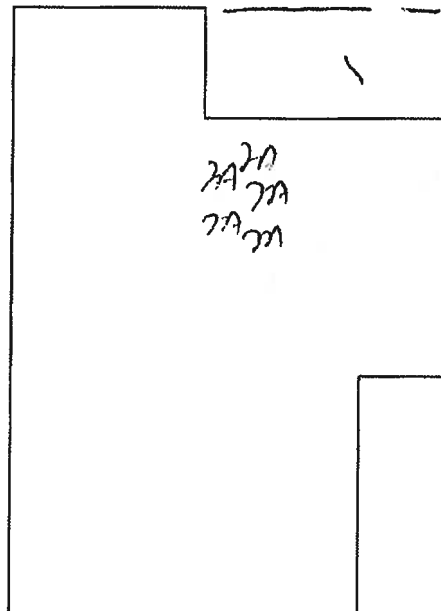


WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

BUILDING NO. 13274	STREET, CITY, STATE, ZIP Sundance Avenue, San Diego CA 92129	Date of Inspection 7/29/2013	No. of Pages 6
KENNEDY PEST CONTROL, INC. 1518 Sterling Court, Escondido, CA 92029 Tel: (800) 420-7378 (760) 233-2090 Fax			
Firm Registration No. PR 1932 Ordered By: Coast Valley Properties-Eddie 216 North Coast Highway 101 Encinitas, CA 92024 Attn: eddie@brokereddie.com 858-525-3258 858-876-1922		Report No. 26519 Property Owner/Party of Interest Ben Reginier 13274 Sundance Avenue San Diego, CA 92129 Attn: bregnier@gmail.com 310-902-0714	
		Escrow No. Report Sent To: Coast Valley Properties-Eddie 216 North Coast Highway 101 Encinitas, CA 92024 Attn: eddie@brokereddie.com 858-525-3258 858-876-1922	
COMPLETE REPORT <input checked="" type="checkbox"/> LIMITED REPORT <input type="checkbox"/> SUPPLEMENTAL REPORT <input type="checkbox"/> REINSPECTION REPORT <input type="checkbox"/>			
General Description: Occupied and furnished one-story, single family residence with attached garage and garage.		Inspection Tag Posted: Garage Other Tags Posted: None noted	
An inspection has been made to 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 <input type="checkbox"/> Drywood Termites <input checked="" type="checkbox"/> Fungus/Dryrot <input type="checkbox"/> Other Findings <input type="checkbox"/> Further Inspection <input type="checkbox"/> If any of above boxes are checked, it indicates that there were visible problems in accessible areas. Read the report for details on checked items.			



Inspected by Richard Martinez State License No. FR 8762 Signature [Signature]

You are entitled to obtain copies of all reports and completion notices on this property reported to the Structural Pest Control Board during the preceding two years. To obtain copies contact: Structural Pest Control Board, 2005 Evergreen Street, Suite 1500, Sacramento, California 95815.

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

43M-41 (Rev. 10/01)

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A. Certain areas are recognized by the industry as inaccessible and/or for other reasons not inspected. These include but are not limited to: inaccessible and/or insulated attics or portions thereof, attics with less than 18" clear crawl space, the interior of hollow walls; spaces between a floor or porch deck and the ceiling below; area where there is no access without defacing or tearing out lumber, masonry or finished work; areas behind stoves, refrigerators or beneath floor coverings, furnishings; areas where encumbrances and storage, conditions or locks make inspection impractical, portions of the sub area concealed or made inaccessible by ducting or insulation, area beneath wood floors over concrete, and areas concealed by heavy vegetation. All inspections are done from ground level only unless otherwise indicated. Although we make visual examinations, we do not deface or probe window/door frames or decorative trims. Unless otherwise specified in this report, we do not inspect fences, sheds, dog houses, detached patios, detached wood decks, wood retaining walls or wood walkways. We assume no responsibility for work done by anyone else, for damage to structure or contents during our inspection, or for infestation, infection, adverse conditions or damage undetected due to inaccessibility or non-disclosure by owner/agent/tenant.

