

Real Estate Inspection Report

June 22, 2010



Better Dwellings

**2241 Branden Street
Los Angeles, CA 90026**

Inspector - Jerry Corum
Confidential and Proprietary

10623 Sherman Grove Ave., Sunland, CA
(818) 951-1795

www.LaRoccaInspect.com

CLIENT INFORMATION



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CLIENT NAME: Better Dwellings.
ADDRESS: 2241 Branden Street.
CITY: Los Angeles, CA 90026.
INSPECTION DATE: June 22, 2010.
INSPECTION TIME: 4:00 PM.
TOTAL FEE: \$495.
PAID BY: Credit Card.
INSPECTOR: Jerry Corum.

INSPECTION CONDITIONS

CLIMATIC CONDITIONS:

WEATHER: Clear.

TEMPERATURE: 80's.

BUILDING CHARACTERISTICS:

BUILDING TYPE: Apartment Building - 5 Units.

STORIES: Two.

UTILITY SERVICES:

UTILITIES STATUS: The utilities were on.

OTHER INFORMATION:

BUILDING
OCCUPIED: Yes, the units are occupied.

CLIENT PRESENT: Yes.

INTRODUCTORY COMMENTS:

ADDITIONAL NOTES: It appears that there have been alterations and upgrades to the property over the years. Modifications to the electrical, plumbing and mechanical systems as well as to the structure of the building require permits and progress inspections. It is advised to obtain any and all documentation that might possibly be available. This should be done prior to the expiration of the contingency period.

DEFINITIONS AND STANDARDS

TERMS OF THE INSPECTION:

- SERVICEABLE:** It is the inspectors opinion that this item is doing the job for which it was intended and exhibits normal wear and tear.
- NEEDS ATTENTION:** It is the inspectors opinion that this item is in need of further investigation and/or repairs or appears to be at the end of its service life. The inspector has made the client aware of this situation by calling it "needs attention" in the report and it is then the clients responsibility to take appropriate action concerning the situation with the appropriate professional during the inspection contingency period and prior to the close of escrow.
- NOT ACCEPTABLE:** It is the inspectors opinion that this item is either a safety hazard or not functioning properly. The inspector has made the client aware of this situation by calling it "not acceptable" and it is then the clients responsibility to take appropriate action concerning the situation with the appropriate professional during the inspection contingency period and prior to the close of escrow.
- STANDARDS:**
- A. The report conforms to the Standards and Practices of the California Real Estate Inspection Association and the Business and Professions Code which defines a real estate inspection as a survey and basic operation of the systems and components of a building which can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may result in damage to the property or personal injury to the inspector. The purpose of the inspection is to provide the Client with information regarding the general condition of the building(s). Cosmetic and aesthetic conditions shall not be considered.
 - B. A real estate inspection report provides written documentation of material defects discovered in the inspected building's systems and components which, in the opinion of the Inspector, are safety hazards, are not functioning properly, or appear to be at the ends of their service life. The report may include the Inspector's recommendations for correction or further evaluation.
 - C. Inspections performed in accordance with these Standards of Practice are not technically exhaustive and shall apply to the primary building and its associated primary parking structure.

PLUMBING SYSTEM

While some plumbing observation may be code related, this inspection does not determine if the system complies with code. Supply and waste lines are inspected only where they are accessible and while operating accessible fixtures and drains. Performance of the water flow can vary during different times of the day and performance of the drain during actual usage is undetermined. Drain blockage is common in vacant property. It is advised to have any underground drain/sewer lines examined by a specialist with a camera to determine their actual condition. The following are not included; inaccessible supply or waste lines, leaks in inaccessible areas such as walls, underground or the crawl space, the interior of pipes for mineral or corrosive clogging, water hammering, solar equipment or water temperature, and the condition of shower pans or if a shower will leak when used. No water testing of any type is performed. The type of copper, whether it is M, L, or K, is not part of this inspection and will not be determined. The gas system is not tested for leaks and any underground or hidden gas lines are specifically excluded from this report. Determining the operation of sewer ejection systems is excluded from this inspection and it should be examined by a specialist. The angle stops under sinks and other plumbing valves, such as the main shut off valve, are not turned or tested. The finish fixtures as toilets, sinks and faucets etc are covered in the Kitchen and Bathroom section of this report.

MAIN WATER SUPPLY LINE:

MAIN WATER LINE

MATERIAL:

Copper piping is viewed coming out of the ground by the building and as the main line runs underground from the street to the building, this appears to be the main water line. As the underground portion is not seen, no assumption is made as to its condition or material.

MAIN WATER SHUT

OFF LOCATION:

In the front of the building.

CONDITION:

Serviceable.

WATER SUPPLY PRESSURE REGULATOR:

CONDITION:

There was a pressure regulator observed on the water supply system. It is not known how well or if it is functioning as all its parts are enclosed inside the regulator casing.

WATER PRESSURE:

Needs Attention: The pressure is under 40 psi at 35. This is too low, it should be between 40 and 80.

INTERIOR WATER SUPPLY LINES:

WATER SUPPLY

PIPING MATERIAL:

The interior piping that supplies the water throughout the building is made of copper, where visible.

CONDITION:

Serviceable.

**WATER SUPPLY
PIPING COMMENTS:**

The volume of water coming out of the plumbing fixtures drops when multiple fixtures are operated at one time. The plumbing system appears to be copper piping so the exact reason for this is not known. Sometimes this effect is due undersized piping. It should be evaluated by a plumbing specialist to determine the problem and its remedy. See INTERIORS section for details.

WASTE LINES:

CONDITION:

Needs Attention: There is a damaged plumbing vent line that needs repair above the roof.



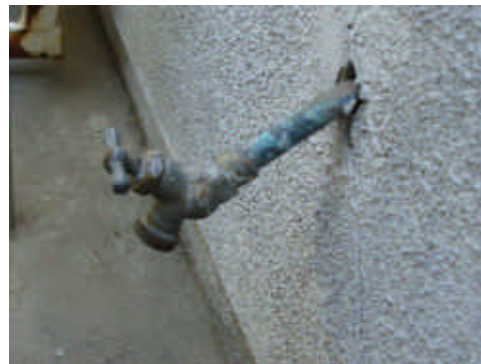
**WASTE LINE
COMMENTS:**

The waste lines are under the slab and in the walls of the building, they are not visible and were not inspected.

HOSE FAUCETS:

CONDITION:

Needs Attention: There is loose and damaged piping at the hose bibs on the left side.



GAS SYSTEM:

GAS METER LOCATION:

The gas meters are located on the left side of the building.



CONDITION:

There is no automatic seismic gas shut-off valve on the main gas line. This may need to be installed before the close of escrow.

It is advised to have the gas provider inspect the gas system to determine its condition and check all the gas appliances and fixtures. This is usually a free service.

WATER HEATER:

LOCATION:

This water heater is located in the laundry room.

LOCATION CONDITION:

Serviceable, There is no drain line installed for the drain pan below the water heater to help carry the water away from the living space in case the water heater leaks.

FUEL:

Gas.

SIZE:

About 40 Gallons.

AGE:

5 years old. Water heaters have an expected life of 8 - 12 years.

CONDITION:

Appeared Serviceable.

COMBUSTION AIR:

Serviceable.

WATER HEATER STRAPPING AND SUPPORT:

Serviceable, the water heater is strapped to help prevent movement in case of seismic activity.

TEMPERATURE/ PRESSURE RELIEF VALVE:

Needs Attention: The temperature/pressure relief valve has a partial drain line installed but it does not go far enough to take the water away to a safe location. We recommend this drainline be properly installed in case this valve ever releases.

There is corrosion at the end of the drain piping for this valve - this can indicate malfunction and should be checked by a qualified plumbing contractor.

VENTING: Serviceable.

WATER HEATER:

LOCATION: There are individual water heaters located inside the units.

LOCATION
CONDITION: Needs Attention: There is no drain line installed for the drain pan below these water heaters to help carry the water away from the living space in case the water heater leaks.

TEMPERATURE/
PRESSURE RELIEF
VALVE: Needs Attention: The temperature/pressure relief valves have a partial drain line installed but these do not go far enough to take the water away to a safe location. We recommend these drain lines be properly installed in case the valve ever releases.

