

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

Building No. 1234	Street Main Street	City Hometown	Zip 90210	Date of Inspection 05/05/2005	Number of Pages 1 of 7
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A LICENSED PEST CONTROL OPERATOR IS AN EXPERT IN HIS/HER FIELD. QUESTIONS RELATIVE TO THIS REPORT SHOULD BE REFERRED TO HIM/HER.

Report #: 50717

Ordered by: Professional Brokerage 4321 Main Street Hometown, CA 90210	Property Owner and/or Party of Interest: Joseph Homeowner 1234 Main Street Hometown, CA 90210	Report sent to: Professional Title Company 2143 Main Street Hometown, CA 90210
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COMPLETE REPORT LIMITED REPORT SUPPLEMENTAL REPORT REINSPECTION REPORT CORRECTED REPORT

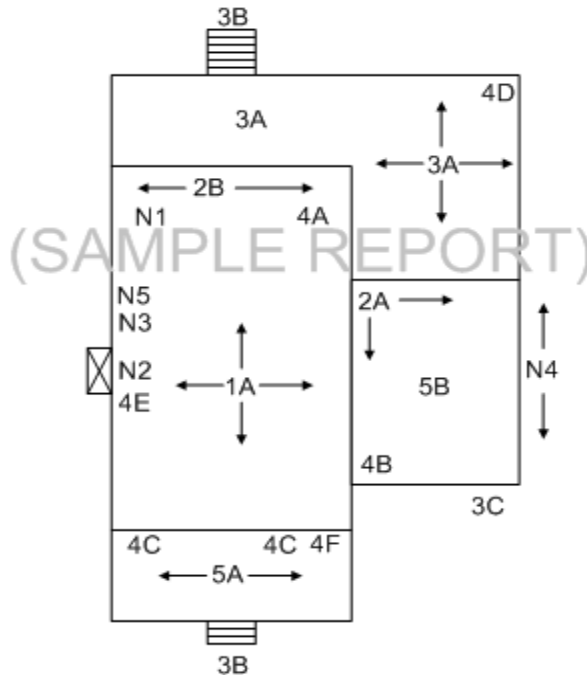
General Description: Two story; Single family residence; Wood siding; Composition shingle roof; Furnished and occupied.	Inspection Tag Posted: GARAGE
Other Tags Posted:	

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

Subterranean Termites 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.

Key: 1 = Subterranean Termites 2 = Drywood Termites 3 = Fungus/Dryrot 4 = Other Findings 5 = Unknown Further Inspection

Complete Inspection Report



(Diagram not to scale, finding locations approximate)

Inspected By: Mark Maxwell License No.: OPR7140 Signature: *[Signature]*

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

NOTE: Questions or problems concerning the above report should be directed to the manager of the company. Unresolved questions or problems with services performed may be directed to the Structural Pest Control Board at (916) 561-8708, (800) 737-8188 or www.pestboard.ca.gov. 43M-41 (REV. 10/01)

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General Comments

THIS IS A COMPLETE INSPECTION and includes structure(s) of the property as described on page one of this report. The inspection is limited to visible and accessible areas of the structure(s) drawn in diagram space. Other structures of the property were not included in this report. See the statements on the final page of this report for further information as to the scope of this inspection.

THIS IS A LIMITED INSPECTION REPORT which is limited to the ___ at the request of ___. Other portions of the structure were not inspected. A Complete Inspection of all accessible areas of the structure is recommended and will be completed upon request. There may be a fee for this inspection.

THIS IS A SUPPLEMENTAL INSPECTION REPORT to report # ___ dated ___ for the purpose of reporting additional information regarding this property.

THIS IS A REINSPECTION REPORT to report # ___, dated ___, for the purpose of reporting work completed by others. OUR COMPANY does not guarantee work completed by others. A work guarantee should be obtained from parties who have completed the work. This reinspection report will certify only visible and accessible areas inspected as described in above referenced "Complete Inspection" report.

