes a visual evaluation of the kitchen, hallway, stairs, laundry, and garage, is similar to that of the living space, and includes the visually accessible areas of walls, floors, cabinets and closets, and the testing of a representative number of windows and doors, switches and outlets. We pay particular attention to safety standards, such as those involving electricity, guardrails, and the presence of safety glass, but we do not test portable appliances, including the supply and waste components of washing machines.

Kitchen

General Kitchen Comments

Informational Conditions

- We test most built-in appliances for their basic functionality. We cannot evaluate them for their performance nor for the variety of their settings or cycles. However, if they are older than ten years, they may well exhibit decreased efficiency. All systems and components have a finite life span, it is not possible to predict what that may be for given system. We do not inspect the following items: free-standing appliances, refrigerators, built-in toasters, coffee-makers, can-openers, blenders, water-purifiers, barbecues, grills, or rotisseries, timers, clocks, thermostats, the self-cleaning capacity of ovens, and concealed or countertop lighting, which is convenient but often installed after the initial construction and powered by extension cords or ungrounded conduits. The inspection of an appliance or system does not constitute a guarantee or warranty as to their future operation or remaining life. Rather our inspection simply reflects the appliances basic functionality at the time of inspection.
- We noted one or more appliances that may be approaching or even beyond the normally anticipated average life span for similar systems. All systems and components have a finite life span it is not possible to predict what that may be for given system. While we test all fixtures systems and or built-in appliances for their basic functionality we cannot predict their remaining life. The inspection of an appliance does not constitute a guarantee or warranty as to its future operation and or remaining life. Rather our inspection simply reflects the systems basic functionality at the time of inspection. If you desire an insurance policy on these types of systems they are available from your Realtor or other sources through a Home Warranty policy. These policies are generally available at the time of purchase for a nominal fee.

Floor

Informational Conditions

- The vinyl floor in the kitchen appears generally serviceable with some cosmetic damage such as staining, chips and or tearing visible. Interested parties are encouraged to evaluate the floor condition personally.

Walls and Ceiling

Functional Components and Conditions

- The walls in the kitchen have typical cosmetic wear and tear.

Cabinets

Functional Components and Conditions

- The kitchen cabinets have typical, cosmetic wear and tear commensurate with their age and use.

Informational Conditions

- One or more of the kitchen cabinets will need typical service to work properly, such as adjusting the hinges, catches, etc.
- We noted stains and or indications of prior moisture at the base of the sink cabinet. This area may be noted in the WDO report. We suggest monitoring the area for indications of moisture and servicing as needed.

Counter Top

Functional Components and Conditions

- m The laminate kitchen countertop appears generally serviceable.

Sink

Functional Components and Conditions

- m The kitchen sink appears serviceable.

Faucet

Functional Components and Conditions

- m The kitchen sink faucet is functional.

Valves and Connectors

Functional Components and Conditions

- m The valves and connectors below the kitchen sink appear functional. However, they are not in daily use and may become stiff or frozen over time.

Trap and Drain

Components & Conditions Needing Service/Evaluation

- q There is a leak where the garbage disposal attaches to the kitchen sink. We recommend that a qualified plumbing contractor evaluate and service as needed.



Garbage Disposal

Functional Components and Conditions

- The garbage disposal responded to normal user controls when tested. However, the unit is older. Our appliance inspection is performed in conformance with CREIA standards and do not constitute a warranty as to future functionality of the appliance. Older appliances may be subject to random failure and should not be expected to last indefinitely.

Electrical Range

Functional Components and Conditions

- The electric range responded to normal user controls when tested but is an older/ vintage unit. It will obviously not be as efficient as a newer model. Our appliance inspection is performed in conformance with CREIA standards and does not constitute a warranty as to future functionality of the appliance. Older appliances may be subject to random failure and should not be expected to last indefinitely. Interested parties are encouraged to consult with a qualified appliance specialist regarding upgrading any older appliance systems to modern, more reliable and more energy efficient appliances.

Informational Conditions

- The oven light did not respond and may need a new bulb or service.
- There appears to be no gas connection run to the range area. Should a gas appliance install be contemplated, interested parties should consult with a qualified plumbing contractor regarding the installation of a gas connection.

Safety

- q The range has no anti-tip bracket installed. This prevent the range from tipping forward should a child step on the open oven door. The manufacturers installation instructions for this appliance require the installation of this component to insure the safety of the appliance. An anti-tip bracket is a relatively inexpensive safety feature that we highly recommend be installed on all appliances, especially if small children are present. Interested parties desiring further information and or service should consult with a qualified appliance

service technician.

Exhaust Fan or Downdraft

Functional Components and Conditions

- The kitchen exhaust fan responded to normal user controls when tested. However, the unit appears to be a type that vents internally. These systems require periodic maintenance and or filter replacement to function properly. It is beyond the scope of a property inspection to verify adequacy, etc of the draw/airflow from the system.

Informational Conditions

- The kitchen exhaust or downdraft fan and or filter should be cleaned or degreased.

