American Dream Home Inspection

"Inspection for Your Protection"

P.O. Box 11613 Westminster CA 92685 Tel: (949) 331-2602 Mobile: (949) 331-2602 www.americandreamhomeinspection.net americandream1@cox.net

SUMMARY REPORT

Client:

Michael C. Smith

Inspection Address:	21 Quail Park Lane , Ladera Ranch, CA
Inspection Date:	6/27/2008 Start: 9:15 am End: 11:15 am

Inspected by: Justin Watts

This summary report will provide you with a preview of the components or conditions that need service or a second opinion, but it is not definitive. Therefore, it is essential that you read the full report. Regardless, in recommending service we have fulfilled our contractual obligation as generalists, and therefore disclaim any further responsibility. However, service is essential, because a specialist could identify further defects or recommend some upgrades that could affect your evaluation of the property.

This report is the exclusive property of the Inspection Company and the client whose name appears herewith, and its use by any unauthorized persons is prohibited.

Components and Conditions Needing Service

Exterior

Site & Other Observations

Renovations & Additions

• A garage space has been converted and should be restored to its original condition by a contractor

Landscaping Observations

- We do not evaluate landscaping but some of the trees need to be trimmed or pruned
- There are tree limbs overgrowing the residence that should be trimmed
- Vegetation is encroaching on the structure and should be kept a minimum of twelve inches away

Grading & Drainage

Interior-Exterior Elevations

• There are similar elevations between the exterior grade and the interior floors which is not ideal

Drainage Mode

- Drainage is facilitated by hard surfaces and area drains which is acceptable but not ideal
- The property does not have hard surfaces in both side yards to facilitate drainage which is recommended **Hillside**
- Because this is a hillside property it should have a geological evaluation

House Wall Finish

House Wall Finish Observations

- Vines are overgrowing the house walls
- The stucco paint is peeling in places as a result of inadequate bonding or preparation should be serviced
- The crack in the stucco should be serviced by a specialist to ensure proper weather protection

Exterior Components

Yard Walls

• There are no weep holes at the base of the yard walls that would allow them to drain

Fascia & Trim

• The wood components including trim should be repainted to ensure proper weather protection

Exterior Wooden Doors

• The exterior front door is damaged and should be serviced or replaced by a specialist

Steps & Handrails

• As a safety precaution we recommend installing handrails on steps with three or more risers

Balconies Guardrails etc

• The balcony guardrails may be climbable and therefore not child-safe

Windows

• The wood trim areas should be repainted by a specialist to ensure proper weather protection

Roof

Spanish Tile Roof

Roofing Material

• There are a number of cracked or broken tiles that should be serviced by a licensed roofing contractor

Gutters & Drainage

• There are no gutters on the residence which should be installed by a specialist to ensure proper drainage

• The roof needs to be cleaned by a specialist to ensure proper drainage to prevent roof leaks

Chimney

Living Room Chimney

Damper

• A damper-stop should be added as a safety feature to the fireplace for carbon monoxide safety reasons

Plumbing

Potable Water Supply Pipes

Pressure Regulators

• A pressure regulator is present on system but water pressure needs to be checked by a plumber

Recirculating Systems

• Hot water is required in all bathrooms per the Uniform Housing Code and this condition should be repaired

• The water heater and expansion tank and pump need to be serviced by a plumber due to hot water supply

General Gas Components

Gas Main Observations

• There is no wrench at the gas shut-off valve which we recommend obtaining as a safety precaution

Gas Seismic Shut-Off Valve

• The gas main is not equipped with a seismic shut-off valve and one is not mandated but recommended Gas SupplyPipes

• The Gas Utility Company should inspect all gas fueled appliances before close of escrow for safety

Gas Water Heaters

Common Observations

• The water heater needs to be evaluated by a plumber due to limited hot water supply in bathrooms

Heating and Air Conditioning

HVAC Split Systems

Common Observations

• The furance and AC split-systems should be serviced before the close of escrow

Furnace

• The furnaces should be serviced by a heating contractor before close of escrow and annually for safety **Vent Pipe**

• The vent pipes are a modern PVC high-temperature plastic type that should be further evaluated **Circulating Fan**

• The blades on the circulating fans are dirty which is indicative of poor maintenance

Return-Air Compartment

The filters are dirty and should be changed

Condensing Coil

• The vegetation should be trimmed away from the AC condensing coils for maintenance reasons

Living

Indoor Environmental Issues

Environmental Observations

• Vermin and other pests commonly invade homes and rodent fecies was visible in attic area

Kitchen

Kitchen

Walls & Ceiling

• The walls and ceilings in kitchen and throughout residence may possess cosmetic damage

Faucet

• The faucet leaks around the stem while in use and should be serviced

Garbage Disposal

• The garbage disposal is noisy and may have worn components and should be replaced

Exhaust Fan or Downdraft

• The exhaust fan is functional but it needs to be cleaned or degreased

Outlets

• All the outlets should be upgraded to have ground-fault protection and some are not protected

Hallway

Primary Hallway

Smoke Detector

• We do not evaluate smoke detectors as part of our service and battery back ups should be changed often

Stairs

Main Stairs

Handrails & Guardrails

• Some balusters in the stair rails and are loose or damaged and should be serviced for safety reasons

Attic

Primary Attic

Common Observations

• The attic is contaminated by rodents and should be evaluated by an exterminator

Exhaust Ducts

• The vertical dryer vent in attic should be cleaned and serviced for fire safety reasons

Bathrooms

Main Bathroom

Exhaust Fan

• The exhaust fan is functional but needs cleaning

1st Guest Bathroom

Sink Faucet Valves & Connectors Trap & Drain

• Hot water could not be activated at the sink and should be serviced by a licensed plumber

2nd Guest Bathroom

Tub-Shower

• The hot water supply to the tub was limited and should be evaluated by a licensed plumber

3rd Guest Bathroom

Tub-Shower

• The tub-shower has limited hot water supply and should be further evaluated by a licensed plumber

Laundry

Laundry Room

Trap & Drain

• The second floor does not have a drain pan which is recommended

Dryer Vent

- Faulty dryer vents have been responsible for thousands of fires hundreds of injuries and even deaths
- The dryer vents vertically and should be kept free of lint and needs service for fire safety reasons

Outlets

• The outlets should be upgraded to have ground fault protection

Garage

Triple-Car Garage

Garage Conversion

• The single car opening was converted and garage door opening was filled in with drywall

Parking Space

• The parking spaces have less than standard dimensions which you may wish to evaluate for yourself

Ventilation Ports

• There are no ventilation ports to vent exhaust fumes

Garage Side Door

• The base of the garage side door is moisture damaged and delaminating and should be repaired

Garage Door & Hardware

• The single car garage door needs to be installed and door opening needs to be restored by a contractor

Automatic Opener

• Remote openers for garage doors are not present and you may wish to obtain them from the sellers

- One single car automatic garage door opener is not installed
- The garage door openers do not auto reverse when force and pressure is appplied and should be serviced **Outlets**

• The outlets should be upgraded to have ground-fault protection

American Dream Home Inspection

"Inspection for Your Protection"

P.O. Box 11613 Westminster CA 92685 Tel: (949) 331-2602 Mobile: (949) 331-2602 www.americandreamhomeinspection.net americandream1@cox.net

CONFIDENTIAL INSPECTION REPORT PREPARED FOR: Michael C. Smith

INSPECTION ADDRESS

21 Quail Park Lane , Ladera Ranch, CA

INSPECTION DATE

6/27/2008 9:15 am to 11:15 am



This report is the exclusive property of the Inspection Company and the client whose name appears herewith, and its use by any unauthorized persons is prohibited.

GENERAL INFORMATION

Inspection Address: Inspection Date:	21 Quail Park Lane, Ladera Ranch, CA 6/27/2008 Time: 9:15 am to 11:15 am
Weather:	Clear and Dry - Temperature at time of inspection: 70-80 Degrees
Inspected by:	Justin Watts
Client Information: Structure Type: Foundation Type: Furnished: Number of Stories:	Michael C. Smith Wood Frame Slab No Two
Structure Style:	Single Family Residence
Estimated Year Built: Unofficial Sq.Ft.:	2004 2800
People on Site At Time of Inspection: Buyer(s)	

Broker - and other visitors viewing listing

PLEASE NOTE:

This report is the exclusive property of Justin Watts, of American Dream Home Inspection and the client whose name appears herewith, and its use by any unauthorized persons is strictly prohibited.

The observations and opinions expressed within this report are those of Justin Watts of American Dream Home Inspection and supercede any alleged verbal comments. We inspect all of the systems, components, and conditions described in accordance with the standards of the National Association of Certified Home Inspectors (NACHI), and those that we do not inspect are clearly disclaimed in the contract and/or in the aforementioned standards. However, some components that are inspected and found to be functional may not necessarily appear in the report, simply because we do not wish to waste our client's time by having them read an unnecessarily lengthy report about components that do not need to be serviced. Digital Pictures are included with this report and are included at the discretion of the inspector, due to file size restrictions and emailing pdf. file reports, a limited number of pictures are included.

In accordance with the terms of the contract, the service recommendations that we make in this report should be completed well before the close of escrow by licensed specialists, who may well identify additional defects or recommend some upgrades that could affect your evaluation of the property. You should also verify all city or county construction permits for the property including improvements such as room additions, bathroom remodels, swimming pools and spas, roof installations, water heaters, furnaces, and other improvements that are required by the governmental jurisdiction for your protection.