COMMENTS: **See INTIOERS section for additional details.**

PLUMBING COMMENTS:

WASTE LINE
COMMENTS: The sewer lines that go out to the sewer system are installed underground and are not visible. Their condition is unknown. The only way to determine what is going on with them is to have them checked out with a camera by a specialist to determine their true condition and any needed repairs. **It is recommended that this sewer line system be inspected at this time.**

NOTE: there is a distinction between 'waste lines' and 'sewer lines' - the 'waste line' is under the building, sometimes visible and sometimes not, and the 'sewer lines' start 2 feet outside the house and extends to the city sewer. A typical 'sewer line inspection' is only the portion outside the house to the city sewer, and not under the building. Some sewer line inspection specialists can also inspect the 'waste / drain' lines actually under the house, using a smaller video camera system. This is a separate specialty inspection.

GENERAL
COMMENTS: The majority of the water supply pipes, waste lines and gas lines are underground, in walls or installed in concealed parts of the structure and thus are not visible. Their condition cannot be determined and no representation is made as to their status.

It is advisable to have a licensed plumber examine the system and

make all needed repairs to ensure a properly installed and correctly operating plumbing system. This investigation of the system should be done prior to the expiration of the contingency period so the repair or replacement costs are known and unexpected expenses are avoided. It is expected that when the plumbing specialist checks out the system they will find more problems as this is a general inspection and not designed to list every fault but refer it over to them when problems show up in the system.

ELECTRICAL SYSTEM

Electrical features are operated with normal controls. The general wiring, switches, outlets and fixtures are randomly checked in accessible areas. Wiring in the main box is inspected by removing the cover if accessible. While some observations may be code related, this inspection does not determine if the system complies with code. The inspection does not determine electrical capacity, determine over current capacity for any item including appliances, compare circuit breaker capacity to installed appliance rating. Also excluded are interior or exterior low voltage wiring or fixtures, telephone, security, intercom, stereo, cable or satellite TV, remote controls or timers. The exterior lighting, landscape lighting or any lighting outside the footprint of the building is not inspected. Light bulbs are not removed or changed during an inspection. This inspection does not certify or warrant the system to be free of risk of fire, electrocution or personal injury or death.

MAIN ELECTRICAL SERVICE:

TYPE OF
ELECTRICAL
SERVICE:

The electricity is supplied by an overhead line from the power pole, 120/
240 Volts.

ELECTRICAL
SERVICE TO THE
BUILDING:

Serviceable:

MAIN PANEL
LOCATION:

The main electrical panels are
located on the left exterior side of
the building.



MAIN PANEL
AMPERAGE:

Service Amperage - 60 Amps for each unit. 40 Amps for the house
panel.

TYPE OF CIRCUIT
PROTECTION
DEVICE:

The main electrical panel is on circuit breakers.

MAIN PANEL
CONDITION:

Serviceable.

MAIN PANEL CIRCUIT
BREAKERS:

Serviceable.

GROUNDING
SYSTEM:

Needs Attention: A grounding-type conductor near the gas meters is disconnected and loose, and needs repair.

ELECTRICAL SUBPANELS:

SUBPANEL
LOCATION:

The house panel is in the laundry room.

SUBPANEL
CONDITION:

Not Acceptable: There is more than one wire connected to a single circuit breaker, where only one wire should be connected to each breaker. This can sometimes cause overloading of the wires or breakers. It also can cause the wires to have improper contact with the breaker and arc between the wire and the breaker. This was found in the house panel and in the units also.



SUBPANEL
COMMENTS:

Each apartment has its own subpanel - see the INTERIORS section for additional details.

It is advisable to have an electrician examine the system and make all needed repairs to ensure a properly installed and correctly operating electrical system. This investigation of the system should be done prior to the expiration of the contingency period so the repair or replacement costs are known and unwanted expenses are avoided. It is expected that when the electrical specialist checks out the system they will find more problems as this is a general inspection and not designed to list every fault but to isolate areas in need of further detailed inspections.

INTERIOR ELECTRICAL WIRING:

TYPE OF WIRING: The wiring consists of plastic insulated wires, where visible.

TYPE OF WIRING
CONDUIT: The conduit that carries the wiring is a combination of different types.

WIRING CONDITION: Serviceable, overall.

OUTLETS:

CONDITION: A representative sampling of outlets were tested and those that were checked were found to be in working order.

SWITCHES:

CONDITION: A representative sampling of switches were checked and those that were tested were found to be in working order.

There are mystery switches found and it is not known what exactly they operate. These may operate switched outlets or other items, but these were not traced, located or tested. It is advised to check with the Seller regarding these.

FIXTURES:

CONDITION: Needs Attention: There are light fixtures that did not work. This can be a burnt out bulb but it is not known exactly why they are not working, such as at the parking area, and in some of the exterior porches. There is loose or abandoned electrical conduit near the parking area light fixture.

EXTERIOR ELECTRICAL:

CONDITION: The exterior lighting outside the building such as in the yard, planters and on the grounds is not part of the inspection.

SMOKE ALARMS:

CONDITION: Smoke alarms are needed to comply with local safety regulations and escrow instructions. Most local cities require alarms in each sleeping area and the adjoining living area, within twelve feet of the door of the sleeping areas. It is advised to check with the local municipality to determine their requirements.

FIRE SUPPRESSION & SAFETY SYSTEMS

FIRE SAFETY SYSTEMS:

This type of building is required to have certain fire safety items. These are items such as exit signs and fire extinguishers. It is advised to check with the local Fire Marshall to determine if this building meets current fire safety regulations.

ELECTRICAL COMMENTS:

ELECTRICAL PANEL COMMENTS:

It is advisable to have an electrician examine the system and make all needed repairs to ensure a properly installed and correctly operating electrical system. This investigation of the system should be done prior to the expiration of the contingency period so the repair or replacement costs are known and unexpected expenses are avoided. It is common that when the electrical specialist checks out the system they will find more problems as this is a general inspection and not designed to list every fault but to isolate areas in need of further detailed inspections.

ELECTRICAL WIRING COMMENTS:

Low voltage lighting and wiring is excluded from a standard property inspection including outdoor lights, phone lines, security systems and speaker systems. Regular voltage exterior lighting is also excluded.

ELECTRICAL COMMENTS:

The wiring is enclosed within the walls and ceilings and other parts of the structure. It is not visible and its condition cannot be fully determined. No representation is made as to its status.

HEATING AND COOLING SYSTEM

While some observations may be code related, this inspection does not determine if the system complies with code. Weather permitting the systems are operated with normal controls. In order not to damage the system, the air conditioners are not activated if the outdoor temperature is below 65 degrees. Gas furnaces are not checked for carbon monoxide leakage or fire risks. There are carbon monoxide and fire detection devices which can be purchased and installed, which we recommend. Air ducts and registers are randomly checked for air flow. Heat exchangers are specifically excluded from the inspection. They are visually obstructed by the design of the system and a complete inspection requires special tools and disassembly, which is beyond the scope of the inspection. The following items are beyond the scope of the inspection; balance of the air flow, capacity or velocity of the air flow, humidifiers, air duct cleanliness, the ability of the system to heat or cool evenly, the presence of toxic or hazardous material or asbestos, system refrigerant levels, cooling or heating capacity to determine if its sufficient for the building, electronic air filters, solar equipment, programmable thermostats and determining the remaining life of the system. Window A/C's are not built in units and therefore not inspected.

HEATING AND COOLING SYSTEM:

Each unit has its own heating and cooling system.

The units are generally older and well in to their expected useful life span. Some of the systems did not operate in either the heating or cooling mode and would need repairs.

See INTERIORS section for details.

HEATING AND COOLING COMMENTS:

COMMENTS:

It is advised to have a licensed heating contractor examine the heating and/or cooling systems and make all needed repairs to ensure a safe and properly operating system. It is expected that the specialist may find additional items that need repair as the general inspection is designed to turn it over to them when problems show up in a system so it can be further investigated.

Per the California Energy Commission, "Beginning October 1, 2005, Title 24 of the Building Energy Efficiency Standards requires that ducts be tested for leaks when a central air conditioner or furnace is installed or replaced. Ducts that leak 15% or more must be repaired"

A property inspection will not be able to determine if air loss (leaky ducts etc) exceeds the maximum allowed of 15%. This test can only be done by a qualified technician and is beyond the scope of this inspection. It is advised to consult with a qualified specialist on this matter as the examination may determine that repairs or replacement of the ducting system is required.