Dishwasher

Components & Conditions Needing Service/Evaluation

- Q The dishwasher does not appear equipped with the required countertop air-gap assembly, which is contrary to generally accepted plumbing standards and or the manufacturers installation instructions. Under the correct set of circumstances, this may allow effluent from the sink sanitary drain to contaminate the dishwasher which could pose a potential health risk. We recommend that a qualified plumbing contractor evaluate and service as necessary.
 - See Attached Illustration 4
- Q The dishwasher did not progress through its cycle when tested. We recommend that a qualified trades appliance service specialist evaluate and service or replace as necessary.

Lights

Informational Conditions

- One or more ceiling lights in the kitchen did not respond to normal user controls when tested, and should have the bulbs changed and or be serviced as needed.
- Current California energy conservation guidelines recommend that the lighting in this area be of a high efficacy type, such as florescent lighting. We recommend that the installation be upgraded to confirm to current standards as repairs and or renovation are undertaken over time. Interested parties desiring further information or service should consult a qualified electrical contractor.

Receptacles

Functional Components and Conditions

- The kitchen area receptacles are all functional. However, they do not appear to include ground-fault circuit Interrupter (GFCI) protection. GFCI protection is an important safety feature and would be required on all new receptacles installed in high-risk/ damp areas such as the exterior, garage, laundry, kitchens, bathrooms, etc. We suggest that all of the receptacles in all high risk areas be upgraded to include ground fault (GFCI) protection as a property safety upgrade. Interested parties are encouraged to consult with a qualified electrical contractor for further information and or service.

Informational Conditions

- There are fewer convenience receptacles installed than would be required under current standards. Current electrical standards require a minimum of two 20 AMP circuits for convenience receptacles. Kitchen countertop receptacles would be required on any section of countertop that is more than twelve inches in width, they must be spaced no more than four feet apart and no appliance should be more than two feet from a receptacle. All convenience receptacles must include ground fault circuit interrupter (GFCI) protection. We recommend that the installation be brought into conformance with current electrical and safety requirements. Interested parties should consult with a qualified electrician for further information and regarding installation of additional GFCI protected receptacles.

Appliances Not Evaluated

Informational Conditions

- We do not evaluate refrigerators and or wine storage coolers as part of our inspection. Interested parties should independently confirm the proper function/operation of any such devices and or appliances.

Hallway

Floor

Functional Components and Conditions

- The carpeted floor in the hallway appear in generally serviceable condition with wear, tear and or cosmetic issues commensurate with age and use.

Walls and Ceiling

Functional Components and Conditions

- The walls or ceiling in the hallway appear generally serviceable with typical wear and tear commensurate with both age and use.

Closet

Functional Components and Conditions

- m The closet, or closets, in the hallway are in acceptable condition.

Informational Conditions

- One or more closet doors in the hallway need typical minor latch or hardware adjustment to function smoothly.

Safety

- q The mirrored closet doors are functional but we were unable to positively confirm that they are tempered or safety glass. We suggest that you exercise caution in this area.

Lights

Functional Components and Conditions

- m The lights in the hallway are functional.

Receptacles

Functional Components and Conditions

- m The accessible receptacles in the hall area are functional.

Smoke Alarms

Components & Conditions Needing Service/Evaluation

- q There is no smoke alarm installed in the hallway adjacent to the sleeping area as required. A functional smoke alarm is required in this area prior to the close of escrow. We recommend installing a smoke detector for safety reasons in any case.

Sub Panel Location

Informational Conditions

- The sub panel is located in the closet. For safety reasons and for ease of access, the area around the panel should be left clear of any obstructions. Current safety standards would not allow the installation of new sub panels in any closet. We suggest that consideration be given to relocation of the sub panel as repairs and or renovations are undertaken over time.

Laundry

Condominium Laundry Area Comments

Informational Conditions

- The common area laundry facilities were not inspected as part of this evaluation. We suggest confirming the location, any restrictions on use and or hours of operation with the HOA.

Garbage Enclosure

General Enclosure Comments

Informational Conditions

- The garbage enclosure area for this condominium appears to be under the control of the HOA (Home Owners Association). It is common for moisture to penetrate such areas, because their slabs are on or below grade. Evidence of this is typically apparent in the form of efflorescence, or salt crystal formations, that result when moisture penetrates the sidewalls or the slab. Also, such areas are common points of pest issues and or intrusion. It is important that the area be properly maintained and cleaned for this reason. These areas may require special wall finishes and or fire sprinkler systems as well. The doors on these

areas are often required to be self-closing for fire-safety reasons. It is beyond the scope of a home inspection to confirm the local requirements for such items.

We recommend consulting with the HOA regarding collection days.

- The garbage enclosure is located at the common exterior parking area.