PLEASE READ THE (ENTIRE) INSPECTION REPORT INCLUDING ALL HIGHLIGHTED AND NON-HIGHLIGHTED SECTIONS FOR A COMPLETE UNDERSTANDING OF THE PROPERTY INSPECTION AND ANY CONDITIONS OR DEFECTS NOTED. I ENCOURAGE YOU TO READ EVERY PARAGRAPH AND SENTENCE IN THIS REPORT PROVIDED TO YOU. CLIENT SHOULD FOLLOW EVERY RECOMMENDATION FOR SERVICE, REPAIRS OR FURTHER EVALUATION BY LICENSED SPECIALISTS OR ASSUME ALL RISKS WITH FAILURE TO DO SO.

Inspection Address: Inspection Date/Time:

Report File: 85-2008

SCOPE OF WORK

You have contracted with Justin Watts of American Dream Home Inspection to perform a generalist inspection in accordance with the standards of practice established by the National Association of Certified Home Inspectors (NACHI), a copy of which is available upon request and available at the website www.nachi.org. Generalist inspections are essentially visual, and distinct from those of specialists, inasmuch as they do not include the use of specialized instruments, the dismantling of equipment, or the sampling of air and inert materials. Consequently, a generalist inspection and the subsequent report will not be as comprehensive, nor as technically exhaustive, as that generated by specialists, and it is not intended to be. The purpose of a generalist inspection is to identify significant defects or adverse conditions that would warrant a specialist evaluation. Therefore, you should be aware of the limitations of this type of inspection, which are clearly indicated in the standards. However, the inspection is not intended to document the type of cosmetic deficiencies that would be apparent to the average person, and certainly not intended to identify insignificant deficiencies. Similarly, we do not inspect for vermin infestation, which is the responsibility of a licensed exterminator.

Most homes built after 1978, are generally assumed to be free of asbestos and many other common environmental contaminants. However, as a courtesy to our clients, we are including some well documented, and therefore public, information about several environmental contaminants that could be of concern to you and your family, all of which we do not have the expertise or the authority to evaluate, such as asbestos, radon, methane, formaldehyde, termites and other wood-destroying organisms, pests and rodents, molds, microbes, bacterial organisms, and electromagnetic radiation, to name some of the more commonplace ones. Nevertheless, we will attempt to alert you to any suspicious substances that would warrant evaluation by a specialist. However, health and safety, and environmental hygiene are deeply personal responsibilities, and you should make sure that you are familiar with any contaminant that could affect your home environment. You can learn more about contaminants that can affect you home from a booklet published by The environmental Protection Agency, which you can read online at www.epa.gov/iaq/pubs/insidest.htm.

Mold is one such contaminant. It is a microorganism that has tiny seeds, or spores, that are spread on the air then land and feed on organic matter. It has been in existence throughout human history, and actually contributes to the life process. It takes many different forms, many of them benign, like mildew. Some characterized as allergens are relatively benign but can provoke allergic reactions among sensitive people, and others characterized as pathogens can have adverse health effects on large segments of the population, such as the very young, the elderly, and people with suppressed immune systems. However, there are less common molds that are called toxigens that represent a serious health threat. All molds flourish in the presence of moisture, and we make a concerted effort to look for any evidence of it wherever there could be a water source, including that from condensation. Interestingly, the molds that commonly appear on ceramic tiles in bathrooms do not usually constitute a health threat, but they should be removed. However, some visibly similar molds that form on cellulose materials, such as on drywall, plaster, and wood, are potentially toxigenic. If mold is to be found anywhere within a home, it will likely be in the area of tubs, showers, toilets, sinks, water heaters, evaporator coils, inside attics with unvented bathroom exhaust fans, and return-air compartments that draw outside air, all of which are areas that we inspect very conscientiously. Nevertheless, mold can appear as though spontaneously at any time, so you should be prepared to monitor your home, and particularly those areas that we identified. Naturally, it is equally important to maintain clean air-supply ducts and to change filters as soon as they become soiled, because contaminated ducts are a common breeding ground for dust mites, rust, and other contaminants. Regardless, although some mold-like substances may be visually identified, the specific identification of molds can only be determined by specialists and laboratory analysis, and is absolutely beyond the scope of our inspection. Nonetheless, as a prudent investment in environmental hygiene, we categorically recommend that you have your home tested for the presence of any such contaminants, and particularly if you or any member of your family suffers from allergies or asthma. Also, you can learn more about mold from an Environmental Protection Agency document entitled "A Brief Guide to Mold, Moisture and Your Home," by visiting their web site at: http://www.epa.gov/iaq/molds/moldguide.html/, from which it can be downloaded.

Asbestos is a notorious contaminant that could be present in any home built before 1978. It is a naturally occurring mineral fiber that was first used by the Greek and Romans in the first century, and it has been widely used throughout the modern world in a variety of thermal insulators, including those in the form of paper wraps,

bats, blocks, and blankets. However, it can also be found in a wide variety of other products too numerous to mention, including duct insulation and acoustical materials, plasters, siding, floor tiles, heat vents, and roofing products. Although perhaps recognized as being present in some documented forms, asbestos can only be specifically identified by laboratory analysis. The most common asbestos fiber that exists in residential products is chrysotile, which belongs to the serpentine or white-asbestos group, and was used in the clutches and brake shoes of automobiles for many years. However, a single asbestos fiber is said to be able to cause cancer, and is therefore a potential health threat and a litigious issue. Significantly, asbestos fibers are only dangerous when they are released into the air and inhaled, and for this reason authorities such as the Environmental Protection Agency [EPA] and the Consumer Product Safety Commission [CPSC] distinguish between asbestos that is in good condition, or non-friable, and that which is in poor condition, or friable, which means that its fibers could be easily crumbled and become airborne. However, we are not specialists and, regardless of the condition of any real or suspected asbestos-containing material [ACM], we would not endorse it and recommend having it evaluated by a specialist.

Radon is a gas that results from the natural decay of radioactive materials within the soil, and is purported to be the second leading cause of lung cancer in the United States. The gas is able to enter homes through the voids around pipes in concrete floors or through the floorboards of poorly ventilated crawlspaces, and particularly when the ground is wet and the gas cannot easily escape through the soil and be dispersed into the atmosphere. However, it cannot be detected by the senses, and its existence can only be determined by sophisticated instruments and laboratory analysis, which is completely beyond the scope of our service. However, you can learn more about radon and other environmental contaminants and their affects on health, by contacting the Environmental Protection Agency (EPA), at www. epa.gov/radon/images/hmbuygud.pdf, and it would be prudent for you to enquire about any high radon readings that might be prevalent in the general area surrounding your home.

Lead poses an equally serious health threat. In the 1920's, it was commonly found in many plumbing systems. In fact, the word "plumbing" is derived from the Latin word "plumbum," which means lead. When in use as a component of a waste system, it is not an immediate health threat, but as a component of potable water pipes it is a definite health-hazard. Although rarely found in modern use, lead could be present in any home build as recently as the nineteen forties. For instance, lead was an active ingredient in many household paints, which can be released in the process of sanding, and even be ingested by small children and animals chewing on painted surfaces. Fortunately, the lead in painted surfaces can be detected by industrial hygienists using sophisticated instruments, but testing for it is not cheap. There are other environmental contaminants, some of which we have already mentioned, and others that may be relatively benign. However, we are not environmental hygienists, and as we stated earlier we disclaim any responsibility for testing or establishing the presence of any environmental contaminant, and recommend that you schedule whatever specialist inspections that may deem prudent within the contingency period.

Exterior

With the exception of townhomes, condominiums, and residences that are part of a planned urban development, or PUD, we evaluate the following exterior features: driveways, walkways, fences, gates, handrails, guardrails, yard walls, carports, patio covers, decks, building walls, 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 landscape components, such as trees, shrubs, fountains, ponds, statuary, pottery, fire pits, patio fans, heat lamps, and decorative or low-voltage lighting. In addition, we do not comment on coatings or cosmetic deficiencies and the wear and tear associated with the passage of time, which would be apparent to the average person. However, cracks in hard surfaces can imply the presence of expansive soils that can result in continuous movement, but this could only be confirmed by a geological evaluation of the soil.

Site & Other Observations

Renovations & Additions

Components and Conditions Needing Service

A garage space has been converted and should be restored to its original condition by a contractor, the space should be converted back to a functional parking space for vehicles.

Landscaping Observations

Informational Conditions

There are trees on this property that we do not have the expertise to evaluate, but which you may wish to have evaluated by an arborist.

Components and Conditions Needing Service

We do not evaluate landscaping, but some of the trees need to be trimmed or pruned.

There are tree limbs overgrowing the residence that should be trimmed or monitored, to insure that they do not impact of damage the roof or its components.

Vegetation is encroaching on the structure, and should be kept a minimum of twelve inches away for the general welfare of the walls and foundation.

Grading & Drainage

General Comments

Informational Conditions

Water can be destructive and foster conditions that are deleterious to health. For this reason, the ideal property will have soils that slope away from the residence and the interior floors will be several inches higher than the exterior grade. Also, the residence will have roof gutters and downspouts that discharge into area drains with catch basins that carry water away to hard surfaces. However, we cannot guarantee the condition of any subterranean drainage system, but if a property does not meet this ideal, or if any portion of the interior floor is below the exterior grade, we cannot endorse it and recommend that you consult with a grading and drainage contractor, even though there may not be any evidence of moisture intrusion. The sellers or occupants will obviously have a more intimate knowledge of the site than we could possible hope to have during our limited visit, however we have confirmed moisture intrusion in residences when it was raining that would not have been apparent otherwise. Also, in conjunction with the cellulose material found in most modern homes, moisture can facilitate the growth of biological organisms that can compromise building materials and produce mold-like substances that can have an adverse affect on health.

