

PROPERTY TAX DISCLOSURE REPORT FOR:

Property Address: 2943 RUSSELL ST

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NOTE

This report is void and not guaranteed if it has not been paid for within 30 days after the close of escrow.

In preparing this report, California Tax Data has relied upon the statutes identified and has reviewed the records referred to in each determination. These are available to the public as Government Records to make the determinations if and to what extent each special tax and assessment statute applies to the subject property. Receipt or use of this report by recipient or any other third party constitutes acceptance of the terms and conditions detailed at the end of this document. Please read these terms and conditions carefully. This report is not a warranty or a policy of insurance. This report is prepared by California Tax Data to comply with certain California laws relating to the disclosure of a continuing lien securing the levy of special taxes pursuant to the Mello-Roos Community Facilities Act (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5 of the Government Code) or to a fixed lien assessment collected in installments to secure bonds issued pursuant to the Improvement Bond Act of 1915 (Division 10 (commencing with Section 8500) of the Streets and Highways Code) in connection with the sale of real property in California.

NOTICE OF SPECIAL TAX AND ASSESSMENT

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

Assessor's Parcel Number: 054170209800
Property Address or Legal Description: 2943 RUSSELL ST
Report Date: 2/13/2007

THIS IS A NOTIFICATION TO YOU PRIOR TO YOUR PURCHASING THIS PROPERTY.

1. MELLO-ROOS COMMUNITY FACILITIES DISTRICTS

Mello-Roos Community Facilities Districts ("CFD") provide a method of financing certain public capital facilities and services especially in developing areas and areas undergoing rehabilitation. Public improvements funded by Mello-Roos CFDs may include, but are not limited to, roads, schools, water, sewer and storm drain facilities. Public services funded by Mello-Roos CFDs may include, but are not limited to, police and fire protection services, recreation program services, and flood or storm protection services. Mello-Roos CFDs commonly fund the construction of public improvements through the issuance of bonds. A special tax lien is placed on property within the district for the annual payment of principal and interest as well as administrative expenses. Typically, the annual special tax continues until the bonds are repaid, or until special taxes are no longer needed. In most instances but not all, the special tax is collected with regular property taxes.

This property is within the Mello-Roos CFD(s) listed below and is subject to a special tax, that will appear on your property tax bill. This special tax is in addition to the regular property taxes and any other charges and benefit assessments that will be listed on the property tax bill. This special tax may not be imposed on all parcels within the city or county where the property is located. This special tax is used to provide public facilities or services that are likely to particularly benefit the property.

The maximum tax rate, the maximum tax rate escalator, and the authorized facilities which are being paid for by the special taxes and by the money received from the sale of bonds which are being repaid by the special taxes, and any authorized services are indicated below. These facilities may not yet have all been constructed or acquired and it is possible that some may never be constructed or acquired.

THIS PROPERTY IS SUBJECT TO MELLO-ROOS COMMUNITY FACILITIES DISTRICT SPECIAL TAX LIEN(S).

1.1 City of Berkeley • (510) 981-2489 • Community Facilities District No. 1 (Disaster Fire Protection)

Current Levy. \$47.08 **Maximum Tax Rate.** \$47.08.

Ending Year. The special tax will be levied each year until all of the authorized facilities are built and all special tax bonds are repaid, but in any case not after the 2021-2022 tax year. Special taxes that pay for ongoing services may be levied indefinitely. The maximum special tax for this parcel may increase if additional improvements are constructed or the use of the parcel changes (e.g., the property use changes from undeveloped to developed, residential to commercial, etc.).

Maximum Tax Rate Escalator. The Maximum Tax Rate amount is fixed and cannot increase without voter approval unless additional improvements are constructed or the use of the parcel changes.

Authorized Facilities. The authorized facilities which are being paid for by the special taxes, and by the money received from the sales of bonds which are being repaid by the special taxes are: fund fire protection facilities including pumping units, ultra large diameter hose, transport and support vehicles, portable hydrants, accessory fittings, hose bridges, and storage sites.

Authorized Services. The special taxes may be used to pay for costs of the following services: Fire protection services.

Special Circumstances. None

NOTICE OF SPECIAL TAX AND ASSESSMENT (continued)

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

Assessor's Parcel Number: 054170209800
Property Address or Legal Description: 2943 RUSSELL ST
Report Date: 2/13/2007

2. 1915 BOND ACT ASSESSMENT DISTRICTS

1915 Bond Act assessment districts provide a method of financing certain public capital facilities. Public improvements funded by 1915 Bond Act districts may include, but are not limited to, roads, sewer, water and storm drain systems, and street lighting. 1915 Bond Act assessment districts commonly fund the construction of public improvements through the issuance of bonds. A special assessment lien is placed on property within the assessment district. The lien amount is calculated according to the specific benefit that individual property receives from the improvements and is amortized over a period of years. 1915 Bond Act assessments can be prepaid at any time. In most instances but not all, the assessment is collected with regular property taxes.

Properties within a 1915 Bond Act assessment district are subject to annual assessment installments (a Mello-Roos Community Facilities District special tax and the 1915 Bond Act Assessment District annual assessment installments are hereinafter collectively referred to as "Special Liens"), which are in addition to the regular property taxes and any other charges and benefit assessments that will be listed on the property tax bill. The assessment district issues bonds to finance the acquisition or construction of certain public improvements that are of direct and special benefit to property within the assessment district. The bonds will be repaid from annual assessment installments on property within the assessment district. The special assessment is used to provide public facilities that are likely to particularly benefit the property.

THIS PROPERTY IS NOT SUBJECT TO IMPROVEMENT BOND ACT OF 1915 SPECIAL ASSESSMENT LIEN(S).

MELLO-ROOS COMMUNITY FACILITIES DISTRICT SPECIAL TAXES AND THE 1915 BOND ACT ASSESSMENT DISTRICT ANNUAL ASSESSMENT INSTALLMENTS ARE HEREINAFTER COLLECTIVELY REFERRED TO AS "SPECIAL LIENS." IF SPECIAL LIENS DESCRIBED ABOVE ARE NOT PAID WHEN DUE, FORECLOSURE PROCEEDINGS MAY BE INITIATED AT ANY TIME, AFTER PROPERTY TAXES BECOME DELINQUENT. YOUR PROPERTY MAY BE SOLD FOR THE DELINQUENT AMOUNTS, EARLIER THAN WITH REGULAR PROPERTY TAXES.

YOU SHOULD TAKE THE SPECIAL LIENS DESCRIBED ABOVE AND THE BENEFITS RECEIVED FROM THE PUBLIC FACILITIES AND PUBLIC SERVICES (IF APPLICABLE) FOR WHICH IT PAYS INTO ACCOUNT IN DECIDING WHETHER TO BUY THIS PROPERTY.

THE INFORMATION PROVIDED IN THIS REPORT WAS PREPARED BY NATIONAL TAX DATA, INC. dba CALIFORNIA TAX DATA ("CTD") AND IS SUBJECT TO THE TERMS AND CONDITIONS CONTAINED HEREIN. THE PURPOSE OF THIS REPORT IS TO ASSIST THE SELLER IN FULFILLING HIS OR HER LEGAL DISCLOSURE REQUIREMENT PURSUANT TO CALIFORNIA CIVIL CODE § 1102.6B. THIS REPORT WAS COMPILED USING INFORMATION OBTAINED FROM THE COUNTY, VARIOUS GOVERNMENTAL AGENCIES AND THIRD PARTIES. CTD IS NOT RESPONSIBLE FOR ANY INACCURACIES OR OMISSION IN THE PUBLIC RECORDS OF THE COUNTY, VARIOUS GOVERNMENTAL AGENCIES OR FOR INFORMATION PROVIDED BY THIRD PARTIES. THIS REPORT IS NOT A SUBSTITUTE FOR A TITLE REPORT OR TITLE INSURANCE AND MAY NOT BE RELIED UPON AS SUCH.

YOU MAY OBTAIN ADDITIONAL INFORMATION OR DOCUMENTATION REGARDING THE CREATION OF THE DISTRICT(S) LISTED ABOVE, AND MORE PRECISELY HOW THE CHARGES ARE COMPUTED, AND HOW THE PROCEEDS WILL BE USED, BY CALLING THE CONTACT PHONE NUMBER LISTED ABOVE. THERE MAY BE A CHARGE FOR THE DOCUMENTS NOT TO EXCEED THE ESTIMATED REASONABLE COST OF PROVIDING THE DOCUMENTS.

NOTICE OF SPECIAL TAX AND ASSESSMENT (continued)

TO: THE PROSPECTIVE PURCHASER OF THE REAL PROPERTY KNOWN AS:

Assessor's Parcel Number: 054170209800
Property Address or Legal Description: 2943 RUSSELL ST
Report Date: 2/13/2007

BUYER'S CONFIRMATION OF RECEIPT:

I (WE) ACKNOWLEDGE THAT I (WE) HAVE RECEIVED A COPY OF THIS NOTICE. I (WE) UNDERSTAND THAT I (WE) MAY TERMINATE THE CONTRACT TO PURCHASE OR DEPOSIT RECEIPT AFTER RECEIVING THIS NOTICE FROM THE OWNER OR AGENT SELLING THE PROPERTY. THE CONTRACT MAY BE TERMINATED WITHIN THREE DAYS IF THE NOTICE WAS RECEIVED IN PERSON OR WITHIN FIVE DAYS AFTER IT WAS DEPOSITED IN THE MAIL BY GIVING WRITTEN NOTICE OF THAT TERMINATION TO THE OWNER OR AGENT SELLING THE PROPERTY.

Date: _____ Transferee's Signature (Buyer): _____

Date: _____ Transferee's Signature (Buyer): _____

NOTICE OF SUPPLEMENTAL PROPERTY TAX BILL

In accordance with Section 1102.6(c) of the California Civil Code, it is the sole responsibility of the seller of any real property, or his or her agent, to deliver to the prospective purchaser a disclosure notice of the following:

California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector.

If you have any question concerning this matter, please call your local Tax Collector's Office.

As stated above, California law requires that the Assessor re-appraise property upon a change of ownership or the completion of new construction. This re-appraisal results in a supplemental tax assessment which is based on the difference between the new value and the old value of the property, multiplied by the property's Ad Valorem tax rate. The resulting Supplemental Tax amount is then pro-rated, based upon the number of months remaining in the fiscal year in which the event occurred.

The number of tax bills which will be issued also depends on the date the event occurred. If the change of ownership or new construction is completed between January 1st and May 31st, the result will be two supplemental assessments levied on two supplemental tax bills. If the event occurs between June 1st and December 31st, then only one supplemental bill will be issued.

For a complete explanation and estimation of the supplemental tax bills affecting this parcel you can go to www.californiataxdata.com and order a complete Notice of Supplemental Tax Report.

DESCRIPTION OF MELLO-ROOS COMMUNITY FACILITIES DISTRICT(S)
Community Facilities District No. 1
City of Berkeley
\$9,750,000.00

▶ **Summary**

Community Facilities District No. 1 was established pursuant to the Mello-Roos Community Facilities Act of 1982. Qualified electors authorized the district in 2000 along with the issuance of up to \$9,750,000.00 in bonded indebtedness. Bonds were issued to pay for certain public facilities and/or services that benefit the district. A special tax is levied on properties in the district to pay the interest and principal on the bonds as well as administrative expenses.

▶ **What facilities does it pay for?**

The authorized facilities which are being paid for by the special taxes, and by the money received from the sales of bonds which are being repaid by the special taxes are: fund fire protection facilities including pumping units, ultra large diameter hose, transport and support vehicles, portable hydrants, accessory fittings, hose bridges, and storage sites.

▶ **What services does this pay for?**

The special taxes may be used to pay for costs of the following services: Fire protection services.

▶ **How is the annual levy calculated?**

Each parcel is assigned a maximum special tax, which is typically based on development status, property use, and/or size of improvements. The actual annual special tax is based on the interest and principal due on the bonds for the current fiscal year, services costs, if any, and administrative expenses. However, the actual annual special tax cannot exceed the applicable maximum special tax.

▶ **Can the annual levy increase?**

When the property is classified it is assigned a maximum special tax rate, and the current year's special tax is computed based on a percentage of the maximum special tax rate. The actual special tax may rise from year to year, but not above the maximum special tax rate. In most cases, the maximum special tax rate automatically increases each year, which could result in higher rates from year to year. Since the annual Mello-Roos Special Tax is not a fixed amount, prepayment formulas are often extremely complicated and many Districts do not allow prepayment at all. If additional bonds are issued, it may affect your property taxes.

▶ **How long will it be on the tax bill?**

The Special Tax shall be levied for a period not to exceed twenty (20) years commencing with Fiscal Year 2001-2002.

▶ **Foreclosure Proceedings**

The CFD has the right (and if bonds are issued, the obligation) to foreclose on property when the special taxes are delinquent for more than 90 days. Additionally, any costs of collection and penalties must be paid by the delinquent property owner.

▶ **Contact Information**

City of Berkeley

▶ **Consultant Information**

phone: (510) 981-7200

BREAKDOWN OF THE 2006-2007 PROPERTY TAX BILL

This report is an estimate of the original secured property tax bill charges for the above-mentioned property using information obtained from the County on a given date. Changes made by the County or the underlying public agencies levying charges against this property after the date of this report may not be reflected in this report.

Basic Prop 13 Levy

1. All Ad Valorem Taxes County of Alameda (510) 272-6564	Prop 13 General Service	\$14,148.46
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Voter Approved Ad Valorem Taxes

Basic Prop 13 Levy & Voter Approved Ad Valorem Taxes:	\$14,148.46
Estimated Tax Rate:	1.235%



Direct Assessments

2.	Library Service City of Berkeley (510) 981-7200	Library Services Assessment Library	\$542.30
3.	School Special Tax Berkeley Unified School District (510) 644-8593	School District Special Tax Education	\$486.20
4.	Landscape & Park Maintenance City of Berkeley (510) 981-7200	Landscaping & Lighting District - Park Maintenance Parks & Recreation	\$392.80
5.	Berkeley U. S. D. 2004 Measure B Special Tax Berkeley Unified School District (510) 644-8593	School District Special Tax School	\$372.46
6.	Berkeley Unified School District Maintenance Special Tax Berkeley Unified School District (510) 644-8593	School District Special Tax Education	\$194.70
7.	Paramedic Supplement City of Berkeley (510) 981-7200	Paramedics Services Assessment Emergency Medical	\$104.70
8.	Wet Weather Facilities Charges East Bay Municipal Utilities District (510) 287-1620	Fee/Charge Facilities Charge	\$58.80
9.	Clean Storm Water City of Berkeley (510) 981-7200	Flood Control/Storm Drainage Assessment Clean Storm Water	\$57.94
10.	Alameda-Contra Costa Parcel Tax Alameda-Contra Costa Transit District (510) 891-4753	2/3 Voter Approved Special Tax Transportation	\$48.00
11.	Community Facilities District No. 1 City of Berkeley (510) 981-7200	Mello-Roos Community Facilities District Fire Equipment & Services	\$47.08
12.	Street Lighting City of Berkeley (510) 981-7200	Landscaping & Lighting Maintenance District Street Lighting	\$39.20
13.	Emergency Services For Severely Disabled City of Berkeley (510) 981-7200	Paramedics Services Assessment Emergency Medical	\$39.18
14.	County Service Area E.m. 1983-1 (Paramedic) County of Alameda (510) 628-5070	County Service Area Emergency Medical	\$24.96
15.	E.B.R.P.D. Park Safety/Maint East Bay Regional Park District (510) 635-0135	Landscaping & Lighting District - Park Maintenance Park	\$12.00
16.	County Service Area 1991-1 (Lead Abatement) County of Alameda (510) 567-8280	County Service Area County Services	\$10.00
17.	County Service Area V.c. 1984-1 (Vector Control) County of Alameda (510) 567-6800	County Service Area Vector Control	\$5.92
18.	Landscape & Lighting District (East Bay Trails) East Bay Regional Park District (510) 635-0135	Landscaping & Lighting Maintenance District Landscape & Lighting	\$5.44
19.	Mosquito Abatement District Special Tax Alameda County Mosquito Abatement District (510) 783-7744	Vector Control District Vector Control	\$1.74

Total Direct Assessment Charges: \$2,443.42

Total 2006-2007 Amount: \$16,591.88

DESCRIPTION OF PROPERTY TAX CHARGES

Ad Valorem Tax

An Ad Valorem Tax is a tax levied on a parcel that is calculated based on the assessed value of the parcel. Ad valorem taxes may include those taxes that were approved by voters before that passage of Proposition 13 in 1978, General Obligation Bonds or Special Taxes that are based on assessed value as opposed to some other method. Taxes that were established before 1978 may be used for various services and improvements and may or may not be associated with public indebtedness (the issuance of municipal bonds). A General Obligation Bond is a municipal bond that may be issued by a city, county or school district in order to finance the acquisition and construction of public capital facilities and real property. Equipment purchases and the cost of operation and maintenance cannot be financed with a General Obligation Bond. Special Taxes are created pursuant to various California Code Sections and require 2/3 majority approval of the qualified voters for approval. A special tax is may be formed by a local government (a city, county, special district, etc...) in order to finance specific facilities and/or services and cannot be used for general purposes.

Library Services Assessment

A library services assessment is a general category of direct property tax charges that may be levied pursuant to various California legal Codes. The assessment pays for library services available to the residents of the area affected by the assessment.

School District Special Tax

A Special Tax for schools is created pursuant to the Government Code Section 50079-50079.5. upon 2/3 majority approval of the qualified voters. A municipal bond may be issued in order to finance public school facilities. The debt is paid over time from the levy of the special tax. The levy of the special tax may also be used to directly finance facilities and/or services.

Landscaping & Lighting District - Park Maintenance

A 1972 Act Landscaping and Lighting District is a special assessment district created pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500 et seq.) upon majority approval of the property owners during an assessment balloting procedure. A 1972 Act Landscaping and Lighting District may be formed by a local government (a city, county, special district, etc...) in order to finance certain services that benefit the properties within the district. A 1972 Act Landscaping and Lighting District must provide special benefit to the properties within the district in order to levy special assessments. A 1972 Act Landscaping and Lighting District will include the ability to issue municipal bonds to finance improvements pursuant to the Improvement Bond Act of 1915 (Streets and Highways Code Section 8500 et seq.) however this is not common.

Paramedics Services Assessment

A Paramedics Services Assessment is a special assessment created upon majority approval of voters. A Paramedic Services Assessment may be levied or bonds issued by a local government (a city, county, special district, etc...) in order to finance certain services that benefit the citizens within the district.

Fee/Charge

A Fee or Charge is created pursuant to various California Code Sections that is a voluntary charge imposed on an individual. State law requires that a fee cannot exceed the estimated reasonable cost of providing a service or facility, or else it is considered a special tax. Many special districts, such as those that provide water or electricity, impose fees or charges. Fees usually show up on utility bills, although some fees or charges are collected annually as a separate line item on the County property tax bills for each of the parcels within the district.

Flood Control/Storm Drainage Assessment

A Flood Control/Storm Drainage Assessment is a special assessment created pursuant to the Health and Safety Code Section 5470 et seq. upon majority approval of the property owners during an assessment balloting procedure. A Flood Control/Storm Drain Assessment may be created by a local government (a city, county, special district, etc...) in order to finance flood control/storm drainage facilities and services. A Flood Control/Storm Drain Assessment must provide special benefit to the properties within the service area in order to be levied.

