



Inspection Report

Bob and Brenda Buyer

Property Address:
100 Your New Place
Frisco Tx 75035



Integrity H.I. LLC

**William M. Graham TREC #20505
6841 Virginia Pkwy. Ste. 103- #178
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PROPERTY INSPECTION REPORT

Prepared For: Bob and Brenda Buyer

(Name of Client)

Concerning: 100 Your New Place, Frisco, Tx 75035

(Address or Other Identification of Inspected Property)

By: William M. Graham TREC #20505 / Integrity H.I. LLC 10/30/2012

(Name and License Number of Inspector) (Date)

(Name, License Number and Signature of Sponsoring Inspector, if required)

This property inspection report may include an inspection agreement (contract), addenda, and other information related to property conditions. If any item or comment is unclear, you should ask the inspector to clarify the findings. It is important that you carefully read ALL of this information.

This inspection is subject to the rules ("Rules") of the Texas Real Estate Commission ("TREC"), which can be found at www.trec.state.tx.us.

The TREC Standards of Practice (Sections 535.227-535.233 of the Rules) are the minimum standards for inspections by TREC-licensed inspectors. An inspection addresses only those components and conditions that are present, visible, and accessible at the time of the inspection. While there may be other parts, components or systems present, only those items specifically noted as being inspected were inspected. The inspector is not required to move furnishings or stored items. The inspection report may address issues that are code-based or may refer to a particular code; however, this is NOT a code compliance inspection and does NOT verify compliance with manufacturer's installation instructions. The inspection does NOT imply insurability or warrant ability of the structure or its components. Although some safety issues may be addressed in this report, this inspection is NOT a safety/code inspection, and the inspector is NOT required to identify all potential hazards.

In this report, the inspector will note which systems and components were Inspected (I), Not Inspected (NI), Not Present (NP), and/or Deficient (D). General deficiencies include inoperability, material distress, water penetration, damage, deterioration, missing parts, and unsuitable installation. Comments may be provided by the inspector whether or not an item is deemed deficient. The inspector is not required to prioritize or emphasize the importance of one deficiency over another.

Some items reported as Deficient may be considered life-safety upgrades to the property. For more information, refer to Texas Real Estate Consumer Notice Concerning Recognized Hazards, form OP-I.

This property inspection is not an exhaustive inspection of the structure, systems, or components. The inspection may not reveal all deficiencies. A real estate inspection helps to reduce some of the risk involved in purchasing a home, but it cannot eliminate these risks, nor can the inspection anticipate future events or changes in performance due to changes in use or occupancy. It is recommended that you obtain as much information as is available about this property, including any seller's disclosures, previous inspection reports, engineering reports, building/remodeling permits, and reports performed for or by relocation companies, municipal inspection departments, lenders, insurers, and appraisers. You should also attempt to determine whether repairs, renovation, remodeling, additions, or other such activities have taken place at this property. It is not the inspector's responsibility to confirm that information obtained from these sources is complete or accurate or that this inspection is consistent with the opinions expressed in previous or future reports.

ITEMS IDENTIFIED IN THE REPORT DO NOT OBLIGATE ANY PARTY TO MAKE REPAIRS OR TAKE OTHER ACTIONS, NOR IS THE PURCHASER REQUIRED TO REQUEST THAT THE SELLER TAKE ANY ACTION. When a deficiency is reported, it is the client's responsibility to obtain further evaluations and/or cost estimates from qualified service professionals. Any such follow-up should take place prior to the expiration of any time limitations such as option periods. Evaluations by qualified tradesmen may lead to the discovery of additional deficiencies which may involve additional repair costs. Failure to address deficiencies or comments noted in this report may lead to further damage of the structure or systems and add to the original repair costs. The inspector is not required to provide follow-up services to verify that proper repairs have been made.

Property conditions change with time and use. For example, mechanical devices can fail at any time, plumbing gaskets and seals may crack if the appliance or plumbing fixture is not used often, roof leaks can occur at any time regardless of the apparent condition of the roof, and the performance of the structure and the systems may change due to changes in use or occupancy, effects of weather, etc. These changes or repairs made to the structure after the inspection may render information contained herein obsolete or invalid. This report is provided for the specific benefit of the client named above and is based on observations at the time of the inspection. If you did not hire the inspector yourself, reliance on this report may provide incomplete or outdated information. Repairs, professional opinions or additional inspection reports may affect the meaning of the information in this report. It is recommended that you hire a licensed inspector to perform an inspection to meet your specific needs and to provide you with current information concerning this property.

