

SMD CONSTRUCTION CO., INC.

Inspection No.: xxxxxxxxxx

Inspector: Sam Dawkins

Inspection Date's: 00/00/0000

Client: First Name Last Name

Address: 1111 Anywhere Lane, Anywhere, CA

Clinet@mail.xxx

THIS REPORT IS NOT A SUBSTITUTE FOR THE DISCLOSURES (SELLER AND AGENTS) REQUIRED BY CIVIL CODE 112 et.seq., NOR IS IT A SUBSTITUTE FOR THE REAL ESTATE TRANSFEREE DISCLOSURE STATEMENT (TDS-14). PLEASE CONSULT WITH YOUR AGENT TO IDENTIFY WHICH PARTIES ARE RESPONSIBLE FOR DISCLOSING THOSE ASPECTS OF THIS TRANSACTION THAT WOULD BE OF IMPORTANCE TO YOU.

When reading the inspection report: **Serviceable** means that the materials and workmanship are acceptable and in generally satisfactory condition. We will occasionally point out a minor item and still note Serviceable, such as a light fixture with no globe.

None Applicable means that the item does not apply to this property.

This is a single-family dwelling, one story structure built on a flat lot. Estimated age is approximately 58 to 62 years old. Weather at the time of inspection was sunny.



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Our exterior evaluation is visual in nature and is based on our experience and understanding of common building methods and materials. Our review does not take into consideration the normal wear associated with virtually all properties.

101 Driveway: Serviceable; concrete.

102 Walks: Concrete. **Lifted concrete noted at rear is a possible trip hazard. This is a safety concern. We advise repair/replacement as needed to ensure safety.**

103 Fences/Walls: **Step cracking noted at rear wall.**



103a Gates: Serviceable; wood.

104 Siding: Serviceable; brick/stucco/wood.

105 Trim: Serviceable; wood.

106 Window Frames: Serviceable; metal/vinyl. **House is equipped with SOME thermo-pane windows for added insulation. Verifying the seal between the two panes of glass is beyond the scope of this inspection.**

106a Screens: Serviceable.

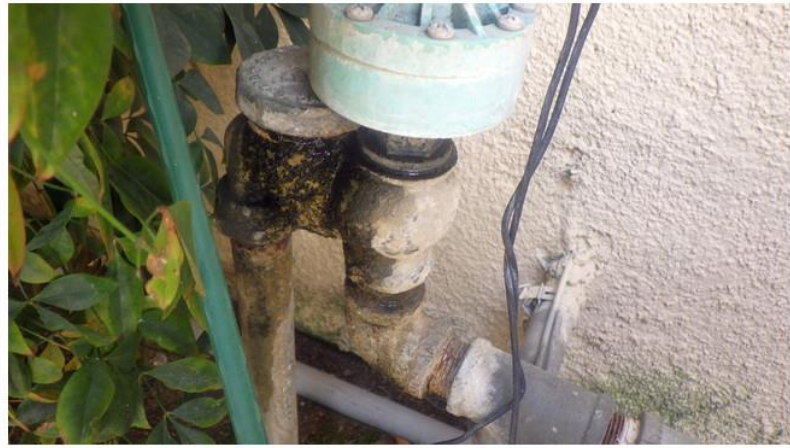
107 Electrical Fixtures: Serviceable.

108 Gutters/Downspouts: Metal. **Missing downspout noted at front and rear.**

109 Sprinklers:

A timing device controls this sprinkler system. Timing devices are beyond the scope of this inspection. We advise that you obtain verification of this system's performance prior to closing.

Leak noted at rear sprinkler valve; we advise making necessary corrections.