2/3 Voter Approved Special Tax

A Special Tax is created pursuant to the Government Code Section 50075 et. Seq. upon 2/3 majority approval of the qualified voters. A municipal bond may be issued in order to finance public facilities and/or services. The debt is paid over time from the levy of the special tax. The levy of the special tax may also be used to directly finance facilities and/or services.

Mello-Roos Community Facilities District

A Mello-Roos Community Facilities District, known as a CFD, is a special tax district formed by a local government (a city, county, special district, etc...) in order to finance certain designated facilities and/or services which benefit the properties within the CFD. Often, a CFD will include the ability to issue municipal bonds to finance facilities and the debt is paid over time from the levy of the special tax. The levy of the special tax may also be used to directly finance facilities and/or services.

Landscaping & Lighting Maintenance District

A Lighting and Landscape Maintenance District is a special assessment district created pursuant to the Landscaping and Lighting Act of 1972 (Streets and Highways Code Section 22500 et seq.) upon majority approval of the property owners during an assessment balloting procedure. These Districts may be formed by a local government (a city, county, special district, etc...) in order to finance certain services that benefit the properties within the district. The District must provide special benefit to the properties within the district in order to levy special assessments. The District will include the ability to issue municipal bonds to finance improvements pursuant to the Improvement Bond Act of 1915 (Streets and Highways Code Section 8500 et seq.) however this is not common.

County Service Area

A County Service Area, known as a CSA, is a multi-purpose special district created pursuant to Government Code Section 25210.1 et seq. upon majority approval of the qualified voters during an election procedure. A CSA may include all or part of the unincorporated area of a county that provides wide variety of facilities and services within the CSA. A CSA is used to identify areas that desire a higher level of specific services than those already provided within the entire county. A CSA must provide special benefit to the properties within the CSA in order to levy special assessments and/or fees/charges may provide general benefit and/or special benefit to the properties within the CSA in order to levy special taxes and/or ad valorem taxes. A Community Services District will include the ability to issue municipal bonds to finance facilities. The debt is paid over time from the levy of the assessments.

Vector Control District

A Vector Control District is a special assessment district created pursuant to the Health and Safety Code Section 2270 et seq., in order to collect costs of a local government (a city, county, special district, etc...) related to vector control. One-time abatements include a notice to the property owner prior to abatement followed by a public hearing. Upon abatement, if the amount owing remains delinquent, a recorded lien is placed on the parcel for the abatement amount, which may include a surcharge that is usually 10% of the amount or is an administrative charge based on actual administrative costs. Ongoing abatements are established upon majority approval of the property owners during an assessment balloting procedure.

Terms, Conditions and Limitations

This report and the determinations made herein were prepared by California Tax Data, Inc. ("CTD"). Only the buyer (and his/her agent) and the seller (and his/her agent) may use or rely on this report. The determinations made in this report are time-sensitive. Therefore, the information in this report may be considered accurate only as of the date shown herein. Governmental actions occurring after the date of this report are not disclosed, and CTD is under no duty to update this report when or if new tax information is released or becomes available. The sole purposes of this report are to (a) make preliminary determinations regarding whether current secured tax rolls contain Mello-Roos Community Facilities District Special Taxes or 1915 Bond Act Special Assessments against the subject property, and (b) assist the seller in fulfilling his/her duty to comply with California Civil Code §1102.6b. This report is not a substitute for a title report or title insurance and may not be relied upon as such.

This report is for the exclusive benefit and reliance of the specific buyer and specific seller mentioned herein and there shall be no third party beneficiaries. This report may not be used in any subsequent transaction affecting the subject property. This report is void and not guaranteed if it has not been paid for within 30 days after the close of escrow.

This Report addresses special tax assessment matters only. It does not address matters related to (a) title or title defects, (b) earthquake zones, flood zones, fire zones or other natural hazard zones, (c) survey or geologic issues, (d) land use or zoning, (e) the California Subdivided Lands Act or the Subdivision Map Act, (f) compliance with other federal, state or local laws, ordinances or restrictions that may apply to the property, such as the Americans with Disabilities Act and building codes, (g) restrictions affecting the use, occupancy or development of the property imposed by any state, local or federal governmental agency, including without limitation, flood control districts, the California Coastal Commission, joint power districts, water districts, agencies or school districts, (h) any permits of any nature that may be required for the current or anticipated future use of the property, or (i) any other legal concerns that might affect the property.

CTD has prepared this report solely based upon records and information provided by various governmental and private agencies. CTD has assumed that these records and information are accurate and complete, and CTD has not conducted any independent verification of their accuracy or completeness. CTD hereby disclaims all liability and shall not be responsible for any inaccuracies or omissions in the public records or information supplied by the various governmental and private agencies supplying information to CTD.

In order to prepare this report, either the seller (or his/her agent) or the buyer (or his/her agent) supplied CTD with the Assessors Parcel Number ("APN") for the subject property. CTD has not verified the accuracy of the APN. This report was prepared based upon such APN, and CTD shall not be responsible or liable for any losses, liabilities or damages resulting from an incorrect APN.

BY ACCEPTING OR USING THIS REPORT, THE BUYER AND SELLER HEREBY AGREE TO BE BOUND BY ALL OF THE TERMS, CONDITIONS, AND LIMITATIONS OF LIABILITY STATED HEREIN.

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

Building No. 2943	Street RUSSELL ST.	City BERKELEY	Zip 94705	Date of Inspection 2/6/2007	Number of Pages Page 1 of 7
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LIVE OAK STRUCTURAL, INC.

702 Harrison Street, Suite B Berkeley, CA 94710

(510) 524-7101 Fax: (510)524-7240

Registration # PR 2353

Report Number: 11713

Ordered By:
Jennifer Charron
2943 Russell St.
Berkeley, CA 94705

Property Owner and/or Party of Interest:
Jennifer Charron
2943 Russell St.
Berkeley, CA 94705

Report Sent to:

COMPLETE REPORT LIMITED REPORT SUPPLEMENTAL REPORT REINSPECTION REPORT

General Description:

This is a two-story wood frame building with stucco exterior on a sloped lot. The detached garage was not inspected.

Inspection Tag Posted:
Subarea access door

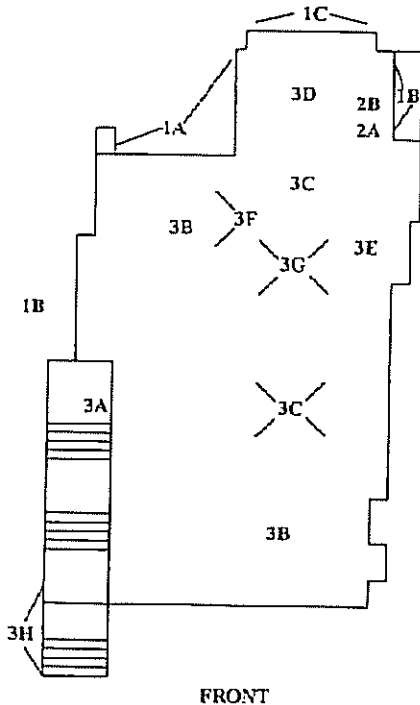
Other Tags Posted:
None recent

An inspection has been made of the structure(s) shown on the diagram in accordance with the Structural Pest Control Act. Detached porches, detached steps, detached decks and any other structures not on the diagram were not inspected.

Subterranean Termites Drywood Termites Fungus / Dryrot Other Findings Further Inspection

If any of the above boxes are checked, it indicates that there were visible problems in accessible areas. Read the report for details on checked items.

Note: Diagram Not to Scale



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NUMBER OF PAGES

NAME _____ DATE _____
NAME _____ DATE _____

Inspected by: Will Linville State License No. OPR11368 Signature Will Linville

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

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

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

Building No. 2943	Street RUSSELL ST.	City BERKELEY	Zip 94705	Date of Inspection 2/6/2007	Number of Pages Page 2 of 7
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Report No. 11713

What is a Wood-Destroying Pests and Organisms Inspection Report?

IMPORTANT: Please read the following explanation. It explains the scope and limitations of a structural pest control inspection and a Wood-Destroying Pests and Organisms Inspection Report:

A Wood-Destroying Pests and Organisms Inspection Report contains findings as to the presence or absence of evidence of wood-destroying pests and organisms in visible and accessible areas and contains recommendations for correcting any infestation or infections found. The contents of Wood-Destroying Pests and Organisms Inspection Reports are governed by the Structural Pest Control Act and regulations. Some structures do not comply with building code requirements or may have structural, plumbing, electrical, heating, air conditioning, or other defects that do not pertain to wood-destroying organisms. A Wood-Destroying Pests and Organisms Inspection Report does not contain information on such defects, if any, as they are not within the scope of the pest control license of either the inspector or the company issuing the report.

The Structural Pest Control Act requires inspection of only those areas which are visible and accessible at the time of inspection. Some areas of the structure are inaccessible for inspection, such as the interior of hollow walls, spaces between floors, stall shower over finished ceilings, enclosed bay windows, buttresses, areas concealed by carpeting, built-in appliances, or cabinet work and areas to which there is no access without defacing or tearing out lumber, masonry, or finished work. Infestations, infections, and or damage may exist in these areas without visible evidence. If you desire information about areas that were not inspected, a further inspection may be performed at additional cost.

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

Live Oak Structural, Inc.'s inspection of the premises will not include any type of inspection for the presence or absence of asbestos. Should you desire information regarding the presence or absence of asbestos in, upon, or about the premises, we recommend that you contact a contractor specifically licensed to engage in asbestos-related work. Should we discover the presence of asbestos during our inspection or work at the premises we shall not be responsible for its removal or remediation. Should our work at the premises cause a release of asbestos dust or particles, the owner hereby agrees to waive any and all claims against LIVE OAK STRUCTURAL, INC. of any nature which are in any way related to the presence of asbestos on the premises.

This property was not inspected by Live Oak Structural, Inc. for the presence or absence of health related molds or fungi. By California law we are neither qualified, authorized nor licensed to inspect for health related molds or fungi. If you desire information about the presence or absence of health related molds, please contact a licensed industrial hygienist.

The exterior surface of the roof will not be inspected. If you want the water tightness of the roof determined, please contact a roofing contractor who is licensed by the Contractor's State License Board.

If the damage extends beyond the limits of repair that we specify in our recommendations, we will notify the interested parties immediately with a Supplemental Report and proceed with the additional repairs at additional cost with written authorization.

Live Oak Structural, Inc. workers will make every effort to minimize damage to landscaping in the process of the work. However, due to the nature of the repairs and the proximity of landscaping to the repair site, damage to the nearby landscaping may occur. Please contact us before we begin work if there are particular plantings that you are concerned about. Relocation or special precautions may be necessary and may result in additional cost to the Owner. Live Oak Structural, Inc. makes no warranties with regard to possible damage to the landscaping.

All work performed by Live Oak Structural, Inc. is guaranteed for one year from the date of completion with the following exceptions: plumbing, grouting, caulking, re-setting of toilets, linoleum work, shower and glass repairs, and roofing are guaranteed for ninety days from the date of completion.

The Structural Pest Control Board encourages competitive business practices among registered companies. Reports on this structure prepared by various registered companies should list the same findings (i.e. termite infestations, termite damage, fungus damage, etc.. However, recommendations to correct these findings may vary from company to company. Therefore, you have the right to seek a second opinion from another company since there may be alternative methods of correcting the findings listed on this report that may be less costly.

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

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

Building No.	Street	City	Zip	Date of Inspection	Number of Pages
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Report No. 11713

AREAS NOT INSPECTED – PLEASE READ

This is a report of an inspection for wood-destroying pests and organisms in a furnished, occupied structure. The detached garage is not included in this inspection.

NOTE: Live Oak Structural, Inc. recommends that the Owner have this structure inspected regularly as part of a home maintenance program.

NOTE: This structure has been painted recently. We assume no responsibility for any infestations or damage that might be concealed by this fresh paint.

FINDINGS AND RECOMMENDATIONS**Exterior**

1A FINDING: At the area indicated on the diagram, the mudsill (the piece of wood that sits on top of the foundation) is below the level of the ground, creating a faulty grade level. This condition exposes the wooden elements of the structure to the moisture in the ground and provides concealed access into the structure for any termites which might be in the ground. However, the owner's contractor has recently installed a strip drain across the rear portion of the building and there was no evidence of any wood-destroying pests in the visible and accessible areas or of any moisture penetration in this area. (SECTION II)

RECOMMENDATION: Live Oak Structural, Inc. recommends that the owner have this structure inspected regularly as part of a home maintenance program.
OWNER

1B FINDING: The wooden awning is in contact with the ground and is attached to the house. This can provide wood-destroying pests and organisms with access to the building. (SECTION II)

RECOMMENDATION: Isolate the awning from the house by installing sheet metal flashing at the house/ fence connection.
COST: \$150

1C FINDING: There was a faulty grade condition across the rear of the building. However, I could not determine if there were any wood-destroying pests or organisms in this area due to lack of access to the subarea in this location.

RECOMMENDATION: See Item 3D below.
INFORMATION

Interior

2A FINDING: We visually inspected the tub in the upstairs hall bathroom but did not water test it as there were no stains on the finished ceiling below to indicate leakage. There were no indications of wood-destroying pests or organisms or structural damage. (SECTION II)

RECOMMENDATION: This area should be periodically inspected as part of a regular home maintenance program.
OWNER

FINDING:

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

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Report No. 11713

2B We visually inspected the upstairs stall shower but did not water test it as there were no stains on the finished ceiling below to indicate leakage. There were no indications of wood-destroying pests or organisms or structural damage. (SECTION II)

RECOMMENDATION: This area should be periodically inspected as part of a regular home maintenance program.
OWNER

Subarea

3A FINDING: The base of the 2x4 studs underneath the concrete front entryway have been damaged by fungus infection at the area indicated on the diagram. This damage has been caused by water penetrating through the surface of the concrete above. (SECTION I)

RECOMMENDATION: Remove and replace the damaged wood members as necessary. NOTE: After the repairs have been completed, the Owner should keep the concrete stairs and landing well-sealed at all times to prevent moisture penetration in the future.
COST: \$500

3B FINDING: There was cellulose debris (usually wood scraps) on the subarea soil. This debris contains evidence of wood-destroying fungi. (SECTION I)

RECOMMENDATION: Remove and dispose of the cellulose debris of a size that can be raked from the subarea soil.
COST: \$150

3C FINDING: Others have installed plywood on the lower base framing with inspection holes cut into the plywood. Inspection of the areas behind the plywood with a flashlight revealed no indications of infestation, infection or damage from wood destroying pests or organisms. (SECTION II)

RECOMMENDATION: The owners should have this and other parts of the building inspected regularly as part of a home maintenance program.
OWNER

3D FINDING: The subarea located below the room at the right-rear corner of the building is inaccessible for inspection due to the absence of any access into this portion of the building.
NOTE: This area was inaccessible for inspection so it cannot be labeled as Section I or Section II at this time. *See further inspection Report dated 2/16/2007*

RECOMMENDATION: Further inspection recommended. Roll back the carpet directly above this area, and cut a 24" access hole through the subfloor to render the area accessible. Live Oak Structural, Inc. will then inspect this area and issue a Supplemental Report with findings and recommendations. The cost of this item includes rolling back the carpet, installation of the access, performing the inspection, the Supplemental Report, and replacement of the plywood subfloor. It does not include re-stretching or reinstallation of the carpet or any recommended repairs.
COST: \$500

3E FINDING: The base of the 2x4 framing members in the wall that separates the subarea from the

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

Building No.	Street	City	Zip	Date of Inspection	Number of Pages
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basement have been damaged by fungus infection at the area indicated on the diagram. (SECTION I)

RECOMMENDATION: Cut off the damaged sections of the 2x4 framing members and install raised concrete piers to support the framing members in this area.
COST: \$1400

3F FINDING: At the area indicated on the diagram there is earth-wood contact, which exposes the mudsill to the moisture in this soil and provides hidden access for subterranean termites. There does not appear to be any damage to the wood. (SECTION II)

RECOMMENDATION: Grade back the soil as necessary to break this earth-wood contact.
COST: \$150

3G FINDING: There are personal belongings in contact with the ground in the subarea. Many of these belongings are made of wood or other cellulose products and can serve as a food source for termites, wood-boring beetles, and wood-destroying fungi. (SECTION II)

RECOMMENDATION: The owners are to store articles on platforms which are isolated at least six inches from the ground.
OWNER

3H FINDING: As visible from the subarea, there was fungus damage to the sheathing, framing, and mudsill at the left side of the stucco abutment adjacent to the stairs that lead to the front entryway. The only way of knowing exactly how far the damage behind the stucco extends in all directions is to uncover the damage by removing the stucco. Such removal is not practical and is not a part of our standard pest control inspection. Our recommendation is based on our assumption about the extent of the damage. We may discover more damage in the course of our repairs. (SECTION I)

RECOMMENDATION: Our recommendation is to remove the stucco from the outside of the abutment, starting at the left-front of the entryway stairs and leading towards the rear of the building approximately twelve feet, and from the base of the wall to the top of the stucco abutment, and to remove and replace the structurally-damaged sheathing and framing found in this area. In addition, provide and install stucco paper, stucco wire, and new stucco with a texture to match the existing stucco as closely as reasonable. Prime paint the new stucco. If in the course of performing these repairs damage is found to extend beyond the limits specified above, we will issue a Supplemental Report with findings and recommendations for additional repairs at additional costs. We will proceed with the additional repairs only with the owner's written authorization.
COST: \$6500

General Information:

Thank you for the opportunity to inspect your property. Please give us a call at (510) 524-7101 if you have any questions

LIVE OAK STRUCTURAL, INC. --- License No. PR 2353

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

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regarding this report. If you decide that you would like us to do some or all of the work, please list the items that you would like us to do on number 7 of the enclosed Work Authorization , sign and date the Authorization, and return it to us. We will then contact you to schedule the work. Thank you.



LIVE OAK STRUCTURAL, INC.

Work Authorization Agreement

For the Property Located at:

2943 RUSSELL ST., BERKELEY, CA 94705

Inspection Date: 2/6/2007 Report Number: 11713

Section I:

3A \$500.00
 3B \$150.00
 3E \$1400.00
 3H \$6500.00

Section II:

1A Owner
 1B \$150.00
 1C Information Only
 2A Owner
 2B Owner
 3C Owner
 3F \$150.00
 3G Owner

Further Inspection:

3D \$500.00

See further inspection report dated 2/16/2007

SECTION I:	\$8,550.00
SECTION II:	\$300.00
FURTHER INSPECTION:	\$500.00
Total Cost:	\$9,350.00

PLEASE READ THE REPORT CAREFULLY AND COMPLETELY.

We have not quoted, nor included, a price for Owner Items. Some Items on the report may contain provisions for additional cost over and above the original estimate.