Moisture & Related Issues

Informational Conditions

Moisture intrusion is a perennial problem, with which you should be aware. It involves a host of interrelated factors, and can be unpredictable, intermittent, or constant. When moisture intrusion is not self evident, it can be inferred by musty odors, peeling paint or plaster, efflorescence, or salt crystal formations, rust on metal components, and wood rot. However, condensation and humidity can produce similar conditions if the

temperature in an area is not maintained above the dew point. Regardless, if the interior floors of a residence are at the same elevation or lower than the exterior grade we could not rule out the potential for moisture intrusion and would not endorse any such areas. Nevertheless, if such conditions do exist, or if you or any member of your family suffers from allergies or asthma, you should schedule a specialist inspection.

Interior-Exterior Elevations

Components and Conditions Needing Service

At points around the residence, there are similar elevations between the exterior grade and the interior floors. Such conditions are obviously not ideal, and moisture intrusion could result. The door thresholds must be kept sealed and the base of the walls monitored, and particularly during prolonged rains.

Drainage Mode

Components and Conditions Needing Service

Drainage is facilitated by hard surfaces, and area drains that carry water away from the residence, but no catch basins or roof gutters. Such conditions may be acceptable but are not ideal, and you may wish to have a specialist evaluate, but we did not see any evidence of moisture contaminating the living space. However, the area drains must be kept clean or moisture intrusion could result.

The property does not have hard surfaces in both side yards to facilitate drainage. Water will percolate and pond adjacent to the residence, which is not ideal, and you may wish to consider upgrading the site by adding hard surfaces with swales or area drains that direct water away from the residence.

Area Drains

Informational Conditions

The property is served by area drains that appear to be in acceptable condition. However, because it is impossible to see inside them, the seller should guarantee that the drains are functional, or they should be flushed through to the street before the close of escrow. Surface water carries minerals and silt that is deposited inside the pipes and hardens in the summer months to the consistency of wet concrete, which can impede drainage and require the pipes to be cleared by a rooter service.

Hillside

Components and Conditions Needing Service

Because this is a hillside property, it should have a geological evaluation that should include an evaluation of other important and related issues such as grading and drainage. I do not conduct soils or geo-technical evaluations, nor am I qualified to do so. Since there is a slope behind this property, you may wish to consult with a geo-technical engineer before close of escrow.





House Wall Finish

House Wall Finish Type

Informational Conditions

The house walls are finished with stucco and functional stone veneer sections.

House Wall Finish Observations

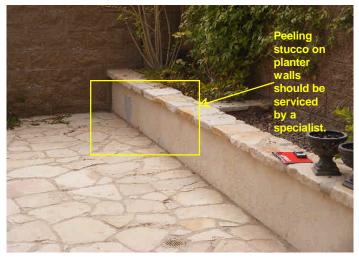
Informational Conditions

There are typical cracks in the stucco, which you should view for yourself. All cracks result from movement, and are structural in that respect, but the vast majority of them have only a cosmetic significance. However, you may wish to have this confirmed by a specialist.

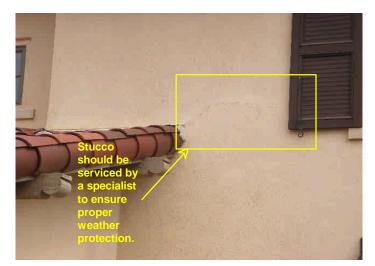
Components and Conditions Needing Service

Vines are overgrowing the house walls and although they are attractive they can introduce pests and rodents and accelerate deterioration. Therefore, you may wish to consider having them removed. The stucco paint is peeling in places, as a result of inadequate bonding or preparation, the section on the

planter wall should be serviced by a specialist.



The cracks in stucco should be serviced by a licensed specialist to ensure proper weather protection and to prevent moisture intrusion damage to residence.



Exterior Components

General Comments

Informational Conditions

It is important to maintain a property, including painting or sealing walkways, decks, and other hard surfaces, and it is particularly important to keep the house walls sealed, which provide the only barrier against deterioration. Unsealed cracks around windows, doors, and thresholds 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 is raining. We have discovered leaking windows while it was raining that may not have been apparent otherwise. Regardless, there are many styles of windows but only two basic types, single and dual-glazed. Dual-glazed windows are superior, because they provide a thermal as well as an acoustical barrier. However, the hermetic seals on these windows can fail at any time, and cause condensation to form between the panes. Unfortunately, this is not always apparent, which is why we disclaim an evaluation of hermetic seals. Nevertheless, in accordance with industry standards, we test a representative number of unobstructed windows, and ensure that at least one window in every bedroom is operable and facilitates an emergency exit.

Driveways

Informational Conditions

The driveway is in acceptable condition.

Walkways

Informational Conditions

The walkways are in acceptable condition.

Yard Walls

Informational Conditions

Some portions of the yard walls are obscured by foliage or other material and could not be fully examined. *Components and Conditions Needing Service*

There are no weep holes or open grout joints at the base of the yard walls that would allow them to drain and prevent pressure from building up behind them.

Fences & Gates

Informational Conditions

The fences and gates are serviceable, and would not need service at this time.

Fascia & Trim

Components and Conditions Needing Service

The wood components including trim should be repainted to ensure proper weather protection. A licensed specialist or painter should repaint areas that are peeling and need maintenance.



Exterior Wooden Doors

Components and Conditions Needing Service

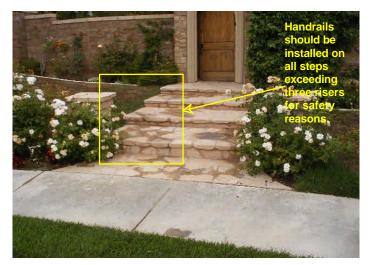
The exterior front door is damaged and should be serviced or replaced by a specialist. The door is damaged near the hinges, does not open and close easily and should be serviced by a specialist. The hinges will also need to be replaced with a functional type designed for outside doors.



Steps & Handrails

Components and Conditions Needing Service

As a safety precaution, we recommend installing handrails on steps that have three or more risers, and particularly if children or the elderly visit or occupy the property.

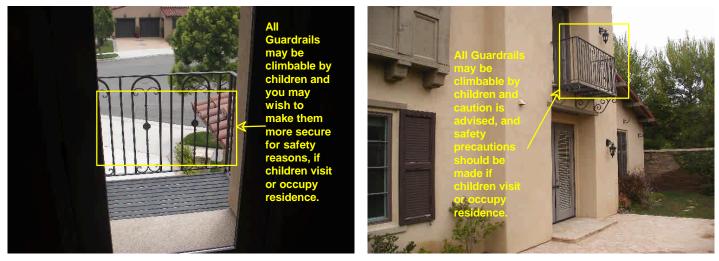


Balconies Guardrails etc

Components and Conditions Needing Service

The balcony guardrails may be climbable, and therefore not child-safe. If children occupy or visit this property appropriate precautions should be taken to make the area more secure.

The balcony guardrails may be climbable and therefore not child-safe - Continued



Guardrails

Informational Conditions

The guardrail, or guardrails, is an adequate height and in acceptable condition. However, standards for guardrails are not uniform. Nonetheless, common safety standards require them to be a minimum of forty-two inches high when the standing surface is thirty inches or more above grade. Also, guardrail pickets should be no more than four inches apart for child safety. Also, some guardrail designs may be climbable for small children, and notes have been included in this report regarding the guardrails. (see photos and comments in report under balcony sections)

Windows

Components and Conditions Needing Service

The window-trim needs maintenance-type service and repainting to ensure proper weather protection. You may wish to have a licensed specialist or painter, paint sections of the residence that possess peeling paint.



Screens

Informational Conditions

We do not evaluate window screens, because many people choose to remove them for aesthetic reasons. Also, they are easily damaged and can be removed after our inspection. Therefore, we choose to disclaim them.

Outlets

Informational Conditions

The outlets that were tested are functional and include ground-fault protection.

Lights

Informational Conditions

The lights outside the doors of the residence are functional. However, we do not inspect or evaluate decorative lights.

Structural

All structures are dependent on the soil beneath them for support, but soils are not uniform. Some that might appear to be firm and solid can liquefy and become unstable during seismic activity. Also, there are soils that can expand to twice their volume with the influx of water and move structures with relative ease, raising and lowering them and fracturing slabs and other hard surfaces. In fact, expansive soils have accounted for more structural damage than most natural disasters. Regardless, foundations are not uniform, and conform to the structural standard of the year in which they were built. In accordance with our standards of practice, we identify foundation types and look for any evidence of structural deficiencies. However, cracks or deteriorated surfaces in foundations are quite common. In fact, it would be rare to find a raised foundation wall that was not cracked or deteriorated in some way, or a slab foundation that did not include some cracks concealed beneath the carpeting and padding. Fortunately, most of these cracks are related to the curing process or to common settling, including some wide ones called cold-joint separations that typically contour the footings, but others can be more structurally significant and reveal the presence of expansive soils that can predicate more or less continual movement. We will certainly alert you to any suspicious cracks if they are clearly visible. However, we are not specialists, and in the absence of any major defects we may not recommend that you consult with a foundation contractor, a structural engineer, or a geologist, but this should not deter you from seeking the opinion of any such expert.

Various Hard Surfaces

Common Observations

Informational Conditions

There are common settling, or curing, cracks in the hard surfaces. This is somewhat predictable, and is typically not regarded as being structurally significant, but we are not specialists and you may wish to have this confirmed by one.

Slab Foundation

General Comments

Informational Conditions

This residence 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 check the visible portion of the stem walls on the outside for any evidence of significant cracks or structural deformation, but we do not move furniture or lift carpeting and padding to look for cracks or moisture penetration, and we do not use any of the specialized devices that are used to establish relative elevations and confirm differential movement. Significantly, many slabs are built or move out of level, but the average person may not become aware of this until there is a difference of more than one inch in twenty feet, which most authorities regard as being tolerable.