ROOF SYSTEM

The report is not intended to be conclusive regarding the life span of the roofing system, if it is leak free or how long it will remain leak free in the future. The inspection and report are based on visible and apparent condition at the time of the inspection. The inspection does not address manufacturing defects, fastener appropriateness, if the roof was installed per code, if flashing is present in all locations or the numbers of layers present. Unless a rain has fallen just prior to the inspection, it is not possible to determine if active leakage is occurring. Not all attic areas are readily accessible for inspection. Tile roofs and steeply pitched roofs are not safe to walk on and access is limited on them. Conclusions made by the inspector do not constitute a warranty, guaranty, or policy of insurance. All roofs require periodic maintenance to achieve typical life spans and should be inspected annually. Expect to make minor repairs to any roof.

While it is possible some prior repairs and leaks may be reported, it is not the intention of the inspection to identify and report all prior repairs and conditions. It is recommended to refer to the seller and sellers disclosure about the presence of any roof leaks or prior repairs. Also it should be noted that all gutters deteriorate and have a limited life span before they need to be replaced.

ATTIC:

ACCESS TO ATTIC: There is no access for the attic space in the building. Due to the minimal height of the attic access may not be required.

ROOF:

ROOF STYLE: The roof is a flat roof with a low pitch.

The roofing material on the low sloped roof is rolled composition roofing (BUR or build up roofing or cap sheet)



ROOF ACCESS: The roof was walked on to inspect it.

ROOF COVERING
STATUS:



Needs Attention: On the low sloped / flat roof, there are bubbled areas of roofing material and the roof deck is soft under foot. This is an indication that some moisture has gotten under the material.

There are areas where the roof is poorly sloped and water collects and ponds and does not fully drain off. This can lead to premature wear and failure. A roofing specialist may be able to remedy this.

There are areas of previous temporary patching which are deteriorated and need further repairs.

EXPOSED FLASHINGS:

CONDITION:



Needs Attention: The flashing is not standard and may not be a reliable installation, it will require high maintenance to ensure that it remains leak free. The mastic is cracked in areas and is not reliable to ensure a watertight seal.

There are loose tiles or gaps at the tile edges. There are areas of patching to the parapet walls which are deteriorated and need repair.

SKYLIGHTS:

CONDITION:

Needs Attention: The skylight lens are cracked and some have been patched.



GUTTERS, DOWNSPOUTS & ROOF DRAINAGE:

GUTTER CONDITION: Needs Attention: There are damaged areas of gutters.

DOWNSPOUT
CONDITION:

Needs Attention: The downspouts do not all route the water away from the building but instead deposit it next to the structure which can cause problems to the foundation over time.

GUTTER COMMENTS: The gutters and downspouts on the building are made of plastic. These tend to leak and are of a lesser quality material and installation than metal ones.

ROOF COMMENTS:

COMMENTS:

A licensed roofing contractor should examine the roof and make all needed repairs (or replacements) to ensure a long lasting leak free condition. The roofing contractor may find more problems with the roof and this is why it is being referred to a specialist so they can determine all the problems and give an accurate estimate of the costs involved.

As noted at the INTERIOR portion of the report, there are signs of water intrusion and moisture stains inside the building. Consult the current owner for the history of the leaks and/or repairs.

The roof has been inspected at a time when it was not raining. Since one of the purposes of the roof is to repel water this could not be observed and verified as occurring in all cases. Therefore the roof has not been tested under wet conditions and how it performs in these condition is unknown. No warranty is made that it will not leak when it is under a wet condition.

It is important for all roofs to have regular maintenance, including cleaning out the gutters and drainlines and ensuring all the penetrations are properly sealed.

FOUNDATION SYSTEM

Structural comments are of the conditions observed at the time of the inspection and are the opinion of the inspector and not fact. If further information or facts are needed, they can be obtained through a structural engineer or foundation expert. The inspection does not determine the potential of the structure to experience future problems, geological conditions or the potential of the underlying soils to experience movement or water flow or whether the soil is stable. If any form of prior structural movement is reported you should expect future movements and possible repairs.

The inspection does not calculate crawl space ventilation capacities, deck and balcony capacity, retaining wall conditions, construction material type, quality or capacity. It does not address the existence of prior repairs, the potential of future repairs, failure analysis, documentation of all possible movement or cracks in floor slabs covered by floor furnishings. It is typical for concrete floor slabs to have some cracks as a result of the normal drying process of the concrete plus the stress occurring by settlement and seismic activity. Crawl spaces are observed in a cursory fashion and wood probing is not done and wood damage, dryrot and termites are not part of this inspection but part of the structural pest control operators report.

FOUNDATION:

SLAB ON GRADE:

This building is on a concrete slab over earth, with no crawl space underneath. There were no observable signs of significant settlement or deflection in the slab from observing the finish flooring. It appears to be performing its function of supporting the structure however the the actual slab itself was not seen and it may appear different once the finish flooring is removed. Note, Concrete typically develops cracks, so it is expected some cracking would be found if the concrete were exposed to view. By the nature of slab construction the structure would be bolted to this concrete slab per the standards at the time of construction.

SLAB ON GRADE COMMENTS:

The concrete slab is not visible due to floor coverings (and/or other personal items), thus any cracks cannot be seen, however all concrete has some cracking so it is expected cracks would be found should the floor covering be removed. If you would like the extent or severity of concrete cracking viewed and included in this report the floor covering would need to be removed and the concrete surface exposed.

FOUNDATION COMMENTS:

GENERAL SUGGESTIONS:

A standard property inspection cannot determine the potential of the structure to experience future problems, geological conditions or the potential of the underlying soils to experience movement or water flow or whether the soil is stable. If information is desired regarding the geological conditions it is advised to retain a Geo-Technical specialist who can provide more information in this area.

GENERAL
COMMENTS:

There are signs of settlement in areas of the building. The floors are not level and the windows and door frames may not be plumb.

EXTERIOR

The exterior is viewed in a cursory fashion. Areas of the exterior that are hidden from view by vegetation or stored items cannot be judged and are not a part of this inspection. Minor cracks are typical in many exterior wall coverings and most do not represent a structural problem. Peeling and cracking exterior paint on windows, doors and trim allow water to enter and cause damage and deterioration. It is important to keep these exterior surfaces properly painted and/or sealed. All exterior grades should allow for surface and roof water to flow away from the foundation and exterior walls.

Chimney Inspection: This inspection is limited to those areas visible and readily accessible to the general inspector. Due for the potential for hidden damage within a chimney, it is advised to have any fireplace and chimney system fully examined by a qualified chimney specialist using a video camera to determine and report on the structural integrity and fire safety aspects of these systems.

EXTERIOR COVERING OF THE BUILDING:

MATERIAL: The exterior surface of the building is stucco.

CONDITION: Needs Attention:
There is damage to the exterior surface and repairs to the plaster/stucco are needed to ensure there is no water intrusion.

For example there are areas of previous rough patching which are deteriorated at the right front and right rear corners of the building (It appears the protective pipes have been removed and there has been contact from autos.).



There is previous rough patching below the balconies, and this is cracking and deteriorated outside unit #4. There are patched areas and some open gaps in the plaster near the electrical meters.



There are areas of moisture staining in the soffits at the left and right roof eaves, and moisture staining on the left exterior walls.



EXTERIOR WINDOW SURFACES:

MATERIAL: The exterior window surfaces are metal.

CONDITION: Serviceable.

SCREENS: Needs Attention: There are damaged screens.

EXTERIOR DOOR SURFACES:

MATERIAL: The exterior door surfaces are wood, metal, etc.

CONDITION: Needs Attention: There are areas of weather beaten wood and peeling paint. The laundry area door is damaged where cuts were made in the panels to provide ventilation.

EXTERIOR DOOR THRESHOLDS:

CONDITION: Serviceable.

EXTERIOR TRIM:

MATERIAL: The exterior trim surfaces are wood.

CONDITION: Needs Attention: The trim has areas of weather beaten wood and peeling paint.

EXTERIOR STAIRS:

CONDITION:

Needs Attention: There are cracked or deteriorated sections in the stairs to unit 4/5. There are cracked and damaged tiles at the stoops.

The stairs railings here do not return to the wall but have the ends exposed - this is a potential trip/fall hazard. The stair railings are loose in areas.