CONDITIONS:

1. Time is of the essence in this contract. Prices quoted are subject to acceptance within 30 days from receipt of report. After this date, LIVE OAK STRUCTURAL, INC. reserves the right to increase prices.
2. If additional work beyond that specified in this Work Authorization is required by the City or County, such work will not be performed under this Work Authorization. LIVE OAK STRUCTURAL, INC. will make a separate quotation for such work upon request. Work will proceed upon receipt of a signed Change Order. Smoke detectors, if required, will be provided and installed at a cost of \$45 each.
3. **Notice of Owner of Mechanic's Lien:** Under the California Mechanic's Lien Law, any structural pest control operator who contracts to do work for you, any contractor, subcontractor, laborer, supplier or other person who helps to improve your property, but is not paid for his work or supplies, has a right to enforce a claim against your property. This means that after a court hearing, your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your contractor in full if the subcontractor, laborers, or suppliers remain unpaid. To preserve their right to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are required to provide you with a document entitled "Preliminary Notice". General contractors and laborers for wages do not have to provide this notice. A Preliminary Notice is not a lien against your property. Its purpose is to notify you of persons who may have a right to file a lien against your property if they are not paid.
4. In the event legal action is necessary to enforce the terms of this contract, attorney's fees and court costs may be awarded to the prevailing party.
5. Operations are covered under LIVE OAK STRUCTURAL, INC.'s structural pest control license. Appropriate employees are covered by Worker's Compensation Insurance and LIVE OAK STRUCTURAL, INC. by public liability insurance.
6. **TERMS OF PAYMENT:** We agree to pay LIVE OAK STRUCTURAL, INC. the sum of _____ upon completion of work, or if applicable, per an agreed upon Progress Payment Schedule. Accounts are past due seven days after the date of completion. Interest at the maximum legal rate will be charged on all past due accounts.
7. We authorize LIVE OAK STRUCTURAL, INC. to perform the following items:

_____ for a contract price of _____.

I HAVE READ THIS CONTRACT AND THE STRUCTURAL PEST CONTROL REPORT THAT IT REFERS TO.

OWNER/SELLER/BUYER DATE

OWNER/SELLER/BUYER DATE

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

Building No. 2943	Street RUSSELL ST.	City BERKELEY	Zip 94705	Date of Inspection 2/16/2007	Number of Pages Page 1 of 3
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LIVE OAK STRUCTURAL, INC.

702 Harrison Street, Suite B Berkeley, CA 94710

(510) 524-7101 Fax: (510)524-7240

Registration # PR 2353

Report Number: 11744

Ordered By: Jennifer Charron 2943 Russell St. Berkeley, CA 94705	Property Owner and/or Party of Interest: Jennifer Charron 2943 Russell St. Berkeley, CA 94705	Report Sent to: Helene Barkin 3070 Claremont Ave. Berkeley, CA 94705
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COMPLETE REPORT LIMITED REPORT SUPPLEMENTAL REPORT REINSPECTION REPORT

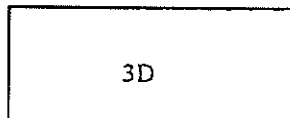
General Description: This is a Supplemental Report to Original Report #11713 , dated 2/6/07, Item 3D.	Inspection Tag Posted: Subarea Framing
	Other Tags Posted: LOS 2/6/07

An inspection has been made of the structure(s) shown on the diagram in accordance with the Structural Pest Control Act. Detached porches, detached steps, detached decks and any other structures not on the diagram were not inspected.

Subterranean Termites Drywood Termites Fungus / Dryrot Other Findings Further Inspection

If any of the above boxes are checked, it indicates that there were visible problems in accessible areas. Read the report for details on checked items.

Note: Diagram Not to Scale



RECEIVED AND READ
NUMBER OF PAGES 3

NAME _____ DATE _____

NAME _____ DATE _____

FRONT

Inspected by: Will Linville State License No. OPR11368 Signature Will Linville

You are entitled to obtain copies of all reports and completion notices on this property reported to the Structural Pest Control Board during the preceding two years. To obtain copies contact: Structural Pest Control Board, 1418 Howe Avenue, Suite 1B, Sacramento, California, 95825-3204.

NOTE: Questions or problems concerning the above report should be directed to the manager of the company. Unresolved questions or problems with services performed may be directed to the Structural Pest Control Board at (916) 581-8708, (800) 737-8188 or www.pestboard.ca.gov.

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

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Report No. 11744

What is a Wood-Destroying Pests and Organisms Inspection Report?

IMPORTANT: Please read the following explanation. It explains the scope and limitations of a structural pest control inspection and a Wood-Destroying Pests and Organisms Inspection Report:

A Wood-Destroying Pests and Organisms Inspection Report contains findings as to the presence or absence of evidence of wood-destroying pests and organisms in visible and accessible areas and contains recommendations for correcting any infestation or infections found. The contents of Wood-Destroying Pests and Organisms Inspection Reports are governed by the Structural Pest Control Act and regulations. Some structures do not comply with building code requirements or may have structural, plumbing, electrical, heating, air conditioning, or other defects that do not pertain to wood-destroying organisms. A Wood-Destroying Pests and Organisms Inspection Report does not contain information on such defects, if any, as they are not within the scope of the pest control license of either the inspector or the company issuing the report.

The Structural Pest Control Act requires inspection of only those areas which are visible and accessible at the time of inspection. Some areas of the structure are inaccessible for inspection, such as the interior of hollow walls, spaces between floors, stall shower over finished ceilings, enclosed bay windows, buttresses, areas concealed by carpeting, built-in appliances, or cabinet work and areas to which there is no access without defacing or tearing out lumber, masonry, or finished work. Infestations, infections, and or damage may exist in these areas without visible evidence. If you desire information about areas that were not inspected, a further inspection may be performed at additional cost.

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

Live Oak Structural, Inc.'s inspection of the premises will not include any type of inspection for the presence or absence of asbestos. Should you desire information regarding the presence or absence of asbestos in, upon, or about the premises, we recommend that you contact a contractor specifically licensed to engage in asbestos-related work. Should we discover the presence of asbestos during our inspection or work at the premises we shall not be responsible for its removal or remediation. Should our work at the premises cause a release of asbestos dust or particles, the owner hereby agrees to waive any and all claims against LIVE OAK STRUCTURAL, INC. of any nature which are in any way related to the presence of asbestos on the premises.

This property was not inspected by Live Oak Structural, Inc. for the presence or absence of health related molds or fungi. By California law we are neither qualified, authorized nor licensed to inspect for health related molds or fungi. If you desire information about the presence or absence of health related molds, please contact a licensed industrial hygienist.

The exterior surface of the roof will not be inspected. If you want the water tightness of the roof determined, please contact a roofing contractor who is licensed by the Contractor's State License Board.

If the damage extends beyond the limits of repair that we specify in our recommendations, we will notify the interested parties immediately with a Supplemental Report and proceed with the additional repairs at additional cost with written authorization.

Live Oak Structural, Inc. workers will make every effort to minimize damage to landscaping in the process of the work. However, due to the nature of the repairs and the proximity of landscaping to the repair site, damage to the nearby landscaping may occur. Please contact us before we begin work if there are particular plantings that you are concerned about. Relocation or special precautions may be necessary and may result in additional cost to the Owner. Live Oak Structural, Inc. makes no warranties with regard to possible damage to the landscaping.

All work performed by Live Oak Structural, Inc. is guaranteed for one year from the date of completion with the following exceptions: plumbing, grouting, caulking, re-setting of toilets, linoleum work, shower and glass repairs, and roofing are guaranteed for ninety days from the date of completion.

The Structural Pest Control Board encourages competitive business practices among registered companies. Reports on this structure prepared by various registered companies should list the same findings (i.e. termite infestation, termite damage, fungus damage, etc..). However, recommendations to correct these findings may vary from company to company. Therefore, you have the right to seek a second opinion from another company since there may be alternative methods of correcting the findings listed on this report that may be less costly.

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

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Report No. 11744

AREAS NOT INSPECTED - PLEASE READ

This is a Supplemental Report requested by the owner. This Report should be considered an addendum to the Live Oak Structural, Inc. Pest Control Report # 11713 of 2/6/07, Item 3D. Please see the report mentioned above for other findings and recommendations.

NOTE: Live Oak Structural, Inc. recommends that the Owner have this structure inspected regularly as part of a home maintenance program.

FINDINGS AND RECOMMENDATIONS**Subarea****3D FINDING:**

At the request of the Owner, Live Oak Structural, Inc. excavated the soil beneath the framing members located at the rear of the building, instead of removing the interior subfloor, to render the right-rear corner of the building accessible for inspection. Further inspection of this area revealed no evidence of any wood-destroying pests or organisms in the visible and accessible areas at the time of the inspection.

RECOMMENDATION:

Live Oak Structural, Inc. recommends that the owner have this structure inspected regularly as part of a home maintenance program.
INFORMATION

General Information:

Thank you for the opportunity to inspect your property. Please give us a call at (510) 524-7101 if you have any questions regarding this report.

Dated: _____ for property located at 2943 Russell Street Berkeley, by
and between _____, as Buyer(s)
and Anthony Austin, Jennifer Charron, as Seller(s).


The undersigned buyers have agreed to assume full responsibility for Structural Pest Control Work (AKA: Termite Clearance) after close of escrow. Further, buyer acknowledges that they are aware that if the completion of the work is delayed, more damage could occur and therefore costs for repairs and clearance could exceed the quote by Live Oak STRUCTURAL dated 2/6/07 + 2/16/07 in the amount of \$8550, for section I and in the amount of \$300 + By owner for Section II. If buyers choose to have work completed by a general contractor other than a Structural Pest Control Company, further damage may be discovered and a general contractor most likely will not assume responsibility for additional work which may be covered by the Structural Pest Control Company making the original report, had they been contracted to complete the work.

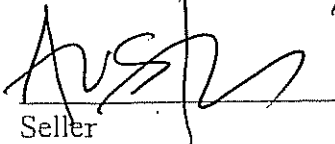
The GRUBB Co. in no way recommends that a buyer accept responsibility for or close escrow when a Pest Control report contains a recommendation for a further inspection under Section III that has not been fully investigated.

Further, in order to obtain a notice of work completed / Pest Control Certification ("clearance"), a pest control company will have to be employed to inspect and "clear" the property and will charge an inspection fee of approximately \$150-\$225 and will note in said written "clearance" that work was done by "others" and they "do not guarantee said work". Also, there is no guarantee that they will "clear" the work. There is always the chance that the work done by "others" was not performed correctly (in accordance with pest control standards).

For these reasons, The GRUBB Co. recommends that any pest control repairs be completed by a reputable pest control company. Buyer acknowledges the risks of having work done by "others" and holds the sellers, The GRUBB Co. and the selling broker (if applicable) harmless and relieves them of any liability relating to the completion of pest control work.

The undersigned has read and approved and received a copy hereof, and has read received and approved a copy of Structural Pest Control Report noted above:


Seller _____ Date 02/13/07


Seller _____ Date 02/13/07

Buyer _____ Date _____

Buyer _____ Date _____

I found the booklet, *The Homeowner's Guide to Environmental Hazards and Earthquake Safety (with gas shut-off valve update)* which includes the *Federal Lead* booklet and *Toxic Mold Update*:

- Helpful
- Too detailed
- Not detailed enough
- Clearly written
- Confusing
- The booklet helped me to locate earthquake weaknesses in my home.
- I have strengthened my home to resist earthquakes.
- I plan to fix my home's earthquake weaknesses.
- The booklet helped me find out that my home did not have any earthquake weaknesses.

The year my home was built was _____.

Comments: _____

We Want To Hear From You!

California Seismic Safety Commission
1900 K Street, Suite 100
Sacramento, California 95814-4186

To Whom It May Concern: I have received a copy of the Environmental Hazards and Earthquake Safety (with gas shut-off valve update) which includes the Federal Lead booklet and Toxic Mold Update.

Property Address: _____

Date 4/3/07

Time _____

(signature)

(printed name)

Date _____

Time _____

(signature)

(printed name)

NOTE: For applicable transactions, it is also necessary to complete C.A.R. Standard form FLD-11 (Lead-based paint and Lead-based paint Hazards Addendum, Disclosure and Acknowledgement).

Revised 1/06 Official C.A.R.* Publication 6/06

To Whom It May Concern: I have received a copy of the Environmental Hazards and Earthquake Safety (with gas shut-off valve update) which includes the Federal Lead booklet and Toxic Mold Update.

Property Address: _____

Date _____

Time _____

(signature)

(printed name)

Date _____

Time _____

(signature)

(printed name)

NOTE: For applicable transactions, it is also necessary to complete C.A.R. Standard form FLD-11 (Lead-based paint and Lead-based paint Hazards Addendum, Disclosure and Acknowledgement).

Revised 1/06 Official C.A.R.* Publication 6/06



CALIFORNIA
ASSOCIATION
OF REALTORS®

**NOTICE OF YOUR "SUPPLEMENTAL"
PROPERTY TAX BILL**
(C.A.R. Form SPT, 10/05)

Name of Buyer(s) _____

Property Address 2943 Russell Street

Berkeley, Ca 94705

Pursuant to Civil Code §1102.6c, Seller or his or her agent is providing this "Notice of Your 'Supplemental' Property Tax Bill":

"California property tax law requires the Assessor to revalue real property at the time the ownership of the property changes. Because of this law, you may receive one or two supplemental tax bills, depending on when your loan closes.

The supplemental tax bills are not mailed to your lender. If you have arranged for your property tax payments to be paid through an impound account, the supplemental tax bills will not be paid by your lender. It is your responsibility to pay these supplemental bills directly to the Tax Collector.

If you have any questions concerning this matter, please call your local Tax Collector's Office."

Buyer acknowledges Buyer has read, understands and has received a copy of this "Notice of Your 'Supplemental' Property Tax Bill".

Buyer _____ Date _____

Buyer _____ Date _____

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525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____



SPT 10/05 (PAGE 1 OF 1)

NOTICE OF YOUR SUPPLEMENTAL PROPERTY TAX BILL (SPT PAGE 1 OF 1)

The GRUBB Co., Inc. 3070 Claremont Ave. Berkeley, CA 94705
Phone: (510) 652 - 2133 Fax: (510) 652 - 0114 Helene Barkin

Jennifer Charr

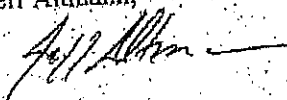
ALTMANN & ASSOCIATES, INC.
General Contracting
6573 Shattuck Ave. 94609
Oakland, CA
Contractor's License No. 682207

February 9, 2007

RE: 2943 Russell Street, Berkeley CA

In addition to the structural work associated with the addition of the master bathroom and closet our firm also installed a new foundation and shear wall at the south wall of the basement stairs in accordance with engineered drawings by Terrance Lee and we installed a new foundation and shear wall at the north wall of the house at the dining room exterior door and at the load bearing pillars beyond the exterior doors as per engineered drawings by Monte Stott.

Jeff Altmann,



Altmann & Associates, Inc.

RECEIVED AND READ

NUMBER OF PAGES 1

NAME _____ DATE _____

NAME _____ DATE _____

The GRUBB Co.

Sewer Lateral Compliance ADDENDUM

This is to supplement and become a part of that Real Estate Purchase Agreement dated _____ executed by _____ Buyers and CHARRON-AUSTON Sellers relating to the purchase of the property at 2943 Russell St, CALIFORNIA.

Compliance: If checked, Seller warrants that the Sanitary Sewer Lateral is in Compliance with the City of Berkeley Municipal Code Chapter 17.24. Seller will provide Buyer with a Private Sewer Lateral Certificate prior to Close of Escrow.

Responsibility for Repairs: If checked, the subject property is not yet in compliance with the City of Berkeley Municipal Code Chapter 17.24. Repairs shall be paid for prior to close of escrow by:

- Seller
- Buyer

Responsibility for Mandatory Deposit: If checked, the subject property is not yet in compliance with the City of Berkeley Municipal Code Chapter 17.24. Buyer and Seller shall give mutual instruction to the Title Company holding escrow that the Mandatory \$4500 deposit for Sewer Lateral Compliance shall be paid by:

- Buyer or
- Seller

Return of Mandatory Deposit: If checked, after all Sewer Lateral repairs and/or replacement is complete, and a Sewer Lateral Certificate is issued, all funds held by the City of Berkeley shall be returned to:

- Buyer
- Seller

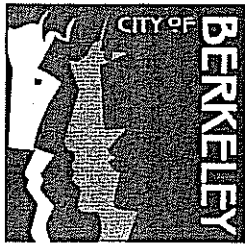
Buyer and Seller acknowledge that if all sewer lateral repairs are not completed within 6 months of the date of close of escrow, the \$4500 Mandatory Deposit shall be forfeited to the City of Berkeley. Furthermore, the City of Berkeley will have the right to have all work performed by a contractor selected by the City of Berkeley. The cost of all repairs shall be the responsibility of the Buyer and the City of Berkeley may or may not credit any of the deposit funds to the cost of repair.

AVS 02/21/07
Seller Date

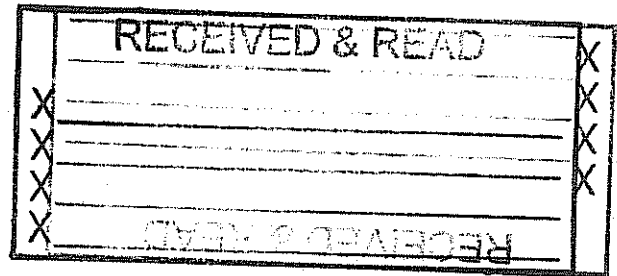
Buyer Date

Seller Date

Buyer Date



Public Works Department
Engineering Division



SEWER LATERAL CERTIFICATE

This certifies that the subject sewer lateral complies with the provisions of City of Berkeley Municipal Code Chapter 17.24.

Certificate Number: 07-00000389

Date Issued: February 14, 2007

Date Expires: January 25, 2017

Property Address: 2943 RUSSELL ST, BERKELEY CA 94705

Property Parcel Number: 054- -1702-098-00

Owner's Name: AUSTON ANTHONY L & CHARRON JEN

Owner's Address: 2943 RUSSELL ST, BERKELEY, CA 94705

Submitted Documentation:

- CCTV videotape or DVD *
- Final inspection sign-off of sewer repair work; reference COB Permit #
- Final inspection sign-off of lateral replacement; reference COB Permit #
- Other

Jeffrey L. Egeberg
Manager of Engineering

JLE:AYALy.

* The issuance of this certificate for compliance with BMC 17.24 does not constitute evidence of compliance with other applicable local, state, or federal laws, codes, and ordinances. Should the City become aware of any deficiencies either in connection with this application or as a result of future work requiring a permit, it may require abatement of such violations at any time, including when it performs sewer work or at such time any permit for sewer or building work is sought.

JAN 24 2007

Escrow Closing Date _____

Address of Property 2943 Russell St.

Title Company _____

Escrow # _____

Number of Residential Structures 1

Number of Units per Structure: 1

**CITY OF BERKELEY
ORDINANCE 6099 N.S. (RECO)**

FORM A

**RESIDENTIAL ENERGY CONSERVATION ORDINANCE
CERTIFICATE OF COMPLIANCE**

Acceptance of this form by the City deems the property to be in compliance with RECO (Ordinance 6099 N.S.). It is given to property owners by the RECO Inspector after a satisfactory RECO inspection and must be filed with the City of Berkeley, Planning Department, Building and Safety Division, 2120 Milvia Street, Berkeley, CA 94704-1113.

