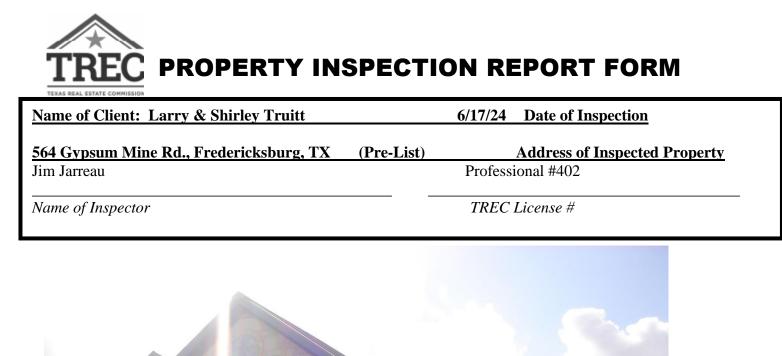
## MERIT INSPECTION SERVICE INC. Kerrville (830) 257-6688 Fredericksburg (830) 997-7922 SA (210) 824-9911 Texas Toll Free (800) 345-9171 Fax (830) 997 0053 <u>www.meritinspections.com</u>



Main



#### PURPOSE OF INSPECTION

Guest

A real estate inspection is a visual survey of a structure and a basic performance evaluation of the systems and components of a building. It provides information regarding the general condition of a residence at the time the inspection was conducted. *It is important* that you carefully read ALL of this information. Ask the inspector to clarify any items or comments that are unclear.

#### **RESPONSIBILTY OF THE INSPECTOR**

This inspection is governed by the Texas Real Estate Commission (TREC) Standards of Practice (SOPs), which dictates the minimum requirements for areal estate inspection.

The inspector IS required to:

- use this Property Inspection Report form for the inspection;
- inspect only those components and conditions that are present, visible, and accessible at the time of the inspection;
- indicate whether each item was inspected, not inspected, or not present;
- indicate an item as Deficient (D) if a condition exists that adversely and materially affects the performance of a system or component **OR** constitutes a hazard to life, limb or property as specified by the SOPs; and
- explain the inspector's findings in the corresponding section in the body of the report form.

The inspector IS NOT required to:

- identify all potential hazards;
- turn on decommissioned equipment, systems, utilities, or apply an open flame or light a pilot to operate any appliance;
- climb over obstacles, move furnishings or stored items;
- prioritize or emphasize the importance of one deficiency over another;
- provide follow-up services to verify that proper repairs have been made; or
- inspect system or component listed under the optional section of the SOPs (22 TAC 535.233).

#### **RESPONSIBILTY OF THE CLIENT**

While items identified as Deficient (D) in an inspection report DO NOT obligate any party to make repairs or take other actions, in

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the event that any further evaluations are needed, it is the responsibility of the client to obtain further evaluations and/or cost estimates from qualified service professionals regarding any items reported as Deficient (D). It is recommended that any further evaluations and/or cost estimates take place prior to the expiration of any contractual time limitations, such as option periods.

**Please Note:** Evaluations performed by service professionals in response to items reported as Deficient (D) on the report may lead to the discovery of additional deficiencies that were not present, visible, or accessible at the time of the inspection. Any repairs made after the date of the inspection may render information contained in this report obsolete or invalid.

#### **REPORT LIMITATIONS**

This report is provided for the benefit of the named client and is based on observations made by the named inspector on the date the inspection was performed (indicated above).

ONLY those items specifically noted as being inspected on the report were inspected.

This inspection IS NOT:

- a technically exhaustive inspection of the structure, its systems, or its components and may not reveal all deficiencies;
- an inspection to verify compliance with any building codes;
- an inspection to verify compliance with manufacturer's installation instructions for any system or component and DOES NOT imply insurability or warrantability of the structure or its components.

#### NOTICE CONCERNING HAZARDOUS CONDITIONS, DEFICIENCIES, AND CONTRACTUAL AGREEMENTS

<u>Conditions may be present in your home that did not violate building codes or common practices in effect when the home was constructed but are considered hazardous by today's standards. Such conditions that were part of the home prior to the adoption of any current codes prohibiting them may not be required to be updated to meet current code requirements. However, if it can be reasonably determined that they are present at the time of the inspection, the potential for injury or property loss from these conditions is significant enough to require inspectors to report them as Deficient (D). Examples of such hazardous conditions include:</u>

- malfunctioning, improperly installed, or missing ground fault circuit protection (GFCI) devices and arc-fault (AFCI) devices;
- ordinary glass in locations where modern construction techniques call for safety glass;
- malfunctioning or lack of fire safety features such as smoke alarms, fire-rated doors in certain locations, and functional emergency escape and rescue openings in bedrooms;
- malfunctioning carbon monoxide alarms;
- excessive spacing between balusters on stairways and porches;
- improperly installed appliances;
- improperly installed or defective safety devices;
- lack of electrical bonding and grounding; and
- lack of bonding on gas piping, including corrugated stainless steel tubing (CSST).

Please Note: items identified as Deficient (D) in an inspection report DO NOT obligate any party to make repairs or take other actions. The decision to correct a hazard or any deficiency identified in an inspection report is left up to the parties to the contract for the sale or purchase of the home.

This property inspection report may include an inspection agreement (contract), addenda, and other information related to property conditions.

INFORMATION INCLUDED UNDER "ADDITIONAL INFORMATION PROVIDED BY INSPECTOR", OR PROVIDED AS AN

ATTACHMENT WITH THE STANDARD FORM, IS NOT REQUIRED BY THE COMMISSION AND MAY CONTAIN CONTRACTUAL TERMS BETWEEN THE INSPECTOR AND YOU, AS THE CLIENT. THE COMMISSION DOES NOT REGULATE CONTRACTUAL TERMS BETWEEN PARTIES. IF YOU DO NOT UNDERSTAND THE EFFECT OF ANY CONTRACTUAL TERM CONTAINED IN THIS SECTION OR ANY ATTACHMENTS, CONSULT AN ATTORNEY.

#### ADDITIONAL INFORMATIONPROVIDEDBYINSPECTOR

#### **INSPECTION AGREEMENT**

# THIS AGREEMENT LIMITS OUR LIABILITY AND IS INTENDED TO BE A LEGALLY BINDING CONTRACT, PLEASE READ IT CAREFULLY.

Client (named above- page 1) requests a limited visual inspection of the subject property to be conducted by Jim Jarreau, licensed real estate inspector #402 with Merit Inspection Service, Inc. The real estate inspector, Merit Inspection Service, Inc. and their agents, employees, and owners are jointly referred to herein as the "inspector". The purpose of the inspection is to inform the client of visually observable major deficiencies in the condition of the inspected systems and items at the time of the inspection in exchange of the inspection fee paid by the client. Client represents and warrants that client has secured all approvals necessary for inspector's entrance onto the subject property for the purpose of conducting the inspection. Client understands that they must carefully read the entire inspection report (herein called report) when

they receive it and will promptly contact the inspector with any questions they may have. Client and inspector understand that they are bound by all terms of this agreement.

FEE: Client agrees to pay a fee for the performance of the inspection. This amount shall be paid in full prior to the distribution of any findings and reports. The parties agree that the fee agreed to herein is not contingent on the reporting of any specific, predetermined condition of the subject property. Client acknowledges that the inspection fee paid is nominal given the risk of liability associated with performing home inspections if liability could not be limited. Client acknowledges that without the ability to limit liability, the inspector would be forced to charge Client much more than the inspection fee for the inspector's services. The inspector has not and will not accept a fee or other valuable consideration in this transaction from any person other than the client. The inspector has not and will not pay any portion of the fee received herein to any participant in this real estate transaction.