B. Slab floor construction has become more prevalent in recent years. Floor covering may conceal cracks in the slab that will allow infestation to enter. Infestations in the walls may be concealed by plaster so that a diligent inspection may not disclose the true condition. These areas are not practical to inspect because of health hazards, damage to the structure; or inconvenience. They were not inspected unless described in this report. We recommend further inspection if there is any question about the above noted areas. Ref: Structural Pest Control Act, Article 6, Section 8516(b), paragraph 1990(i). Amended effective March 1, 1974. Inspection is limited to disclosure of wood destroying pests or organisms as set forth in the Structural Pest Control Act, Article 6, Section 8516(b), Paragraph 1990-1991.

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

D. This company is not responsible for work completed by others, recommended or not, including by Owner. Contractor bills should be submitted to Escrow as certification of work completed by others. Kennedy Pest Control does not comment on workman-ship done by others. Interested parties must satisfy themselves as to quality or appearance of work which is not completed by our company.

E. This report includes findings related to the presence/non-presence of wood destroying organisms and/or visible signs of leaks in the accessible portions of the roof. **The exterior surface of the roof was not inspected. If you want the water tightness of the roof determined, you should contact a roofing contractor who is licensed by the Contractors' State License Board.**

F. Second story stall showers are inspected but not water tested unless there is evidence of leaks in ceiling below. Ref: Structural Pest Control Rules and Regulations, Sec. 8516G. Sunken or below grade showers or tubs are not water tested due to their construction.

G. During the course of/ or after opening walls or any previously concealed areas, should any further damage or infestation be found, a supplementary report will be issued. Any work completed in these areas would be at Owner's direction and additional expense.

H. During the process of treatment or replacement it may be necessary to drill holes through ceramic tiles or other floor coverings; These holes will then be sealed with concrete. We will exercise due care but assume no responsibility for cracks, chipping or other damage to floor coverings. We do not re-lay carpeting.

I. We assume no responsibility for damage to any Plumbing, Gas or Electrical lines, etc., in the process of pressure treatment of concrete slabs or replacement of concrete or structural timbers.

J. When a fumigation is recommended we will exercise all due care but assume no responsibility for damage to Shrubbery, Trees, Plants, TV Antennas or Roofs. A FUMIGATION NOTICE will be left with, or mailed to the Owner of this property, or his designated Agent. Occupant must comply with instructions contained in Fumigation Notice. During fumigation and

PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

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aeration, the possibility of burglary exists as it does any time you leave your home. Therefore, we recommend that you take any steps that you feel necessary to prevent any damage to your property. We also recommend that you contact your insurance agent

and verify that you have insurance coverage to protect against any loss, damage or vandalism to your property. The company does not provide any on site security except as required by state or local ordinance and does not assume any responsibility for care and custody of the property in case of vandalism, breaking or entering.

Natural gas service to the home must be disconnected before fumigation can commence. Kennedy Pest Control, Inc. will arrange for gas disconnection prior to fumigation, however the owner or owner's agent must contact the local gas company for the restoration of gas service.

Kennedy Pest Control, Inc. or it's sub-contractors cannot be held liable for delays cause by disconnection or restoration of gas service not being completed.

K. If you should have any questions regarding this report, please call or come by our office any weekday between 8:00 a.m. and 5:00 p.m. We also provide information about additional services for the control of Household Pests such as Ants and Fleas, etc.

L. I agree to pay reasonable attorney's fees if suit is required by this COMPANY to enforce any terms of this contract, together with the costs of such action, whether or not suit proceeds to judgement.

M. The total amount of this contract is due and payable upon completion of work unless otherwise specified. A finance charge computed at a Monthly rate of 1.5% of the unpaid balance (annual percentage rate of 18%) will be added to all accounts past due.