	YES	NO	NOT APPLICABLE	
1. Ceiling insulation of minimum thermal resistance value R-30 installed.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1
2. Furnace heating ducts sealed at plenum and all joints in heating duct system with duct tape or mastic and insulated to a minimum of R-3.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2
3. All domestic storage water heaters insulated with external insulation blanket rated at minimum thermal resistance of R-6.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3
4. Low-flow devices or fixtures with maximum flow rate of 3 gallons per minute in all showers, 2.75 gallons per minute in all sinks and lavatories, and 4 gallons per minute in all other faucets.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4
5. Hot water pipes in pumped, recirculating domestic water heating systems insulated to minimum thermal resistance of R-3.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5
6. Exposed hot and cold water pipes connected to and within 24 inches of water heater insulated to a minimum thermal resistance of R-3.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6
7. Incandescent light bulbs, located in multi-unit structure common areas, replaced with lamps of at least 25 lumens per watt.	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	7
8. Approved weatherstripping installed on all exterior doors.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8
9. Approved dampers, doors or other devices to block air-flow and reduce heat loss through chimneys.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9
10. Replace existing tank or flushometer-type toilets with fixtures designed to use no more than 1.6 gallons per flush, or modify existing fixtures to reduce the amount of water used while ensuring correct operation. Any toilet installed in a renovation must be designed to use no more than 1.6 gallons per flush.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10

RECEIVED AND READ

NUMBER OF PAGES 10

NAME _____ DATE _____

NAME _____ DATE _____

[] If any items are checked "NO" because the maximum required expenditure for this sale has been met, check here and attach itemized receipts (with an explanation, if necessary) and note the maximum required expenditure amount. \$ _____

Seller/Owner _____
 (Typed/Printed Name)

 (SIGNATURE)

Buyer _____
 (Typed/Printed Name)

 (SIGNATURE)

Address 2943 RUSSELL ST. Berkeley
CA 94705

Phone Number () _____

Address _____

Phone Number () _____

INSPECTOR NAME & AGENCY Patrol Emmons City of Berkeley 1-26-06
A \$15 FILING FEE IS REQUIRED FOR EACH STRUCTURE

Fee paid by: owner
 Amount paid \$ 15.00

Inspector permit # 05-2379

Check # _____ Cash Control # _____

Original - Building & Safety

Yellow canary - owner

Pink - RECO inspector

City of Berkeley
*** CUSTOMER RECEIPT ***
Oper: REGISTER Type: GC Drawer: 1
Date: 1/24/07 01 Receipt no: 78587

Description Quantity Amount
#1 BP RECO FORM A, 10 MEASUR 1.00 \$15.00
Trans number: 1537400
B/L account number:
83385023269200
83380001010000

2943 RUSSELL ST
Total tendered \$15.00
Total payment \$15.00
Trans date: 1/24/07 Time: 13:58:13
*** THANK YOU FOR YOUR PAYMENT ***

Address of Property 2943 Russell St.
Escrow # _____
Number of Units per Structure: 1

FORM A

ENERGY CONSERVATION ORDINANCE CERTIFICATE OF COMPLIANCE

Ensures the property to be in compliance with RECO (Ordinance 6099 N.S.),
CO Inspector after a satisfactory RECO inspection and must be filed
Department, Building and Safety Division, 2120 Milvia Street,

- | | YES | NO | NOT APPLICABLE |
|---|-------------------------------------|-------------------------------------|-------------------------------------|
| Normal resistance value R-30 installed. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| plenum and all joints in heating duct and insulated to a minimum of R-3. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. All domestic storage water heaters insulated with external insulation blanket rated at minimum thermal resistance of R-6. | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. Low-flow devices or fixtures with maximum flow rate of 3 gallons per minute in all showers, 2.75 gallons per minute in all sinks and lavatories, and 4 gallons per minute in all other faucets. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Hot water pipes in pumped, recirculating domestic water heating systems insulated to minimum thermal resistance of R-3. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 6. Exposed hot and cold water pipes connected to and within 24 inches of water heater insulated to a minimum thermal resistance of R-3. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Incandescent light bulbs, located in multi-unit structure common areas, replaced with lamps of at least 25 lumens per watt. | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 8. Approved weatherstripping installed on all exterior doors. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 9. Approved dampers, doors or other devices to block air-flow and reduce heat loss through chimneys. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| 10. Replace existing tank or flushometer-type toilets with fixtures designed to use no more than 1.6 gallons per flush, or modify existing fixtures to reduce the amount of water used while ensuring correct operation. Any toilet installed in a renovation must be designed to use no more than 1.6 gallons per flush. | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

RECEIVED AND READ
NUMBER OF PAGES 9
NAME _____ DATE _____
NAME _____ DATE _____

If any items are checked "NO" because the maximum required expenditure for this sale has been met, check here and attach itemized receipts (with an explanation, if necessary) and note the maximum required expenditure amount. \$ _____

Seller/Owner [Signature] Buyer _____
(Typed/Printed Name) (Typed/Printed Name)
Seller/Owner [Signature] Buyer _____
(SIGNATURE) (SIGNATURE)

Address 2943 RUSSELL ST. Berkeley CA 94705 Address _____
Phone Number () Phone Number ()

INSPECTOR NAME & AGENCY Patricia Emmons City of Berkeley 1-26-06
A \$15 FILING FEE IS REQUIRED FOR EACH STRUCTURE

Fee paid by: owner Inspector permit # 052379
Amount paid \$ 15.00
 Check # _____ Cash Control # _____
Original - Building & Safety Yellow canary - owner Pink - RECO inspector

AREA CALCULATIONS

APPROXIMATE GROSS FLOOR AREAS
PER CAD PLANS. ACTUAL FIELD
CONDITIONS MAY VARY.

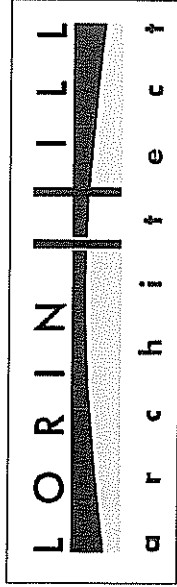
FLOOR	EXISTING S.F.	PROPOSED S.F.	TOTALS S.F.
BASEMENT	1,093 (NON-HABITABLE)	0	1,093 (NON-HABITABLE)
GARAGE	377 (NON-HABITABLE)	0	377 (NON-HABITABLE)
FIRST FLOOR	1,544	0	1,544
SECOND FLOOR	1,483	137	1,620
TOTAL	3,027 (HABITABLE)	137 (HABITABLE)	3,164 (HABITABLE)

LOT COVERAGE CALCULATIONS

	EXISTING S.F.	PROPOSED S.F.	TOTALS S.F.
MAIN DWELLING	1,544	0	1,544
GARAGE	377	0	377
TOTAL LOT COVERAGE	1,921	0	1,921

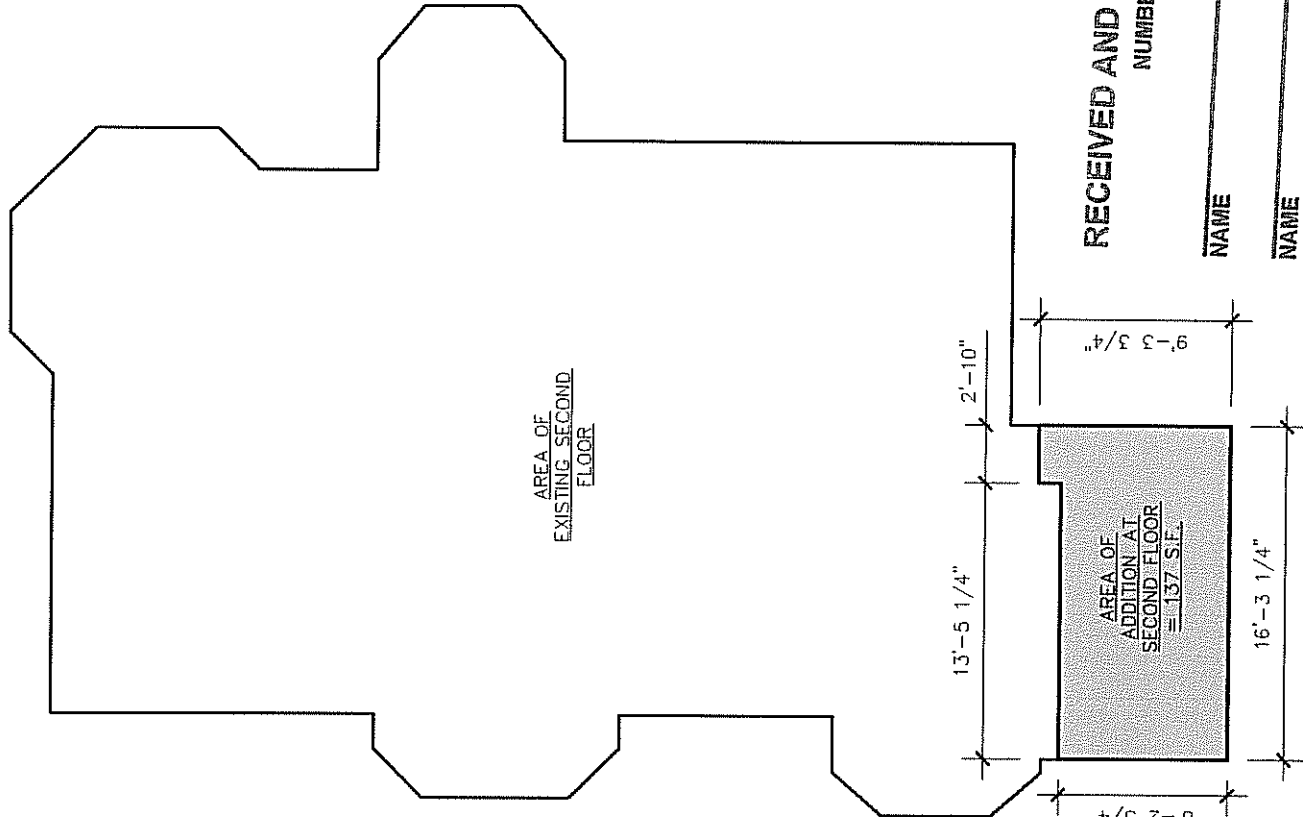
MAX. LOT COVERAGE 6,360

MAX. LOT COVERAGE $40\% = 6,360 \times .40 = 2,544$ S.F.
1,921 S.F. < 2,544 S.F. THEREFORE O.K.



6573 Shattuck Avenue
Oakland, California 94609
lhill@hillarch.com
tel. 510.654.2552

AREA DIAGRAM



RECEIVED AND READ
NUMBER OF PAGES /

NAME _____ DATE _____

NAME _____ DATE _____



**CONSOLIDATED ENGINEERING
LABORATORIES**

January 26, 2006

Jennifer Charron
2943 Russell Street
Berkeley, CA 94705

**RE: Charron Residence
2943 Russell Street
Berkeley, CA
Permit #2379
CEL #10-19891**

FINAL LABORATORY AFFIDAVIT
(Effective 10/05/05)

THIS IS TO CERTIFY that in accordance with Section 1701 of the Uniform Building Code, Consolidated Engineering Laboratories has provided special inspection and testing on the subject project as listed below:

1. Proofload testing of epoxied anchors (hold-downs).
2. Installation of epoxied anchors (hold-downs).

These inspections were performed by personnel under the general supervision of a Registered Civil Engineer in the State of California. Details of our work on this project are contained in our testing and inspection report, issued during the course of construction.

Based upon the inspections performed and upon our substantiating report, it is our professional judgment that the inspected work was performed substantially in conformance with the approved plans and specifications, approvals by the Engineer of Record and the applicable workmanship provisions of the Uniform Building Code.

RECEIVED AND READ /
NUMBER OF PAGES _____

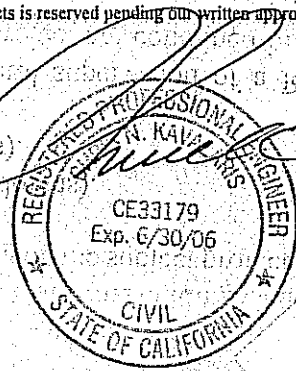
REVIEWING ENGINEER: CHRIS N. KAVALARIS, R.C.E.

cc: City of Berkeley
Altman Associates

Jennifer Charron

NAME	DATE
NAME	DATE

All reports are submitted as the confidential property of clients. Publication of statements, conclusions or extracts is reserved pending our written approval.





**CONSOLIDATED ENGINEERING
LABORATORIES**

"Partners in Quality"

2001 Crow Canyon Rd., Suite 100
San Ramon, CA 94583

Phone: (925) 314-7100 Fax: (925) 855-7140

INVOICE

BILLING PERIOD ENDING	INVOICE NO.	INVOICE DATE	PAGE
10/14/2005	021885	1/19/2006	1 of 1

San Ramon Division

BILL TO	Jennifer Charron Charron Residence 2943 Russell Street Berkeley, CA 94705
---------	--

COMMENTS	Charron Residence 2943 Russell Street Berkeley, CA 94705 App/Permit # 2379
----------	---

CUST NO.	PROJECT NO.	P.O. NO.	TERMS	
0000003147	10-19891-		Net 30	
DATE	TASK # & DESCRIPTION	RATE	QUANTITY	NET AMOUNT

Project 10-19891- Charron Residence

10/3/2005	21006 Final Affidavit File Review	315.00	1.00	315.00
	Report #: 001			
10/5/2005	Herman J. Adams 13101 Anchor/Dowel Installation Insp	83.00	1.25	103.75
10/5/2005	Herman J. Adams 13104 Proofload Testing Inspection	83.00	2.75	228.25

Invoice Total: 647.00

Project Manager: Roy K Tyndall

Billing Coordinator: Christina MacGregor

Remit to:
2001 Crow Canyon Rd., Suite 100
San Ramon, CA 94583

RECEIVED AND READ

NUMBER OF PAGES 1

NAME

DATE

NAME

DATE

Thank you for your business

To Helen - 2 -

H. SOOT, ESQ.
Chimney Co.
Alameda, Ca. 94501

St. Lic. #672990
Office: 510/522-0789
Cell: 510/332-5137

Copy

Customer Jenifer
Address 2943 Russell
City Berkeley State _____ Zip _____
Phone _____
Date 2/7/07 Time _____

- Conditions Report
 - Paid Inspection
 - Invoice
 - Billing
- Previous Inv. # _____

	Satisfactory	Unsatisfactory	Not Applicable
CHIMNEY			
1. Height	X		
2. Chimney Cap/Spark Arrestor	X		
3. Crown / Wash	X		
4. Brickwork / Mortar	X		
5. Flashing	X		
6. Flue Tiles	X		
7. Moisture Resistance	X		
8. Roof	X		
9. Structure	X		
FIREPLACE			
10. Smoke Chamber	X		
11. Damper	X		
12. Firebox / Grate	X		
13. Ash Container	X		

CUSTOMER VERIFICATION
I have read this form and now understand which areas of my woodburning system appear to be satisfactory and which areas are not-satisfactory.

Signed _____ Date _____

NEXT SERVICING RECOMMENDED
in _____ of _____ year

Fireplace and chimney should be inspected yearly for any structural faults.

Sweep's or Mason's Signature H. Soot

NOTE: This sheet is the result of a visual inspection done at the time of cleaning. It is intended as a convenience to our customers, not as certification of fire workmanship or safety. Some functions of use are beyond our control, we make no warranty of the safety or function of any appliances are not to be noted.

- Type of Fireplace: Pre-fab Masonry Modular
- No. of Stories: 2 3 4 • No. of Fireplaces: 1 2 3 4
- Woodstove: Insert Free Standing Pellet
- Flue Size: 8" x 8" 8" x 13" 13" x 13" 8" x 17"
 13" x 17" 18" Round 6" Round _____
- Referral Yellow Pages
- Media-TV, Newspaper Repeat Customer

COMMENTS: []

LIVING ROOM
REPAIR MORTAR JOINTS AS NEEDED
Sweep Chimney

DINING ROOM
REPAIR MORTAR JOINTS
Sweep Chimney
work completed 2/7/07

Guaranteed for length of ownership provided chimney is clean and inspected annually. (Excludes earthquakes.)

RECEIPT / INVOICE

DESCRIPTION	PRICE
DATE COMPLETED <u>2/7/07</u>	SUBTOTAL
TOTAL	

We haul brick for an additional charge.

INSPECTION REPORT

Customer Ms. M. LIVINGSTON
 Address 2947 RUSSELL
 City BERKELEY
 Phone _____
 Date 4/16/03

① of ②

THE CHELSEA CO.

FOR ALL YOUR FIREPLACE AND CHIMNEY NEEDS

BONDED & INSURED
 CONT. LIC. #491812

PAUL GOODACRE
 (510) 597-0333

DINING ROOM SYSTEM :-


ABOVE THE ROOF :- The column above the roof is inside a stuccoed enclosure. The original masonry column cannot be seen. The enclosure is in good condition. A combination spark-arrestor/raincap/chimneytop covers the entire top of the enclosure - the center section was removed to permit inspection of the flue interiors. (see below)

The column contains 3 terra-cotta lined 8" square flues: the center

flue appears to vent the fireplace: the two outside flues are apparently no longer in use. The fireplace flue is dirty, + is missing one section of liner approx 7' below top - this is a non-conforming condition, is not a fire hazard in normal use + cannot easily be rectified. ATTIC :- The column in the attic is in good condition

FIREPLACE :- The firebox is in poor condition with deteriorated + eroded mortar + loose bricks. The smoke chamber is in good condition - there is no damper. The facing + hearth are in good condition and of conforming size.

BASEMENT :- The exposed column, sub-hearth + foundation at the column are in good condition. There is an opening in column to R. where utility vented.

SYSTEM EVALUATION		Satisfactory	Unsatisfactory	Not Applicable
CHIMNEY				
Brickwork			SEE	
Mortar			NOTES	
Flue tiles				
Crown Wash		✓		
Spark/raincap		✓		
FIREPLACE				
Hearth		✓		
Firebox			✓	
Facing		✓		
Damper		NO	DAMPER	
Smoke chamber		✓		

RECOMMEND :-

- ① Rebuild firebox \$1,075 00
 - ② Supply/install chimneytop damper (to meet Berkeley R.E.C.O.) \$ 295 00
 - ③ Sweep chimney \$ 125 00
 - ④ Brick up disused utility vent hole in basement \$ 65 00
- \$1,560 00**

NOTE :- column cannot be seen behind 1st + 2nd floor walls: see

RECEIVED AND READ 1 of 2
 NUMBER OF PAGES 2

NAME _____ DATE _____
 NAME _____ DATE _____

PLEASE NOTE:

1. Fireplace draw cannot be tested as part of this inspection.
2. Estimates are good for sixty (60) days.
3. Payment becomes due upon completion of job.
4. Our observations, conclusions, and summary have been performed using that degree of care and skill ordinarily exercised by reputable chimney professionals under similar circumstances practicing in this area.
5. This inspection report is based on a visual evaluation. No guarantee is implied regarding hidden damage, improper use, or shifting or changing soil conditions.
6. All masonry structures are likely to sustain damage or even collapse in seismic activity.
7. We recommend regular inspection and servicing by a professional.

INSPECTION REPORT

Customer Ms M. LIVINGSTON
 Address 2943 RUSSELL
 City BERKELEY
 Phone _____
 Date 4/16/03

② of ②

THE CHELSEA CO.

