

WOOD DESTROYING PESTS AND ORGANISM INSPECTION REPORT

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|-----------------------------|-----------------------------|-------------------------|---------------------|---------------------------------------|---------------------------------------|
| Building No. 1466 | Street Madera Way | City Millbrae | ZIP 94030 | Date of Inspection 6/3/2010 | Number of Pages Page 1 of 7 |
|-----------------------------|-----------------------------|-------------------------|---------------------|---------------------------------------|---------------------------------------|



510 Madera Ave
San Jose, CA 95112
(408) 993-1900 • Fax (408) 993-1944
Registration # PR1452

HomeGuard Rpt #: **142431**

| | | |
|--|-----------------------------------|--------------------------|
| Ordered By: Omer Tamturk C21 Alliance 1528 S. El Camino Real #100 San Mateo CA 94402 | Property Owner/Party in Interest: | Report Sent to: Escrow#: |
|--|-----------------------------------|--------------------------|

COMPLETE REPORT LIMITED REPORT SUPPLEMENTAL REPORT REINSPECTION REPORT

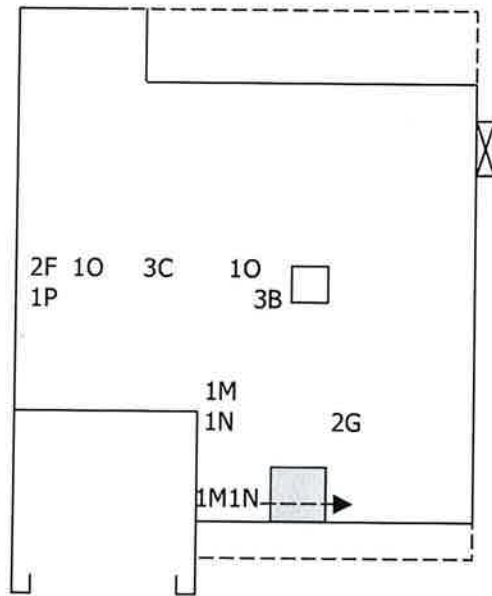
| | |
|---|---|
| General Description: This is a supplemental report to our report #0142431TPR, dated 6/2/10 and should be made a part there of. | Inspection Tag Posted: Garage |
| | Other Tags Posted: See original report |

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 to Items on diagram: [1] Section 1 Items [2] Section 2 Items [3] Unknown Further Inspection Items



selbo ↑

Buyer ↑

FRONT

Chris Kremer

Inspected by: **Chris C Kremer**

License#: **FR40968**

Signature: _____

You are entitled to obtain copies of all reports and completion notices on this property filed with the board during the preceeding two years. To obtain copies contact: Structural Pest Control Board, 2005 Evergreen Street, Suite1500, Sacramento, California 95815-3831.

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)561-8700, (800) 737-8188 or www.pestboard.ca.gov.

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NOTE: This is a supplemental report to our previous report no. 0142431TPR, and should be made a part thereof.

We returned to further inspect the subarea which was wet during the original inspection. Plastic was installed in the subarea and the following was noted:

Section 1 Items

1M. FINDING: There is evidence of a Subterranean Termite infestation in the substructure area soil. (See Picture 2)

RECOMMENDATION: Treat the affected areas with Termidor SC(Fipronil:5-amino-1-(2,6-dichloro-4-(trifluoromethyl) phey)-4-((1,8,5)-trifluoromethyl)sulfinyl)-1-H-pyrazole-3-carbonitrile. **NOTE:** In order to perform this treatment the property will need to be vacated for the period during and 3 hours after the treatment is performed.
*******(SECTION 1 ITEM)*******

NOTE: This is to be done in conjunction with item 1E of our original report.

1N. FINDING: There is evidence of Subterranean Termite migratory tubes as noted in the above recommendation. (See Picture 2)

RECOMMENDATION: Break down & brush away all termite migratory tubes.
*******(SECTION 1 ITEM)*******

NOTE: This is to be done in conjunction with item 1F of our original report.