Note: This structure was furnished and occupied at the time of this inspection, some areas were covered by normal storage or furnishings and was not visible for inspection. If further inspection of the interior is desired after all storage has been removed, it should be requested and completed prior to the close of escrow. There will be a minimum fee of \$49.00 for this reinspection.

NOTE: THIS INSPECTION IS LIMITED TO THE INTERIOR OF THE CONDOMINIUM UNIT ONLY AT THE REQUEST OF (NAME PERSON REQUESTING LIMITATION). IN MANY HOME OWNERS ASSOCIATION REGULATIONS, THE OWNER IS RESPONSIBLE FOR THE INTERIOR OF THE CONDOMINIUM UNIT ONLY AND THAT ALL OTHER AREAS ARE MAINTAINED BY THE HOMEOWNERS ASSOCIATION. HOWEVER, ALL HOME OWNERS ASSOCIATIONS ARE NOT THE SAME. IF THE OWNER IS RESPONSIBLE TO MAINTAIN PORTIONS OF THE STRUCTURE OTHER THAN THE INTERIOR, PLEASE CONTACT OUR OFFICE TO ARRANGE FOR FURTHER INSPECTION OF THE AREAS FOUND TO BE THE RESPONSIBILITY OF THE HOME OWNER. OUR COMPANY DOES NOT VERIFY THE OWNERS RESPONSIBILITIES. BY STATE LAW WE ARE REQUIRED TO RECOMMEND THAT THE REMAINDER OF THIS UNIT AND THE REMAINDER OF THE ENTIRE BUILDING BE INSPECTED. PARTIES IN INTEREST SHOULD DISCUSS THESE MATTERS WITH THEIR REAL ESTATE AGENT OR BROKER AND THE HOME OWNERS ASSOCIATION PRIOR TO THE CLOSE OF ESCROW.

NOTE: THIS IS A COMPLETE INSPECTION OF THE CONDOMINIUM UNIT ADDRESSED ON THE FRONT PAGE. THIS INSPECTION INCLUDES ALL ACCESSIBLE AREAS UP TO THE COMMON WALL WHICH IS A LIMITED PORTION OF THE ENTIRE STRUCTURE. STANDARD REPORT LIMITATIONS AS NOTED ON THE LAST PAGE OF THIS REPORT STILL APPLY. COMMON AREAS SUCH AS, BUT NOT LIMITED TO; COMMON STAIRWAYS, WALKWAYS AND DETACHED PARKING STRUCTURES WERE NOT INSPECTED. WE RECOMMEND FURTHER INSPECTION OF THE REMAINDER OF THE BUILDING FOR FULL DISCLOSURE. IF THE OWNER IS RESPONSIBLE TO MAINTAIN PORTIONS OF THE STRUCTURE OTHER THAN THE DESCRIBED, PLEASE CONTACT OUR OFFICE TO ARRANGE FOR FURTHER INSPECTION OF THE AREAS FOUND TO BE THE RESPONSIBILITY OF THE HOME OWNER. OUR COMPANY DOES NOT VERIFY THE OWNERS RESPONSIBILITIES CONCERNING THE HOME OWNERS ASSOCIATION REGULATIONS.

This is a separated report which is defined as Section I/Section II conditions evident on the date of the inspection.

"SECTION I" contains items where there is visible evidence of active infestation, infection or conditions that have resulted in or from infestation of 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.

In addition to the breakdown listed in the report,

"INFORMATIONAL ITEMS" may also be listed at the end of this report concerning items where the inspector wishes to inform parties in interest about questionable conditions found. These conditions may be of concern to parties in interest, but did not qualify as a required finding or correction as defined by the Structural Pest Control Act.

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Description of Findings

SECTION: I

SUBTERRANEAN TERMITES

Finding: 1A Evidence of Subterranean Termite infestation was found at the cellulose desbris in the crawl space and indicates an infestation in the soil below the structure.

