



DISCLOSURE REVIEW SUMMARY | PREPARED FOR: JOSEPH | CONFIDENTIAL

2974 E. CLIFF DRIVE

Santa Cruz, California 95062 | Live Oak

Multi-Story Coastal Home | ~4,317 SF | ~7 Years Old | Inspection: February 2025

HOME SIZE ~4,317 SF	AGE ~7 Years (Built ~2018)	STRUCTURAL No Major Defects	PEST INSPECTION No Active Infestation
SEWER LATERAL PASSED	SAFETY ITEMS 4 Items — Action Required	WATER / MOISTURE 5 Flags — Evaluate Further	NOT INSPECTED 6 Systems — Gaps Remain

Executive Summary

Relatively new multi-story coastal home with no major structural defects, no active pest infestation, and a passing sewer lateral inspection.

The biggest items to address are several safety and electrical concerns — missing CO alarms, an improperly wired sub panel in a basement bathroom, and a loose toilet — along with moisture and water-intrusion red flags including cracked stucco, earth-to-stucco contact, suspicious cladding behind a railing post with visible moisture, and an unidentified taped stucco penetration.

None of these items are deal-breakers on their own, but the water intrusion flags warrant further investigation by a qualified contractor before closing.

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HIGHEST PRIORITY

Safety Issues — Action Required

The following items represent code violations or immediate safety concerns that should be remedied prior to or as a condition of closing. These are the highest-priority findings from the inspection.

Issue	Detail & Recommended Action
No Carbon Monoxide Alarms	Basement and top floor have no CO alarms. California law requires one per floor, audible to sleeping areas. Easy and inexpensive fix — but currently non-compliant. Require seller to remedy before close.
Improperly Wired Sub Panel	Neutral wires are sharing terminal screws at the basement sub panel. This can cause overheating and creates a fire hazard. Requires a licensed electrician. Get a quote and negotiate credit or repair.
Sub Panel in Bathroom	Sub panel is located inside the basement bathroom — not permitted under current code. Bathroom humidity accelerates corrosion of electrical components. Ask whether this was permitted when built.
Loose Toilet (JR Primary Bath)	Can leak at the wax seal and cause subfloor damage if left unaddressed. Inexpensive to fix but a sign of deferred maintenance. Request seller repair prior to close.

WATER & MOISTURE

Water Intrusion — Moisture Concerns

Water intrusion is the most costly and unpredictable risk category for a coastal home. None of the items below are confirmed as active damage, but each warrants further evaluation by a qualified contractor before closing.

Moisture Behind Railing Post — Evaluate Before Closing

Moisture observed behind a railing post on the left side. The stucco/cladding appears concave, inconsistent with the other posts. Inspector flagged for evaluation by a qualified contractor.

Why it matters: Concave cladding can indicate that moisture has been trapped behind the surface for an extended period. This could mean concealed water damage, rotted sheathing, or compromised framing — which would be expensive to remediate.

Action: Request a contractor evaluation prior to close. Consider making acceptance contingent on a clean report.

Unidentified Taped Stucco Penetration — Ask the Seller

An unidentified penetration on the right-side stucco is wrapped with tape. Purpose unknown. Tape will deteriorate over time and provides no long-term seal.

Action: Ask the seller directly: what is this penetration? Was it permitted? Is it sealed properly behind the tape?

Earth-to-Stucco Contact — Ongoing Moisture Risk

Earth is in contact with the stucco on the right side, preventing the weep screed (the drainage channel at the base of the stucco) from functioning properly. This allows moisture wicking and provides a pest entry point over time.

Action: Relatively straightforward to address — pulling back soil away from the base. Confirm the weep screed underneath is undamaged.

ROOFING
Roofing

Issue	Detail
Exposed Nail Heads at Flashings	Nail heads exposed at roof flashings create penetration points where water can enter. These need to be sealed — a straightforward roofing repair.
UV-Unprotected Plumbing Vents	Plastic plumbing vent stacks on the roof are not UV-protected. UV degradation causes cracking over time. Should be painted with UV-resistant paint — inexpensive preventive maintenance.

SAFETY — PHYSICAL HAZARDS
Caution Items

Item	Detail
Rear Concrete Steps — Inconsistent Rise/Run	Steps with inconsistent rise/run dimensions are a tripping hazard, particularly at night or for elderly visitors. May not meet current building code. Ask if the steps were permitted as-built.
No Railing at Rear Patio	The rear patio has no railing or guard. Planter boxes may have been accepted by the building authority at time of construction, but they do not meet today's fall protection standards. Liability concern for new owner.

INFORMATION GAPS
Items Not Fully Inspected

The following systems were outside the scope of the home inspection or physically inaccessible. Each represents an area of residual risk that should be addressed through specialist inspections, seller disclosures, or documentation requests.

System	Gap & Recommended Action
Elevator / Lift System	Not inspected by home inspector — requires a specialist. Request service history, last inspection report, manufacturer info, and warranty documentation from seller.
Hot Tub / Spa	Outside the home inspector's scope. Needs separate evaluation. Request service records from seller.
Basement Water Heater	Washer/dryer blocked full access during inspection. Request seller to provide clear access for re-inspection, or obtain service records.
Smart Home / Automation	Not inspected. Systems may stop functioning if the seller removes equipment or accounts. Confirm in writing exactly what stays, including login credentials and documentation.
Underground Drainage	Adequacy unknown. Not evaluated during inspection. No known issues reported but condition cannot be confirmed without further investigation.

Balcony Waterproof Membrane	Concealed — cannot be evaluated without destructive testing. Ask seller directly: has the balcony ever leaked? What waterproofing system was used during construction, and was it independently inspected?
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PEST & SEWER

Pest Inspection — Sewer Lateral

› Pest Inspection — No Active Infestation No active termite or wood-destroying organism infestation found. Caveat: Large portions could not be inspected — soffit/boxed eaves, second-story eaves (inaccessible by height), sheetrocked garage walls, and parts of the attic. The pest company assumes no liability for what is behind these surfaces. Bottom line: Clean report, but not a complete picture.	› Sewer Lateral — Passed Sewer lateral inspection passed. No work required. Standard disclaimer: The County notes it does not certify condition or guarantee future performance. This is routine language and does not indicate a problem. Bottom line: No action required.
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DUE DILIGENCE

Questions to Ask the Listing Agent — Seller

Raise these directly before removing contingencies. Responses should be provided in writing where possible.

#	Question
1	Has the balcony or rear patio ever leaked? What waterproofing was used during construction, and was it independently inspected?
2	What is the unidentified taped penetration on the right-side stucco? Was it permitted? What is it sealing?
3	Has the home had any prior insurance claims? Particularly for water intrusion, wind, or fire.
4	Are there permits and final sign-offs for all construction — including the spiral staircase, spa/hot tub, elevator, and any planter-box guard at the rear patio?
5	Who manufactured and installed the elevator? Provide service history, last inspection report, and warranty status.
6	What smart home and automation systems are included? Are documentation and login credentials transferring to the buyer? What stays and what goes?
7	Has any work been done since the February 2025 inspection? Particularly to the flagged items (sub panel, CO alarms, loose toilet, moisture issues).
8	Service records for the furnace, both tankless water heaters, the spa, and the elevator?

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