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| 110 Exterior Doors: | Serviceable. |
| 111 Bell/Chime: | Serviceable. |
| 112 Chimney: | Non-Applicable. |
| 112a Steps/Railing: | Serviceable. |
| 112b Hose Bib: | Serviceable. |
| 113 Lot grade/Drainage: | Home is built on a flat lot. Grade at foundation appears to be adequate. |
| 114 Gas Meter: | Serviceable. Located at left side. |
| 115 Foundation: | Serviceable; concrete/raised foundation. |
| 115a Ventilation: | Ventilation appears to be adequate. |
| 115b Bolted to Foundation: | Yes, under house. |
| 115c Cripple Walls: | No. |
| 116 Sub-Floor: | Accessible in rear bedroom closet. Plumbing leaking: No. |

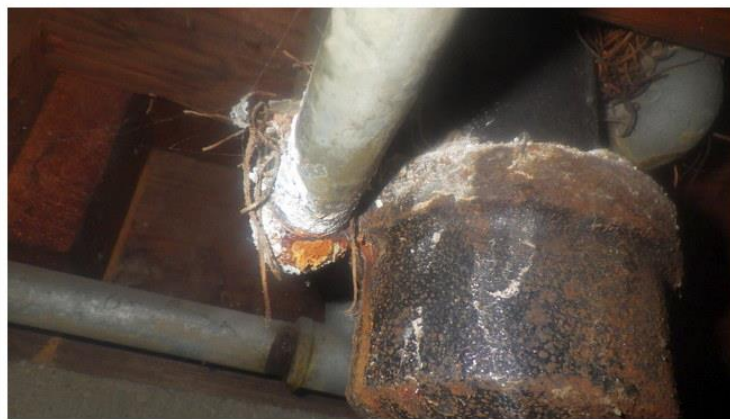
116a Sub-Floor Comments: **Deteriorated wood noted under bathroom; suggest consulting with specialist for further review prior to close of escrow.**



Excessive corrosion noted at drain lines at various areas; no leak at time of inspection; suggest consulting with specialist for further review prior to close of escrow.



Corrosion noted at supply lines; no evidence of leakage at time of inspection.



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| 117 | Exterior Comments: | Non-Applicable. |
| 118 | Beyond Scope of Insp.: | Refrigerators, satellite TV and solar electrical system noted are beyond the scope of this inspection. |

Our evaluation of the roof is to determine if portions are missing and/or deteriorating and, therefore, subject to possible leaking. Portions of underlayment and decking are hidden from view and cannot be evaluated by our visual inspection; therefore, our review is not a guarantee against roof leaks or a certification.

126 Type/Material: Composition shingle/pitched construction.

127 Roof Comments: Roof shows normal wear for its age and type; appears to be in serviceable condition.
We advise resealing all through roof vents and projections as part of routine maintenance.



We advise trimming all trees and vegetation away from roof noted at left side to prevent damage and premature deterioration of roofing materials.



135**ATTIC**

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| 136 | Hatch Location: | Entry closet. |
| 137 | Accessible: | Yes. |
| 138 | Sheathing: | Serviceable; 1x6. |
| 139 | Evidence of Leaking: | Water stains noted at a few areas. These stains appear to be old. |
| 140 | Insulation: | Yes, where visible approximate thickness is 10-15 inches. |
| 141 | Ventilation: | Appears to be adequate. |
| 142 | Attic Comments: | |

200**REAR PATIO**

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| 201 | Cover: | Serviceable. |
| 202 | Enclosure: | Non-Applicable. |
| 203 | Electrical: | There is no ground fault interrupter noted at left outlet which may not have been standard at the time of construction. However, today's standards require ground fault interrupters at all areas within five feet of running water and external outlets. We suggest installing a ground fault interrupter in this area as a safety upgrade. Missing, loose or damaged exterior weatherproof cover noted at ground fault interrupter outlet; suggest repairs/replacement of weatherproof cover as needed to ensure safety. |
| 204 | Windows: | Non-Applicable. |
| 205 | Deck/Slab: | Concrete. Common cracks noted. |
| 206 | Stairs/steps: | Serviceable. |
| 207 | Railing: | Non-Applicable. |
| 208 | Sink: | Leak noted at base of faucet; we advise making necessary corrections. |
| 209 | Comments: | Rear patio noted appears to be an addition to the original structure. We are unable to determine if permits were issued at the time of construction. We advise checking city records to verify the existence of permits before the close of escrow. |