ADDITIONAL INFORMATION PROVIDED BY INSPECTOR:

Standards of Practice:

TREC

In Attendance:

Customer, Seller, and Customer's Agent

Type of building:

Single Family (1 story)

Approximate age of building:

Under 10 Years

Temperature:

Over 65 (F) = 18 (C)

Weather:

Clear

Ground/Soil surface condition:

Dry

Rain in last 3 days:

No

Occupied:

Occupied

I. STRUCTURAL SYSTEMS

The Home Inspector shall observe structural components including foundations, floors, walls, columns or piers, ceilings and roof. The home inspector shall describe the type of Foundation, floor structure, wall structure, columns or piers, ceiling structure, roof structure. The home inspector shall: Probe structural components where deterioration is suspected; Enter under floor crawl spaces, basements, and attic spaces except when access is obstructed, when entry could damage the property, or when dangerous or adverse situations are suspected; Report the methods used to observe under floor crawl spaces and attics; and Report signs of abnormal or harmful water penetration into the building or signs of abnormal or harmful condensation on building components. The home inspector is not required to: Enter any area or perform any procedure that may damage the property or its components or be dangerous to or adversely effect the health of the home inspector or other persons.

Note: Not all interior floors are visible/accessible as they may be obstructed by floor coverings, furniture, stored items, etc.

Note: Not all interior walls are visible/accessible as they may be obstructed by wallpaper, wall coverings, paneling, furniture, stored items, etc.

Note: Only accessible windows are inspected. Defective thermal-pane windows are not always visible. Dirt, haze, cloudy days, rainy days, and other weather conditions can obscure their condition. Window conditions are noted as observed at the time of inspection and no warranty is implied.

No visible differential movement noted at exterior or interior of home. Slab integrity appears stable and slab appears to be performing as intended on day of inspection. NO instrument measurements were taken.

A. Foundations

Type of Foundation: Poured concrete

Columns or Piers: Unknown

Method used to observe Crawlspace: No crawlspace

Comments:

(1) No visible differential movement noted at exterior or interior of home. Slab integrity appears stable and slab appears to be performing as intended on day of inspection. NO instrument measurements were taken.

(2) Broken spot in driveway.



A. Picture 1

(3) Corner (Pops), cracks on corners of foundation are Cosmetic in nature and do NOT represent structural deficiencies.



A. Picture 2 NE Corner

(4) Expansion joint wood is broken at garage and house corner.



A. Picture 3

B. Grading & Drainage

Comments:

Splash guard not present at downspout. Recommend installation of splash guards or french drains to prevent soil erosion.



B. Picture 1

C. Roof Covering Materials

Type (s) of Roof Covering: Architectural, Asphalt/Fiberglass

Viewed roof covering from: Ground, Ladder, Walked roof

Roof Ventilation: Ridge vents, Soffit Vents, Passive

Comments:

Roof covering has many places where exposed nail heads are present. Recommend sealing heads to prevent leaks.



C. Picture 1

D. Roof Structure & Attic

Method used to observe attic: From entry, Walked, Inaccessible

Viewed roof structure from: Attic, Ground, Ladder, Walked roof

Roof Structure: Stick-built, Plywood

Attic Insulation: Blown

Approximate Average Depth of Insulation: 13 inches

Approximate Average Thickness of Vertical Insulation: Unknown

Attic info: Attic access, Pull Down stairs, Light in attic, No Storage

Comments:

Some areas of the attic were not accessible to inspect due to tight clearance and limited decking to walk on.



D. Picture 1

E. Walls (Interior & Exterior)

Wall Structure: Wood

Comments:

(1)

Minor settlement crack is NOT structural in nature.



E. Picture 1 West side porch

(2) Recommend sealing where wood trim and windows comes in contact with brick at many locations around home.