Many slabs are found to contain cracks when the carpet and padding are removed, including some that contour the edge and can be quite wide. They typically result from shrinkage and usually have little structural significance. However, there is no absolute standard for evaluating cracks, and those that are less than 1/4" and which exhibit no significant vertical or horizontal displacement are generally not regarded as being

significant. Although they typically do result from common shrinkage, they can also be caused by a deficient mixture of concrete, deterioration through time, seismic activity, adverse soil conditions, and poor drainage, and if they are not sealed they can allow moisture to enter a residence, and particularly if the residence is surcharged by a hill or even a slope, or if downspouts discharge adjacent to the slab. However, in the absence of any major defects, we may not recommend that you consult with a foundation contractor, a structural engineer, or a geologist, but this should not deter you from seeking the opinion of any such expert, and we would be happy to refer one.

Method of Evaluation

Informational Conditions

We evaluated the slab foundation on the exterior, by examining the stem walls that project above the footing at the base of the house walls. The interior portions of the slab, which is also known as the slab floor, have little structural significance and, inasmuch as they are covered and not visually accessible, it is beyond the scope of our inspection.

Common Observations

Informational Conditions

The residence has a bolted, slab foundation with no visible or significant abnormalities.

Roof

There are many different roof types, which we evaluate by walking on their surfaces. If we are unable or unwilling to do this for any reason, we will indicate the method that was used to evaluate them. 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 other prevalent weather conditions, and the regularity of its maintenance. 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 roof material, and this is equally true of almost all roofs. In fact, the material on the majority of pitched roofs is not designed to be waterproof only water-resistant. However, 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, could be old and will not necessarily confirm an active leak without some corroborative evidence, and such evidence can be deliberately concealed. Consequently, only the installers can credibly guarantee that a roof will not leak, and they do. We evaluate every roof conscientiously, and even attempt to approximate its age, but we will not predict its remaining life expectancy, or 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. Therefore, we recommend that you ask the sellers about it, 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.

Spanish Tile Roof

General Comments

Informational Conditions

There are several types of authentic Spanish tile, all of which are made of clay and are easily broken. Like most inspectors, we elect not to walk on them but view them instead from a variety of vantage points using a ladder and binoculars. They can be installed in different ways, using various fasteners and mortar, over one or more waterproof membranes of varying weights. Sometimes the tiles appear to be careless installed, or randomly layered and irregularly placed, but this is characteristic of a classic Spanish tile roof. As with other pitched roofs, they are not designed to be waterproof only water-resistant, and are dependant on the integrity of the membrane beneath them, which is concealed, but which can be split by movement, or deteriorated through time and ultra-violet contamination. These roofs can leak, and sometimes without there being any obvious damage to the tiles, and particularly if damaged tiles have been replaced over a deteriorated membrane. However, the most common form of leakage occurs when the valleys or other drainage channels become blocked by debris, which causes water to back up and be directed under the flashing. Therefore, it is important to inspect these roofs annually and to have them cleaned.

Most residences have termite inspections as a condition of escrow, and when termite infestation is confirmed most are commonly tented in preparation for fumigation. This requires personnel to walk on the roof, which can damage the roofing material. Therefore it is essential that you review the termite report, and if the residences is to be tented that you have a local roofing company inspect the roof after the tenting has been removed to confirm that the roofing material did not sustain damage.

Method of Evaluation

Informational Conditions

We elected not to walk the roof because the roofing material is easily broken, and evaluated it from several other vantage points.

Estimated Age

Informational Conditions

The roof appears to be the same age as the residence, or approximately 4 to 5 years old.

Roofing Material

Components and Conditions Needing Service

There are a number of cracked or broken tiles that should be serviced by a licensed roofing contractor to ensure the roof does not leak, these repairs should be completed before close of escrow. My service does not guarantee this roof will not leak, and a water test performed by a licensed roofing contractor with a roofing certification issued is recommended.



Gutters & Drainage

Components and Conditions Needing Service

There are no gutters on the residence, which are recommended for the general welfare of the residence and its foundation, inasmuch as moisture is a perennial problem. A complete system of roof gutters and downspouts should be installed by a specialist before close of escrow.

There are no gutters on the residence which should be installed by a specialist to ensure proper drainage - Continued



The roof needs to be cleaned to ensure proper drainage to prevent roof leaks. There may be bird droppings or other trapped leaves on rooftop that should be cleared.



Chimney

The Chimney Safety Institute of America has published industry standards for the inspection of chimneys, and on January 13, 2000, the National Fire Protection Association adopted these standards as code, known as NFPA 211. Our inspection of masonry and factory-built chimneys to what is known as a Level-One inspection, which is purely visual and not to be confused with Level-Two, and Level-Three inspections, which are performed by qualified specialists with a knowledge of codes and standards, and typically involves dismantling components and/or investigations with video-scan equipment and other means to evaluate chimneys.

Living Room Chimney

General Prefabricated

Informational Conditions

There are a wide variety of pre-fabricated chimneys, which are constructed on site with approved components. We perform a competent inspection of them, but we are not specialists, and our inspection of them is limited to those areas that can be viewed without dismantling any portion of them, and we cannot guarantee that any particular component is the one stipulated for use by the manufacturer. For instance, experience has taught us that many prefabricated chimneys have been fitted with architectural shrouds that are not approved by the manufacturer, and which can inhibit drafting and convectional cooling. However, we recommend a level-two inspection by a qualified specialist within the contingency period or before the close of escrow, as recommended by NFPA standards "upon the sale or transfer of a property."



Common Observations

Informational Conditions

The chimney walls appear to be in acceptable condition. Near the front of the residence, a possible chimney wall appeared present, however a second fireplace was not observed on the property, or in the room upstairs with the front yard balcony. If a second fireplace was present on the property, the previous owner may have filled in the fireplace area or removed it. You may wish to consult with the sellers or a fireplace specialist, if this is not an architectual design element.



Weather Cap-Spark Arrestor

Informational Conditions

The chimney has a functional weather cap/spark arrestor.

Chimney Flue

Informational Conditions

The portions of the flue that are visible appear to be in acceptable condition.

A complete view of the chimney flue is not possible, and you may wish to have it video scanned.

Damper

Components and Conditions Needing Service

A damper-stop should be added as a safety feature of the ornamental fire, which prevents it from being fully closed for carbon monoxide safety reasons.



Glass Doors

Informational Conditions The fireplace glass doors are functional. Hearth Informational Conditions The hearth is in acceptable condition. Mantle Informational Conditions The fireplace mantle is in acceptable condition.

Plumbing

Plumbing systems have common components, but they are not uniform. In addition to fixtures, these components include gas pipes, water pipes, pressure regulators, pressure relief valves, shut-off valves, drain and vent pipes, and water-heating devices, some of which we do not test if they are not in daily use. The best and most dependable water pipes are copper, because they are not subject to the build-up of minerals that bond within galvanized pipes, and gradually restrict their inner diameter and reduce water volume. Water softeners can 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, or one in which the regulator fails and high pressure begins to stress the washers and diaphragms within the various components.

Waste and drainpipes pipes are equally varied, and range from modern ABS ones [acrylonitrile butadiene styrene] to older ones made of cast-iron, galvanized steel, clay, and even a cardboard-like material that is coated with tar. The condition of these pipes is usually directly related to their age. Older ones are subject to damage through decay and root movement, whereas the more modern ABS ones are virtually impervious to damage, although some rare batches have been alleged to be defective. However, inasmuch as significant portions of drainpipes are concealed, we can only infer their condition by observing the draw at drains. Nonetheless, blockages will occur in the life of any system, but blockages in drainpipes, and particularly in main drainpipes, can be expensive to repair, and for this reason we recommend having them video-scanned. This could also confirm that the house is connected to the public sewer system, which is important because all private systems must be evaluated by specialists.

Potable Water Supply Pipes

Water Main Shut-off Location

Informational Conditions

The main water shut-off valve is located in the garage.

Pressure Regulators

Components and Conditions Needing Service

A pressure regulator is present on system but water pressure needs to be checked by a plumber, since a fire suppression sprinkler system is present. Both supplies of water pressure should be checked and verified as functional and at a safe level to ensure leaks and damage to piping system will not occur.



Recirculating Systems

Components and Conditions Needing Service

Hot water is required in all bathrooms per the Uniform Housing Code and this condition should be repaired and evaluated by a licensed plumber before close of escrow.

The hot water heater, expansion tank and circulating pump are not functional for downstairs bathrooms and should be serviced and further evaluated by a licensed plumber. However, the components of circulating systems have a shorter design-life than many other components. There was no functional hot water present in the downstairs bathrooms, including the sink and tubs when the dishwasher in the kitchen was left on. Based on the size of the water heater, hot water should be functional in all bathrooms when the dishwasher is on. A licensed plumber should further evaluate and service this condition before close of escrow. Functional Hot water is required in all bathrooms per the Uniform Housing Code ordinances.

The water heater and expansion tank and pump need to be serviced by a plumber due to hot water supply - Continued



Copper Water Pipes

Informational Conditions The potable water pipes are in acceptable condition.

General Gas Components

Gas Main Shut-Off Location

Informational Conditions

The gas main shut-off is located in the garage side yard. You should be aware that gas leaks are not uncommon, particularly underground ones, and that they can be difficult to detect without the use of sophisticated instruments, which is why natural gas is odorized in the manufacturing process. Therefore, we recommend that you request a recent gas bill from the sellers, so that you can establish a norm and thereby be alerted to any potential leak.

Gas Main Observations

Components and Conditions Needing Service

There is no wrench at the gas shut-off valve to facilitate an emergency shut-off, and inasmuch as such tools are relatively inexpensive we recommend that you buy one and leave it in-place on the valve.

Gas Seismic Shut-Off Valve

Components and Conditions Needing Service

The gas main is not equipped with a seismic shut-off valve, and one is not mandated but recommended. Gas SupplyPipes

Components and Conditions Needing Service

The Gas Utility Company should inspect all gas fueled appliances before close of escrow for safety, and annually thereafter.