Recommendation: Chemically treat the soil in areas of Subterranean Termite activity using Termidor (fipronil). In addition, an application will be made to the soil adjacent to the exterior wall around the complete perimeter of the structure. Holes may be drilled through concrete, paving or masonry adjacent to the foundation in areas such as, but not limited to; patios, sidewalks, porches and driveways, to allow for chemical treatment of the soil below. We will exercrise reasonable caution when drilling but assume no liability for damage to hidden plumbing, electrical, or other utility below these areas. The location of such utilities should be identified prior to our arrival. Regardless of locations of Subterranean Termite infestation found, control of the entire structure is guaranteed. Control is guaranteed by Key Termite and Pest Control for a period of 5 years from the date of treatment.

Price: \$985.00

DRYWOOD TERMITES

Finding: 2A Evidence of Drywood Termite infestation was found in wood members of the garage wall framing and appears to extend into inaccessible areas of the structure.

Recommendation: Seal the structure and fumigate with Vikane fumigant (Sulfuryl Flouride) . All occupants and pets must vacate the structure until the fumigation is complete. This company will exercise all due caution, but cannot be held responsible for damage to plants, TV antennas or roofing due to the fumigation. Further terms and instructions will be supplied upon request or upon scheduling of the fumigation. Information may also be obtained from the fumigation page on our website at www.keytermite.com *****Fumigations are guaranteed for 5 years from the date completed*****

Price: \$1,686.00

Finding: 2B Evidence of Drywood Termite infestation was found in the attic framing and appears to extend into inaccessible areas of the structure.

Recommendation: Refer to item 2A for recommendation and cost.

Price: Included as noted in recommendation.

FUNGUS/DRYROT

Finding: 3A Fungus infection and damage were found in the wood deck in the decking and framing.

Recommendation: Remove and replace the damaged portions of woodmembers of the deck as needed to eliminate the fungus infection. In areas where VERY MINOR fungus growth is present, but no detectable deterioration has occurred, scrape away the surface growth with a wire brush and chemically treat the woodmembers with Tim-Bor (Disodium Octaborate Tetrahydrate) for elimination of infection. Repair includes replacement of wood members with similar materials (unless improper materials were originally used). Note: Price quoted above does not include complete replacement of the wood deck. Additional damages may be discovered when concealed surfaces of wood members are exposed during the course of repairs. If further damage is discovered, additional costs will apply.

Note: A building permit may be required for the work recommended above and is not included in the price quoted. Parties in interest should note that additional costs will apply for obtaining a building permit if one becomes necessary. There will also be additional costs if upgrades and/or engineering are required by the local building department prior to or during the course of repairs. These costs should be determined and appropriated by parties in interest prior to the close of escrow.

Price: \$2,478.00

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Finding: 3B Fungus damage was found in both sets of wood steps. Damage has occurred due to earth to wood contact.

Recommendation: Replace the damaged portions of wood members of the steps as needed. Lower soil to eliminate the earth to wood contact. Price included in item 3A above.

Price: Included as noted in recommendation.

Finding: 3C Fungus damage was found at the garage door frame.

Recommendation: Replace the damaged portions of the door frame as necessary.

Price: \$155.00

OTHER FINDINGS

Finding: 4C Carpenter bee infestation was found in the fascia.

Recommendation: Chemically treat the wood members showing signs of carpenter bee infestation with Drione (amorphous silica, pyrethrins, piperonyl butoxide). Seal entrance holes with brass wool and latex caulking.

Price: \$285.00

Finding: 4D Wood boring beetle infestation was found in the deck post.

Recommendation: Remove and replace the deck post to eliminate the infestation. Price included in item 3A.

Price: Included as noted in recommendation.

Finding: 4E Carpenter ant infestation was found in the attic space.

Recommendation: Chemically treat the wood members showing signs of carpenter ant infestation with Termidor (fipronil).

