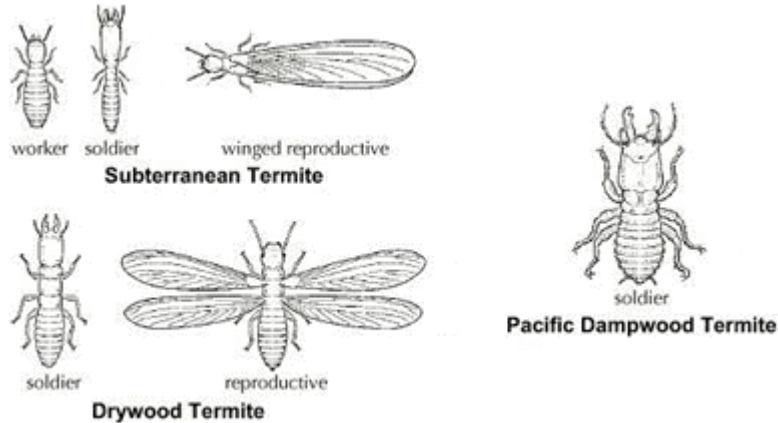


TERMITE INSPECTION INFORMATION



What to expect on an inspection:

A Termite inspection, more properly referred to as a Wood Destroying Pest and Organism inspection report, entails a thorough inspection of the complete exterior and interior of the structure for wood destroying pests and organisms. The inspector will need access to the entire exterior, including the exterior roof structure, i.e.: rafters, sheathing, fascia, etc. Our inspection will not necessarily detect or ensure the watertight integrity of the roof covering (please see note on second page of sample report). Any assurances desired regarding the watertight integrity of the roof covering should be obtained from a state licensed roofing contractor.

The Termite inspector will need access to all rooms inside, including but not limited to bedrooms, bathrooms, closets, and garages.

The inspector will be looking for evidence of Termites, Beetles, excessive moisture condition (i.e.: plumbing leaks, etc.) and other adverse conditions, and damage as a result of said conditions.

The inspection will include the substructure area (if there is one) and attic; therefore, the homeowner prior to inspection should expose the access covers to these areas.

Upon completion of the inspection, the inspector should be willing to go over all findings and recommendations with the homeowner or agent if desired.

A written report is issued and usually available within three to five working days. Copies of the report will be sent to the owner, ordering agent, other agent and title, if correct information is provided. By law the owner must be supplied with a copy of the report. A copy of this report and any subsequent reports will be filed with the State of California Structural Pest Control board. These reports become a matter of public record. Copies of all reports regarding the property are available from the Structural Pest Control Board during the preceding two years upon payment of a search fee to the Structural Pest Control Board.

Types of Inspections:

Complete Report: A complete report is an inspection of the entire structure and all attached or abutted structures. This type of report is commonly used when inspecting detached homes.

Limited Report: A limited report is used when only a specific portion or portions of the structure has been requested to be inspected. Common examples of this type of inspection would be condominiums or townhouses and when we are requested to exclude an attached structure such as a deck or patio cover.

Supplemental Report: A supplemental report is used when in the process of repairs, additional damage is found or after a further inspection area has been opened to allow inspection. A supplemental report is not a separate report, but a continuation of the original or limited report. A supplemental report is similar in its usage to that of an addendum on a real estate contract.

Re-inspection Report: A re-inspection is performed when persons or firms other than the original termite company have performed work recommended on the original, limited or supplemental reports. There is always an additional charge for re-inspection of work performed by others. An updated report is required by the State of California when others have performed work and when the original report is four months old or older if a certification is desired.

Findings:

Section 1: Actual infestation or infection caused by wood destroying pest or organisms or conditions that have led to infestations or infections i.e. leaks, earth-wood contacts, etc.

Section 2: All conditions leading to Section 1, i.e.: leaks that could cause fungus, earth to wood contacts that could attract Subterranean Termites.

Further inspection areas: These terms define areas, which during the original inspection did not allow the inspector access to complete his or her inspection. An example of this would be storage in a garage, against the garage walls or tiles that need to be removed to see if fungus is growing behind them.

Terms

A) Subterranean Termites: These types of termites are a ground dwelling species. Subterranean Termites access the wood via mud shelter tubes. The only treatment of this type of termite currently available is a chemical treatment of the infested soil.

Drywood Termites: Drywood Termites build their colonies inside the wood that they are infesting. Unlike Subterraneans, Drywoods do not have to maintain contact with the soil. There are several recognized methods of treatment for Drywood Termites, such as fumigation, localized chemical treatments, and several new alternative methods, such as Thermo-kill (heat treatment).