SCOPE OF INSPECTION: The inspection to be performed for client is a non-invasive visual examination of the inspected systems and items of the subject property. Major visible defects as they exist on the date of the inspection will be noted on the report, which will be prepared by the inspector during and after the actual inspection. The inspection intends to reduce risk but will not eliminate risk; therefore, the inspecting to be done may not identify all defects or problems. All properties experience some degree of wear and cosmetic considerations which are not within the scope of the report. This report is not an exhaustive technical evaluation and cannot be expected to reveal every condition you may consider significant to ownership. The report is not a repair list and is made for the sole purpose of assisting the purchaser to determine feasibility of purchasing and in no way meant to influence his/her decision to purchase. No engineering services are/were offered or provided. The inspection report will contain the OPINION OF THE INSPECTOR on the need of repair or replacement of the items inspected on the DAY OF THE INSPECTION ONLY. Although code compliance or manufacturer requirements are excluded from the inspection, reference to such may be used as a basis for the opinions of the Inspector. The report will be furnished to client within three business days after completion of the inspection, if not earlier. The inspection will be performed in accordance with the Standards of Practice of the Texas Real Estate Commission (TREC) and the inspector will use the TREC Property Inspection Report format to set forth the findings where applicable. The TREC Standards of Practice and the Property Inspection Report define the scope of the inspection to be performed. Client may and is encouraged to view them at http://www.trec.state.tx.us. The inspection only includes those systems and items expressly and specifically identified in the report. The inspection and report of these systems does not act as warranty, guarantee, insurance policy, or substitute for real estate disclosures, warranties, or Seller's Disclosure Statement which may be required by law. By signing this Agreement, the client(s) understands that the services provided by the inspector falls within the Professional Services Exceptions of the Texas Deceptive Trade Practices Act ("DTPA") and agrees that no cause of action exists under the DTPA related to the services provided.

#### **ITEM(S) TO BE INSPECTED:**

BASIC FOUNDATION SYSTEM(S), slab on grade and/or pier & beam. BASIC STRUCTURAL: Roof \* Walls \* Ceilings \* Floors, Fireplace \* Decks/Porches \* Stair \* Windows, Doors & Screens.

BASIC MECHANICAL: Plumbing \* Electrical \* Heating & Cooling Systems \* Appliances (built in).

TERMITE INSPECTION: "Wood Destroying Inspects" (if selected)

OPTIONAL SYSTEMS: (If selected) Pool, spa, water quality, lawn sprinkler system, and/or other.

EXCLUSIONS: This inspection is limited to the real property and does not included personal property unless so indicated in the report. Inspector will not inspect or report on systems and items that are not included or that are specifically excluded in the TREC Standards of Practice or Property Inspection Report unless otherwise agreed to in writing and signed by the parties. Inspector is not required to inspect anything identified in the TREC Standards of Practice as limitations or exclusions specific to the systems and components inspected. No representation is made as to how long any equipment will continue to function. Maintenance conditions may be discussed, but they are not a part of this inspection. The inspection to be performed is a visual inspection only. Latent and concealed defects and deficiencies are excluded from the inspection. Inspector shall have no liability for conditions that are concealed from view or inaccessible to the inspector. A system or component is not accessible if inspection requires moving personal property, dismantling, destructive measures, or any action that will, in the opinion of the inspector, likely involve risk to person or property. Anything not readily observable because it is concealed or inaccessible due to obstructions including (but not limited to) flooring coverings, suspended ceiling tiles, insulation, furniture of other personal property, anything underground or covered by soil, vegetation, water, ice or snow cannot be inspected. Inspector does not and is not required to move or disturb such items in order to diminish or eliminate the obstruction.

LICENSED INSPECTOR: Inspector is licensed as a real estate inspector by the Texas Real Estate Commission. Client understands that the inspector is a generalist, knowledgeable in a variety of areas, but does not hold himself as an expert in any field. A preliminary generalist inspection and report is an unbiased opinion, based upon the experience of the individual inspector. Inspector is not an insurer or guarantor against defects in the systems and items inspected. If the inspector recommends consulting specialized experts for further evaluation or repair, it is up to the Client, at the Client's expense, to proceed with further, inspections or evaluation with experts as selected by client. Client agrees to consult with an appropriate specialist on any item noted in need of repair, replacement or further evaluation prior to closing. Inspector may not perform or agree to perform repairs on maintenance in connection with the inspection. The inspector is not a principal. broker or salesperson in this real estate transaction.

LIMITED WARRANTY: CLIENT ACKNOWLEDGES THAT THE INSPECTOR WARRANTS ONLY THAT ITS INSPECTION WILL BE PERFORMED IN ACCORDANCE WITH THE SCOPE HEREIN, THE INSPECTION REPORT, AND THE STANDARDS OF PRACTICE OF THE TEXAS REAL ESTATE COMMISSION. THIS IS A LIMITED AND NON-TRANSFERABLE WARRANTY AND IS THE ONLY WARRANTY GIVEN BY INSPECTOR. INSPECTOR MAKES AND CLIENT RECEIVES NO OTHER WARRANTY, EXPRESS OR IMPLIED. ALL OTHER WARRANTIES, INCLUDING WARRANTIES OR MECHANTABILITY AND FITNESS FOR PARTICULAR PURPOSE, ARE EXPRESSLY EXCLUDED AND WAIVED BY CLIENT. THIS STATED EXPRESS LIMITED WARRANTY IS IN LIEU OF ALL LIABILITIES OR OBLIGATIONS OF INSPECTOR FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE PERFORMANCE OF THE INSPECTION AND DELIVERY AND USE OF OR RELIANCE ON THE REPORT. CLIENT WAIVES ANY CLAIM FOR CONSEQUENTIAL, EXEMPLARY OR INCIDENTAL DAMAGES.

LIMITATION OF LIABILITY: In the event the inspector fails to fulfill the obligations under this agreement, Client's exclusive remedy at law or in equity against inspector is limited to a maximum recovery of damages equal to the inspection fee paid herein. This limitation of liability applies to anyone, including client, who is damaged or has to pay expenses of any kind, including attorney fees and costs, because of mistakes or omissions by inspector in this inspection or report. Client assumes the risk of losses greater than the refund of the fee paid herein. Client acknowledges that this limitation of liability is reasonable in view of the relatively small fee that inspector charges for making the inspection when compared with the potential of exposure that the inspector might otherwise incur in the absence of such limitation of liability.

**CONFIDENTIALITY OF REPORT:** The report is copyrighted, confidential and is for the sole and exclusive private use of the client. It is not to be copied or disseminated to any other party without the express written consent of the inspector, except as set forth below. Use of all information contained in the report is specifically restricted to the transaction for which the inspection was performed. Use of or reliance upon the report by other parties, or for other transactions, is strictly prohibited. No third party shall have any right arising from this contract or the report and may not rely on the report. In consideration of the furnishing of the report, the client agrees to indemnify, defend, and hold harmless inspector for all costs, expenses, legal fees, awards, settlements, and judgments in any legal proceeding brought by any third party who claims that he/she relied on representations made in such report and was damaged thereby. Client's release of copies of the report to any third party shall be at client's risk with respect to the contents of this paragraph.

**DISCLOSURE:** Client requests and authorizes inspector to disclose information and provide a copy of the report to their real estate agents, lenders, attorneys, and other parties intimate to this transaction. Inspector authorizes client to provide a copy of the report to their real estate agent in this transaction. The sellers and seller's agents should not be provided a copy of this report.