CHIMNEY:

MATERIAL:

The chimney is a metal flue with a stucco covering.

CONDITION:

Needs Attention: Most of the components of the chimney system are not visible or evaluated in this limited inspection. This is not an evaluation of its compliance with codes, the structural soundness of the system, or of it's ability to separate the hot combustion gasses from the house structure and avoid a building fire. It is beyond the scope of the inspection to determine the condition of the chimney as this requires observing the inside of the flue for cracks. This is usually done by a chimney expert using a video scope. It is advised to have this done at this time.

SPARK ARRESTERS:

Serviceable.

FLASHINGS:

Needs Attention: The chase cover does not appear to be properly sloped to drain and has areas of rusting and non-standard patching which is deteriorated.



EXTERIOR COMMENTS:

COMMENTS:

This inspection is not a structural pest control inspection, otherwise known as a termite inspection. The "termite" inspection also covers such things as dryrot and wood damage and deterioration as well as wood destroying organisms. Any and all of these items need to be examined and any repairs completed before the close of escrow by the "termite" company and they usually have a guarantee on their work. Please refer to the structural pest control report for any information concerning them.

The exterior of the building has general deferred maintenance and shows signs of wear and tear, and needs repairs in areas.

GROUND

This inspection is not intended to address or include any geological conditions or site stability information. For information concerning these conditions, a geo-technical engineer should be consulted. Proper grading is important to keep water away from the foundation. If it is not raining during the inspection the course of water flowing toward the structure or off the site cannot be observed. The soil should slope away from the structure to prevent problems caused by excess water not flowing away properly. Gutter discharge should be directed away from the foundation for the same reason. Out buildings, such as storage sheds, on the property are excluded from the inspection. Fire pits, a B.B.Q. and other similar items are not inspected nor is the gas to them tested or lit.

This inspection is visual in nature and does not attempt to determine drainage performance of the site or the condition of any underground piping, including municipal water and sewer service piping or septic systems. Landscape lighting, sprinklers and their timers are not part of a general property inspection. The inspection report does not include the identification of the property boundaries.

DRIVEWAY:

CONDITION: There is no covered parking provided. There are five marked tandem parking spots in a parking area at the rear.

There are cracked areas in the concrete at the driveway and parking area that appear to be typical for the age and style of construction.

LANDSCAPING:

CONDITION: The grounds on the property have generally been maintained.

DRAINAGE:

SITE: Medium slope left to right.

DRAINAGE
CONDITION: Needs Attention: The concrete paving is not correctly sloped to provide proper drainage away from the structure, such as at the left rear corner, and in spots along the rear.

COMMENTS: Determining the adequacy of the grounds to shed water and prevent moisture intrusion into the structure is beyond the scope of the inspection. It is advised to obtain the history of any drainage problems and monitor the site regarding water run-off and drainage in general.

This inspection does not address drainage issues further than 6 feet from the building. Additionally drainage systems that are not visible such as underground systems are not evaluated or inspected. If more information is required it is advised to consult with a drainage specialist.

RETAINING WALLS:

CONDITION OF THE RETAINING WALL WITHIN SIX FEET:

Needs Attention: The retaining walls have no visible weep holes in them to relieve the hydro-static pressure that builds up behind them. A proper drainage system should be designed and installed. There are areas of moisture staining on the walls. Some damaged blocks were noted at the left side near the bath of the building, and there appears to be missing grout inside these blocks.



There is accumulated debris between the walls along the right side, and the neighboring wall appears to be leaning out of plumb. This area does not appear to have proper drainage.



CONDITION OF RETAINING WALLS:

The CREIA inspection standards do not require evaluation or comment on any retaining walls etc beyond 6 feet from the building, as this is a building inspection and not a geology report. This is not a structural or geology report and it is recommended that full evaluation be obtained for this.

These retaining walls are engineered structures - it is advised to have it evaluated by a licensed structural engineer to determine their true condition.

PROPERTY WALLS, FENCES & GATES:

CONDITION: Needs Attention: The chain link fencing is deteriorated and there are loose posts in the frames, such as noted on the right side of the driveway.

GROUNDS COMMENTS:

The manual or automatic sprinkler systems of the property are not tested or examined. These are not part of any property inspection.

Area drains are not tested as part of this inspection and their condition is unknown. It is recommended that these be tested and cleaned as necessary to ensure they function properly.

GENERAL COMMENTS: It is advisable to have a Geologist fully examine the site and make any recommendations concerning the geological condition of the property.

INTERIORS

As a general rule, cosmetic deficiencies are considered normal wear and tear and are not reported. The condition of walls behind wall coverings, paneling and furnishings cannot be judged. Minor cracks are found on interior surfaces in all buildings and are typically cosmetic in nature. The condition of floors underneath carpet, furniture and other coverings cannot be determined and is specifically excluded from the inspection and report. Only the general condition of visible portions of floors is included in this inspection. Window and door security bars are not tested or operated. Determining the condition of insulated glass is not always possible due to weather, temperature and lighting conditions. All fireplaces should be cleaned and inspected on a regular basis to make sure that it is a safe and structurally sound system. It is beyond the scope of this inspection to determine and cracking or damage to the chimney or its flue. This can only be determined by a chimney expert.

COMMON AREAS:

LAUNDRY LOCATION: The laundry facilities are in a closet at the rear of the building.

**CONDITION OF
CLOTHES WASHER
HOOKUPS:**

There are washer facilities present but they were not tested and the washer was not tested - there is one coin operated appliance.

**TYPE OF CLOTHES
DRYER HOOKUPS:**

A gas dryer hook up was observed in use in the laundry area.

**CONDITION OF
CLOTHES DRYER
HOOKUPS:**

There are dryer hookups present but they are not tested and the dryer was not tested - there is one coin operated appliance.

Unit #1.

This is a 3 bedroom 3 Bathroom unit.

INTERIORS:

WALLS/CEILING: Serviceable.

FLOOR: There are worn or damaged areas in the sheet flooring at the entry / dining area.

FIREPLACE: Prefabricated fireplace with no log lighter installed - there appears to be gas piping by this is capped off and not in use.

There is a gap or opening where the gas pipe enters the firebox. This needs to be sealed to prevent heat / gasses from entering the structure.

There is moisture staining at the bottom of the top of the firebox at the bottom of the flue pipe.

The outer hearth is shorter than the standard length needed for safe operation.

BALCONY / PATIO

Needs Attention:

RAILING: There are openings between some rails larger than 4 inches, the current recommended maximum. This is a child safety concern.

The 'bars' in the handrail form a 'ladder' and is a potential safety concern.

KITCHEN:

Serviceable, The kitchen surfaces and primary components in this brief test appeared to be in serviceable condition with typical wear.

Needs Attention:

VENT HOOD: The ducting above the hood is the corrugated aluminum type which is not recommended for this use, It should be smooth wall metal ducting.

BATH 1:

This is the **Master Bathroom.**

Needs Attention:

SINK: The sink stopper is missing or not working.

SHOWER: The shower walls have areas of deteriorated grout.

BATHTUB: The stopper is missing or does not work correctly.

BATH 2:

This is the **Hall Bathroom .**

Needs Attention:

SINK: The sink drains slowly.

SHOWER: The shower walls have areas of deteriorated grout.

BATHTUB: The stopper is missing or does not work correctly.

BATH 3:

This is the **powder Bathroom.**

Serviceable: The bathroom surfaces and fixtures appeared to perform correctly when operated briefly.

HEATING

The heater is located on the roof,
The heating system is a gas
forced air system.

**Not Acceptable: The furnace
did not operate properly when
tested.**

**The flexible gas line passes
through the wall of the
furnace, a standard installation
requires that the flex line
remain outside the wall of the
furnace.**

**It is recommended a heating contractor fully evaluate the heating
system and make all needed repairs, before the close of escrow.**



COOLING

This is a 'roof package' unit, where the heating and cooling are in the
same box on the roof.

**Needs Attention: Though working, the system is older and well
into its expected useful life.**

ELECTRICAL

The sub panel is located in the
upstairs hall.

Not Acceptable:

**PANEL CONDITION: There are
'Double Taps' where 2 wires
attach to one breaker, this is
incorrect. Two of these were
noted.**

**The breaker labeled AC was
found shut off - the reasons
for this was not apparent. The
breaker was turned on for testing the system and then turned
back off.**



PLUMBING

**There is very low water flow from the hot side of the fixtures when
two are on at the same time in the upper level bathrooms.**

WATERHEATER:

The water heater is located in a living room closet. it is gas fired, 40 gallons, 8 years old.