Price: \$385.00

Finding: 4F Dampwood Termite infestation was found in the deck framing adjacent to the wood siding.

Recommendation: Chemically treat the infested wood members using Termidor (fipronil). Dampwood Termites will only infest sound wood when there is an adequate moisture source. Such moisture condition should be controlled if possible.

Price: \$365.00

FURTHER INSPECTIONS

Finding: 5A The area beneath the front wood deck was inaccessible for inspection due to low clearances. Infestation or infection appear to extend into this inaccessible area.

Recommendation: Remove two boards every six feet of the top decking to allow for further inspection. Reinspect and submit further findings on a supplemental report. Note: Damage may occur to the decking as a result of the decking removal. Additional costs will apply, if necessary, when decking is reinstalled by this company. Cost for reinspection and report will be \$50.00 if decking is removed and reinstalled by others.

Price: \$185.00

SECTION: II

OTHER FINDINGS

Finding: 4A The stall shower was found to be leaking after a standard water test was performed. This leakage occurs due to damage and/or deterioration of the waterproofing beneath the tile and concrete.

Recommendation: Contact a licensed tile contractor to perform this repair. Repair should include a minimum of the following; Removal the floor of the shower and two frames of tiles up the wall and over the dam; Replacement of the shower drain if needed; Installation of a new vinyl pan and retiling of the base of the shower. Contact our office to reinspect inaccessible wood members after the shower pan has been removed by the contractor and before new wood is installed. A supplemental report will be issued with further finding and recommendation. Inspection and report fee will be \$45.00.

Price: Does Not Apply

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Finding: 4B An excessive moisture condition exists due to leakage at the water softner supply line.
Recommendation: Replace the water softner supply line to eliminate the excessive moisture condition.
Price: \$85.00

UNKNOWN FURTHER INSPECTION FURTHER INSPECTIONS

Finding: 5B The attic space above the garage was inaccessible for inspection due to lack of an adequate access opening.
Recommendation: Install an access opening, reinspect and submit further findings and recommendations on a supplemental report. Cost for reinspection and report will be \$50.00 if access is installed by others.
Price: \$115.00

Section I Total: \$6,524.00
Section II Total: \$85.00
Section III Total: \$115.00

Grand Total: \$6,724.00

(totals include items priced above only)

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Informational Items

INFORMATIONAL ITEM> N1: The stall shower located on the second story over the finished ceiling was not water tested. The ceiling below the shower was inspected for indications of leakage. No indications of leakage were found. Parties in interest should satisfy themselves as to this disclosure prior to the close of escrow.

INFORMATIONAL ITEM> N2: Moisture stains were noted at the wood members of the attic space and indicate previous roof leakage. The area was dry at the time of inspection. The stains may be old and the original cause may have already been corrected. The roofing was not inspected by our company. It was not possible to determine active leakage at the time of inspection. If repairs have not been made or cannot be verified, we recommend that a qualified Home Inspector and/or licensed Roofing Contractor be contacted for further evaluation and recommendation. Parties in interest should satisfy themselves as to this condition prior to the close of escrow.

INFORMATIONAL ITEM> N3: Minor Subterranean Termite damage was noted at the substructure wood members. There appears to be no structural weakness due to this minor damage and correction is not required. Parties in interest should satisfy themselves as to this condition prior to the close of escrow.

INFORMATIONAL ITEM> N4: A faulty grade condition exists due to the soil grade level extending above the concrete foundation level. There were no visible signs, in the accessible areas, of infestation, infection or leakage found to be caused by this condition at the time of inspection. No corrections are required at this time. However, parties in interest should monitor this area for indications of leakage or other problems that may occur in the future. If the problem develops in the future, it will be necessary to install a masonry barrier (concrete flashwall) or lower the exterior grade level to correct the faulty grade condition.

