MEMORANDUM

January 19, 2005

To: Greg Stickler - FHA/VA, HUD; Esther Jorgensen - Wells Fargo
From: Lee Lawrence - PCO Licensing & Enforcement
Re: State Approved Wood-Destroying Pest Inspection Reports

FAX: 866-305-4541

Attached to this memo is a copy of the state of Nevada’s wood-destroying pest inspection report form. It is my understanding that you have requested a copy of this form because Nevada’s state approved form was some how missed during the HUD/FHA, VA review of the state forms. Please note that Nevada’s form does include all the required information of the NPMA-33 form; specifically in those sections which require reporting of evidence of infestation, (active/inactive, etc.), conditions conducive to infestation (earth-to-wood contact, insufficient ventilation, etc.). Nevada’s form also requires that a graph of the structure be drawn and locations of evidence of infestation and conditions conducive to infestation be indicated on it.

I have also included a copy of Nevada’s Wood-Destroying Inspection/Pesticide Application Tag. These tags are part of the inspection/application process and are placed at each structure after an inspection or pesticide application is performed to control a wood-destroying pest.

It should also be noted that the Nevada Department of Agriculture vigorously regulates its wood-destroying pest inspection industry. To assure compliance with Nevada’s wood-destroying pest inspection regulations, a copy of each wood-destroying pest inspection report is sent to the Nevada Department of Agriculture within 15 days after an inspection or application of a pesticide to control pests. Once the reports reach the Department they are examined for completeness, sorted, filed and compared with other reports that may have been performed on the same property to determine if any report discrepancy exist. If the report is improperly filled out, the company which performed the inspection will receive a warning for the first offense and a fine for a subsequent violation. If two reports from different companies contain reporting discrepancies, of the same property, the property owner is contacted and, if permission is granted, an inspection of the property is performed.

If you have any questions, or would like to discuss this matter again, I can be reached at (775) 688-1182, ext. 252
VOID

This inspection was made only to determine VISIBLE evidence of the presence or absence of noted organisms. It is made only in those areas of noted structures which were readily accessible and visible. Inspection has been made in the areas in which infestations are most likely to occur.

No inspection was made in inaccessible areas which might require breaking into, breaking apart, dismantling, removal or moving of an object, including but not limited to moldings, floor coverings, siding, ceilings, floors, furniture, appliances, and/or personal possessions.

THIS IS NOT A STRUCTURAL DAMAGE REPORT, neither is it a WARRANTY as to the absence of wood-destroying organisms. The report is not to be construed to constitute a guarantee against future infestations, but is indicative of the condition of the premises ON THE DATE OF THE INSPECTION. This report is NOT intended to determine the presence of organisms which may be detrimental to human health.

☐ This is not a structural damage report. ☐ This is not a guarantee against future infestations.
☐ This is not a structural soundness report. (Structural soundness should be determined by a qualified building expert.)

Neither I nor the company for which I am acting have had, presently have, or contemplate having any interest in the property. I do further state that neither I nor the company for which I am acting is financially associated in any way with or related to any party to this transaction.

INFESTATION: (See diagram and explanation below.)

<table>
<thead>
<tr>
<th>Evidence of</th>
<th>Active</th>
<th>Inactive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Termites</td>
<td>☐ No</td>
<td>☐ Yes</td>
</tr>
<tr>
<td>Other Wood-destroying Insects</td>
<td>☐ No</td>
<td>☐ Yes</td>
</tr>
<tr>
<td>Wood-destroying Fungi</td>
<td>☐ No</td>
<td>☐ Yes</td>
</tr>
</tbody>
</table>

Location of Tag: ☐ Under Sink ☐ Crawl Space ☐ Other

SIGNATURE OF INSPECTOR

CONDITIONS CONducive TO INFESTATION:

☐ Earth-Wood Contacts
☐ Faulty Grades
☐ Insufficient Ventilation
☐ Excessive Moisture
☐ Cellulose Debris

(See back for definition of infestation and conditions conducive to infestation.)

