

PROPOSAL & COST ESTIMATES

WORKS ORDER NO.

RECEIVED BY

DATE

SANTA CRUZ TERMITE CONTROL IS PLEASED TO OFFER THE FOLLOWING PROPOSAL FOR RECOMMENDED WORK. PRICES ARE SUBJECT TO REVIEW AFTER 30 DAYS. ITEMS WHICH ARE, "ESTIMATED AT" MAY BE AVAILABLE FROM THIS FIRM, SUBCONTRACTED, AT ACTUAL COST PLUS 15% OVERHEAD/PROFIT. THESE ESTIMATES ARE BASED IN GENERALIZED FORMULAS AND DO NOT REFLECT THE CONSIDERATION OF AN ACTUAL BID. IF THE COST OF AN ITEM IS SIGNIFICANT YOU SHOULD CONSIDER GETTING A FIRM BID BY EITHER THIS FIRM OR BY A LICENSED CONTRACTOR WHO SPECIALIZES IN THAT TYPE OF REPAIR.

SECTION I

- e) Replace the damaged portion of the siding. Estimated at \$250 See Notes 1 & 2.

SECTION II

Section II items estimated upon request

NOTE 1. FILING IS RECOMMENDED AND NOT INCLUDED IN THE ESTIMATED COST.
 NOTE 2. A BUILDING PERMIT MAY BE REQUIRED BY LOCAL AUTHORITY.

NOTICE TO OWNER

UNDER THE 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 A COURT OFFICER AND THE PROCEEDS OF THE SALE USED TO SATISFY THE INDEBTEDNESS. THIS CAN HAPPEN EVEN IF YOU HAVE PAID YOUR STRUCTURAL PEST CONTROL COMPANY IN FULL IF THE SUBCONTRACTOR, LABORERS OR SUPPLIES REMAIN UNPAID.

TO PRESERVE THEIR RIGHT TO FILE A CLAIM OR LIEN AGAINST YOUR PROPERTY, CERTAIN CLAIMANTS SUCH AS SUBCONTRACTORS OR MATERIAL SUPPLIERS ARE REQUIRED TO PROVIDE YOU WITH A DOCUMENT ENTITLED "PRELIMINARY NOTICE." PRIME CONTRACTORS AND LABORERS FOR WAGES DO NOT HAVE TO PROVIDE THIS NOTICE. A "PRELIMINARY NOTICE" IS NOT A LIEN AGAINST YOUR PROPERTY. 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.

Country Home Inspection™



Single Family + Studio:
208 Emerald Forest, Bonny Doon, CA

Prepared Exclusively for:
William & Beverly Heinze

Inspection Date:
10/13/2008, 1:00:00 PM

Report Number:
8361-1014

Inspection Company:
Country Home Inspection
Clive Belvoir, Lic.# ASHI 247382
P.O. Box 913,
Boulder Creek, CA 95006
(831) 338-6269 (408) 267-6300

Web Site: www.countryhomeinspection.com
E-mail: countryhomeinspection@yahoo.com

Residential & Commercial Building Analysis
Copyright © 2008 Country Home Inspection



CERTIFIED MEMBER



CERTIFIED MEMBER



Country Home Inspection

P.O. Box 913, Boulder Creek, CA 95006
Phone: (831) 338-6269 (408) 267-6300 Fax: (831) 338-2810

Residential & Commercial Building Analysis

Address of inspection: 208 Emerald Forest, Bonny Doon, CA

Client: William & Beverly Heinze

Date: 10/13/2008

Address:

Phone:

City:

State/Prov.:

Zip:

GENERAL INFORMATION

Selling Agent:
Company:
Phone:
E-Mail:
Present at Inspection: Agent did not attend

Listing Agent: Cheri Allen
Company: Coldwell Banker
Phone: (831) 420-2617
E-Mail: cherilynnallen@comcast.net
Present at Inspection: 100%

Client E-Mail:
Client Present: 100%

Structure Type: Single Family + Studio
Occupancy Status: Furnished/occupied
Approx. Sq. Ft.: 1700+
Approx. Year Built:
Weather Conditions: Clear
Approx. Temp.: Outside temp. = 65 deg.
Time Insp. Began: 1:00:00 PM

Inspector: Clive Belvoir
Lic. Number: ASHI 247382

INVOICE

Report Number: 8361-1014
Inspection Type: Visual

0 to 1500 Square Feet:
1501 to 2000 Square Feet: \$400.00
2001 to 2500 Square Feet:
2501 to 3000 Square Feet:
3001 to 3500 Square Feet:
3501 to 4500 Square Feet:

Sub-area:
Detached Garage:
Escrow Fee:
Re-Inspection:
Studio:
PAID IN FULL

Total: \$400.00

Paid by: Check # 1019 / Thank You

NOTICE: The written report, and all information gathered during the inspection, is not considered transferable to third parties. The inspection results are intended for the exclusive use of the client.

NOTICE: Client is responsible for payment at the time services are rendered. Any account 30 DAYS or more PAST DUE is subject to finance charges and/or collection proceedings. Escrow/attorney billing is available for an additional fee but does not relieve the client's responsibility for payment should the property fail to close or escrow does not pay for any reason.

Country Home Inspection Inspection Agreement

THIS IS A LEGALLY BINDING CONTRACT - PLEASE READ IT CAREFULLY

Address: 208 Emerald Forest, Bonny Doon, CA

Report Number: 8361-1014

VISUAL INSPECTION DEFINITIONS AND LIMITATIONS:

1. The Client understands and agrees that this Agreement is a part of the Inspection Report and acceptance of or payment for the Inspection Report by the Client will confirm this agreement, even if Client was not present at the inspection and/or has not signed this agreement.

2. The Client understands that this report and any information therein is intended for the sole use of the Client and shall not substitute for, replace or be used in lieu of any required Transfer Disclosure Statements and shall not be disclosed to any person or persons other than the parties to the transaction for which this Inspection report was ordered.

3. Nothing in the Inspection Report, and no opinion of the Inspector, shall be construed as advice to the Client to purchase, or not to purchase, the property.

4. The Visual Inspection Service is performed in accordance with the *Standards of Practice* as published by the American Society of Home Inspectors (ASHI) and according to these standards, is a non-invasive physical examination, performed for a fee, designed to identify material defects in the systems, structures, and components of a building as they exist at the time of the inspection. The specific systems, structures, and components of a building to be examined are listed in these Standards of Practice.

Any area which is not exposed to view, is concealed, or is inaccessible because of soil, walls or wall coverings, floors or floor coverings, ceilings, furnishings or any other thing, is NOT included in this inspection.

Client agrees to assume all the risk for all conditions which are concealed from view at the time of the inspection.

5. The following are NOT included in the inspection:

- **Recalls or Callbacks of any kind and from any source:** Latent or concealed defects
- Environmental hazards or conditions, including, but not limited to, toxic, reactive, combustible, or corrosive contaminants, wildfire, odors, noise, flood potential, electromagnetic fields, underground storage tanks, asbestos, radon gas, lead paint, urea formaldehyde, PCB's, water or air quality, the proximity to toxic waste sites, or other environmental or health hazards
- Structural, geological, soil or hydrological stability, survey, engineering, analysis or testing
- Permit research or validation, code, installation or zoning violations
- The examination of conditions related to animals, rodents, insects, wood destroying insects, organisms, mold and mildew, or the damage caused thereby
- Radio controlled devices or low-voltage systems or relays
- Security or intercom systems
- Elevators, lifts or dumbwaiters
- Thermostatic, time clock or photoelectric controls
- Water softener or purifier systems
- Furnace heat exchangers, solar heating systems and freestanding appliances
- Window coverings
- The examination or operation of any sewage disposal system or component including, but not limited to, septic tanks, cesspools, and/or any underground system or portion thereof, or ejector pumps for rain or waste
- Landscape or farm irrigation systems
- The condition and/or irrigation of trees, shrubs or vegetation of any kind
- Any item which is hidden from view or impractical to test
- Any system or component not listed in the Standards of Practice of the **American Society of Home Inspectors** as an observation requirement
- Any system or component, condition, or application noted in the report as not inspected, not determined, or not reported on

6. The *Uniform Building Inspection Report* utilizes referenced narratives corresponding to items listed on computer generated findings pages. **You must read the narratives in the accompanying manual corresponding to each item on the findings pages to have read the entire report.** The Client agrees to read the entire report. The Client agrees to immediately contact the Inspection Company for copies of any pages found to be missing from any part of the report.

7. **The report, including the use of signifying letter codes,** is the professional opinion of the Inspector, based on the accessibility of the certain fixed components surveyed. Without dismantling parts of the building and/or its components, and without full use of all utilities, the Inspector may extrapolate conclusions which cannot be confirmed during the inspection.

8. The Inspection Company does not offer any warranty or insurance for the Client or any other person in connection with the Inspection Report. **THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, OF THE INSPECTION SERVICE OR INSPECTION REPORT.**

9. **The Client agrees to submit to the Inspection Company, in written form, any claims or complaints prior to taking any action thereupon. Any legal action or proceeding of any kind, whether sounding in tort or contract, against the Inspector/Inspection Company or its officers, agents, or employees, must be brought within one (1) year from the date of the inspection or will be deemed waived and forever barred.**

10. Any dispute, controversy, interpretation or claim including claims for, but not limited to, breach of contract, any form of negligence, fraud or misrepresentation arising out of, from or related to, this contract or arising out of, from or related to the inspection or inspection report shall be submitted to **final and binding arbitration** under the **Rules and Procedures of the Expedited Arbitration of Home Inspection Disputes of Construction Arbitration Services, Inc.** The decision of the Arbitrator appointed thereunder shall be final and binding and judgement of the Award may be entered in any Court of competent jurisdiction.

11. To the extent allowed by law, it is understood and agreed by and between the parties hereto that the Inspector/Inspection Company is not an insurer, that the payment for the subject inspection is based solely on the value of the service provided by the Inspector/Inspection Company in the performance of its limited visual inspection and production of a written inspection report as described herein, that it is impracticable and extremely difficult to fix the actual damages, if any, which may result from a failure to perform such services, and a resulting loss that the Inspector/Inspection Company's and its officers,' agents,' or employees' **liability hereunder shall be limited and fixed in an amount equal to one hundred fifty percent (150%) of the inspection fee,** as liquidated damages, and not as penalty, and this liability shall be exclusive.

The Fee for the Visual Inspection and Report is: \$400.00

CLIENT: William & Beverly Heinze (sign) _____
Date: _____

Country Home Inspection, A Sole Proprietorship

INSPECTION
COMPANY: Clive Belvoir _____

INSPECTOR: _____ (sign) _____

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Letter Code Definitions:

The letter code definitions provide the inspector's professional opinion regarding the finding significance, severity, ramifications, course of action, or path of resolution recommended. If further clarification is desired please contact your inspector.

- (+) The plus sign indicates a plus for the property.
- (A) APPEARANCE Repair or alteration usually improves component appearance and should decrease deterioration.
- (B) BUILDING STANDARDS The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study and corrections as needed are advised.
- (C) CAUTION Caution advised. The situation or problem could be, or could become, hazardous under certain circumstances.
- (D) DAMAGED and/or DAMAGING Significant component damage and/or ongoing damage apparent. Corrections advised.
- (E) EFFICIENCY Repair, alteration or replacement usually improves the efficiency of the component or system.
- (F) FAILURE Failure of a system or component. The system or component fails to operate or to operate properly.
- (H) HAZARD The situation, problem or defect should be considered hazardous. Correction by a qualified licensed contractor is advised.
- (M) MONITOR Monitor the situation on a regular basis. Corrections by a qualified licensed contractor, if and when necessary, are recommended.
- (N) NOTICE Discretion advised. The significance of the situation, problem or defect is uncertain. Further study is advised.
- (P) PREVENTIVE MAINTENANCE Correction or modification decreases the probability of excessive deterioration.
- (R) REVIEW BY SPECIALIST It is recommended that the finding and all associated components be reviewed and corrected as needed, by a qualified licensed contractor.
- (T) TYPICAL/Common Although typical or common for the age of the structure or component, modifications may be in order.
- (U) UPGRADE RECOMMENDED Modification or addition is generally considered an upgrade which may improve safety or efficiency.

IMPORTANT: Findings, Components & Applications Listings:

Each section includes a list of Findings, if any, and a list of Components and applications noted during the inspection. Please note that some components and some applications require additional maintenance and consideration and that the survey of some components is limited. Some component information contains disclosures. Some Findings information may be far-reaching. **To obtain this information you are advised to read all narratives in the Uniform Building Inspection Report™ Reference Manual, referenced by item number, before purchasing the property.**

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 5 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Grounds Survey Findings:

This inspection is not intended to address or include any geological conditions or site stability information. For information concerning these conditions, a geologist or soils engineer should be consulted. Any reference to grade is limited to only areas around the exterior home / of the exposed areas of foundation or exterior walls. 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 or private water, gas and sewer piping or septic systems. Decks and porches are often built close to the ground, where no viewing or access is possible. These areas as well as others too low to enter, or in some manner not accessible, are excluded from the inspection and are not addressed in the report. We recommend that inquiry be made with the seller about knowledge of any prior drainage issues, foundation or structural repairs. In the report, the location of items will be referred to as being located on the front, right, left and rear of the home. Our perspective is from the exterior of the home looking at it from the street.

[E] 0210: Concrete cracks / deterioration noted. Noted on the driveway. Repair, alteration or

replacement usually improves the efficiency of the component or system. See Photo(s) 0210.05.

[R] 0270: Wood deck has signs of dry-rot or fungus damage. Areas of the deck has signs of fungus on the underside of the deck. Recommend refer to pest inspection for further information. It is recommended that the finding be reviewed, and corrected as needed, by a qualified licensed contractor. See Photo(s) 0270.02.

[P] 0270: Wood deck components in contact with earth. Recommend pulling back soil from the piers under the deck as needed. Correction or modification decreases the probability of continued and excessive deterioration. See Photo(s) 0270.05.

[B] 0280: Stair riser varies more than 3/8 of an inch / stair riser over 8 inches in height. Noted on the right exterior side of the home. The exterior stair risers vary more than 3/8 of an inch and are over 8 inches in height. Varied riser heights can be tripping hazards and stairways with varied riser

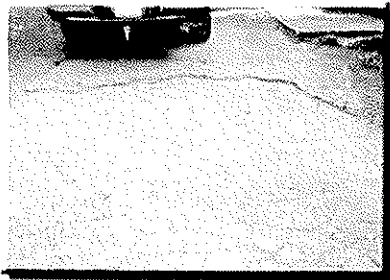


Photo: 0210.05 (1)



Photo: 0270.02 (1)

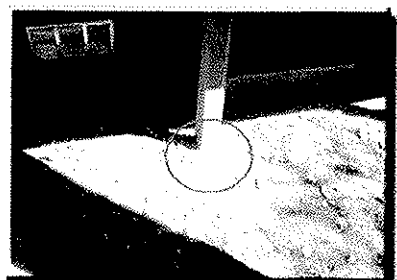


Photo: 0270.05 (1)



Photo: 0280.04 (1)

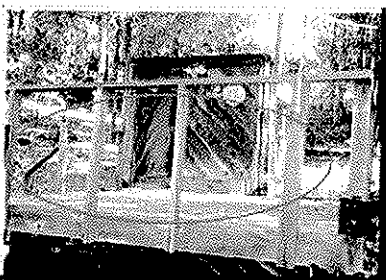


Photo: 0290.11 (1)

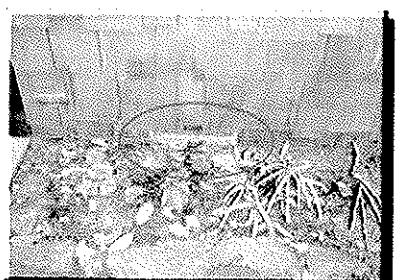


Photo: 0800 Faulty grade noted. (1)

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

heights must be used with caution. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised. See Photo(s) 0290.04.

[U] 0290: Patio/deck guardrail spacing exceeds 4 inches.

Noted on the rear wood deck. Though the guardrail may have conformed to regulations at the time of construction, upgrading to current standards is strongly recommended. Modification or addition is generally considered an upgrade which should improve safety or efficiency. See Photo(s) 0290.11.

[P] 0800: Earth separation from building inadequate. This was noted at a number of areas around the home. Recommend remove soil to provide at least four inches of clearance between earth and siding or other wood products. Correction or modification decreases the probability of continued and excessive deterioration. See Photo(s) 0800.02.

[N] 0800: Faulty grade noted. Noted at the rear exterior of the home. Areas of the

soil appears to be higher than the wood framing. Earth to wood contact is noted. Discretion advised. The significance of the finding is uncertain. Further study by a qualified licensed contractor is advised. See Photo(s) 0800.03.

Grounds Components & Applications:

The following is a list of components, systems, and applications noted during the inspection. This is a very important part of the inspection report. Some components and some applications require additional maintenance and consideration. The survey of some components is limited. Some component information contains disclosures.

Read all narratives in the Uniform Building Inspection Report™ Reference Manual, referenced by item number, before purchasing the property.

SITE ELEMENTS, GRADING, DRAINAGE:

- 01d(1) Above grade (with respect to roadway)
- 01e(1) Low to moderate slope
- 01e(2) Moderate to steep slope
- 01e(3) Cut and fill lot
- 01k Expansive/clay type soil

RETAINING WALLS:



Photo: 0800.02 (1)

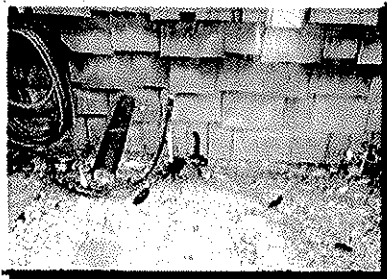


Photo: 0800.03 (1)

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

03b(1) Part of building foundation
03c Wood

FENCES & GATES:

04c(1) Wood
04d Metal, chain-link, or wire

WALKS, DRIVES, & PARKING:

05b(1) Cement concrete walks/drives
05c Gravel/dirt walks/drives

**ATTACHED AND DETACHED UNCOVERED
EXTERIOR DECKS / BALCONIES / PATIOS:**

05a(4) Wood deck
05a(5) Composite deck
05a(8) Deck soffit (underside(s)) unenclosed

**ATTACHED AND DETACHED EXTERIOR STEPS
AND STAIRWAYS:**

05e(1) Wood stairway / steps
05e(5) Handrails / guardrails

GROUNDS/PARKING LIGHTING:

06c 110/120 volt lighting/outlets

MISC. GROUNDS DEVICES & OUTBUILDINGS:

No misc. grounds devices noted
Outbuildings were not inspected
02e(1) Storage shed

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 8 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Exterior / Roof Survey Findings:

Areas hidden from view by finished walls or stored items cannot be judged and are not part of this inspection. All exterior grades should allow for surface and roof water to flow away from the foundation. The foregoing is an opinion of the general quality and condition of the roofing material. The inspector cannot and does not offer an opinion or warranty as to whether the roof leaks or may be subject to future leakage. This report is issued in consideration of the forgoing disclaimer. The only way to determine whether a roof is absolutely water tight is to observe it during prolonged rainfall. Many times, this situation is not present during the inspection.

[R] [M] 1010: Roof weathering, showing signs of aging.
Noted on the rear section of the roof over the kitchen. The roof is showing signs of aging. It is uncertain of the exact age of the roof. The roof does appear to be serviceable. Monitor the situation on a regular basis. Corrections by a qualified licensed contractor, if and when necessary, are recommended.
See Photo(s) 1010.

[E] 1292: Gutter installation recommended.

It is recommended that all water be channeled or directed away from the home. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 1292.

[R] 1310: Siding damaged.
Siding at a number of areas of the home has signs of dry-rot or fungus damage. Recommend refer to pest inspection for further information concerning all areas of dry-rot or fungus damage. Areas of the shingles are gapped. Noted on the home and garage.
Recommend refer to pest inspection for further information concerning all areas of dry-rot or fungus damage. It is recommended that the finding be reviewed, and corrected as needed, by a qualified licensed contractor.
See Photo(s) 1310.04.

[E] 1510: Insulated window (I.G.) appears to have lost seal.
This was noted at a few windows at various areas of the home. When dual glaze windows lose the seal between the panes they will usually "fog up." Although this is mostly a cosmetic problem some insulating qualities will be lost and the window or windows should be considered a failure. Window

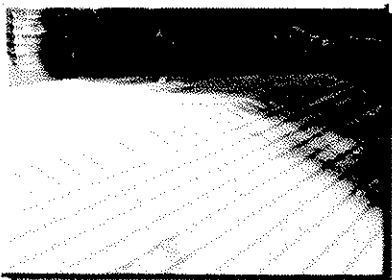


Photo: 1010 (1)

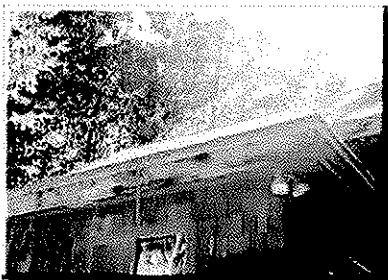


Photo: 1292 (1)

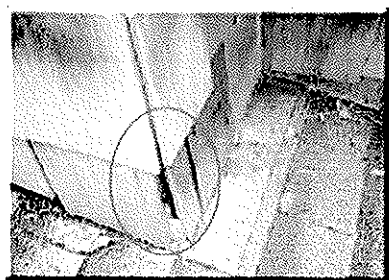


Photo: 1310 Siding gapped. Flashing exposed above water heater closet (1)

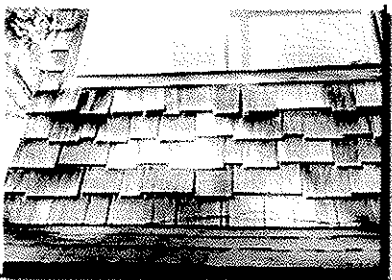


Photo: 1310 Siding warped and loose (1)

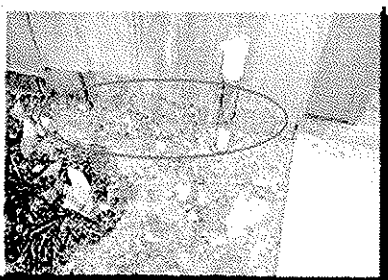


Photo: 1310.04 (1)

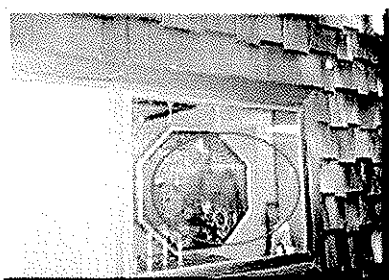


Photo: 1510 (1)

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

panes which have lost their seal will ordinarily have to be removed and replaced. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 1510.