This report is Not extended for use by insurance companies or attorneys: Clients agrees not to supply copies or details of this report to any Insurance companies, warranty company or attorneys for any use what so ever. If Merit Inspection Service, Inc suffers or are exposed to any damages from ant unauthorized distribution the clients agrees to reimburse Merit Inspection Service, Inc and its inspectors or employees for any and all damages related or expenses that may arise. Other note: This inspection report is supplementary to and does not replace the "sellers disclosure" that should have been supplied.

**DISPUTE RESOLUTION:** Notice: Client understands and agrees that any claim for failure to accurately report the major visible defects of the subject property, as limited herein, shall be made in writing and reported to the inspector within 10 business days of discovery. Inspector agrees to respond promptly to any legitimate complaint and to re-inspect the portion of the property relating to the claimed condition by requesting permission to do so within 15 business days of client's written notice of the claimed condition. Client further agrees that client and its agents, employees or independent contractors will make no alterations, repairs or replacements to the claimed condition prior to a re-inspection by the inspector. Client understands and agrees that any failure to timely notify inspector and allow adequate time to investigate and re-inspect as stated above shall constitute a complete waiver of any and all claims client may have against inspector related to the alleged act, omission, or claimed condition.

**Mediation:** Client agrees that if a dispute or claim arises from this agreement, the inspection, or the report, and if the dispute cannot be settled through direct discussions, the parties agrees to endeavor first to settle the dispute by mediation before resorting to arbitration. If the mediation does not result in a settlement of the dispute, then any unresolved controversy shall be submitted to arbitration, as set forth below. The parties shall share equally in the costs of all mediation expenses.

**Arbitration:** Any and all disputes, not resolved by direct discussions or mediation, concerning the interpretation of this agreement or arising from the inspection and report shall be resolved by final, binding, non-appealable arbitration conducted in Gillespie County, Texas in accordance with the rules of the American Arbitration Association, except that the parties shall mutually agree upon an Arbitrator who is familiar with the real estate inspection industry and the TREC Standards of Practice. At the arbitration the parties may adjudicate all claims and issues, as provided for or limited herein, that could have been raised before a court of law, including but not limited to, lawful attorney's fees and costs, where provided by statute. The decision of the Arbitrator shall be final and binding. The parties shall share equally the costs of the arbitrator. Either party may demand arbitration by written notice to the other. Such demand for arbitration must be made less than one year after the date of the inspection.

**STATUTE OF LIMITATIONS:** The parties agree that no claim, demand, or action, whether sounding in contract or in tort, may be brought to recover damages against the inspector, or its officers, agents, or employees **more than one year after the date of the inspection. The time is expressly of the essence herein.** Client understands that this time period may be shorter than otherwise provided by law and consents to the shortening of the limitations period as set forth above.

**CERTIFICATE OF MERIT:** The Client(s) shall make no claim of professional negligence unless the client(s) has first provided Merit Inspection Service, Inc. and the Inspector with a written certification executed by an independent Texas Professional engineer currently practicing in the area of house inspections for home buyers. The certification shall: a)contain the name and license number of the certifier; b)specify what research the certifier has performed to discover the standards of care, c)specify the acts or omissions that the certifier contends are not in conformance with the standard of care for a licensed Texas Real Estate Inspector performing services under similar circumstances; and d)state in detail the basis for the certifier's opinion that such acts or omissions do not confirm to the standard of care. This certificate shall be provided to Inspector not less than thirty (30) days prior to the presentation of any claim, or the institution of any arbitration or legal proceeding. This certificate of merit clause will take precedence over any existing law in force at the time of the claim or demand for arbitration.

ACCEPTANCE OF REPORT: If the client has not signed this agreement then acceptance of the report shall constitute agreement with all of the terms of this agreement. The report to be prepared by inspector shall be considered the final and exclusive findings of the inspector regarding the inspection of the property. Client shall not rely on any oral statements made by the inspector prior to issuance of the printed report.

**SEVERALABILITY:** If any portion of this agreement is found to be invalid or unenforceable by any court or arbitrator, the remaining terms shall remain in force and effect between the parties to the fullest extent possible.

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**CHOICE OF LAW AND VENUE:** This agreement shall be construed and enforced in accordance with the laws of the State of Texas, and venue shall be in Gillespie County, in the State of Texas.

ACCEPTANCE OF THIS AGREEMENT: This agreement shall be binding upon and insure to the benefit of the parties hereto, their heirs, successors, assigns, agents, and representatives of any kind whatsoever. If client is married, client represents that this obligation is a family obligation incurred in the interest of family. With regard to words used herein, the singular shall include the plural and the plural shall include the singular where appropriate. This agreement constitutes the entire integrated agreement signed by all of the parties. This agreement supersedes any and all representations or discussions, whether oral or written, if any, among the parties relating to the subject matter of this agreement. No oral agreements, understandings, or representations shall change, modify, or amend any part of this agreement. I/We have read, understand and do accept all of the above Inspection Agreement and do agree to the terms and conditions of this agreement in its entirety and do hereby authorize Merit Inspection Service, Inc. to conduct the inspection on said property. I acknowledge that I have received a copy of this agreement.

INSPECTOR : Jim Jarreau TREC # 402 TDA Certified Applicator # 29736

Prelisting inspection: Note: this is a report of conditions present and observed on day of inspection. Mechanical devices malfunction and structural components change over time. It is highly recommended that if an extended period of time has lapsed between date of inspection and report and time of your viewing report that you consider hiring a licensed inspector to revisit the property to confirm and report on conditions present. Merit Inspection Service, Inc. does offer re-inspection service at a reduced rate. This is required along with an "Inspection service contract" if a buyer or buyers is to rely on information provided.

Report Identification								
I=Inspected		NI=Not	Inspected	NP=Not Present	D=Deficiency			
Ι	NI	NP	D	I	nspection Item			

Additional pages may be attached to this report. Read them very carefully. This report may not be complete without the<br/>attachments. If an item is present in the property but is not inspected, the "NI" column will be checked and an explanation is<br/>necessary. Comments may be provided by the inspector whether or not an item is deemed in need of repair.I=InspectedNI=Not InspectedNP=Not PresentD= Deficiency

#### I. STRUCTURAL SYSTEMS

 $\square$   $\square$   $\square$   $\square$  A. Foundations *Type of Foundation(s):* Foundation is a conventional slab on grade type built on expansive soils.

Comments: Signs of prior movement/settlement observed in the form of hairline type fracture cracks to walls and ceiling surfaces.



NP=Not Present D=Deficiency

I NI NP D

Inspection Item



In my opinion (as required by TREC) your foundation appears to be performing as designed and intended. I do however always recommend that if additional details about foundation performance is preferred or required to help you make this purchase decision that a licensed professional engineer with foundation experience be consulted.