E. Picture 2

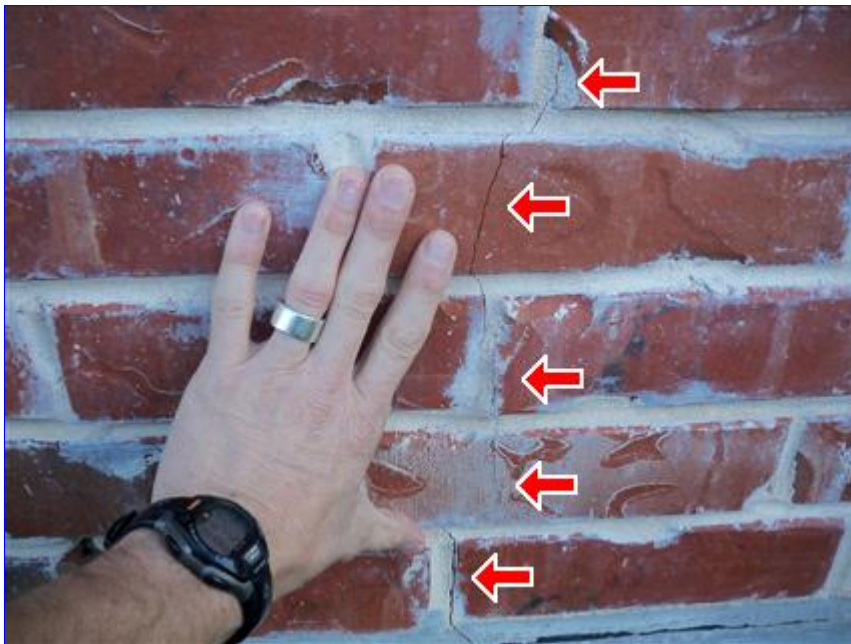


E. Picture 3 SE Corner



E. Picture 4 Garage

(3) Crack in brick and mortar is a settlement crack and does NOT show signs on slab below. Cosmetic in nature.



E. Picture 5

(4) Baseboards need to be caulked in most rooms.



E. Picture 6

(5) Hole in wall by outlet.



E. Picture 7

(6) Caulk needed at counter and wall.



E. Picture 8

(7) Holes at plate in bedroom.



E. Picture 9

F. Ceilings & Floors

Floor Structure: Slab

Floor System Insulation: NONE

Ceiling Structure: Not visible

G. Doors (Interior & Exterior)

Comments:

(1) Backdoor slide for internal blinds does not operate properly.



G. Picture 1

(2) Shower door in master has a chip.



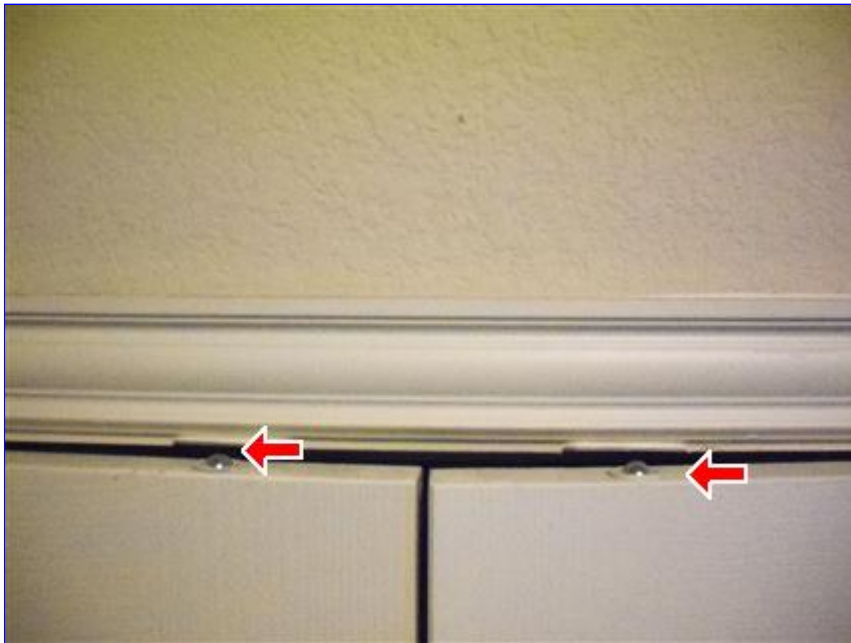
G. Picture 2

(3) Master closet door does latch is sticking.



G. Picture 3

(4) Closet doors in a few bedrooms need to be adjusted and do not latch.



G. Picture 4

H. Windows

Comments:

(1) Windows need to be caulked for sealing out moisture in most rooms.



H. Picture 1

(2) Window sill in front bedroom shows signs of moisture damage.



H. Picture 2

(3) Small hole in bedroom window screen.



H. Picture 3 Front guest bedroom

(4) Front bedroom window is hard to open inward and lock.



H. Picture 4

☒ ☐ ☐ ☒ I. Stairways (Interior & Exterior)

Comments:

Attic ladder access door is broken. Recommend repair.