10h Sliding sash
10n Picture window(s)
10t Garden window

SKYLIGHT(S):
10f Skylight(s)

Exterior Components & Applications:

The following is a list of components, systems, and applications noted during the inspection. This is a very important part of the inspection report. Some components and some applications require additional maintenance and consideration. The survey of some components is limited. Some component information contains disclosures.

ENTRY DOORS:
12b Solid core
12c(1) Glass (large pane(s))

Read all narratives in the Uniform Building Inspection Report™ Reference Manual, referenced by item number, before purchasing the property.

VEHICLE DOORS and SAFETY REVERSE DEVICES:
14e Swing-out
14f Wood (frame/skin)

ROOF REVIEW METHOD:

17b The roof was partially viewed due the various reasons. Roof penetrations were not fully observed.
17f Viewed from ground
17g Partially traversed

ROOF / DECK STYLES:

13d(2) Dutch gable or hip
13t 4 to 6/12 pitch

ROOF/DECK/FLOOR WATERPROOFING MATERIALS:

15b Comp shingles

ROOF FLASHING AND PENETRATIONS:

15p Metal flashing

GUTTERS / ROOF DRAINS:

No gutters installed

WALL CLADDING MATERIALS (Siding), FLASHING & TRIM:

16g Wood shingle siding
16q(2) Wall flashing partially visible
16r Exterior trims (all types)

EAVES, SOFFITS, FASCIA, PORCHES & RAILINGS

16s(1) Eaves with covered soffit(s)
16s(6) Visible fascias

WINDOWS AS VIEWED FROM EXTERIOR (see Interior Section also):

10a Multi-glaze (I.G.)
10b Single glaze
10c(1) Metal sash

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 10 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

HVAC Survey Findings:

(Includes Air Conditioning / Fireplace(s) / Stove(s) and Chimney(s), if present)

The inspector is not equipped to inspect furnace heat exchangers for evidence of cracks or holes, as this can only be done by dismantling the unit. This is beyond the scope of the inspection. Some furnaces are designed in such a way that the inspection is almost impossible. The inspector cannot light pilot lights. Safety devices are not tested by the inspector. NOTE: Asbestos materials have been commonly used in heating systems. Determining the presence of asbestos can only be performed by laboratory testing and is beyond the scope of this inspection. Thermostats are not checked for calibration or timed functions. Adequacy, efficiency or the even distribution of air through out a building cannot be addressed by a visual inspection. Normal service and maintenance is recommended on a yearly basis.

[Note] 2030: Under 65 degrees F (cannot test air conditioner in cooling mode)
The furnace and A-C units appear to be new. The unit could be damaged if operated. Even when no damage occurs the unit does not operate efficiently at

lower temperatures and will give misleading results.

[P] 2200: Ducting in contact with earth.
This was noted at various areas of the sub-area. Recommend raising all ducts that are in contact with the earth. Correction or modification decreases the probability of continued and excessive deterioration. See Photo(s) 2200.05.

[E] 2210: Ducting insulation damaged.
Noted on a few sections of the ducts under the home. Small holes were noted on the ducting wrap. Repair, alteration or replacement usually improves the efficiency of the component or system. See Photo(s) 2210.02.

HVAC / Fireplace / Stove Components:

The following is a list of components, systems, and applications noted during the inspection. This is a very important part of the inspection report. Some components and some applications require additional maintenance and consideration. The survey of some components is limited. Some component information contains disclosures.

Read all narratives in the Uniform Building Inspection

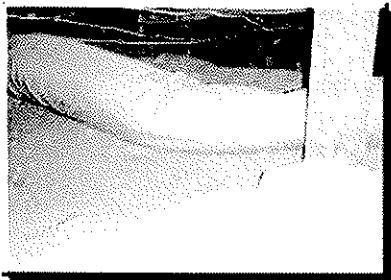


Photo: 2200.05 (1)

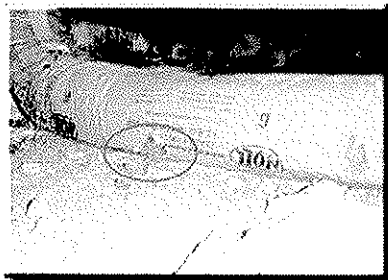


Photo: 2210.02 (1)

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 11 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Report™ Reference Manual, referenced by item number, before purchasing the property.

HEATING EQUIPMENT LOCATION(S):

Heating equipment #1 is located in a closet accessible only on the outside of the building.

HEATING SYSTEM(S):

21a(2) LP gas heating: If not presently installed, the installation of a carbon monoxide (CO) detector in each sleeping room is highly recommended.

21e Forced air heat

21m(1) Self igniting pilot light

21m(3) Automatic safety controls. This includes pilot lights, thermocouples, limit switches, safety disconnects, panel switches, etc.

21n Visually restricted heat exchanger

HEATING EQUIPMENT THERMOSTATS / OPERATING CONTROLS / ZONING

22a Set-back thermostat(s)

24b Disposable or washable filters

25a Heat Distribution Methods

25a(2) Ducting (forced air)

APPROXIMATE AMBIENT TEMPERATURE AND TEMPERATURE DIFFERENTIAL TEST RESULTS, IF TAKEN:

Outside Temp. = Outside temp. = 65 degrees

Unit 1 Temperature Differential = Not taken

COOLING / VENTILATION SYSTEM(S):

20a(1) Electric cooling system

20c(1) Condenser/evaporator separate (split system)

FIREPLACE(S), STOVE(S):

No fireplace or stove noted

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Pool / Spa Survey Findings:

Pools, spas and their components are not inspected and are not part of the home inspection. It is highly recommended that if the property has a pool or spa you have a qualified pool inspector perform an inspection of the pool and spa and all of the components involved. The numbers on findings for pool, do not convert to the reference manual.

No Pool / Spa Findings Noted.

Pool / Spa Components & Applications:

The following is a list of components, systems, and applications noted during the inspection. This is a very important part of the inspection report. Some components and some applications require additional maintenance and consideration. The survey of some components is limited. Some component information contains disclosures.

Read all narratives in the Uniform Building Inspection Report™ Reference Manual, referenced by item number, before purchasing the property.

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Plumbing Survey Findings:

Water quality or hazardous materials (lead) testing is available from local testing labs. All underground piping related to water supply, gas supply, waste or sprinkler use are excluded from this inspection. Leakage or corrosion in underground piping cannot be detected by a visual inspection. Washing machines and dryers are not tested and are not part of the home inspection.

[+] 4400: Water pressure was typical at the time of the inspection.
The water pressure was approximately 40 PSI at the time of the inspection. Normal is 40 to 80 PSI.

Plumbing Components & Applications:

The following is a list of components, systems, and applications noted during the inspection. This is a very important part of the inspection report. Some components and some applications require additional maintenance and consideration. The survey of some components is limited. Some component information contains disclosures.

Read all narratives in the Uniform Building Inspection Report™ Reference Manual, referenced by item number, before purchasing the property.

MAIN WATER SOURCE, SHUTOFF LOCATION, VACUUM BREAKERS AND ANTI-SIPHON DEVICES:

- 45a Main water valve located at the tank.
- 45f Water supply approximate size: 3/4"
- 42b Private well water supply indicated
- 45d Handle type main water valve installed

FUNCTIONAL FLOW AND FUNCTIONAL DRAINAGE:

- 47a Functional water flow tested
- 47b Functional drainage tested

PRIMARY INTERIOR HEATING ENERGY SOURCE AND SHUTOFF LOCATION:

- 44b LPG (liquid petroleum gas)
LPG shutoff valve located at the tank.

WATER HEATER(S):

- 43a(3) LPG water heater(s)

WATER HEATER AUTOMATIC SAFETY CONTROL DEVICE(S) OBSERVED:

- 43k Temperature, pressure relief valve
- 43n Thermocouples, other safety control devices

WATER HEATER LOCATION(S), APPROXIMATE AGE(S) AND SIZE(S):

Water Heater #1 is located in an outside closet. The approximate age of this water heater is MFG 2007
Its approximate size is 40 gals.

APPLIANCE VENT TYPES AND CONDITION:
41a(1) Sheet-metal appliance vents

LAUNDRY FACILITIES AND VENTING:

- 40a Washer connections
- 40b Electric dryer connections
- 40e Utility sink
- 40k Dryer vent terminates at vertical exterior wall

INTERIOR WATER SUPPLY AND DISTRIBUTION PIPING:

- 41c Copper/brass water lines visible

FUEL DISTRIBUTION PIPING AND SUPPORTS:

- 41g Steel gas/oil lines visible
- 41j Flex gas/oil connectors visible
- 41k Galv. gas/oil lines/fittings visible

WASTE AND VENT PIPING SYSTEM:

- 41q Plastic drain lines visible
- 41q(1) Acrylonitrilebutadiene-styrene (ABS)

SEWAGE DISPOSAL:

- 46b Private sewage disposal

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 14 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Electrical Survey Findings:

Any electrical repairs attempted by anyone other than a licensed electrician should be approached with caution. The power to the entire house or building should be turned off prior to beginning any repair efforts, no matter how trivial the repairs may seem. Aluminum wiring requires periodic inspection and maintenance by a qualified licensed electrician. Operation of time clock motors is not verified. Inoperative light fixtures often lack bulbs or have dead bulbs installed. Light bulbs are not changed during the inspection, due to time constraints.

[E] 5040: Service drop anchoring pulled loose. Recommend securing the anchor as needed. Repair, alteration or replacement usually improves the efficiency of the component or system. See Photo(s) 5040.03.

[B] [E] 5100: Sub panel screws improper. Noted in the garage. The screws have pointed ends and do not properly secure the cover. Repair, alteration or replacement usually improves the efficiency of the component or system. See Photo(s) 5100.13.

[B] 5120: Breaker knockout missing from main panel (exposes bus bar). Recommend installing knock-out covers at the panel. Knock-out covers are plastic covers that cover exposed bus bars. Usually these are simply snapped into place. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised. See Photo(s) 5120.01.

[B] 5150: Wire color incorrect (only grounded conductors should be green, white, gray or bare). Noted in the main panel. When white wires are connected to a breaker, the wires should be marked as hot wires on both ends of the wires or where the wires are visible. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised. See Photo(s) 5150.

[B] 5260: Breaker amperage exceeds wire capacity. Noted in the main panel on a 40 amp breaker. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised. See Photo(s) 5260.

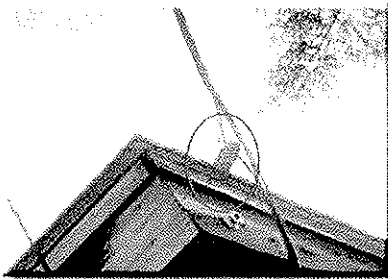


Photo: 5040.03 (1)

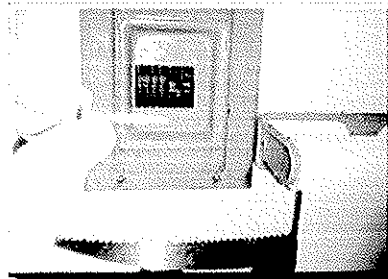


Photo: 5100.13 (1)

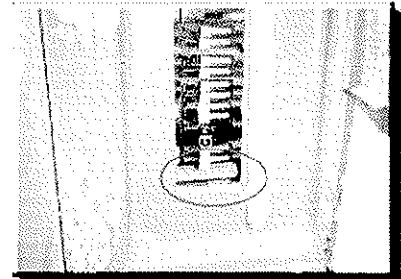


Photo: 5120.01 (1)

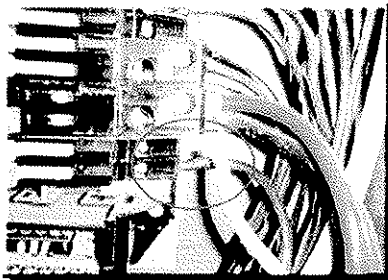


Photo: 5150 (1)



Photo: 5260 (1)

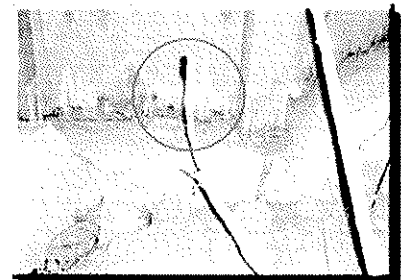


Photo: 5300 (1)

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

[T] 5280: Main panel too close to ground surface. Noted in the stairway. No breaker should be closer than 2 feet 6 inches of the standing surface. Although typical or common for the age of the structure or component, modifications and/or repairs may be in order.

[B] 5300: Junction box not installed as required (exposed splice). Noted in the sub-area under the front door area. Junction boxes are required to prevent accidental contact with the splice and to confine heat in the event of an overheated splice. Recommend repair as soon as possible. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised. See Photo(s) 5300.

[B] 5310: Junction box cover plate missing. Noted in the upper bedroom on a light above the framing. Recommend installing new junction box covers where needed. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised.

See Photo(s) 5310.01.

[B] 5340: Box wire clamp not installed. Noted in the main panel. Recommend installing box clamps as needed. Box clamps prevent the wires from possibly rubbing the metal edge. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised. See Photo(s) 5340.11.

[N] 5490: Zinsco electrical panel installed. The main and sub-panel is manufactured by Zinsco / Sylvania. There have been documented problems with the breakers used in this panel. In some cases, when tested, these type of breakers did not trip at the correct amperage. Under the right circumstances this could be fire / safety hazard. We recommend further evaluation by a licensed electrician prior to the release of the inspection contingency. Discretion advised. The significance of the finding is uncertain. Further study by a qualified licensed contractor is advised. See Photo(s) 5490.03.

[E] 5570: Reversed polarity receptacle outlet (hot lead on neutral side indicated by circuit tester).

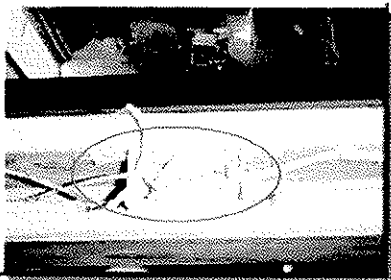


Photo: 5310.01 (1)

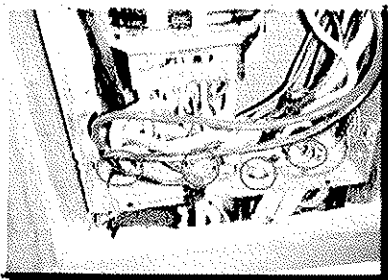


Photo: 5340.11 (1)

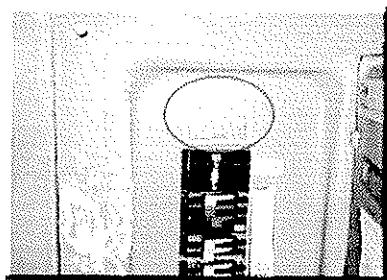


Photo: 5490.03 (1)

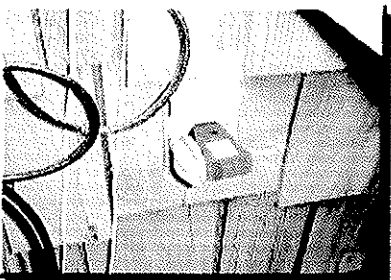


Photo: 5570.01 (1)

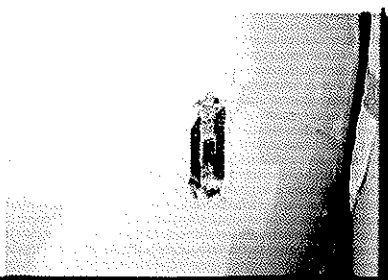


Photo: 5640 (1)

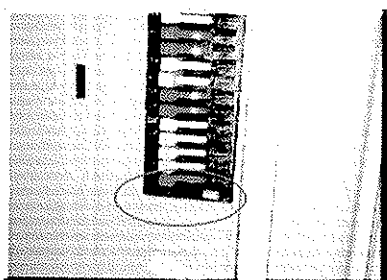


Photo: 5750.10 (1)

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Noted at the front exterior of the home at the left side of the front door. Reverse polarity means the neutral is on the "hot" side of the outlet and vice-versa. Although the outlet will operate the condition could allow electricity to pass through the case or handle of some tools and appliances. Reversed polarity outlets should be corrected. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 5570.01.

[B] 5640: Face or cover plate needed.
Noted in the furnace closet. Recommend replacing the faceplate as needed. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised.
See Photo(s) 5640.

[E] 5750: GFCI breaker fails fault test.
Noted in the sub-panel located in the laundry room. The breaker may be in need of replacement. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 5750.10.

[U] 5760: GFCI protection not provided at kitchen / exterior / half and studio bath receptacles.
As an extra precaution and for safety it is a recommended upgrade that this component be installed when possible. Recommend GFCI type outlets that are within 72 inches of the sinks or wet areas be installed. Modification or addition is generally considered an upgrade which should improve safety or efficiency.

[Note] 5910: The private generator was not inspected and is not part of the home inspection.

Electrical Components & Applications:

The following is a list of components, systems, and applications noted during the inspection. This is a very important part of the inspection report. Some components and some applications require additional maintenance and consideration. The survey of some components is limited. Some component information contains disclosures.

Read all narratives in the Uniform Building Inspection Report™ Reference Manual, referenced by item number, before purchasing the property.

MAIN / SUB-PANEL LOCATION(S):

Main service panel located at the stairway.

Sub-panel #1 located in the laundry room.

Sub-panel #2 located in the garage.

SERVICE DROP/SERVICE LATERAL & SERVICE PANEL:

51b Overhead service drop
51m The service entrance conductor materials could not be ascertained
51c Private generator
51e Exterior main service panel
51g Single disconnect

SERVICE AMPERAGE / VOLTAGE, ETC.:

52b 110/120 volt service
52c 220/240 volt service
52d Single phase
52j The service amperage rating is 125 amps.
(This was determined by the amperage rating of the main disconnect)

DISTRIBUTION SYSTEMS:

53a Sub-panel(s)
53b Circuit breakers
53f Nonmetallic sheathed cable ("Romex")
53j Copper wires
53k(1) Stranded aluminum wire noted in single branch circuit(s).
Stranded aluminum wire is acceptable in single branch circuits. This would include circuits for dryers, ovens, ranges, AC units, etc.

A Representative Number of Lights and Switches were Tested.

A Representative Number of Receptacles were Tested.

GROUNDING METHOD, ETC.:

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 17 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

54 Grounding method not ascertained

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 18 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Bathroom Survey Findings:

Shower pans are visually checked for leakage, but leaks often do not show except when the shower is in actual use. Determining whether shower pans, tub/shower surrounds are water tight is beyond the scope of this inspection. It is very important to maintain all grouting and caulking in the bath wet areas. Very minor imperfections can allow water to get into the wall or floor areas and cause damage. Areas of damage can be hidden from floor coverings. Floor coverings are not pulled up. Proper ongoing maintenance will be required in the future.

[E] 6070: Tile or grout loose.
Noted in the studio at areas around the bathtub. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 6070.04.

[P] 6770: General caulking and sealing needed.
Noted at various areas of the bathrooms. Caulking eventually loses its watertight seal around bathtubs, showers, and sinks. It will therefore be necessary to re-caulk around these areas to help prevent water damage to walls, cabinets, floors, ceilings, structural

members, etc. Water allowed on these components can cause severe damage. Good maintenance, which includes keeping these spots well sealed, will help prevent more costly repairs later on. Correction or modification decreases the probability of continued and excessive deterioration.
See Photo(s) 6770.04.

Bath Components & Applications:

The following is a list of components, systems, and applications noted during the inspection. This is a very important part of the inspection report. Some components and some applications require additional maintenance and consideration. The survey of some components is limited. Some component information contains disclosures.

Read all narratives in the Uniform Building Inspection Report™ Reference Manual, referenced by item number, before purchasing the property.

BATHTUB TYPE(S):
60a(1) Cast iron bathtub(s)

SHOWER FLOOR TYPE(S):
60a(2) Tub/shower combination

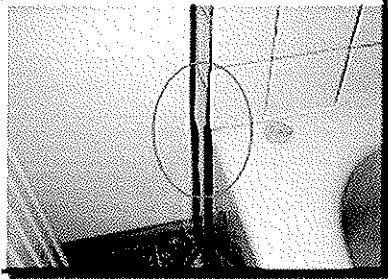


Photo: 6070.04 (1)



Photo: 6770.04 (1)

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 19 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

60f (2) Tile shower floor(s)

TUB/SHOWER WALLS:

62a Floated tile walls
62b Mastic tile walls
62m Other wall types
62h(1) The tub and/or shower door(s) appeared to be safety glaze

WASH BASIN(S):

64a Cast iron wash basin(s)
64j Self-rimming wash basin(s)

COUNTERTOP MATERIALS:

65a Floated tile countertop(s)

WATER CLOSET(S):

63a(1) Down-flush toilet

PLUMBING AND ACCESSORIES:

61a "Washerless" faucet(s)
61b Washer type faucet(s)
61c Diverter valve(s)
61d Pop-up stopper(s)
64n Under-sink valves

VENTILATION, SUPPLEMENTAL HEATING AND ELECTRICAL:

66a(1) Openable window(s)
66d Heat lamp(s)
66g GFCI Receptacle(s)

FLOOR(S):

67c Vinyl floor(s)
67f Wood subfloor

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 20 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Interior Survey Findings:

The condition of walls behind wall coverings, paneling and furnishings cannot be judged. Only the general condition of visible portions of floors is included in this inspection. As a general rule, cosmetic deficiencies are not a part of this inspection. Floor covering or damage may be hidden by furniture or storage. The condition of floors underlying floor coverings is not inspected. Determining the condition of insulated glass is not always possible due to temperature, weather and lighting conditions. Smoke alarms should be installed within 15 feet of bedroom doors and tested monthly. As a safety enhancement installing smoke alarms in all bedrooms or sleeping areas.

[R] 7000: Stain noted on interior surface. Noted in the furnace closet and in the kitchen / dining room on the ceiling. A few stains were noted on the ceilings at various areas of the home. Recommend the roof be further evaluated by a qualified roofing contractor. It is recommended that the finding be reviewed, and corrected as needed, by a qualified licensed contractor.
See Photo(s) 7000.01.

[N] 7000: Mildew noted on interior surface. Noted in the garage on the ceiling. A few stains were also noted. Although the inspector may suspect mildew, or other fungi, we cannot be certain without laboratory testing of the surface material. Such tests are not part of the Visual Inspection Service. Discretion advised. The significance of the finding is uncertain. Further study by a qualified licensed contractor is advised.
See Photo(s) 7000.10.

[R] 7010: Water intrusion evidence or water damage noted. Noted on the sliding glass door in the living room. Sub-floor damage was noted. Recommend the carpet be pulled back and the floor further inspected. It is recommended that the finding be reviewed, and corrected as needed, by a qualified licensed contractor.
See Photo(s) 7010.