FOR ALL YOUR FIREPLACE AND CHIMNEY NEEDS

BONDED & INSURED
 CONT. LIC. #A91812

PAUL GOODACRE
 (510) 597-8333

LIVING ROOM SYSTEM :-

CHIMNEY COLUMN :- The entire masonry column venting the living room fireplace is enclosed in a stuccoed box. At the top is a combination spark-arrestor/rain-cap/chimney-pot. The center section was removed to permit inspection of the flue interior, which is 9' x 13" terra-cotta lined + in good condition. No part of the original masonry column can be seen except for one exposed face in basement.

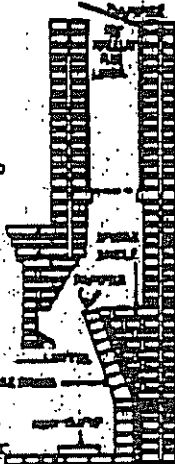
FIREPLACE :- The fireplace back wall is in poor condition with deteriorated + eroded mortar joints. Side walls are adequate. There is a damper which closes, but does not open properly because curved lintel bar + supported masonry in smoke chamber has slumped approx. 1 1/2" on left, blocking damper. It is not possible to see if any cracks have opened that could be hazardous as a result of slumping.

Facing has settled approx. 1/2" from left to right. Hearth has settled. Column has rotated slightly away from house (see separation from floor in basement. Sub-hearth cannot be seen because of panel installed beneath it.

SYSTEM EVALUATION

CHIMNEY

- Brickwork
- Mortar
- Flue tiles
- Crown Wash
- Spark/raincap



	Satisfactory	Unsatisfactory	Not Applicable
Brickwork	✓	✗	✗
Mortar	✓	✗	✗
Flue tiles	✓	✗	✗
Crown Wash	✓	✗	✗
Spark/raincap	✓	✗	✗
Hearth		SETTLED	
Firebox		✓	
Facing		SETTLED	
Damper		SEE NOTES	
Smoke chamber		✓	*

FIREPLACE

- Hearth
- Firebox
- Facing
- Damper
- Smoke chamber

RECOMMEND

① Demo back wall of fireplace to permit further inspection of smoke-chamber area + assessment of damage caused by slumping lintel bar. Does not include rebuild back wall, nor repairs that may be needed. \$275.00

② NOTE :- Damper closes as per Berkeley R.E.C.O. requirement, but does not open completely.

\$190 fee for 2 fireplace + chimney inspections received with thanks.

P. Goodacre.

* Recommend do not use as is. *

PLEASE NOTE:

1. Fireplace draw cannot be tested as part of this inspection.
2. Estimates are good for sixty (60) days.
3. Payment becomes due upon completion of job.
4. Our observations, conclusions, and summary have been performed using that degree of care and skill ordinarily exercised by reputable chimney professionals under similar circumstances practicing in this area.
5. This inspection report is based on a visual evaluation. No guarantee is implied regarding hidden damage, improper use, or shifting or changing soil conditions.
6. All masonry structures are likely to sustain damage or even collapse in seismic activity.
7. We recommend regular inspection and servicing by a professional.

NAME _____
 NAME _____
 DATE _____
 DATE _____

RECEIVED AND READ
 NUMBER OF PAGES

ef



First American Title Company

2089 Rose Street
Berkeley, CA 94709

RECEIVED AND READ

NUMBER OF PAGES

17

NAME _____ DATE _____

NAME _____ DATE _____

Escrow Officer:	Renee Haugen (RH)
Phone:	(510)548-2565
Fax No.:	(510)527-2085
E-Mail:	rhaugen@firstam.com
E-Mail Loan Documents to:	edocs.berkeley@firstam.com
Buyer:	Pre Sale
Owner:	Auston and Charron
Property:	2943 Russell Street Berkeley, CA 94705

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage of said Policy or Policies are set forth in Exhibit A attached. Copies of the Policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of December 19, 2006 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

1998 ALTA/CLTA Homeowner's (EAGLE) Policy of Title Insurance and ALTA Expanded Coverage Residential (EAGLE) Loan Policy (10/13/01) if the land described is an improved residential lot or condominium unit on which there is located a one_to_four family residence; or 1992 ALTA Standard Owner's Policy with Regional Exceptions and ALTA Loan Policy (1992) with ALTA Endorsement-Form 1 Coverage if the land described is an unimproved residential lot or condominium unit

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

ANTHONY L. AUSTON AND JENNIFER A. CHARRON, HUSBAND AND WIFE, AS COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP

The estate or interest in the land hereinafter described or referred to covered by this Report is:

A fee.

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2007-2008, a lien not yet due or payable.
2. General and special taxes and assessments for the fiscal year 2006-2007.

First Installment:	\$8,295.94, PAID
Penalty:	\$0.00
Second Installment:	\$8,295.94, PAYABLE
Penalty:	\$0.00
Tax Rate Area:	13-000
A. P. No.:	054-1702-098
3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

4. Assessment liens, if applicable, collected with the general and special taxes, including but not limited to:

Community Facilities District - CFD#1 DISASTER FIRE PROTECTION

5. Any and all offers of dedication, conditions, restrictions, easements, fenceline/boundary discrepancies, notes and/or provisions shown or disclosed by the filed or recorded map referred to in the legal description.

6. A deed of trust to secure an original indebtedness of \$825,000.00 recorded JULY 22, 2003 as INSTRUMENT NO. 2003422833 of Official Records.

Dated: JULY 08, 2003

Trustor: ANTHONY L AUSTON AND JENNIFER A CHARRON, HUSBAND AND WIFE

Trustee: CALIFORNIA RECONVEYANCE COMPANY

Beneficiary: WASHINGTON MUTUAL BANK, FA, A FEDERAL ASSOCIATION

7. A deed of trust to secure an original indebtedness of \$200,000.00 recorded JUNE 01, 2005 as INSTRUMENT NO. 2005222704 of Official Records.

Dated: MAY 25, 2005

Trustor: ANTHONY L. AUSTON AND JENNIFER A. CHARRON, HUSBAND AND WIFE, AS COMMUNITY PROPERTY WITH RIGHT OF SURVIVORSHIP

Trustee: DOUGLAS E. MILES

Beneficiary: JPMORGAN CHASE BANK, N.A. A NATIONAL BANKING ASSOCIATION OR ITS SUCCESSORS OR ITS ASSIGNEES

The above deed of trust states that it secures a line of credit. Before the close of escrow, we require evidence satisfactory to us that (a) all checks, credit cards or other means of drawing upon the line of credit have been surrendered to escrow, (b) the borrower has not drawn upon the line of credit since the last transaction reflected in the lender's payoff demand, and (c) the borrower has in writing instructed the beneficiary to terminate the line of credit using such forms and following such procedures as may be required by the beneficiary.

8. A claim of lien recorded MAY 01, 2006 as INSTRUMENT NO. 2006174484 of Official Records.

Lien claimant: ALTMANN & ASSOCIATES

Amount: \$84,917.47

INFORMATIONAL NOTES

Note: The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than the certain dollar amount set forth in any applicable arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. If you desire to review the terms of the policy, including any arbitration clause that may be included, contact the office that issued this Commitment or Report to obtain a sample of the policy jacket for the policy that is to be issued in connection with your transaction.

1. Supplemental taxes for the fiscal year 2005-2006 assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.
First Installment: \$24.98, PAID
Penalty: \$0.00
Second Installment: \$24.98, PAID
Penalty: \$0.00
Tax Rate Area: 13-000
A. P. No.: 054-1702-098

2. This report is preparatory to the issuance of an ALTA Loan Policy. We have no knowledge of any fact which would preclude the issuance of the policy with CLTA endorsement forms 100 and 116 and if applicable, 115 and 116.2 attached.

When issued, the CLTA endorsement form 116 or 116.2, if applicable will reference a(n) Single Family Residence known as 2943 Russell Street, Berkeley, California.

3. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.
4. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

None
5. Short term rate applies.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the City of Berkeley, County of Alameda, State of California, described as follows:

LOT 18 AND THE EAST 3 FEET OF LOT 19, IN BLOCK "G" OF CLAREMONT COURT, ACCORDING TO THE MAP THEREOF, FILED APRIL 16, 1907 IN THE OFFICE OF THE COUNTY RECORDER OF SAID ALAMEDA COUNTY AND OF RECORD IN MAP BOOK 22, PAGE 78.

APN: 054-1702-098

NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

**EXHIBIT A
LIST OF PRINTED EXCEPTIONS AND EXCLUSIONS (BY POLICY TYPE)**

**1. CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990
SCHEDULE B**

EXCEPTIONS FROM COVERAGE

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

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

EXCLUSIONS FROM COVERAGE

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

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

**2. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions of area of the land, or the effect of any violation of any such law, ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder; (c) resulting in no loss or damage to the insured claimant; (d) attaching or

created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.

**3. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY FORM B - 1970
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 2 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material heretofore or hereafter furnished, imposed by law and not shown by the public records.

**4. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
SCHEDULE OF EXCLUSIONS FROM COVERAGE**

1. Any law, ordinance or governmental regulation (including but not limited to building and zoning ordinances) restricting or regulating or prohibiting the occupancy, use or enjoyment of the land, or regulating the character, dimensions or location of any improvement now or hereafter erected on the land, or prohibiting a separation in ownership or a reduction in the dimensions or area of the land, or the effect of any violation of any such law ordinance or governmental regulation.
2. Rights of eminent domain or governmental rights of police power unless notice of the exercise of such rights appears in the public records at Date of Policy.
3. Defects, liens, encumbrances, adverse claims, or other matters (a) created, suffered, assumed or agreed to by the insured claimant, (b) not known to the Company and not shown by the public records but known to the insured claimant either at Date of Policy or at the date such claimant acquired an estate or interest insured by this policy or acquired the insured mortgage and not disclosed in writing by the insured claimant to the Company prior to the date such insured claimant became an insured hereunder, (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent insurance is afforded herein as to any statutory lien for labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy).
4. Unenforceability of the lien of the insured mortgage because of failure of the insured at Date of Policy or of any subsequent owner of the indebtedness to comply with applicable "doing business" laws of the state in which the land is situated.

**5. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1970
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association Lenders Policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy, the exclusions set forth in paragraph 4 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

This policy does not insure against loss or damage by reason of the matters shown in parts one and two following:

Part One

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**6. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH A.L.T.A. ENDORSEMENT FORM 1 COVERAGE
EXCLUSIONS FROM COVERAGE**

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

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

**7. AMERICAN LAND TITLE ASSOCIATION LOAN POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 6 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

8. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992

EXCLUSIONS FROM COVERAGE

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

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

**9. AMERICAN LAND TITLE ASSOCIATION OWNER'S POLICY - 1992
WITH REGIONAL EXCEPTIONS**

When the American Land Title Association policy is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 8 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in Acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

**10. AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL
TITLE INSURANCE POLICY - 1987
EXCLUSIONS**

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:

- | | |
|----------------------------|----------------------------|
| * land use | * land division |
| * improvements on the land | * environmental protection |

This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in items 12 and 13 of Covered Title Risks.

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

11. EAGLE PROTECTION OWNER'S POLICY

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998

ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE - 1998

Covered Risks 14 (Subdivision Law Violation), 15 (Building Permit), 16 (Zoning) and 18 (Encroachment of boundary walls or fences) are subject to Deductible Amounts and Maximum Dollar Limits of Liability

EXCLUSIONS

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

1. Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning:

a. building	b. zoning
c. land use	d. improvements on the land
e. land division	f. environmental protection

This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date.
This exclusion does not limit the coverage described in Covered Risk 14, 15, 16, 17 or 24.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
3. The right to take the Land by condemning it, unless:
 - a. a notice of exercising the right appears in the Public Records at the Policy Date; or
 - b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
4. Risks:
 - a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records;
 - b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date;
 - c. that result in no loss to You; or
 - d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.d, 22, 23, 24 or 25.
5. Failure to pay value for Your Title.
6. Lack of a right:
 - a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
 - b. in streets, alleys, or waterways that touch the Land.
 This exclusion does not limit the coverage described in Covered Risk 11 or 18.

12. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01)

EXCLUSIONS FROM COVERAGE

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

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or area of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14 and 16 of this policy.

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

SCHEDULE B

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

1. The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following item 28 of Covered Risks: NONE.

13. SECOND GENERATION EAGLE LOAN POLICY AMERICAN LAND TITLE ASSOCIATION EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) WITH REGIONAL EXCEPTIONS

When the American Land Title Association loan policy with EAGLE Protection Added is used as a Standard Coverage Policy and not as an Extended Coverage Policy the exclusions set forth in paragraph 12 above are used and the following exceptions to coverage appear in the policy.

SCHEDULE B

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

Part One:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records.
2. Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of said land or by making inquiry of persons in possession thereof.
3. Easements, claims of easement or encumbrances which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by public records.
5. Unpatented mining claims; reservations or exceptions in patents or in acts authorizing the issuance thereof; water rights, claims or title to water.
6. Any lien, or right to a lien, for services, labor or material theretofore or hereafter furnished, imposed by law and not shown by the public records.

Part Two:

1. The following existing statutes, reference to which are made part of the ALTA 8.1 Environmental Protection Lien Endorsement incorporated into this Policy following item 28 of Covered Risks: None.

"You may be entitled to receive a \$20.00 discount on escrow services if you purchased, sold or refinanced residential property in California between **May 19, 1995 and October 8, 2002**. If you had more than one qualifying transaction, you may be entitled to multiple discounts. If your previous transaction involved the same property that is the subject of this Preliminary Report, you do not have to do anything; First American will provide the discount directly to you within a few weeks, not through your closing. If your previous transaction involved property different from the property that is the subject of your current transaction, you must inform First American of the earlier transaction, provide the address of the property involved in the previous transaction, and the date or approximate date that the escrow closed to be eligible for the discount. Please mail to Claims Administrator, 2 First American Way, Santa Ana, CA 92707.

Unless you inform First American of the prior transaction on a property that is not the subject of this transaction, First American has no obligation to conduct an investigation to determine if you qualify for a discount. If you provide First American information concerning a prior transaction, First American is required to determine if you qualify for a discount."

"Escrow Services" shall be defined as either title premium or escrow fee payable by you in connection with this transaction. In the event you are entitled to a credit but are not responsible for paying either a title premium or an escrow fee at the close of this transaction, then no credit can be given.

PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

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Jennifer Charron
Anthony Auston
2943 Russell Street
Berkeley, CA 94705

Re: Home Inspection at 2943 Russell Street, Berkeley
Report Number: U0202

On your behalf, we have performed an inspection of the property listed above. JMC Building Inspections is pleased to submit the attached report. This report is a professional opinion based on a visual inspection of the accessible components of the home. This report is not an exhaustive technical evaluation. An evaluation of this nature would cost many times more.

Please understand there are limitations to this inspection. Many components of the home are not visible during the inspection and very little historical information is provided in advance of the inspection. Even the most comprehensive inspection cannot be expected to reveal every condition you may consider significant.

Your attention is directed to your copy of the Property Inspection Contract. It more specifically explains the scope of the inspection and the limit of our liability in performing this inspection. The Standards of Practice and Code of Ethics of the American Society of Home Inspectors (ASHI®) prohibits us from making any repairs or otherwise gaining financially from the findings of the inspection. We are not associated with any other party to the transaction of this property, except as may be disclosed to you.

The information provided in this report is solely for your use. JMC Building Inspections will not release a copy of this report without your consent.

Thank you for selecting our company. We appreciate the opportunity to be of service. Should you have any questions about the general condition or operation of the house, we would be happy to answer these. There is no fee for this telephone consulting.

Sincerely,

Holly Winter

JMC Building Inspections

Office: (510) 525-7173
Fax: (510) 558-8544
Cell: (925) 209-3445
john@jmcinspections.com

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NUMBER OF PAGES 34

NAME _____ DATE _____

NAME _____ DATE _____

JMC BUILDING INSPECTIONS

PMB #466, 1563 SOLANO AVENUE, BERKELEY, CA 94707
(510) 525-7173 phone (510) 558-8544 fax
www.jmcinspections.com

2943 Russell Street
Berkeley, California
February 12, 2007 – 10:00 A.M.
Report Number U0202

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NUMBER OF PAGES 34

NAME _____ DATE _____

NAME _____ DATE _____

This Report Prepared For:
Jennifer Charron and Anthony Auston

This report is CONFIDENTIAL.
It is prepared for the above-named
and is not intended for use by any other person.

Inspected by John McComas, CCI
Certified Member: American Society of Home Inspectors®
California Real Estate Inspection Association

NOTICE TO READERS OF THIS REPORT:

If you are not the named person or persons above and wish to rely upon this report, we require that you retain JMC Building Inspections for a review of this building and report. Any interested party must read our contract, agree to the terms contained within the contract, and sign and return the contract prior to relying upon this report. This report is based on information obtained on this date, at the property. Overnight, conditions can change and the information may no longer be accurate. Further explanation of items within this report may be presented to you by the inspector, and is not included in this report. We will return and review the building and report with any interested party for an amount equal to 75% of the total fee paid for this inspection. This offer is good for 6 months from the date of inspection, after which a complete reinspection should be performed.

This inspection and report was performed according to the limitations and exclusions specified in the enclosed contract. In this contract our liability for the inspection is limited. JMC Building Inspections will, upon request, perform an inspection without this limit on liability for an additional fee.

This report does not provide substitute disclosure for any party, and is not to be relied upon by any third party. JMC Building Inspections copyrights this report. No part may be used or reproduced in any form or by any means without prior written consent of JMC Building Inspections.

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INTRODUCTION

Property Description

This building is a two and three-story, single-family residence. The three-story portion is at the front.

A previous inspection and report by this inspector was made on this building on June 2, 2003. Interested parties are advised to obtain a copy of, and review, this previous report.

This report describes the building as viewed from the street. The main entry is at the left side. The building site slopes moderately down to the front left. The sky was cloudy at the time of our inspection, and it had recently rained in this area.

The building interior was furnished. Areas obscured by furnishings are not accessible to inspection. These areas should be examined after the furnishings have been removed.

Modifications have been made to the building, and there is an addition at the rear. We recommend a permit history be obtained from the local building department to determine if modifications to the building were made with properly finalized permits. We also recommend contacting the architect and engineer of record to verify that any work done was performed according to specifications. The general contractor or developer should be contacted to verify the nature of any warranties. Other key contractors include any subcontractors, such as those installing the foundation, framing, roofing, windows and doors, stucco, electrical system, plumbing, and heating system. Warranties for residential construction are controlled in part by state law. For more information, you may want to consult a qualified attorney specializing in construction law.

We are often asked to make subjective evaluations or comparisons between this building and other, similarly constructed buildings. While such statements do not fall within the scope of a typical building inspection, we are sensitive to the reason for the question. With this in mind, we found this building to be in a general condition that shows average maintenance and condition, with typical projected maintenance consistent with its age.

General Comments

This report is a general overview of the structural components and major systems. It is not intended to be technically exhaustive in any one field. If further information is desired, specialists in the relevant fields should be retained to perform additional inspections.

A determination as to the presence of animal pests, rodents, termites, decay or other wood destroying organisms is beyond the scope of this inspection. A qualified pest control firm should be contacted with any questions concerning the presence or treatment of these organisms. We are not qualified in this field. A licensed pest control firm should make periodic examinations as part of routine property maintenance.