Gas Water Heaters

General Comments

Informational Conditions

There are a wide variety of residential water heaters that range in capacity from fifteen to one hundred gallons. They can be expected to last at least as long as their warranty, or from five to eight years, but they will generally last longer. However, few of them last longer than fifteen or twenty years and many eventually leak. So it is always wise to have them installed over a drain pan plumbed to the exterior. Also, it is prudent to flush them annually to remove minerals that include the calcium chloride bi-product of many water softening systems. The water temperature should be set at a minimum of 110 degrees fahrenheit to kill microbes and a maximum of 140 degrees to prevent scalding. Also, water heaters can be dangerous if they are not seismically secured and equipped with either a pressure/temperature relief valve and discharge pipe plumbed to the exterior, or a Watts 210 gas shut-off valve.



Age Capacity & Location

Informational Conditions

Hot water is provided by an approximately 4 year old, 75 gallon Rheem water heater that is located in an exterior cabinet or closet.

Common Observations

Components and Conditions Needing Service

The water heater and plumbing system components need to be evaluated by a plumber due to limited hot water supply in downstairs bathrooms. Hot water was not present in the downstairs bathrooms when the dishwasher was running in kitchen. Based on the size of the water heater (75 gallon tank unit) and expansion tank present, this condition should not be present and hot water should be functional. A licensed plumber should further evaluate this problem and make necessary repairs.

Water Shut-Off Valve & Connectors

Informational Conditions

The shut-off valve and water connectors are functional.

Gas Shut-Off Valve & Connector

Informational Conditions

The gas control valve and its connector at the water heater are functional.

Vent Pipe & Cap

Informational Conditions

The vent pipe is functional.

Relief Valve & Discharge Pipe

Informational Conditions

The water heater is equipped with a mandated pressure-temperature relief valve.

Drain Valve

Informational Conditions

The drain valve is in place and presumed to be functional.

Drain Pan & Discharge Plpe

Informational Conditions

The water heater is equipped with a drain pan and a discharge pipe, which is designed to prevent water damage from a leak. Nevertheless, the water heater should be periodically monitored for any signs of a leak.

Combustion Air Vents

Functional Components and Conditions

The water heater does have appropriate combustion-air vents.

Seismic Straps

Informational Conditions

The water heater is seismically secured.

Irrigation or Sprinklers

Automatic Sprinklers

Informational Conditions

We do not evaluate sprinkler systems, which should be demonstrated by the sellers.

Hose Bibs

Functional Components and Conditions

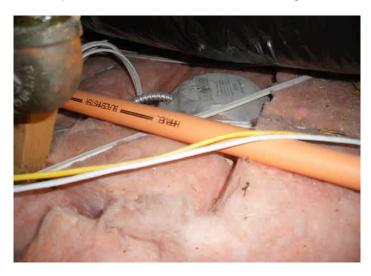
The hose bibs are functional, but we may not have located and tested every one on the property.

Fire Suppression Systems

Fire Sprinklers

Informational Conditions

The residence is equipped with fire sprinklers, which we are not qualified to evaluate and specifically disclaim in our contract. Several brands however, such as Omega, Central, Star, and Gem, have been alleged to be defective and subject to litigation or voluntary recall. Therefore, you may wish to have the system evaluated by a fire sprinkler contractor and certified as being functional.



Waste & Drainage Systems

General Comments

Informational Conditions

We attempt to evaluate drain pipes 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. 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. However, if tree roots grow into the main drain that

connects the house to the public sewer, repairs could become expensive and might include replacing the entire main line. For these reasons, we recommend that you ask the sellers if they have ever experienced any drainage problems, or you may wish to have the main waste line video-scanned before the close of escrow. Failing this, you should obtain an insurance policy that covers blockages and damage to the main line. However, most policies only cover plumbing repairs within the house, or the cost of rooter service, most of which are relatively inexpensive.

Drain Waste & Vent Pipes

Informational Conditions

Based on industry recommended water tests, the drainpipes are functional at this time. However, only a video-scan of the main drainpipe could confirm its actual condition.

Electrical

There are a wide variety of electrical systems with an even greater variety of components, and any one particular system may not conform to current standards or provide the same degree of service and safety. What is most significant about electrical systems however is that the national electrical code [NEC] is not retroactive, and therefore many residential systems do not comply with the latest safety standards. Regardless, we are not electricians and in compliance with our standards of practice we only test a representative number of switches and outlets and do not perform load-calculations to determine if the supply meets the demand. However, in the interests of safety, we regard every electrical deficiency and recommended upgrade as a latent hazard that should be serviced as soon as possible, and that the entire system be evaluated and certified as safe by an electrician. Therefore, it is essential that any recommendations that we may make for service or upgrades should be completed before the close of escrow, because an electrician could reveal additional deficiencies or recommend some upgrades for which we would disclaim any further responsibility. However, we typically recommend upgrading outlets to have ground fault protection, which is a relatively inexpensive but essential safety feature. These outlets are often referred to as GFCI's, or ground fault circuit interrupters and, generally speaking, have been required in specific locations for more than thirty years, beginning with swimming pools and exterior outlets in 1971, and the list has been added to ever since: bathrooms in 1975, garages in 1978, spas and hot tubs in 1981, hydro tubs, massage equipment, boat houses, kitchens, and unfinished basements in 1987, crawlspaces in 1990, wet bars in 1993, and all kitchen countertop outlets with the exception of refrigerator and freezer outlets since 1996. Similarly, AFCI's or arc fault circuit interrupters, represent the very latest in circuit breaker technology, and have been required in all bedroom circuits since 2002. However, inasmuch as arc faults cause thousands of electrical fires and hundreds of deaths each year, we categorically recommend installing them at every circuit as a prudent safety feature.

Main Panel

General Comments

Informational Conditions

National 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. Also, they should have a main disconnect, and each circuit within the panel should be clearly labeled. Industry standards only require us to test a representative number of accessible switches, receptacles, and light fixtures. However, we attempt to test every one that is unobstructed, but if a residence is furnished we will obviously not be able to test each one.

General Comments and Description - Continued



Service Entrance

Informational Conditions

The main conductor lines are underground, or part of a lateral service entrance. This is characteristic of modern electrical services but, inasmuch as the service lines are underground and cannot be seen, they are not evaluated as part of our service.

Panel Size & Location

Informational Conditions

The residence is served by a 200 amp, 110/220 volt panel, located in the garage side yard.

Main Panel Observations

Informational Conditions

The panel and its components have no visible deficiencies.

Panel Cover Observations

Informational Conditions

The exterior panel cover is in acceptable condition.

Wiring Observations

Informational Conditions

The visible portions of the wiring has no visible deficiencies.

Circuit Breakers

Informational Conditions

There are no visible deficiencies with the circuit breakers and AFCI breakers installed for bedroom circuits as required for this year construction. You may wish to consult with a licensed electrician if you desire additional AFCI (arc fault circuit interrupter breakers) installed in your panel. The 2005 National Electrical Code mandated combination arc-fault circuit interrupters, abbreviated as (AFCIs) for all 120-V, 15- and 20-A branch circuits that supply bedroom outlets in new homes starting January 1, 2008, which generally includes receptacle outlets, lighting outlets and smoke alarm outlets. The 2008 NEC expands the requirements for combination AFCIs beyond bedroom circuits to include other areas in a home, such as family rooms, dining rooms, living rooms, closets and hallways. You should consult with a licensed electrician regarding this electrical safety upgrade before close of escrow.

There are no visible deficiencies with the circuit breakers - Continued



Grounding

Informational Conditions

The panel is grounded to a water pipe which is visible and a possible UFR foundation steel rod, (not visible) but may be installed based on year of construction. You may wish to have this verified by an electrician.

Heating and Air Conditioning

The components of most heating and air-conditioning systems have a design-life ranging from ten to twenty years, but can fail prematurely with poor maintenance, which is why we apprise you of their age whenever possible. We test and evaluate them in accordance with the standards of practice, which means that we do not dismantle and inspect the concealed portions of evaporator and condensing coils, the heat exchanger, which is also known as the firebox, electronic air-cleaners, humidifiers, ducts and in-line duct-motors or dampers. We perform a conscientious evaluation of both systems, but we are not specialists. However, even the most modern heating systems can produce carbon monoxide, which in a sealed or poorly ventilated room can result in sickness, debilitating injury, and even death. Therefore, in accordance with the terms of our contract, it is essential that any recommendations that we make for service or a second opinion be scheduled before the close of escrow, because a specialist could reveal additional defects or recommend further upgrades that could affect your evaluation of the property, and our service does not include any form of warranty or guarantee.

HVAC Split Systems

Age & Location

Informational Conditions

Central heat and air-conditioning are provided by dual systems, consisting of two approximately 4 year-old Comfortmaker furnaces with evaporator coils that are located in the attic area, and two approximately 4 year-old condensing coils that are located in side yard.

The residence is served by dual systems with the types and locations indicated within the report - Continued



Common Observations

Components and Conditions Needing Service

For the reasons indicated, the split-systems need to be serviced. This service should be scheduled within the inspection period, because a specialist might reveal additional defects or recommend upgrades that could affect your evaluation of the systems.

Furnace

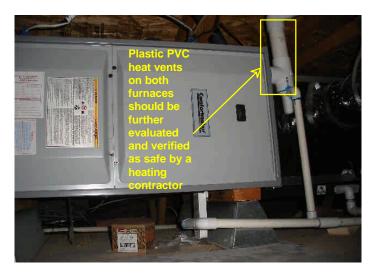
Components and Conditions Needing Service

The furnaces should be serviced by a heating contractor before close of escrow and annually for safety. The Gas Utility Company should also check the systems and all other gas fueled appliances for safety. Carbon monoxide detectors should also be installed on each floor of the residence.