Fungus and Dryrot: Fungus, for the purpose of Structural Pest control, involves only wood decaying fungus. Wood that has been damaged by fungus must be removed and the excessive moisture condition, which caused the fungus, must be corrected. Dryrot is frequently misused as a common term for fungus. Dryrot is actually a result of long-term infection by wood decaying fungus.

Beetles: For our purposes these are only the wood destroying beetles (i.e.: True Powder Post, False Powder Post, the most common, and some species of bores). Common treatments for beetles are similar to that of the Drywood Termites mentioned above.

Carpenter Ants: Carpenter Ants are physically the largest ants in California. Carpenter Ants do not ingest the wood they are infesting; rather they excavate galleries out of the wood for their nests. These galleries sometimes weaken the wood members to the point of structural failure. Treatments of these pests are similar to that of Drywood Termites but may also include adjacent soil treatment.

Dampwood Termites: These termites are physically the largest type of termites native to California. Dampwood Termites, unlike Subterraneans or Drywoods, must have a continuous moisture source in order to sustain the colony. Frequently, control of a Dampwood Termite infestation can be achieved through elimination of the moisture source; however, sometimes fumigation may also be necessary.

Earth to Wood Contacts: This exists where untreated wood members are in direct contact with the soil. This is conducive to both termite infestations and fungus infections.

Faulty Grade Levels: This is defined as when the exterior soil grade is even with or above the concrete foundation of a structure. This condition frequently leads to concealed infestations of Subterranean Termites or fungus infection.

Cellulose Debris: This is any type of wood product, or by-product, such as construction wood debris, cardboard, paper, etc., on the sub-area soil surface. The Structural Pest Control Board says that all Cellulose debris of a size rake able or larger is conducive to infestation or infection and must be removed.

Excessive Moisture Condition: Any condition that has or can allow moisture to come into contact with wood members of the structure (i.e.: plumbing leaks, too much water in the sub-area soil, inadequate ventilation, etc.)

Shower Leaks: This is defined by the Structural Pest Control Board as a mortar pan stall shower that has been water tested in the prescribed manner and leakage through the waterproof membrane is evident below the shower. This condition could be listed as a Section One or a Section Two condition depending on whether or not fungus damage is evident as a result of the leak.

Certification

A certification states that a property is free and clear of all visible, accessible evidence of active infestations or infections. The termite company must issue certification, after completion of all section one recommendations on an original report if requested. Certification is now limited to the visible and accessible areas of the structure. Certifications could be issued on an original or re-inspection report and on a Notice of Completion issued by the Termite Company. It is not necessary to have a Section Two or further inspection items performed in order to receive certification.

Requesting a second inspection report, what could it mean?

Each termite inspector is different. You should be aware that if you request a second opinion on an inspection report, it is possible that the new inspector might find things that the original inspector did not see. The findings in each report should be the same however the recommendations to correct the conditions and prices may vary. Sometimes it is a good idea to get a second opinion on a report; however, you need to be aware of the consequences and your requirement to disclose all reports, including the first report to all parties involved in the transaction.

Remember that all termite reports are matters of public record and are therefore available to anyone requesting a copy and paying the search fee for said repairs. Failure to disclose knowledge of a previous report could have legal repercussions.

Re-inspections -- What a licensed contractor can and cannot do:

A licensed contractor can remove and replace damaged wood members infected or infested, after they have been identified by a state licensed Structural Pest Control Inspector. A licensed contractor can apply fungicide only to new wood members. A licensed contractor cannot apply termiticides or fungicides to existing wood members.

Work Authorizations -- Notices of Completion and Non-Completion:

A work authorization is the contract page of a termite report, issued by companies, which are regularly in the business of performing repairs. The cost for repairs recommended in the body of the report should be itemized on this page.

Authorized Real Estate Agents may sign the work authorization on behalf of their clients, provided that they have legal authority to act as their client's agent in the Real Estate transaction. Be sure that you read the contract carefully. If the transaction does not go through, your clients will be held liable for the amount of the repairs performed to the property.

According to California's Mechanics Lien laws, your clients have 90 days from the date of completion of work to either close escrow and release funds or make arrangements for payment of outstanding balances. If restitution is not made within 90 days, there is a good probability that a Mechanics Lien will be filed against the subject property. If payment is not received within 90 days of the filing of the lien, foreclosure procedures could be initiated against the property. The Mechanics Lien regulations outlined herein apply to any type of repair contract signed by you or your clients, whether it is a general contractor or a termite company.

A notice of work completed and not completed, commonly referred to as a notice of completion is filed by the termite company upon completion of all authorized repairs and/or treatments. A notice of completion is not an inspection report and does not necessarily contain a certification.

If you need any further information please feel free to contact HomeGuard, Inc. at

855-331-1900