




HomeGuard Incorporated

Dear HomeGuard Customer,

Thank You for choosing HomeGuard Incorporated to inspect your home. Enclosed is your inspection report, which includes our findings, recommendations, and repair prices. Please review the enclosed report and repair proposals and feel free to call me with any comments or questions.

Sincerely Yours,

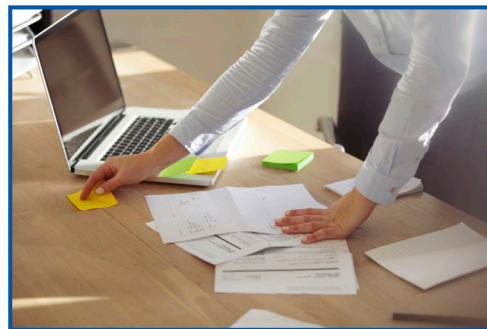


Curtis Reese
Vice President
General Manager

Schedule your repairs today...



**We get the work done
when you need it!**



**We will expedite all
required paperwork!**



**HomeGuard stands
behind it's repairs!**

**Contact the HomeGuard Repair Team at 855-331-1900 or
email us HGRepairs@HomeGuard.com**



Roof Inspection Report



981 Cape Buffalo Drive, San Jose

Ordered by: Kennedy Ngo
Bay One Realty
1350 Bayshore Hwy
Burlingame, CA 94010

Inspected by:
May 21, 2015

Kenneth Carlin

SCOPE OF THE INSPECTION:

The roof of the dwelling at the above property has been inspected by a qualified inspector employed by HomeGuard Incorporated. The professional opinion of the inspector contained in this report is solely an opinion and does not constitute a warranty or guarantee. The inspector has inspected all exterior roof components and documented in general terms the type of roof, its intended life and overall condition at the time of this inspection. Where accessible, HomeGuard Incorporated has noted all conditions that may compromise any inspected roof component's ability to shed water and/or realize its intended life. Verification of actual roof performance and/or troubleshooting of existing conditions, such as water testing, are NOT included in the scope of our inspection unless specifically requested and mentioned in our report. This inspection should not be considered a guarantee of actual roof performance, as performance is contingent upon the condition of internal system components not accessible to our inspector. This roof was not inspected for conformance to local building codes. The inspector has not inspected the attic area nor did the inspector perform a visual interior inspection looking for past or present roof performance issues. All present and prior disclosures along with other inspection reports should be reviewed and addressed prior to the close of escrow.

GENERAL DESCRIPTION:

Due to the fragile nature of these types of roofing systems (vulnerable to damage when walked on) this inspection was viewed from the ladder and/or from the ground. HomeGuard cannot guarantee the condition of the roof where not readily visible from the ladder and/or ground. The roof is a light weight concrete tile, terra cotta in color with a type 30# saturated felt underlayment. The estimated remaining serviceable life of the roof is 20 years. The pitch of the roof appears to be 6:12. The exposure of all field material is within prescribed tolerances. The rake tile is secure in all areas. The overall condition of the roof is fair.

FINDINGS:

1. During the course of this inspection we noted broken field tile(s) . (See Photo 1) (See Photo 2) (See Photo 3) (See Photo 5) (See Photo 6) (See Photo 7)

RECOMMENDATION:

Repair and/or replace broken field tile(s) where we deem necessary.

2. Debris was noted to be collecting in the gutter system. The owner is advised to contact a sheet metal contractor, or someone in this line of work, to inspect the gutter system and make recommendations and/or repairs deemed necessary. (See Photo 4)

SUMMARY:

The cost to service item(s) 1 is \$895.00.

Report Photographs

The photographs in this report do not necessarily illustrate all of the damage in any particular finding. Also, not all problem areas will be supported by photographs. Please contact HomeGuard if you have any questions.



Photo 1



Photo 2



Photo 3



Photo 4



Photo 5



Photo 6



Photo 7

AUTHORIZATION AGREEMENT

981 Cape Buffalo Drive, San Jose

To schedule work, email or fax this signed Authorization Agreement, or call directly:

email: hgrepairs@homeguard.com

Fax: (925) 294-1818

Direct: (855) 331-1900

HomeGuard Incorporated is authorized to proceed with the work outlined in the recommendations of the roof report no. 348943 for the property located at 981 Cape Buffalo Drive, San Jose. The amount due will be payable upon completion of work. It is understood that the contract price does not include the charge of the inspection report or re-inspection fees. Inspection number 348943 is attached hereto and incorporated herein:

HOME GUARD INCORPORATED AGREES:

1. To perform all repairs in a workmanlike manner. We assume no responsibility for work performed by others.
2. To be bound to perform this work for the price quoted above for a period of 30 days.
3. To use reasonable care in the performance of our work but to assume no responsibility for damage to any hidden pipes, wiring, or other facilities or to any shrubs or other life.