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| 301 Exterior: | Serviceable; wood. |
| 302 Roof: | Please see roof comments. |
| 303 Slab: | Concrete. Common cracks noted. |
| 304 Overhead Door: | Metal. Tear noted in overhead door. |



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| 305 Garage Door Hardware: | Serviceable. |
| 306 Door Opener: | <p>Garage door openers are equipped with two (2) types of safety reverse devices; one that works with photo cells and one that works with hand resistance.</p> <p>This garage door opener is equipped with a safety reverse device that operated properly with photo cells when tested at the time of our inspection. The U.S. Product Safety Commission recommends these devices be checked monthly.</p> <p>The safety reverse noted <u>did not work when testing with hand pressure</u>; suggest adjusting sensitivity as a safety upgrade; suggest consulting with specialist for further review prior to close of escrow.</p> |
| 307 Windows: | Serviceable. |
| 308 Access Door: | Non-Applicable. |
| 309 Fire Door: | Non-Applicable. |
| 310 Fire Wall: | Serviceable; plaster. |

311 Vent Screens: **Small hole noted in rear vent screen; we advise making necessary corrections.**



312 Walls: Serviceable.

313 Ceiling: **Water stains noted. These stains appear to be old.**

314 Electrical: **There is no ground fault interrupter noted in this area which may not have been standard at the time of construction. However, today's standards require ground fault interrupters at all areas within five feet of running water and external outlets. We suggest installing a ground fault interrupter in this area as a safety upgrade.**

Unable to determine function of one switch.

315 Laundry Tub: Non-Applicable.

316 Washer H/Up: Non-Applicable.

317 Dryer H/Up: Non-Applicable.

318 Garage Comments:

Our evaluation of major systems is both visual and functional provided power and/or fuel is supplied to the component. **IDENTIFYING OR TESTING FOR THE PRESENCE OF ASBESTOS, RADON, LEAD BASED PRODUCTS, OR OTHER POTENTIALLY HAZARDOUS MATERIALS IS NOT WITHIN THE SCOPE OF THIS REPORT. THESE MATERIALS WERE USED PRIOR TO 1982, AND SHOULD YOU BE CONCERNED, WE SUGGEST HAVING AN INDEPENDENT INSPECTION PERFORMED PRIOR TO THE CLOSE OF ESCROW.** Judging the sufficiency of water flow in plumbing or the cooling efficiency of air conditioning is a subjective evaluation, therefore, we only note a poor condition if, in the inspector's opinion, the adequacy seems to be less than normal. We urge you to evaluate these systems prior to closing.

DISMANTLING AND/OR EXTENSIVE INSPECTION OF INTERNAL COMPONENTS OF ANY APPLIANCE, INCLUDING HEATERS AND HEAT EXCHANGERS, IS BEYOND THE SCOPE OF THIS REPORT. THE LOCAL UTILITY COMPANY WILL CONDUCT SUCH AN INSPECTION UPON REQUEST.

California Senate Bill No. 407, [requires on or before January 1, 2017](#), that a Seller or Transferor of a [single-family residential real property, multifamily residential, or commercial real property](#) disclose to a Purchaser or Transferee, [in writing, specified requirements for replacing plumbing fixtures, and whether the real property includes noncompliant plumbing](#). The bill would require, on or after January 1, 2017, a Seller of certain residential real property to make a specified disclosure in this regard.

The bill would require, on or before January 1, 2017, that all noncompliant plumbing fixtures in any single-family residential real property shall be replaced by the property owner with water-conserving plumbing fixtures.

[Please be advised that verification of these requirements are beyond the scope of our inspection.](#) We advise obtaining the proper written verification from Seller confirming the plumbing fixtures in this home comply with the requirements set forth in Senate Bill No. 407. More information may be obtained by referencing Senate Bill No. 407 of the California Civil Code relating to water conservation.