Garage

General Garage Comments

Informational Conditions

- The parking area in this common interest development appears to be under the control of the HOA (Home Owners Association). It is common for moisture to penetrate lower level parking areas, because their slabs are on or below grade. Evidence of this is typically apparent in the form of efflorescence, or salt crystal formations, that result when moisture penetrates the sidewalls or the slab. Also, if there is living space above the parking area, it may be seismically vulnerable. Ideally, the columns and beams systems will be engineered to modern seismic and structural standards. Many older dwellings these components not be but could include some structural accessories, such as post-straps and hold-downs, and plywood shear paneling. We recommend that you inquire of the HOA the particulars of your complex's design and any upgrades that may have been made and or are planned.

Parking areas are not standard, and you may wish to measure the parking space to ensure that there is sufficient clearance to accommodate your vehicle(s).

Lastly, we recommend becoming familiar with the layout of the garage area and consulting with the HOA regarding appropriate security precautions that they recommend to residents of the complex.

Parking Space

Informational Conditions

- We understand that the unit has one assigned space in the ground/lower level common parking area. The HOA appears to have responsibility for this area. Per industry standards of practice and the terms of use governing this inspection, all common areas and or elements are specifically excluded from the scope of this inspection. Any commentary is made for the convenience of the client only and is not meant to warranty common area elements/components nor is it a substitute for a thorough review of the required HOA operating budget, documentation and or disclosures.

Life-Safety

Life-safety systems generally include such components as fire-sprinklers systems, fire escape ladders, fire extinguishers, central fire alarm systems, emergency lighting, exit signage, and other related systems. The rules and regulations surrounding the installation, maintenance, and or inspections of life-safety systems are complex and will vary significantly by jurisdiction. The evaluation of such systems and or installations will require a specialist who is generally required to have a state license. We are generalists and not specialists and are not qualified to evaluate any such systems and specifically disclaim them in our pre-inspection agreement and within this report. In the course of our generalists inspection, we may alert the reader to the presence or absence of components when apparent to us. However, any such observations are those of a lay person and not a specialist. They are in no way a substitute for a specialists inspection. We recommend that any such systems be further evaluated by a qualified specialist prior to the removal of transaction contingencies. The inspection by a qualified specialist may recommend upgrades, changes, detect defects and or conditions that we as generalists would be unaware of.

Fire Safety Equipment

Fire Sprinklers

Informational Conditions

- The evaluation of fire suppression systems is a state licensed function which we are not qualified to conduct and specifically disclaim in our contract. However, we make note of such systems if observed in the course of our inspection. The residence is equipped with fire sprinklers in the visible areas of the dwelling. All fire sprinkler systems should undergo periodic inspection by a qualified specialist. Interested parties should consult with a licensed fire sprinkler contractor for further information.
- The evaluation of fire suppression systems is a state licensed function which we are not qualified to conduct and specifically disclaim in our contract. However, we make note of such systems if observed in the course of our inspection. This building appears equipped with fire sprinklers in the visible common areas. All fire sprinkler systems should undergo periodic inspection by a qualified specialist. The HOA is believed to have service/maintenance responsibility for this life-safety system, Interested parties should consult with the appropriate person at the HOA for further information.
- There are exposed fire sprinkler heads at various locations around the dwelling. It is important for the safe operation of the system that these never be painted or covered. Interested parties desiring further information should consult a state licensed fire sprinkler contractor.

Fire Safely Equipment

Informational Conditions

- We noted one or more fire hose stations located in the corridor serving the unit. We are not qualified to evaluate these fire safety installations in terms of service or location and specifically exclude them from the scope of our inspections.

CERTIFICATIONS AND AFFILIATIONS



Master CREIA Inspector, MCI

California Real Estate Inspection Association, Master CREIA Inspector #0106

ASHI Certified Inspector #246625

ICC Certified Residential Building Inspector #5283444-B1

ICC Certified Residential Mechanical Inspector #5283444-M1

ICC Certified Residential Plumbing Inspector #5283444-P1

Member, International Code Council #5236207

F.I.R.E Service Certified Inspector #FP 102

ITA Educated

A handwritten signature in black ink, which appears to read "Trip Walker".

Walker Property Evaluation Services

3001 Sneath Lane San Bruno CA 94066
Tel: 650-873-4224 Fax: 650-873-4282 Mobile: 650-740-8783
www.PropertyEvaluation.net HomeInspection@sanbrunocable.com

Terms and Conditions of Use

Client: Ken & Barbie Doll
Property Address 1234 Beach Avenue Unit D, Malibu, CA 94000
Date: 12/27/2008

The inspection report can be viewed on the Internet
<http://www.inspectvue.com>
Enter the following Client Name: and the Password:

Terms and Conditions:

This report is not transferable and was written for the sole use and benefit of named Client. This report is a work product and is copyrighted as of the date of this report. It is the exclusive property of the Walker Property Evaluation Services and for the exclusive use of the clients whose names appear therein. Any use without the express written permission of the Client and Walker Property Evaluation Services is expressly prohibited. Unauthorized duplication and/or distribution of, use of or reliance on this report by any party other than the clients has the effect of all parties agreeing to hold harmless, individually, jointly, and/or otherwise, the inspector, the Company, their successors and assigns from any third party claims arising out of unauthorized distribution of the inspection report. Any use or reliance, whether authorized or unauthorized, of the information contained herein, constitutes your ascent to the terms of the written agreement governing this document and to the scope and limitations of the inspection as described in the written agreement and in the CREIA Standards of Practice. Interested third-party's are encouraged to obtain their own independent inspection for the property. Walker Property Evaluation Services would be happy to schedule such an inspection for you.