[Note] 7200: Floor or flooring sloped. The floors has a moderate slope at various areas of the home. To find the cause of the slope recommend further inspection by a Structural Engineer or a General Contractor. Mainly noted in the living room at the right rear corner.



Photo: 7000 Stain noted in the kitchen on ceiling (1)

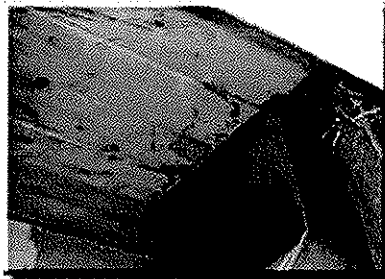


Photo: 7000.01 (1)

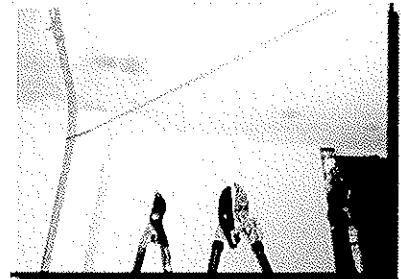


Photo: 7000.10 (1)

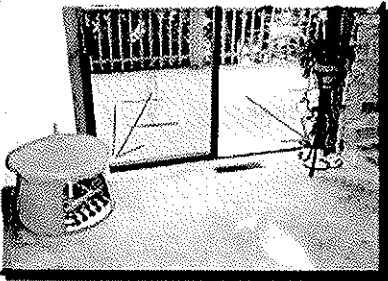


Photo: 7010 (1)

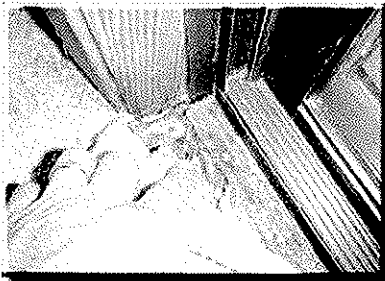


Photo: 7010 (2)

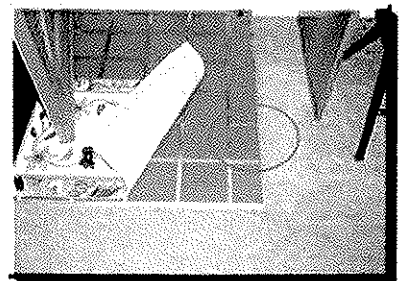


Photo: 7240.02 (1)

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

[E] 7240: Floor tile or grout loose.
Noted in the entry way to the studio, a few tiles are starting to get loose. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 7240.02.

[E] 7450: Door weather-strip needed.
Noted at the front door. Recommend installing weather strip as needed. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 7450.01.

[B] 7800: Smoke alarm inoperative.
Recommend replacing all non working smoke alarms and installing the smoke alarms outside the bedrooms and on all levels of the home. As a safety enhancement install smoke alarms in the bedrooms. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised.
See Photo(s) 7800.02.

Interior Components & Applications:

The following is a list of components, systems, and applications noted during the inspection. This is a very important part of the inspection report. Some components and some applications require additional maintenance and consideration. The survey of some components is limited. Some component information contains disclosures.

Read all narratives in the Uniform Building Inspection Report™ Reference Manual, referenced by item number, before purchasing the property.

WALLS AND CEILINGS:

70b Drywall
70d(1) Paneling
70d(2) Wood
70g Mirrors (plate or tiles)
70n Open-beam ceiling(s)

FIRE SEPARATION WALLS AND CEILINGS

FIRE SEPARATION DOOR(S)

EXTERIOR AND INTERIOR DOOR SYSTEMS:

71a Bi-fold door(s)
71e Hinged door(s)
71f Sliding glass door(s)

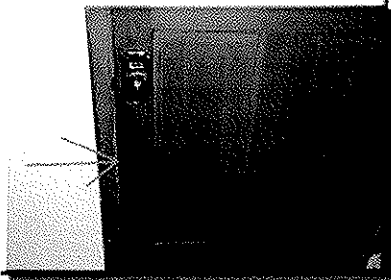


Photo: 7450.01 (1)

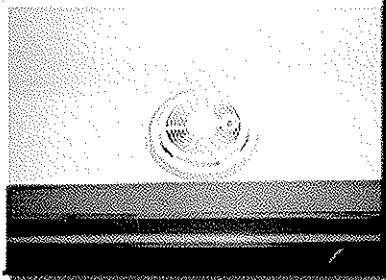


Photo: 7800.02 (1)

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 22 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

71h Dead bolt(s)

WINDOWS

75a A representative number of windows were tested.

INTERIOR STYLES, STAIRS, ETC.:

72a Volume, vaulted or high ceilings

72c Nominal 8' ceilings

72e Below or at-grade room(s)

72f(1) Multi story

72f(2) Split level

72g(1) Wood stairway/steps

72h Furnished and/or occupied

72j Room(s) over garage

FINISH FLOORING:

73a Carpet

73c Vinyl and baseboard

73e(1) Tile (All types)

MISC. SYSTEMS:

74a(1) Smoke alarm

74e(3) Interior cabinetry

74h Ceiling fan(s)

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 23 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Kitchen Survey Findings:

Inspection of stand alone freezers and built in ice makers are out of the scope of the inspection. No opinion is offered as to the adequacy of dishwasher operation. Ovens, self or continuous cleaning operations, cooking functions, clocks, timing devices and thermostat accuracy are not tested during this inspection. Appliances are not moved during the inspection. Portable dishwasher or appliances are not inspected.

[E] 8660: Sink faucet leaks at spout swivel. Noted on the kitchen sink faucet. A drip was noted under the kitchen sink. Recommend replacing the faucet. Repair, alteration or replacement usually improves the efficiency of the component or system. See Photo(s) 8660.02.

[A] 8800: Kitchen tile or grout cracked / chipped. This was noted at various areas of the kitchen counters. Maintenance, alteration or repair could be expected to improve component appearance and may decrease deterioration. See Photo(s) 8800.01.

Kitchen Components & Applications:

The following is a list of components, systems, and applications noted during the inspection. This is a very important part of the inspection report. Some components and some applications require additional maintenance and consideration. The survey of some components is limited. Some component information contains disclosures.

Read all narratives in the Uniform Building Inspection Report™ Reference Manual, referenced by item number, before purchasing the property.

RANGE(S) / COOKTOP(S):

80a(2) Electric range or cooktop
80b Free-standing range

OVEN(S):

83a(2) Electric oven
83b Free-standing oven

VENTILATION:

81e Openable window

CABINETS:

84c Built-in or custom cabinets

COUNTERTOP(S) AND BACKSPLASH:

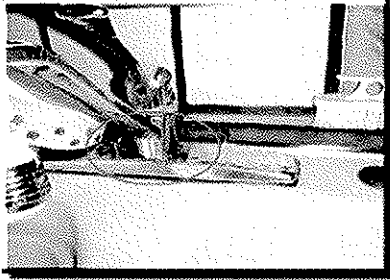


Photo: 8660.02 (1)

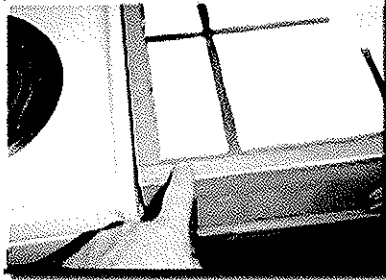


Photo: 8800.01 (1)

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 24 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

86a Floated tile

SINK(S):

82a(1) Cast iron sink

82f Let-in

82g Washerless faucet

REFRIGERATOR(S):

85c Electric refrigerator

LIGHTING AND ELECTRIC:

87a Counter outlets

87c Incandescent lighting

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 25 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Structure Survey Findings:

Minor cracks are typical in many foundations and most do not represent a structural problem. All exterior grades should allow for surface and roof water to flow away from the foundation. All concrete floor slabs experience some degree of cracking due to shrinkage in the drying process. In most instances floor coverings prevent recognition of cracks or settlement. Where carpeting and other floor coverings are installed, the materials and condition of the flooring underneath cannot be determined. A current pest inspection is advised on all structures.

[N] 9110: Foundation bolts have been installed under the left bedroom and possibly the kitchen. Under the living room the post have simpson ties into the concrete. These would not be considered as bolted. Discretion advised. The significance of the finding is uncertain. Further study by a qualified licensed contractor is advised.
See Photo(s) 9110.

[R] 9200: Beam end not properly supported.
Noted in the sub-area under the living room (under the right rear corner). Recommend a post and pier be

installed as needed. It is recommended that the finding be reviewed, and corrected as needed, by a qualified licensed contractor.
See Photo(s) 9200.01.

[R] 9220: Cripple bracing improper.
Noted in the sub-area. Bracing has been installed. Improper nailing is noted on the bracing. Areas of the bracing is loose. Also recommend installing vents on the cripple wall for air flow and ventilation. Damage is noted on the cripple bracing at the right rear corner. Stains were noted at various areas of the bracing. It is recommended that the finding be reviewed, and corrected as needed, by a qualified licensed contractor.
See Photo(s) 9220.10.

[E] 9440: Sub-area ventilation insufficient.
Foundation vents are usually required at the rate of one square foot of opening for each 150 square feet of floor space. Recommend installing extra sub-area vents with cross ventilation. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 9440.10.

[P] 9450: Cellulose debris (scrap wood ect.) present



Photo: 9110 (1)

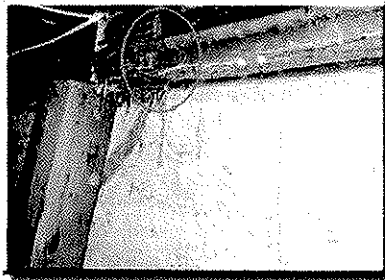


Photo: 9200.01 (1)

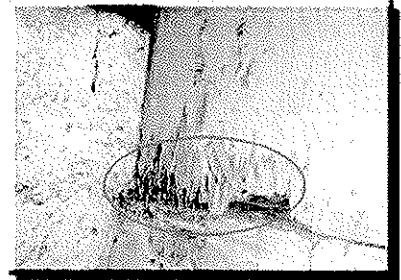


Photo: 9220 Damage noted to bracing (1)



Photo: 9220.10 (1)

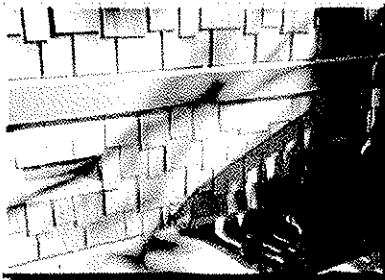


Photo: 9440.10 (1)

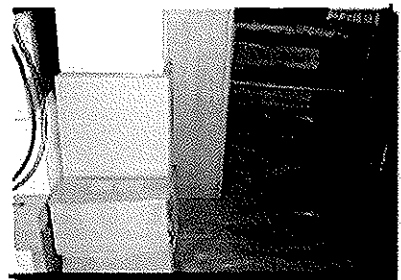


Photo: 9450 (1)

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 26 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

in sub-area.
Recommend removing all scrap wood, cardboard and personal storage from the sub-area. Correction or modification decreases the probability of continued and excessive deterioration.
See Photo(s) 9450.

[E] 9620: Attic vents are the louvered type / insufficient.
Several of the attic screens are louvered. These types of vents can block the air-flow. Recommend the louvered vents be replaced with galvanized mesh screens. Recommend installing extra vents. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 9620.04.

[Note] 9810: Remodel, alterations, or additions noted.
Several areas of the home have been remodeled, added or upgraded. Be sure to check for permits. The inspector does not ascertain whether or not permits were used.

[R] 9830: Review pest inspection report for wood rot and wood boring insect information.

Be aware that a Home Inspection and a Pest Inspection are two different Inspections. It is always recommended that a current Pest Inspection be performed for pest damage and possibly dry-rot or fungus damage. Be sure to carefully read the entire Pest Inspection report. It is recommended that the finding be reviewed, and corrected as needed, by a qualified licensed contractor.

[N] 9850: Rodent activity noted.
Evidence of prior rodent activity was noted in the sub-area. You may desire to have treatment carried out by a licensed exterminator. Discretion advised. The significance of the finding is uncertain. Further study by a qualified licensed contractor is advised.

[N] 9870: Access impaired, the sub-area was not inspected under the kitchen / laundry room.
No access door was noted to the sub-area. The sub-area was not inspected. Recommend an access door be made and the sub-area be fully inspected. Discretion advised. The significance of the finding is uncertain. Further study by a qualified licensed contractor is advised.



Photo: 9620.04 (1)

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Structure Components & Applications:

The following is a list of components, systems, and applications noted during the inspection. This is a very important part of the inspection report. Some components and some applications require additional maintenance and consideration. The survey of some components is limited. Some component information contains disclosures.

Read all narratives in the Uniform Building Inspection Report™ Reference Manual, referenced by item number, before purchasing the property.

INSPECTED STRUCTURES BUILDING TYPE:

94a Single family residence

APPROXIMATE ERA OF CONSTRUCTION:

91b 1963 to 1983

ROOF/CEILING STRUCTURAL COMPONENTS:

90b(1) Site-framed roof system

90e T and G roof sheathing

FLOOR STRUCTURAL COMPONENTS:

90b(2) Site-framed floor system

90f Plywood/OSB subfloor

90h 2" x 6" T and G subfloor

90j(1) Concrete slab floor

EXTERIOR WALLS STRUCTURAL COMPONENTS:

90t Wood framing

FOUNDATION AND/OR BASEMENT STRUCTURES WHERE VISIBLE (if basement present):

93m Bolted sill plate

93a Concrete pier and/or perimeter foundation

93j Post and pier/beam

93k Grade beams

SUB-AREA OBSERVATION EXTENT AND METHOD:

97b Partially viewed

SUB-AREA ACCESS LOCATION:

A sub-area access is located at the front exterior of the home. There may be other sub-area access locations not listed here.

93e(2) Below grade crawl space with foundation partially below grade

92b Sub-area ventilation

APPROXIMATE ATTIC INSULATION THICKNESS:

(In many cases, such as with flat or vaulted roof structures without attics, the inspector cannot ascertain the thickness of the insulation or whether any is installed. An indication of insulation thickness

does not guarantee complete coverage. The presence of wall insulation generally cannot be ascertained at all)

95e The presence of attic/ceiling insulation could not be determined

APPROXIMATE FLOOR INSULATION THICKNESS:

95e None (floor)

INSTALLED ATTIC AND FLOOR INSULATION TYPES:

Insulation presence and type not fully ascertainable

VAPOR RETARDERS/BARRIERS:

Additional Information:

Note: Read the first page of the Uniform Building Inspection Report Reference Manual and the Standards of Practice for an insight into the scope of the inspection.

The inspection represents the condition of the visually inspected areas of the property on the date of the inspection. Component conditions may change between the date of the inspection and the title transfer date. A thorough walk-through prior to title transfer helps protect against unexpected surprises, and is recommended. The purchase of a home warranty is highly recommended. It is recommended that any deficiencies and components / systems related to these deficiencies noted in the report be evaluated / inspected and repaired as needed by a licensed contractor prior to the close of escrow. Further evaluation prior to the close of escrow is recommended so a properly licensed professional can evaluate our concerns further and inspect the remainder of the system or component for additional concerns that may be out of the scope of our inspection. Please call our office for any clarifications or further questions.

This property inspection is not valid without a signed inspection agreement by both parties. Both parties being the buyer or the seller and the home inspector.

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 28 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Summary of Findings:

The condensed version is not the entire report and should not be considered exclusive. The below listed items were observed as not part in working condition, and in need of repairs or replacement. Some comment items have supporting photographs imported into the detailed report for your review. The report summary page is provided as a courtesy for quicker access to the information within the inspection report. The report reflects the condition of the property on the day of the inspection only.

Grounds Findings:

[E] 0210: Concrete cracks / deterioration noted. *Not possible*
Noted on the driveway. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 0210.05.

[R] 0270: Wood deck has signs of dry-rot or fungus damage. *Repair*
Areas of the deck has signs of fungus on the underside of the deck. Recommend refer to pest inspection for further information. It is recommended that the finding be reviewed, and corrected as needed, by a qualified licensed contractor.
See Photo(s) 0270.02.

[P] 0270: Wood deck components in contact with earth. *Not applicable - treated wood*
Recommend pulling back soil from the pier *is* under the deck as needed. Correction or modification decreases the probability of continued and excessive deterioration.
See Photo(s) 0270.05.

[B] 0280: Stair riser varies more than 3/8 of an inch / stair riser over 8 inches in height. Noted on the right exterior side of the home. The exterior stair risers vary more than 3/8 of an inch and are over 8 inches in height. Varied riser heights can be tripping hazards and stairways with varied riser heights must be used with caution. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised.
See Photo(s) 0280.04.

[U] 0290: Patio/deck guardrail spacing *N.A.* exceeds 4 inches. Noted on the rear wood deck. Though the guardrail may have conformed to regulations at the time of construction, upgrading to current standards is strongly recommended. Modification or addition is generally considered an upgrade which should improve safety or efficiency.
See Photo(s) 0290.11.

[P] 0800: Earth separation from building inadequate. *corrected*
This was noted at a number of areas around the home. Recommend remove soil to provide at least four inches of clearance between earth and siding or other wood products. Correction or modification decreases the probability of continued and excessive deterioration.
See Photo(s) 0800.02.

[N] 0800: Faulty grade noted. *corrected*
Noted at the rear exterior of the home. Areas of the soil appears to be higher than the wood framing. Earth to wood contact is noted. Discretion advised. The significance of the finding is uncertain. Further study by a qualified licensed contractor is advised.
See Photo(s) 0800.03.

Exterior/Roof Findings:

[R] [M] 1010: Roof weathering, showing signs of aging. *Not feasible*
Noted on the rear section of the roof over the kitchen. The roof is showing signs of aging. It is uncertain of the exact age of the roof. The roof does appear to be serviceable. Monitor the situation on a regular basis. Corrections by a qualified licensed contractor, if and when necessary, are recommended.
See Photo(s) 1010.

[E] 1292: Gutter installation recommended. It is recommended that all water be channeled or directed away from the home. Repair, alteration or replacement usually improves the

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 29 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

efficiency of the component or system.
See Photo(s) 1292.

[R] 1310: Siding damaged. *Repaired*
Siding at a number of areas of the home has signs of dry-rot or fungus damage. Recommend refer to pest inspection for further information concerning all areas of dry-rot or fungus damage. Areas of the shingles are gapped. Noted on the home and garage. Recommend refer to pest inspection for further information concerning all areas of dry-rot or fungus damage. It is recommended that the finding be reviewed, and corrected as needed, by a qualified licensed contractor.
See Photo(s) 1310.04.

[E] 1510: Insulated window (I.G.) appears to have lost seal. *Corrected*
This was noted at a few windows at various areas of the home. When dual glaze windows lose the seal between the panes they will usually "fog up." Although this is mostly a cosmetic problem some insulating qualities will be lost and the window or windows should be considered a failure. Window panes which have lost their seal will ordinarily have to be removed and replaced. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 1510.

HVAC & Fireplace Findings:

[Note] 2030: Under 65 degrees F (cannot test air conditioner in cooling mode)
The furnace and A-C units appear to be new. The unit could be damaged if operated. Even when no damage occurs the unit does not operate efficiently at lower temperatures and will give misleading results.

[P] 2200: Ducting in contact with earth.
This was noted at various areas of the sub-area. Recommend raising all ducts that are in contact with the earth. Correction or modification decreases the probability of continued and excessive deterioration.

See Photo(s) 2200.05.

[E] 2210: Ducting insulation damaged.
Noted on a few sections of the ducts under the home. Small holes were noted on the ducting wrap. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 2210.02.

Plumbing Findings:

[+] 4400: Water pressure was typical at the time of the inspection.
The water pressure was approximately 40 PSI at the time of the inspection. Normal is 40 to 80 PSI.

Electrical Findings:

[E] 5040: Service drop anchoring pulled loose. Recommend securing the anchor as needed. Repair, alteration or replacement usually improves the efficiency of the component or system. *done*
See Photo(s) 5040.03.

[B] [E] 5100: Sub panel screws improper. Noted in the garage. The screws have pointed ends and do not properly secure the cover. Repair, alteration or replacement usually improves the efficiency of the component or system. *done*
See Photo(s) 5100.13.

[B] 5120: Breaker knockout missing from main panel (exposes bus bar). Recommend installing knock-out covers at the panel. Knock-out covers are plastic covers that cover exposed bus bars. Usually these are simply snapped into place. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised.
See Photo(s) 5120.01.

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 30 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

[B] 5150: Wire color incorrect (only grounded conductors should be green, white, gray or bare).
Noted in the main panel. When white wires are connected to a breaker, the wires should be marked as hot wires on both ends of the wires or where the wires are visible. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised.
See Photo(s) 5150. *corrected*

[B] 5260: Breaker amperage exceeds wire capacity.
Noted in the main panel on a 40 amp breaker. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised.
See Photo(s) 5260. *corrected*

[T] 5280: Main panel too close to ground surface.
Noted in the stairway. No breaker should be closer than 2 feet 6 inches of the standing surface. Although typical or common for the age of the structure or component, modifications and/or repairs may be in order.

[B] 5300: Junction box not installed as required (exposed splice).
Noted in the sub-area under the front door area. Junction boxes are required to prevent accidental contact with the splice and to confine heat in the event of an overheated splice. Recommend repair as soon as possible. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised.
See Photo(s) 5300. *N.A. Not a splice*

[B] 5310: Junction box cover plate missing.
Noted in the upper bedroom on a light above the framing. Recommend installing new junction box covers where needed. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised.
See Photo(s) 5310.01. *corrected*

[B] 5340: Box wire clamp not installed.
Noted in the main panel. Recommend installing box clamps as needed. Box clamps prevent the wires from possibly rubbing the metal edge. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised.
See Photo(s) 5340.11. *corrected*

[N] 5490: Zinsco electrical panel installed
The main and sub-panel is manufactured by Zinsco / Sylvania. There have been documented problems with the breakers used in this panel. In some cases, when tested, these type of breakers did not trip at the correct amperage. Under the right circumstances this could be fire / safety hazard. We recommend further evaluation by a licensed electrician prior to the release of the inspection contingency. Discretion advised. The significance of the finding is uncertain. Further study by a qualified licensed contractor is advised.
See Photo(s) 5490.03.

[E] 5570: Reversed polarity receptacle outlet (hot lead on neutral side indicated by circuit tester).
Noted at the front exterior of the home at the left side of the front door. Reverse polarity means the neutral is on the "hot" side of the outlet and vice-versa. Although the outlet will operate the condition could allow electricity to pass through the case or handle of some tools and appliances. Reversed polarity outlets should be corrected. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 5570.01. *corrected*

[B] 5640: Face or cover plate needed.
Noted in the furnace closet. Recommend replacing the faceplate as needed. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised.
See Photo(s) 5640. *Done*

[E] 5750: GFCI breaker fails fault test.