I. Picture 1

J. Fireplace / Chimney

Chimney (exterior): Wood, Metal Flue Pipe

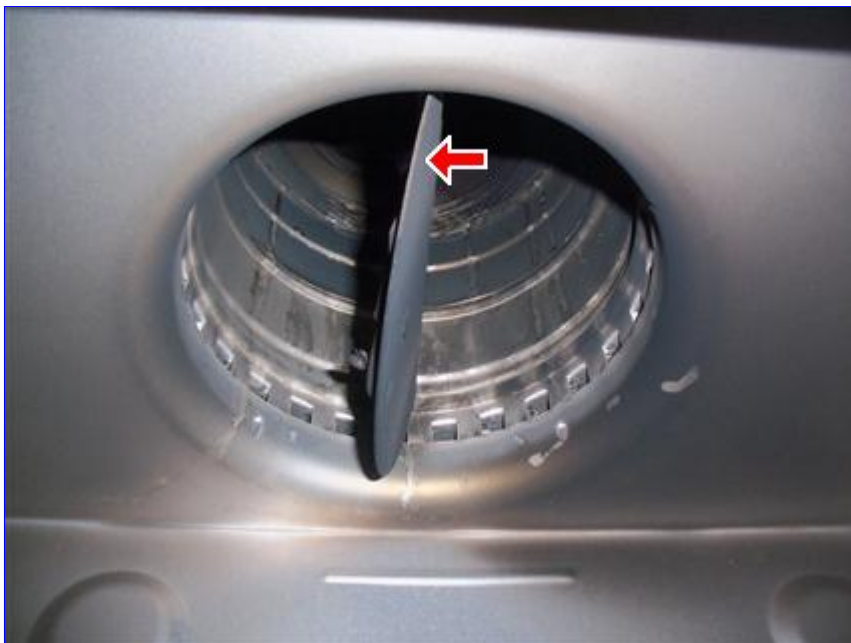
Operable Fireplaces: One

Types of Fireplaces: Vented gas logs

Number of Woodstoves: None

Comments:

(1) No damper blocks are present as required by current standards for units equipped with gas logs.



J. Picture 1

(2) Trim around chimney cap is showing signs of moisture damage and rot. Recommend repair to prevent further damage.



J. Picture 2

K. Porches, Balconies, Decks, Arbors, and Carports

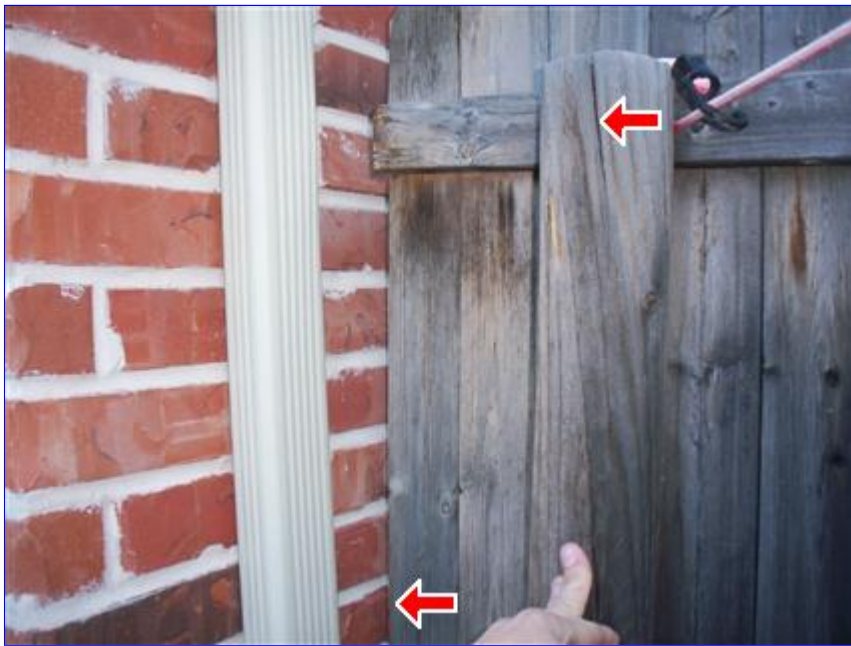
L. Fence

Comments:

Post broken off at ground.