We may make recommendations or suggestions in this report that differ from requirements by the local building department. For determinations as to what is permitted in this jurisdiction, the local building department should be consulted.

This report includes only those areas that are visually accessible and not areas that are made inaccessible by walls, concrete, earth, or any other obstacle to physical access or visual inspection, such as furniture or stored items. Defects in mechanical equipment not disclosed by our functional operation or visual inspection are not included. Items or conditions not mentioned in this report are

not within the scope of this inspection. An examination of every window, door, light switch, outlet, water valve, etc., was not made.

We will make recommendations we believe to be most important throughout the report. These recommendations should not be considered the only significant items. You should establish your own priorities after thoroughly studying this report, reviewing all the recommendations and suggestions within the report, and consulting experts or specialists as desired.

EXTERIOR

Siding

This building has stucco siding that shows minor wear, and we observed normal stucco cracking in several places. Periodic repair of stucco cracking should be expected as part of routine maintenance.

The stucco appears to have a newer “skim” coating of stucco applied over the original stucco siding. While not uncommon in older buildings that show typical wear, the skim coating can hide or mask larger cracks or crack patterns that may indicate settlement or movement in the building. The building exterior appears to have been recently painted.

The stucco has been applied over redwood siding or sheathing that has channels or stices cut into the exterior surface (often referred to as “Berkeley siding”). The channels allow the stucco to adhere to the wood siding. This type of installation is no longer allowed, as there is no water proof membrane between the stucco and the wood framing of the building. The water proof nature of the siding is solely dependent upon the exterior condition of the paint and stucco. Regular examination and maintenance of the siding is necessary to prevent water entry and damage to the wood support framing beneath the stucco.

A pest control firm apparently has made test openings into the stucco, to determine if there is damage to the framing behind the stucco. We recommend a pest control firm be consulted to determine the extent of any damage behind the stucco.

Stucco consists of cement and sand plaster, reinforced with wire mesh and installed over a water-resistant membrane. New stucco is typically pigmented rather than painted, and the surface may show absorption of moisture from rains. Stucco cracking is common and may be caused by movement in the wall framing, foundation settling, seismic activity, or stucco shrinkage. Minor cracks usually do not need repair and are normally filled when the stucco is painted. Cracks large enough to allow water entry should be caulked or patched. In relatively new construction, the bottom of the stucco typically has a metal edge called a "drip screed". The soil surface should be maintained below this edge to prevent moisture and termite entry behind the stucco. In older buildings, the bottom of the stucco often extends below soil level and may conceal moisture or termite entry. A pest control firm should inspect these areas regularly.

There are unvented areas of stucco at the front left and left side that are cantilevered, or extend out from the building. Such enclosed areas are subject to moisture entry and damage to the wood framing behind the stucco. In newer construction, these areas are required to have ventilation openings, and we suggest they be added. We recommend a qualified pest control firm also examine these areas.

Landscaping

We recommend the large trees at the rear be examined by a tree surgeon or licensed arborist. Regular care can extend the life of a tree and reduce the potential for falling branches.

Left Side Porch and Stairs

There is a concrete porch and stairs at the left side. Wood framing supports the concrete in some areas, and there are concrete supports in other areas.

Concrete, brick, tile, and other masonry stairs, landings, and decks are often supported by wood framing. A membrane is typically placed over the framing to prevent moisture entry and damage.

The framing beneath should be checked regularly for signs of water penetration. Any cracks or openings in these surfaces should be caulked or filled to prevent water entry.

We observed settling at the steps. There are gaps and cracks in the concrete that can allow water to penetrate to the wood framing beneath. Future settling and movement in this area should be expected, eventually necessitating repair. We recommend all gaps and cracks be kept well sealed against water entry, and these areas be periodically examined for damage.

Adjacent porches and walkways may tilt or settle away from the building, often because their footings or supports are not adequate. Rainwater may enter gaps created by the settling, resulting in additional movement or possible framing damage. Any gaps should be caulked or sealed to prevent water entry. Any substantial settling which creates a hazard to foot traffic should be repaired.

The steps are not even in height. We recommend the inconsistent steps be modified or rebuilt for safe usage. The difference in height between individual steps should not be more than 3/8 inch.

There are newer, concrete block supports beneath the staircase sections. We recommend the installing contractor be contacted for information on this installation and any applicable guarantees or warranties.

Rear Stairs

There are concrete stairs at the rear.

Hand and Guard Rails

Handrails are not provided for the left side and rear staircases. We recommend proper handrails be installed as needed for safety. We have provided an enclosure at the end of this report describing proper handrail and guardrail design, and recommend they be upgraded for safety.

Staircases with four or more steps should have handrails that are between 1-1/2 and 2 inches wide. Handrails should be placed and shaped so they can be readily grasped for safety. Handrails should be 34 to 38 inches above the leading edge of the stairway treads. Handrails should return to the railing or post or to the ground. Handrails should not end in a projection that could be hooked by clothing.

Grading and Drainage

The surfaces adjacent to the right side foundation are sloping toward the building and may direct surface water towards the foundation, contributing to a defective drainage condition. Ideally all adjacent surfaces should slope away from the foundation, and this is now required in most jurisdictions for new construction. These areas should be monitored during wet weather and the grading be corrected if necessary (see also, **Roof, Roof Drainage**).

There is an area drain at the rear right patio that apparently leads to a subsurface drainage system. We did not test this drain for proper function.

Drains can be effective in reducing ponding and controlling surface water around the building. The drains can be clogged with debris, and care should be taken to prevent obstruction of the drain openings. All surface drains should be tested periodically by using a garden hose and observing the discharge location of the drains, if known.

Driveway, Walkway, and Patios

There is a concrete driveway at the left side that shows minor wear.

There is a concrete walkway at the front that shows minor wear, a ceramic tile patio at the rear left that shows minor wear, and a concrete patio at the rear right. There are several typical cracks in these surfaces.

Retaining Walls

There is a concrete retaining wall at the rear. This wall is not provided with sufficient barriers or guardrails to prevent a fall. We recommend adequate safety barriers be installed.

There also are wooden retaining walls at the rear yard areas.

Wood retaining walls are subject to deterioration from moisture or wood-destroying insects. Modern wood retaining walls are typically constructed with pressure-treated lumber that is decay resistant. Redwood, though naturally decay-resistant, eventually deteriorates.

Fencing

There is wooden fencing at the rear yard and iron fencing at the front.

Garden Structures

There is play equipment at the rear that was not inspected. A determination as to the condition or safety of play equipment is beyond the scope of this inspection.

ROOF

The height of this roof above the ground prevented safe access with our equipment. We viewed portions of the roof from the ground level. We recommend a qualified roofing contractor with special ladders or equipment be retained to examine this roof.

This building has a composition shingle roof. The owner informed us the roof was approximately eight years old.

There is a small section of gravel surfaced built-up roof at the right side that is in a generally worn condition and may soon need replacement. We visually examined this roof surface, only, from the adjacent porch and interior window.

A built-up roof or "BUR" (multiple layers of asphalt and felt) may have a gravel covering to protect the roof surface from the sun. These surfaces should be examined periodically to be sure the membrane is covered. It may be necessary to occasionally add gravel or redistribute existing gravel to maintain protection of the surface. Perimeter areas may be exposed and may wear out sooner than the covered portions. Exposed areas can be recoated every few years with hot or cold asphalt or other suitable coatings to extend the life of the roof surface.

Roof Flashings

The flashing materials were mostly inaccessible to inspection. The roof flashings appear to be primarily copper. Mastic also was used at several of the roof flashing connections.

Sheet metal, rolled roofing materials or sealing compounds, such as mastic, are the typical flashing materials used to prevent water penetration at roof surface connections and penetrations. Flashings need periodic maintenance and should be inspected annually.

Mastic is the general name for a thick roof patching compound or cement. It is considered a temporary method to seal connections. Mastic dries out and cracks, typically requiring a new application every 2 to 4 years. Painting the mastic can help protect it from the sun and give a better appearance. The best procedure is to replace old metal flashings when a new roof is installed. It is common practice in some areas to leave old flashings in place and to cover them with mastic when applying new roofing over an existing roof surface.

The stucco siding of the building at the left side appears to be continuously applied down the walls and against the roof surface. This is not the preferred method of installation, as water can flow beneath the stucco and against the wood framing of the building, and it cannot be determined if proper metal flashing has been installed. In this instance, mastic has been applied to seal this area, and the mastic is cracked. This is a temporary repair, and we recommend this area be examined now, and periodically thereafter, and resealed as necessary.

Roof Drainage

This roof has aluminum rain gutters that show minor wear.

Debris has accumulated in several places. Rain gutters should be cleared periodically as part of routine maintenance.

We observed indications that rain water flows over the side of the lower, right side gutter during rainfall. The gutter drain is blocked and the slope of the gutter is improper, allowing overflow water to accumulate against the building foundation. We recommend it be further evaluated and repaired

as necessary by a qualified contractor. It may be necessary to install larger gutters that can collect all the roof rainwater.

Several rain gutter downspouts are directed into subsurface drain lines.

Rain gutter downspouts are sometimes connected to underground drainage systems to prevent water from ponding adjacent to the foundation where it could adversely affect the soils supporting the building. Catch basins or surface mounted drains may also be connected to this piping. Subsurface drain piping can become clogged with debris and should be checked periodically in rainy weather or by using water from a garden hose to be sure the drains are free flowing.

General

This inspection addresses only the apparent visual condition of roofing materials, and does not include invasive testing or guarantee against present or future leakage. Annual examinations should be made by a qualified roofer for needed periodic maintenance and repair.

Roof surfaces, rain gutters, downspouts, and subsurface drain lines should be checked regularly. Leaves and other debris should be removed as needed. Gutter corner joints and connections may need periodic caulking or sealing. Screens can be put at the downspout gutter connections to keep debris from blocking the downspouts. To check for adequate drainage walk around the building during or shortly after a heavy rain and observe the adequacy of the roof and area drainage systems.

ATTIC

Attic Access

There is a small attic access opening in the hall closet ceiling. We entered the attic area to perform our inspection (see also, **Water Heater**).

Portions of the attic areas are not accessible to inspection.

Attic Framing

The attic is framed with 2x6 rafters. The ceilings are framed with 2x4 ceiling joists. The rafters are overlaid with board sheathing.

There are several stains on the roof framing. Stains are common in attic areas and do not necessarily indicate active leakage.

Several aspects of the attic framing are outdated by modern standards. The attic framing should be examined and reinforced as needed by a qualified contractor before new roofing or other weight is placed on the framing.

Newer electrical wires have been placed on the top of the framing near the attic access opening. We recommend proper protective strips be installed to protect the wiring, or that the wiring be properly relocated.

Attic Ventilation

The attic ventilation appears sufficient.

Insulation

The attic is insulated with both loose cellulose and fiberglass batts with an approximate total thickness of four to eleven inches.

The insulation coverage is uneven and we suggest adding and redistributing insulation as needed to provide even coverage, reduce energy costs, and to increase comfort. The standard for new construction is eight to ten inches insulation to achieve a value of R-30.

The ceiling hatch cover is not insulated and we recommend insulation be secured to the top of the hatch cover.

The insulation has been installed over knob and tube electrical wiring.

Special procedures should be followed prior to insulating an attic with knob and tube wiring, including an inspection of the wiring by a qualified electrician who can certify it as safe. The certification is required to be filed with the local jurisdiction having authority. A warning notice also should be posted stating that live wiring is present beneath the insulation. One method to reduce the risk of wire overheating is to lower the amperage carried by the wiring. This can be done by installing 15-amp fuses or breakers to protect the circuits with knob and tube wiring. Buried wiring is inaccessible to our inspection.

FOUNDATION

Structure

This building is a wood framed structure and has a raised perimeter concrete foundation. Subfloor accesses are located at the left side exterior and through the basement staircase. We inspected the subfloor areas by walking and crawling beneath the accessible portions of the building floors.

Our ability to fully examine the foundation and substructure framing was limited by storage and other obstructions to our view, and portions of the foundation were not accessible to our inspection. There is no access beneath the rear right addition, and we recommend full substructure access be provided.

Substructure access is often obstructed by insufficient clearance beneath the floor framing, by ducting, pipes, stored items, finished wall surfaces, or other obstructions to visual examination. Wherever possible, access should be provided to these areas so that an inspection can be made. With access and opportunity for inspection, defects may be found in the inaccessible areas.

Recent repairs have been made to this foundation at the right side and rear right. We recommend a complete history of structural modifications be obtained. All building permits, plans, and specifications for engineered installations should be obtained. Where possible, it should be determined if an engineer was present at the site to determine if the specifications were followed.

Concrete

The foundation beneath this building appears to consist of both relatively modern, steel reinforced concrete and older outdated portions. The older concrete does not appear to be steel reinforced and probably does not have footings that extend deeply into the soil. Foundations of this type are typically more susceptible to cracking, settlement, deterioration from moisture entry, and earthquake damage. For information as to the structural adequacy of concrete foundations, a qualified engineer should be consulted.

Concrete caps have been installed on top of sections of the right and left side, and front foundation walls.

Concrete foundation caps or curb walls are typically installed on top of, or against an existing foundation wall by pest control companies to prevent moisture entry and damage to the wood framing above the foundation. Foundation caps are often steel reinforced and should improve the strength of the foundation system. They should not, however, be considered as strong as a new foundation.

There are several small cracks in the foundation walls that appear typical for a building of this type and age. There also are moderate cracks at the left rear and right front.

Cracking is common in concrete or masonry foundations. Minor cracks caused by shrinkage or settling can be found in even relatively new foundations. Moderate or larger cracks may indicate ongoing settling or movement and the eventual need for underpinning or foundation repair. There is no way to determine if a crack will grow in size or if new cracks will form. Most large cracks were once small. The best way to estimate the likelihood of future movement may be to monitor the number and size of cracks over a period of time.

We observed concrete deterioration in several places.

Concrete deterioration and spalling are usually the result of prolonged moisture penetration. As moisture moves through the concrete and dries on the surface, mineral salts dissolved in the water form crystals that expand and cause surface crumbling (spalling). Minor surface deterioration is common in older foundations. With continued moisture penetration over many years, the concrete may deteriorate to the point where replacement becomes necessary.

We observed substantial efflorescence on the right side foundation walls indicating an excessive moisture condition likely caused by defective drainage (see **Roof – Roof Drainage**).

Efflorescence is a white powdery deposit that occurs on masonry or concrete. Efflorescence indicates the presence of moisture in contact with the masonry or concrete. Minor efflorescence is common even in new construction. Substantial efflorescence indicates a defective drainage condition.

We observed mostly indications of previous foundation settling and movement consistent with the age of the building and the type of foundation, with indications of substantial previous movement at the front. Future movement in the foundation and structure should be expected. We recommend any rate of movement be monitored by patching or sealing accessible cracks with mortar or another brittle concrete patching compound. Foundation repair may be necessary in the future.

The wood support framing at the rear right has been shimmed with wooden wedges. While not uncommon in wood frame construction, excessive shimming can weaken the connections between the wood framing and the concrete foundation. These areas should be further evaluated for seismic adequacy. The best time to do this would be when seismic upgrades are performed.

We recommend this foundation be examined by a qualified engineer and modified as needed by a qualified contractor, sufficient to provide adequate structural support for the building.

There are sections of concrete slab in several basement areas which are “floating”, and do not appear to be an integral part of the foundation support system. This is mentioned as information only. The slab floor was mostly inaccessible to inspection, due to stored items.

We observed several uneven areas in the floors, which may indicate foundation movement or settlement. Some unevenness of this kind is not unusual in buildings of this type and age.

Basement

This building has a partial basement. Basement access was limited by storage and cabinets, and much of the basement foundation and wall framing was not accessible to inspection.

There are concrete floors that are below the exterior soil level. Some of the floors were damp at the time of our inspection.

Floors, which are below the exterior soil level, may be subject to water or moisture entry, especially in very rainy weather. Valuable items should be stored on boards or pallets to prevent moisture damage. If carpeting is used, we suggest it be loosely installed so it can be easily pulled back for drying. It is not unusual to find occasional or unexpected water entry in below grade areas that have been dry for years.

Substructure Framing

The primary floor framing consists of 1-inch thick (nominal) decking boards diagonally installed over 2 inch thick (nominal) joisting and wood beams, and supported by intermediate concrete piers and walls.

We observed stains on the subarea framing in several places apparently indicating previous water entry or leakage. A current pest control report should be consulted concerning the presence of decay or other moisture related damage.

Moisture stains indicate previous water penetration. Stains are commonly found around bathroom and kitchen waste piping or at the building perimeter and may also indicate previous leaks which have since been repaired. A qualified contractor should promptly repair any indications of active water entry or moisture-related damage.

Several modifications have been made to the substructure framing. We recommend a history of the modifications be obtained. This should include, if possible, the date repairs were made, the contractor's name, a description of changes made, and any available plans and permits.

Portions of the rear floor framing are too close to the subfloor soil. Proper clearance, necessary to provide for ventilation and to reduce the potential for decay, is 18 inches below the floor joists and 12 inches clearance below the beams that support the floor framing. We recommend adequate clearance be provided below the floor framing.

Newer joists at the right side would benefit from the addition of joist hangars or other supporting hardware. Plywood bracing panels have been installed in several places. We recommend additional bracing or shear paneling be installed by a qualified contractor to improve the building's resistance to earthquake forces.

The installation of bracing panels (often referred to as "shear paneling") on wall framing provides earthquake and wind resistance. It is typically used on the walls between the foundation and floor framing and around garage door openings. The panels should be nailed at all edges and at the intermediate members. It may be necessary to add blocks between the vertical studs to get bearing on all edges of the panels. Minimum nail spacing is usually 6 inches and engineers often recommend nailing at 3 or 4 inches for greater strength. Ventilation should be provided in each stud space when shear paneling is added to the inside of exterior subarea walls. Ventilation is usually provided by drilling 2-inch diameter holes in the panels at the top and bottom of each stud bay.

The foundation is equipped with some anchor bolts, hold-downs and other seismic reinforcements in some areas. These improvements should help provide additional resistance to seismic forces. One threaded rod at the rear right intermediate wall is not properly installed and is not aligned. We recommend it be further evaluated by a qualified engineer.

Metal devices often called "shear transfer ties" have not been installed between the rim joists or blocking, and the top plates of the cripple walls or foundation sill. These are often recommended when a full, modern seismic retrofit upgrade is performed to the building.

Anchor bolts and other devices are used to secure the framing to the foundation to resist displacement during earthquakes or high winds. The modern standard is for bolting at least every six feet (four feet in seismic zone four), and with bolts within the last 12 inches of each piece of sill plate. Buildings greater than one story or on hillsides may require additional bolts and other seismic devices.

We recommend a qualified engineer be retained to review the current upgrades and to design or specify any additional seismic improvements appropriate for this building.

The attachment between the building and the foundation does not meet the latest seismic specifications required by many engineers and building departments. New specifications typically

require nominal 3x6 (2½ x 5½) sill plates to be secured to the top of the foundation walls with 5/8 inch diameter bolts secured with nuts placed over ¼ thick square bearing plates instead of washers. It may be possible to remove many of the existing nuts and install the newer type bearing plates to provide a more secure connection.

Substructure Ventilation

The subarea ventilation is minimal. We recommend adequate subarea ventilation be provided.