1O. FINDING: There is a surface fungus condition located under the master bathroom toilet and hall bathroom tub. (See Picture 5) (See Picture 7)

RECOMMENDATION: Scrape or wire brush this area and treat with a registered fungicide Timbor (Disodium Octoborate Tetrahydrate). **NOTE:** In order to perform this treatment the property will need to be vacated during and 3 hours after the treatment is performed.
*******(SECTION 1 ITEM)*******

1P. FINDING: There is fungus infected cellulose debris in earth contact in the substructure area. (See Picture 4)

RECOMMENDATION: Remove the cellulose debris of a size that can be raked from the substructure area.
*******(SECTION 1 ITEM)*******

Section 2 Items

2F. FINDING: There are form boards in earth contact in the substructure area. (See Picture 3)

RECOMMENDATION: Remove as much of the form boards as practical and chemically treat the remainder with Termidor SC(Fipronil:5-amino-1-(2,6-dichloro-4-(trifluoromethyl) phey)-4-((1,8,5)-trifluoromethyl)sulfinyl)-1-H-pyrazole-3-carbonitrile.
*******(SECTION 2 ITEM)*******

2G. FINDING: There is a plumbing leak at the kitchen refrigerator line in the subarea. (See Picture 1)

RECOMMENDATION: Reseal or repair this leak in the most practical way.
*******(SECTION 2 ITEM)*******

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Further Inspection Items

3B. FINDING: A portion of the subfloor was insulated. This conceals the wood members of the substructure.

RECOMMENDATION: Further inspection recommended. Remove the insulation from the perimeter of the structure and at all water pipe penetrations or from areas where fungus was noted, inspect the exposed wood members, and issue a supplemental report listing all findings, recommendations, and bids. Reinstall the insulation where removed upon completion.

*******(FURTHER INSP ITEM)*******

3C. FINDING: A standard water test was performed to the mortar shower in the master bathroom and leakage was evident below the shower. However, no visible fungus infections were noted under the master bathroom shower at this time. (See Picture 6)

RECOMMENDATION: Break out and remove the entire existing mortar shower to allow for further inspection. If no damages are found, install a new waterproof membrane. Install an entire new ceramic tile shower using an approved surface on the walls. We will do no wallpaper repairs in connection with this repair. If damage is found to extend into any inaccessible areas, a supplemental report and bids will be issued. Unless prior arrangements have been made, white tile will be installed. It should also be noted that all tile work regardless of color selection, would be done with a tight white grout joint.

*******(FURTHER INSP ITEM)*******

NOTE: "State law requires that you be given the following information:

CAUTION-PESTICIDES ARE TOXIC CHEMICALS. Structural Pest Control Companies are registered and regulated by the Structural Pest Control Board, and apply pesticides which are registered and approved for use by the California Department of Food and Agriculture 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 that 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 application, you experience symptoms similar to common seasonal illness comparable to the flu, contact your physician or poison control center and your pest control company immediately."

For further information contact any of the following:

HOMEGUARD INCORPORATED (408) 993-1900
Poison Control Center: (800) 876-4766
Santa Clara County Agricultural Commission (408) 918-4600
Santa Clara County Health Department (408) 918-3400
San Benito County Health Department (831) 637-5367
San Benito County Agricultural Commission (831) 637-5344
Alameda County Agricultural Commission (510) 670-5232
Alameda County Health Department (510) 267-8000
Contra Costa County Agricultural Commission (925) 313-6712
Contra Costa County Health Department (925) 646-5137
San Mateo County Agricultural Commission (650) 363-4700
San Mateo County Health Department (650) 573-2757
Structural Pest Control Board (800) 737-8188
2005 Evergreen Street Ste. #1500, Sacramento, CA 95815-3831

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"Local treatment is not intended to be an entire structure treatment method. If infestations of wood-destroying pests extend or exist beyond the area(s) of local treatment, they may not be exterminated".

NOTE: If damage is found to extend into any inaccessible areas, a supplemental report will be issued listing additional findings, recommendations and bids.

NOTE: Should the further inspection items noted in this report not be performed, HomeGuard Incorporated will assume no liability for any infestations or infection which may be concealed in these areas.