L. Picture 1 West side



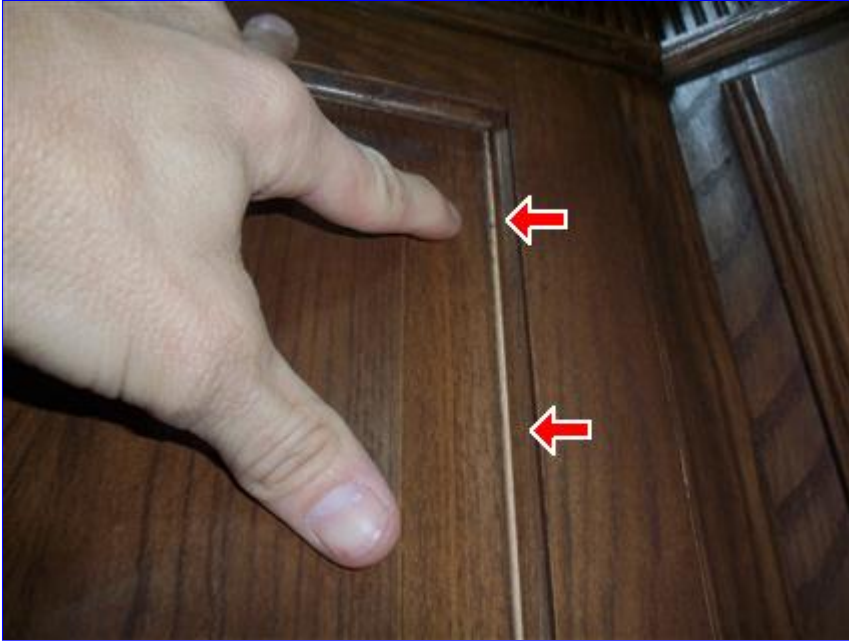
L. Picture 2 East side

M. Mailbox

N. Cabinets

Comments:

Some cabinets have nails exposed and wood that is not stained completely.



N. Picture 1

The structure of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

II. ELECTRICAL SYSTEMS

The home inspector shall observe: Service entrance conductors; Service equipment, grounding equipment, main over current device, and main and distribution panels; Amperage and voltage ratings of the service; Branch circuit conductors, their over current devices, and the compatibility of their ampacities and voltages; The operation of a representative number of installed ceiling fans, lighting fixtures, switches and receptacles located inside the house, garage, and on the dwelling's exterior walls; The polarity and grounding of all receptacles within six feet of interior plumbing fixtures, and all receptacles in the garage or carport, and on the exterior of inspected structures; The operation of ground fault circuit interrupters; and Smoke detectors. The home inspector shall describe: Service amperage and voltage; Service entry conductor materials; Service type as being overhead or underground; and Location of main and distribution panels. The home inspector shall report any observed aluminum branch circuit wiring. The home inspector shall report on presence or absence of smoke detectors, and operate their test function, if accessible, except when detectors are part of a central system. The home inspector is not required to: Insert any tool, probe, or testing device inside the panels; Test or operate any over current device except ground fault circuit interrupters; Dismantle any electrical device or control other than to remove the covers of the main and auxiliary distribution panels; or Observe: Low voltage systems; Security system devices, heat detectors, or carbon monoxide detectors; Telephone, security, cable TV, intercoms, or other ancillary wiring that is not a part of the primary electrical distribution system; or Built-in vacuum equipment.

A. Service Entrance and Panels

Electrical Service Conductors: Below ground, Copper, 220 volts

Panel Capacity: 200 AMP

Panel Type: Circuit breakers

Electric Panel Manufacturer: Square D

Comments:

200 amp panel in garage.



A. Picture 1

B. Branch Circuits - Connected Devices, and Fixtures

Branch wire 15 and 20 AMP: Copper

Type of Wiring: Romex

Comments:

(1) Light works but shows signs of moisture under lens.



B. Picture 1

(2) It is recommended all exposed bulbs be covered with globes or cages.



B. Picture 2

(3) Current TREC Standards require smoke detectors be installed in all living spaces including bedrooms. Recommend adding detectors where needed. See attached TREC OP-1 Form.

(4) There was a carbon monoxide detector found in home but light did not indicate unit is working. It is recommended that one be installed according to the manufacturer's instructions.

The electrical system of the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Outlets were not removed and the inspection was only visual. Any outlet not accessible (behind the refrigerator for example) was not inspected or accessible. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

III. HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS

The home inspector shall observe permanently installed heating and cooling systems including: Heating equipment; Cooling Equipment that is central to home; Normal operating controls; Automatic safety controls; Chimneys, flues, and vents, where readily visible; Solid fuel heating devices; Heat distribution systems including fans, pumps, ducts and piping, with supports, insulation, air filters, registers, radiators, fan coil units, convectors; and the presence of an installed heat source in each room. The home inspector shall describe: Energy source; and Heating equipment and distribution type. The home inspector shall operate the systems using normal operating controls. The home inspector shall open readily openable access panels provided by the manufacturer or installer for routine homeowner maintenance. The home inspector is not required to: Operate heating systems when weather conditions or other circumstances may cause equipment damage; Operate automatic safety controls; Ignite or extinguish solid fuel fires; or Observe: The interior of flues; Fireplace insert flue connections; Humidifiers; Electronic air filters; or The uniformity or adequacy of heat supply to the various rooms.