Definitions: *Noncompliant plumbing fixture means* - Any toilet manufactured to use more than 1.6 gallons of water per flush; Any urinal manufactured to use more than 1 gallon of water per flush; Any showerhead manufactured to have a flow capacity of more than 2.5 gallons of water per minute; Any interior faucet that emits more than 2.2 gallons of water per minute."

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| 401 Heating: | Serviceable. Gas forced air heating unit located in attic. Gas shut off noted. Electrical disconnect provided near this unit. |
| 401a Venting: | Serviceable. |
| 402 Air Conditioning: | Serviceable; electric. Compressor is located at right side. |
| 403 Thermostat: | Operable. Located in living room. |
| 404 Ducting: | Serviceable. |
| 405 Plumbing: | <p>Piping where visible is copper and galvanized. Copper piping is preferred for durability and low maintenance. Whereas galvanized water lines rust from the inside out and can become restricted over time. When low water flow is noted at plumbing fixtures, some restriction may have occurred. If concerned, we suggest further review by a licensed plumber. Main shut-off is located at front. PSI 60.</p> <p><i>Since main shut-off valves are operated infrequently, it is not unusual for them to become frozen over time. They often leak or break when operated after a period of inactivity. <u>For this reason main shut-off valves are not tested during a home inspection.</u> We suggest caution when operating shut-offs that have not been turned for a long period of time. All shut-off valves and angle stops should be turned regularly to ensure free movement in case of emergency.</i></p> |
| 406 Drain/Waste Vent: | Serviceable. |

407 Water Heater:

Approximately 40 gallons, gas water heater located in kitchen closet. Cold water shut-off: Intact. Temperature and pressure relief valve installed as a safety feature. Two earthquake straps are installed as a safety measure.

Corrosion noted on plumbing; no evidence of leakage at time of inspection.



407a Venting:

Serviceable.

408 Electrical:

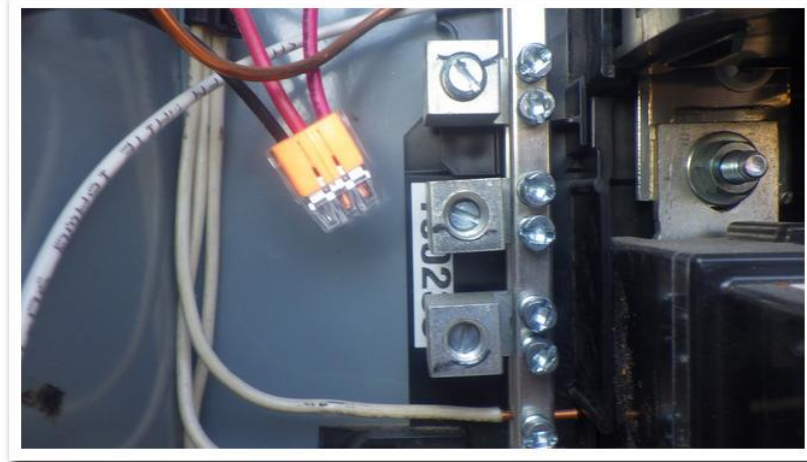
The main electrical service is approximately 200 amps. Service entrance is overhead with main panel located at left side. Overload protection is provided by breakers. Main disconnect noted. Wiring where visible is copper. Copper is preferred for durability and low maintenance. Sub panel located at air conditioning unit.

Open ground noted at receptacles, which may have been standard at the time of construction. Receptacles near water sources and at exterior locations ideally should be grounded. Due to the age or configuration of this system, we are unable to determine if grounding is in place or can occur. Suggest consulting a licensed electrician for further review.

Please see additional comments for Electrical on the next page.

408 Electrical Cont'd:

Exposed splices noted in main panel. This condition is not generally allowed in the service panel. Client may wish to consult a licensed electrician for further review.



As a safety upgrade, we always recommend installing GFCI outlets, in all areas that they are currently required; such as garages, laundry areas, exterior outlets, pool and spa lights and all outlets within five feet of running water.

