

May 2, 2007

Capital Pacific Homes
12401 Research Blvd, Bldg II, Suite 100
Austin, Texas 78759
Attn: Bart Koonse

RE: Level B Investigation – Initial Foundation Report
240 Canterbury Drive
Belterra Subdivision
Dripping Springs, Texas
Job No.: # 714008000.004

Dear Mr. Koonse:

Scope

At your request, we evaluated the structural condition of the home at the above referenced address. We performed floor elevation surveys using a pro-level manometer and developed surface contours based on those surveys. We used these contours and our visual investigation to evaluate the performance of the home. We consider this evaluation a Level B Investigation, as defined by ASCE Texas Section's "Guidelines for the Evaluation and Repair of Residential Foundations", the publication can be ordered through the publication section of the Texas Section's website, www.texasasce.org.

Sources of Information and Data

The following sources of information were used as a basis for this report:

- Interview with the homeowner
- Review, visual observation and pictorial baseline taken of the interior and exterior of the home
- Conducted a finished floor elevation survey with a Pro-Level manometer and developed slab surface and second level floor contours, August 31, 2006
- ASCE-TX Section Doc. No. 4.6.5.2.2, "Guidelines for the Evaluation and Repair of Residential Foundations"

Property Location and Description

The house is located in the Belterra Subdivision. The stud walls have masonry on three sides with conventional siding and stucco accents on the sides of the second story.

Observations and Actions

We conducted a floor surface elevation survey with a Pro-Level manometer and developed surface contours based on that survey. We used the contours of the floor finish materials and the observations of the superstructure to evaluate the performance of the slab-on-grade foundation and the second floor. The final report will document the interior and exterior distress observed during our site visit.

Conclusions

Foundation Performance: based on our observations and analysis, any distress noted within the home is not an indication of a structural defect in the foundation. Slab surface contours were developed and the maximum deflection ratio derived from these contours (after correcting for tilt) was L/1253. This ratio is well within the accepted industry standard of L/360 as established by, "Guidelines for the Evaluation and Repair of Residential Foundations", available from the Texas Section, ASCE.

The final report will list the deflection of the second level flooring system and any recommendations for remediation, if necessary. As with all foundations, we recommend that a thorough watering regiment be implemented to help maintain a uniform moisture level in the soil around the foundation. This will help alleviate any movement of the foundation due to seasonal fluctuations in rainfall.

Thank you for the opportunity to be of service, please call if you need further information.

Sincerely,

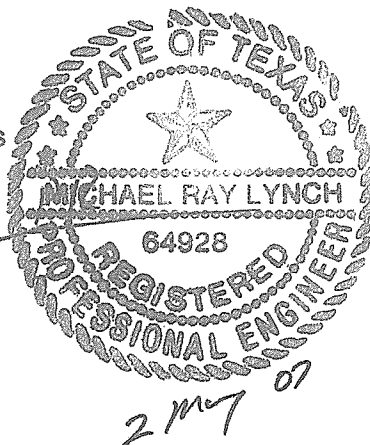
MLAW

Consultants & Engineers



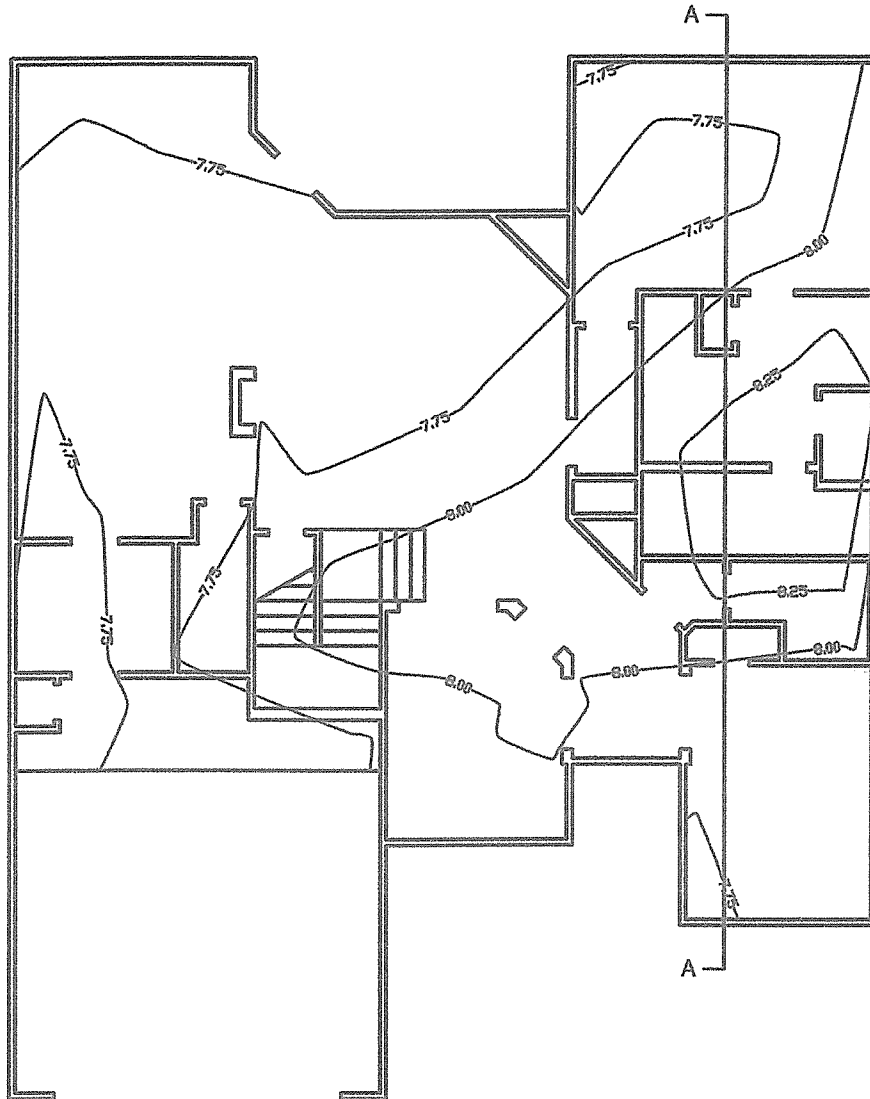
Mike Lynch, P.E.