Note: We recommend the cooling system be completely serviced before each cooling season and the primary condensate drain line be flushed to prevent clogging. Cooling equipment is not checked when the outside temperature is below 60 degrees F because of possible damage to the compressor.

Not all ducts were visible. Only visible ducts were inspected.

A. Heating Equipment

Type of System (Heating): Forced Air

Energy Source: Gas

Heat System Brand: Amana, Goodman

Number of Heat Systems (excluding wood): One

Comments:

The general standard for air temperature differential (DeltaT) should be 30-55 degrees F. Supply air temperature is 108 and return air is 75. (33 degrees) This indicates the unit is performing as intended on day of inspection. To properly inspect the heat exchanger it must be removed from the heating unit. This was not done and could not be evaluated. Only visually accessible areas of heating equipment were inspected.

B. Cooling Equipment

Type of System (Cooling): Air conditioner unit

Central Air Manufacturer: Amana, Goodman

Comments:

(1) Compressor/Condenser unit is not level. Recommend leveling unit to prevent damage to compressor.



B. Picture 1

(2) Condensate lines need to be insulated. Recommend repair.



B. Picture 2

(3) The ambient air test was performed by using thermometers on the air handler of cooling units to determine if the difference in temperatures of the supply and return air are between 14 degrees and 22 degrees which indicates that the unit is cooling as intended. The supply air temperature on your system read 69 degrees, and the return air temperature was 51 degrees. (18 degrees) This indicates the cooling system is working as intended on day of inspection.

C. Duct System, Chases, and Vents

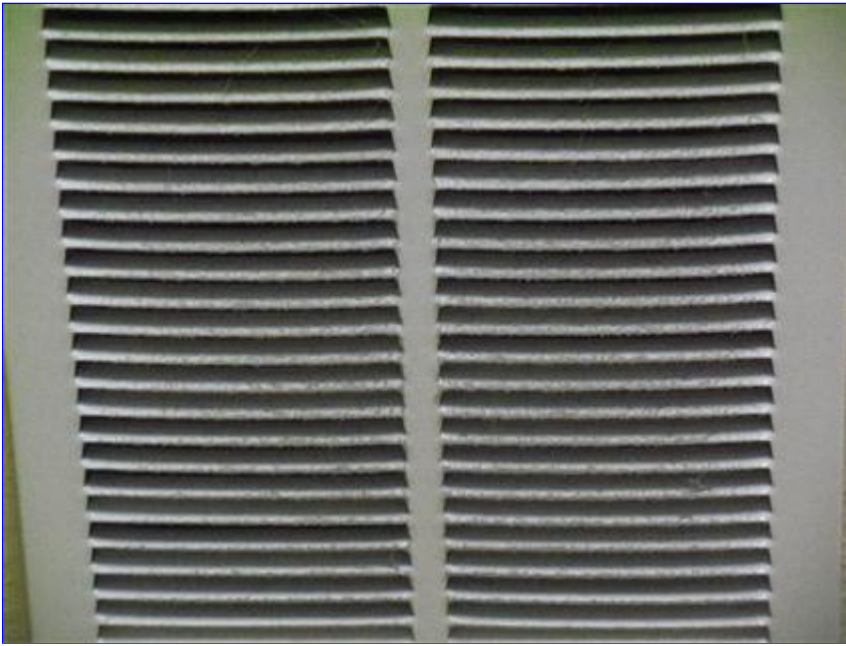
Ductwork: Insulated

Filter Type: Disposable

Filter Size: 20x25

Comments:

The debris seen in the return vents indicates the need for cleaning with a vacuum.