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| 409 | Smoke Detector: | Serviceable. Located in dining area, hall and all bedrooms. |
| 410 | CO Detector: | Serviceable. Located in dining area and hall. |
| 411 | Fireplace: | Non-Applicable. |
| 412 | Comments: | |

The kitchen inspection is both visual and functional. Appliances are operated, if power is supplied. Clocks, timers and other pre-setting devices on stoves and ovens are not within the scope of this inspection. Calibrations to cooking systems are not evaluated nor life expectancies given to dishwashers. **Note: Dishwashers can fail at any time due to their complexity.** Our review is to determine if the system is free of leaks and excessive corrosion.

The presence and/or odor of mold and/or mildew are possible anywhere there is moisture, such as: under sinks and plumbing at kitchens and bathrooms, plumbing leaks, crawl spaces, etc. Often the moisture is hidden from view by personal property or if it is present within walls, under flooring, inside cabinets or in an inaccessible area. Determination of the presence of mold and/or mildew, or possible health hazards resulting from exposure to these organisms is not within the scope of this inspection. If client has any concerns regarding the presence of mold and/or mildew, we advise consulting with an Indoor Air Quality specialist or other qualified person, for any testing, evaluations and/or removal which may be desired prior to close of escrow.

California Senate Bill No. 407, requires on or before January 1, 2017, that a Seller or Transferor of a single-family residential real property, multifamily residential, or commercial real property disclose to a Purchaser or Transferee, in writing, specified requirements for replacing plumbing fixtures, and whether the real property includes noncompliant plumbing. The bill would require, on or after January 1, 2017, a Seller of certain residential real property to make a specified disclosure in this regard.

The bill would require, on or before January 1, 2017, that all noncompliant plumbing fixtures in any single-family residential real property shall be replaced by the property owner with water-conserving plumbing fixtures.

Please be advised that verification of these requirements are beyond the scope of our inspection. We advise obtaining the proper written verification from Seller confirming the plumbing fixtures in this home comply with the requirements set forth in Senate Bill No. 407. More information may be obtained by referencing Senate Bill No. 407 of the California Civil Code relating to water conservation.

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501 Floor: Serviceable.

502 Walls: **Possible evidence of mold and/or mildew noted under sink. This is a health and safety concern. We advise obtaining further evaluation from a qualified expert to determine the extent of the necessary corrective measures required.**



503 Ceiling: Serviceable.

504 Doors: Serviceable.

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| 505 Windows: | Cracked pane of glass noted at rear window above sink; suggest replacing to ensure safety. Unable to test front window above sink; it appears to be stuck. We advise making necessary corrections. |
| 506 Cabinets: | Serviceable. |
| 507 Counter Tops: | Serviceable. |
| 508 Electrical: | There are no ground fault interrupters noted at outlet above dishwasher and outlet by stove which may not have been standard at the time of construction. However, today's standards require ground fault interrupters at all areas within five feet of running water and external outlets. We suggest installing a ground fault interrupter in this area as a safety upgrade. Open ground noted at ground fault interrupter outlet; please see number 408. |
| 509 Sinks: | Serviceable. |
| 510 Faucets: | Serviceable. |
| 511 Traps/Drains/Supplies: | Serviceable. |
| 512 Disposal: | Serviceable; ISE. |
| 513 Dishwasher: | General Electric. Leak under sink noted under air gap; we advise making necessary corrections. |



Dishwashers most commonly fail internally at the pump, motor or seals. We do not disassemble these units to inspect these components. Our inspection is limited to operating the unit on the "normal wash" cycle only.