Vent Pipe

Components and Conditions Needing Service

The vent pipes are a high-temperature, PVC, type that has been known to crack and split, and particularly at the connections, which could allow the bi-products of combustion to contaminate the residence. Some of these may be identified by the brand name Plexvent, Plexvent II, or Ultravent. There is no evidence of any damage at this time, but it should be monitored, and you may wish to have a specialist evaluate it. For additional safety, carbon monoxide detectors and smoke alarms should be installed in the attic area, and carbon monoxide detectors installed on each floor of the residence for additional safety.



Circulating Fan

Components and Conditions Needing Service

The blades on the circulating fans are dirty, which is indicative of poor maintenance. They should be cleaned, and the filters changed regularly, as part of a scheduled maintenance service.

Gas Valve & Connector

Informational Conditions

The gas valve and connectors are in acceptable condition.

Combustion-Air Vents

Informational Conditions

The combustion-air vents appear to be adequate to support complete combustion.

Return-Air Compartment

Components and Conditions Needing Service

The filters are dirty and should be changed soon and every two or three months. If filters are not changed regularly, the evaporator coil and the ducts can become contaminated, and can be expensive to clean.

Evaporator Coil

Informational Conditions

The evaporator coils are functional.

Condensate Drainpipe

Informational Conditions

The condensate drainpipes discharge correctly outside the residence.

Drip Pan

Informational Conditions

The drip pans are functional.

Condensing Coil

Informational Conditions

The condensing coils responded to the thermostat and is functional.

Components and Conditions Needing Service

The vegetation should be trimmed away from the AC condensing coils for maintenance reasons. All trees and bushes should be trimmed back away from the units and maintained.



Condensing Coil Disconnect

Informational Conditions

The electrical disconnects at the condensing coils are functional.

Refrigerant Lines

Informational Conditions

The refrigerant lines are in acceptable condition.

Differential Temperature Readings

Informational Conditions

The air-conditioning responded and achieved an acceptable differential temperature split between the air entering the system and that coming out, of eighteen degrees or more.

Thermostats

Informational Conditions

The thermostats are functional.

Registers

Informational Conditions

The registers are reasonably clean and functional.

Flexible Ducting

Informational Conditions

The ducts have no visible deficiencies. They are a modern flexible type that are comprised of an outer plastic sleeve and a clear inner liner that contains fiberglass insulation.

Living

Our inspection of 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, or move furniture, lift carpets or rugs, empty closets or cabinets, and we do not comment on cosmetic deficiencies. We may not 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 specialist. Similarly, there are a number of environmental pollutants that we have already elaborated upon, the specific identification of which is beyond the scope of our service but which can become equally contentious. In addition, there are a host of lesser contaminants, such as that from moisture penetrating carpet-covered cracks in floor slabs, as well as odors from household pets and cigarette smoke that can permeate walls, carpets, heating and air conditioning ducts, and other porous surfaces, and which can be difficult to eradicate. However, inasmuch as the sense of smell adjusts rapidly, and the sensitivity to such odors is certainly not uniform, we recommend that you make this determination for yourself, and particularly if you or any member of your family suffers from allergies or asthma, and then schedule whatever remedial services may be deemed necessary before the close of escrow.

Indoor Environmental Issues

Environmental Observations

Informational Conditions

We do not test for mold or measure indoor air quality, which the Consumer Product safety Commission ranks fifth among potential contaminants. Regardless, a person's health is a truly personal responsibility, and inasmuch as we not inspect for mold or test for other environmental contaminants we recommend that you schedule an inspection by an environmental hygienist before the close of escrow. And this would be imperative if you or any member of your family suffers from allergies or asthma, and could require the sanitizing of air ducts and other concealed areas.

Note: Mold cannot exist without moisture. Therefore, any moisture whatsoever, whether it be from inadequate grading and drainage, a leaking roof, window, or door, or moisture from a faulty exhaust vent, a condensate pipe, an evaporator coil, or a component of a plumbing system should be serviced immediately, or the potential for mold infestation will remain.

Components and Conditions Needing Service

Rodent fecies was visible in the attic area near the access area. Vermin and other pests are part of the natural habitat, but they often invade homes. Rats and mice have collapsible rib-cages and can enter even the tiniest crevices. And it is not uncommon for them to establish colonies within crawlspaces, attic, closets, and even inside walls, where they can breed and become a health threat. Therefore, it would be prudent to make sure

that a home is rodent-proof, and to monitor those areas that are not readily accessible.

Main Entry

No Recommended Service

Informational Conditions

We have evaluated the entry, and found it to be in acceptable condition.

Living Room

Flooring

Informational Conditions

The floor has no significant defects.

Walls & Ceiling

Informational Conditions

The walls have typical cosmetic damage.

Dual-Glazed Windows

Functional Components and Conditions The windows are functional.

Outlets

Functional Components and Conditions The outlets that were tested are functional.

Dining Room

No Recommended Service

Informational Conditions

We have evaluated the dining room, and found it to be in acceptable condition.

Kitchen

We test kitchen appliances for their functionality, and 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. Also, many older gas and electric ranges are not secured and can be easily tipped, particularly when any weight is applied to an open range door, and all such appliances should be confirmed to be secure. Regardless, we do not inspect the following items: free-standing appliances, refrigerators, trash-compactors, built-in toasters, coffee-makers, can-openers, blenders, instant hot-water dispensers, water-purifiers, barbecues, grills or rotisseries, timers, clocks, thermostats, the self-cleaning capability of ovens, and concealed or countertop lighting, which is convenient but often installed after the initial construction and not wired to national electrical standards.

Kitchen

Flooring

Informational Conditions The floor has no significant defects.

Walls & Ceiling

Components and Conditions Needing Service

The walls and ceilings in kitchen and throughout residence may possess cosmetic damage such as paint blemishes, dents, scratches and other dent marks. Please note that the evaluation of cosmetic damage that may be present throughout the residence is beyond the scope of this inspection. You may wish to have all the rooms throughout the residence including the exterior areas evaluated for cosmetic damage and serviced to

your satisfaction.

Dual-Glazed Windows

Functional Components and Conditions

The windows are functional.

Sink & Countertop

Informational Conditions

The sink and countertop are functional.

Cabinets

Informational Conditions

The cabinets have typical, cosmetic damage, or that which is commensurate with their age.

Valves & Connectors

Functional Components and Conditions

The valves and connectors below the sink are functional. However, they are not in daily use and will inevitably become stiff or frozen.

Faucet

Components and Conditions Needing Service

The faucet leaks around the stem while in use, which is indicative of a defective seal, and should be repaired or replaced.

Trap and Drain

Functional Components and Conditions The trap and drain are functional.

Garbage Disposal

Components and Conditions Needing Service

The garbage disposal is noisy, which may be attributable to worn components and should be replaced by a specialist.

Gas Cooktop

Functional Components and Conditions

The gas cook top is functional.

Dishwasher

Functional Components and Conditions The dishwasher is functional.

Exhaust Fan or Downdraft

Components and Conditions Needing Service

The exhaust fan is functional, but it needs to be cleaned or degreased.

Built-in Microwave

Functional Components and Conditions

The built-in microwave is functional but we did not test it for leakage, which would require a specialized instrument.

Informational Conditions

We do not evaluate microwaves, because the power of their magnetron tubes diminishes over time, and the specific measurement of the microwaves, as well as their containment within the unit, requires specialized instruments, which is beyond the scope of our service.

Lights

Functional Components and Conditions

The lights are functional.

Outlets

Components and Conditions Needing Service

All of the countertop outlets should be upgraded to have ground fault protection, which is mandated by current standards and is an important safety feature. Some outlets are not ground fault protected and need to be serviced by a licensed electrician for safety reasons.

Hallway

Our evaluation of hallways is identical to that of living space, except that we pay particular attention to safety issues, such as those involving handrails, guardrails, and smoke detectors.

Primary Hallway

No Recommended Service

Informational Conditions

We have evaluated the hallway, and found it to be in acceptable condition.

Smoke Detector

Informational Conditions

The smoke detector is functional, but should be checked periodically.

Components and Conditions Needing Service

We do not evaluate smoke detectors as part of our service. However, they are an important safety feature that is required in many jurisdictions, and should be installed or certified as being compliant. All batteries serving as back-up power sources should also be changed out every 3 months for safety reasons.

Stairs

Our evaluation of staircases is identical to that of living space, except that we pay particular attention to safety issues, such as those involving handrails, guardrails, and smoke detectors.

Main Stairs

Walls & Ceiling

Informational Conditions

The walls and ceiling have typical cosmetic damage, which you should view for yourself.

Handrails & Guardrails

Informational Conditions

If small children occupy or visit this residence, suitable precautions should be taken to safeguard them. *Components and Conditions Needing Service*

Some balusters in the stair rails and guardrails are loose or damaged and should be serviced. Some balusters are not secure and need service by a specialist for safety reasons.



Lights

Functional Components and Conditions The lights are functional.

Smoke Detector

Informational Conditions

The smoke detector is functional, but should be checked periodically.

Attic

In accordance with our standards, we do not attempt to enter attics that have less than thirty-six inches of headroom, are restricted by ducts, or in which the insulation obscures the joists and thereby makes mobility hazardous, in which case we would inspect them as best we can from the access point. In regard to evaluating the type and amount of insulation on the attic floor, we use only generic terms and approximate measurements, and do not sample or test the material for specific identification. Also, we do not disturb or move any portion of it, and it may well obscure water pipes, electrical conduits, junction boxes, exhaust fans, and other components.

Primary Attic

Attic Access Location

Informational Conditions

The attic can be accessed through a hatch in the master bedroom closet.