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 31 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

Noted in the sub-panel located in the laundry room. The breaker may be in need of replacement. Repair, alteration or replacement usually improves the efficiency of the component or system. *Done.*
See Photo(s) 5750.10.

[U] 5760: GFCI protection not provided at kitchen / exterior / half and studio bath receptacles. *Corrected*
As an extra precaution and for safety it is a recommended upgrade that this component be installed when possible. Recommend GFCI type outlets that are within 72 inches of the sinks or wet areas be installed. Modification or addition is generally considered an upgrade which should improve safety or efficiency.

[Note] 5910: The private generator was not inspected and is not part of the home inspection.

Bathroom(s) Findings:

[E] 6070: Tile or grout loose. *done*
Noted in the studio at areas around the bathtub. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 6070.04.

[P] 6770: General caulking and sealing needed.
Noted at various areas of the bathrooms. Caulking eventually loses its watertight seal around bathtubs, showers, and sinks. It will therefore be necessary to re-caulk around these areas to help prevent water damage to walls, cabinets, floors, ceilings, structural members, etc. Water allowed on these components can cause severe damage. Good maintenance, which includes keeping these spots well sealed, will help prevent more costly repairs later on. Correction or modification decreases the probability of *done* continued and excessive deterioration.
See Photo(s) 6770.04.

Interior Findings:

[R] 7000: Stain noted on interior surface. *These stains were here when we moved in. Various experts have told us there is no leak.*
Noted in the furnace closet and in the kitchen dining room on the ceiling. A few stains were noted on the ceilings at various areas of the home. Recommend the roof be further evaluated by a qualified roofing contractor. It is recommended that the finding be reviewed, and corrected as needed, by a qualified licensed contractor.
See Photo(s) 7000.01.

[N] 7000: Mildew noted on interior surface. *Done.*
Noted in the garage on the ceiling. A few stains were also noted. Although the inspector may suspect mildew, or other fungi, we cannot be certain without laboratory testing of the surface material. Such tests are not part of the Visual Inspection Service. Discretion advised. The significance of the finding is uncertain. Further study by a qualified licensed contractor is advised.
See Photo(s) 7000.10.

[R] 7010: Water intrusion evidence or water damage noted. *repaired.*
Noted on the sliding glass door in the living room. Sub-floor damage was noted. Recommend the carpet be pulled back and the floor further inspected. It is recommended that the finding be reviewed, and corrected as needed, by a qualified licensed contractor. *Correction involves a roof gutter - highly unrecommended*
See Photo(s) 7010.

[Note] 7200: Floor or flooring sloped. *done*
The floors has a moderate slope at various areas of the home. To find the cause of the slope recommend further inspection by a Structural Engineer or a General Contractor. Mainly noted in the living room at the right rear corner.

[E] 7240: Floor tile or grout loose. *done*
Noted in the entry way to the studio, a few tiles are starting to get loose. Repair, alteration or replacement usually improves the efficiency of

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

the component or system.
See Photo(s) 7240.02.

[E] 7450: Door weather-strip needed. *?*
Noted at the front door. Recommend installing weather strip as needed. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 7450.01.

[B] 7800: Smoke alarm inoperative. *done.*
Recommend replacing all non working smoke alarms and installing the smoke alarms outside the bedrooms and on all levels of the home. As a safety enhancement install smoke alarms in the bedrooms. The finding does not conform to building standards and practices in effect at the time of construction or installation. Further study is advised.
See Photo(s) 7800.02.

Kitchen/Appliance Findings:

[E] 8660: Sink faucet leaks at spout swivel.
Noted on the kitchen sink faucet. A drip was noted under the kitchen sink. Recommend replacing the faucet. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 8660.02.

[A] 8800: Kitchen tile or grout cracked / chipped.
This was noted at various areas of the kitchen counters. Maintenance, alteration or repair could be expected to improve component appearance and may decrease deterioration.
See Photo(s) 8800.01.

Structure Findings:

[N] 9110: Foundation bolts have been installed under the left bedroom and possibly the kitchen. Under the living room the post have simpson ties into the concrete. These would not be considered as bolted. Discretion advised. The

significance of the finding is uncertain. Further study by a qualified licensed contractor is *done* advised.
See Photo(s) 9110.

[R] 9200: Beam end not properly supported. Noted in the sub-area under the living room (under the right rear corner). Recommend a post and pier be installed as needed. It is *done* recommended that the finding be reviewed, and corrected as needed, by a qualified licensed contractor.
See Photo(s) 9200.01.

[R] 9220: Cripple bracing improper. Noted in the sub-area. Bracing has been installed. Improper nailing is noted on the bracing. Areas of the bracing is loose. Also recommend installing vents on the cripple wall for air flow and ventilation. Damage is noted on the cripple bracing at the right rear corner. Stains were noted at various areas of the bracing. It is recommended that the finding be reviewed, and corrected as needed, by a *done* qualified licensed contractor.
See Photo(s) 9220.10.

[E] 9440: Sub-area ventilation insufficient. Foundation vents are usually required at the rate of one square foot of opening for each 150 square feet of floor space. Recommend installing extra sub-area vents with cross *done* ventilation. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 9440.10.

[P] 9450: Cellulose debris (scrap wood ect.) present in sub-area.
Recommend removing all scrap wood, *done* cardboard and personal storage from the sub-area. Correction or modification decreases the probability of continued and excessive deterioration.
See Photo(s) 9450.

[E] 9620: Attic vents are the louvered type / insufficient. *Not according to furnace installer*
Several of the attic screens are louvered. These types of vents can block the air-flow.

Questions or concerns? Please call (831) 338-6269 (408) 267-6300

Country Home Inspection

Copyright © 2008 Country Home Inspection

Page 33 of 34

This Report Has Been Prepared Exclusively For: William & Beverly Heinze

Property Address: 208 Emerald Forest, Bonny Doon, CA
Date of Inspection: 10/13/2008 Start Time: 1:00:00 PM Report Number: 8361-1014

N.A. Recommend the louvered vents be replaced with galvanized mesh screens. Recommend installing extra vents. Repair, alteration or replacement usually improves the efficiency of the component or system.
See Photo(s) 9620.04.

[Note] 9810: Remodel, alterations, or additions noted.

Several areas of the home have been remodeled, added or upgraded. Be sure to check for permits. The inspector does not ascertain whether or not permits were used. *all have been gotten.*

[R] 9830: Review pest inspection report for wood rot and wood boring insect information. Be aware that a Home Inspection and a Pest Inspection are two different Inspections. It is always recommended that a current Pest Inspection be performed for pest damage and possibly dry-rot or fungus damage. Be sure to carefully read the entire Pest Inspection report. It is recommended that the finding be reviewed, and corrected as needed, by a qualified licensed contractor.

[N] 9850: Rodent activity noted.

Evidence of prior rodent activity was noted in the sub-area. You may desire to have treatment carried out by a licensed exterminator. *Done* Discretion advised. The significance of the finding is uncertain. Further study by a qualified licensed contractor is advised.

[N] 9870: Access impaired, the sub-area was not inspected under the kitchen / laundry room. No access door was noted to the sub-area. The sub-area was not inspected. Recommend an access door be made and the sub-area be fully inspected. Discretion advised. The significance of the finding is uncertain. Further study by a qualified licensed contractor is advised.



REAL ESTATE TRANSFER DISCLOSURE STATEMENT
(CALIFORNIA CIVIL CODE §1102, ET SEQ)
(C.A.R. Form TDS, Revised 10/03)

THIS DISCLOSURE STATEMENT CONCERNS THE REAL PROPERTY SITUATED IN THE CITY OF Bonny Doon, COUNTY OF Santa Cruz, STATE OF CALIFORNIA, DESCRIBED AS 208 Emerald Forest, Bonny Doon CA 95060

THIS STATEMENT IS A DISCLOSURE OF THE CONDITION OF THE ABOVE DESCRIBED PROPERTY IN COMPLIANCE WITH SECTION 1102 OF THE CIVIL CODE AS OF (date) February 24, 2010. IT IS NOT A WARRANTY OF ANY KIND BY THE SELLER(S) OR ANY AGENT(S) REPRESENTING ANY PRINCIPAL(S) IN THIS TRANSACTION, AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE PRINCIPAL(S) MAY WISH TO OBTAIN.

I. COORDINATION WITH OTHER DISCLOSURE FORMS

This Real Estate Transfer Disclosure Statement is made pursuant to Section 1102 of the Civil Code. Other statutes require disclosures, depending upon the details of the particular real estate transaction (for example: special study zone and purchase-money liens on residential property).

Substituted Disclosures: The following disclosures and other disclosures required by law, including the Natural Hazard Disclosure Report/Statement that may include airport annoyances, earthquake, fire, flood, or special assessment information, have or will be made in connection with this real estate transfer, and are intended to satisfy the disclosure obligations on this form, where the subject matter is the same:

- Inspection reports completed pursuant to the contract of sale or receipt for deposit.
- Additional inspection reports or disclosures: _____

II. SELLER'S INFORMATION

The Seller discloses the following information with the knowledge that even though this is not a warranty, prospective Buyers may rely on this information in deciding whether and on what terms to purchase the subject property. Seller hereby authorizes any agent(s) representing any principal(s) in this transaction to provide a copy of this statement to any person or entity in connection with any actual or anticipated sale of the property.

THE FOLLOWING ARE REPRESENTATIONS MADE BY THE SELLER(S) AND ARE NOT THE REPRESENTATIONS OF THE AGENT(S), IF ANY. THIS INFORMATION IS A DISCLOSURE AND IS NOT INTENDED TO BE PART OF ANY CONTRACT BETWEEN THE BUYER AND SELLER.

Seller is is not occupying the property.

A. The subject property has the items checked below (read across)

- | | | |
|---|--|---|
| <input checked="" type="checkbox"/> Range | <input checked="" type="checkbox"/> Oven | <input type="checkbox"/> Microwave |
| <input type="checkbox"/> Dishwasher | <input type="checkbox"/> Trash Compactor | <input type="checkbox"/> Garbage Disposal |
| <input checked="" type="checkbox"/> Washer/Dryer Hookups | <input checked="" type="checkbox"/> Smoke Detector(s) | <input type="checkbox"/> Rain Gutters |
| <input type="checkbox"/> Burglar Alarms | <input type="checkbox"/> Satellite Dish | <input type="checkbox"/> Fire Alarm |
| <input type="checkbox"/> T.V. Antenna | <input checked="" type="checkbox"/> Central Air Conditioning | <input type="checkbox"/> Intercom |
| <input checked="" type="checkbox"/> Central Heating | <input type="checkbox"/> Sprinklers | <input type="checkbox"/> Evaporator Cooler(s) |
| <input type="checkbox"/> Wall/Window Air Conditioning | <input type="checkbox"/> Sump Pump | <input type="checkbox"/> Public Sewer System |
| <input checked="" type="checkbox"/> Septic Tank | <input type="checkbox"/> Built-in Barbecue | <input type="checkbox"/> Water Softener |
| <input checked="" type="checkbox"/> Patio/Decking | <input type="checkbox"/> Pool <input type="checkbox"/> Child Resistant Barrier* | <input type="checkbox"/> Gazebo |
| <input type="checkbox"/> Sauna | <input type="checkbox"/> Automatic Garage Door Opener(s)* | <input type="checkbox"/> Spa <input type="checkbox"/> Locking Safety Cover* |
| <input type="checkbox"/> Hot Tub <input type="checkbox"/> Locking Safety Cover* | <input checked="" type="checkbox"/> Not Attached | <input type="checkbox"/> Number Remote Controls _____ |
| <input type="checkbox"/> Security Gate(s) | <input type="checkbox"/> Solar | <input type="checkbox"/> Carport |
| Garage: <input type="checkbox"/> Attached | <input checked="" type="checkbox"/> Water Heater Anchored, Braced, or Strapped* | <input type="checkbox"/> Electric |
| Pool/Spa Heater: <input type="checkbox"/> Gas | <input checked="" type="checkbox"/> Well | <input type="checkbox"/> Private Utility or |
| Water Heater: <input checked="" type="checkbox"/> Gas | <input type="checkbox"/> Bottled | Other _____ |
| Water Supply: <input type="checkbox"/> City | <input type="checkbox"/> Window Security Bars <input type="checkbox"/> Quick Release Mechanism on Bedroom Windows* | |
| Gas Supply: <input type="checkbox"/> Utility | | |
| <input checked="" type="checkbox"/> Window Screens | | |

Exhaust Fan(s) in kitchen, bathroom 220 Volt Wiring in _____ Fireplace(s) in _____
 Gas Starter Roof(s): Type: concrete Age: 10 & 25 (approx.)
 Other: 3,000 watt generator, wired to house

Are there, to the best of your (Seller's) knowledge, any of the above that are not in operating condition? Yes No. If yes, then describe. (Attach additional sheets if necessary): _____

(*see footnote on page 2)

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 1991-2003, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

TDS REVISED 10/03 (PAGE 1 OF 3)

Buyer's Initials (_____) (_____)
 Seller's Initials (X W J H) (X B A)
 Reviewed by _____ Date _____




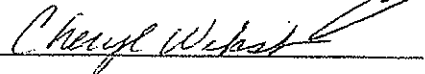
REAL ESTATE TRANSFER DISCLOSURE STATEMENT (TDS PAGE 1 OF 3)

Agent: Frank Murphy Phone: (831) 457-5550 Fax: (831) 401-2425 Prepared using WINForms® software
 Broker: Keller Williams Realty - SC 1414 Soquel Ave Ste 100 Santa Cruz, CA 95062

Easement Exchange Agreement

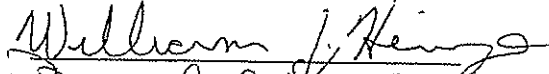
We, Alec and Cheryl Webster, agree to grant a temporary easement of 663.7 square feet on the north side of our property (Easement B in attached diagram) to William and Beverly Heinze, in exchange for a temporary easement of a like amount on the east side of their property (Easement A in diagram), to remain in effect until sale of either property, at which time this agreement will be renegotiated.

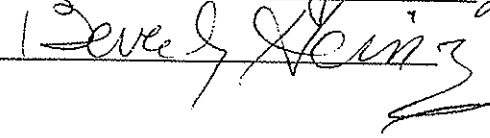
Signed: Alec Webster 

Cheryl Webster 

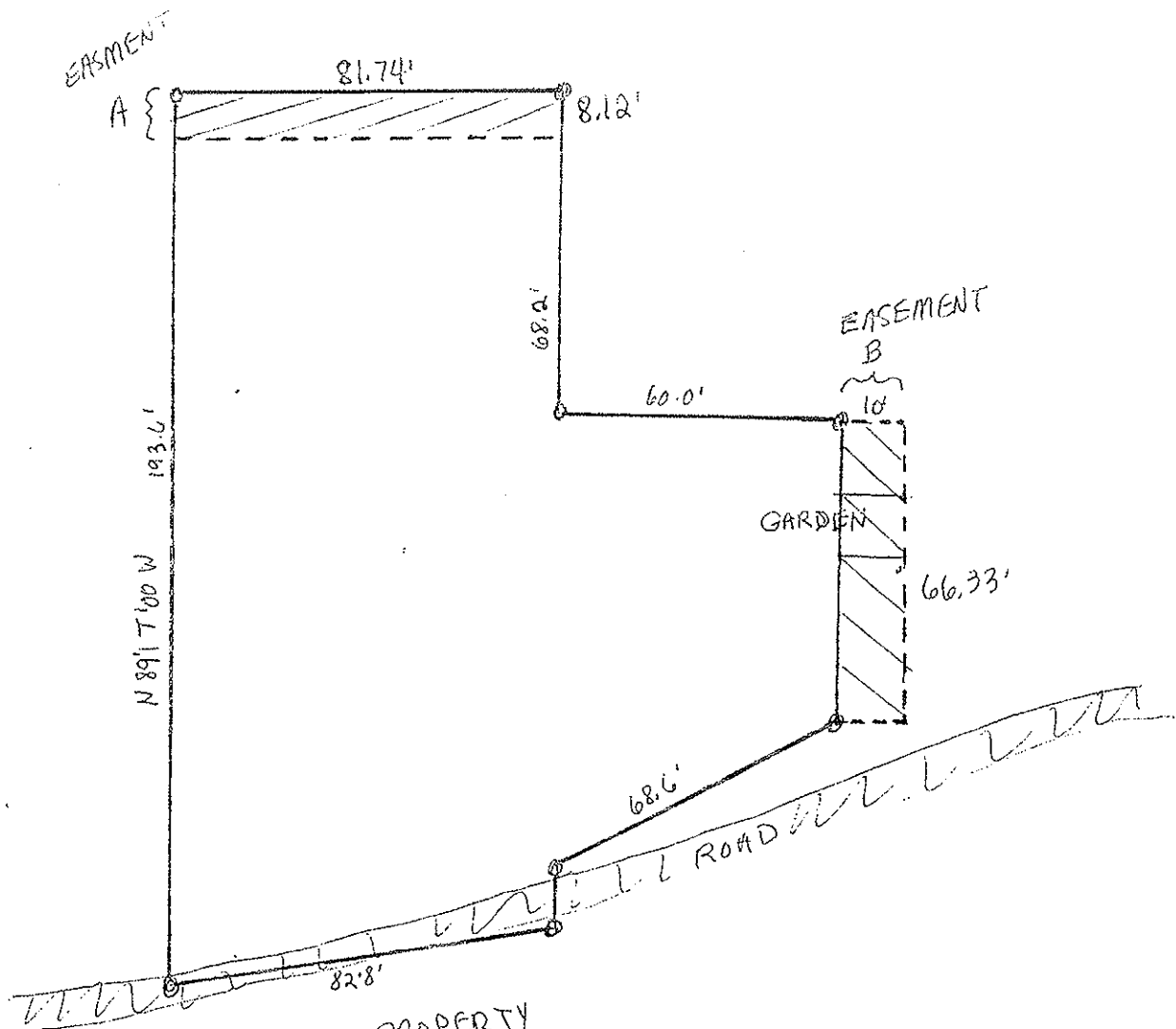
Date 1/6/01

We, William and Beverly Heinze, agree to grant a temporary easement of 663.7 square feet on the east side of our property (Easement A in diagram) to Alec and Cheryl Webster in exchange for a temporary easement of a like amount on the north side of their property (Easement B in diagram), for the use of the garden presently established there. This agreement will remain in effect until sale of either property, at which time it will be renegotiated.

Signed: William J. Heinze 

Beverly Heinze 

Date 1/5/2001



HEINZE PROPERTY
 208 EMERALD FOREST LANE

Property Address: 208 Emerald Forest, Bonny Doon CA 95060

Date: February 24, 2010

B. Are you (Seller) aware of any significant defects/malfunctions in any of the following? Yes No. If yes, check appropriate space(s) below.

- Interior Walls Ceilings Floors Exterior Walls Insulation Roof(s) Windows Doors Foundation Slab(s)
- Driveways Sidewalks Walls/Fences Electrical Systems Plumbing/Sewers/Septics Other Structural Components

(Describe: _____

_____)

If any of the above is checked, explain. (Attach additional sheets if necessary): _____

*This garage door opener or child resistant pool barrier may not be in compliance with the safety standards relating to automatic reversing devices as set forth in Chapter 12.5 (commencing with Section 19890) of Part 3 of Division 13 of, or with the pool safety standards of Article 2.5 (commencing with Section 115920) of Chapter 5 of Part 10 of Division 104 of, the Health and Safety Code. The water heater may not be anchored, braced, or strapped in accordance with Section 19211 of the Health and Safety Code. Window security bars may not have quick release mechanisms in compliance with the 1995 Edition of the California Building Standards Code.

C. Are you (Seller) aware of any the following:

1. Substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, mold, fuel or chemical storage tanks, and contaminated soil or water on the subject property Yes No
2. Features of the property shared in common with adjoining landowners, such as walls, fences, and driveways, whose use or responsibility for maintenance may have an effect on the subject property Yes No
3. Any encroachments, easements or similar matters that may affect your interest in the subject property Yes No
4. Room additions, structural modifications, or other alterations or repairs made without necessary permits. Yes No
5. Room additions, structural modifications, or other alterations or repairs not in compliance with building codes. Yes No
6. Fill (compacted or otherwise) on the property or any portion thereof Yes No
7. Any settling from any cause, or slippage, sliding, or other soil problems Yes No
8. Flooding, drainage or grading problems Yes No
9. Major damage to the property or any of the structures from fire, earthquake, floods, or landslides Yes No
10. Any zoning violations, nonconforming uses, violations of "setback" requirements Yes No
11. Neighborhood noise problems or other nuisances Yes No
12. CC&R's or other deed restrictions or obligations Yes No
13. Homeowners' Association which has any authority over the subject property Yes No
14. Any "common area" (facilities such as pools, tennis courts, walkways, or other areas co-owned in undivided interest with others) Yes No
15. Any notices of abatement or citations against the property Yes No
16. Any lawsuits by or against the seller threatening to or affecting this real property, including any lawsuits alleging a defect or deficiency in this real property or "common areas" (facilities such as pools, tennis courts, walkways, or other areas, co-owned in undivided interest with others) Yes No

If the answer to any of these is yes, explain. (Attach additional sheets if necessary): easement agreement =
Alec Webster, behind house,
next-door neighbor has sweat lodge, occasional ceremonies

Seller certifies that the information herein is true and correct to the best of the Seller's knowledge as of the date signed by the Seller.

Seller x William J. Heinze Date 02/24/2010
William Heinze

Seller x Beverly Heinze Date 02/24/2010
Beverly Heinze

Buyer's Initials (_____) (_____)
Reviewed by _____ Date _____





SELLER PROPERTY QUESTIONNAIRE
(C.A.R. Form SPQ, Revised 11/07)

This form is not a substitute for the Real Estate Transfer Disclosure Statement (TDS). It is used by the Seller to provide additional information when a TDS is completed or when no TDS is required.

- I. Seller makes the following disclosures with regard to the real property or manufactured home described as 208 Emerald Forest, Assessor's Parcel No. 080-153-031, situated in Bonny Doon, County of Santa Cruz, California, ("Property").
II. The following are representations made by the Seller. Unless otherwise specified in writing, Broker and any real estate licensee or other person working with or through Broker has not verified information provided by Seller.
III. Note to Seller: PURPOSE: To tell the Buyer about known material or significant items affecting the value or desirability of the Property...
IV. Note to Buyer: PURPOSE: To give you more information about known material or significant items affecting the value or desirability of the Property...
V. SELLER AWARENESS: For each statement below, answer the question "Are you (Seller) aware of..." by checking either "Yes" or "No."