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| 514 Stove/Cook Top: | Serviceable; electric. |
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| 515 Oven: | Serviceable; electric. |
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| 516 Hood/Fan: | Serviceable. |
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| 517 Microwave: | Non-Applicable. |
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| 518 Trash Compactor: | Non-Applicable. |
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| 519 Kitchen Comments: | |
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600**LAUNDRY AREA**

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| 601 Floor: | Serviceable. |
| 602 Walls: | Serviceable. |
| 603 Ceiling: | Serviceable. |
| 604 Doors: | Serviceable. |
| 605 Windows: | Serviceable. |
| 606 Cabinets: | Serviceable. |
| 607 Electrical: | Unable to determine function of one switch. |
| 608 Exhaust Fan: | Non-Applicable. |
| 609 Laundry Tub: | Non-Applicable. |
| 610 Washer Hook-up: | Serviceable. |
| 611 Dryer Hook-up: | Serviceable; gas. Vent: Intact. |
| 612 Comments: | |

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Our focus in bathrooms is directed at identifying visible water damage and/or problems. We may not always mention common faults such as stuck stoppers or dripping faucets. If considered important, you should check these items independently.

The presence and/or odor of mold and/or mildew are possible anywhere there is moisture, such as: under sinks and plumbing at kitchens and bathrooms, plumbing leaks, crawl spaces, etc. Often the moisture is hidden from view by personal property or if it is present within walls, under flooring, inside cabinets or in an inaccessible area. Determination of the presence of mold and/or mildew, or possible health hazards resulting from exposure to these organisms is not within the scope of this inspection. If client has any concerns regarding the presence of mold and/or mildew, we advise consulting with an Indoor Air Quality specialist or other qualified person, for any testing, evaluations and/or removal which may be desired prior to close of escrow.

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| 701 Floor: | Serviceable. |
| 702 Walls: | Serviceable. |
| 703 Ceiling: | Serviceable. |
| 704 Doors: | Serviceable. |
| 705 Windows: | Serviceable. |
| 706 Electrical: | Serviceable. |
| 707 Exhaust Fan: | Non-Applicable. |
| 708 Heating: | Serviceable. |
| 709 Tub & Surround: | Non-Applicable. |
| 710 Tub Faucet: | Non-Applicable. |
| 711 Shower & Surround: | Serviceable. |
| 712 Shower Enclosure: | Serviceable. |
| 713 Shower Faucet: | Serviceable. |

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| 714 Sink: | Hairline cracks noted in sink; no leak at time of inspection. |
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| 715 Sink Faucet: | Serviceable. |
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| 716 Traps/Drains/Supply: | Serviceable. |
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| 717 Toilet: | Serviceable. |
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| 718 Counter/Cabinets: | Serviceable. |
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| 719 Comments: | |
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Our interior review is visual and evaluated with similarly aged homes in mind. Seals in double-pane, insulated glass can fail at any time and although the glass is examined, lighting conditions, window coverings, and atmospheric conditions at the time of the inspection can cause the defect to be undetectable. Cosmetic considerations and minor flaws such as a torn screen or an occasional cracked window can be overlooked, thus we suggest you double check these items, if concerned. **Note: As pointed out in the Inspection Agreement, materials regularly used in residential construction may contain potentially hazardous substances such as asbestos and formaldehyde. Our report will not identify these substances since laboratory testing is necessary to detect their presence.**

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| 800 | ENTRY |
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| 801 Floor: | Serviceable. |
| 802 Walls: | Serviceable. |
| 803 Ceiling: | Serviceable. |
| 804 Doors: | Serviceable. |
| 805 Windows: | Serviceable. |
| 806 Electrical: | Serviceable. |
| 807 Comments: | |

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| 900 | LIVING ROOM |
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| 901 Floor: | Serviceable. |
| 902 Walls: | Serviceable. |
| 903 Ceiling: | Serviceable. |
| 904 Doors: | Serviceable. |
| 905 Windows: | Serviceable. |
| 906 Electrical: | Serviceable. |
| 907 Wet Bar: | Non-Applicable. |
| 908 Comments: | |

1200**HALL**

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| 1201 Floor: | Serviceable. |
| 1202 Walls: | Serviceable. |
| 1203 Ceiling: | Serviceable. |
| 1204 Doors: | Serviceable. |
| 1205 Windows: | Non-Applicable. |
| 1206 Electrical: | Serviceable. |
| 1207 Stairs: | Non-Applicable. |
| 1208 Comments: | |