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. Any disputes are to be arbitrated by:

Judicial Arbitration and Mediation Service (JAMS®)

CREIA Standards of Practice

Table of Contents

I. Definitions and Scope

II. Standards of Practice

1. Foundation, Basement, and Under-floor Areas
2. Exterior
3. Roof Covering
4. Attic Areas and Roof Framing
5. Plumbing
6. Electrical
7. Heating and Cooling
8. Fireplaces and Chimneys
9. Building Interior

III. Limitations, Exceptions and Exclusions

IV. Glossary of Terms

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

SECTION 1 - Foundations, Basements, and Under-floor Areas

A. Items to be inspected:

- Foundation system
- Floor framing system
- Under-floor ventilation
- Foundation anchoring and cripple wall bracing
- Wood separation from soil
- Insulation

B. The inspector is not required to:

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

SECTION 2 - Exteriors

A. Items to be inspected:

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

B. The inspector is not required to:

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

SECTION 3 - Roof Coverings

A. Items to be inspected:

- Covering
- Drainage
- Flashings
- Penetrations
- Skylights

B. The inspector is not required to:

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

SECTION 4 - Attic Areas and Roof Framing

A. Items to be inspected:

- Framing
- Ventilation
- Insulation

B. The inspector is not required to:

- Inspect mechanical attic ventilation systems or components
- Determine the composition or energy rating of insulation materials

SECTION 5 - Plumbing

A. Items to be inspected:

- Water supply piping
- Drain, waste, and vent piping
- Faucets and fixtures
- Fuel gas piping
- Water heaters
- Functional flow and functional drainage

B. The inspector is not required to:

- Fill any fixture with water, inspect overflow drains or drain-stops, or evaluate backflow devices, waste ejectors, sump pumps, or drain line cleanouts
- Inspect or evaluate water temperature balancing devices, temperature fluctuation, time to obtain hot water, water circulation, or solar heating systems or components
- Inspect whirlpool baths, steam showers, or sauna systems or components

Inspect fuel tanks or determine if the fuel gas system is free of leaks
Inspect wells or water treatment systems

SECTION 6 - Electrical Systems

A. Items to be inspected:

- Service equipment
- Electrical panels
- Circuit wiring
- Switches, receptacles, outlets, and lighting fixtures

B. The inspector is not required to:

- Operate circuit breakers or circuit interrupters
- Remove cover plates
- Inspect de-icing systems or components
- Inspect private or emergency electrical supply systems or components

SECTION 7 - Heating & Cooling Systems

A. Items to be inspected:

- Heating equipment
- Central cooling equipment
- Energy source and connections
- Combustion air and exhaust vent systems
- Condensate drainage
- Conditioned air distribution systems

B. The inspector is not required to:

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

SECTION 8 - Fireplaces and Chimneys

A. Items to be inspected:

- Chimney exterior
- Spark arrestor
- Firebox
- Damper
- Hearth extension

B. The inspector is not required to:

- Inspect chimney interiors
- Inspect fireplace inserts, seals, or gaskets
- Operate any fireplace or determine if a fireplace can be safely used

SECTION 9 - Building Interior

A. Items to be inspected:

- Walls, ceilings, and floors
- Doors and windows
- Stairways, handrails, and guardrails

- Permanently installed cabinets
- Permanently installed cook-tops, mechanical range vents, ovens, dishwashers, and food waste disposers
- Absence of smoke alarms
- Vehicle doors and openers

B. The inspector is not required to:

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

III. LIMITATIONS, EXCEPTIONS AND EXCLUSIONS

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

- 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

- 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

- Auxiliary features of appliances beyond the appliance's basic function

- Systems or components, or portions thereof, which are under ground, under water, or where the Inspector must come into contact with water

- Common areas as defined in California Civil Code section 1351, et seq., and any dwelling unit systems or components located in common areas

- Determining compliance with manufacturers' installation guidelines or specifications, building codes, accessibility standards, conservation or energy standards, regulations, ordinances, covenants, or other restrictions

- Determining adequacy, efficiency, suitability, quality, age, or remaining life of any building, system, or component, or marketability or advisability of purchase

- Structural, architectural, geological, environmental, hydrological, land surveying, or soils-related examinations

- Acoustical or other nuisance characteristics of any system or component of a building, complex, adjoining property, or neighborhood

- 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

- Risks associated with events or conditions of nature including, but not limited to; geological, seismic, wildfire, and flood

- Water testing any building, system, or component or determine leakage in shower pans, pools, spas, or any body of water

- Determining the integrity of hermetic seals at multi-pane glazing

- Differentiating between original construction or subsequent additions or modifications

- Reviewing information from any third-party, including but not limited to; product defects, recalls, or similar notices

- Specifying repairs/replacement procedures or estimating cost to correct

- Communication, computer, security, or low-voltage systems and remote, timer, sensor, or similarly controlled systems or components

- Fire extinguishing and suppression systems and components or determining fire resistive qualities of materials or assemblies

- Elevators, lifts, and dumbwaiters

- 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

- Operating shutoff valves or shutting down any system or component

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:

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.