CONDITION: Needs Attention:
There is not the required drain line for the catch pan under the water heater to prevent water damage to the building in case of leaking.
The Temperature / Pressure Relief safety valve does not have the required drain pipe extending to a safe location as required.
The water heater is older and well into its expected useful life span.



Unit #2.

This is a 2 Bedroom 2 Bathroom unit.

INTERIORS:

Needs Attention:

FLOOR: The carpet has areas of, staining.
The flooring has areas of sloping as from building settlement, such as noted in the second bedroom.

KITCHEN:

Serviceable The kitchen surfaces and primary components in this brief test appeared to be in serviceable condition.

BATH 1:

This is the **Master Bathroom.**

Needs Attention:

SINK: The sink drains slowly. There is no stopper installed for this sink.
The faucet finishes are corroded and have areas of damage.

BATH 2:

This is the **Hall Bathroom**

SINK: The sink stopper is missing or not working. The faucets are corroded and have areas of damage.

WALLS / CEILING: **There are areas of 'black' on the walls near the tub that may be mold or mildew and should be remedied. Some tiles appear to be missing in this area.**

HEATING

The heater is located on the roof, a gas forced air system

Not Acceptable: The furnace did not operate when tested. The flexible gas line passes through the wall of the furnace, a standard installation requires that the flex line remain outside the wall of the furnace.

It is advised to have a licensed heating contractor examine the furnace and make all needed repairs to ensure a safe and properly operating system.



COOLING

This is a 'roof package' unit, where the heating and cooling are in the same box on the roof.

Not Acceptable: The A/C did not operate when tested with the normal controls.

ELECTRICAL

The sub panel is located in the left bedroom.

Not Acceptable:

PANEL CONDITION: There are 'Double Taps' where 2 wires attach to one breaker, this is incorrect. Two of these were noted.



WATERHEATER:

The water heater is located in a hallway closet. it is gas fired, 40 gallons, 9 years old.

CONDITION: Needs Attention:

There is not the required drain line for the catch pan under the water heater to prevent water damage to the building in case of leaking.

The Temperature / Pressure Relief safety valve does not have the required drain pipe extending to a safe location as required.

The water heater is older and well into its expected useful life span.

The water heater is not sitting level and is leaning, it works best if it is fully upright and should be properly installed.



Not Acceptable: This does not have the necessary openings/ grills to allow the required fresh air for combustion.

Unit #3.

This is a 2 Bedroom 1 Bathroom unit.

INTERIORS:

Needs Attention:

CEILING: There are areas of moisture stains on the ceiling in the right bedroom.

FLOOR: The carpet has areas of wear.

The flooring has areas of sloping as from building settlement.

KITCHEN:

Needs Attention:

While generally functional there are areas of wear and tear.

FLOOR: The flooring has areas of deterioration and staining.

VENT HOOD: The ducting above the hood is the corrugated aluminum type which is not recommended for this use, It should be smooth wall metal ducting. The kitchen surfaces, fixtures and appliances show typical wear but are generally working and serviceable.

BATH 1:

This is the **Hall Bathroom.**

Needs Attention:

FLOOR: There is staining in the floor covering that is typically moisture related.

SINK: **The water flow at the hot side is too low to be functional.**

The mirror surfaces are deteriorated in areas.

BATHTUB: The tub drains slowly. The stopper is missing.

SHOWER: The shower walls are worn and have deteriorated. grout.

HEATING

The heater is located on the roof,

The heating system is a gas forced air system.

Needs Attention:

The air filter is dirty and should be replaced or cleaned, filters should be replaced every 3 - 6 months of use.

The flexible gas line passes through the wall of the furnace, a standard installation

requires that the flex line remain outside the wall of the furnace.



COOLING

This is a 'roof package' unit, where the heating and cooling are in the same box on the roof.

Needs Attention: Though working, the system is older and well into its expected useful life.

ELECTRICAL



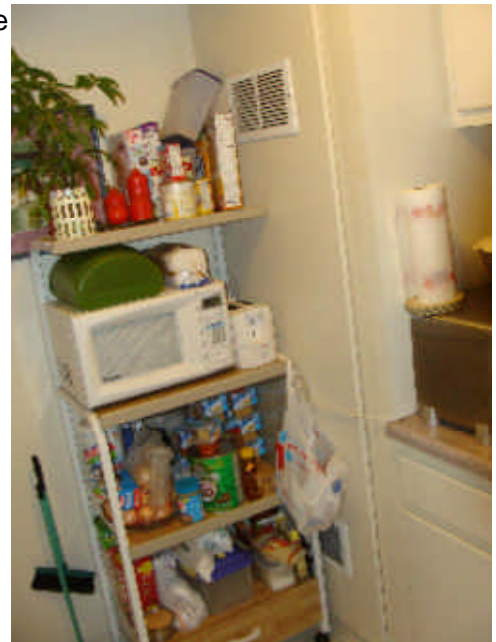
The sub panel is located in the second bedroom. Serviceable.

Not Acceptable:

WIRING: There are extension cords being used as permanent wiring in the bathroom, this is a fire hazard and should be corrected.

WATERHEATER:

The water heater is located in the kitchen closet.
The closet was blocked by shelving and the water heater was not accessible.



Unit #4.

This is a 2 Bedroom 2 Bathroom unit.

INTERIORS:

Needs Attention:

CEILING: There are areas of moisture stains on the ceilings in the bedrooms.

There are areas of patching on the ceiling in the dining area.

DOORS: The closet door(s) are missing in the master bedroom.

BALCONY / PATIO

Needs Attention:

RAILING: There are openings between some rails larger than 4 inches, the current recommended maximum. This is a child safety concern.

The 'bars' in the handrail form a 'ladder' and is a potential safety concern.

KITCHEN:

Needs Attention:

CABINETS: The cabinets are loose or damaged above the cooktop and bar counter. The vent hood is loose.

SINK: The drain piping has an incorrect upward slope and needs repair.

BATH 1:

This is the **Master Bathroom.**

Needs Attention:

SINK: The sink is stained in areas and drains slowly.

BATH 2:

This is the **Hall Bathroom**

TOILET: **The toilet continues to run after it is used, it will need repair.**

SINK: The sink surface is stained and cracked in areas. The sink drains slowly.

The mirror surfaces are deteriorated in areas.

BATHTUB: The surface of the tub and shower is worn. The stopper is missing or does not work correctly.

WALLS / CEILING: **There are areas of 'black' on the walls above the shower area that may be mold or mildew and should be remedied.**

HEATING

The heater is located on the roof.

The heating system is a gas forced air system.

Needs Attention:

The flexible gas line passes through the wall of the furnace, a standard installation requires that the flex line remain outside the wall of the furnace.

The furnace is older and is well into its expected useful life.



COOLING

This is a 'roof package' unit, where the heating and cooling are in the same box on the roof.

Needs Attention: The air coming out of the system is not cooled enough to be considered operating properly. the system is older and well into its expected useful life.

ELECTRICAL

The sub panel is located in the master bedroom. Serviceable.



WATERHEATER:

The water heater is located in a hallway closet. it is gas fired, 40 gallons, 9 years old.

CONDITION: Needs Attention:
There is not the required drain line for the catch pan under the water heater to prevent water damage to the building in case of leaking.
The Temperature / Pressure Relief safety valve does not have the required drain pipe extending to a safe location as required.
The water heater is older and well into its expected useful life span.



Unit #5.

This is a 2 Bedroom 2 Bathroom unit.

INTERIORS:

Serviceable, overall. There is some typical wear to the surfaces. There are areas of previous patching at the bottom of the skylight well in the hallway it is advised to get the history on this.

BALCONY / PATIO

Needs Attention:

RAILING: There are openings between some rails larger than 4 inches, the current recommended maximum. This is a child safety concern. The 'bars' in the handrail form a 'ladder' and is a potential safety concern.

KITCHEN:

Serviceable The kitchen surfaces and primary components in this brief test appeared to be in serviceable condition.

BATH 1:

This is the **Master Bathroom.**

Needs Attention:

SINK: The sink is surface is worn cracking. There are areas of staining or corrosion on the drain piping.