Enclosed:
Limitations of report
Surface Contours
Surface Cross Sections



LIMITATIONS OF REPORT

- These observations do not intend to provide an exhaustive analysis of the structural or foundation conditions and does not intend to convey the impression that detailed measurements, or examinations of the superstructure or the hidden elements of the structure were performed. Hidden elements would include framing or floors covered by sheetrock, brick veneer, carpeting or tile, etc.
- Unless otherwise indicated, this report was prepared expressly for the client involved and expressly for the purposes indicated by the client. Permission for use by any other persons for any purpose, or by the client for a different purpose is denied unless otherwise stated in writing by MLAW.
- The observations, discussions, and conclusions in this report are based solely on the Field Observations contained in the report. The observed conditions are subject to change with the passage of time. The Field Observations and this report are not to be construed in any way as a guarantee or warranty as to the future life, performance, and need of repair or suitability of purpose of the subject property.
- Detailed structural calculations were not performed and a report that the structure is in good condition does not imply that it meets all Building Code provisions.
- Soil borings and materials testing are not included in this investigation, unless specifically reported.
- These observations do not include an examination or opinion regarding electrical, mechanical, plumbing systems or appliances, or roof or wall waterproof condition.
- Water damage or rotted wood will be noted if obvious, but the limited scope of the examination precludes observations of all structural members, and hidden defects may be present. Surface drainage may be noted in general as being adequate or inadequate to prevent casual water from entering the structure or ponding adjacent to foundation, but no evaluation of regional or lot drainage was done to ensure that floodwaters do not rise above the levels of the foundation and enter the building.
- Termite damage was specifically not examined for and is not a part of this scope of work.



SLAB SURFACE CONTOURS

READINGS IN .25 INCH INCREMENTS

ADDRESS: 240 CANTERBURY DRIVE
 JOB No: 714008000.004

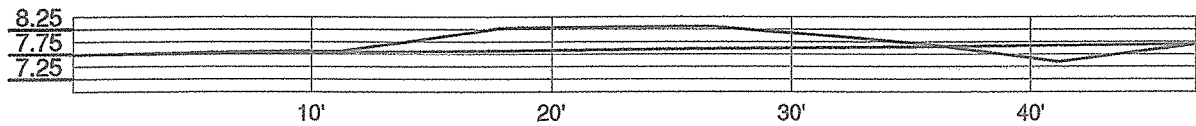
CLIENT: CAPITAL PACIFIC
 DATE: 4-25-07
 SHEET: 1 OF 3

GEOSTRUCTURAL/STRUCTURAL
 GEOTECHNICAL/PAVEMENTS
 FORENSIC

MLAW
 CONSULTANTS AND ENGINEERS

2804 LONGHORN BLVD.
 AUSTIN, TEXAS 78758
 (512) 896-7000

SECTION A-A



TILT = .21" IN 47'
DEFLECTION = .45" IN 47' (L/1253)

SURFACE SECTIONS

READINGS IN .25 INCH INCREMENTS

ADDRESS: 240 CANTERBURY DRIVE
JOB No: 714008000.004

CLIENT: CAPITAL PACIFIC
DATE: 4-25-07
SHEET: 3 OF 3

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