N. If this report is used for escrow purposes then it is agreed that this inspection report and Completion, if any, is part of the ESCROW TRANSACTION. However, if you received written or verbal instructions from any interested parties involved in this escrow (agents, principals, etc.) to not pay our invoice at close of escrow, you are instructed by us not to use these documents to satisfy any conditions or terms of your escrow for purposes of closing the escrow. Further, you are instructed to return all of our documents and the most current mailing address you have on file for the property owner.

O. Owner/agent/tenant acknowledges and agrees that inspection of the premises will not include any type of inspection for the presence or non-presence of asbestos and that this report will not include any findings or opinions regarding the presence or non-presence of asbestos in, upon or about the premises, we recommend that you contact a contractor specifically licensed to engage in asbestos related work. Further, should we discover the presence of asbestos during our inspection of the premises or should our inspection of the premises cause a release of asbestos dust or particles, owner/agent/tenant shall be solely responsible for the cleanup, removal and disposal of the asbestos and the cost thereof. Owner/agent/tenant hereby agrees to waive any and all claims against this Company which are in any way related to the presence of asbestos on the premises and further agrees to indemnify and hold this company harmless from any and all claims of any nature asserted by any third party, including this Company's employees, which is in any way related to the presence of asbestos on the premises.

P. NOTICE: Reports on this structure prepared by various registered companies should list the same findings (i.e. termite infestations, termite damage, fungus damage, etc.). However, recommendations to correct these findings may vary from company to company. You have the right to seek a second opinion from another company.

Q. If any infestation, infection or damage is discovered in a concealed area during the course of performing any recommendation in this report, this company will file a supplemental report. This company is not responsible for controlling such infestations or infections nor repairing such damage.

R. This company makes no guarantee or warranty, express or implied, regarding future infections or adverse conditions or conditions present but not evident at time of inspection.

S. 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.

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THIS IS A SEPARATED REPORT WHICH IS DEFINED AS SECTION 1/SECTION 2 CONDITIONS EVIDENT ON THE DATE OF INSPECTION. SECTION 1 CONTAINS ITEMS WHERE THERE IS VISIBLE EVIDENCE OF ACTIVE INFESTATION, INFECTION OR CONDITIONS THAT HAVE RESULTED IN OR FROM INFESTATION OR INFECTION. SECTION 2 ITEMS ARE CONDITIONS DEEMED LIKELY TO LEAD TO INFESTATION OR INFECTION, BUT WHERE NO VISIBLE EVIDENCE OF SUCH WAS FOUND. FURTHER INSPECTION ITEMS ARE DEFINED AS

RECOMMENDATIONS TO INSPECT AREA(S) WHICH DURING THE COMPLETE INSPECTION, DID NOT ALLOW THE INSPECTOR ACCESS TO COMPLETE THE INSPECTION AND CANNOT BE DEFINED AS SECTION 1 OR SECTION 2.

IMPORTANT NOTICE: DUE TO EPA AND HUD REQUIREMENTS, IF YOUR STRUCTURE WAS BUILT BEFORE 1978, YOU MUST NOTIFY OUR OFFICE (800)420-7378. STRUCTURES BUILT BEFORE 1978 REQUIRE LEAD-RENOVATION PROTOCOL BE IMPLEMENTED WHEN COMPONENTS WITH PAINTED SURFACE ARE DISTURBED.

Drywood Termites:

ITEM 2A Evidence of drywood termites noted in attic, as indicated on diagram.

RECOMMENDATION: Treat areas of drywood termite infestations using a Thermal Pest Eradication Heat method **Two year warranty on treated areas only**

***** This is a Section 1 Item *****

This is a structural pest control inspection report Not a building inspection report, therefore no opinion is being rendered regarding the structural integrity of the building. The following areas were not inspected, as indicated in section #1990, paragraph (j) of the structural pest control act and rules and regulations furnished interiors, inaccessible attics, insulated attics, and portions thereof the interior of hollow walls spaces between a floor or porch deck and the ceiling or soffit below stall showers over finished buttresses and similar areas to which there is no access without defacing or tearing out lumber, masonry and finished work, built-in cabinet work floor beneath coverings, areas where storage conditions or locks make inspection impractical.