BATH 2:

This is the **Hall Bathroom**

Needs Attention:

SINK: The sink is surface is chipped in areas. The mirror is cracked below the electrical outlet.

HEATING

The heater is located on the roof,

The heating system is, a gas forced air system.

Not Acceptable: The furnace did not operate when tested. The air filter is missing, one should be installed to prevent dust from gumming up the system, they should be replaced every 3 - 6 months of use.

The flexible gas line passes through the wall of the furnace, a standard installation requires that the flex line remain outside the wall of the furnace.

It is advised to have a licensed heating contractor examine the furnace and make all needed repairs to ensure a safe and properly operating system.



COOLING

This is a 'roof package' unit, where the heating and cooling are in the same box on the roof.

Not Acceptable: The A/C did not operate when tested with the normal controls.

ELECTRICAL

The sub panel is located in the hall.

PANEL CONDITION: The panel cover is painted to the wall so was not removed, and the inside components not evaluated.

WATERHEATER:

The water heater is located in a hallway closet. it is gas fired, 40 gallons, 9 years old.

CONDITION:Not Acceptable:
The drain valve is leaking at this time and will need prompt repair. There is moisture damage in the closet door below

Needs Attention: There is not the required drain line for the catch pan under the water heater to prevent water damage to the building in case of leaking.

The Temperature / Pressure Relief safety valve does not have the required drain pipe extending to a safe location as required.

The water heater is older and well into its expected useful life span.



INTERIOR COMMENTS:

COMMENTS:

This is a general visual inspection, there was no destructive or intrusion testing performed. The intention of this report is to inform the client of the overall condition of the property and the material defects therein, not to itemize or list all the individual flaws.

There are areas of stress cracks in the walls and ceilings. These stress cracks appear to be cosmetic in nature and would normally be patched and painted.

There are signs of settlement in areas of the building. The floors are not level and the windows and door frames may not be plumb.

GENERAL COMMENTS:

The interior of the building has personal items and furniture blocking the view and therefore access to parts of the property.

There are several signs of moisture intrusion in the building. This is viewed as a concern and should be pursued so that all active sources of moisture entry are corrected.

This is not a mold or fungus inspection, it is advised to have a mold specialist examine the property and structure and do a complete inspection to determine the presence or not of any mold that may affect the health or safety of the occupants.

During this inspection there may be items discovered that require further inspection and/or subsequent repairs. Where further inspection by a specialty trade is advised, this is meant to be done during the inspection period, prior to the contingency expiring and certainly prior to the close of escrow. The whole intent of this procedure being to fully discover the extent of the repairs needed and the associated costs.

INSPECTION LIMITATIONS

SPECIFIC EXCLUSIONS AND LIMITATIONS:

OUR GOAL:

Our Goal is to enlighten you as to the condition of the property by identifying material defects that would significantly affect the property and therefore your decisions concerning it. We strive to add significantly to your knowledge of the building. **Thus the goal is not to identify every defect concerning the property but focus upon the material defects and thereby put you in a much better position to make an informed decision.**

GENERALIST VS. SPECIALIST

A property inspector is a generalist and the inspection is conducted along generalist guidelines as listed above. The generalist job is to note material defects in the property he is inspecting. When he observes and finds one or more problems in a system of the property that affects its performance he may then refer the entire system over to a specialist in that field for a further detailed investigation. The specialist is expected to conduct a more detailed examination on that system from his specialist sphere of knowledge and training to determine all the problems with the system and the related costs of repairs. The specialist is inspecting from a depth of knowledge and experience that the generalist does not have.

REPRESENTATIVE SAMPLING:

The building has many identical components such as windows, electrical outlets, etc. We inspect a representative sampling of these only. We do not move any furniture or personal belongings. This means that some deficiencies which were there may go unnoted or there may be items which are impossible to anticipate. We suggest that you plan for unforeseen repairs. This is part of property ownership as all buildings will have some of these repairs as well as normally occurring maintenance.

USE OF THE REPORT:

The inspection report does not constitute a warranty, insurance policy or guarantee of any kind. It is confidential and is given solely for the use and benefit of the client and is not intended to be used for the benefit of or be relied upon by any other buyer or other third party.

PRE-INSPECTION AGREEMENT:

Terms and conditions crucial to interpretation of the report are contained in a separate pre-inspection agreement. Do not use this report without consulting the pre-inspection agreement as use of this report constitutes the acceptance of all the terms, conditions and limitations in that agreement.

MOLD, MILDEW AND FUNGI:

Mold, mildew and fungus are specifically excluded from the inspection and the report. The inspector is not qualified to note the presence or absence of mold. In some cases mold has been found to be a serious problem and should not be overlooked. Because we do not inspect for mold, should you have any concerns at all about mold or the future discovery of mold, we always recommend that a buyer has a building inspected for mold during the contingency period and prior to the close of escrow.

WOOD DESTROYING ORGANISMS:

Termites, dryrot, wood rot and wood destroying organisms are covered by the structural pest control operator's report. These are not part of the inspection and the inspector will not be inspecting for them. The Business and Professions Code prohibits anyone but licensed structural pest control operators from commenting on this subject.

BUILDING CODES:

This is not a building code or code compliance inspection. That is a different type of inspection performed by the local municipality, usually during construction. It is advised to obtain all available documentation such as building permits and certificates of occupancy during the inspection contingency period.

HAZARDOUS SUBSTANCES:

Identifying hazardous substances is not part of this inspection. Items such as formaldehyde, lead based paint, asbestos, toxic or flammable chemicals and environmental hazards are not tested for and not within the scope of the inspection.

INSPECTION LIMITATIONS:

This is a limited time visual inspection. It excludes any items we cannot directly observe such as chimney interiors, furnace heat exchangers, underground piping, etc. These are specialty inspections and those inspections can be arranged using specialized equipment.

Additionally we do not inspect to see if components are installed properly. We do not have the specialized training, instruction sheets or manuals to determine if they meet manufacture's or building code requirements for installation, which can be quite varied. This is part of the specialist's inspection and any questions concerning installation would best be answered by the specialist.

LaRocca Inspection Associates, Inc.

Inspection Contract

THIS IS INTENDED TO BE A LEGALLY BINDING CONTRACT, PLEASE READ IT CAREFULLY

Client: Better Dwellings Inspection Date: June 22, 2010
Inspection Address: 2241 Branden Street, Los Angeles, CA 90026 Fee: \$495

Scope of the Inspection: The real estate inspection to be performed for the Client is a limited non-invasive physical examination and operation of the systems and components of the building which can be entered or viewed without difficulty, moving obstructions or requiring any action which may result in damage to the property or personal injury to the inspector. The purpose of the inspection is to identify material defects in the systems, structures, and components of the building and its associated primary parking structure as it exists at the time of the inspection. The written report shall document any material defects in the building's systems or components which, in the opinion of the inspector, are safety hazards, are not functioning properly or appear at the end of their service life. The inspection shall be performed in accordance with the Standards of Practice of the California Real Estate Inspection Association, and incorporated by reference and limited to those items specified herein.

The inspector will do a representative sampling of identical components, such as electrical outlets, etc. Components shall be operated with normal controls only. This is not intended to be technically exhaustive. Testing, measuring, using meters or devices of any kind, dismantling equipment or doing calculations for any system or component to determine adequacy, capacity or compliance with any standard is outside the scope of a standard home inspection. **This is not a wood destroying organism inspection (termite, rodent, dryrot, etc.). This is not a building code, ordinance, energy audit, product recall or permit compliance inspection. This is not an inspection of modifications to the property and will not determine if in fact modifications exist and if they were performed with or without permits.** Client Initials _____

Client's Duty: The Client agrees to read the entire inspection contract. The signature on the contract is the client's consent to the terms of the contract. Client further agrees to read the entire home inspection report before the close of the contingency period to this sale. If any questions arise during the escrow it is the duty of the client to call the inspector and inquire. Client shall not rely on any oral statements by an inspector. The client is the owner of inspection report which can not be transferred, relied on nor shall constitute any 3rd party beneficiary rights in another person without the written permission of LaRocca Inspection Associates, Inc. (LIA).