Under-floor areas should be provided with ventilation openings that have an area not less than 1 square foot for each 150 square feet of under-floor area. Openings should be provided close to the corners and should provide cross ventilation. The vent openings should be distributed equally along the length of at least two opposite sides and should be covered with 1/4-inch wire mesh. Four-by-fourteen inch vents are typically installed every 6-8 feet. There are many ways to provide ventilation and the best method should be decided after consulting a qualified contractor or the local building department. If natural cross-circulation is not obtainable with vent openings, it may be necessary to install a mechanical venting system with fans and ducts.

Soil

The left side subfloor area soils are generally wet. We recommend the substructure area be monitored in wet weather and that the drainage be improved if necessary.

Minor periodic moisture beneath many structures is common and should be expected. Substantial or continuous water entry can damage the concrete or cause wood decay or soil erosion and should be eliminated. It may be necessary to install a drainage system to correct a significant moisture problem.

Soil has accumulated against the framing in several places. Several vertical wooden boards are in contact with soil at the rear right basement room wall. We recommend the soil or lumber be removed, eliminating all wood-soil contact and these areas be examined by a qualified pest control firm. Regular examinations should be made to prevent future wood-soil contact.

Wood scraps, possible food for termites and conducive to their growth, are present on the subarea soils. We recommend all wood scraps and other debris be removed.

The soil beneath and around this building may be the expansive (adobe) type, which is a common soil condition.

Expansive soils typically expand when wet and shrink upon drying which can cause seasonal movement in the foundations, walls, and floors. Modern foundations designed for expansive soils have piers that penetrate the soil to a deeper level where there is more consistent moisture content. Maintaining consistent soil moisture content by periodic watering of adjacent planted areas in summer, and avoiding excessive subarea dampness in winter can help reduce seasonal movement. We are not qualified to determine soil types or conditions. For a determination of the soil type and conditions in this area, a geologist or soils engineer should be consulted.

Foundation General

The adequacy and condition of area soils, footings, foundations, and structural framing can only be determined after a detailed analysis by a soils, geotechnical, or structural engineer. This type of analysis and these determinations are beyond the scope of this inspection.

ELECTRICAL

Service Wiring

The main service wires are directed overhead above ground to the building at the left rear.

The service entry conductor wiring metal is not accessible and we were not able to determine whether these wires are copper or aluminum (either is acceptable). This wiring is typically the property of the local utility.

Main Panel

The main breaker panel is at the left rear. This panel appears relatively new. We estimate the capacity of this panel to be 125-amps, with both 120 and 240-volt service provided. This capacity should be considered adequate according to modern standards.

This panel has a 70-amp circuit breaker disconnect for the basement subpanel it serves. This capacity should be considered less than minimal according to modern standards. If greater electrical usage is anticipated, or the installation of additional circuits is desired, it will be necessary to provide a larger capacity to the subpanel. We have enclosed an article that explains the relationship between electrical capacity and usage.

Modern single-family residences typically have an electrical capacity of 125 to 200 amps. The minimum capacity allowed for a detached dwelling since 1960 is 100 amps. In older buildings it is not uncommon to find a 30-amp or 60-amp service. Sixty amp services are generally considered to be minimal but may suffice if there is no air conditioning and if gas is used for the major appliances. A 30-amp main capacity is not adequate and should be upgraded.

While the electrical capacity to the building has been substantially upgraded, the 70-amp breaker that serves the subpanel in the basement reduces the capacity within the building.

Electrical Grounding & Bonding

The main electrical panel appears properly grounded and the metal piping of the building is bonded.

There is additional bonding wire from the basement subpanel to the water and gas pipe at the exterior water heater. This is somewhat unusual, and is mentioned as information only.

Modern electrical services are typically grounded to the water piping within five feet of where it enters the building, a driven rod in the earth, and/or steel rods embedded in the foundation. Older electrical services are typically grounded only to the water piping. A grounding conductor is often visible at the main panel, but it is not possible to locate the grounding connection. The gas piping and other metallic interior piping should be bonded to the grounding system, including a "bonding jumper" across any removable components in the metal piping of the building (i.e.: water pressure regulator, water softener, water meter).

Basement Circuit Breaker Subpanel

This panel has 34 circuit breakers within this panel that are in use. There are 11 additional unused breakers.

This panel also appears relatively new.

Wiring

This building is wired with copper type nonmetallic-sheathed cable (NM or Romex) wiring, armored cable (BX, MC or AC), wiring in conduit, and older knob and tube wiring.

Most buildings prior to the 1950's were wired with knob and tube systems. In some building jurisdictions, knob and tube wiring with plastic insulation was used until the 1960's. Over time, the brittle insulation on older wire breaks down, especially at ceiling mounted light fixtures as these lights expose the wiring to heat over a long period of time. The splices in knob and tube systems are soldered, and overloads can melt the solder, causing loose connections and a possible fire hazard. Using only 15-amp fuses or breakers can reduce the potential for overloading.

We observed apparent abandoned wiring in the rear left crawlspace. We recommend all abandoned wiring be removed by a qualified electrician to prevent its being accidentally energized and creating a hazardous condition.

Electrical boxes in the crawlspace and attic are uncovered. We recommend box covers be installed.

Door Bell

The doorbell functioned properly.

Receptacles and Switches

There are both 2-hole and 3-hole type receptacle outlets in this building. We tested a representative number of the outlets and switches. An examination of each is beyond the scope of our inspection.

Outlets beneath the kitchen sink and in the living room do not have cover plates and we recommend covers be installed on them, and on any other switches or outlets which do not have them.

The number of outlets or receptacles available for use is less than required in new construction. We suggest additional outlets be added as needed for convenience and safety. Also, older, two-prong electrical outlets become worn from use over time, and replacement with new receptacles should be considered for electrical safety. Older receptacles can allow arcing when appliance cords are plugged in.

Ground Fault Circuit Interrupters

There are several GFCI-protected outlets. These outlets should be tested periodically by pressing the test and reset buttons on the outlet faces to ensure proper functioning. We recommend adding Ground-Fault-Circuit-Interrupter protection as necessary to meet modern safety standards.

Ground Fault Circuit Interrupters are breakers or receptacle outlets designed to protect against electrical shocks. In recent years most jurisdictions have required ground fault protection for outlets in bathrooms, exteriors, basements, and garages (except those in a designated appliance location - such as for laundry equipment). Recent regulations also require GFCI receptacles or breakers for kitchen countertop outlets and for wet bars. A single GFCI receptacle may be used to protect other outlets downstream from it on the same circuit. GFCI outlets and breakers have test buttons that should be operated periodically to assure the devices are functioning properly.

There is no electrical box for the garage receptacle, into which the garage door opener is plugged, and we recommend this be repaired or replaced.

There is an Arc Fault Circuit Interrupter (AFCI) type circuit breaker in the electrical subpanel, for the main bedroom. They are designed to provide protection for the receptacles or circuits in bedrooms that are connected to this circuit breaker. They are very sophisticated electronic devices

that can detect small amounts of electricity that may be “leaking” from a wire, and thus would be a fire or life safety concern. If AFCI’s detect such an occurrence, they are designed to immediately shut off the electrical power. They are now required in many jurisdictions, and are commonly found in newer construction.

All AFCI circuit breakers should be tested periodically by pressing the small button (usually yellow or blue) found on the face of the breaker. Should the breaker fail to trip when tested, a licensed electrician should be retained to repair or replace the circuit breaker. Many of these newer AFCI breakers have been recalled by the Consumer Product Safety Commission (CPSC). We recommend further evaluation by a qualified electrical contractor, or consulting the CPSC website, for additional information (www.cpsc.gov).

There also are GFCI type circuit breakers in the basement electrical subpanel. These are designed to provide protection for the receptacles that are connected to these circuit breakers, equal to the GFCI type outlets commonly found in newer construction.

All GFCI circuit breakers should be tested periodically by pressing the small button (usually white or yellow) found on the face of the breaker. Should the breaker fail to trip when tested, a licensed electrician should be retained to repair or replace the circuit breaker.

Exterior Electrical

As is common in older buildings, the exterior receptacle at the front was not GFCI protected. GFCI protection is relatively inexpensive and provides an important margin of safety. We strongly recommend it be installed.

The exterior outlet at the front left does not have an approved weatherproof cover as now required for permanently installed receptacles in exterior locations. We recommend a proper cover be provided.

PLUMBING

Main Water Supply

The main shutoff valve for the water supply is at the middle front exterior. The supply piping leading to the building main valve is 3/4-inch copper. It appears supply piping from the street to the building has been upgraded and the original piping has been replaced.

We measured the water pressure at 80 pounds (PSI). Pressures between 30 and 80 pounds are considered to be in the normal range.

Interior Water Piping

The water supply piping is copper. Copper piping is considered superior to galvanized steel, as it is less susceptible to the accumulation of mineral deposits that can reduce water flow.

The water flow at showers and other fixtures appears adequate.

Stop Valves

Angle and straight stops are shutoff valves normally found beneath sinks and toilets in modern construction to provide a convenient disconnect in case of leakage, or to facilitate repairs. These shutoff valves are rarely used, and may "freeze" in place or leak when operated. Stop valves should be operated periodically to keep the valves functional. We do not normally turn these valves during an inspection as this may cause them to leak.

Exterior Piping

The hose faucets we observed functioned properly. The hose faucets are not equipped with anti-siphon valves as is required in new construction. We suggest anti-siphon devices be installed to prevent the accidental flow of waste water into the water supply piping.

Garden and lawn sprinkler systems, if present, are beyond the scope of our inspection. These systems should be checked periodically for leaks and for proper functioning.

Waste Piping System

The waste piping system has cast iron, galvanized steel, ABS plastic, and copper piping. We observed no leaks in the waste piping system.

A waste pipe cleanout is located at the right side exterior. We recommend a history of any previous waste pipe blockage and/or repairs be obtained.

Due to the age of the building, and if not recently performed, we recommend a video examination of the sewer lateral be made by a qualified plumbing contractor.

The fixture drains appear to have adequate waste water flow.

Many buildings, especially those 50 years and older, have partially blocked, damaged, or worn out main sewer piping. Older sewer pipes often require annual cleaning and clearing of roots or other obstructions, as part of routine maintenance. Clay tile piping was used in many older waste systems between the building and main sewer. Clay pipes are easily damaged and can be blocked by tree roots, or may crack from soil movement, causing sewage to back up into interior plumbing fixtures. If possible, determine any history of clogged drains. Eventual replacement of old sewer piping should be anticipated.

Many local jurisdictions are now requiring the sewer lateral be examined or tested to determine if there are any breaks or openings in the piping. (The sewer lateral is the underground piping that connects the building wastelines to the sanitary district's sewer lines, generally located in the street.) This examination is well advised for buildings constructed before 1950, or when blockage has been disclosed or is known, and when recent repairs or replacement cannot be documented.

Gas

The gas meter is at the right side exterior. The gas shutoff valve is on the vertical pipe to the left of the meter.

To shut off the gas, turn the valve 90° so the handle is at a right angle to the pipe. We suggest storing a large wrench near the valve so the gas can be shut off quickly in an emergency. We also recommend that a PG&E service technician be contacted periodically, to operate the gas shutoff valve and insure its proper function. This valve is the property of the utility, and it can become more difficult to operate with the passage of time.

We suggest an automatic seismic gas shutoff valve be provided, which is designed to be triggered by seismic movement or an excessive flow of gas, and to disconnect the gas supply to the building in an earthquake. A qualified plumbing contractor should be consulted for further information and cost estimates.

General

Waste piping should be cleaned out periodically to remove any accumulation of grease, hair, and dirt and to help prevent future debris blockage and subsequent drainage failure.

The gas and water piping was not fully accessible and an examination of each connection was not made. The standard test for leakage is to have the piping pressure tested. This is sometimes required before the gas can be turned on after it has been disconnected. With testing and a close examination of all the piping, leaking or other defects may be found.

WATER HEATERS

There are two relatively new “demand type”, gas-fired water heaters, one a Rinnai brand located at the right side exterior, and the other a Tagaki brand located in the attic. This type heater provides heated water upon demand, when a hot water valve within the building is turned on. These appliances are generally more energy efficient, and can conserve both natural gas and water when properly adjusted and used properly. We suggest the manufacturer be consulted regarding proper use and maintenance of this equipment.

We recommend a pan and drain line be installed beneath the water heater in the attic to prevent damage to building floors and furnishings if the water heater leaks. This is generally a requirement of most jurisdictions.

The water piping above the right side exterior water heater appears properly bonded as is typically required in new installations (see **Electrical**).

The water heaters are equipped with newer, flexible, dielectric type water connectors and both water heaters are equipped with a newer, flexible type gas connector, both of which allow some movement as required for earthquake protection.

Each water heater is equipped with a pressure valve only. Generally, most manufacturers of tankless water heaters require only this type valve be installed in the water piping, instead of the typical temperature and pressure relief (TPR) valve.

A pressure relief (PR) valve is a safety valve that releases excess pressure from the water heater or piping in the event the regulator fails. It is an important safety device that can prevent a dangerous explosion. Hot water may occasionally drip or spray from the valve discharge pipe, triggered by changes in water pressure. Leaky valves may fail from encrusted mineral residue, and should be replaced. Most PR valve manufacturers recommend the valve be tested once a year.

There is inadequate vertical clearance above the attic water heater as required by the manufacturer, and there is no convenient access or walkway to the water heater for servicing and maintenance, as generally required. We recommend the local building department be contacted for their requirements for attic installations, and this installation be modified as necessary to conform.

General

It important to avoid storing combustible items near water heaters and other gas-fired appliances for fire safety.

HEATING

There is a gas-fired forced air furnace in the basement that shows moderate wear. The BTU input capacity is rated at 110,000 BTU's. We operated the heating system and it appeared to function properly.

We did not locate the furnace installation manual. The standard requirement is for these manuals to be attached to all new equipment. We recommend the furnace operating manual be obtained and properly secured to the furnace.

The flexible gas connector was improperly directed through the wall of the furnace cabinet and is subject to vibration damage and eventual leakage. We recommend the gas connector be properly installed according to local requirements.

The heat exchanger in this furnace is not readily accessible to inspection.

A heat exchanger is a metal chamber that encloses the flame and transmits heat to the circulating air. With age and use, cracks or rust holes can develop in heat exchangers. Fumes from the flame may flow through the exchanger wall and enter the living area. Heat exchangers should be carefully examined as part of routine servicing. Only a small portion of the heat exchanger is accessible during a typical home inspection.

Venting

This furnace is an induced draft, high efficiency, condensing type and is considered to have efficiencies greater than 90%. The increased efficiency creates lower flue temperatures and allows plastic piping to be used in the venting system. There is a condensate pump, with a drainline to the exterior, or an approved location, that removes excessive moisture from the furnace vent pipe, due to condensation of combustion products in the vent pipe system. A qualified contractor, as part of routine maintenance, and to insure its proper operation, must periodically examine this pump and drainline.

Distribution

This system uses ducting to distribute warm air to the conditioned spaces. A determination as to whether adequate heating is provided to all the rooms is beyond the scope of this inspection. Several rooms in this building are unheated.

The disposable furnace filter is at the base of the furnace. The filter is not clean and we recommend it be replaced, and the new filter be checked monthly and replaced at least twice annually for efficient furnace operation.

Air filters prevent the accumulation of dust and dirt on the blower fan blades, which can significantly reduce efficiency. Air filters should be checked monthly and changed or cleaned, depending on type, as necessary. A clogged air filter can lead to reduced air flow over a furnace heat exchanger, resulting in premature heat exchanger cracking or failure.

The filter is loose and we recommend it be secured in place. Looseness could cause it to lift out of position when the blower comes on.

The blower compartment needs cleaning. We recommend the dust accumulation in the furnace blower compartment be removed to improve furnace efficiency.

Central Heating General

We recommend a qualified furnace company be retained to service this equipment. Furnace servicing should be performed annually as part of routine maintenance. Significant defects may be revealed during a thorough evaluation, especially with older systems.

Special care should be taken to avoid storing combustible materials (clothing or other items which could burn) near gas-fired heating equipment to prevent a potential fire hazard.

INTERIOR

Note: The upper front left bedroom door was locked and we were unable to obtain access into this room and no inspection of the interior was made.

Walls and Ceilings

The interior wall and ceiling surfaces are primarily plaster and sheet rock (gypsum board).

There are previously repaired areas of the living room ceiling. This may indicate repairs to the surfaces due to settlement or movement in the building, or other factors not apparent. We recommend the current owner be contacted to learn more about the significance of these repairs.

Several of the interior surfaces have been recently refinished and painted, or were being painted at the time of our inspection. While not unusual during the marketing of a building, newly painted surfaces can hide previous cracks and repairs that may only be discovered over time. We suggest the current owner be consulted if more information is desired.

Floors

We observed sloping or unevenness in several of the building floors, which is not unusual in buildings of this type and age. We do not perform a detailed survey of the floors for slope or uniform elevation as part of our standard inspection. We can return with special equipment and provide a floor level survey to determine the extent of floor slope for an additional fee upon request.

The flooring within this building consisted of mostly hardwood, with ceramic tile in the bathrooms.

Stairways and Railings

The main staircase handrailing is non-conforming, and would not be allowed in newer construction.

There is a low guardrail in the room at the rear of the kitchen area, which is potentially hazardous. We suggest a proper guardrailing be provided for increased safety.

The upper stair landing banister is too low by modern standards, which require guardrails to be at least 36 inches high. We suggest upgrading the banister height for greater safety.

***Railing Safety:** Staircases with 4 or more steps should have handrails which are between 1-1/2 inches and 2 inches wide and which are shaped so that the handrail can be grasped. This requirement, while often ignored, is important for safe stairway usage, particularly for the young and elderly. Handrails should be installed so that they are 34 to 38 inches above the leading edge of the stairway treads. Handrails should return to the railing, post, or to the floor. They should not end in a projection that could be hooked by clothing or other items. Large rail openings that may allow a child to fall through should be modified for safety. Modern standards call for openings to be less than 4 inches in diameter. The standard has been recently changed to 4 inches as it is found that many children can easily slip through a 5 inch opening.*

Smoke Detectors

This building has several smoke detectors. We did not test these detectors to insure their proper operation. This should be done prior to occupancy, and at least annually thereafter.

If not installed, we suggest the installation of carbon monoxide detectors also be considered as a safety improvement.

Smoke detectors should be installed on every floor and in hallways near sleeping areas. Most jurisdictions now require that smoke detectors also be installed in each bedroom in new construction or when modifications exceeding \$1000 in value are made. Direct wired smoke detectors should also have backup batteries so they will function in a power outage. Smoke detectors should be tested routinely by following the instructions in the detector operating manual. Fire extinguishers should be provided in kitchens and garages for emergency use. We also suggest CO or carbon monoxide detectors be installed in buildings with gas-fired heating systems.

Interior Miscellaneous

This building is equipped with a security system. We suggest the system installer or a security company be consulted as to proper operation of this system. An examination of this system is beyond the scope of this inspection.

Windows

This building has wood framed double hung windows. The windows we operated functioned properly.

Several living room window frames are noticeably unsquare. Out of square window frames are usually caused by foundation settling or movement.

The glass next to and in the main entry door, and in windows at the main stairway landing does not appear to be safety glass. We suggest the glass in areas of potential impact be replaced with safety glass or that protective safety films be applied to the glass in these areas.