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

CREIA Code of Ethics

All Inspector Members (MCI, CCI and Candidates) of the California Real Estate Inspectors Association (CREIA) are committed to providing professional, high quality service to the public. This code will serve as a basis for ethical decision making in the conduct of professional inspection work. It sets forth principles and rules of conduct enforced by CREIA through specific procedures contained in Section B, Judicial Procedures. This Code of Ethics is applicable to all CREIA members as defined in the CREIA bylaws. {EFFECTIVE January 6, 2006}

I. Inspectors shall avoid conflicts of interest or activities that compromise, or appear to compromise, professional independence, objectivity, or inspection integrity. In particular, home inspectors shall not:

- a. Perform or offer to perform, for an additional fee, any repairs to a structure on which the inspector, or the inspector's company, has prepared a home inspection report in the past 12 months.
- b. Inspect for a fee any property in which the inspector, or the inspector's company, has any financial interest or any interest in the transfer of the property.
- c. Offer or deliver any compensation, inducement or reward to the owner of the inspected property, the broker, or agent, for the referral of any business to the inspector or the inspection company, or for inclusion on a list of recommended inspectors, preferred providers, or similar arrangements.
- d. Inspect for a fee properties where the employment itself or the fee payable for the inspection is contingent upon the conclusions in the report, pre-established findings, or the close of escrow.
- e. Accept compensation, directly or indirectly, for recommending contractors, services, or products to inspection clients.

II. Inspectors shall act in good faith toward each client.

- a. Inspectors shall perform services and express opinions based on honest conviction and only within their areas of education, training, or experience.
- b. Inspectors shall be objective in reporting and not knowingly understate or overstate the significance of reported conditions.
- c. Inspectors shall not disclose personal information about the client, seller, tenant, or others involved in the inspection without the approval of the individual(s) affected.
- d. Inspectors shall not disclose inspection results to anyone other than the client or the client's agent without the approval of the client.

III. Inspectors shall avoid activities that harm the public, discredit themselves, or reduce public confidence in the profession.

- a. Inspectors will maintain professional relationships with clients, colleagues and others associated with the inspection without regard to race, color, national origin, gender, religion, age, sexual orientation, or disability.
- b. Inspector's advertising, marketing, and promotion of services or qualifications shall not be fraudulent, false, deceptive, or misleading.
- c. Inspectors shall abide by CREIA bylaws and guidelines in the use of the CREIA logo and other CREIA materials.
- d. Inspectors will respond professionally to client or CREIA concerns and complaints about an inspection.
- e. Inspectors shall report substantial and willful violations of this Code to CREIA.

IV. Consequences for breach of this Code.

- a. Inappropriate language or behavior towards CREIA office staff:
 - First offense: Written reprimand placed in candidate's or member's file.
 - Second offense: One (1) month "member not in good standing" status and loss of all privileges. Written reprimand placed in candidate's/member's file.
- b. Candidate member using CCI, MCI or CNCS logo:
 - First offense: Written reprimand placed in candidate's file.
 - Second offense: Six (6) month "member not in good standing" status and loss of all privileges. Written reprimand placed in candidate's file.
- c. CCI member using MCI or CNCS logo:
 - First offense: Three (3) month "member not in good standing" status and loss of all privileges.

Written reprimand placed in member's file.

Second Offense: Six (6) month "member not in good standing" status and loss of all privileges.

Written reprimand placed in member's file.

d. Candidate or member falsely claiming Chapter or CREIA State Leadership:

First offense: Three (3) month "member not in good standing" status and loss of all privileges.

Written reprimand placed in candidate's/member's file.

Second Offense: Six (6) month "member not in good standing" status and loss of all privileges.

Written reprimand placed in candidate's/member's file.

e. Candidate or member's company or a company controlled/owned by same individual(s) performing repairs of properties for an additional fee within one year of inspection date by same or related company:

First offense: Six (6) month "member not in good standing" status and loss of all privileges.

Written reprimand placed in candidate's/member's file.

Second offense: Membership revoked, expulsion.

f. Candidate or member guilty of false or misleading advertising:

First offense: Written reprimand placed in candidate's/member's file.

Second Offense: Six (6) month "member not in good standing" status and loss of all privileges.

Written reprimand placed in candidate's/member's file.

g. Candidate or member offering or soliciting incentives to the seller or agents involved in a real estate transaction:

First offense: Written reprimand placed in candidate's/member's file.

Second offense: Six (6) month "member not in good standing" status and loss of all privileges.