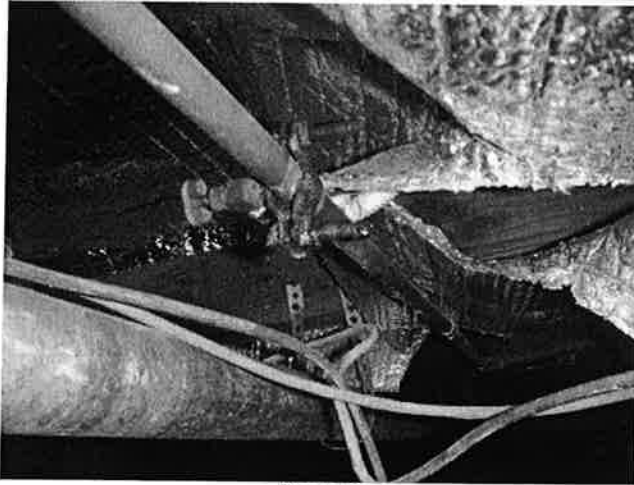
NOTE: HomeGuard Incorporated assumes no liability for, nor do we guarantee work done by others. All guarantees, warranties, and permits should be obtained from the parties performing the repairs.

NOTE: If any of the wood repairs outlined in the above report are done by others, an open inspection must be performed by this company if the appropriate certification is desired.

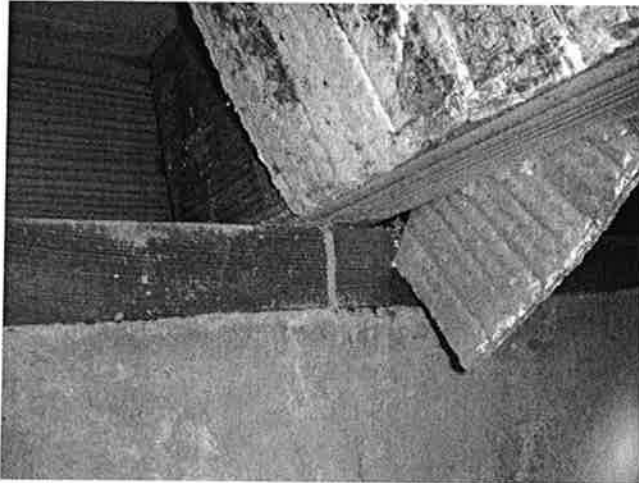
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Report Pictures:

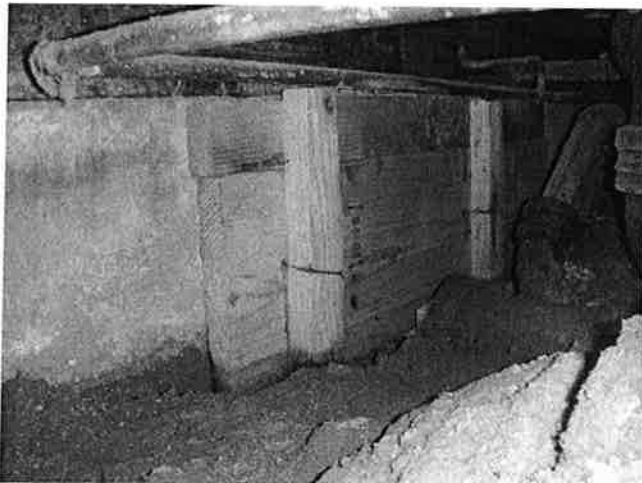
Pictures are provided to assist in clarifying some of the findings made in this report. No relative importance should be placed on these pictures. There are likely to be significant comments that do not have pictures associated with them. The pictures in this report do not illustrate all of the damage associated with a particular item. Please read the report thoroughly and contact the inspector if you have any specific questions.