**IMPORTANT FOUNDATION MAINTENANCE & CARE -** Proper drainage and moisture maintenance is important to all types of foundations due to the expansive nature of the area load bearing soils. Drainage must be directed away from all sides of your foundation with grade slopes to be no less than 1 1/2 inches in every foot. Downspouts and A/C condensation drains should extend no less than 5 feet from the foundation. Proper levels of moisture should be introduced around the base of your foundation during extended period of dry weather to help reduce shrink/well movement. In most cases floor coverings and/or stored articles prevent recognition of signs of settlement - cracking in all but the most sever cases. It is important to note that this was not a structural engineering survey nor was any hydro-static testing done of any sub-slab plumbing pipes/shower pans during this limited visual inspection as these are specialized processes requiring excavation. IN THE EVENT THAT STRUCTURAL MOVEMENT IS NOTED, CLIENT IS ADVISED TO CONSULT A PROFESSIONAL STRUCTURAL ENGINEER WHO CAN ISOLATE AND IDENTIFY CAUSES AND DECIDE WHAT CORRECTIVE STEPS SHOULD BE CONSIDERED TO EITHER CORRECT AND/OR STOP STRUCTURAL MOVEMENT. Other note: Not all drying or settlement cracks in concrete garage floors, porches, patios, sidewalks and other areas may be denoted. The opinions given on the performance of this foundation are subjective and based on the knowledge and experience of the inspector and such may vary from the opinion of others (inspector, realtors and/or engineers). The inspector's comments are comprised of opinion and not facts. Factual determinations are available via specialized engineering studies. <u>The future performance of the foundation is not warranted</u>. Add-ons and additions to structural foundation systems (either like or un-like) are common areas of differential movement - between older and newer additions. Ask seller for any details they may have about additions.

#### ☑ □ □ □ B. Grading & Drainage Comments: SEE ABOVE COMMENT!

#### Raised flowerbeds hold water.

ALL DOWNSPOUTS SHOULD HAVE DIVERTERS OR SPLASH BLOCKS TO HELP REDUCE SOIL EROSION. Retaining walls (structural or decorative) that may be present on property that are not directly related to foundation stability are not inspected or part of this inspection report. Subsurface drains (often referred to as "French Drains) are not inspected as such would require excavation to view components. It is important to know that these do require periodic maintenance. This also includes strip drains set in flatwork. Ask seller for details of prior maintenance and location of entry and termination points.

### ☑ □ ☑ C. Roof Covering Materials

Type(s) of Roof Coverings: Standing seam metal roof observed in place – main house.

#### V-groove type metal roofing secured with screws – guest house & garage.

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Report Identification								
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I NI	NP D	Inspection Item						

Viewed From; Observations and inspection were done from roof, eaves and/or ground/grade levels.



Comments: Flashing is no longer secured/sealed in place. (see where pulling up)

Locations where caulking, roof tar and/or other sealant have been applied would indicate locations of prior moisture migration and a repair. These products become dry and cracked over time due to exposure and need to be reapplied.



NP=Not Present	D=Deficiency
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I NI NP D

Inspection Item



#### Exact age of roofing material was not determined.

(Ask sellers for any information they may have that would detail the roofing materials age).

Please note that any roof pitch less than 2/12 slope (typically porches, add-ons, sun porches carports and others) with installed typical 3/tab shingles are not inspected or part of this report. By all shingles manufacturer's warranty specifications any roof with less than 2/12 roof pitch should have a "Low pitch" rated material installed with additional deck protection (underlayment). It is impossible to determine if this additional deck protection is installed and more importantly installed properly without damaging and dismantling the roofing materials. **IMPORTANT NOTE: ROOF, ROOF STRUCTURE AND ATTIC.** This assessment of the roof does not preclude the possibility of leakage. Leakage can develop at any time and may depend on rain intensity, wind, direction, etc. The entire underside (attic) of the roof decking may not have been inspected for evidence of leakage (Ask sellers for any information they may have that would detail the roofing materials age along with details of any and all prior moisture migration from roofing leaks and/or related insurance claims) Remaining life expectancy and/or insurability is not determined by the inspector. Due to fear of along with the entire property meets insurance underwriting guidelines regarding insurability before end of option period. Moulting satellite receiving dishes on roof surfaces is very common in our area. Directly securing these devices or any other surface mounted devices can cause leaking due to penetrating roofing system (shingles, underlayment, and decking). This is a very common location of leaking. Maintain sealants!

$\checkmark$	

**D. Roof Structure and Attic** Viewed From: Attic space and/or access opening. Approximate Average Depth of Insulation: Normal Approximate Average Thickness of Vertical Insulation: Not determined.

*Comments*: Fiberglass type insulation. Insulation levels observed are typical of a home this age. Exact levels or values not determined. Not all areas of attic space were accessible for visual inspection due to limited clearance/access. Viewing was only from access opening – no entry was made into attic.

There must be a 1/2 hr fire stop between garage and living space. Abutting walls and ceiling in garage should be complete and sealed to provide this. When your attic access (either cut opening and/or attic pull down stairs) is located in garage area abutting living space it should be sealed and be fire rated and marked stating so. This is designed to slow down spread of fire that often originate in garages.

NP=Not Present D=Deficiency

I NI NP D

Inspection Item



The entire underside (attic) of the roof decking may not have been inspected for evidence of leakage. **IMPORTANT NOTE**: Framing in the attic is observed in a cursory manner for evidence of existing performance failure that appears to need repair at the time of inspection. Unless stated, the inspection does not determine proper or improper spans, supports, fasteners, load placements, and any reference to such is considered partial. Be advised that framing inconsistencies are common place and vary from different periods of construction. A specialized framing inspection is available from specialist such as an engineer. Ventilation calculations are not part of this inspection. Potentially hazardous materials such as asbestos and urea formaldehyde foam insulation cannot be identified without laboratory analysis. NO CHEMICAL TESTING was made of any insulation or any building materials to determine its make up/composition. Any estimates of insulation values and depths are rough averages. It is often that air intake vents in overhangs along with gable and other vents become obstructed - over time. (Insulation - dust -lint) This condition can and may alter proper attic ventilation airflow that is important to temperature and moisture/condensation control. No determination was made or possible to determine presence of or efficiency of fire stopping or fire retardancy of any building material or component no matter were installed or required. This is impossible without dismantling the component structure or component. (Walls, ceilings, pull down stairs, attic access openings and/or doors, etc. - between conditioned and unconditioned spaces)

### ☑ □ □ ☑ E. Wall (Interior and Exterior)

Exterior is a combination of stone/brick veneer and wood and/or wood product siding and trim.

#### Comments:

Noted wood rot due to exposure to moisture. Note where repaired. See mostly minor amounts at garage/guest house building.

Report Identification	
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I=Inspected	NI=Not Inspected
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NP=Not Present D=Deficiency

I NI NP D

Inspection Item



IMPORTANT NOTE: Sellers should provide details of any and all prior moisture migration and/or water intrusion insurance claims they may have knowledge of. This inspection does not include testing for any hazardous material and/or gases. (Formaldehyde-radon-asbestos-leads- molds and/or mildew-etc.) Molds are a known hazard that affects indoor air quality. We do offer mold testing and investigations as an additional service, etc. Conditions of paint-stains-wall coverings-carpets-covered wood flooring along with cabinet drawers/doors & safety glazing are not within the scope of this limited inspection.

**IMPORTANT NOTE:** This inspector is not qualified to detect the presence of Chinese Drywall. Accordingly, the issue of Chinese Drywall (and its potential problems) is beyond the scope of the inspection report. This is a recent development and it appears Chinese drywall emits sulfur-containing compounds at unnaturally high concentrations. Allegations have been raised stating air conditioning coils have corroded, electrical wiring damaged, the presence of foul odors, and in some cases, respiratory issues have developed. Should this be a concern, recommend you contact the builder to determine the manufacture of drywall installed in this residence and conduct research as necessary. Chinesedrywall.com is one of many web sites you may consider. Twenty-two states have reported these problems including Texas.

$\checkmark$				F. Ceilings and Floors
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Comments:

Please note that not all areas of property were accessible due to large amount of stored personal items throughout obstructing observations.

## ☑ □ □ ☑ G. Doors (Interior and Exterior) (Representative Number)

Comments:

Some of the doors rub frame and will need adjustments.

Noted signs of moisture and minor rot to trim of door at metal shop building with no overhand.