This wood destroying pests and organisms report does not include mold or any mold like conditions. Molds, sometimes called mildew, are not wood destroying organisms. Branch III licenses do not have a duty under the Structural Pest Control Act and related regulations to classify molds as harmful to human health or not harmful to human health. No reference will be made to mold or mold like conditions. Mold is outside the scope of the report as defined by the Structural Pest Control Act. If you wish your property to be inspected for mold or mold like conditions please contact the appropriate mold professional.

It is the owners responsibility to disclose any knowledge of conditions which are not visible during the course of a normal inspection.

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This firm will use commonly available material for work performed by this company, but does not guarantee to match material no longer available or wood requiring custom milling. Bids for wood repair include prime coat to outside wood. This firm will not stain or paint inside or outside repairs. Primer coat only!!

This firm reserves the right to substitute materials due to availability and/or discontinued materials.

IMPORTANT NOTICE If persons other than this firm are to complete repairs it is recommended that the lender be consulted for guarantee requirements prior to commencement of work by others. Kennedy Pest Control will not make any statement as to the quality of workmanship nor will we guarantee work done by others. If all items are not completed by this firm, our price per item may vary from the original bid and warranty will be limited to specific areas.

Kennedy Pest Control Inc. does not guarantee work performed by others. Such guarantees should be obtained from those performing the repairs. Kennedy Pest Control only certifies the absence of infestation or infection in the visible and accessible areas. If it is found that other have concealed or hidden infestations or infections during the course of their repairs, it will be the responsibility of the interested parties to pursue the responsible parties.

NOTICE: The charge for service that this company subcontracts to another registered company may include the companys charges for arranging and administering such services that are in addition to the direct costs associated with paying the subcontractor. You may accept this companys bid or you may contract directly with another registered company licensed to perform the work. If you choose to contract directly with another registered company, this firm will not in any way be responsible for any act or omission in the performance of work that you directly contract with another to perform.

Windows are inspected, but not opened during inspection. The exterior surface of the roof was not inspected. If you want the water tightness of the roof to be determined, you should contact a roofing contractor who is licensed by the contractors state license board.

*** It is unlawful for a handyman to perform work in excess of \$500 ***

Attics are inspected as permitted due to construction and/or insulation.

A standard water test was performed to the stall shower. No visible leakage was noted at time of inspection.

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OCCUPANTS CHEMICAL NOTICE

Kennedy Pest Control will use pesticide chemical(s) specified below for the control of wood destroying pests or organisms in locations identified in this Structural Pest Control report.

(1) The pesticide(s) proposed to be used and the active ingredient(s).

- ___ A. Demon Max: Cypermethrin 25.3%, Inert Ingredients 74.7%
- ___ B. Termidor TC: Fipronil 9.1%, Inert Ingredients 90.9%
- ___ C. Vikane Gas Fumigant: Sulfuryl Fluoride 99.8%, Inert Ingredients 0.2%
- ___ D. D-Foam: Bifenthrin 73.9%, Inert ingredients 92.1%
- ___ E. Wisdom Flowable: Deltamethrin 0.06%, Inert ingredients 99.94%

(2) "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 Pesticide Regulation and the United States Environmental Protection Agency. Registration is granted when the State finds that based on existing scientific evidence there are no appreciable risks if proper use conditions are followed or that the risks are outweighed by the benefits. The degree of risk depends upon the degree of exposure, so exposure should be minimized."

"If within 24 hours following application you experience symptoms similar to common seasonal illness comparable to the flu or any slowed movement, garbled speech or dizziness contact your physician or poison control center and Kennedy Pest Control."