Method of Evaluation

Informational Conditions

We evaluated the attic by direct access.

Common Observations

Components and Conditions Needing Service

The attic is contaminated by rodents, which is a significant health hazard, and should be evaluated by an exterminator as soon as possible. Rodents can compromise not only the attic and its various components, such as ducts and insulation, but can eventually compromise the living space as well. Consequently, we disclaim any further responsibility for evaluating the attic and its components.

Framing

Informational Conditions

The roof framing consists of a factor- built truss system, comprised of components called chords, webs, and struts that are connected by wood or metal gussets nailed or glued in place. Each component of the truss is designed for a specific purpose, and cannot be removed or modified without compromising the integrity of the entire truss. The lowest component, which is called the chord and to which the ceiling is attached, can move by

thermal expansion and contraction and cause creaking sounds, which are more pronounced in the mornings and evenings along with temperature changes. Such movement has no structural significance, but can result in small cracks or divots in the drywall or plaster.

Ventilation

Informational Conditions

Ventilation is provided by a combination of eave, dormer, turbine, or gable vents, and should be adequate.

Electrical

Informational Conditions

The electrical components that are fully visible appear to be in acceptable condition.

Plumbing Vents

Informational Conditions

The drainpipe vents that are fully visible are in acceptable condition.

Exhaust Ducts

Components and Conditions Needing Service

The vertical dryer vent in attic should be cleaned and serviced for fire safety reasons. There is lint present in the attic, and this could create a possible fire safety hazard since the vent may be obstructed. This condition should be serviced by a licensed specialist, and the lint removed from the attic.



Water Pipes

Informational Conditions

The visible portions of the water pipes are in acceptable condition, but should be monitored because of their location. Leaks from pipes that pass through an attic can be soaked up by insulation, and are difficult to detect until significant damage is evident elsewhere.

Batt Insulation

Functional Components and Conditions

The attic floor is well insulated with approximately nine-inches of fiberglass, batt insulation.

Bedrooms

In accordance with the 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 common cosmetic deficiencies.

Main Bedroom

Location

Informational Conditions

The main bedroom is located upstairs with master or main bathroom.

No Recommended Service

Informational Conditions

We have evaluated the bedroom, and found it to be in acceptable condition. All smoke detectors in all bedrooms should have their back up batteries changed every three months for fire safety reasons.

1st Guest Bedroom

Location

Informational Conditions

The first guest bedroom is located upstairs with balcony facing front yard.

No Recommended Service

Informational Conditions

We have evaluated the bedroom, and found it to be in acceptable condition. All smoke detectors should have back-up batteries changed every three months for fire safety reasons.

Closets

Functional Components and Conditions

The closet and its components are functional.

2nd Guest Bedroom

Location

Informational Conditions

The second guest bedroom is located downstairs with windows facing rear yard area.

No Recommended Service

Informational Conditions

We have evaluated the bedroom, and found it to be in acceptable condition.

3rd Guest Bedroom

Location

Informational Conditions

The third guest bedroom is located downstairs and is closest to the garages.

No Recommended Service

Informational Conditions

We have evaluated the bedroom, and found it to be in acceptable condition.

Bathrooms

In accordance with industry standards, we do not comment on common cosmetic deficiencies, and do not evaluate window treatments, steam showers, and saunas. More importantly, we do not leak-test shower pans, which is usually the responsibility of a termite inspector. However, because of the possibility of water damage, most termite inspectors will not leak-test second floor shower pans without the written consent of the owners or occupants.

Main Bathroom

Size and Location

Informational Conditions

The main bathroom is a full, and is located adjacent to the master bedroom.

Doors

Informational Conditions

The doors are functional.

Flooring

Informational Conditions

The floor has no significant defects.

Walls & Ceiling

Informational Conditions

The walls and ceiling are in acceptable condition.

Cabinets

Functional Components and Conditions

The cabinets are in acceptable condition.

Sink Countertop

Functional Components and Conditions The sink countertop is functional.

Sink Faucet Valves & Connectors Trap & Drain

Functional Components and Conditions

The sink and its components are functional.

Tub

Functional Components and Conditions

The tub is functional.

Stall Shower

Functional Components and Conditions The stall shower is functional.

Toilet & Bidet

Functional Components and Conditions The toilet is functional.

Exhaust Fan

Components and Conditions Needing Service

The exhaust fan is functional but needs cleaning.

Lights

Functional Components and Conditions

The lights are functional.

Outlets

Functional Components and Conditions

The outlets are functional and include ground-fault protection.

1st Guest Bathroom

Size and Location

Informational Conditions

The first guest bathroom is a three-quarter, located downstairs closest to thermostat location.

Doors

Functional Components and Conditions

The door is functional.

Flooring

Informational Conditions

The floor has no significant defects.

Walls & Ceiling

Informational Conditions

The walls and ceiling are in acceptable condition.

Sink Countertop

Functional Components and Conditions The sink countertop is functional.

Sink Faucet Valves & Connectors Trap & Drain

Components and Conditions Needing Service

Hot water could not be activated at the sink and should be serviced by a licensed plumber. (See comments in plumbing section regarding hot water heater and expansion tank) regarding bathrooms.



Toilet & Bidet

Functional Components and Conditions The toilet is functional.

Exhaust Fan

Functional Components and Conditions The exhaust fan is functional.

Lights

Functional Components and Conditions The lights are functional.

Outlets

Functional Components and Conditions The outlets are functional and include ground-fault protection.

2nd Guest Bathroom

Size and Location

Informational Conditions

The second guest bathroom is a full, located in downstairs guest bedroom closest to rear yard area downstairs. **Doors**

Functional Components and Conditions

The door is functional.

Flooring

Informational Conditions

The floor has no significant defects.

Walls & Ceiling

Informational Conditions

The walls and ceiling are in acceptable condition.

Cabinets

Functional Components and Conditions

The cabinets are in acceptable condition.

Sink Countertop

Functional Components and Conditions The sink countertop is functional.

Sink Faucet Valves & Connectors Trap & Drain

Functional Components and Conditions

The sink and its components are functional.

Tub-Shower

Components and Conditions Needing Service

The hot water supply to the tub was limited and should be evaluated and serviced by a licensed plumber.

Toilet & Bidet

Functional Components and Conditions The toilet is functional.

Exhaust Fan

Functional Components and Conditions The exhaust fan is functional.

Lights

Functional Components and Conditions The lights are functional.

Outlets

Functional Components and Conditions

The outlets are functional and include ground-fault protection.

3rd Guest Bathroom

Size and Location

Informational Conditions

The third guest bathroom is a full, located third guest bedroom downstairs and is closest to garages.

Doors

Functional Components and Conditions

The door is functional.

Flooring

Informational Conditions

The floor has no significant defects.

Walls & Ceiling

Informational Conditions

The walls and ceiling are in acceptable condition.

Cabinets

Functional Components and Conditions

The cabinets are in acceptable condition.

Sink Countertop

Functional Components and Conditions

The sink countertop is functional.

Sink Faucet Valves & Connectors Trap & Drain

Functional Components and Conditions

The sink and its components are functional.

Tub-Shower

Components and Conditions Needing Service

The tub-shower has limited hot water supply and should be further evaluated by a licensed plumber.

Toilet & Bidet

Functional Components and Conditions The toilet is functional.

Exhaust Fan

Functional Components and Conditions The exhaust fan is functional.

Lights

Functional Components and Conditions The lights are functional.

Outlets

Functional Components and Conditions

The outlets are functional and include ground-fault protection.

4th Guest Bathroom

Size and Location

Informational Conditions

The fourth guest bathroom is a full, located upstairs with window facing front yard.

Doors

Functional Components and Conditions

The door is functional.

Flooring

Informational Conditions

The floor has no significant defects.

Walls & Ceiling

Informational Conditions

The walls and ceiling are in acceptable condition.

Dual-Glazed Windows

Functional Components and Conditions The windows are functional.

Cabinets

Functional Components and Conditions The cabinets are in acceptable condition.

Sink Countertop

Functional Components and Conditions The sink countertop is functional.

Sink Faucet Valves & Connectors Trap & Drain

Functional Components and Conditions

The sink and its components are functional.

Tub-Shower

Functional Components and Conditions

The tub/shower is functional.

Toilet & Bidet

Functional Components and Conditions The toilet is functional.

Exhaust Fan

Functional Components and Conditions

The exhaust fan is functional.

Lights

Functional Components and Conditions The lights are functional.

Outlets

Functional Components and Conditions

The outlets are functional and include ground-fault protection.

Laundry

In accordance with industry standards, we do not test clothes dryers, nor washing machines and their water connections and drainpipes. However, there are two things that you should be aware of. The water supply to washing machines is usually left on, and their hoses can leak or burst under pressure and continue to flow. Therefore, we recommend replacing the rubber hose type with newer braided stainless steel ones that are much more dependable. You should also be aware that the newer washing machines discharge a greater volume of water than many of the older drainpipes can handle, which causes the water to back up and overflow, and the only remedy would be to replace the standpipe and trap with one that is a size larger.

Laundry Room

Doors

Functional Components and Conditions

The door is functional.

Flooring

Informational Conditions

The floor has no significant defects.

Walls & Ceiling

Informational Conditions

The walls and ceiling are in acceptable condition.

Dual-Glazed Windows

Functional Components and Conditions

The windows are functional.

Exhaust Fan

Functional Components and Conditions

The exhaust fan is functional.

Sink

Functional Components and Conditions

The laundry sink is functional, and does not need service at this time.

Faucet

Functional Components and Conditions

The laundry sink faucet is functional.

Valves & Connectors

Functional Components and Conditions

The valves and connectors are functional. However, because they are not in daily use they typically become stiff or frozen.

Trap & Drain

Functional Components and Conditions

The trap and drain are functional.