REPAIRS AND ALTERATIONS:

ARE YOU (SELLER) AWARE OF...

- 1. Any alterations, modifications, remodeling, replacements or material repairs on the Property (including those resulting from Home Warranty claims)
2. Ongoing or recurring maintenance on the Property (for example, drain or sewer clean-out, tree or pest control service)
3. Any part of the Property being painted within the past 12 months.

Explanation:

STRUCTURAL, SYSTEMS AND APPLIANCES:

ARE YOU (SELLER) AWARE OF...

- 4. Defects in any of the following, (including past defects that have been repaired) heating, air conditioning, electrical, plumbing (including the presence of polybutelene pipes), water, sewer, waste disposal or septic system, sump pumps, well, roof, gutters, chimney, fireplace, foundation, crawl space, attic, soil, grading, drainage, retaining walls, interior or exterior doors, windows, walls, ceilings, floors or appliances

Explanation:

DISASTER RELIEF, INSURANCE OR CIVIL SETTLEMENT:

ARE YOU (SELLER) AWARE OF...

- 5. Financial relief or assistance, insurance or settlement, sought or received, from any federal, state, local or private agency, insurer or private party, by past or present owners of the Property, due to any actual or alleged damage to the Property arising from a flood, earthquake, fire, other disaster, or occurrence or defect, whether or not any money received was actually used to make repairs.

Explanation:

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 2005-2007, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

SPQ REVISED 11/07 (PAGE 1 OF 4)

Buyer's Initials () ()
Seller's Initials (X W J H) (X B H)

Reviewed by _____ Date _____



SELLER PROPERTY QUESTIONNAIRE (SPQ PAGE 1 OF 4)

Agent: Frank Murphy Phone: (831) 457 - 5550 Fax: (831) 401 - 2425 Prepared using WINForms® software
Broker: Keller Williams Realty - SC 1414 Soquel Ave Ste 100 Santa Cruz, CA 95062

WATER-RELATED AND MOLD ISSUES:

ARE YOU (SELLER) AWARE OF...

- 6. Water intrusion into any part of any physical structure on the Property; leaks from or in any appliance, pipe, slab or roof; standing water, drainage, flooding, underground water, moisture, water-related soil settling or slippage, on or affecting the Property Yes No
- 7. Any problem with or infestation of mold, mildew, fungus or spores, past or present, on or affecting the Property Yes No
- 8. Rivers, streams, flood channels, underground springs, high water table, floods, or tides, on or affecting the Property or neighborhood Yes No

Explanation: _____

PETS, ANIMALS AND PESTS:

ARE YOU (SELLER) AWARE OF...

- 9. Pets on or in the Property Yes No
- 10. Problems with livestock, wildlife, insects or pests on or in the Property Yes No
- 11. Past or present odors, urine, feces, discoloration, stains, spots or damage in the Property, due to any of the above Yes No
- 12. Past or present treatment or eradication of pests or odors, or repair of damage due to any of the above Yes No
If so, when and by whom _____

Explanation: we own 2 cats

BOUNDARIES, ACCESS AND PROPERTY USE BY OTHERS:

ARE YOU (SELLER) AWARE OF...

- 13. Surveys, easements, encroachments or boundary disputes Yes No
- 14. Use or access to the Property, or any part of it, by anyone other than you, with or without permission, for any purpose, including but not limited to, using or maintaining roads, driveways or other forms of ingress or egress or other travel or drainage Yes No
- 15. Use of any neighboring property by you Yes No

Explanation: _____

LANDSCAPING, POOL AND SPA:

ARE YOU (SELLER) AWARE OF...

- 16. Diseases or infestations affecting trees, plants or vegetation on or near the Property Yes No
- 17. Operational sprinklers on the Property Yes No
(a) If yes, are they automatic or manually operated.
(b) If yes, are there any areas with trees, plants or vegetation not covered by the sprinkler system Yes No
- 18. An operational pool heater on the Property Yes No
- 19. An operational spa heater on the Property Yes No
- 20. Past or present defects, leaks, cracks, repairs or other problems with the sprinklers, pool, spa, waterfall, pond, stream, drainage or other water-related decor including any ancillary equipment, including pumps, filters, heaters and cleaning systems, even if repaired Yes No

Explanation: _____

COMMON INTEREST CONDOMINIUMS AND DEVELOPMENTS:

ARE YOU (SELLER) AWARE OF...

- 21. Any pending or proposed dues increases, special assessments, rules changes, insurance availability issues or litigation by or against the Homeowner Association affecting the Property Yes No

Explanation: _____

Buyer's Initials () ()
Seller's Initials (X W S H) (X M A)

Reviewed by _____ Date _____



TITLE, OWNERSHIP AND LEGAL CLAIMS:

ARE YOU (SELLER) AWARE OF...

- 22. Any other person or entity on title other than Seller(s) signing this form Yes No
- 23. Leases, options or claims affecting or relating to title or use of the Property Yes No
- 24. Past, present, pending or threatened lawsuits, mediations, arbitrations, tax liens, mechanics' liens, notice of default, bankruptcy or other court filings, or government hearings affecting or relating to the Property, Homeowner Association or neighborhood Yes No
- 25. Any private transfer fees, triggered by a sale of the Property, in favor of private parties, charitable organizations, interest based groups or any other person or entity Yes No

Explanation: _____

NEIGHBORHOOD:

ARE YOU (SELLER) AWARE OF...

- 26. Neighborhood noise, nuisance or other problems from sources such as, but not limited to, the following: neighbors, traffic, parking congestion, airplanes, trains, light rail, subway, trucks, freeways, buses, schools, parks, refuse storage or landfill processing, agricultural operations, business, odor, recreational facilities, restaurants, entertainment complexes or facilities, parades, sporting events, fairs, neighborhood parties, litter, construction, air conditioning equipment, air compressors, generators, pool equipment or appliances, or wildlife Yes No

Explanation: _____

GOVERNMENTAL:

ARE YOU (SELLER) AWARE OF...

- 27. Ongoing or contemplated eminent domain, condemnation, annexation or change in zoning or general plan that apply to or could affect the Property Yes No
- 28. Existence or pendency of any rent control, occupancy restrictions or retrofit requirements that apply to or could affect the Property Yes No
- 29. Existing or contemplated building or use moratoria that apply to or could affect the Property Yes No
- 30. Current or proposed bonds, assessments, or fees that do not appear on the Property tax bill that apply to or could affect the Property Yes No
- 31. Proposed construction, reconfiguration, or closure of nearby government facilities or amenities such as schools, parks, roadways and traffic signals Yes No
- 32. Existing or proposed Government requirements affecting the Property (i) that tall grass, brush or other vegetation be cleared; (ii) that restrict tree (or other landscaping) planting, removal or cutting or (iii) that flammable materials be removed Yes No
- 33. Any protected habitat for plants, trees, animals or insects that apply to or could affect the Property Yes No
- 34. Whether the Property is historically designated or falls within an existing or proposed Historic District Yes No

Explanation: _____

STATUTORILY REQUIRED OR RELATED:

ARE YOU (SELLER) AWARE OF...

- 35. Within the last 3 years, the death of an occupant of the Property upon the Property Yes No
- 36. An Order from a government health official identifying the Property as being contaminated by methamphetamine. (If yes, attach a copy of the Order.) Yes No
- 37. Whether the Property is located in or adjacent to an "industrial use" zone. (In general, a zone or district allowing manufacturing, commercial or airport uses.) Yes No
- 38. Whether the Property is affected by a nuisance created by an "industrial use" zone Yes No
- 39. Whether the Property is located within 1 mile of a former federal or state ordnance location. (In general, an area once used for military training purposes that may contain potentially explosive munitions.) Yes No

Explanation: _____

Buyer's Initials (_____) (_____)
Seller's Initials (XWJH) (XJSA)

Reviewed by _____ Date _____



CONTRACTUALLY REQUIRED OR RELATED:

ARE YOU (SELLER) AWARE OF...

- 40. Whether the Property is a condominium or located in a planned unit development or other common interest subdivision Yes No
- 41. Insurance claims affecting the Property within the past 5 years Yes No
- 42. Matters affecting title to the Property Yes No

Explanation: _____

OTHER:

ARE YOU (SELLER) AWARE OF...

- 43. Reports, inspections, disclosures, warranties, maintenance recommendations, estimates, studies, surveys or other documents, pertaining to (i) the condition or repair of the Property or any improvement on this Property in the past, now or proposed; or (ii) easements, encroachments or boundary disputes affecting the Property Yes No
(If yes, provide any such documents in your possession to Buyer.)
- 44. Any past or present known material facts or other significant items affecting the value or desirability of the Property not otherwise disclosed to Buyer Yes No

Explanation: _____

VI. (IF CHECKED) **ADDITIONAL COMMENTS:** The attached addendum contains an explanation or additional comments in response to specific questions answered "yes" above. Refer to line and question number in explanation.

Seller represents that Seller has provided the answers and, if any, explanations and comments on this form and any attached addenda and that such information is true and correct to the best of Seller's knowledge as of the date signed by Seller. Seller acknowledges (i) Seller's obligation to disclose information requested by this form is independent from any duty of disclosure that a real estate licensee may have in this transaction; and (ii) nothing that any such real estate licensee does or says to Seller relieves Seller from his/her own duty of disclosure.

Seller William J. Heinze William Heinze Date 02/24/2010

Seller Beverly Heinze Beverly Heinze Date 02/24/2010

By signing below, Buyer acknowledges that Buyer has read, understands and has received a copy of this Seller Property Questionnaire form.

Buyer _____ Date _____

Buyer _____ Date _____

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.
This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.

Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, INC.
a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®
525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____





Property Address: 208 Emerald Forest, Bonny Doon CA 95060

NOTE: A seller who is not required to provide one of the following statements of compliance is not necessarily exempt from the obligation to provide the other statement of compliance.

WATER HEATER STATEMENT OF COMPLIANCE

- STATE LAW:** California Law requires that all new and replacement water heaters and existing residential water heaters be braced, anchored or strapped to resist falling or horizontal displacement due to earthquake motion. "Water heater" means any standard water heater with a capacity of no more than 120 gallons for which a pre-engineered strapping kit is readily available. (Health and Safety Code §19211d). Although not specifically stated, the statute requiring a statement of compliance does not appear to apply to a properly installed and bolted tankless water heater for the following reasons: There is no tank that can overturn; Pre-engineered strapping kits for such devices are not readily available; and Bolting already exists that would help avoid displacement or breakage in the event of an earthquake.
- LOCAL REQUIREMENTS:** Some local ordinances impose more stringent water heater bracing, anchoring or strapping requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable water heater bracing, anchoring or strapping requirements for your property.
- TRANSFEROR'S WRITTEN STATEMENT:** California Health and Safety Code §19211 requires the seller of any real property containing a water heater to certify, in writing, that the seller is in compliance with California State Law.
- CERTIFICATION:** Seller represents that the Property, as of the Close Of Escrow, will be in compliance with Health and Safety Code §19211 by having the water heater(s) braced, anchored or strapped in place, in accordance with those requirements.

Seller X William J. Heinze William Heinze Date 02/24/2010
(Signature) (Print Name)

Seller X Beverly Heinze Beverly Heinze Date 02/24/2010
(Signature) (Print Name)

The undersigned hereby acknowledges receipt of a copy of this document.

Buyer _____ Date _____
(Signature) (Print Name)

Buyer _____ Date _____
(Signature) (Print Name)

SMOKE DETECTOR STATEMENT OF COMPLIANCE

- STATE LAW:** California Law requires that every single-family dwelling and factory built housing unit sold on or after January 1, 1986, must have an operable smoke detector, approved and listed by the State Fire Marshal, installed in accordance with the State Fire Marshal's regulations. (Health and Safety Code §13113.8).
- LOCAL REQUIREMENTS:** Some local ordinances impose more stringent smoke detector requirements than does California Law. Therefore, it is important to check with local city or county building and safety departments regarding the applicable smoke detector requirements for your property.
- TRANSFEROR'S WRITTEN STATEMENT:** California Health and Safety Code §13113.8(b) requires every transferor of any real property containing a single-family dwelling, whether the transfer is made by sale, exchange, or real property sales contract (installment sales contract), to deliver to the transferee a written statement indicating that the transferor is in compliance with California State Law concerning smoke detectors.
- EXCEPTIONS:** Generally, a written statement of smoke detector compliance is not required for transactions for which the Seller is exempt from providing a transfer disclosure statement.
- CERTIFICATION:** Seller represents that the Property, as of the Close Of Escrow, will be in compliance with Health and Safety Code §13113.8 by having operable smoke detector(s) approved and listed by the State Fire Marshal installed in accordance with the State Fire Marshal's regulations and in accordance with applicable local ordinance(s).

Seller X William J. Heinze William Heinze Date 02/24/2010
(Signature) (Print Name)

Seller X Beverly Heinze Beverly Heinze Date 02/24/2010
(Signature) (Print Name)

The undersigned hereby acknowledge(s) receipt of a copy of this document.

Buyer _____ Date _____
(Signature) (Print Name)

Buyer _____ Date _____
(Signature) (Print Name)

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 1991-2007 CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.

Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, INC.
a subsidiary of the CALIFORNIA ASSOCIATION OF REALTORS®
525 South Virgil Avenue, Los Angeles, California 90020

WHSD REVISED 11/07 (PAGE 1 OF 1)

Reviewed by _____ Date _____



WATER HEATER AND SMOKE DETECTOR STATEMENT OF COMPLIANCE (WHSD PAGE 1 OF 1)

Agent: Frank Murphy Phone: (831) 457 - 5550 Fax: (831) 401 - 2425 Prepared using WINForms® software
Broker: Keller Williams Realty - SC 1414 Soquel Ave Ste 100 Santa Cruz, CA 95062

Residential Earthquake Hazards Report

(See the back of this form for applicable government codes.)

| | | |
|---|--|---|
| NAME William Heinze Beverly Heinze | | ASSESSOR'S PARCEL NO. 080-153-031 |
| STREET ADDRESS 208 Emerald Forest Lane | | YEAR BUILT |
| CITY AND COUNTY Santa Cruz CA | | ZIP CODE 95060 |

Answer these questions to the best of your knowledge. If you do not have actual knowledge as to whether the weakness exists, answer "Don't Know." If your house does not have the feature, answer "Doesn't Apply." The page numbers in the right-hand column indicate where in this guide you can find information on each of these features.

| | Yes | No | Doesn't Apply | Don't Know | See Page |
|--|-------------------------------------|--------------------------|-------------------------------------|-------------------------------------|----------|
| 1. Is the water heater braced, strapped, or anchored to resist falling during an earthquake? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 3 |
| 2. Is the house anchored or bolted to the foundation? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 4 |
| 3. If the house has cripple walls: | | | | | |
| • Are the exterior cripple walls braced? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 5 |
| • If the exterior foundation consists of unconnected concrete piers and posts, have they been strengthened? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 6 |
| 4. If the exterior foundation, or part of it, is made of unreinforced masonry, has it been strengthened? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 7 |
| 5. If the house is built on a hillside: | | | | | |
| • Are the exterior tall foundation walls braced? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 8 |
| • Were the tall posts or columns either built to resist earthquakes or have they been strengthened? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 8 |
| 6. If the exterior walls of the house, or part of them, are made of unreinforced masonry, have they been strengthened? | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 9 |
| 7. If the house has a living area over the garage, was the wall around the garage door opening either built to resist earthquakes or has it been strengthened? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 10 |
| 8. Is the house outside an Alquist-Priolo Earthquake Fault Zone (zones immediately surrounding known earthquake faults)? | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 19 |
| 9. Is the house outside a Seismic Hazard Zone (zone identified as susceptible to liquefaction or landsliding)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | 19 |

Keep your copy of this form for future reference

If any of the questions are answered "No," the house is likely to have an earthquake weakness. Questions answered "Don't Know" may indicate a need for further evaluation. If you corrected one or more of these weaknesses, describe the work on a separate page.

As seller of the property described herein, I have answered the questions above to the best of my knowledge in an effort to disclose fully any potential earthquake weaknesses it may have.

EXECUTED BY

William J. Heinze Beverly Heinze _____
 (Seller) **William Heinze** (Seller) **Beverly Heinze** Date

I acknowledge receipt of this form, completed and signed by the seller. I understand that if the seller has answered "No" to one or more questions, or if seller has indicated a lack of knowledge, there may be one or more earthquake weaknesses in this house.

 (Buyer) (Buyer) Date

This earthquake disclosure is made in addition to the standard real estate transfer disclosure statement also required by law.



KELLER WILLIAMS

R E A L T Y

BUYER AND SELLER INSURANCE ADVISORY

Property: 208 Emerald Forest Lane Santa Cruz 95060

BUYER ADVISORY RE HOMEOWNERS' INSURANCE COVERAGE

The availability of homeowners' insurance (i.e., policies of insurance providing fire and other casualty and loss coverage for residential properties) is neither constant nor certain, particularly at insurance premium rates homeowners might ordinarily expect. In many cases, even large, national insurance carriers impose significant restrictions, limitations or preconditions as to insurance policies they are willing to offer a prospective home purchaser; in some instances those carriers may decline to offer any coverage at all. Reasons for this vary, and can include insurance industry concerns relating to the physical condition and attributes of a particular property, the history of claims made against the property, and even generalized concerns over the number and magnitude of claims made statewide for injury and/or loss relating to toxic mold, fire, flood and other conditions and events.

Even the number, magnitude and frequency of insurance claims made by a prospective purchaser (and, occasionally, even the purchaser's credit rating) might be viewed by an insurance carrier as a basis or reason for declining to provide homeowners' coverage.

Buyer is advised that lenders almost always require homeowners' insurance coverage to actually be in place before funding of the home loan. Buyer is further advised of the importance of Buyer's contacting a reputable insurance broker and making full and early inquiry as to the availability of insurance coverage on the subject Property, and as to Buyer as a prospective insured.

SELLER CLAIMS HISTORY QUESTIONNAIRE

Seller responds as indicated to the following insurance-related inquiries:

1. Within the past five years have you, or to your knowledge, has any prior owner, made any claim (or otherwise given an insurance carrier notice of any loss or damage) relating to any plumbing leak or other water release, any water intrusion (including roof, window or siding leak), or other property damage, personal injury, or any other matter, against homeowner's insurance policy (i.e., fire and/or other residential property and personal casualty policy) covering the Property? YES NO (circle one)

If "YES" please identify the following as to each claim (use additional pages, if necessary):

- a) Name of the claimant _____
- b) Insurance company and policy number _____
- c) Approximate date of the claim _____
- d) Nature of the claim, and how resolved, if known _____

2. Within the past five years has, to your knowledge, any insurance company refused to issue to you or renew for you a homeowner's insurance policy covering the Property? YES NO (circle one)

If "YES", please indicate the following (use additional pages in necessary):

- a) Approximate date of such refusal _____
- b) The insurance company involved _____
- c) The basis of the refusal, if known _____

3. Has your lender ever required that you carry flood and/or earthquake insurance on the property? YES NO (circle one)

If "YES" please explain below.

Additional Explanations:

DATE: 3-1-10

DATE: _____

SELLER: William J. Henry

BUYER: _____

SELLER: Beverly Henry

BUYER: _____



CALIFORNIA
ASSOCIATION
OF REALTORS®

**LEAD-BASED PAINT AND LEAD-BASED PAINT
HAZARDS DISCLOSURE,
ACKNOWLEDGMENT AND ADDENDUM
For Pre-1978 Housing Sales, Leases, or Rentals**
(C.A.R. Form FLD, Revised 1/03)

The following terms and conditions are hereby incorporated in and made a part of the: California Residential Purchase Agreement, Residential Lease or Month-to-Month Rental Agreement, or other: _____, dated _____, on property known as:

208 Emerald Forest, Bonny Doon CA 95060 ("Property") in

which _____ is referred to as Buyer or Tenant and William Heinze, Beverly Heinze is referred to as Seller or Landlord.

LEAD WARNING STATEMENT (SALE OR PURCHASE) Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligent quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

LEAD WARNING STATEMENT (LEASE OR RENTAL) Housing built before 1978 may contain lead-based paint. Lead from paint, paint chips and dust can pose health hazards if not managed properly. Lead exposure is especially harmful to young children and pregnant women. Before renting pre-1978 housing, lessors must disclose the presence of lead-based paint and/or lead-based paint hazards in the dwelling. Lessees must also receive federally approved pamphlet on lead poisoning prevention.

1. SELLER'S OR LANDLORD'S DISCLOSURE

I (we) have no knowledge of lead-based paint and/or lead-based paint hazards in the housing other than the following:

I (we) have no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing other than the following, which, previously or as an attachment to this addendum have been provided to Buyer or Tenant:

I (we), previously or as an attachment to this addendum, have provided Buyer or Tenant with the pamphlet "Protect Your Family From Lead In Your Home" or an equivalent pamphlet approved for use in the State such as "The Homeowner's Guide to Environmental Hazards and Earthquake Safety."

For Sales Transactions Only: Buyer has 10 days, unless otherwise agreed in the real estate purchase contract, to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

I (we) have reviewed the information above and certify, to the best of my (our) knowledge, that the information provided is true and correct.

x William J. Heinze
Seller or Landlord William Heinze

February 24, 2010
Date

x Beverly Heinze
Seller or Landlord Beverly Heinze

February 24, 2010
Date

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 1996-2003, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.
FLD REVISED 1/03 (PAGE 1 OF 2)

Buyer's Initials (_____) (_____)

Reviewed by _____ Date _____



LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS DISCLOSURE (FLD PAGE 1 OF 2)

Agent: Frank Murphy Phone: (831) 457 - 5550 Fax: (831) 401 - 2425 Prepared using WINForms® software
Broker: Keller Williams Realty - SC 1414 Soquel Ave Ste 100 Santa Cruz, CA 95062



CALIFORNIA
ASSOCIATION
OF REALTORS®

STATEWIDE BUYER AND SELLER ADVISORY
(This Form Does Not Replace Local Condition Disclosures.
Additional Addenda May Be Attached to This Advisory. See Paragraph 44)
(C.A.R. Form SBSA, Revised 4/07)

208 Emerald Forest

Property Address: Bonny Doon, CA 95060 ("Property").