OWNER OR OWNER'S AGENT AGREE:

1. To pay for services rendered including any additional services requested, upon completion of work.
2. To pay a service charge of 1.5 percent per month or portion of any month beyond 30 days after completion.
3. To grant HomeGuard Incorporated a security interest in the above described real property to secure payment of the sum for work and/or inspection(s) completed.
4. Not to hold HomeGuard Incorporated responsible for any acts of God.

BOTH PARTIES AGREE:

1. If additional damage is discovered by HomeGuard Incorporated during the performance of work, the company agrees to notify the owner or owner's agent of the amount of the damage and the cost to perform the additional work. This work will be performed upon written authorization.
2. If any additional work is deemed necessary by the local building inspector, said work will not be performed without additional authorization from the owner or owner's agent.

NOTICE TO OWNER - LICENSING

"Contractors are required by law to be licensed and regulated by the Contractors State License Board, which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning the contractor may be referred to the Registrar, Contractors State License Board, Post Office Box 26000, Sacramento, California 95826.

"State law requires anyone who contracts to do construction work to be licensed by the Contractors State License Board in the license category in which the contractor is going to be working—if the total price of the job is \$500 or more (including labor and materials).

"Licensed contractors are regulated by laws designed to protect the public. If you contract with someone who does not have a license, the Contractors State License Board may be unable to assist you with a complaint. Your only remedy against an unlicensed contractor may be in civil court, and you may be liable for damages arising out of any injuries to the contractor or his or her employees.

"You may contact the Contractors State License Board to find out if this contractor has a valid license. The Board has complete information on the history of licensed contractors, including any possible suspensions, revocations, judgments, and citations. The Board has offices throughout California. Please check the government pages of the White Pages for the office nearest you or call 1-800-321-CSLB for more information."

NOTICE TO OWNER - MECHANICS LIEN

"Under the California Mechanics' Lien Law, any contractor, subcontractor, laborer, supplier, or other person or entity who helps to improve your property, but is not paid for his or her work or supplies, has a right to place a lien on your home, land, or property where the work was performed and to sue you in court to obtain payment. This means that after a court hearing, your home, land, and property could be sold by a court officer and the proceeds of the sale used to satisfy what you owe. This can happen even if you have paid your contractor in full if the contractor's subcontractors, laborers, or suppliers remain unpaid. To preserve their rights to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are each required to provide you with a document called a "Preliminary Notice." Contractors and laborers who contract with owners directly do not have to provide such notice since you are aware of their existence as an owner. A preliminary notice is not a lien against your property. Its purpose is to notify you of persons or entities that may have a right to file a lien against your property if they are not paid. In order to perfect their lien rights, a contractor, subcontractor, supplier, or laborer must file a mechanics' lien with the county recorder which then becomes a recorded lien against your property. Generally, the maximum time allowed for filing a mechanics' lien against your property is 90 days after substantial completion of your project.

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TO INSURE EXTRA PROTECTION FOR YOURSELF AND YOUR PROPERTY, YOU MAY WISH TO TAKE ONE OR MORE OF THE FOLLOWING STEPS:

(1) Require that your contractor supply you with a payment and performance bond (not a license bond), which provides that the bonding company will either complete the project or pay damages up to the amount of the bond. This payment and performance bond as well as a copy of the construction contract should be filed with the county recorder for your further protection. The payment and performance bond will usually cost from 1 to 5 percent of the contract amount depending on the contractor's bonding ability. If a contractor cannot obtain such bonding, it may indicate his or her financial incapacity.

(2) Require that payments be made directly to subcontractors and material suppliers through a joint control. Funding services may be available, for a fee, in your area which will establish voucher or other means of payment to your contractor. These services may also provide you with lien waivers and other forms of protection. Any joint control agreement should include the addendum approved by the registrar.

(3) Issue joint checks for payment, made out to both your contractor and subcontractors or material suppliers involved in the project. The joint checks should be made payable to the persons or entities which send preliminary notices to you. Those persons or entities have indicated that they may have lien rights on your property, therefore you need to protect yourself. This will help to insure that all persons due payment are actually paid.

(4) Upon making payment on any completed phase of the project, and before making any further payments, require your contractor to provide you with unconditional "Waiver and Release" forms signed by each material supplier, subcontractor, and laborer involved in that portion of the work for which payment was made. The statutory lien releases are set forth in exact language in Section 3262 of the Civil Code. Most stationery stores will sell the "Waiver and Release" forms if your contractor does not have them. The material suppliers, subcontractors, and laborers that you obtain releases from are those persons or entities who have filed preliminary notices with you. If you are not certain of the material suppliers, subcontractors, and laborers working on your project, you may obtain a list from your contractor. On projects involving improvements to a single-family residence or a duplex owned by the individuals, the persons signing these releases lose the right to file a mechanics' lien claim against your property. In other types of construction, this protection may still be important, but may not be as complete. To protect yourself under this option, you must be certain that all material suppliers, subcontractors, and laborers have signed the "Waiver and Release" form. If a mechanics' lien has been filed against your property, it can only be voluntarily released by a recorded "Release of Mechanics' Lien" signed by the person or entity that filed the mechanics' lien against your property unless the lawsuit to enforce the lien was not timely filed. You should not make any final payments until any and all such liens are removed. You should consult an attorney if a lien is filed against your property."