C. Picture 1

The heating and cooling system of this home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. The inspection is not meant to be technically exhaustive. The inspection does not involve removal and inspection behind service door or dismantling that would otherwise reveal something only a licensed heat contractor would discover. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

IV. PLUMBING SYSTEM

The home inspector shall observe: Interior water supply and distribution system, including: piping materials, supports, and insulation; fixtures and faucets; functional flow; leaks; and cross connections; Interior drain, waste, and vent system, including: traps; drain, waste, and vent piping; piping supports and pipe insulation; leaks; and functional drainage; Hot water systems including: water heating equipment; normal operating controls; automatic safety controls; and chimneys, flues, and vents; Fuel storage and distribution systems including: interior fuel storage equipment, supply piping, venting, and supports; leaks; and Sump pumps. The home inspector shall describe: Water supply and distribution piping materials; Drain, waste, and vent piping materials; Water heating equipment; and Location of main water supply shutoff device. The home inspector shall operate all plumbing fixtures, including their faucets and all exterior faucets attached to the house, except where the flow end of the faucet is connected to an appliance. The home inspector is not required to: State the effectiveness of anti-siphon devices; Determine whether water supply and waste disposal systems are public or private; Operate automatic safety controls; Operate any valve except water closet flush valves, fixture faucets, and hose faucets; Observe: Water conditioning systems; Fire and lawn sprinkler systems; On-site water supply quantity and quality; On-site waste disposal systems; Foundation irrigation systems; Spas, except as to functional flow and functional drainage; Swimming pools; Solar water heating equipment; or Observe the system for proper sizing, design, or use of proper materials. The pipes and plumbing in walls, in or under concrete slabs, or concealed by personal possessions are not included in this inspection.

A. Water Supply System and Fixtures

Water Source: Public

Location of water meter: Front

Plumbing Water Supply (into home): Copper

Plumbing Water Distribution (inside home): Copper

Static water pressure reading: 55 pounds/square inch

Location of main water supply valve: Front

Water Filters: None, (We do not inspect filtration systems)

B. Drains, Waste, and Vents

Washer Drain Size: 2" Diameter

Plumbing Waste: PVC

Comments:

(1) An air-gap is not utilized on dishwasher. Recommend repair by elevating line or installing an air-gap device.



B. Picture 1

(2) Crack in drain on master bath sink. Recommend repair to keep from leaking into cabinet.



B. Picture 2

C. Water Heating Equipment

Energy Source (Water Heater): Gas (quick recovery)

Capacity (Water Heater): 50 Gallon (2-3 people)

Water Heater Manufacturer: State

Water Heater Location: Garage

Comments:

The water heater copper supply lines recommended to be insulated.



C. Picture 1

D. Hydro-Massage Therapy Equipment

The plumbing in the home was inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Washing machine drain line for example cannot be checked for leaks or the ability to handle the volume during drain cycle. Older homes with galvanized supply lines or cast iron drain lines can be obstructed and barely working during an inspection but then fails under heavy use. If the water is turned off or not used for periods of time (like a vacant home waiting for closing) rust or deposits within the pipes can further clog the piping system. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

V. APPLIANCES

The home inspector shall observe and operate the basic functions of the following kitchen appliances: Permanently installed dishwasher, through its normal cycle; Range, cook top, and permanently installed oven; Trash compactor; Garbage disposal; Ventilation equipment or range hood; and Permanently installed microwave oven. The home inspector is not required to observe: Clocks, timers, self-cleaning oven function, or thermostats for calibration or automatic operation; Non built-in appliances; or Refrigeration units. The home inspector is not required to operate: Appliances in use; or Any appliance that is shut down or otherwise inoperable.

- A. Dishwasher
- B. Food Waste Disposer
- C. Range Exhaust Vent
- D. Ranges, Cooktops and Ovens
- E. Microwave Oven
- F. Trash Compactor
- G. Mechanical Exhaust Vents and Bathroom Heaters

Comments:

Exhaust fan in master bath is not working.



G. Picture 1

- H. Garage Door Operator(s)
- I. Doorbell and Chimes
- J. Dryer Vents

The built-in appliances of the home were inspected and reported on with the above information. While the inspector makes every effort to find all areas of concern, some areas can go unnoticed. Please be aware that the inspector has your best interest in mind. Any repair items mentioned in this report should be considered before purchase. It is recommended that qualified contractors be used in your further inspection or repair issues as it relates to the comments in this inspection report.

VI. OPTIONAL SYSTEMS

A. Lawn and Garden Sprinkler System

Comments:

Some sprinkler heads need to be adjusted to cover area adequately.