1300**FRONT RIGHT BEDROOM**

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| 1301 Floor: | Serviceable. |
| 1302 Walls: | Serviceable. |
| 1303 Ceiling: | Serviceable. |
| 1304 Doors: | Two (2) missing closet doors noted. |
| 1305 Windows: | This bedroom is not equipped with a second fire exit within 44 inches of the floor, which is the current requirement. This may not have been the requirement at the time of construction. Client may wish to consult with local building department for further information. |
| 1306 Electrical: | Serviceable. |
| 1307 Closet: | Serviceable. |
| 1308 Comments: | |

| 1310 | FRONT LEFT BEDROOM |
|------------------|--|
| 1311 Floor: | Serviceable. |
| 1312 Walls: | Serviceable. |
| 1313 Ceiling: | Serviceable. |
| 1314 Doors: | Missing entry doors and closet doors noted. |
| 1315 Windows: | Serviceable. |
| 1316 Electrical: | Serviceable. |
| 1317 Closet: | Serviceable. |
| 1318 Comments: | |

| 1320 | REAR BEDROOM |
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| 1321 Floor: | Serviceable. |
| 1322 Walls: | Serviceable. |
| 1323 Ceiling: | Serviceable. |
| 1324 Doors: | Bent track noted at closet door; we advise making necessary corrections. Missing two (2) closet doors noted. |
| 1325 Windows: | This bedroom is not equipped with a second fire exit within 44 inches of the floor, which is the current requirement. This may not have been the requirement at the time of construction. Client may wish to consult with local building department for further information. |
| 1326 Electrical: | Serviceable. |
| 1327 Closet: | Serviceable. |
| 1328 Comments: | |

AS INDICATED IN OUR INSPECTION AGREEMENT AND COVER LETTER, LIMITATIONS EXIST WITH THIS INSPECTION. UNFAMILIARITY WITH THE PROPERTY WILL ALWAYS IMPACT DISCLOSURE. WE SUGGEST YOU OBTAIN WRITTEN DISCLOSURE FROM THE SELLER REGARDING ANY CONDITIONS THAT MAY NOT BE APPARENT AND ONLY PREVIOUS KNOWLEDGE COULD DISCLOSE.

This inspection and report have been undertaken and prepared in conformity with the standards of the American Society of Home Inspectors. However, it is only visual in nature and is not an architectural, geological, or engineering inspection. Such an evaluation would cost many times more. Also, this inspection is not intended to relieve the seller or the involved real estate agents of their respective duties of full disclosure and due diligence; nor relieve them of such liability {as would be provided in California Civil Code section 1102.4}. This inspection does not constitute a warranty, an insurance policy, or a guarantee of any kind.

SMD CONSTRUCTION CO., INC. has prepared this report subject to the following exclusions and limitations:

Condition as of Inspection Date -The Inspection Report is based on conditions of the property existing and apparent on the inspection date. As not all conditions are apparent on the inspection date, it is recommended that buyer consult with seller regarding any significant defects/malfunctions known to exist regarding the major structural components, operating systems, and mechanical components of the home prior to closing the transaction. SMD CONSTRUCTION CO., INC. is not responsible for the non-discovery of any patent or latent defects in materials, workmanship, or other aspects of the property, or any problems that may occur or become evident after the inspection date. SMD CONSTRUCTION CO., INC. is not responsible for future failure and repair. You are advised to operate and check all systems and equipment just before closing on the property as failures and defects sometimes occur in the time period between the inspection and the closing. You are further advised with regard to vacant houses, to have all systems operational for careful checking just prior to closing. Systems, particularly heating and plumbing, and plumbing connected appliances have been known to fail in vacant houses.