NOTICE TO OWNER - LIMITED LEAK-FREE WARRANTY

HomeGuard warrants roof components, designed as such, to be free of readily apparent defects. If leakage should occur due to a readily apparent defect, HomeGuard will repair the covered roof components at no charge within thirty (30) days of notification. The exceptions and exclusions from the terms of this warranty are as follows:

1. HomeGuard Incorporated is not responsible for any interior or exterior damage caused by any leak that may develop.
2. HomeGuard Incorporated is not responsible for removal of standing water after roof work has been completed.
3. HomeGuard Incorporated is not responsible for leaks caused by vandalism, work performed by others, or acts of God.
4. HomeGuard Incorporated is not responsible for leaks caused by accumulated debris on the roof.
5. HomeGuard Incorporated is not responsible for leaks in gutter systems, sidewalls or roof area under solar systems unless specifically warranted in the repair contract.
6. HomeGuard Incorporated is not responsible for leaks that are the result of inadequate protection caused by the original manufacturer's specifications.

At no time does HomeGuard Inc. warrant the performance and/or condition of the following: proprietary roofing systems, metal/metallic roofing systems, deck coatings, corrugated roof covers, patio covers, patio decks, internal roof components, tar and gravel roofs, exterior structural components, or roof slopes under 2:12.

Claims under this warranty must be reported to HomeGuard Incorporated within three (3) days of the discovery of the leak.

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The minimum service charge for any work is \$250. HomeGuard Incorporated will certify the repaired roof section(s) mentioned below to be leak-free for a period of 1 year after the corrective repairs noted below have been performed by HomeGuard.

Corrective items:

\$895.00

Items 1

BINDING ARBITRATION PROVISION

Any controversy or claim arising out of or relating to the inspection performed by HomeGuard Incorporated shall be settled by final and binding arbitration filed by the aggrieved party with and administered by the American Arbitration Association (hereafter referred to as "AAA") in accordance with its Construction Arbitration Rules in effect at the time the claim is filed. The Rules, information and forms of the AAA may be obtained and all claims shall be filed at any office of the AAA or at Corporate Headquarters, 335 Madison Avenue, Floor 10, New York, New York 10017-4605. Telephone: 212-716-5800, Fax: 212-716-5905, Website: <http://www.adr.org/>. The arbitration of all disputes shall be decided by a neutral arbitrator, and judgment on the award rendered by the arbitrator may be entered in any court having competent jurisdiction thereof. Any such arbitration will be conducted in the city nearest to the property that was inspected by HomeGuard Incorporated having an AAA regional office. Each party shall bear its own costs and expenses and an equal share of the administrative and arbitrators' fees of arbitration. This arbitration Agreement is made pursuant to a transaction involving interstate commerce, and shall be governed by the Federal Arbitration Act, 9 U.S.C. Sections 1-16. THE PARTIES UNDERSTAND THAT THEY WOULD HAVE HAD A RIGHT OR OPPORTUNITY TO LITIGATE THROUGH A COURT AND TO HAVE A JUDGE OR JURY DECIDE THEIR CASE, BUT THEY CHOOSE TO HAVE ANY AND ALL DISPUTES DECIDED THROUGH ARBITRATION. BY SIGNING THIS AGREEMENT, THE PARTIES ARE GIVING UP ANY RIGHT THEY MIGHT HAVE TO SUE EACH OTHER.

OWNER OR OWNERS AGENT DATE BY: _____, HomeGuard Incorporated

X _____ ESCROW OFFICER: _____

Print Name _____ ESCROW PHONE NO: _____

X _____ ESCROW CO/NO: _____

Print Name _____

Name of person providing access _____ Phone Number _____

PLEASE BE SURE TO SIGN AND SEND ALL PAGES



Invoice Date: 5/22/2015

Invoice No: LIV319004R

Invoice

Bill To:	
Kennedy Ngo Bay One Realty 1350 Bayshore Hwy Burlingame, CA 94010	
Property Information:	
Address: 981 Cape Buffalo Drive San Jose CA, 95133	
Report No. 348943	
Escrow No.	
Billing Information:	
Inspection: 5/21/2015 Complete	\$0.00
Notice of Completion:	\$0.00
Other:	\$0.00
Total Due:	\$0.00

DUE UPON RECEIPT - Please remit to: 510 Madera Ave., San Jose, CA 95112

There is a \$25 fee for all returned checks.