Written reprimand placed in candidate's/member's file.

h. Breaches of this Code that are not specifically covered by this Section IV shall be subject to consequences as determined by the CREIA Board. Such consequences shall be reasonable in light of and in comparison to those expressly stated herein.

Energy Conservation and Utility Information

UTILITY BILL, REBATES AND OTHER ASSISTANCE

Online Consumer and Business Conservation Rebate Database: www.consumerenergycenter.org

California Department of Consumer Affairs: www.dca.ca.gov/energy-challenge.htm

California Energy Commission, 1-800-772-3300 or www.consumerenergycenter.org for information on utility bill assistance programs

California Public Utilities Commission Consumer Affairs Branch, 1-800-649-7570 or www.cpuc.ca.gov for information on baseline and other optional rates and bill assistance programs

Local Utility Companies,

Pacific Gas & Electric 1-800-743-5000 or www.PGE.com

City of Palo Alto: 650-329-2161 or www.city.palo-alto.ca.us

HELP FOR LOW INCOME RESIDENTS

California Department of Community Services and Development, 1-800-433-4327 or www.csd.ca.gov/liheap.htm for Low Income Home Energy Assistance Program

California Energy Alternative Rates (CARE): Call your local utility company for information and applications. 1-866-743-2273

SENIORS AND SPECIAL NEEDS

Medical Baseline Emergencies: People of all ages and income levels on life-support or with certain medical conditions where a loss of electricity could be a threat to their lives should contact their electric company to apply for the Medical Baseline program or call Flex Your Power at 1-866-968-7797 for a referral. The program provides a variety of benefits, including a larger allotment of low-cost baseline electricity and advance notification of rotating power outages. A flier, Consumer Tips for Energy Emergencies, with information for seniors and people with special medical conditions, who are especially vulnerable to heat, electricity outages and higher electric bills is available at www.dca.ca.gov/energy_emergency_tips.pdf