Inspection Item

NI NP D I



Noted no viewing port at main entry door. (window or peep hole)



IMPORTANT NOTE: A random sample of doors/windows are checked for condition and proper operation. BUYERS SHOULD HAVE LOCKS CHANGED/RE-KEYED FOR SAFETY - SECURITY CONCERNS AFTER CLOSING BUT PRIOR TO MOVE-IN. The Texas Real Estate Commission has determined that doors between garage and living spaces should have auto closures. These are rare in this area.

$\checkmark$			H. Windows (Representative Number)
Comm	ents:		

Repo	Report Identification								
I=Inspected		NI=Not Inspected		NP=Not Present D=Deficiency					
Ι	NI	NP	D	Inspection Item					

#### No screens in place.

I was not able to identify labeled glass denoting "safety glass". The Texas Real Estate Commission "Standards of Practice" requires documentation of any glass located in any possible hazardous location that is not clearly labeled as being tempered as a deficiency regardless of age of property.

Windows in sleeping areas should not be mounted higher than 48 inches above floor level and have at least a 24 inch clear opening to aid in egress in an emergency. Note: In case of egress bars present: Unless egress bars have been removed they do not meet fire/safety standards whereby you must be able to open (not a lock and key) using a special quick release built into and protruding into the bedroom with the bars. An occupant must be able to open the bars by simply applying pressure to the quick release mechanism. (no lock & key) This is and has been a state/federal requirement for 20+ years.

□ □ Comment	l ☑ s:		I. Stairways (interior & Exterior) -
□ □ Comment	⊠ s:		J. Fireplace/Chimney/Wood Stoves
⊡ □ Comment	l □ s:	V	K. Porches, Balconies, Decks and Carports (Attached)

Unlevel surfaces may present a trip hazard and may allow water to pond presenting a slip/fall hazard. See photo for details. (step stones)

		$\checkmark$	L. Other
Comn	nents:		

**IMPORTANT NOTE TO CLIENT(S):** This is not a code enforcement inspection. While some references to code compliance may be made, our report is not a code compliance investigation. Such an investigation is beyond the scope of this inspection. Only a random sample, non-destructive, visual/operational testing of electrical, plumbing, appliances and heating and cooling systems was made. The inspection does not include pressure checks for gas lines, water-sewer lines, shower pans, built-in clocks/timers, automatic cooking/cleaning cycles, intercoms, radios, security systems, water softeners, outdoor cooking equipment or any inaccessible components. Water service should have been on 48 hours prior as leaks may only become visible after being pressurized.

#### **II. ELECTRICAL SYSTEMS**

**IMPORTANT NOTE:** The Texas Real Estate Commission requires inspectors to compare homes inspected to newer constructed standards regarding GFCI protection and other electrical components (isolated grounds-arc fault protection, etc.) GFCI devices protect against electrical shock. System was inspected for function and readily discernable deficiencies/hazards which may occur as a result of unprofessional installation/improvement or an increased consumption demands which may exceed the original design. **All repairs should be made by a licensed electrician.** Use of all switches/outlets may not have been verified.

☑ □ □ □ A. Service Entrance and Panels

*Comments*: Wire type observed: Both aluminum and copper wire leads and circuits observed in this main panel box (common as wiring entering the main box from the power company is always aluminum). Overload protections devices were breakers. 2- 200 amp main electrical service.

I NI NP D

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#### Comments:

#### Ask seller for details of any and all underground utilities.

"Ufer grounds" are a grounding/bonding system sometimes used to ground/bond your homes electrical system involving interconnection to the structural steel of the foundation. Please note that these type systems are not visible therefore not inspected or part of this report.

#### ☑ □ □ ☑ B. Branch Circuits - Connected Devices and Fixtures

*Type of Wiring:* Branch circuits (from box to outlets and switches) observed were copper. Overload protection devices observed were breakers.

Comments:

Not all required outlets/circuits are GFCI protected as required in current safety codes. (2014 NEC - 210.8+D) These are basic safety devices that should be in all outlets within 6 ft reach of all wet area locations and powering appliances such as dishwashers and disposals. Also to include but not limited to garages, baths, kitchens, exterior outlets, jacuzzi tubs and laundry rooms. (See important note below)

Several lights noted out throughout. All bulbs should be replaced prior to closing to ensure operation of fixtures/circuits.

Panel box breakers/fuses are not labeled/indexed. (to identify circuits)

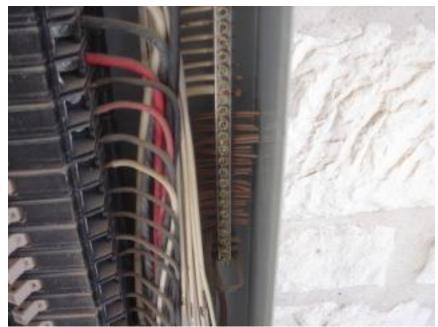
Ground and neutral circuits are interconnected to common buss bar. Not allowed by current safety standards (common with older homes as 4 wire circuits were only available within the last 5-8 years)

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Arc-Fault outlets/breakers/circuit protection not observed at one or more required locations (bedrooms, kitchen, laundries & garages) as required by current safety codes (2014 National Electrical Code - NEC210.12a) These are normally AFCI breakers locate d in houses service panel. They can sense presence of loose wire among other faults that can create an arc. If an arc is present the breaker will trip. These circuits are now required to protect most all circuits in the house EXCEPT where already protected by GFCI outlets. These devices provide an extra level of protection from arc/short, related hazards and should be included.



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Switches/outlets observed are not rated for use with aluminum branch circuits wires.

Noted outlets mounted below 66 inches from floor level. Most all electrical safety codes require that any outlet installed/mounted below 66 inches be rated and marked as "tamper resistant" - with clear marking "TR". The Texas Real Estate Commission "Standards of Practice" requires documentation as a deficiency regardless of age of property.

No service electric outlet identify within 24 feet of the HVAC system. These are required to support service actions.

Dryer outlets appears to be 3-wire non-grounded 200/240 volt. Most modern day dryers along with electrical code require connection to be made via a grounded circuit. Consult an electrical to make needed repairs.

Noted exposed/non conduit wire circuits throughout the garage (and shop)

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Noted missing "knock-outs" allowing exposure to live buss bar.



<u>Note:</u> This requirement may not have been in place when this home was constructed. The Texas Real Estate Commission has determined that we identify this condition as a "Deficiency".

## A licensed electrician should be consulted prior to end of option period and/or prior to closing to observe conditions present and make repair or replacement recommendations.

**IMPORTANT NOTE:** Operational ground fault circuit protection (GFCIs) are required at all kitchen, bath, outdoor, garage, carport, laundry and any other wet/ground area outlets. (Also pools and hot tubs) These can be either at the outlets or on the circuit breakers. This is a basic safety device that will provide additional shock protection during a short/shock situation and is a

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required repair item. Current National Electrical code (NEC) Section 210.12 requires that AFCI "Arc Fault" protection be provided on branch circuits that supply outlets, lighting, smoke alarms, etc. TREC Standard of practice require that lack of these devices be identified. These were not available until recently and most existing homes will not have them. If your house was constructed prior to 1996 it is likely your clothes dryer and range outlets were wired with just 3 wires connected to a 3 prong outlet. Modern 220 volt dryers and ranges require 4 wire circuits and outlets (dedicated ground). If your home was constructed after 2009 with recessed can light fixtures they are required to be "IC - contact allowed" type fixtures. This allows that insulation material can be in direct contact with the fixture. This is difficult to determine so therefore may not have been confirmed. Older type fixtures may blink off and on if in contact with insulation materials due to heat.