The general rule for new construction is that glass which is less than 18 inches from the floor (and larger than nine square feet), glass that is within 24 inches of the edge of a swinging door, or glass in a door (unless smaller than three inches in diameter) must be the tempered safety type. While there is no requirement to change existing glass, safety glass is usually required when new glass is installed. Special care should be taken in these areas until safety glass is installed. Furniture can often be arranged to direct traffic away from non-safety glass windows. Applying decals to sliding glass doors and large windows can help prevent accidents caused by persons who may think they are walking through an open door. Special plastic films are available which can be applied to the glass to reduce the likelihood of injury should the glass break.

We operated a representative sampling of the windows. All windows were not checked for proper functioning, cracked or broken glass, or for the presence or condition of screens. This inspection does not include areas that are obscured by furniture, carpets, coverings, or any other items.

Doors

There are French doors at the lower rear. These doors are prone to water leakage around the frame and at the door sill due to their design. We suggest such doors be periodically examined during periods of rain to determine if leakage is occurring. Any detected leakage should be further evaluated and repaired by a qualified contractor.

We suggest painting the top and bottom edges of all the exterior doors to help extend their service lives.

Several interior doors have inside key locks. Deadbolts and other locks with removable inside keys

can prevent escape in a fire emergency and are prohibited in many jurisdictions. Always leave inside keys in the locks when the building is occupied. Thumb latches are safer and lock replacement should be considered.

FIREPLACES AND CHIMNEYS

Dining Room Fireplace

There is a masonry fireplace in the dining room. The brick firebox has several minor cracks and shows moderate wear. Older and larger cracks have been recently repaired. We recommend the repairing contractor be contacted for information on these repairs and any applicable guarantees or warranties.

There is no damper and we recommend one be installed.

The purpose of a damper is to block the flow of warm room air up the chimney when the fireplace is not in use. An open flue is comparable to an open window and will substantially reduce heating system efficiency. Dampers should be kept closed when fireplaces are not in use. Glass doors can also be used to serve the same function.

This fireplace has a brick chimney. The top of the chimney was not inspected, as it is not safely accessible with our equipment.

Modern brick or concrete block chimneys are lined with clay tile or concrete sections mortared together. The purpose of the liner is to contain a potential chimney fire. Liners and the mortar that join them together may deteriorate with age and use, reducing their effectiveness. Flue liners are not typically accessible to visual examination. Tall chimneys that extend above the roofline may need to be braced to prevent movement that can break the mortar, bricks, or liner. A qualified chimney contractor should carefully check all older chimneys before building a fire (or before the close of escrow). Any flue that is inaccessible may contain a defective flue liner or the liner may have been omitted.

This is an older chimney that was constructed before modern requirements for fire safety. Wood framing in the attic is very close to the chimney and flue. The older mortar typically used for these chimneys was lime-based, and will dissolve or deteriorate over time. This can allow hot flue gasses or embers to come in contact with the nearby wood framing, which eventually can cause pyrolysis of the wood (a slow deterioration of the wood and consequent reduction of the ignition temperature) and a fire. For these reasons, all older chimneys and flues should be regularly examined by a qualified masonry contractor and repaired or replaced as needed for safety.

This chimney flue has a rain cap and spark arrester screen.

A proper rain cap and spark arrester screen should be provided for each fireplace flue to prevent water entry. Water entry can damage the fireplace or chimney masonry. A screen will prevent the escape of flaming embers, which can be a fire hazard. Manufactured rain cap spark arresters are available in building supply stores or can be installed by a qualified chimney sweep.

We recommend a qualified fireplace contractor be retained to perform a safety inspection of the fireplace and chimney.

Living Room Fireplace

There also is a masonry fireplace in the living room. The brick firebox has several minor cracks and shows minor wear. There also have been recent repairs to this firebox and we recommend the repairing contractor be contacted for information.

This fireplace has a damper (see previous information).

This fireplace has a stucco sided brick chimney (see previous information). The top of the chimney also was not inspected, as it is not safely accessible with our equipment.

This chimney extends well above the roof surface and may need bracing to prevent damage or failure in an earthquake. The installation of steel bracing can reduce the potential for property damage or injury. Such bracing should be designed to prevent movement in all directions by a qualified engineer. Modern chimneys are typically tied to the ceiling framing. These connections are usually not visually accessible.

This chimney flue has a rain cap and spark arrester screen (see previous information).

General

Fireplaces should be checked periodically by a licensed chimney sweep or qualified chimney contractor. This should be done annually if they are used regularly (once a week or more). They should also be inspected after any indications of movement from settling or earthquake activity. Determinations as to whether fireplaces or chimneys have adequate draw, or are subject to smoking, or as to the soundness of chimney flue tiles, brickwork or sheet metal are beyond the scope of our inspection.

BATHROOMS

Note: All three bathrooms have been recently remodeled and all the fixtures and surfaces are relatively new.

Upper Hall Bath

This bathroom has a combination cast iron bathtub and shower. The shower walls are marble tile or limestone.

There are two china sinks.

The countertop and flooring is marble or limestone tile.

A window provides ventilation.

This bathroom has one GFCI protected receptacle.

The privacy latch on the door to this bathroom is not functional. We recommend the door latch be adjusted or repaired.

Rear Bedroom Bath

This bathroom has a bathtub and separate shower. The bathtub is fiberglass or plastic.

The tub is a whirlpool style with jets mounted in the tub walls. Motor access is apparently provided, although we were unable to access this equipment. We recommend it be made more easily accessible to allow for maintenance and inspection.

A GFCI breaker in the subpanel was labeled "Jacuzzi", and likely indicates this equipment has proper electrical safety. We recommend this installation be verified when access to the whirlpool equipment is provided.

Some older style whirlpool tubs have been found to pose some health concerns, if not properly maintained. Using chlorine bleach as a disinfectant is not sufficient to destroy bacterial accumulations that sometimes form in the jet piping. We have enclosed an article with this report that discusses proper sanitary techniques recommended for this equipment, and sources for further information, if desired.

The shower walls are marble tile.

The shower enclosure door has a clearly visible safety glass label.

There are two china sinks. The countertop is limestone or marble tile.

The flooring is marble tile.

A window and a fan provide ventilation.

This bathroom has one GFCI protected receptacle.

Lower Hall Half Bath

This bathroom has a toilet and a wall mounted china sink.

The flooring is marble tile.

A fan provides ventilation.

This bathroom has one GFCI protected receptacle.

General

Caulked joints should be checked frequently and recaulked as necessary. Proper caulking prevents water penetration and damage to walls and floors. Before caulk is applied, the surfaces should be cleaned carefully and any loose caulk should be removed. A good quality bathroom caulk, such as silicone, should be used. Bathrooms are areas of high humidity and special care should be exercised to keep them well ventilated. Windows should be left open when showering or bathing and fan-powered vents should be used when available.

KITCHEN

This kitchen also has been recently remodeled and all the fixtures, surfaces, and appliances are relatively new.

The countertops are marble tile. The sink is stainless steel, and is equipped with a disposer that shows minor wear.

The dishwasher shows minor wear. We did not test the dishwasher.

The dishwasher drain does not have an air gap (or anti-siphon device) and we recommend one be installed. The purpose of an air gap is to keep sink waste water from flowing into the dishwasher. This device is required in new installations.

Air gaps are required when a new dishwasher is installed to assure separation between disposer or sink waste water and the dishwasher. An air gap is typically mounted in a hole on the sink, and has flexible hoses that run to both the dishwasher and the disposer (or sink drain pipe if there is no disposer).

This kitchen has a gas range. The gas connection to this range is not visible.

There is a single electric wall oven.

Outlets near the kitchen sink are GFCI protected which is a good safety feature.

The flooring is wood.

LAUNDRY

There is a laundry area in the upper hall closet. Operation and inspection of the stacked laundry equipment is beyond the scope of our inspection.

A catch pan and drain is installed beneath the washer to prevent damage that could occur should the washer leak or drain overflow. The drain appears to terminate in the crawlspace, and we recommend it be redirected to the exterior of the building.

The dryer vent piping rises vertically upward which may be conducive to lint accumulation and clogging. This vent should be checked regularly as a clogged dryer vent can be a fire hazard. Ideally the vent should be rerouted to flow in a more horizontal direction.

A 240-volt type outlet is provided for the clothes dryer. We did not test this receptacle. This is not a modern style receptacle, and will likely need to be replaced when a new clothes dryer is installed. This may also require replacement of the electrical conductor to this receptacle. A licensed electrical contractor should be consulted for additional information.

There appears to be a capped gas pipe in the wall. We did not determine if this gas pipe is functional.

The flooring is ceramic tile. The flooring below the appliances is not accessible to inspection.

ENVIRONMENTAL and ENERGY CONSERVATION

Various potentially hazardous materials have been used in the construction of buildings over the years. Many naturally occurring materials and man-made building materials have been found to be hazardous or to have adverse environmental impact. These include but are not limited to asbestos, formaldehyde, lead paint, electromagnetic radiation and radon. Buried fuel tanks may pose an environmental hazard. Hazardous materials, product liability, and environmental hazards including mold and mildew are not included in the scope of our inspection. For information on hazardous materials, call the Environmental Protection Agency in San Francisco at 415-744-1500.

Beginning February 9, 2006, it is ILLEGAL to dispose of waste batteries, electronic devices, fluorescent light bulbs and mercury-containing thermostats in the trash. These waste items are known as "universal wastes" and must be recycled or taken to a household hazardous waste disposal facility.

Universal wastes are hazardous wastes that are generated by several sectors of society, rather than a single industry or type of business. Hazardous wastes contain harmful chemicals, which, if put in the trash, are harmful to the environment and public health. These items include:

Electronic Devices: Televisions and computer monitors, computers, printers, VCRs, cell phones, mp3 players, telephones, radios, and microwave ovens. These devices often contain heavy metals like lead, cadmium, copper, and chromium.

Batteries: All batteries of sizes AAA, AA, C, D, button cell, 9 Volt, and all other batteries, both rechargeable and single use. These contain a corrosive chemical that can cause burns as well as toxic heavy metals like cadmium.

Fluorescent Tubes and Bulbs and Other Mercury-Containing Lamps: These lights contain mercury vapor that may be released into the environment when they are broken. Mercury is a toxic metal that can cause harm to people and animals including nerve damage and birth defects. If mercury is released into the environment it can contaminate the air we breathe and enter streams, rivers, and the ocean. To find out more information on universal waste and how to dispose of it, please contact:

In Alameda County: **Alameda County Household Hazardous Waste Program**
<http://stopwaste.org> 1-800-606-6606

In Contra Costa County: **Contra Costa County Household Hazardous Waste Program**
<http://www.co.contra-costa.ca.us/depart/cd/recycle/> 1-800-750-4096

ENERGY CONSERVATION

Consumer-related questions regarding energy conservation in and around the home, and programs available to assist the homeowner in financing energy conservation projects, can be obtained by contacting the California Energy Commission. Their web site is www.consumerenergycenter.org, their phone number is 1-800-555-7794, and their mail address is:

California Energy Commission
Media and Public Communications Office
1516 Ninth Street, MS-29
Sacramento, CA 95814-5504

GARAGE

There is a detached garage at the left rear. Much of the garage interior is not accessible to inspection due to stored personal belongings.

This garage has a wooden, roll-up style vehicle door. The garage door has an automatic opener that did reverse when an object interrupted the light beam sensor at the base of the door opening, and when it struck an object at the base of the door when closing. These are child safety features of newer door openers.

Automatic garage doors should be provided with an automatic return mechanism that reverses the door automatically when its downward path is obstructed. Many older openers are not provided with this safety feature. Modern openers have photoelectric sensors for this purpose, and these can be installed on older openers to upgrade them to modern safety standards.

The garage door has a manual door release. The vehicle door is the only entry into the garage area. Should a power outage occur, the mechanical door opener would not operate. A manual release has been provided that uses a key on the exterior of the door to disengage the door opener and allow the garage door to be opened. We recommend the key be obtained from the current owner.

The concrete floor shows typical minor cracking, and some large cracks. There was water on the garage floor at the sides and rear.

Framing

We observed moisture-related damage to the garage framing in several places. We recommend a qualified pest control firm examine these areas, and any damaged wood be replaced.

Electrical

We did not locate a GFCI protected receptacle, which is now required in garage areas for safety. If not installed, we recommend one be installed as a safety upgrade.

Wiring is exposed to damage on the interior walls. Some jurisdictions allow unprotected wiring in garage areas. For increased safety, we recommend all exposed wiring be properly installed. The local building department should be contacted for their requirements.

Wiring in living areas, storage areas, or accessible exterior locations should be protected from damage. Protection is typically achieved by enclosure within wall cavities surfaced with gypsum board (sheet rock) or paneling, or by placing the wiring in rigid or flexible metal conduit. Metal-sheathed cable (BX) or flexible metal conduit can be used in dry areas. Moisture-tight conduit should be used at exterior locations.

ENCLOSURES

The following is a list of articles that have been enclosed to provide additional information. Please read them carefully.

- Handrails and Guardrails
- Electrical Capacity
- Whirlpool Safety and Maintenance

Thank you for choosing JMC Building Inspections. If you have any questions or if we can be of further assistance, please do not hesitate to call (510) 525-7173.

JMC Building Inspections
PMB 466, 1563 Solano Ave. Contractor's Lic. #540953
Berkeley, CA 94707 510.525.7173 510.558.8544 (fax)

THIS CONTRACT LIMITS OUR LIABILITY... PLEASE READ CAREFULLY

Inspection Address: 2943 Russell Street, Berkeley, CA

Report #U0202

Client(s): Jennifer Charron and Anthony Auston

Agent(s): Helene Barkin

1. Client requests a limited visual inspection of the structure identified at the above address by John McComas of JMC Building Inspections, hereinafter referred to as the "Company", and Client hereby represents and warrants that all approvals necessary have been secured for Company's entrance onto the property.
2. Client warrants that: (a) client has read this Agreement carefully; (b) Client understands Client is bound by all the terms of this Agreement; and (c) Client will read the entire Inspection Report when received and promptly call company with any questions Client may have.
3. Client understands that the inspection and inspection report are performed and prepared for Client's sole confidential and exclusive use. Client agrees that Client will not transfer, disseminate, or otherwise disclose any part of the inspection report to any other persons without the express written permission of the Company. The only exceptions to this non-disclosure are as follows: (a) one copy may be provided to a prospective Buyer of this property or to the Buyer's real estate agent, but only upon the express condition that the Buyer covenants to use the inspection report only in connection with Client's transaction; and (b) one copy may be provided to the real estate agent representing Client for use in Client's transaction only. Client agrees to indemnify, defend and hold harmless Company from any third party claims relating to this inspection or inspection report.
4. Company agrees to perform a limited visual inspection of the structure at the above address and to provide Client with a written opinion as to the apparent general condition of the structure's components and systems, including identification of significant observable deficiencies as they exist at the time of inspection. The inspection will be performed in accordance with the Standards of Practice of The American Society of Home Inspectors® (ASHI®). A copy of these Standards is available upon request with the inspection report, or will be made available to the client at any earlier time if advance notice is given to Company.
5. The inspection only includes those systems and components expressly and specifically identified in the inspection report. Any area that is not exposed to view, is concealed, is inaccessible because of soil, walls, floors, carpets, ceilings, furnishing or any other thing, or those areas/items that have been excluded by the ASHI standards and/or by agreement of the parties is not included in this inspection. The inspection does not include any destructive testing or dismantling. In addition to the other limitation provisions in this agreement, Client agrees to assume all the risk for all conditions that are concealed from view at the time of the inspection or exist in any area excluded from inspection by the terms of this agreement. The areas/items, systems and components that are among those not included in the inspection are listed in Attachment "A" (see reverse side or attached).
6. Client understands that the inspection and inspection report do not in any way, constitute a/an: (1) guarantee, (2) warranty of merchantability or fitness for a particular purpose, (3) express or implied warranty, or (4) insurance policy. Additionally, neither the inspection nor inspection report is suitable for any real estate transfer disclosures that may be required by law.
7. The written report to be prepared by Company shall be considered the final and exclusive findings of the Company about the structure. Client understands and agrees that Client will not rely on any oral statements made by the Inspector prior or subsequent to the issuance of the written inspection report. Client further understands and agrees Company reserves the right to modify the inspection report for a period of time that shall not exceed forty eight (48) hours after the inspection report has first been delivered to Client.

8. Client understands and agrees that any claim arising out of or related to any act or omission of Company in connection with the inspection of the structure, as limited herein, shall be made in writing and reported to Company within ten (10) working days of discovery. Client further agrees to allow company to re-inspect the claimed discrepancy with the exception of emergency conditions, before Client or Client's agents, employees or independent contractors repairs, replaces, alters or modifies the claimed discrepancy. Client understands and agrees that any failure to notify Company as stated above shall constitute a waiver of any and all claims Client may have against Company.
9. To the extent allowed by law, it is understood and agreed by and between the parties hereto that Company is not an insurer, that the payment for the subject inspection is based solely on the value of the service provided by Company in the performance of a limited visual inspection of the general condition of the structure's systems and components as described in Paragraph 4 and production of a written report; that because of the limited nature of this inspection, the inspection cannot be expected to uncover all defects or deficiencies within the structure and that it is impracticable and extremely difficult to fix the actual damages, if any, which may result from a failure to perform such services. Thus, Client and Company agree that in the event that Company breaches its obligation or duty to perform such services, and Client is damaged, then the liability of Company (including its officers, agents and employees) shall be fixed at the total sum of \$1000.00 and this liability shall be exclusive.

The fee for the Limited Visual Inspection is \$820.00 TA

Client's Initials (if choosing this Inspection) _____

Client understands that an inspection and inspection report without this LIMITATION OF LIABILITY is recommended by Company and may include inspection of the property by the following specialists: Roof, Electrical, Heating and Air Conditioning, Plumbing, Foundation, Fireplace and Pool/Spa (as applicable) Contractors, and Geotechnical and Structural Engineers in addition to the Inspector.

The Fee for the Specialists Inspection is \$6000.00

Client's Initials (if choosing this Inspection) _____

10. Any legal action including but not limited to those proceedings involving claims in tort or contract, against Company or its officers, agents, or employees, must be brought within one (1) year from the date of the inspection, or same will be waived and forever barred. Time is expressly of the essence herein.
11. Client understands and agrees that if Client is not present at the time of the inspection and therefore does not sign this Agreement, that this Agreement will form a part of the inspection report and that acceptance of the inspection report and payment therefore by client, shall constitute acceptance of the terms and conditions of this agreement.
12. If any portion of this agreement is found to be invalid or unenforceable by any court the remaining terms shall remain in force between the parties.
13. This agreement represents the entire agreement between the parties. No oral agreements, understandings, or representations shall change, modify or amend any part of this agreement. No change or modification shall be enforceable against any party unless such changes or modifications are in writing and signed by the parties. This Agreement shall be binding upon and inure to the parties hereto and their spouses, heirs, executors, administrators, successors, assigns and representatives of any kind whatsoever.

I have read, understood and agree to all the terms and conditions of this contract and to pay the fee listed above.
Dated 2/12/02 Signature of Client(s) _____ (one signature binds all)

Dated 2/12/02 For the Company John McComas Page ____ of ____