ILLUSTRATIONS

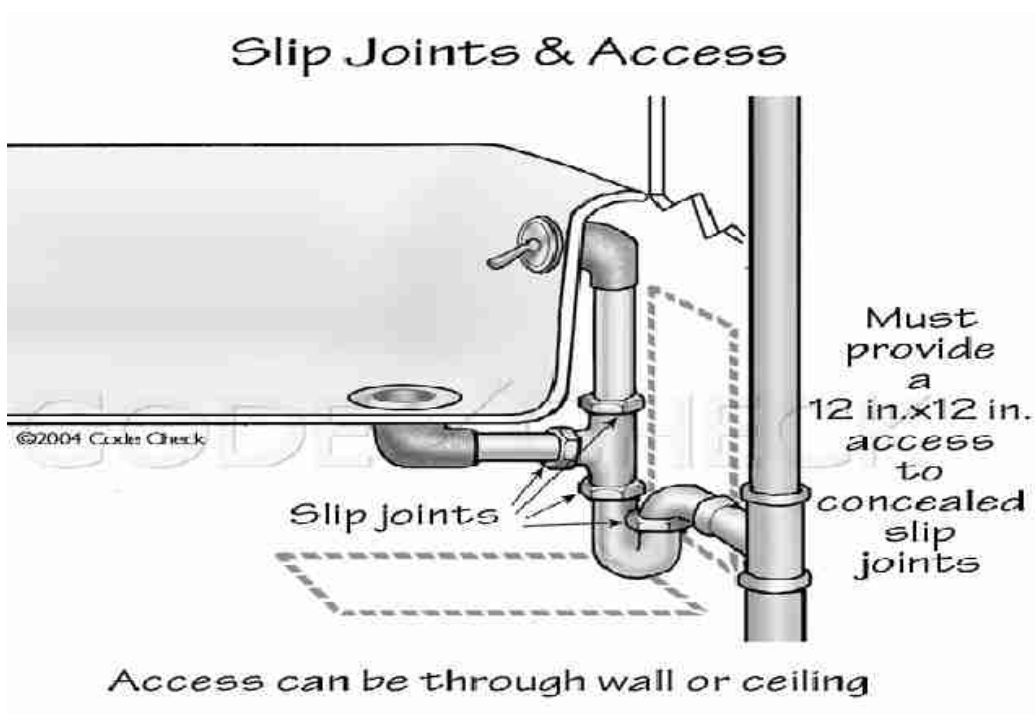


Illustration - 1 Tub-Shower Traps Not Accessible

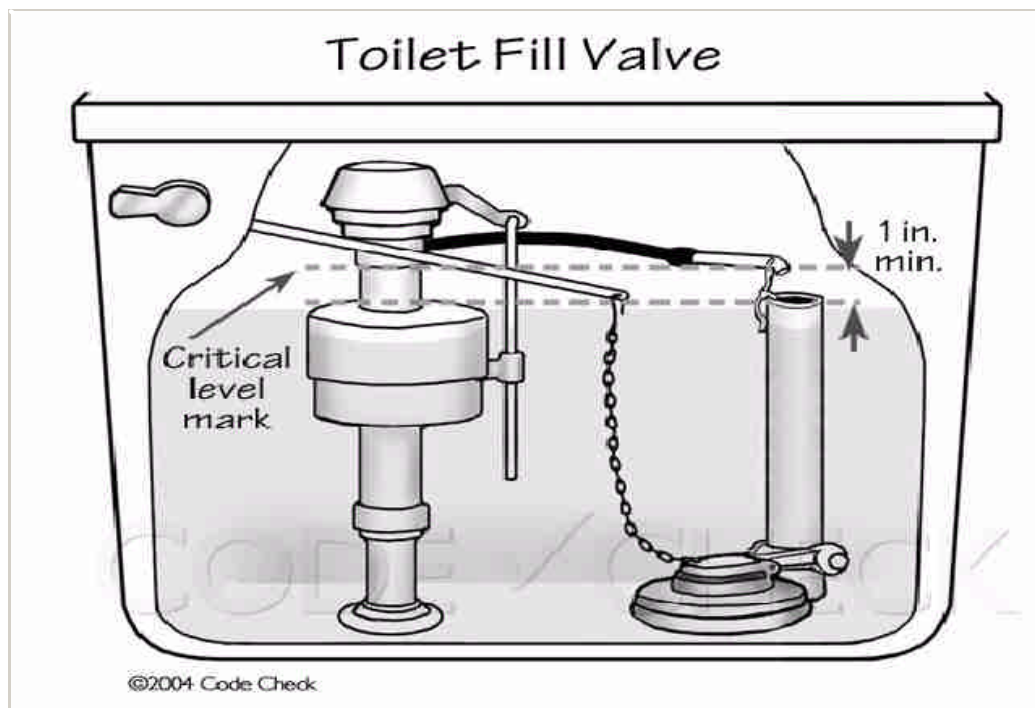


Illustration - 2 Toilet Fill Valve

ILLUSTRATIONS

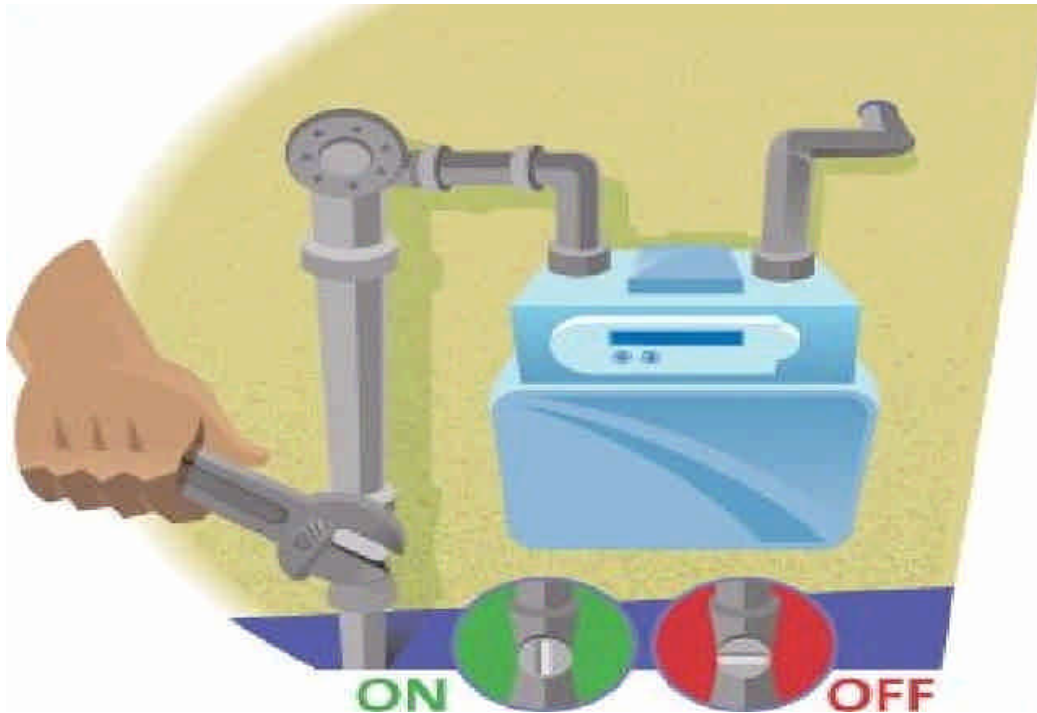


Illustration - 3 Homeowner - Emergency Shut-Off Procedure

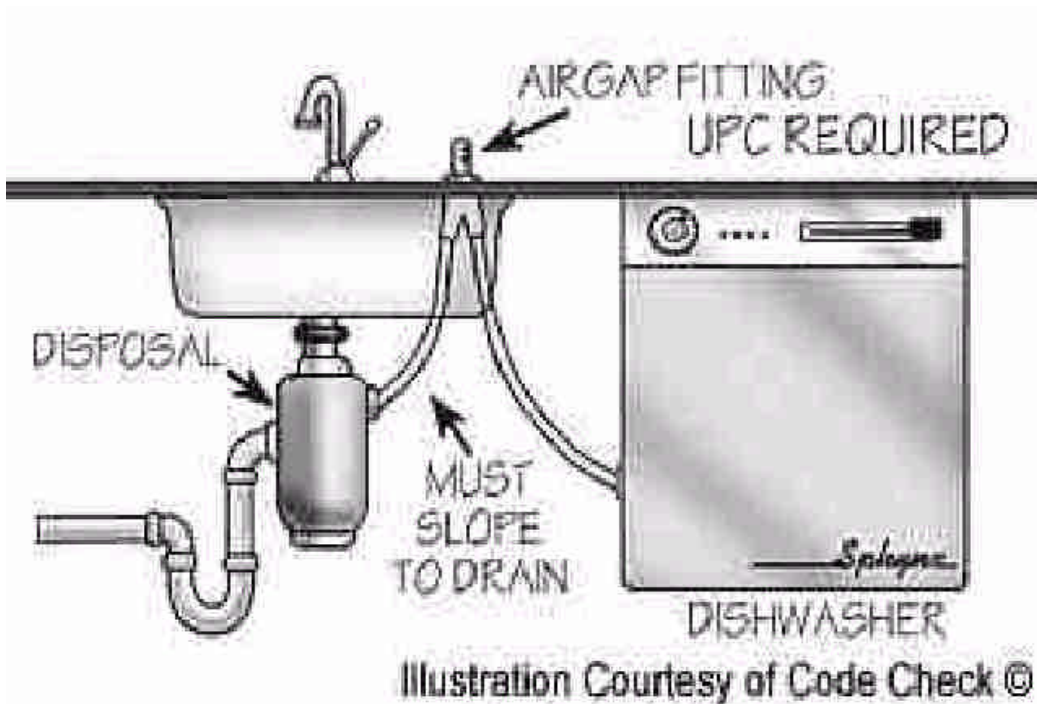


Illustration - 4 The dishwasher does not appear equipped with the required countertop air-gap assembly

REPORT CONCLUSION

1234 Beach Avenue Unit D, Malibu, CA 94000

Inspecting a dwelling is a simple task; anyone can do it. Performing a professional real estate inspection is infinitely more difficult. Professional real estate inspectors have broad technical knowledge that enables them to recognize existing conditions and make recommendations for further action if appropriate.

This report was produced specifically for your single-family dwelling and the associated parking area. This report does not include any other portions or features of the site except as agreed to by the inspector and client prior to the inspection. The purpose of this inspection and written report is to provide an unbiased opinion of the observed defects and conditions at that point in time. Further, it is to describe the physical condition of the selected key systems and components and parking area. We feel that items in RED or BLUE are significant. We provide an overview of this inspection at the front of the report where we list the recommendations we believe may be important to the client. These recommendations should not be considered the only significant findings or issues. You must establish your own priorities after thoroughly studying this report, reviewing all the recommendations in this report, and consulting with other experts, and or specialists as you may deem necessary. We strongly recommend that you discuss these items specifically and the report as a whole with your REALTOR, contractor and/or legal advisor.