Other Note/FYI: System and components will age and need replacement over time. Visit <u>www.nachi.org/life-</u> expectancy for average ages.

#### C. Other

Image: Image:

*Comments*: Operational smoke detectors are needed at sleeping, living and cooking areas. Current fire safety codes require that smoke alarms be interconnected. This can either be hard wired or Bluetooth (like new type

**IMPORTANT NOTE**: OPERATIONAL SMOKE/FIRE ALARMS SHOULD BE IN ALL SLEEPING, LIVING AND COOKING AREAS OF HOME. SMOKE ALARMS HEAT SENSORS CONNECTED TO ALARM SYSTEMS ARE NOT TEST OPERATED. <u>CARBON MONOXIDE DETECTOR</u> INSTALLATION IS RECOMMENDED WITH USE OF ANY GAS FIRED APPLIANCE/EQUIPMENT OR FIREPLACE and/or WHEN A GARAGE IS ATTACHED AND ACCESSIBLE TO LIVING SPACE. And/or if there is an attached garage opening into the home it is strongly recommended that an operational Carbon monoxide detector/alarms be maintained. Other note: If the only detectors are dependent on a security system it may be powered off and therefore not as reliable. We also do not test Nest of similar type systems as these will signal and report a fire. IMPORTANT NOTE: OPERATIONAL SMOKE/FIRE ALARMS SHOULD BE IN ALL SLEEPING, LIVING AND COOKING AREAS OF HOME. SMOKE ALARMS HEAT SENSORS CONNECTED TO ALARM SYSTEMS ARE NOT TEST OPERATED. <u>CARBON</u> MONOXIDE DETECTOR INSTALLATION IS RECOMMENDED WITH USE OF ANY GAS FIRED APPLIANCE/EQUIPMENT OR FIREPLACE and/or WHEN A GARAGE IS ATTACHED AND ACCESSIBLE TO LIVING SPACE

#### 

*Comments:* Doorbell button is not secured in place or is damaged. Doorbell is not operational.

#### **III. HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS**

**IMPORTANT NOTE:** Not all of ductwork may have been accessible for visual inspection. A/C systems may not have been test operated if outside temperature was below 60 degrees. This could cause damage to older systems. Average useful life of cooling - heating systems is between 10-14 years under normal conditions. If system is older a Residential Service Contract/Warranty should be purchased prior to closing. A residential service contract may help you with some cost of repairing or replacing certain items in the property. Heat exchangers cannot be fully inspected during a non-destructive/visual type inspection of this nature. Older style gas wall and space heaters without pilot control valves or flue vents are not test operated as these are generally considered unsafe for residential use. If gas service was not on and/or heating unit was not operational during inspection period. Sellers should have operated or part of this inspection. If your furnace is attic mounted inside of a safety drain pan as is required it is now required (IRC M1411.3.3 -2014) that the bottom/base of the furnace unit be mounted above the finish lip or flood level edge of the pan to provide rust protection to the unit. Also refer to 2014 IRC-M1411.3.1.1 for pan sizing.

$\checkmark$		A. Heating Equipment
		Type of System <sup>-</sup> S

Type of System: Split – forced air Energy Sources: Elec (original)

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#### Comments:

Purchase of a mechanical warranty is highly recommended due to age/condition of system(s).

$\checkmark$		

B. Cooling Equipment

Type of System(s) Split – forced air system Energy Source: electric split system 48,000 BTUH output, Trane brand, mfr date: 2020

#### Comments:



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Noted small room size window a/c units in place. These may or may not provide adequate capacity to fully and economically condition space. These units are not test operate or part of this inspection.



Temperature difference between a return vent and a supply vent measures between 15-20 degrees (as per TREC Standards – See below)

IMPORTANT NOTE: Commercial style "<u>packaged unit</u>" systems cannot be tested or visually inspected without complete disassembly. This is not done. Window and room cooling or heater units are not tested by this company. Beyond the scope of this inspection. Life expectancy is between 8-15 years depending on use and service frequency. If unit in place is older - budget for replacement. <u>Important Note</u>: The Texas Real Estate Commission has determined that by measuring temperature difference between a supply vent and the return vent is how we evaluate operation of your HVAC system when this may be in direct conflict with industry standards. Temperature difference can and will be affected by many items including ambient temperature, ducting system and others. We will list Delta T however we will also use observations at time of inspection to determine operational condition of your system. TREC Standards of Practice states that a/c condensation drains can no longer be connected directly into house sewer drain system. It has been common practice to inter-connect these in the past. This inter-connection may not have been visible.

☑ Comn	D nents:			C. Ducts Systems, Chases, and Vents
□ Comn	⊠ nents:			D. Other
				IV. PLUMBING SYSTEMS
<b>√</b>				<b>A. Plumbing Supply, Distribution Systems and Fixtures</b> Location of water meter: N/A Location of main water supply valve: at the water meter Static water pressure reading: 45 ~ 53 * psi (measured at hose bib) Type of supply piping material: Copper, PEX. PVC
The wa	tar nrassi	ire renort	ronrosonto	d a single point in time and is not expected to be constant. Many factors influence the final pre-

The water pressure report represented a single point in time and is not expected to be constant. Many factors influence the final pressure at your home. The elevation of the building relative to the water source, location and size of main and number of homes connected to the system will all

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impact available water pressure.

#### *Comments*: Water source: Private Well All exposed water lines should be protected from freezing.



Not all exterior faucets may have been located or test operated.

Faucet screens are restricted throughout (hard water).



At guest house vanity.

Static Water Pressure – flow volume was observed to be below standards (with multi fixtures operating) Consult a licensed plumber or well service company (if on private well)

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\* Acceptable operational pressure range has been determined to be between 40 and 80 psi by the Texas Real Estate Commission. Likewise, they have determined that all outside hose bibs should have vacuum breakers installed. This inexpensive safety device attached to your faucets/hose bibs help prevent possible cross contamination of potable water supply due to any negative line pressure. Installed expansion relief devices/tanks should be in place at water heaters in any incidence where your water supply system has a "PRV" (pressure reducing valve) installed - most times at water meter - very common in Kerrville. These were not common in the past, but plumbers are now requiring them be installed with new water heaters. (additional cost at water heater replacement time) Water service should have been on 48 hours prior as leaks may only become visible after being pressurized.

$\checkmark$		B. Drains, Wastes, Vents
		Type of drain piping material: PVC

Comments:

Noted damage to fiberglass shower enclosure – guest.



Noted sections of PVC piping that is exposed. This allows it to be subject to both freeze and UV exposure damage. PVC is not intended for direct exposure.

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Many homes (within 10 years) including homes that have been remodeled may have been plumbed with (CSST - corrugated stainless steel tubing) gas piping. This is a very specialized product requiring very specialized installation including bonding to protect from electrical charge related damaged. It is virtually impossible to fully inspect for proper installation, bonding-grounding and/or serviceability of this product or any metal gas/propane piping systems without significant dismantling of building components therefore it is may not be inspected or part of this inspection report. If CSST is visible or observed, we will make note of it. We strongly recommend that buyer consult with either the original installing plumber or a licensed professional plumber or electrician for additional inspection and evaluation of this product. Also, Google search (CSST) for additional information about this product. Refer to gastite.com for additional information about safe use and application of the product. <a href="http://www.csstsafety.com/CSST-FAQs.html#faq13">http://www.csstsafety.com/CSST-FAQs.html#faq13</a>

Unless otherwise stated clothes washing machine, faucets and drains are not tested due to washer being connected. These faucets do drip once washers are removed as minerals build up when faucets are not operated. All exterior faucets/hose bibs should have anti-siphon/vacuum breaker prevention valves. <u>Other Note</u>: Not all supply shut off valves for fixtures may not have been observed or visible. Not all exterior faucet, hose bibs, valves and/or connections may have been located. Ask seller for details and location of these.