The client agrees that any claim for failure to accurately report a material defect in accordance with this contract and report shall be made in writing within 10 days of discovery, by return receipt request. The inspector and/or representative must be allowed to re-inspect/document & photograph the alleged defect in its unchanged condition prior to any repair/alteration or replacement, except in case of water emergency. Failure to comply with this provision is a material breach of this contract and constitutes a full waiver of any claim presented.

Environmental: The Client acknowledges that this contract is for a "general property inspection" and is not an environmental property inspection. The inspection is not intended to detect/identify environmental or health concerns regarding this building, including but not limited to asbestos, radon, lead, creosote, urea-formaldehyde, mold, fungus or other toxic substances in the water, air, soil or building materials. **This is not a MOLD or ENVIRONMENTAL Inspection. It is recommended that this property be fully tested and inspected by a mold specialist before the close of the inspection contingency period.** Client Initials _____

General Provisions: This inspection report & contract are not intended as a warranty, guarantee or insurance policy of any kind. The inspection & report are not a substitute disclosure for this property, disclosure by the seller or the client(s) own independent statutory duty to inspect the property as required by law or contract. A buyer of a property is statutorily required to do his/her own due diligence of the property during the transaction. Further, this contract shall be binding upon the undersigned parties (including their agents, heirs, successors and assigns). No 3rd party beneficiary rights exist in this home inspection contract and/or report and therefore can not be assigned. An agent for the client is deemed to have the authority to sign for the client unless expressly denied in writing and acknowledged by LaRocca Inspection Associates, Inc. In the event that any further re-inspection or appearance in any legal proceeding is necessary this client will pay \$150 per hour portal to portal. This agreement constitutes the entire agreement between the parties and can only be modified by a written document signed by all the parties to this contract and inspection.

No legal action of any kind shall be commenced against the Inspector/Inspection Company, et al. for any dispute more than one year after the date of the inspection whether in arbitration or Court. A dispute shall be defined as any form of disagreement, mediation, arbitration, or any type of civil lawsuit. THIS TIME IS SHORTER THAN OTHERWISE PROVIDED BY LAW AND CLIENT AGREES AS A MATERIAL TERM AND CONDITION TO THIS AGREEMENT TO BE BOUND BY THAT CONDITION. Client is aware that the price of this home inspection is conditioned on this material provision.

Client Initials_____

Please choose one of the types of inspections listed below:

Generalist Inspection: The Client requests a **general**-limited-visual inspection performed in a manner consistent with the Standards of Practice of the California Real Estate Inspection Association. The client acknowledges that the inspector is acting as a **generalist** and that further investigation by the appropriate specialist of a reported condition may be necessary. Any further investigation by an appropriate profession shall be the duty of the client and not the inspector. The client is advised to consider this issue carefully and obtain further evaluation of reported conditions before removing any inspection contingency.

Client Initials_____

--Or--

Specialist Inspection: The Client requests a **Specialist Inspection** of the property. A **Specialist Inspection** requires a comprehensive inspection of the building and environmental codes where the building is located performed by a licensed contractor. The **Specialist Inspection** will include a comprehensive report as to all Code compliant issues re: Foundation, Plumbing, Electrical, Heating/Cooling, Roofing, Fireplace, Sewerline, Pool, Geologist, thermography testing, permit review, environmental, product recall, gas detection, review of City records for gas-methane districts, water intrusion, rodent infestation, modifications to the property without permits, energy audits and Engineering issues. The fee for this multiple day(s) inspection is to be determined by the size, age and condition of the property, starts at \$5,000 for the inspection company with additional costs for related experts as an additional fee authorized and approved in writing by the client.

Client Initials_____

Liquidated Damages Clause: The parties in understanding litigation costs do hereby agree to a liquidated damages clause of two times the cost of the inspection.

Client Initials_____

Mediation Agreement: The contracting parties agree to a mediation all disputes through ADR in Century City, Ca. before a law suit is filed. Notice of mediation must be sent return receipt requested with 30 days to respond. If suit in violation with the above the non-complying party forfeits all rights to prevailing party attorney fees, expert fees and costs. Each side shall share the mediation fees equally but same will be a cost to the prevailing party. The mediator must have experience in mediating home inspection cases and is familiar with the Standards of Practice of the California Real Estate Inspection Association (CREIA).

Binding Arbitration Agreement: The contracting parties agree to binding arbitration through ADR in Century City, CA and voluntarily waiving any rights to trial by jury and the right to appeal. Punitive damages are expressly waived for both the complaint & cross complaint. All notices of binding arbitration must be served in the same manner as for the mediation as set forth above. Failure to comply with the above terminates all rights of that party to prevailing party legal and expert fees and costs of all types. The arbitrator must have experience in arbitrating home inspection cases and is familiar with the Standards of Practice of the California Real Estate Inspection Association. Each party has the right to the same discovery as if this action were filed in the Superior Court.

Attorney Fee Provision: In any action in law or equity the prevailing party is entitled to reasonable attorney fees, expert fees and costs of the arbitrator hearing this matter in binding arbitration.

The Client acknowledges that they have read, understood and agreed voluntarily to all the terms, conditions and limitations of this contract and agrees to pay the fee listed above.

Client Signature_____ Date_____

Client Printed Name_____ Inspector_____

RESIDENTIAL STANDARDS OF PRACTICE - FOUR OR FEWER UNITS

Part I. Definitions and Scope

These Standards of Practice provide guidelines for a *real estate inspection* and define certain terms relating to these *inspections*. ***Italicized*** words in these Standards are defined in Part IV, Glossary of Terms.

A. A *real estate inspection* is a survey and basic *operation* of the *systems* and *components* of a *building* which can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may result in damage to the property or personal injury to the *Inspector*. The purpose of the inspection is to provide the Client with information regarding the general *condition* of the *building(s)*. Cosmetic and aesthetic *conditions* shall not be considered.

B. A *real estate inspection* report provides written documentation of material defects discovered in the *inspected building's systems* and *components* which, in the opinion of the *Inspector*, are *safety hazards*, are not *functioning* properly, or appear to be at the ends of their service lives. The report may include the *Inspector's* recommendations for correction or further evaluation.

C. *Inspections* performed in accordance with these Standards of Practice are not *technically exhaustive* and shall apply to the *primary building* and its associated *primary parking structure*.

Part II. Standards of Practice

A *real estate inspection* includes the *readily accessible systems* and *components* or a *representative number* of multiple similar *components* listed in SECTIONS 1 through 9 subject to the limitations, exceptions, and exclusions in Part III.

SECTION 1 - Foundation, Basement, and Under-floor Areas

A. Items to be *inspected*:

1. Foundation *system*
2. Floor framing *system*
3. Under-floor ventilation
4. Foundation anchoring and cripple wall bracing
5. Wood separation from soil
6. Insulation

B. The *Inspector* is not required to:

1. *Determine* size, spacing, location or adequacy of foundation bolting/bracing components or reinforcing systems.
2. *Determine* the composition or energy rating of insulation materials

SECTION 2 - Exterior

A. Items to be *inspected*:

1. Surface grade directly adjacent to the *buildings*
2. Doors and windows
3. Attached decks, porches, patios, balconies, stairways, and their enclosures
4. Wall cladding and trim
5. Portions of walkways and driveways that are adjacent to the *buildings*

B. The *Inspector* is not required to:

1. *Inspect* door or window screens, shutters, awnings, or security bars
2. *Inspect* fences or gates or *operate* automated door or gate openers or their safety *devices*
3. Use a ladder to *inspect systems* or *components*

SECTION 3 - Roof Covering

A. Items to be *inspected*:

1. Covering
2. Drainage
3. Flashings
4. Penetrations
5. Skylights

B. The *Inspector* is not required to:

1. Walk on the roof surface if in the opinion of the *Inspector* there is risk of damage or a *hazard* to the *Inspector*
2. Warrant or certify that roof *systems*, coverings or *components* are free from leakage

SECTION 4 - Attic Areas and Roof Framing

A. Items to be *inspected*:

1. Framing
2. Ventilation
3. Insulation

B. The *Inspector* is not required to:

1. *Inspect* mechanical attic ventilation *systems* or *components*
2. *Determine* the composition or energy rating of insulation materials

SECTION 5 - Plumbing

A. Items to be *inspected*:

1. Water supply piping
2. Drain, waste, and vent piping
3. Faucets and *fixtures*
4. Fuel gas piping
5. Water heaters
6. *Functional flow and functional drainage*