For further information, contact any of the following:

Kennedy Pest Control (800) 420-7378
San Diego County Health Department (800) 876-4766
San Diego County Agriculture Commissioner (858) 694-2739
Poison Control Center (800) 876-4766
Structural Pest Control
2005 Evergreen Street Ste. 1500 Sacramento, CA 95815... (916) 561-8708

Persons with respiratory or allergic conditions, or others who may be concerned about their health relative to this chemical treatment, should contact their physician concerning occupancy during and after chemical treatment PRIOR TO SIGNING THIS NOTICE.

NO CHEMICAL APPLICATION WILL BE PERFORMED UNTIL SUCH A TIME THAT THIS NOTICE IS RETURNED TO KENNEDY PEST CONTROL. HAVING READ THE INSTRUCTIONS, I, THE UNDERSIGNED, ACCEPT RESPONSIBILITY FOR UNDERSTANDING ALL THE AFOREMENTIONED.

OWNER/OCCUPANT _____ DATE _____

OWNER/OCCUPANT _____ DATE _____

KENNEDY PEST CONTROL, INC.

1518 Sterling Court, Escondido, CA 92029

Tel: (800) 420-7378 (760) 233-2090 Fax

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WORK AUTHORIZATION CONTRACT

Address of Property: 13274 Sundance Avenue, San Diego CA 92129

Inspection Date: 7/29/2013

Report #: 26519

Title Co. & Escrow #: Escrow #

SECTION 1

2A \$ 1100.00

SECTION 2

FURTHER INSPECTION

We Authorized the Following
Section 1 Items to be Performed.

2A

We Authorized the Following
Section 2 Items to be Performed.

We Authorized the Following
Items for Further Inspection.

Proposed Cost Section 1: \$1,100.00

Proposed Cost Section 2: \$0.00

Proposed Cost Fur.Insp.: \$0.00

Total - All Sections: \$1,100.00

MOLD DISCLAIMER

There may be health related issues associated with the structural repairs reflected in the inspection report referenced by this Work Authorization Contract. These health issues include but are not limited to the possible release of mold spores during the course of repairs. We are not qualified to and do not render any opinion concerning such health issues or any special precautions. Any questions concerning health issues or any special precautions to be taken prior to or during the course of such repairs should be directed to a Certified Industrial Hygienist before any such repairs are undertaken.

BY EXECUTING THIS WORK AUTHORIZATION CONTRACT, CUSTOMER ACKNOWLEDGES THAT HE OR SHE HAS BEEN ADVISED OF THE FOREGOING AND HAS HAD THE OPPORTUNITY TO CONSULT WITH A QUALIFIED PROFESSIONAL.

I have read this work authorization contract and WDO inspection report it refers to.
SIGNED WORK AUTHORIZATION CONTRACT MUST BE RECEIVED BEFORE WORK WILL BE PERFORMED.

APPROVED AND READ BY:

DATE

ACCEPTED FOR:

KENNEDY PEST CONTROL, INC.

DATE

KENNEDY PEST CONTROL, INC.

1518 Sterling Court, Escondido, CA 92029

Tel: (800) 420-7378 (760) 233-2090 Fax

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WORK AUTHORIZATION CONTRACT

Address of Property: 13274 Sundance Avenue, San Diego CA 92129

Inspection Date: 7/29/2013

Report #: 26519

Title Co. & Escrow #: Escrow #

CUSTOMER INFORMATION

The total amount of this contract is due and payable upon completion of the work listed above unless otherwise specified.

Only the work specified in the contract is being done at this time due to owners/agent wishes. ANY WORK PERFORMED AGAINST AN EXISTING TITLE ESCROW WILL BE THE FINANCIAL RESPONSIBILITY OF THE PARTY ORDERING THE WORK CONTAINED IN THIS CONTRACT, IN THE EVENT OF A CANCELLED TITLE ESCROW.