#### $\blacksquare \quad \Box \quad \Box$

#### C. Water Heating Equipment

Energy Source: Elec (2 units)

Water heaters located inside conditioned space should have safety drain pans. Safety drain pans should have a drain line to outside conditioned space made of CPVC or other temperature resistant material. Pans under gas fired units should not be plastic/abs. These are both recent (2012 & 2014) IRC codes and may not have been in place when your home was constructed or when water was last changed however plumbers may require upgrade at next replacement.

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Drain should extend to outside.

Unit is direct connected and should have plug/outlet.



Guest house.

**IMPORTANT NOTE:** Life expectancy is between 8-10 years depending on water condition, use and service frequency. If unit in place is older - budget for replacement. (\$575 - 875) WATER HEATERS LOCATED IN GARAGE AREAS NEED TO BE ELEVATED NO LESS THAN 18" INCHES ABOVE THE GRADE LEVEL. (AND PROTECTED FROM IMPACT TYPE DAMAGE) T&P valves are not tested operated on old water

heaters. Installed expansion relief devices/tanks should be in place at water heaters in any incidence where your water supply system has a "PRV" (pressure reducing valve) installed - most times at water meter - very common in Kerrville. These were not common in the past but plumbers are now requiring them be installed with new water heaters. (additional cost at water heater replacement time)

D. Hydro-massage Therapy Equipment

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Comr	ments:						
		$\checkmark$		E. Gas Distribution Systems and Gas Appliances Location of gas meter: Type of gas distribution piping material			
Comr	ments:			Type of gas distribution piping material			
□ Comr	□ ments:	$\checkmark$		F. Other			
				V. APPLIANCES			
⊠ Comr	□ ments:			A. Dishwasher			
⊠ Comr	□ ments:			B. Food Waste Disposer			
Not r	ecomme	ended f	or use in s	eptic systems.			
⊡ Comr	□ ments:			C. Range Hood and Exhaust Systems			
⊠ Comr	□ ments:			D. Ranges, Cook tops, and Ovens			

Oven set temperature off -14 degrees from 350 test set.

Noted surface blemishes and scratches. Unable to determine possible effects to operation. Manufacturers specifications should be reviewed for proper uses and operation.



**IMPORTANT NOTE:** ALL "DROP-IN" AND FREE STANDING STOVES, RANGES SHOULD BE SECURED IN PLACE TO PREVENT TIP OVER TYPE ACCIDENTS. Stove/oven timer clocks are not checked for accuracy over long periods. Due to extensive time and energy consumption needed

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self-clea	ning cycles	s are not te	est operated.		
⊠ Comm	□ ents			E.	Microwave Ovens
⊠ Comm	D ents:			F.	Mechanical Exhaust Vents and Bathroom Heaters
⊡ Comm	□ ents: <b>Re</b>	□ mote ur	□ nits not te		Garage Door Operators
in good v not insta	vorking or lled. Unles	der. Units s otherwis	installed afte se noted gara	er 1991 age do	intain the door operator and keep all safety or pressure sensitivity switches in proper adjustment and 1 should have electric eye sensors. We recommend that you consider upgrading your unit if these are por opener remote units were not test operated. (Not present). <b>Safety codes require that all</b> opener is installed.
$\checkmark$				н.	Dryer Exhaust Systems
insects fr clothes c fire risk. dirt, and	ntilation sy rom enterin Iryer into a Also, a clo be at leas	ng the duc garage, b thes dryer t 3 feet fro	t. The exterion basement, att ventilation li m doors and	or cov tic, or ine sho windo	to the home's exterior and have a proper dampered exterior cover to help prevent water, birds, and er should not have a screen since it will cause lint build up and block the vent over time. Venting a anywhere else inside the home can lead to excessively high humidity levels, mold, and an increased ould terminate to an area of the home's exterior where it cannot be blocked by vegetation, snow, or ows. The vent also should not terminate near an air conditioning compressor as the dryer lint can prevent proper operation of the A/C system.
□ Comm					ther
					filtration systems, intercom/radio systems, steamers, instant hot water machines or , and de-humidifiers are not part of this inspection and were not inspected if present.
			,	VI. O	PTIONAL SYSTEMS
□ Comm	□ ents:	$\checkmark$		Α.	Landscape Irrigation (Sprinkler) Systems
		$\checkmark$			Swimming Pools, Spas, Hot Tubs, and Equipment of Construction:
Comm	ents:			. , po	
Note: A alarms.	ll access	doors fro	m the home	e to tł	ne pool area should be equipped with both auto closures and auto latches along with door
□ <i>Comm</i> out bui			Dection and nents. (Be	d this	<b>Outbuildings</b> report are of conditions observed in the main dwelling structure only - not of any d scope)
	V			D.	<b>Private Water Wells</b> (A coliform analysis is recommended) Type of Pump: Type of Storage Equipment:
Comm	ents:				
□ Comm					Private Sewage Disposal (Septic) Systems
Private	water d	isposal s	systems a	re be	eyond the scope of this inspection. Septic system inspection are available from $27$

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licensed waste systems contractors. Sellers should provide proof of service/cleaning within the last 5 years or have system cleaned. (Also, have installation permit.) Again – we did not inspect any waste system components.

□ Comme	□ ents:		F. Other Built in Appliances
□ Comme	☑ ents:	V	G. Other

## ADDENDUM: ADDITIONAL COMMENTS

<u>IMPORTANT CONTRACT NOTICE TO CLIENT(S)</u>: This inspection and report are "General" in nature and is not intended to be a totally exhaustive inspection of any component. It is unrealistic to expect that every deficiency will be discovered during this limited inspection period. The intent and goal of this inspection process is only to reduce risk but not totally eliminate it.

this inspection process is only to reduce risk but not totally eliminate it. <u>IMPORTANT NOTICE OF AGREEMENT AND LIMITATIONS:</u> THIS IS A MULTI PAGE DOCUMENT INCLUDING <u>THE INSPECTION CONTRACT</u> AND REPORT. ACCEPTANCE AND USE OF REPORTS AND/OR INFORMATION PROVIDED BY THE INSPECTOR CONSTITUTES FULL ACCEPTANCE AND BINDS CLIENT(S) TO ALL THE TERMS CONTAINED IN THIS LEGAL DOCUMENT. IF A COMMENT IS MADE CONCERNING THE CONDITION OF ANY ITEM INSPECTED THE CLIENT(S) IS URGED TO CONTACT A SPECIALIST TO MAKE FURTHER EVALUATION AND/OR INSPECTION OF THAT ITEM IF THE CLIENT(S) INTENDS TO RELY ON THIS REPORT. In the event a discrepancy should develop regarding services provided to the client(s) by Merit Inspection Service, Inc. or its inspector(s), the client(s) agree to the following procedure: (A) Client(s) agrees to notify Merit of the problem by phone, e-mail or fax within two (2) business days and to allow Merit five (5) business days to respond to the client(s) contact. (B) In the event the problem has not been resolved within the time set forth above and the client(s) desires to make formal complaint, client(s) shall initiate the complaint procedure by sending a written complaint to Merit by Certified Mail, fully explaining item involved in complaint. (C) Client(s) agree not to disturb, repair or have repaired anything which may constitute evidence related to the complaint, except in the case of an emergency. (D) Client(s) agree to allow Merit to examine the item involved in the complaint and allow Merit thirty (30) days from date of above notice to determine, by mutual agreement, if any further action should be taken. (E) Client(s) agree that if any matter concerning the interpretation of the agreement, the Inspection Report, or any claim based upon either of them shall be subject to Mediation between parties or failing such mediation shall be resolved by Arbitration in accordance with the Construction Industry Arbitration Rules of the American Arbitration Association, except for the rules pertaining to the arbitrator selection. The arbitrator should have knowledge of the Texas inspection industry and one of the arbitrators must have no less than five (5) years of home inspection experience. (F) Actual damages for any discrepancies, negligence or otherwise are limited to the amount of the inspection fee (detailed in section five (5) of the first page of this contract). If a lawsuit is filed by client(s) against Merit Inspection Service, Inc. and/or it's employees and Merit Successfully defends against the claim of the client(s), the client(s) agree to pay Merit's reasonable attorney's fees, expenses and court cost incurred in defending against such claim.