B. The *Inspector* is not required to:

1. Fill any *fixture* with water or *inspect* overflow drains or drain stops, or evaluate backflow *devices*, waste ejectors, sump pumps or drain line clean outs
2. *Inspect* or evaluate water temperature balancing *devices*, temperature fluctuation, time to obtain hot water, water circulation, or solar heating *systems* or *components*
3. *Inspect* whirlpool baths, steam showers, or sauna *systems* or *components*
4. *Inspect* fuel tanks or *determine* if the fuel gas *system* is free of leaks
5. *Inspect* wells or water treatment *systems*

SECTION 6 - Electrical

A. Items to be *inspected*:

1. Service equipment
2. Electrical panels
3. Circuit wiring
4. Switches, receptacles, outlets, and lighting *fixtures*

B. The *Inspector* is not required to:

1. *Operate* circuit breakers or circuit interrupters
2. Remove coverplates
3. *Inspect* de-icing *systems* or *components*
4. *Inspect* private or emergency electrical supply *systems* or *components*

SECTION 7 - Heating and Cooling

A. Items to be *inspected*:

1. Heating equipment
2. Central cooling equipment
3. Energy source and connections
4. Combustion air and exhaust vent *systems*
5. Condensate drainage
6. Conditioned air distribution *systems*

B. The *Inspector* is not required to:

1. *Inspect* the heat exchangers or electric heating elements
2. *Inspect* non-central air conditioning units or evaporative coolers
3. *Inspect* radiant, solar, hydronic, or geothermal *systems* or *components*
4. *Determine* volume, uniformity, temperature, airflow, balance or leakage of any air distribution *system*
5. *Inspect* electronic air filtering or humidity control *systems* or *components*.

SECTION 8 - Fireplaces and Chimneys

A. Items to be *inspected*:

1. Chimney exterior
2. Spark arrestor
3. Firebox
4. Damper
5. Hearth extension

B. The *Inspector* is not required to:

1. *Inspect* chimney interiors
2. *Inspect* fireplace inserts, seals or gaskets
3. *Operate* any fireplace or *determine* if a fireplace can be safely used

SECTION 9 - Building Interior

A. Items to be *inspected*:

1. Walls, ceilings and floors
2. Doors and windows
3. Stairways, handrails, and guardrails
4. Permanently installed cabinets
5. Permanently installed cook-tops, mechanical range vents, ovens, dishwashers, and food waste disposers
6. Absence of smoke alarms
7. Vehicle doors and openers

B. The *Inspector* is not required to:

1. *Inspect* window, door or floor coverings
2. *Determine* whether a *building* is secure from unauthorized entry
3. *Operate* or test smoke alarms or vehicle door safety *devices*
4. Use a ladder to *inspect systems or components*

Part III. Limitations, Exceptions, and Exclusions

A. The following are excluded from a *real estate inspection*:

1. *Systems or components* of a *building*, or portions thereof, which are not *readily accessible*, not *permanently installed*, or not *inspected* due to circumstances beyond the control of the *Inspector* or which the Client has agreed or specified are not to be *inspected*.
2. Site improvements or amenities, including, but not limited to: accessory *buildings*, fences, planters, landscaping, irrigation, swimming pools, spas, ponds, waterfalls, fountains or their *components* or accessories
3. Auxiliary features of *appliances* beyond the *appliance's* basic *function*
4. *Systems or components*, or portions thereof, which are under ground, under water, or where the *Inspector* must come into contact with water
5. Common areas as defined in California Civil Code section 1351, et seq., and any dwelling unit *systems* or *components* located in common areas
6. *Determining* compliance with manufacturers' installation guidelines or specifications, building codes, accessibility standards, conservation or energy standards, regulations, ordinances, covenants, or other restrictions
7. *Determining* adequacy, efficiency, suitability, quality, age, or remaining life of any *building*, *system*, or *component*, or marketability or advisability of purchase
8. Structural, architectural, geological, environmental, hydrological, land surveying, or soils-related examinations
9. Acoustical or other nuisance characteristics of any *system* or *component* of a *building*, complex, adjoining property, or neighborhood
10. *Conditions* related to animals, insects or other organisms, including fungus and mold, and any hazardous, illegal or controlled substance, or the damage or health risks arising there from
11. Risks associated with events or *conditions* of nature including, but not limited to: geological, seismic, wildfire, and flood
12. Water testing any *building*, *system* or *component* or *determine* leakage in shower pans, pools, spas, or any body of water
13. *Determining* the integrity of hermetic seals at multi-pane glazing
14. Differentiating between original construction or subsequent additions or modifications
15. Reviewing information from any third-party, including but not limited to: product defects, recalls, or similar notices
16. Specifying repairs/replacement procedures or estimating cost to correct
17. Communication, computer, security, or low-voltage *systems* and remote, timer, sensor, or similarly controlled *systems* or *components*
18. Fire extinguishing and suppression *systems* and *components* or *determining* fire resistive qualities of materials or assemblies
19. Elevators, lifts and dumbwaiters
20. Lighting pilot lights or activating or *operating* any *system*, *component*, or *appliance* that is *shut down*, *unsafe to operate*, or does not respond to *normal user controls*
21. *Operating* shutoff valves or *shutting down* any *system* or *component*
22. Dismantling any *system*, *structure*, or *component* or removing access panels other than those provided for homeowner maintenance

B. The *Inspector* may, at his or her discretion:

1. *Inspect* any *building*, *system*, *component*, *appliance*, or improvement not included or otherwise excluded by these Standards of Practice. Any such *inspection* shall comply with all other provisions of these Standards.
2. Include photographs in the written report or take photographs for *Inspector's* reference without inclusion in the written report. Photographs may not be used in lieu of written documentation.

Part IV. Glossary of Terms

NOTE: All definitions apply to derivatives of these terms when *italicized* in the text.

Appliance: An item such as an oven, dishwasher, heater, etc, which performs a specific *function*

Building: The subject of the *inspection* and its *primary parking structure*

Component: A part of a *system, appliance, fixture, or device*

Condition: Conspicuous state of being

Determine: Arrive at an opinion or conclusion pursuant to a *real estate inspection*

Device: A *component* designed to perform a particular task or *function*

Fixture: A plumbing or electrical *component* with a fixed position and *function*

Function: The normal and characteristic purpose or action of a *system, component, or device*

Functional Drainage: the ability to empty a plumbing *fixture* in a reasonable time

Functional Flow: The flow of the water supply at the highest and farthest *fixture* from the *building* supply shutoff valve when another *fixture* is used simultaneously

Inspect: Refer to Part I "Definition and Scope", Paragraph A

Inspector: One who performs a *real estate inspection*

Normal User Control: Switch or other *device* that activates a *system* or *component* and is provided for use by an occupant of a *building*.

Operate: Cause a *system, appliance, fixture, or device* to *function* using *normal user controls*

Permanently installed: Fixed in place, e.g. screwed, bolted, nailed, or glued

Primary Building: A *building* that an *Inspector* has agreed to *inspect*

Primary Parking structure: A *building* for the purpose of vehicle storage associated with the *primary building*

Readily Accessible: Can be reached, entered, or viewed without difficulty, moving obstructions, or requiring any action which may harm persons or property

Real Estate Inspection: Refer to Part I, "Definitions and Scope", Paragraph A

Representative Number: Example, an average of one *component* per area for multiple similar *components* such as windows, doors, and electrical outlets

Safety Hazard: A *condition* that could result in significant physical injury

Shut Down: Disconnected or turned off in a way so as not to respond to *normal user controls*

System: An assemblage of various *components* designed to *function* as a whole

Technically Exhaustive: Examination beyond the scope of a *real estate inspection*, which may require disassembly, specialized knowledge, special equipment, measuring, calculating, quantifying, testing, exploratory probing, research, or analysis.

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INVOICE

<i>Received from</i>	<i>Date</i>
Better Dwellings	June 22, 2010

<i>Description</i>	<i>Amount</i>
Property Inspection <i>Client name:</i> Better Dwellings <i>Property address:</i> 2241 Branden Street Los Angeles, CA 90026 <i>Inspection date:</i> June 22, 2010 <i>Inspector:</i> Jerry Corum <i>Payment Amount:</i> <i>Terms:</i> Cash/Check/VISA/MC/AMEX Due upon Receipt	\$495
PAID IN FULL	\$495

Thank you for your business!