INFORMATIONAL ITEM> N5: A potential moisture condition exists due to a window at the stall shower. The owner should maintain an adequate seal at the window frame and tile to prevent leakage into the wall space.

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- 1.This inspection is limited to the visible and accessible portions of the structure as noted on the diagram only. Although a full diagram may be drawn for reference purposes, all areas may not have been inspected. Please read the entire report to determine the limitations of the inspection. All findings will pertain to infestation and/or infection by wood destroying pests and/or organisms and does not include reference to other structural pests such as, but not limited to; Rats, Mice, Bats, Fleas, Cockroaches, Ants, Etc.. This inspection does not include opinions as to the condition of plumbing, roofing, electrical, gas, heating, air conditioning, or other such structural elements. If such information is desired, we suggest that a qualified Home Inspector be contacted. Inspection of fences is not included in this report unless otherwise stated. The exterior surface of the roof was not inspected. If you want the water tightness of the roof determined, you should contact a roofing contractor who is licensed by the Contractors' State License Board.
- 2.The following areas were not inspected, as indicated in Section #1990, paragraph (j) of the Structural Pest Control Act and Rules and Regulations: Portions of furnished interiors concealed by personal property, inaccessible attics, insulated attics, and portions thereof; the interior of hollow walls; spaces between a floor or porch deck and the ceiling or soffit below; stall showers over finished ceilings: such structural segments as porte-cocheres, enclosed bay windows, buttresses and similar areas to which there is no access without defacing or tearing out lumber, masonry and finished work; built-in cabinet work, floor beneath coverings; areas where storage conditions or locks makes inspection impractical; portions of the structure covered by plant growth. The inspector did not move storage or furnishings during inspection. NEITHER KEY TERMITE AND PEST CONTROL, INC. NOR IT'S EMPLOYEES OR SUBCONTRACTORS MAKES ANY GUARANTEE AGAINST FUTURE OR HIDDEN INFESTATION(S), INFECTION(S), OR ADVERSE CONDITION(S) PRESENT BUT NOT EVIDENT AT THE TIME OF INSPECTION(S). Routine inspection does not include opening windows, opening all exterior doors or inspecting interior of cabinets. Further inspection of these areas may be completed upon request and at additional expense.
- 3.CERTIFICATION applies to visible and accessible areas of the structure observed at the time of original inspection. This certification does not constitute a guarantee that parties in interest will not inherit hidden infestations, infections or adverse conditions. Key Termite and Pest Control, Inc. assumes no liability for such hidden conditions. If a problem is discovered that was not disclosed during our inspections, do not disturb the area. Contact our office immediately to inspect the problem area and allow proper determination. This limitation does not apply to our 5 year guarantee on Fumigation or Full Perimeter Subterrean Termite treatments.
- 4.REINSPECTIONS; "This Company will reinspect repairs done by others within 4 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." Consultation appointments will be made upon request. On site appointments will be billed at a minimum of \$45.00 per appointment. Telephone calls to discuss the report findings are no charge.
- 5.The structure was inspected from the ground level only. Portions of the structure that extend more than 10 feet from the ground level were visually inspected only. Accuracy above this point cannot be guaranteed. Wood members showing visible signs of infestation or infection were pick-tested to determine the nature and extent of the finding. The inspector did not get up on the roof to inspect wood members accessible from the roof.
- 6.NOTICE: The structural Pest Control Board encourages competitive business practices among registered companies. Reports on this structure prepared by various companies should list the same findings (i.e. termite infestations, termite damage, fungus damage, etc.). However, recommendations to correct these findings may vary company to company. You have a right to seek a second opinion from another company.