Work completed (LABOR) by Kennedy Pest Control shall be guaranteed for a period of one year from date of completion.

Toilet or plumbing parts supplied by this firm, showers, floors or any measures for the control of moisture are guaranteed for (30) days only. Localized treatments are guaranteed for one year. Only the areas treated are guaranteed.

Three (3) Year Warranty on Tent Fumigations.

Customer agrees to hold Kennedy Pest Control harmless for any damage which may occur to plant life, wiring, trees, vines, pets, tile roofs, plumbing leaks or changes beyond control of Kennedy Pest Control which may occur during the performance of this work.

In case of non-payment by owner, reasonable attorney's fees and costs of collection shall be paid by the owner, whether suit be filed or not. A SERVICE CHARGE OF 1-1/2 PERCENT, PER MONTH WILL BE CHARGED ON ALL BALANCES OVER (30) DAYS. THE 1-1/2 PERCENT, PER MONTH, EQUALS 18 PERCENT PER ANNUM ON THE UNPAID BALANCES.

All repairs performed by others must be re-inspected by Kennedy Pest Control before a CERTIFICATION will be issued. We do not guarantee work completed by others. Any repairs completed by others must be guaranteed in writing and submitted to Kennedy Pest Control before a CERTIFICATION will be issued. This firm does not make statements concerning workmanship. Workmanship is only determinable by those paying for or receiving those services.

If at the time of repair(s) noted on original report, damage is found to be more extensive, a Supplemental report will be made along with a bid for any other corrections that may be necessary.

A cancellation fee of \$200.00 will be assessed for all work cancelled within 48 hours of scheduled date.

NOTICE TO OWNERS: Under California Mechanics Lien Law any structural pest control company which contracts to do work for you any contractor, subcontractor, laborer, supplier or other person who helps to improve your property but is not paid for his or her work or supplies has a right to enforce a claim against your property. This means that, after a court hearing, your property could be sold by the court officer and the proceeds of the sale used to satisfy the indebtedness. This can happen even if you have paid your structural pest control company in full, if the subcontractor, laborer, or supplier remains unpaid. To preserve their right to file a claim or lien against your property, certain claimants such as contractors or material suppliers are required to provide you with a document entitled "Preliminary Notice." A Preliminary Notice is not a lien against your property. Its purpose is to notify you of persons who may have a right to file a lien against your property if they are not paid.

** NOTE **: Inspection fee is billed separately from any work costs.



**KENNEDY
PEST
CONTROL**

(760) 233-2055 (N. County)
(858) 792-2252 (San Diego)
(800) 420-PEST (7378)
(760) 233-2090 (Fax)

(800) 420-PEST (7378)

1518 Sterling Court
Escondido, CA 92029

IMPORTANT BILLING INFORMATION

**KENNEDY PEST CONTROL CANNOT SCHEDULE WORK ON ANY PROPERTY
WITHOUT SECURING A MEANS OF PAYMENT.**

For Homeowner's paying directly

Please choose one of the following options:

- 1.) A *valid* credit card to be billed for the entire amount of work to be done
- 2.) A pre-printed local check written for the entire amount of work to be done
- *mailed in prior to work performed*

For work being billed to Escrow directly

*A current and valid *Visa, MasterCard, Discover, or American Express* credit card number & expiration date must be given at time of scheduling work. K.P.C. will hold said credit card until such time as full payment is received from you or your escrow company (card number will be destroyed immediately upon receipt of payment). A charge in *full amount* will be placed on this credit card if payment is *NOT* received from you or your escrow company within **5 DAYS** of close of escrow.

Address of Property: _____

City: _____ State: _____ Zip: _____

Name as it
Appears on
Credit Card: _____

Credit Card Number: _____

Exp. Date: _____ Verification Number (AVS Number): _____

Signature*: _____

* By signing this agreement you have read and fully understand this billing information and furthermore authorized Kennedy Pest Control to charge this credit card if payment is not received from escrow within the allotted time.