BUYER RIGHTS AND DUTIES:

- The physical condition of the land and improvements being purchased are not guaranteed by Seller or Brokers.
 - You should conduct thorough investigations of the Property personally and with appropriate professionals.
 - If professionals recommend further inspections, you should contact qualified experts to conduct such inspections.
 - You should retain your own professional even if Seller or Broker has provided you with existing reports.
 - You should read all written reports given to you and discuss those reports with the persons who prepared them.
 - You have the right to request that the Seller make repairs, corrections or take other actions based on inspections or disclosures.
 - If the Seller is unwilling or unable to satisfy your requests, and you act within certain time periods, you may have the right to cancel the agreement. If you cancel outside these periods, you may be in breach of contract.
 - The terms of the purchase agreement and any counter offers and addenda establish your rights and responsibilities.
- YOU ARE STRONGLY ADVISED TO INVESTIGATE THE CONDITION AND SUITABILITY OF ALL ASPECTS OF THE PROPERTY. IF YOU DO NOT DO SO, YOU ARE ACTING AGAINST THE ADVICE OF BROKERS.**

SELLER RIGHTS AND DUTIES:

- You have a duty to disclose material facts known to you that affect the value or desirability of the Property.
- You are obligated to make the Property available to the Buyer for inspections allowed by the contract.
- This form is not a substitute for completing a Real Estate Transfer Disclosure Statement, if required, and any other property-specific questionnaire or disclosure.
- The terms of the Purchase Agreement and any Counter Offers and Addenda establish your rights and responsibilities.

BROKER RIGHTS AND DUTIES:

- Brokers do not have expertise in all areas and matters affecting the Property or your evaluation of it.
- For most sales of residential properties with no more than four units, Brokers have a duty to make a reasonably competent and diligent visual inspection of the accessible areas of the Property and disclose to you material facts or defects that the inspection reveals.
- Many defects and conditions may not be discoverable by a Broker's visual inspection.
- If Broker gives a referral to another professional, Broker does not guarantee that person's performance. You may select any professional of your own choosing.
- Any written agreement between Broker and Buyer or Seller establishes the rights and responsibilities of those parties.

1. INSPECTIONS: Buyer and Seller are advised that Buyer has the right to obtain various inspections of the Property under most residential purchase agreements. Buyer is advised to have the Property inspected by a professional property inspection service within Buyer's inspection contingency period. A licensed building contractor or other professional may perform these services. The inspector generally does not look behind walls or under carpets, or take equipment apart. Certain items on the Property, such as chimneys and spark arresters, plumbing, heating, air conditioning, electrical wiring, pool and spa, septic system, well, roof, foundation and structural items may need to be inspected by another professional, such as a chimney sweep, plumber, electrician, pool and spa service, septic or well company or roofer. A general physical inspection typically will not test for mold, wood destroying pests, lead-based paint, radon, asbestos and other environmental hazards, geologic conditions, age, remaining useful life or water-tightness of roof, cracks, leaks or operational problems associated with a pool or spa or connection of the Property to a sewer system. If Buyer wants further information on any aspect of the Property, Broker recommends that Buyer have a discussion with the professional property inspector and that Buyer hire an appropriate professional for the area of concern to Buyer. Brokers do not have expertise in these areas. Brokers do not verify the results of any such inspection or guarantee the performance of any such inspector or service. Any election by Buyer to waive the right to a physical inspection of the Property or to rely on somebody other than an appropriate professional is against the advice of Brokers. Not all inspectors are licensed and licenses are not available for all types of inspection activities.

The copyright laws of the United States (Title 17 U.S. Code) forbid the unauthorized reproduction of this form, or any portion thereof, by photocopy machine or any other means, including facsimile or computerized formats. Copyright © 2004-2007, CALIFORNIA ASSOCIATION OF REALTORS®, INC. ALL RIGHTS RESERVED.

SBSA REVISED 4/07 (PAGE 1 OF 10)

Buyer's Initials () ()
Seller's Initials (X W J H) (X P A)

Reviewed by _____ Date _____



STATEWIDE BUYER AND SELLER ADVISORY (SBSA PAGE 1 OF 10)

| | | | |
|-------------------------------------|------------------------------------|-----------------------|-----------------------------------|
| Agent: Frank Murphy | Phone: (831) 457 - 5550 | Fax: (831) 401 - 2425 | Prepared using WINForms® software |
| Broker: Keller Williams Realty - SC | 1414 Soquel Ave Ste 100 Santa Cruz | , CA 95062 | |

2. SQUARE FOOTAGE, LOT SIZE AND BOUNDARIES: Buyer and Seller are advised that only an appraiser or land surveyor, as applicable, can reliably confirm square footage, lot size, Property corners and exact boundaries of the Property. Representations regarding these items that are made in a Multiple Listing Service, advertisements, and from property tax assessor records are often approximations, or based upon inaccurate or incomplete records. Fences, hedges, walls or other barriers may not represent actual boundary lines. Brokers have not verified any such representations. Brokers do not have expertise in this area. If Buyer wants information about the exact square footage, lot size or location of Property corners or boundaries, Broker recommends that Buyer hire an appraiser or licensed surveyor to investigate these matters during Buyer's inspection contingency period.

3. SOIL AND GEOLOGIC CONDITIONS: Buyer and Seller are advised that real estate in California is subject to settling, slippage, contraction, expansion, subsidence, earthquakes and other land movement. The Property may be constructed on fill or improperly compacted soil and may have inadequate drainage capability. Any of these matters can cause structural problems to improvements on the Property. Civil or geo-technical engineers are best suited to evaluate soil stability, grading, drainage and other soil conditions. Additionally, the Property may have known or unknown mines, mills, caves or wells. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer hire an appropriate professional. Not all inspectors are licensed and licenses are not available for all types of inspections.

4. GEOLOGIC HAZARDS: Buyer and Seller are advised that California has experienced earthquakes in the past, and there is always a potential of future earthquakes. Damage caused by an earthquake may not be discoverable by Buyer's or Brokers visual inspection. Inspection by a licensed, qualified professional is strongly recommended to determine the structural integrity and safety of all structures and improvements on the Property. If the Property is a condominium, or located in a planned unit development or in a common interest subdivision, Buyer is advised to contact the homeowners association about earthquake repairs and retrofit work and the possibility of an increased or special assessment to defray the costs of earthquake repairs or retrofit work. Buyer is encouraged to obtain and read the booklet entitled "The Homeowners Guide to Earthquake Safety." In most cases a questionnaire within the booklet must be completed by Seller and the entire booklet given to the Buyer if the Property was built prior to 1960. If the Property was built before 1975, and contains structures constructed of masonry or precast (tilt up) concrete walls, with wood frame floors or roof, or if the building has unreinforced masonry walls, then Seller must provide Buyer a pamphlet entitled "The Commercial Property Owner's Guide to Earthquake Safety." Many areas have a wide range of geologic problems and numerous studies have been made of these conditions. Some of this information is available for public review at city and county planning departments. Buyer is encouraged to review the public maps and reports and/or obtain a geologist's inspection report. Brokers do not have expertise in this area. Buyer may be able to obtain earthquake insurance to protect their interest in the Property. Sellers who agree to provide financing should also consider requiring Buyers to obtain such insurance.

5. ENVIRONMENTAL HAZARDS: Buyer and Seller are advised that the presence of certain kinds of organisms, toxins and contaminants, including, but not limited to, mold (airborne, toxic or otherwise), fungi, mildew, lead-based paint and other lead contamination, asbestos, formaldehyde, radon, methane, other gases, fuel oil or chemical storage tanks, contaminated soil or water, hazardous waste, waste disposal sites, electromagnetic fields, nuclear sources, urea formaldehyde, or other materials may adversely affect the Property and the health of individuals who live on or work at the property as well as pets. If Buyer wants further information, Buyer is advised and Broker recommends that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation. Not all inspectors are licensed and licenses are not available for all types of inspection activities. Buyer is also advised to consult with appropriate experts regarding this topic during Buyer's inspection contingency period. Brokers do not have expertise in this area. Broker recommends that Buyer and Seller read the booklets titled, "Residential Environmental Hazards: A Guide for Homeowners, Homebuyers, Landlords and Tenants," and "Protect Your Family From Lead In Your Home."

6. MOLD: Buyer and Seller are advised that the presence of certain kinds of mold, fungi, mildew and other organisms, sometimes referred to as "toxic mold" (collectively "Mold") may adversely affect the Property and the health of individuals who live on or work at the Property as well as pets. Mold does not affect all people the same way, and may not affect some people at all. Mold may be caused by water leaks or other sources of moisture such as, but not limited to, flooding, and leaks in windows, pipes and roof. Seller is advised to disclose the existence of any such condition of which he or she is aware. Buyer should carefully review all of Seller's disclosures for any indication that any of these conditions exist. It is, however, possible that Mold may be hidden and that Seller is completely unaware of its existence. In addition, Mold is often undetectable from a visual inspection, a professional property inspection and even a structural pest control inspection. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer have the Property tested for Mold by an environmental hygienist or other appropriate professional during Buyer's inspection contingency period. Not all inspectors are licensed and licenses are not available for all types of inspection activities.

Buyer's Initials () ()
Seller's Initials (X WSH) (X BBA)

Reviewed by _____ Date _____



7. WATER INTRUSION: Buyer and Seller are advised that many homes suffer from water intrusion or leakage. The causes of water intrusion are varied, and can include defective construction, faulty grading, deterioration of building materials and absence of waterproof barriers. Water intrusion can cause serious damage to the Property. This damage can consist of wood rot, mold, mildew and even damage to the structural integrity of the Property. The cost of repairing and remediating water intrusion damage and its causes can be very significant. The existence and cause of water intrusion is often difficult to detect. Because you, your Broker or a general home inspector cannot visually observe any effects of water intrusion, Buyer and Seller should not assume that such intrusion does not exist. Broker recommends that Buyer have the Property inspected for water intrusion by an appropriate professional. Brokers do not have expertise in this area.

8. SEPTIC SYSTEM(S): Buyer and Seller are advised that a property may be served by one or more septic systems even though adjoining properties are connected to a sewer line. Buyer and Seller are also advised that some septic tanks and systems may have been abandoned or have leaked into ground water sources. Buyer is advised to contact the appropriate government agency to verify that the Property is connected to a sewer or served by a septic system. If the Property is served by a septic system it may consist of a septic tank, cesspool, pits, leach lines or a combination of such mechanisms ("collectively, System"). No representation or warranty is made by Seller or Broker concerning the condition, operability, size, capacity or future expansion of a System, nor whether a System is adequate for use by the intended occupants of the Property. A change in the number of occupants or the quantity, composition or methods of depositing waste may affect the efficiency of the System. In addition, the amount of rainfall and ground water table may also affect the efficiency of the System. Many factors including, but not limited to, natural forces, age, deterioration of materials and the load imposed on a System can cause the System to fail at any time. Broker recommends that Buyer obtain an independent evaluation of any System by a qualified sanitation professional during Buyer's inspection contingency period. Brokers do not have expertise in this area. Buyer should consult with their sanitation professional to determine if their report includes the tank only, or other additional components of the System such as pits and leach fields. Not all inspectors are licensed and licenses are not available for all types of inspection activities. In some cases, Buyer's lender as well as local government agencies may require System inspection. System-related maintenance costs may include, but not be limited to, locating, pumping or providing outlets to ground level. Brokers are unable to advise Buyer or Seller regarding System-related issues or associated costs, which may be significant. If Buyer and Seller agree to obtain a System inspection, Buyer and Seller are cautioned that the inspection cost may include, but not be limited to, the costs of locating, pumping or providing outlets to ground level.

9. WELL AND WATER SYSTEM(S): Buyer and Seller are advised that the Property may be served by one or more water wells, springs, or private community or public water systems. Any of these private or public water systems may contain bacteria, chemicals, minerals and metals, such as chromium. Well(s) may have been abandoned on the Property. Buyer is advised to have both the quality and the quantity of water evaluated, and to obtain an analysis of the quality of any domestic and agricultural water in use, or to be used at the Property, from whatever source. Water quality tests can include not only tests for bacteria, such as coliform, but also tests for organic and inorganic chemicals, metals, mineral content and gross alpha testing for radioactivity. Broker recommends that Buyer consult with a licensed, qualified well and pump company and local government agency to determine whether any well/spring or water system will adequately serve Buyer's intended use and that Buyer have a well consultant perform an extended well output test for this purpose. Water well or spring capacity, quantity output and quality may change at any time. There are no guarantees as to the future water quality, quantity or duration of any well or spring. If Buyer wants further information, Broker recommends that Buyer obtain an inspection of the condition, age, adequacy and performance of all components of the well/spring and any water system during Buyer's inspection contingency period. Brokers do not have expertise in this area.

10. WOOD DESTROYING PESTS: Buyer and Seller are advised that the presence of, or conditions likely to lead to the presence of, or other infestation or infection of wood destroying pests and organisms may adversely affect the Property. Inspection reports covering these items can be separated into two sections: Section 1 identifies areas where infestation or infection is evident. Section 2 identifies areas where there are conditions likely to lead to infestation or infection. Brokers do not have expertise in this area. If Buyer wants further information, Buyer is advised and Broker recommends that Buyer have the Property inspected for the existence of such conditions and organisms, and conditions that may lead to their formation by a registered structural pest control company during Buyer's inspection contingency period.

11. EASEMENTS, ACCESS AND ENCROACHMENTS: Buyer and Seller are advised that confirming the exact location of easements, shared or private driveways or roadways, and encroachments on or to the Property may be possible only by conducting a survey. There may be unrecorded easements, access rights, encroachments and other agreements affecting the Property that may not be disclosed by a survey. Representations regarding these items that are made in a Multiple Listing Service, advertisements, or plotted by a title company are often approximations, or based upon inaccurate or incomplete records. Brokers have not verified any such representations. If Buyer wants further information Buyer is advised and Broker recommends that Buyer hire a licensed surveyor during Buyer's inspection contingency period. Brokers do not have expertise in this area.

Buyer's Initials () ()
Seller's Initials (X J H) (X B A)

Reviewed by _____ Date _____



12. EARTHQUAKE FAULT ZONES AND SEISMIC HAZARD ZONES: Buyer and Seller are advised that California Public Resources Code Sections 2622 and 2696 require the delineation and mapping of "Earthquake Fault Zones" along known active faults and "Seismic Hazard Zones" in California. Affected cities and counties must regulate certain development projects within these zones. Construction or development on affected properties may be subject to the findings of a geological report prepared by a registered California geologist. Generally, Seller must disclose if the Property is in such a zone and can use a research company to aid in the process. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer make independent inquiries with such research companies or with appropriate government agencies concerning the use and improvement of the Property. Brokers do not have expertise in this area. Buyer is advised that there is a potential for earthquakes and seismic hazards even outside designated zones.

13. FIRE HAZARDS: Buyer and Seller are advised that fires annually cause the destruction of thousands of homes. Due to varied climate and topography, certain areas have higher risks of fires than others. Certain types of materials used in home construction create a greater risk of fire than others. If the Property is located within a State Fire Responsibility Area or a Very High Fire Hazard Zone, generally Seller must disclose that fact to Buyer under California Public Resources Code Section 4136 and California Government Code Sections 51178 and 51183.5, and may use a research company to aid in the process. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer contact the local fire department and Buyer's insurance agent regarding the risk of fire. Brokers do not have expertise in this area. Buyer is advised that there is a potential for fires even outside designated zones.

14. FLOOD HAZARDS: Buyer and Seller are advised that if the Property is located within a Special Flood Hazard Area, as designated by the Federal Emergency Management Agency, or an area of Potential Flooding pursuant to California Government Code Section 8589.3, generally Seller must disclose this fact to Buyer and may use a research company to aid in the process. The National Flood Insurance Program was established to identify all flood plain areas and establish flood-risk zones within those areas. The program mandates flood insurance for properties within high-risk zones if loans are obtained from a federally-regulated financial institution or are insured by any agency of the United States Government. The extent of coverage and costs may vary. If Buyer wants further information, Broker recommends that Buyer consult his or her lender and/or insurance agent during Buyer's inspection contingency period. Brokers do not have expertise in this area. Buyer is advised that there is a potential for flooding even outside designated zones.

15. BUILDING PERMITS, ZONING AND CODE COMPLIANCE: Buyer and Seller are advised that any structure on the Property, including the original structure and any addition, modification, remodel or improvement may have been built without permits, not according to building codes, or in violation of zoning laws. Further, even if such structure was built according to the then-existing code or zoning requirement, it may not be in compliance with current building standards or local zoning. It is also possible that local law may not permit structures that now exist to be rebuilt in the event of damage or destruction. Buyer is advised to check with appropriate government agencies or third party professionals to verify permits and legal requirements and the effect of such requirements on current and future use of the Property, its development and size. If Buyer wants further information Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

16. VIEWS: Buyer and Seller are advised that present views from the Property may be affected by future development or growth of trees and vegetation on adjacent properties and any other property within the line of sight of the Property. Broker makes no representation regarding the preservation of existing views. If Buyer wants further information, Broker recommends that Buyer review Covenants, Conditions and Restrictions, if any, and contact neighboring property owners, government agencies and homeowner associations, if any, during Buyer's inspection contingency period. Brokers do not have expertise in this area.

17. FUTURE REPAIRS, REPLACEMENTS AND REMODELS: Buyer and Seller are advised that replacement or repairs of certain systems or remodels of portions of the Property may trigger requirements that homeowners comply with laws and regulations that either come into effect after Close of Escrow or are not required to be complied with until the replacement, repair or remodel has occurred. Permit or code requirements or building standards may change after Close of Escrow, resulting in increasing costs to repair existing features. In particular, changes to state and federal energy efficiency regulations impact the installation, replacement and some repairs of heating and air conditioning units (HVAC). Federal regulations now require manufacturers of HVAC units to produce only units meeting a new higher Seasonal Energy Efficiency Rating (SEER). This will likely impact repairs and replacements of existing HVAC units. State regulations now require that when installing or replacing HVAC units, with some exceptions, duct work must be tested for leaks. Duct work leaking more than 15 percent must be repaired to reduce leaks. The average existing duct work typically leaks 30 percent. More information is available at the California Energy Commission's website <http://www.energy.ca.gov/title24/changeout>. Home warranty policies may not cover such inspections or repairs. If Buyer wants further information Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

18. ERRANT GOLF BALLS: Buyer and Seller are advised that if the Property is located adjacent to or near a golf course there is a possibility that golf balls may damage the Property or injure persons or pets on it. Additionally, persons playing golf may enter the Property to retrieve errant golf balls or for other purposes. Broker recommends that Buyer investigate this possibility during Buyer's Inspection contingency period. Brokers do not have expertise in this area.

Buyer's Initials () ()
Seller's Initials (XWJH) (XPH)
Reviewed by _____ Date _____



19. SCHOOLS: Buyer and Seller are advised that children living in the Property may not, for numerous reasons, be permitted to attend the school nearest the Property. Various factors including, but not limited to, open enrollment policies, busing, overcrowding and class size reductions may affect which public school serves the Property. School district boundaries are subject to change. Buyer is advised to verify whether the Property is now, and at the Close of Escrow will be, in the school district Buyer understands it to be in and whether residing in the Property entitles a person to attend any specific school that Buyer is interested in. Broker recommends that Buyer contact the local school or school district for additional information during Buyer's inspection contingency period. Brokers do not have expertise in this area.

20. NEIGHBORHOOD NOISE SOURCES: Buyer and Seller are advised that even if the Property is not in an identified airport noise influence area the Property may still be subject to airplanes and other aircraft, commercial or military or both, flying overhead. Other common sources of noise include traffic on streets and highways, trains and general neighborhood noise from people, dogs and other animals. Noise levels and types of noise that bother one person may be acceptable to others. Buyer is advised to satisfy him/herself with regard to any sources of and amounts of noise at different times of day and night. Brokers do not have expertise in this area.

21. PETS AND ANIMALS: Buyer and Seller are advised that the current or previous owner(s) may have had domesticated or other pets and animals at the Property. Odors from animal urine contamination may be dormant for long periods of time and then become active because of heat, humidity or other factors and may not be eliminated by cleaning or replacing carpets or other cleaning. Pet urine and feces can also damage hardwood floors and other floor coverings. Additionally, an animal may have had fleas, ticks and other pests that remain on the Property after the animal has been removed. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional during Buyer's inspection contingency period. Brokers do not have expertise in this area.

22. SECURITY AND SAFETY: Buyer and Seller are advised that state and local Law may require the installation of barriers, access alarms, self-latching mechanisms and/or other measures to decrease the risk to children and other persons of existing swimming pools and hot tubs, as well as various fire safety and other measures concerning other features of the Property. Compliance requirements differ from city to city and county to county. Unless specifically agreed, the Property may not be in compliance with these requirements. Brokers do not have expertise in this area. If Buyer wants further information, Broker recommends that Buyer contact local government agencies about these restrictions and other requirements.

23. RETROFIT: Buyer and Seller are advised that state and local Law may require the installation of operable smoke detectors, bracing or strapping of water heaters, and completion of a corresponding written statement of compliance that is delivered to Buyer. Some city and county governments may impose additional retrofit standards, including, but not limited to, installing low-flow toilets and showerheads, gas shut-off valves, and tempered glass. Brokers do not have expertise in this area. Broker recommends that Buyer and Seller consult with the appropriate government agencies, inspectors, and other professionals to determine the retrofit standards for the Property, the extent to which the Property complies with such standards, and the costs, if any, of compliance.

24. WATER SHORTAGES AND CONSERVATION: Buyer and Seller are advised that the Property may be located in an area that could experience water shortages. The policies of local water districts and the city or county in which the Property is located can result in the occurrence of any or all of the following: (i) limitations on the amount of water available to the Property, (ii) restrictions on the use of water, and (iii) an increasingly graduated cost per unit of water use, including, but not limited to, penalties for excess usage. For further information, Broker recommends that Buyer contact the supplier of water to the Property regarding the supplier's current or anticipated policies on water usage and to determine the extent to which those policies may affect Buyer's intended use of the Property. If the Property is serviced by a private well, Buyer is advised that drought conditions and/or a low water table may make it necessary to arrange, through a private supplier, for delivery of water to the Property. Buyers should contact water truck companies for the costs involved. Brokers do not have expertise in this area.

25. NEIGHBORHOOD, AREA; PERSONAL FACTORS: Buyer and Seller are advised that the following may affect the Property or Buyer's intended use of it: neighborhood or area conditions, including schools, proximity and adequacy of law enforcement, crime, fire protection, other government services, availability, adequacy and cost of any speed-wired, wireless internet connections or other telecommunications or other technology services and installations, proximity to manufacturing, commercial, industrial, airport or agricultural activities or military ordnance locations, existing and proposed transportation, construction, and development, any other source that may affect noise, view, traffic, or odor, wild and domestic animals, other nuisances, hazards, or circumstances, protected species, wetland properties, botanical diseases, historic or other governmentally-protected sites or improvements, cemeteries, conditions and influences of significance to certain cultures and/or religions, and personal needs, requirements and preferences of Buyer.