Picture 1



Picture 2



Picture 3

| | | | | | |
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Picture 4

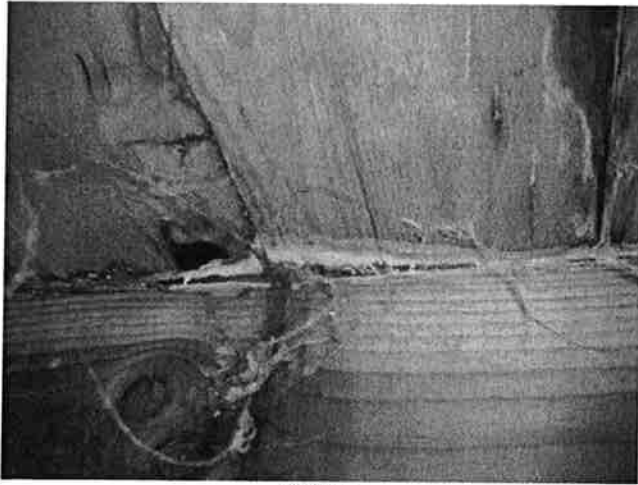


Picture 5



Picture 6

| | | | | | |
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Picture 7



510 Madera Ave
 San Jose, CA 95112
 (408) 993-1900
 Fax (408) 280-2763

Initials _____

AGREEMENT
 1466 Madera Way, Millbrae

HomeGuard Incorporated is authorized to proceed with the work outlined in items _____ of their termite report no. 142431 for the property located at 1466 Madera Way, Millbrae for a total sum of \$ _____. This amount will be due and payable upon completion of work. It is understood that the contract price does not include the charge of the structural pest control inspection report or re-inspection fees.

HOMEGUARD INCORPORATED AGREES

1. To guarantee all repairs completed by this company for one year from the date of completion except for plumbing, grouting, caulking, and resetting of toilets, which will be guaranteed for 30 days.
2. To be bound to perform this work for the price quoted in our cost breakdown for a period not to exceed 30 days
3. To use reasonable care in the performance of our work but to assume no responsibility for damage to any hidden pipes, wiring, or other facilities or to any, plant life, rain gutters, roofs; nor for damage or dirtying of stucco, plaster, paint, wall paper or other "finish-work" adjacent to areas where work is performed.
4. To replace damaged wood members with material which resembles, as closely as possible, the existing wood members with standard grade, readily available wood members.

OWNER OR OWNER'S AGENT AGREES:

1. To pay for services rendered upon completion of work. This contract may be canceled at any time by the customer. In the event of such action, customer agrees to pay HomeGuard Incorporated in full for all items already completed, and time and material for all items only partially completed. Time and material is calculated at the rate of ninety-five dollars per hour and the cost of materials plus 15%. The customer also agrees that in the case of cancellation of the contract, to pay all fees for necessary permits and any associated cost for obtaining permits. In the case of non-payment by owner, reasonable attorney fees and costs of collection shall be paid by the owner whether suit be filed or not.
2. To pay for service charge of 1.5 percent per month or portion of any month beyond 30 days after completion.
3. Owner grants HomeGuard Incorporated, a security interest in the above described real property to secure payment of the sum for work and inspection fee completed.
4. If additional damage is discovered by HomeGuard Incorporated, during the performance of work, company agrees to notify owner or agent of the amount of the damage and the cost of additional work to be done. This work will not be performed unless owner agrees.
5. If any additional work, plans or engineering is deemed necessary by the local building inspector, said work will not be performed without additional authorization from owner or owner's agent.
6. All plumbing repairs bid in this report are for only the specific repair that is identified. Many times when performing plumbing repairs it becomes necessary to repair or replace adjacent plumbing because of the age or fragility of these components. When this happens the owner or agent will be notified and said repairs will require additional cost and authorization.

This job has been bid as if all section one items are being performed. If the owner would like to select individual items, it may require HomeGuard Incorporated to provide a new bid for these items. The minimum service charge is \$225 regardless of the bid on the individual item.

Section 1:

| | | | | | | | | | |
|----|-------|----|------|----|-------|----|-------|--------------|--------------|
| 1M | \$200 | 1N | \$25 | 1O | \$350 | 1P | \$225 | Total | \$800 |
|----|-------|----|------|----|-------|----|-------|--------------|--------------|

Section 2:

| | | | | | |
|----|-------|----|-------|--------------|--------------|
| 2F | \$300 | 2G | \$300 | Total | \$600 |
|----|-------|----|-------|--------------|--------------|

Further Insp:

| | | | |
|----|-----|----|---------|
| 3B | T&M | 3C | WillBid |
|----|-----|----|---------|

IS UPGRADING OR CHOICE OF LINOLEUM OR TILE DESIRED? Yes___ No___

***If there is no choice, neutral colors will be installed there may be additional charges for special materials chosen**