NO WARRANTIES OR GUARANTEES ARE EXPRESSED OR IMPLIED AS A RESULT OF THIS INSPECTION. NO E&O INSURANCE IS CARRIED BY THIS CORPORATION.

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Thank you for selecting Merit Inspection Service Inc. We do appreciate your business.

Please contact us should you have questions. I can be reached directly: <u>askjim@meritinspections.com</u> Jim Jarreau



APPROVED BY THE TEXAS REAL ESTATE COMMISSION (TREC) P.O. BOX 12188, AUSTIN, TX 78711-2188 05-04-15

## TEXAS REAL ESTATE CONSUMER NOTICE CONCERNING HAZARDS OR DEFICIENCIES

Each year, Texans sustain property damage and are injured by accidents in the home.

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While some accidents may not be avoidable, many other accidents, injuries, and deaths may be avoided through the identification and repair of certain hazardous conditions. Examples of such hazards include:

malfunctioning, improperly installed, or missing ground fault circuit protection (GFCI) devices for electrical receptacles in garages, bathrooms, kitchens, and exterior areas;
malfunctioning arc fault protection (AFCI) devices;

•ordinary glass in locations where modern construction techniques call for safety glass;

•malfunctioning or lack of fire safety features, such as smoke alarms, fire-rated doors in certain locations, and functional emergency escape and rescue openings in bedrooms;

•malfunctioning carbon monoxide alarms;

•excessive spacing between balusters on stairways and porches;

•improperly installed appliances;

•improperly installed or defective safety devices;

•lack of electrical bonding and grounding; and

•lack of bonding on gas piping, including corrugated stainless steel tubing (CSST).

To ensure that consumers are informed of hazards such as these, the Texas Real Estate Commission (TREC) has adopted Standards of Practice requiring licensed inspectors to report these conditions as "Deficient" when performing an inspection for a buyer or seller, if they can be reasonably determined.

These conditions may not have violated building codes or common practices at the time of the construction of the home, or they may have been "grandfathered" because they were present prior to the adoption of codes prohibiting such conditions. While the TREC Standards of Practice do not require inspectors to perform a code compliance inspection, TREC considers the potential for injury or property loss from the hazards addressed in the Standards of Practice to be significant enough to warrant this notice.

Contract forms developed by TREC for use by its real estate license holders also inform the buyer of the right to have the home inspected and can provide an option clause permitting the buyer to terminate the contract within a specified time. Neither the Standards of Practice nor the TREC contract forms requires a seller to remedy conditions revealed by an inspection. The decision to correct a hazard or any deficiency identified in an inspection report is left to the parties to the contract for the sale or purchase of the home.

This form has been approved by the Texas Real Estate Commission for voluntary use by its licensees. Copies of TREC rules governing real estate brokers, salesperson and real estate inspectors are available at nominal cost from TREC. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 1-800-250-8732 or (512) 459-6544 (http://www.trec.state.tx.us)

## MERIT\_INSPECTION SERVICE. INC.

COMPLETE STRUCTURAL, MECHANICAL AND TERMITE INSPECTIONS 10,000-Plus Inspections Since 1985 ~ TREC Professional License #402 TSPCB Certified Applicator License #29736

## Dear Customer;

Thank you for selecting Merit Inspection Service, Inc. We do appreciate your business and hope your experience was as expected.

There may come a time that you discover something wrong with your house, and you may become disappointed with your home inspection or your inspector, Jim Jarreau. There are

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some factors we like for you to consider.

Intermitted or Concealed Problems;

Some problems can only be discovered by living in a house. They cannot be discovered during the limited access time of your home inspection appointment. For example, some shower stalls can leak when people are in the shower, but not leak when you simply turn on the faucet. Some roofs only leak when specific conditions exist (wind, rain intensity and direction). Some problems will only be discovered when carpets are lifted/removed, furniture is moved, stored items are removed and/or finishes are removed. (paint – texture – wall paper)

No clues;

These problems may have existed at the time of the inspection but there were no clues as to their existence. Our inspections are based on past performance of the home. If there are no visible clues of past problems, it is unfair to assume we should be able to foresee future problems.

We may miss minor things;

It might seem inconsistent that our report will detail some minor problems but not others or all. The minor problems that are identified were discovered while looking for more significant problems. We note the minor problems simply as a courtesy. The intent of our inspection is not to find the \$200 problems; it is to find the \$2,000 problems. These are the things that effect people's decisions to purchase.

Contractors' advice - Home Warranty Company's decisions;

A common source of dissatisfaction comes from comments made by contractors and/or home warranty company representatives. Their opinions often differ from ours. Always try to secure contractor bids for repairs <u>prior</u> to end of option period.

Contractors/representatives are often reluctant to undertake repairs because of fear that if the repaired item continues to fail he will be left holding the bag. Consequently, they won't want to do minor repairs with high liability when he could be doing major repairs or replacement for more money and reduce the likelihood of a call back which is understandable. Remember it is human nature to believe the last bit of "expert" advice provided even if contradictory to first advice received. As inspectors, we unfortunately find

ourselves in the position of the first/forgotten advice given and consequently it is our advice that is often forgotten. It is very common for contract and/or warranty company representative to say "I can't believe your inspector missed this problem". There can be several reasons for this;

- 1- Conditions During Inspection It is impossible for a contractor to know what circumstances were during the inspection appointment.
- 2- The Wisdom of Hindsight When a problem manifests itself, it is very easy to have 20/20 hindsight. Anyone can say a mechanical devise is broken. Predicting the problem is a different story
- 3- A Long Look If we spent half an hour under your kitchen sink or 45 minutes disassembling your furnace, we'd find additional problems too. Unfortunately, the inspections of all systems (400+) would take several days and would cost in the thousands.

Rep	Report Identification										
I=Inspected		NI=Not Inspected		NP=Not Present	D=Deficiency						
	1				•						
Ι	NI	NP	D	I	nspection Item						

- 4- We're Generalist We are not specialist. Our task is to observed conditions present the day and time of your inspection, evaluate based on prior experience and formalized training and report conditions observed. A licensed HVAC contractor will and should have more expertise than an inspector will.
- 5- Invasive Look Problems often become apparent when carpets are removed, wall taken down during remodeling, mechanical failures during repairs and/or updates, etc. An inspection in strictly visual/non invasive or destructive.

## In Conclusion;

An inspection is designed to better your odds. It is to reduce risk but not to eliminate it all together. For that reason, it cannot be considered an insurance policy against failures. The premium on a no risk, no deductible, no time limit policy to cover all the systems and components of an inspection would be considerable more that the fee for an inspection (most likely 20 time the fee) if it were available at all.