GRAPH EXPLANATIONS:

Scale: (optional)

Treatment Date: Area Treated:

Product Used: EPA Registration No.

I have received the original or a legible copy of this form.

Signature of Purchaser Date
"Wood-destroying fungi" means fungi that infest and destroy cellulose as that infestation and destruction relates to structural damage. The term does not include:
1. A mold located only on the surface of a structure; or
2. A mold that only causes a human health concern.

NAC 555.258

"Wood-destroying pest" means a pest, including, without limitation, a fungus or termite or another insect which infests and destroys cellulose as that infestation and destruction relates to structural damage. The term does not include such a pest which infests and destroys cellulose as that infestation and destruction relates to an adverse effect only on human health or other human health concerns.

NAC 555.430(3)(j)

(1) "Active infestation" means the presence of living wood-destroying pests.
(2) "Inactive infestation" means evidence of infestation by wood-destroying pests, without the presence of such pests.

NAC 555.430(3)(k)

(1) "Contact of wood with the earth" means any support or other structure of cellulose that is less than 3 inches above the soil level and in contact with the inspected structure, whether it is internal or external in relation to that structure. The term does not include:
   (I) A paling of a fence which is made of wood and which is less than 3 inches above the soil level and in contact with the inspected structure through otherwise acceptable structural elements.
   (II) Lattice which is made of wood and which is less than 3 inches above the soil level if the lattice is physically attached to the inspected structure.
   (III) An attachment to the inspected structure which is made of wood or cellulose and which is less than 3 inches above the soil level if the attachment is separated from the inspected structure by a flashing which is made of metal.
   (IV) A deck which is made of wood and which is less than 3 inches above the soil and in contact with the inspected structure if the deck is separated from the inspected structure by a flashing which is made of metal and the report includes a statement indicating that the deck was excluded from the inspection or application.
   (V) Skirting which is installed on a manufactured home and which is less than 3 inches above the soil and in contact with the inspected structure if the skirting is designed by the manufacturer for contact with the ground, is separated from the inspected structure by a flashing which is made of metal or is supported 3 inches or more above the soil level by pressure-treated wood.
(2) "Faulty grade" means a condition in which:
   (I) A floor joist or stringer is less than 12 inches above the soil level;
   (II) The top of the foundation is less than 3 inches above the adjacent soil level; or
   (III) The drainage is such that there is visible evidence of exposure of surface water on the structure.
(3) "Insufficient ventilation" means less than 1 square foot of ventilation per 300 square feet of crawlspace, less than 1 square foot for every 1500 square feet of ground area covered by a vapor barrier and less than four areas permitting ventilation. The term "insufficient ventilation" does not include a crawlspace which is:
   (I) Mechanically ventilated; and
   (II) Free of wood-destroying fungi and excessive moisture.
(4) "Excessive moisture" means actual moisture on the wood or wood products used in the structure.
(5) "Cellulose debris" means any such debris that is of a size that can be raked and in the aggregate comprises one-half cubic foot or more, or a stump or any other wood that is imbedded in a footing and constitutes a contact of wood with the earth. The term does not include pressure-treated wood that is used to support a manufactured home or the skirting of a manufactured home.

7. As used in this section, "pressure-treated wood" means wood or wood products that:
   (a) Are pressure-treated or certified by the Board of Review of the American Lumber Standard Committee, Inc.;
   (b) Are designed by the manufacturer for contact with the ground;
   (c) Are guaranteed against structural damage by termites or fungal decay; or
   (d) Are described in paragraph (a), (b) or (c) and have surfaces which have been cut, if those surfaces have been treated with a preservative for wood and the wood or wood products have been inspected and determined to be free of infestation.

More information on Nevada's wood-destroying pest inspection reports and reporting regulations can be found on the web at http://www.leg.state.nv.us/NAC/NAC-555.html#NAC555Sec250.