Buyer's Initials () ()
Seller's Initials (XWSH) (XBSA)

Reviewed by _____ Date _____



26. INSURANCE: Buyer and Seller are advised that Buyer may have difficulty obtaining insurance regarding the Property if there has been a prior insurance claim affecting the Property or made by Buyer but unrelated to the Property. Seller is required by C.A.R. Form RPA to disclose known insurance claims made during the past five years. Sellers may not be aware of claims prior to their ownership. If Buyer wants further information, Broker recommends that, during Buyer's inspection contingency period, Buyer conduct his or her own investigation for past claims. Buyer may need to obtain Seller's consent in order to have access to certain investigation reports. If the Property is a condominium, or is located in a planned unit development or other common interest subdivision, Buyer and Seller are advised to determine if the individual unit is covered by the Homeowner Association Insurance. Broker recommends that Buyer consult Buyer's insurance agents during Buyer's inspection contingency period to determine the need, availability and possibility of securing any and all forms of other insurance or coverage or any conditions imposed by insurer as a requirement of issuing insurance. If Buyer takes possession prior to Close of Escrow or Seller remains in possession after Close of Escrow, whether for a limited or extended period of time, Broker recommends that Buyer and Seller each consult with their own insurance agent regarding insurance or coverage that could protect them in the transaction (including but not limited to: personal property, flood, earthquake, umbrella and renter's). Brokers do not have expertise in this area.

27. CALIFORNIA FAIR PLAN: Buyer and Seller are advised that insurance for certain hillside, oceanfront and brush properties may be available only from the California Fair Plan. This may increase the cost of insurance for such properties and coverage may be limited. Broker recommends that Buyer consult with Buyer's own insurance agent during Buyer's inspection contingency period regarding the availability of coverage under the California Fair Plan and the length of time it may take for processing of a California Fair Plan application. Brokers do not have expertise in this area.

28. HISTORICAL DESIGNATION, COASTAL COMMISSION, ARCHITECTURAL, LANDSCAPE, AGRICULTURAL OR OPEN SPACE AND OTHER RESTRICTIONS ON BUILDINGS OR IMPROVEMENTS: Buyer and Seller are advised that the Property may be: (i) designated as a historical landmark, (ii) protected by a historical conservancy, (iii) subject to an architectural or landscaping review process, (iv) within the jurisdiction of the California Coastal Commission or other government agency, or (v) subject to a contract preserving use of all or part of the Property for agriculture or open space. If the Property is so designated or within the jurisdiction of any such, or similar, government agency then there may be restrictions on Buyer's ability to develop, remove or trim trees or other landscaping, remodel, make improvements to and build on or rebuild the Property. Broker recommends that Buyer satisfy him/herself during Buyer's inspection contingency period if any of these issues are of concern to Buyer. Brokers do not have expertise in this area.

29. 1915 BOND AND MELLO-ROOS COMMUNITY AND OTHER FACILITIES DISTRICTS: Buyer and Seller are advised that the Property may be subject to an improvement bond assessment under the Improvement Bond Act of 1915 and/or a levy of a special tax pursuant to a Mello-Roos community facilities or other district. Seller is generally required to make a good faith effort to obtain a disclosure notice from any local agency collecting such taxes and deliver such notice to Buyers. Brokers do not have expertise in this area.

30. HOMEOWNER ASSOCIATIONS AND COVENANTS, CONDITIONS AND RESTRICTIONS (CC&Rs): Buyer and Seller are advised that if the Property is a condominium, or located in a planned unit development, or in a common interest subdivision there are typically restrictions on use of the Property and rules that must be followed. Restrictions and rules are commonly found in Declarations of Covenants, Conditions and Restrictions (CC&Rs) and other governing documents. Further there is likely to be a homeowner association (HOA) that has the authority to affect the Property and its use. Whether or not there is a HOA, the Property may still be subject to CC&Rs restricting use of the Property. The HOA typically has the authority to enforce the rules of the association, assess monetary payments (both regular monthly dues and special assessments) to provide for the upkeep and maintenance of the common areas, and enforce the rules and assessment obligations. If you fail to abide by the rules or pay monies owed to the HOA, the HOA may put a lien against your Property. The law requires the Seller to provide the Buyer with the CC&Rs and other governing documents, as well as a copy of the HOA's current financial statement and operating budget, among other documents. Buyer is advised to carefully review all HOA documents provided by Seller and the CC&Rs, if any, and satisfy him/herself regarding the use and restrictions of the Property, the amount of monthly dues and/or assessments, the adequacy of reserves, current and past insurance coverage and claims and the possibility of any legal action that may be taken by or against the HOA. The HOA may not have insurance or may not cover personal property belonging to the owner of the unit in the condominium, common interest or planned unit development. See paragraph 26 for further information regarding insurance. Brokers do not have expertise in this area.

31. COMMUNITY ENHANCEMENT AND PRIVATE TRANSFER FEES: Buyer and Seller are advised that some areas or communities may have enhancement fees or user-type fees, or private transfer fees, over and above any stated association fees. Private transfer fees: (A) may last for a fixed period of time or in perpetuity, (B) are typically calculated as a percentage of home's sales price, and (C) may have private parties, charitable organizations or interest-based groups as their recipients. Brokers do not have expertise in this area.

Buyer's Initials () ()
Seller's Initials (XWJH) (XPJA)
Reviewed by _____ Date _____



32. GENERAL RECALL/DEFECTIVE PRODUCT/CLASS ACTION INFORMATION: Buyer and Seller are advised that government entities and manufacturers may at any time issue recall notices and/or warnings about products that may be present in the Property, and that these notices or warnings can change. There is no single, all-inclusive source of information on product recalls, defective products or class actions; however, the U.S. Consumer Product Safety Commission (CPSC) maintains a website that contains useful information. If Buyer wants further information regarding the items listed below, Broker recommends that Buyer consult the CPSC website at <http://www.cpsc.gov> during Buyer's inspection contingency period. The following are examples of recall/defective products/class action information. The information is not exclusive. If Buyer wants further information, Broker recommends that Buyer contact the sources below. Brokers do not have expertise in this area and will not determine if any aspect of the Property is subject to a recall or is affected by a class action lawsuit. (NOTE: While the information below is believed to be current as of the revision date of this form, phone numbers and web addresses may change or be discontinued.)

A. FURNACES: Buyer is advised that the CPSC has issued a warning regarding certain gas-fired horizontal forced-air furnaces that present a substantial risk of fire. The furnaces in question were manufactured from 1983 to 1994 by Consolidated Industries and were marketed under many different brand names. Homes built before 1983 or after 1994 could still have the furnaces in question due to replacements or remodeling. If Buyer wants further information, Broker recommends that Buyer contact CPSC's hotline at (800) 638-2772.

B. WHIRLPOOL MICROWAVE-HOOD COMBINATION: Buyer is advised that Whirlpool Corporation has voluntarily recalled approximately 1.8 million microwave-hood combinations that have been known to overheat and catch fire. The units at issue are installed above ranges and are sold under the Whirlpool, KitchenAid and Kenmore brand names. If Buyer wants further information, Broker recommends that Buyer contact Whirlpool by phone at (800) 785-8897 or at its website, <http://www.repair.whirlpool.com>.

C. ROOF TILES: Buyer is advised that there is a class action lawsuit concerning certain fire free tiles and quantum panels manufactured and installed by RE-Con Building Products, Inc. from December 1993 to November 1997. If Buyer wants further information, Broker recommends that Buyer call (800) 966-3696 or view the website at <http://www.firefreeclaims.com>.

D. FIRE SPRINKLER: Buyer is advised that Central Sprinkler Company is recalling 35 million fire sprinkler heads that may be defective. If Buyer wants further information, Broker recommends that Buyer consult the CPSC website at <http://www.cpsc.gov> or Central Sprinkler Company at (866) 505-8553 or <http://www.sprinklerreplacement.com>.

E. WATER HEATER: Buyer is advised that certain water heaters manufactured by a variety of companies between 1993 and 1997 may be defective. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional who can determine if the water heater on the Property is defective.

F. ALUMINUM WIRING: Buyer is advised that some properties in California are wired in whole or in part with aluminum wiring which was approved at the time of construction but subsequently determined to be a potential hazard. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional who can determine if the wiring on the Property is defective.

G. GALVANIZED, ABS, POLYBUTYLENE AND COPPER PIPE: Buyer is advised that galvanized steel water pipes may corrode and leak after several years and that ABS plastic drain waste and vent pipe may be subject to failure. Buyer is also advised that the adhesive used in the installation of polybutylene pipe has been subject to failure. Additionally, copper pipe installed in slabs may develop leaks as result of reaction to certain soils. If Buyer wants further information, Broker recommends that Buyer discuss the issue with an appropriate professional who can determine if the water pipes and drains on the Property are defective.

H. WATER HEATER GAS CONTROL VALVES: Buyer is advised that the CPSC in cooperation with Robertshaw Controls Company has announced a voluntary recall of approximately 178,000 gas control valves installed on water heaters manufactured between July 2005 and August 2005 with production date codes 5-31 through and including 5-33 under brand names American Proline, Bradford White, GE, GSE, Hotpoint, Jetglas, John Wood, Lochinvar, Premire Plus, Powerflex, Rheem, Richmond, Ruud, Vanguard, Whirlpool and U.S. Craftsman.

Further information, Broker recommends that Buyer consult the CPSC website at <http://www.cpsc.gov> or contact Robertshaw Controls at (888) 225-1071 or <http://www.robertshaw.com>.

Buyer's Initials () ()
Seller's Initials (XWJH) (XBJA)

Reviewed by _____ Date _____



39. NON CONFIDENTIALITY OF OFFERS: Buyer is advised that Seller or Listing Agent may disclose the existence, terms, or conditions of Buyer's offer unless all parties and their agent have signed a written confidentiality agreement. Whether any such information is actually disclosed depends on many factors, such as current market conditions, the prevailing practice in the real estate community, the Listing Agent's marketing strategy and the instructions of the Seller.

40. FIRPTA/CALIFORNIA WITHHOLDING: Buyer and Seller are advised that: (i) Internal Revenue Code section 1445 requires a Buyer to withhold and remit to the Internal Revenue Service 10% of the purchase price if Seller is a non-resident alien, unless an exemption applies. Seller may avoid withholding by providing Buyer a statement of non-foreign status. The statement must be signed by Seller under penalty of perjury and include Seller's tax identification number. Buyer can also avoid the federal withholding requirement if the property price is \$300,000 or less and the Buyer signs an affidavit stating Buyer intends to occupy the property as a principal residence. (ii) California Revenue and Taxation Code Section 18662 requires that a Buyer withhold and remit to the California Franchise Tax Board 3 1/3% of the purchase price unless the Seller signs an affidavit that the property was the Seller's (or the decedent's if a trust or probate sale) principal residence or that the sales price is \$100,000 or less or another exemption applies. Exemptions from withholding also apply to legal entities such as corporations, LLCs, and partnerships. Brokers cannot give tax advice. Broker recommends that Buyer and Seller seek advice from a CPA, attorney or taxing authority. Brokers do not have expertise in this area.

41. LIQUIDATED DAMAGES: Buyer and Seller are advised that a liquidated damages clause is a provision Buyer and Seller can use to agree in advance to the amount of damages that a seller will receive if a buyer breaches the agreement. The clause usually provides that a seller will retain a Buyer's initial deposit paid if the Buyer breaches the agreement, and generally must be separately initialed by both parties to be enforceable. For any additional deposits to be covered by the liquidated damages clause, there generally must be another separately signed or initialed agreement. However, if the Property contains from 1 to 4 units, one of which the Buyer intends to occupy, California Civil Code Section 1675 limits the amount of the deposit subject to liquidated damages to 3% of the purchase price. Even though both parties have agreed to a liquidated damages clause, an escrow company will usually require either a judge's or arbitrator's decision or instructions signed by both parties in order to release the Buyer's deposit to the Seller. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to a liquidated damages clause. Brokers do not have expertise in this area.

42. MEDIATION: Buyer and Seller are advised that mediation is a process in which the parties hire a neutral person to facilitate discussion and negotiation between the parties with the goal of helping them reach a settlement of their dispute. The parties generally share in the cost of this confidential, non-binding negotiation. If no agreement is reached, either party can pursue further legal action. Under C.A.R. Form RPA-CA; (i) the parties must mediate any dispute arising out of their agreement (with a few limited exceptions, such as matters within the jurisdiction of a small claims court) before they resort to arbitration or court, and (ii) if a party proceeds to arbitration or court without first attempting to mediate the dispute, that party risks losing the right to recover attorney fees even if he or she prevails.

43. ARBITRATION: Buyer and Seller are advised that arbitration is a process by which the disputing parties hire a neutral person to render a decision. Generally, arbitration is faster and less expensive than resolving disputes by litigating in court. The rules are usually less formal than in court, and it is a private process not on the public record. By agreeing to arbitration the parties give up the right to a jury trial and to appeal. Arbitration decisions have been upheld even when arbitrators have made a mistake as to the law or the facts. If the parties agree to arbitration, then any dispute arising out of their agreement (with a few limited exceptions) must be submitted to binding arbitration. Buyer and Seller must weigh the benefits of a potentially quicker and less expensive arbitration against giving up the right to a jury trial and the right to appeal. Brokers cannot give legal advice regarding these matters. Buyers and Sellers must decide on their own, or with the advice of legal counsel, whether to agree to arbitration. Brokers do not have expertise in this area.

Buyer's Initials () ()
Seller's Initials (XLSH) (XLSH)

Reviewed by _____ Date _____



Property Address: Bonny Doon, CA 95060

Date: February 24, 2010

44. LOCAL ADDENDA (IF CHECKED):

The following local disclosures or addenda are attached:

- A. _____
- B. _____
- C. _____
- D. _____

Buyer and Seller acknowledge and agree that Broker: (i) does not decide what price Buyer should pay or Seller should accept; (ii) does not guarantee the condition of the Property; (iii) does not guarantee the performance, adequacy or completeness of inspections, services, products or repairs provided or made by Seller or others; (iv) does not have an obligation to conduct an inspection of common areas or areas off the site of the Property; (v) shall not be responsible for identifying defects on the Property, in common areas, or offsite unless such defects are visually observable by an inspection of reasonably accessible areas of the Property or are known to Broker; (vi) shall not be responsible for inspecting public records or permits concerning the title or use of Property; (vii) shall not be responsible for identifying the location of boundary lines or other items affecting title; (viii) shall not be responsible for verifying square footage, representations of others or information contained in investigation reports, Multiple Listing Service, advertisements, flyers or other promotional material; (ix) shall not be responsible for providing legal or tax advice regarding any aspect of a transaction entered into by Buyer or Seller; and (x) shall not be responsible for providing other advice or information that exceeds the knowledge, education and experience required to perform real estate licensed activity. Buyer and Seller agree to seek legal, tax, insurance, title and other desired assistance from appropriate professionals.

By signing below, Buyer and Seller acknowledge that each has read, understands and received a copy of this Advisory. Buyer and Seller are encouraged to read it carefully.

Date _____

Date _____

BUYER _____

BUYER _____

(Print name) _____

(Print name) _____

(Address) _____

(Address) _____

Date 02/24/2010

Date 02/24/2010

SELLER X William J. Heinze

SELLER X Beverly Heinze

William Heinze

Beverly Heinze

(Print name)

(Print name)

208 Emerald Forest, Bonny Doon, CA 95060

(Address)

Real Estate Broker (Selling Firm) _____ DRE Lic. # _____

By _____ DRE Lic. # _____ Date _____

Address _____ City _____ State _____ Zip _____

Telephone _____ Fax _____ E-mail _____

Real Estate Broker (Listing Firm) Keller Williams Realty DRE Lic. # 01473789

By Frank Murphy DRE Lic. # 01014048 Date 02/24/2010

Address 1414 Soquel Ave. Suite 100 City Santa Cruz State CA Zip 95062

Telephone (831) 457-5550 Fax (831) 401-2425 E-mail Frank@FrankMurphy.net

THIS FORM HAS BEEN APPROVED BY THE CALIFORNIA ASSOCIATION OF REALTORS® (C.A.R.). NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. A REAL ESTATE BROKER IS THE PERSON QUALIFIED TO ADVISE ON REAL ESTATE TRANSACTIONS. IF YOU DESIRE LEGAL OR TAX ADVICE, CONSULT AN APPROPRIATE PROFESSIONAL.

This form is available for use by the entire real estate industry. It is not intended to identify the user as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by members of the NATIONAL ASSOCIATION OF REALTORS® who subscribe to its Code of Ethics.



Published and Distributed by:
REAL ESTATE BUSINESS SERVICES, INC.
a subsidiary of the California Association of REALTORS®
525 South Virgil Avenue, Los Angeles, California 90020

Reviewed by _____ Date _____



Updated County Ordinance for Water Conservation
Santa Cruz County Code, Chapter 7.69

| | |
|--------------------------------|----------------|
| READ & ACKNOWLEDGED | |
| William J. Henry Signature | 3/1/10 date |
| Beverly Stein Signature | 3-1-10 date |

Chapter 7.69 INSTALLATION OF WATER CONSERVATION DEVICES

7.69.010 Findings and purpose.

The installation of water-saving low-flow showerheads and ultra-low-flush toilets before the sale of property would result in a substantial conservation of water and energy, and also reduce the burden on septic tank systems and sewer systems; and that such water and energy conservation devices may be installed at a nominal cost. (Ord. 4698 § 2 (part), 1/7/03)

7.69.015 Relationship to other code requirements.

Property located within the water service area of the city of Santa Cruz shall comply with the requirements for the installation of water conservation devices as set forth in Chapter 7.74 of the county code. (Ord. 4698 § 2 (part), 1/7/03)

7.69.020 Definitions.

For purposes of this chapter:

- A. "Significant expense" means that the cost for retrofitting any single fixture is estimated to be more than one-half of one percent of the market value of the property subject to transfer.
- B. "Water conservation retrofit devices" means for showers a low-flow showerhead which will have a maximum flow rate of not exceeding two and one-half gallons per minute (gpm), and for toilets, an ultra-low-flush toilet not exceeding one and six-tenths gallon per flush (gpf). (Ord. 4781 § 1, 4/5/05; Ord. 4698 § 2 (part), 1/7/03)

7.69.030 Requirements for water conservation retrofit devices.

Commencing March 1, 2003, all sellers of residential, commercial or industrial property using water in showers and toilets shall be required to install water conservation retrofit devices as defined in Section 7.69.020 prior to the recording of any deed transferring title to the property to implement a sale of the property, or prior to the recording of a contract of sale pursuant to Section 2985 of the California Civil Code. (Ord. 4698 § 2 (part), 1/7/03)

7.69.040 Exemptions. A. The requirement for the installation of water conservation retrofit devices on showers shall not apply to any of the following:

1. All structures that include plumbing fixtures on the property changing ownership with evidence documenting that they were constructed or renovated in 1994 or later;
2. Any shower that is fitted with a low-flow showerhead with a maximum flow rate that does not exceed two and one-half gallons per minute;
3. Any emergency shower installed for health or safety purposes that cannot safely operate with a maximum flow rate that does not exceed two and one-half gallons per minute;
4. When the retrofit of a shower fixture to comply with this chapter would require a significant expense;
5. Any shower that will not function properly after being retrofitted in accordance with this chapter.

B. The requirement for the installation of ultra-low-flush toilets shall not apply to any of the following:

1. Any toilet that already uses less than one and six-tenths gallons per flush.
 2. When the retrofit of a toilet fixture to comply with this chapter would require a significant expense;
 3. Any toilet that will not function properly after being retrofitted in accordance with this chapter.
- (Ord. 4781 § 2, 4/5/05; Ord. 4698 § 2 (part), 1/7/03)

Updated County Ordinance for Water Conservation
Santa Cruz County Code, Chapter 7.69

Chapter 7.69 INSTALLATION OF WATER CONSERVATION DEVICES

7.69.010 Findings and purpose.

The installation of water-saving low-flow showerheads and ultra-low-flush toilets before the sale of property would result in a substantial conservation of water and energy, and also reduce the burden on septic tank systems and sewer systems; and that such water and energy conservation devices may be installed at a nominal cost. (Ord. 4698 § 2 (part), 1/7/03)

7.69.015 Relationship to other code requirements.

Property located within the water service area of the city of Santa Cruz shall comply with the requirements for the installation of water conservation devices as set forth in Chapter 7.74 of the county code. (Ord. 4698 § 2 (part), 1/7/03)

7.69.020 Definitions.

For purposes of this chapter:

- A. "Significant expense" means that the cost for retrofitting any single fixture is estimated to be more than one-half of one percent of the market value of the property subject to transfer.
- B. "Water conservation retrofit devices" means for showers a low-flow showerhead which will have a maximum flow rate of not exceeding two and one-half gallons per minute (gpm), and for toilets, an ultra-low-flush toilet not exceeding one and six-tenths gallon per flush (gpf). (Ord. 4781 § 1, 4/5/05; Ord. 4698 § 2 (part), 1/7/03)

7.69.030 Requirements for water conservation retrofit devices.

Commencing March 1, 2003, all sellers of residential, commercial or industrial property using water in showers and toilets shall be required to install water conservation retrofit devices as defined in Section 7.69.020 prior to the recording of any deed transferring title to the property to implement a sale of the property, or prior to the recording of a contract of sale pursuant to Section 2985 of the California Civil Code. (Ord. 4698 § 2 (part), 1/7/03)

7.69.040 Exemptions. A. The requirement for the installation of water conservation retrofit devices on showers shall not apply to any of the following:

1. All structures that include plumbing fixtures on the property changing ownership with evidence documenting that they were constructed or renovated in 1994 or later;
 2. Any shower that is fitted with a low-flow showerhead with a maximum flow rate that does not exceed two and one-half gallons per minute;
 3. Any emergency shower installed for health or safety purposes that cannot safely operate with a maximum flow rate that does not exceed two and one-half gallons per minute;
 4. When the retrofit of a shower fixture to comply with this chapter would require a significant expense;
 5. Any shower that will not function properly after being retrofitted in accordance with this chapter.
- B. The requirement for the installation of ultra-low-flush toilets shall not apply to any of the following:
1. Any toilet that already uses less than one and six-tenths gallons per flush.
 2. When the retrofit of a toilet fixture to comply with this chapter would require a significant expense;
 3. Any toilet that will not function properly after being retrofitted in accordance with this chapter.
- (Ord. 4781 § 2, 4/5/05; Ord. 4698 § 2 (part), 1/7/03)

7.69.050 Notice by sellers and agents. Any real estate agent, broker or salesperson involved in the sale of property subject to this chapter shall give written notice to the buyer and seller of these requirements prior to the closing of the sale of the property. A seller of any property subject to this chapter shall provide the buyer with a written certification of compliance with the requirements of this chapter stating that the required water conservation retrofit devices have been installed or that installation of devices is not required and the reasons why installation is not required under the terms of this chapter. (Ord. 4698 § 2 (part), 1/7/03)

7.69.060 Violation--Penalty. Any person, firm or corporation violating any of the provisions of this chapter shall be deemed guilty of an infraction and be fined in accordance with the provisions of Section 1.12.040 of the Santa Cruz County Code. Each day such a violation is committed or permitted to continue shall constitute a separate offense and shall be punishable as such. (Ord. 4698 § 2 (part), 1/7/03)

7.69.070 Civil remedy. If the seller fails to comply with the retrofit requirements, the buyer shall install the low consumption plumbing fixtures within ninety days from the date of sale. Any seller who fails to comply with the requirements of this chapter is liable to the buyer in the amount of two hundred and fifty dollars for each fixture that does not comply with this chapter at the time of sale, or the actual costs of the buyer to comply with this chapter, whichever amounts are greater. (Ord. 4698 § 2 (part), 1/7/03)

County of Santa Cruz

Installation of Water Conservation Devices Regulation

Frequently Asked Questions (FAQs):

- Definition of “Water Conservation Retrofit Devices”
- Why would I want to replace a perfectly good toilet?
- How do I know if the County Ordinance applies to my property?
- What if I’m on a well or I receive water from one of the private water systems, Mutual Water Companies, Water Districts, City of Capitola, Scotts Valley or Watsonville. Do I still have to retrofit per County Code 7.69?
- Do I have to retrofit my mobile home?
- Who is responsible for retrofitting the property?
- What if I want to transfer responsibility for the retrofit to the buyer?
- What is required if the property is being sold “For Sale By Owner”?
- What are the low consumption standards for showerheads and toilets?
- How do I know if I have low consumption showerheads?
- I don’t know how much water my toilet flushes. How do I find out?
- What do I do with the old toilets?
- What toilets should I buy?
- Can I get a toilet rebate when I replace my showerhead or toilet?
- My home already has all low consumption fixtures. What do I do?
- Where do I get the “Water Conservation Certification” form?
- Where do I get the “Disclosure” form?
- I cannot download an Adobe Acrobat (PDF) file. How do I get a copy of the “Disclosure” and/or “Certification” forms?
- How do I get more information?