- 7.NOTICE: The charge for service that this company subcontracts to another person or entity may include the company's charges for arranging and administering such services that are in addition to the direct costs associated with paying the subcontractor. YOU MAY ACCEPT KEY TERMITE AND PEST CONTROL, INC.'S BID OR YOU MAY CONTRACT DIRECTLY WITH ANOTHER REGISTERED COMPANY LICENSED TO PERFORM THE WORK. IF YOU CHOOSE TO CONTRACT DIRECTLY WITH ANOTHER REGISTERED COMPANY, KEY TERMITE AND PEST CONTROL, INC. WILL NOT BE RESPONSIBLE FOR ANY ACT OR OMISSION IN THE PERFORMANCE OF WORK THAT YOU DIRECTLY CONTRACT WITH ANOTHER TO PERFORM.
- 8.This property WAS NOT inspected 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. If you desire information about the presence or absence of health related molds, contact the California Department of Health Related Services. A link may be found in our web site at the following web address <http://www.keytermite.com/mold.html>
- 9.Pesticides are the products Key Termite and Pest Control, Inc. uses to control the target pests listed in your Inspection Report. Pesticides are indispensible tools our industry uses to control disease carrying pests and wood destroying insects, thus protecting your health and property. When properly used, pesticides pose minimal risk to humans or the environment. Your Technician is a State certified applicator whose knowledge is constantly being upgraded through regularly scheduled training sessions. If you have any questions, please call us at our toll free number: 800-548-5599 or write to: Key Termite and Pest Control, Inc., 9605 El Camino Real, P.O. Box 969, Atascadero, CA, 93423. Key Termite and Pest Control, Inc. will not apply any compound not authorized for use in California. Please refer to the Inspection Report above for proposed materials to be used.
- 10.CAUTION: PESTICIDES ARE TOXIC CHEMICALS. Structural Pest Control Operators are licensed and regulated by the Structural Pest Control Board, and apply pesticides which are registered and approved for use by the California Department of Pesticide Regulation and the United States Environmental Protection Agency. Registration is granted when the State finds that based on existing scientific evidence there are no appreciable risks if proper use conditions are followed or that the risks are outweighed by the benefits. The degree of risk depends upon the degree of exposure, so exposure should be minimized. If within 24 hours following an application you experience symptoms similar to common seasonal illness, comparable to the flu, contact Key Termite and Pest Control, Inc. (800-548-5599), your physician, and/or your Poison Control Center. For the Poison Control Center, contact the following: (1-800-876-4766). FURTHER INFORMATION: Contact any of the following: Your pest control operator is Key Termite and Pest Control, Inc., (800-548-5599); for Regulatory Information call the Structural Pest Control Board (916-561-8708), or write 1418 Howe Ave., Suite 18, Sacramento, CA, 95825-3204. For answers to your health questions, call the County Health Department; Santa Barbara County Health Dept (805-681-5102); San Luis Obispo County Health Dept (805-781-5544); and for application information, contact the County Agriculture Commissioner; Santa Barbara County Agricultural Commissioner (805-681-5600); San Luis Obispo County Agricultural Commissioner (805-781-5910).
- 11.Under the California Mechanics Lien Law any structural pest control company which contracts to do work for you, any contractor, laborer, supplier or other person who helps to improve your property, but is not paid for his or her work or supplies, has a right to enforce a claim against your property. This means that after a court hearing your property could be sold by a court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your structural pest control company in full if the subcontractor, laborers or suppliers remain unpaid.
- 12.To preserve their right to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are required to provide you with a document entitled "Preliminary Notice". Prime contractors and laborers for wages do not have to provide this notice. A Preliminary Notice is not a lien against your property. It's purpose is to notify you of persons who may have a right to file a lien against your property if they are not paid.
- 13.NOTICE: Invoices are due and payable within 30 days. 1.5% per month will be added to account balances beyond 30 days from the date of work completed. This is an annual percentage rate of 18%. (Interest charged pursuant to the Robinson-Patman Act). Interest amounts for balances billed to an Escrow Company as a course of a Real Estate sale will be waived up to 4 months from the date of work completed so long as the property remains in escrow. Should an Escrow transaction cancel, the full account balance is due and payable upon the Escrow cancellation date.