Limit of Liability -If you or any third party claim SMD CONSTRUCTION CO., INC. is liable for negligently making the inspection and/or preparing the Inspection Report, or if for any other reason, you claim we have not fully satisfied all of our obligations under this Agreement, our liability to you is limited to the lesser of the cost to repair adjusted for the remaining life of the item or two times the fee paid for the inspection services, and you release us from any additional liability. You agree to indemnify, defend, and hold us harmless if any third party brings a claim against us relating to our inspection or the Inspection Report.

Exclusions and Limitations –SMD CONSTRUCTION CO., INC. is only making a **visual** inspection and the following are specifically excluded from this inspection:

1. **General Exclusions** --The following items, systems and components are excluded: the inspection and/or testing of underground or concealed pipes, electrical lines or circuits, sewer lines and/or on-site waste disposal systems; water softeners, intercom systems, security systems, telephone and cable TV cables, low voltage lighting systems, any timing systems, water purification systems, well systems {other than visible above ground equipment}, solar systems, swimming pools, spas {other than equipment in visible plumbing system}, back flushing of pool equipment, instant water heating devices, pressure tests or central air conditioning systems, furnace heat exchangers, radiant heating systems, free standing appliances and other personal property; the conducting of any soils or geological tests; the dismantling of any object or any portions of the property; the inspection of concealed or inaccessible portions of the property other than readily accessible service panels; and except as modified by separate written agreement, the inspection or testing for termites, dry rot, fungus, or other wood destroying pests or organisms or for household pests or rodents. Electrical receptacles, windows, doors and other multiple items are tested by examining a representative sampling as opposed to specific functionality of every single item. Inspectors do not light pilots or activate any system that is not operational.

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2. Title or Code Compliance –SMD CONSTRUCTION CO., INC. will not investigate nor give any opinion concerning easements, conditions of title, zoning matters, or compliance of the property's improvements with any governmental building code requirements or permits. You should contact the appropriate governmental agencies if you desire such information.

3. Latent Defects -Defects such as cracking, leaking, surface dislocations, or landslides resulting from latent defects such as, without limitation, water leaks, land subsistence, or other geological problems are excluded.

4. Product Defects and Environmental Hazards -Our inspection is not a chemical analysis or a search for defective products or environmental hazards, such as radon gas. Materials regularly used in residential construction may contain potentially hazardous substances such as asbestos, lead and formaldehyde. Except as modified by separate written agreement, our Inspection Report excludes chemical analysis, defective products, and environmental hazards including, without limitation, radon gas, asbestos, lead, lead paint and formaldehyde. You should perform any such additional inspection regarding these matters at your own expense and risk.

5. Cosmetic Features -Cosmetic features such as, without limitation, paint, wall coverings, carpeting, floorings, paneling, lawn, and shrubs are excluded.

6. Secondary or Consequential Damages -Secondary or consequential damages are excluded.

THE INSPECTION REPORT DOES NOT CONSTITUTE A WARRANTY, AN INSURANCE POLICY, OR A GUARANTEE OF ANY KIND. THE INSPECTION REPORT REFLECTS AN OBSERVATION OF CERTAIN LISTED ITEMS OF THE PROPERTY AS OF THE DATE AND TIME OF THE INSPECTION AND IS NOT A LISTING OF REPAIRS TO BE MADE. THE INSPECTION REPORT IS NOT INTENDED FOR USE AS A GUIDE IN RE-NEGOTIATING THE SALES PRICE OF THE PROPERTY, NOR SHOULD IT BE CONSTRUED AS AN OPINION OF THE VALUE OF THE PROPERTY. THE SELLER MAY OR MAY NOT BE REQUIRED TO REPAIR DEFICIENCIES REFLECTED IN THIS INSPECTION REPORT, AND THAT DETERMINATION SHOULD BE MADE BY YOU, THE SELLER, YOUR REAL ESTATE AGENT{S}, AND YOUR ATTORNEYS. WE RECOMMEND THAT YOU ATTEND THE ACTUAL INSPECTION.

SMD CONSTRUCTION CO., INC.

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