Definition of “Water Conservation Retrofit Devices”

Revised section 7.69.020 of the County Code specifically defines “water conservation retrofit devices” as low-flow showerheads (max. 2.5gpm) and ultra-low-flush toilets (max. 1.6gpf). Installing a showerhead flow restrictor (washer) or toilet tank displacement bag, dam, brick etc., does NOT qualify.

Why would I want to replace a perfectly good toilet?

The installation of water-saving low-flow showerheads and ultra-low-flush toilets will result in substantial conservation of water and energy and reduce the burden on septic tank and sewer systems. A recent study conducted in Seattle measured water use in single-family homes before and after installation of high efficiency toilets (DeOreo, et. al. 2001). The study found that when a family of four replaces all of their toilets with new high efficiency models, one family would save more than 14,000 gallons of water per year by installing 1.6 gpf toilets and more than 17,000 gallons of water per year by installing dual flush toilets!

Toilets and showers account for a combined 43.5% of the annual total water consumption per household.

How do I know if the County Ordinance applies to my property?

The County of Santa Cruz “Installation of Water Conservation Devices” Code, Chapter 7.69, applies to all residential, commercial and industrial properties located in the **UNincorporated** area of Santa Cruz County, **outside of the Santa Cruz City water service areas.**

If your property is located in the **UNincorporated** areas of the county but you receive water from the Santa Cruz City Water Department, (such as in the Live Oak area) your are still required to retrofit under County Code 7.74. For

more information about Chapter 7.74 compliance requirements, please contact the City of Santa Cruz Water Conservation Office at (831) 420-5230 or go to the City's Water Department, Water Conservation Office web site at www.ci.santa-cruz.ca.us/wt/wtcon

What if I'm on a well or I receive water from one of the private water systems, Mutual Water Companies, Water Districts, City of Capitola, Scotts Valley or Watsonville. Do I still have to retrofit per County Code 7.69?

Yes, if the residential, commercial, or industrial property you are selling is located in the **UN**incorporated area of the County of Santa Cruz.

No, if your property is located in the **IN**corporated areas of Capitola, Scotts Valley, or Watsonville.

Do I have to retrofit my mobile home?

Yes, if the mobile home is owned along with the underlying parcel. No, if the mobile home is located on leased land.

Who is responsible for retrofitting the property?

The County regulations make the seller responsible for retrofitting. The seller may do the work him/herself or may hire someone to complete the retrofit. The County of Santa Cruz does not arrange for the retrofit fixtures or pay for the work to be completed.

Before hiring a professional check out [*What to Know, Before You Go, Low Flow*](#)

Do-It-Yourselfers click on [*Installation Tips*](#)

Santa Cruz County does not arrange for the retrofit fixtures, nor pay for the work to be completed.

What if I want to transfer responsibility for the retrofit to the buyer?

The County of Santa Cruz Code does NOT permit a transfer of responsibility from the seller to the buyer. The County regulations make the seller responsible for completing all of the retrofits prior to the date of sale.

NOTE: 7.69.060 Violation—Penalty: Any person, firm or corporation violating any of the provisions of this chapter shall be deemed guilty of an infraction and be fined in accordance with the provisions of Section 1.12.040 of the Santa Cruz County Code.

Each day such a violation is committed or permitted to continue shall be a separate offense and shall be punishable as such. (Ord. 4698 § 2 (part), 1/7/2003). There is also civil remedy (7.69.070) for buyers.

What is required if the property is being sold "For Sale by Owner"?

The seller is responsible for completing the "Disclosure" form, all of the retrofits, and filling out and mailing the "Water Conservation Certification" form to the County of Santa Cruz prior to the recording of any deed transferring title to the property to implement a sale of the property, or prior to the recording of a contract of sale pursuant to Section 2985 of the California Civil Code.

What are the low consumption standards for showerheads and toilets?

- Plumbing Fixtures should be manufactured to meet the following standards:
- Low-flow Showerheads maximum rating of 2.5 gallons per minute (gpm)
- Ultra-low-flow Toilets maximum rating of 1.6 gallons per flush (gpf)

How do I know if I have low consumption showerheads?

First, check your showerhead for any labels that may say 2.5 gpm (gallons per minute). If you purchased and installed a new showerhead in the last ten years, it will be a 2.5 gpm model, since all showerheads sold in California were low consumption models beginning in 1992.

I don't know how much water my toilet flushes. How do I find out?

Toilets that were manufactured in 1994 or later are stamped or marked (at the back of the seat) 1.6 gpf or 6.0 lpf (liter per flush).

If your toilet does not have a stamp or mark identifying it as a low consumption fixture, please check the County's website at the link [How Much Water Does Your Toilet Use?](#) to help you determine the flush volume of your toilet.

What do I do with the old toilets?

Recycle them. For more information, call the County of Santa Cruz Recycle Hotline at 454-2333.

What toilets should I buy?

The Installation of Water Conservation Devices regulations do not require any specific brand of toilet, nor does the County recommend any particular model. The law simply requires that older higher volume toilets be replaced with ultra-low-flow toilets.

For more information see [What to Know Before You Go Low-Flow](#).

Can I get a toilet rebate when I replace my showerhead or toilet?

Please check with your water purveyor.

My home already has all low consumption fixtures. What do I do?

Congratulations! You are already saving a lot of water. Just fill out, sign and mail in the "Water Conservation Certification" form to the County.

Once you have the form:

1. Fill in the basic information, items 1 through 4 on the top of the form.
2. If you have replaced any showerheads or toilets with fixtures that meet the low-flow standards, indicate the numbers in item a.
3. If you are claiming any exemptions, such as having fixtures that already meet the low flow standards, please check all that apply in item b.
4. Sign and date the "Water Conservation Certification" form, then send a copy to the buyer and mail the original form to:

Water Conservation Program, 701 Ocean St., Room 312, Santa Cruz, CA 95060

Where do I get the "Water Conservation Certification" form?

At our County [website](#), or at real estate offices and at the County of Santa Cruz Water Conservation Program office, located at 701 Ocean St., Room 312, Santa Cruz, CA 95060.

Where do I get the “Disclosure” form?

At our County [website](#), or at real estate offices and at the County of Santa Cruz Water Conservation Program office, located at 701 Ocean St., Room 312, Santa Cruz, CA 95060.

I cannot download an Adobe Acrobat (PDF) file. How do I get a copy of the “Disclosure” and/or “Certification” forms?

If you cannot download an Adobe Acrobat (PDF) file, the form is available at real estate offices and at the County of Santa Cruz Water Conservation Program office, located at 701 Ocean St., Room 312, Santa Cruz, CA 95060.

How do I get more information?

For more information or copies of the forms, please contact:

*The County of Santa Cruz
Water Conservation Program Office
701 Ocean St., Room 312
Santa Cruz, CA 95060
Phone: (831) 454-3133
Fax: (831) 454-3128*

Internet address:

http://sccounty01.co.santa-cruz.ca.us/eh/water_%20conservation.htm

OR E-mail:

Mike.Cloud@co.santa-cruz.ca.us



ADDENDUM TO REAL ESTATE TRANSFER DISCLOSURE STATEMENT

LOCAL DISCLOSURE REGARDING
INSTALLATION OF WATER CONSERVATION DEVICES

This form is to be used when the Seller's property, whether residential, commercial, or industrial, is situated within:

- unincorporated Santa Cruz County outside of the Santa Cruz City water service area.

Summary of Ordinance

Authority: Santa Cruz County Code Chapter 7.69

Prior to the recording of any deed transferring title to the property to implement a sale of the property or prior to the recording of a contract of sale, all sellers of residential, commercial, or industrial property shall install water conservation devices that restrict maximum water flow from showerheads to 2.5 gallons per minute and reduce the amount of water used in toilets to 1.6 gallons per flush.

Exemptions

A. The requirement for the installation of water conservation retrofit devices on showers shall not apply to any of the following:

1. All structures that include plumbing fixtures on the property changing ownership with evidence documenting they were constructed or renovated in 1994 or later;
2. Any shower that is fitted with a low-flow showerhead with a maximum flow rate that does not exceed 2.5 gallons per minute;
3. Any emergency shower installed for health or safety purposes that cannot safely operate with a maximum flow rate that does not exceed 2.5 gallons per minute;
4. Any shower requiring significant structural modification to comply with this chapter;
5. Any shower that will not function properly after being retrofitted in accordance with this chapter.

B. The requirement for the installation of ultra low flush toilets shall not apply to any toilet that already uses less than 1.6 gallons per flush.

Certification

Seller must provide Buyer with a written certification of compliance with the requirements of this ordinance stating that the water conservation devices have been installed or that the installation of devices is not required because of the specific exemption(s) allowed under this law.

Failure to Comply

If the Seller fails to comply with the retrofit requirements, the Buyer shall install the low consumption plumbing fixtures within 90 days from the date of sale. Any seller who fails to comply with the requirements of this chapter may be liable to the buyer in the amount of two hundred and fifty dollars (\$250) for each fixture that does not comply with this chapter at the time of sale, or the actual costs of the buyer to comply with this chapter, whichever amounts are greater. Violation of these requirements is also deemed an infraction.

The undersigned hereby acknowledges receipt of a copy of this Addendum

Date _____

Date 3-1-10

Buyer _____

Seller William J. Henze

Buyer _____

Seller Cora Henze

See reverse for Disclosure regarding Plumbing Fixture Retrofit Regulations for property located in the City of Santa Cruz and area of unincorporated Santa Cruz County served by the Santa Cruz City water system.



SANTA CRUZ COUNTY WATER
CONSERVATION PROGRAM
WATER CONSERVATION CERTIFICATION

1. Assessor's Parcel Number (APN) 080-153-031
2. Property Address 208 Emerald Forest Lane City Santa Cruz Zip 95060
(number) (street name) (unit #)
3. Daytime phone () _____
4. I, William Heinze Beverly Heinze am the seller of the property located at the
(PRINT NAME)
above address. I hereby certify that the above property is in compliance with Water
Conservation Law as ordained in Chapter 7.69, Installing Water Conservation Devices, of the
Santa Cruz County Code.

This certification is verified by the following:

a. Seller Certification

2 Total number of showers per property address 0 Number of low-flow showerheads retrofitted
4 Total number of toilets per property address 7 Number of ultra-low-flush toilets retrofitted

b. Exemption(s) Claimed (check all that apply):

- structure(s) constructed or remodeled with permits in 1994 or later
 existing showerhead(s) use 2.5 g/m or less
 emergency shower cannot safely operate
 shower requires significant structural modification
 showerhead retrofit will not function properly
 existing toilet(s) use 1.6g/m or less

I declare under penalty of perjury that the information stated above is true and complete, to the best of my knowledge.

William J. Heinze
Seller Signature

3/12/10
Date

SEND A COPY TO THE BUYER and MAIL ORIGINAL CERTIFICATION FORM TO:
Santa Cruz County Water Conservation Program 701 Ocean Street, room 410 Santa Cruz, CA 95060



County of Santa Cruz

SEAN SALDAVIA, ASSESSOR

701 OCEAN ST., Rm. 130, SANTA CRUZ, CA 95060
831) 454-2002 FAX: (831) 454-2495
www.co.santa-cruz.ca.us/asr

Jessie Mudgett
Chief Deputy-Administration
Patrick Rooney
Chief Deputy-Valuation

AUTHORIZATION TO ACCESS CONFIDENTIAL FILES

I, William Heinze Beverly Heinze, hereby authorize the Santa Cruz County

Assessor to allow Frank Murphy Access to any and all records in his/her possession, including the authority to obtain copies of any such documents, pertaining to the assessment of my property(ies), both real and/or personal, as follows: (identify by Assessor parcel number, account number or address).

080-153-031

I am aware that some of the documents in my file(s) may be classified as confidential or secret by one or more California statutes. Such documents may contain personal financial information regarding financing of real estate or business acquisitions and operations as well as income from investments. I hereby waive my rights of confidentiality under Sections 408, 451 and 481 of the Revenue and Taxation Code, as well as any other applicable statutes or administrative law. *Authorization is only valid for 30 days from the date of the owner's signature.*

William J. Heinze Beverly Heinze
Signature of Owner

5-1-10
Date

William Heinze Beverly Heinze
Name (print)

Daytime phone

208 Emerald Forest Lane Santa Cruz 95060
Address



**SQUARE FOOTAGE DISCLOSURE
ADDENDUM TO REAL ESTATE PURCHASE AGREEMENT**

In reference to the Real Estate Purchase contract dated _____.

Between: _____, Buyer and

William Heinze **Beverly Heinze** _____, Seller.

For the purchase of the real property known as: 208 Emerald Forest Lane Santa Cruz 95060

The Buyer is hereby made aware and acknowledges that the square footage represented to the Buyer is an approximation only of the building area and/or site areas. This applies whether the representation has been made verbally or in writing by either Seller, Agent, or as part of the published information in the Multiple Listing Service. If the Buyer is relying upon the representation of square footage in purchasing the property, the Buyer should employ, at his expense, a professional, e.g., Civil Engineer, Architect, Surveyor, General Contractor or an Appraiser (who does not require a license) to measure the building and/or site area and provide to the Buyer a report setting out the square footage of the building or site area or both of the subject property.

If the square footage represented is more than that measured by the Buyer's expert, the escrow may be cancelled at the option of the Buyer and the Buyer's deposit returned. (This applies only if the source of the square footage amount was the Multiple Listing Service or was provided in writing by the Seller or Agent.)

BUYER'S FAILURE TO NOTIFY SELLER IN WRITING WITHIN (or _____ DAYS) FROM SELLER'S ACCEPTANCE SHALL CONCLUSIVELY BE CONSIDERED APPROVAL.

This agreement, when signed by Buyer and Seller, is made an integral part of the above referenced Purchase Agreement.

Seller William J. Heinze

Buyer _____

Seller Beverly Heinze

Buyer _____

Date 3-1-10

Date _____



KELLER WILLIAMS

R E A L T Y

MOLD ADVISORY

Property Address:

208 Emerald Forest Lane

Santa Cruz

95060

It has been discovered that toxic and non-toxic mold may exist in homes, apartments and commercial buildings. Current information indicates that some types of mold may cause severe health problems for certain individuals.

Not all molds are detectable by a visual inspection by a Realtor® or even a professional building inspector. It is also possible that the property could have a hidden mold problem of which the seller is not aware.

The only way to provide any reasonable assurance that the property does not have a mold or other health hazard problem is to retain the services of an environmental expert who will conduct specific tests. These tests may consist of an interior and exterior examination for airborne spores and a carpet test, and other procedures that may be deemed necessary. Any visible mold should be professionally evaluated.

Keller Williams Realty advises that every buyer consider having a specific mold test performed by an environmental professional. This is especially necessary if any of the inspection reports or disclosure documents indicate that there is evidence of past or present moisture, standing water or water intrusion at the property since most mold thrives on moisture.

All inspections, including those to detect mold, are to be completed within the inspection period established in the purchase contract. Any waiver or failure on the part of a buyer to complete and obtain all appropriate tests, including those for mold, is against the advice of the Broker.

Broker has not and cannot verify whether or not there is any health hazard at the property.

Seller: William J. Henz

Date: 03/01/10

Seller: Beverly Henz

Date: 3-1-10

Buyer: _____

Date: _____

Buyer: _____

Date: _____



MEDIATION DISCLOSURE

WHAT IS MEDIATION? Mediation is a process used to resolve disputes. In mediation the parties to a dispute are assisted by a neutral third party called a mediator. The mediator is not empowered to impose a settlement on the parties; rather, the mediator facilitates discussions and negotiations with a goal toward reaching settlement.

HOW IS MEDIATION DIFFERENT FROM OTHER PROCESSES? Disputes can be resolved in many ways. Initially, the parties often try to negotiate a settlement. This can be done face to face or through representatives such as a real estate agent or attorney. On the other end of the spectrum parties can resolve their differences through self help. In between lay various options such as mediation, arbitration and litigation.

Litigation is an adversarial process in which parties look to a third person (judge or jury) to impose on them a binding decision. The litigation process is analogous to a contest in which a third person selects a winner and a loser. Arbitration resembles negotiation in that the parties present evidence to a third person who then decides their dispute. Arbitrations, however, are not held in the formal surroundings or under the normal rules of a court. Finally, the parties can approach a mediator to help them fashion a resolution. The mediator's role is to enable the parties to work with one another to achieve a common goal – a mutually acceptable agreement.

HOW DOES MEDIATION WORK? One of the benefits of mediation is that it does not have to follow any particular formal or structural format. Typically though, mediation will begin with the mediator introducing him/herself to the parties, confirming that any documents, such as a confidentiality agreement, have been signed and explaining the initial manner in which the mediation will be conducted. The parties are then each given a chance to express to the other how they view the dispute. Some mediators will then separate the parties and meet with each individually. Other mediators do not separate the parties unless a particular underlying or unexpressed feeling or issue needs to be dealt with in confidence.

The mediator looks for areas of agreement, identifies issues, proposes ideas and questions assumptions and positions but does not tell the parties how to resolve their dispute. Flexibility allows the mediator to tailor the process to suit the needs of the parties. If agreement is reached, the mediator often assists the parties in reducing the agreement to writing.

WHO AND HOW MUCH? Any neutral person the parties trust can mediate a dispute. This person can be a member of a panel of mediation service, a rabbi or a priest, or anyone else who does not have an interest in the outcome. California law does not require licensing or certification for mediators. However, many professional mediators have attended training programs, have had relevant dispute resolution experience and belong to professional organizations.

The cost of mediation can vary depending on the mediator selected and the location and time allotted for the mediation. Mediation fees can be as little as a few hundred dollars divided equally between the parties (or perhaps nothing at all for those who cannot afford it) to an initial filing fee of several hundred dollars plus an hourly fee for the mediator. Mediators can be located by looking in the local telephone directory under Mediation or Arbitration, contacting agencies such as the California Department of Consumer Affairs, or organizations such as a local bar association, or asking your lawyer.

Seller William J. Hemp Date 03/01/10 Seller Beverly King Date 3-1-10
Buyer _____ Date _____ Buyer _____ Date _____



KELLER WILLIAMS

R E A L T Y

ARBITRATION DISCLOSURE

WHAT IS ARBITRATION? Arbitration is simply the name used to describe a particular method for resolving disputes between two or more parties. Just as problems may be solved through negotiation or, in extreme cases, litigation, so, too, may problems be resolved by the use of arbitration. As a matter of fact, generally speaking, arbitration may be used to resolve any type of dispute unless restricted by the arbitration agreement itself.

In an arbitration, a neutral person who is otherwise uninvolved in the dispute (the arbitrator) listens to the parties express their points of view and then renders the decision (called an award) based upon the presentation of the evidence.

The process, in some respects, is similar to what takes place in a court of law. For instance, any party to an arbitration may be represented by an attorney. However, unlike a court process, formal rules of evidence and procedure are not required and the dispute will not be decided by an active judge or jury. Nevertheless, the award issued by the arbitrator is binding upon the participants and can be enforced as if it were rendered in a court.

WHAT ARE SOME ADVANTAGES OF ARBITRATION? When disputes are resolved through arbitration, use of the judicial system is avoided. In many counties throughout the state the courts are backlogged with an overabundance of lawsuits. Progress of a court case comes slowly, the formal rules are cumbersome, and a trial may not take place for many months or even many years. The delays inherent in litigation create an emotional and financial hardship on almost all parties.

An arbitration, on the other hand, will almost always be resolved sooner than a court action. The entire process from start to finish is often completed in a few months. Furthermore, because of the advantages of speed and informality, attorney fees and costs are usually lower than in litigation. Arbitrations are also private. Thus, the testimony and any sensitive information will take place behind doors that are not open to the public. Additionally, individual arbitrators can be selected with an expertise in the particular field of dispute. This helps to ensure that the decision will be made by a knowledgeable and informed person. Lastly, arbitration awards are final, binding, and legally enforceable.

WHAT ARE SOME OTHER FACTORS TO CONSIDER? There is only a limited right to appeal an arbitration award; the parties must pay for the services of an arbitrator and, if a party does not comply with an award, the prevailing party may be required to go to court to enforce the award.

WHAT ISSUES CAN BE RESOLVED BY ARBITRATION? Arbitration may be used to decide virtually any type of claim, including actions or breach of contract, misrepresentation and fraud. Certain types of claims are excluded by statute from arbitration under a real estate listing or sales agreement. Examples include bodily injury, wrongful death, foreclosure, marital dissolution, and probate or eviction proceedings. Other limitations may appear in the clause itself. As a remedy, the arbitrator has the authority to award money damages, both actual and punitive, as well as specific performance.

WHAT SHOULD I DO? Think carefully about your decision concerning arbitration. It is important. Read the arbitration clause entirely before deciding whether to sign it. If you want more information ask your REALTOR® for the extensive Arbitration Question and Answer Memorandum prepared by the C.A.R. or consult your attorney.
REMEMBER, THE CHOICE IS YOURS.

Seller William J. Henry

Date 03/01/10

Seller Beverly Henry

Date 3-1-10

Buyer _____

Date _____

Buyer _____

Date _____