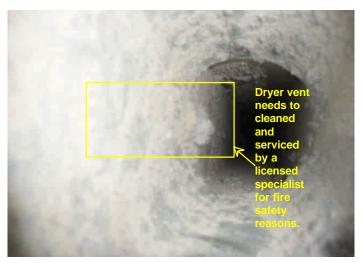
Components and Conditions Needing Service

The second floor not have a drain pan plumbed either to the exterior or to an internal drain, which is recommended to contain any leaks.

Dryer Vent

Components and Conditions Needing Service

Faulty dryer vents have been responsible for thousands of fires, hundreds of injuries, and even deaths. The best vents are a smooth-walled metal type that travels a short distance; all other types should be regarded as suspect, and should be inspected bi-annually to ensure that they do not contain trapped lint or moisture. The dryer vents vertically and needs service by a licensed specialist for fire safety reasons. The lint trap must be kept clean, because trapped lint can rapidly turn into a fire hazard. (Also see discharge of lint in attic) under the Attic Section of report.



Lights

Functional Components and Conditions The lights are functional.

Outlets

Components and Conditions Needing Service

The outlets should be upgraded to have ground fault protection, which is mandated by current standards and is an important safety feature.

Garage

It is not uncommon for moisture to penetrate garages, because their slabs are on-grade. Evidence of this is typically apparent in the form of efflorescence, or salt crystal formations, that result when moisture penetrates the concrete slab or sidewalls. This is a common with garages that are below grade, and some sidewalls are even cored to relieve the pressure that can build up behind them, and which actually promotes drainage through the garage. Also, if there is living space above the garage, that space will be seismically vulnerable. Ideally, the columns and beams around the garage door will be made of structural steel, but in many residences these components are made of wood but could include some structural accessories, such as post-straps and hold-downs, and plywood shear paneling. However, we are not an authority in such matters, and you may wish to discuss this further with a structural engineer. In addition, and inasmuch as garage door openings are not standard, you may wish to measure the opening to ensure that there is sufficient clearance to accommodate your vehicles.

Triple-Car Garage

Garage Conversion

Components and Conditions Needing Service

The single car garage door area was filled in with drywall, with the garage door opener removed. The garage should be restored by a licensed contractor back to its original designed use intended for vehicle storage. This is important because our inspection does not tacitly approve, endorse, or guarantee the integrity of any work that was done without a permit, and latent defects may exist.

This report has been produced in accordance with our signed contract and is subject to the terms and conditions agreed upon therein. All printed comments and the opinions expressed herein are those of the Inspection Company. Inspection Narratives - Page 39



Parking Space

Components and Conditions Needing Service

The parking space has less than standard dimensions. Most two-car garages are approximately twenty by twenty. Therefore, it would be prudent for you to see that the parking space is adequate to accommodate your vehicles. You may wish to take precise measurements for both garage spaces before close of escrow.

Slab Floor

Functional Components and Conditions

The slab floor is in acceptable condition. Small cracks are common and result as a consequence of the curing process, seismic activity, common settling, or the presence expansive soils, but are not structurally threatening. Also, you may notice some salt crystal formations that are activated by moisture penetrating the slab.

Walls & Ceiling

Informational Conditions

The walls are sheathed and in acceptable condition.

Ventilation Ports

Components and Conditions Needing Service

There are no ventilation ports to vent exhaust fumes. Therefore, vehicle engines should not be left running with the garage door closed or carbon monoxide poisoning could result.

Firewall Separation

Functional Components and Conditions

The firewall separating the garage from the residence is functional.

Garage Side Door

Components and Conditions Needing Service

The base of the garage side door is moisture damaged and delaminating, and should be repaired.

Garage Door & Hardware

Functional Components and Conditions

The two car garage doors and hardware are functional.

Components and Conditions Needing Service

The single car garage door needs to be installed, and door opening needs to be restored by a licensed contractor. The previous owner filled in the opening with concrete and converted the garage.

Automatic Opener

Components and Conditions Needing Service

Remote openers for garage doors are not present and you may wish to obtain them from the sellers, or obtain new ones.

One single car automatic garage door opener is not installed and should be by a licensed specialist, once the garage door space is converted by a licensed contractor to its original intended use as designed for vehicle storage.

This report has been produced in accordance with our signed contract and is subject to the terms and conditions agreed upon therein. All printed comments and the opinions expressed herein are those of the Inspection Company. Inspection Narratives - Page 40 The two car garage door openers do not auto-reverse by force and pressure and may need to be adjusted for safety reasons. If the door pressure setting cannot be adjusted, you should consult with a licensed garage door specialist regarding this safety feature. Garage doors should auto reverse both by force and infra-red sensors for safety. The doors did auto reverse by the infra-red sensors, however they should also reverse when force is applied.

Lights

Functional Components and Conditions

The lights are functional, and do not need service at this time.

Outlets

Components and Conditions Needing Service

The outlets should be upgraded to have ground fault protection, which is mandated by current standards and is an important safety feature.





RE	RTIFIED	Anyone else is just looking around."
		www.Nacht.org



ICC (International Code Council) Certified Building Inspector # 5112133-10

INTERNACHI - National Association of Certified Inspectors - Member

No

REPORT CONCLUSION

21 Quail Park Lane , Ladera Ranch, CA

Congratulations on the purchase of your new home. Inasmuch as we never know who will be occupying or visiting a property, whether it be children or the elderly, we ask you to consider following these general safety recommendations: install smoke and carbon monoxide detectors; identify all escape and rescue ports; rehearse an emergency evacuation of the home; upgrade older electrical systems by at least adding ground-fault outlets; never service any electrical equipment without first disconnecting its power source; safety-film all non-tempered glass; ensure that every elevated window and the railings of stairs, landings, balconies, and decks are child-safe, meaning that barriers are in place or that the distance between the rails is not wider than three inches; regulate the temperature of water heaters to prevent scalding; make sure that goods that contain caustic or poisonous compounds, such as bleach, drain cleaners, and nail polish removers be stored where small children cannot reach them; ensure that all garage doors are well balanced and have a safety device, particularly if they are the heavy wooden type; remove any double-cylinder deadbolts from exterior doors; and consider installing child-safe locks and alarms on the exterior doors of all pool and spa properties.

You should also contact the local Gas Utility Company and arrange a safety inspection of all gas fueled appliances including furnaces before the close of escrow or before occupying the property. For safety reasons, I also encourage all home buyers to verify property improvements and all construction permits at the City or County Building Department before close of escrow.

I am proud of my service, and trust that you will be happy with the quality of your report. I have made every effort to provide you with an accurate assessment of the condition of the property and its components and to alert you to any significant defects or adverse conditions. However, I may not have tested every outlet, and opened every window and door, or identified every minor defect. Also because I am not a specialist and because this inspection is essentially visual, latent defects could exist. Therefore, you should not regard our inspection as conferring a guarantee or warranty. It does not. It is simply a report on the general condition of a particular property at a given point in time. Furthermore, as a homeowner, you should expect problems to occur. Roofs will leak, drain lines will become blocked, and components and systems will fail without warning. For these reasons, you should take into consideration the age of the house and its components and keep a comprehensive insurance policy current. If you have been provided with a home protection policy, read it carefully. Such policies usually only cover insignificant costs, such as that of rooter service, and the representatives of some insurance companies can be expected to deny coverage on the grounds that a given condition was preexisting or not covered because of what they claim to be a code violation or a manufacture's defect. Therefore, you should read such policies very carefully, and depend upon our company for any consultation that you may need.

Thank you for taking the time to read this report, and call us if you have any questions or observations whatsoever. I am always attempting to improve the quality of my service, and will continue to adhere to the highest standards of the real estate industry and to treat everyone with kindness, courtesy, and respect.

Please feel free to call or email if you have any questions regarding this inspection report or have any home maintenace questions.

Justin Watts, Inspector American Dream Home Inspection http://www.americandreamhomeinspection.net email: americandream1@cox.net (949) 331-2602 21 Quail Park Lane , Ladera Ranch, CA 6/27/2008 9:15 am to 11:15 am

TABLE OF CONTENTS

CONFIDENTIAL INSPECTION REPORT	1
GENERAL INFORMATION	2
SCOPE OF WORK	4
Exterior	6
Site & Other Observations	6
	6
Grading & Drainage	
House Wall Finish	8
Exterior Components	9
Structural	12
Various Hard Surfaces	12
Slab Foundation	12
Roof	13
Spanish Tile Roof	13
Chimney	15
Living Room Chimney	16
Plumbing	17
Potable Water Supply Pipes	18
General Gas Components	19
Gas Water Heaters	19
Irrigation or Sprinklers	21
Fire Suppression Systems	21
Waste & Drainage Systems	21
Electrical	22
Main Panel	22
Heating and Air Conditioning	24
HVAC Split Systems	24
Living	27
Indoor Environmental Issues	27
Main Entry	28
Living Room	28
Dining Room	28
Kitchen	28
Kitchen	
	28
Hallway	30
Primary Hallway	30
Stairs	30
Main Stairs	30
Attic	31
Primary Attic	31
Bedrooms	32
Main Bedroom	33
1st Guest Bedroom	33
2nd Guest Bedroom	33
3rd Guest Bedroom	33
Bathrooms	33
Main Bathroom	34
1st Guest Bathroom	34
2nd Guest Bathroom	35
3rd Guest Bathroom	36

This report has been produced in accordance with our signed contract and is subject to the terms and conditions agreed upon therein. All printed comments and the opinions expressed herein are those of the Inspection Company. Inspection Narratives - Page 44

4th Guest Bathroom	37
Laundry	38
Laundry Room	38
Garage	39
Triple-Car Garage	39
No	42
REPORT CONCLUSION	43
TABLE OF CONTENTS	44