The observations in this report are the result of visual observations made the day of the inspection. To realize the full benefit of this report, please take the time to read the entire report. It is also recommended that a final "walk through" be made on any property as various components fail or break at random without regard to our timetables and / or calendars.

Thank you for considering Walker Property Evaluation Services for your real estate inspection needs. If we can be of further assistance to answer questions regarding this report, please feel free to contact us at 650.873.4224.

Inspection Address: 1234 Beach Avenue Unit D, Malibu, CA 94000
Inspection Date/Time: 12/27/2008 1:00 pm to 4:30 pm

TABLE OF CONTENTS

PROPERTY INSPECTION REPORT	1
GENERAL INFORMATION	2
SCOPE OF WORK	6
Structural	8
Slab Foundation	8
Structural Elements	8
Exterior	10
Wall Covering	10
General Site Comments	10
Exterior Features	11
Roof/Attic	13
Common Interest Development Roof	13
Plumbing	15
Potable Water Pipes	16
Waste and Drainage System	17
Gas	17
Central Hot Water or Boiler System	18
Electrical	19
Main Panel	19
Sub Panel - A	20
Electrical Branch Circuits & Wiring Distribution	21
Heat	23
Heating System	23
Living	25
General Interior Conditions and Comments	25
Entry	26
Living	26
Dining	27
Bedrooms	28
Master Bedroom	28
Bathrooms	29
Hallway Bathroom	29
Common	32
Kitchen	32
Hallway	35
Laundry	35
Garbage Enclosure	35
Garage	36
Life-Safety	37
Fire Safety Equipment	37
CERTIFICATIONS AND AFFILIATIONS	38
Terms and Conditions of Use	39
CREIA Standards of Practice	41
CREIA Code of Ethics	46
Energy Conservation and Utility Information	48
ILLUSTRATIONS	49
REPORT CONCLUSION	51
TABLE OF CONTENTS	52