A. Picture 1

B. Swimming Pools, Spas, Hot Tubs, and Equipment

C. Outbuildings

D. Outdoor Cooking Equipment

E. Gas Supply System

F. Private Water Wells (A coliform analysis is recommended)

G. Private Sewage Disposal (Septic) System

H. Whole-House Vacuum Systems

I. Other Built-in Appliances

General Summary



Integrity H.I. LLC

**6841 Virginia Pkwy. Ste. 103- #178
McKinney, Tx 75071
214-793-4905**

Customer
Bob and Brenda Buyer

Address
100 Your New Place
Frisco Tx 75035

The following items or discoveries indicate that these systems or components **do not function as intended** or **adversely affects the habitability of the dwelling**; or **warrants further investigation by a specialist**, or **requires subsequent observation**. This summary shall not contain recommendations for routine upkeep of a system or component to keep it in proper functioning condition or recommendations to upgrade or enhance the function or efficiency of the home. This Summary is not the entire report. The complete report may include additional information of concern to the customer. It is recommended that the customer read the complete report.

I. STRUCTURAL SYSTEMS

A. Foundations

Inspected, Deficient

(2) Broken spot in driveway.

(3) Corner (Pops), cracks on corners of foundation are Cosmetic in nature and do NOT represent structural deficiencies.

(4) Expansion joint wood is broken at garage and house corner.

B. Grading & Drainage

Inspected, Deficient

Splash guard not present at downspout. Recommend installation of splash guards or french drains to prevent soil erosion.

C. Roof Covering Materials

Inspected, Deficient

Roof covering has many places where exposed nail heads are present. Recommend sealing heads to prevent leaks.

D. Roof Structure & Attic

Inspected

Some areas of the attic were not accessible to inspect due to tight clearance and limited decking to walk on.

I. STRUCTURAL SYSTEMS

E. Walls (Interior & Exterior)

Inspected, Deficient

(1)

Minor settlement crack is NOT structural in nature.

- (2) Recommend sealing where wood trim and windows comes in contact with brick at many locations around home.
- (3) Crack in brick and mortar is a settlement crack and does NOT show signs on slab below. Cosmetic in nature.
- (4) Baseboards need to be caulked in most rooms.
- (5) Hole in wall by outlet.
- (6) Caulk needed at counter and wall.
- (7) Holes at plate in bedroom.

G. Doors (Interior & Exterior)

Inspected, Deficient

- (1) Backdoor slide for internal blinds does not operate properly.
- (2) Shower door in master has a chip.
- (3) Master closet door does latch is sticking.
- (4) Closet doors in a few bedrooms need to be adjusted and do not latch.

H. Windows

Inspected, Deficient

- (1) Windows need to be caulked for sealing out moisture in most rooms.
- (2) Window sill in front bedroom shows signs of moisture damage.
- (3) Small hole in bedroom window screen.
- (4) Front bedroom window is hard to open inward and lock.

I. Stairways (Interior & Exterior)

Inspected, Deficient

Attic ladder access door is broken. Recommend repair.

J. Fireplace / Chimney

Inspected, Deficient

- (1) No damper blocks are present as required by current standards for units equipped with gas logs.
- (2) Trim around chimney cap is showing signs of moisture damage and rot. Recommend repair to prevent further damage.

L. Fence

Inspected, Deficient

Post broken off at ground.

N. Cabinets

Inspected, Deficient

Some cabinets have nails exposed and wood that is not stained completely.

II. ELECTRICAL SYSTEMS

B. Branch Circuits - Connected Devices, and Fixtures

Inspected, Deficient

- (1) Light works but shows signs of moisture under lens.
- (2) It is recommended all exposed bulbs be covered with globes or cages.
- (3) Current TREC Standards require smoke detectors be installed in all living spaces including bedrooms. Recommend adding detectors where needed. See attached TREC OP-1 Form.

II. ELECTRICAL SYSTEMS

(4) There was a carbon monoxide detector found in home but light did not indicate unit is working. It is recommended that one be installed according to the manufacturer's instructions.

III. HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS

B. Cooling Equipment

Inspected, Deficient

- (1) Compressor/Condenser unit is not level. Recommend leveling unit to prevent damage to compressor.
- (2) Condensate lines need to be insulated. Recommend repair.

C. Duct System, Chases, and Vents

Inspected, Deficient

The debris seen in the return vents indicates the need for cleaning with a vacuum.

IV. PLUMBING SYSTEM

B. Drains, Waste, and Vents

Inspected, Deficient

- (1) An air-gap is not utilized on dishwasher. Recommend repair by elevating line or installing an air-gap device.
- (2) Crack in drain on master bath sink. Recommend repair to keep from leaking into cabinet.

C. Water Heating Equipment

Inspected, Deficient

The water heater copper supply lines recommended to be insulated.

V. APPLIANCES

G. Mechanical Exhaust Vents and Bathroom Heaters

Inspected, Deficient

Exhaust fan in master bath is not working.

VI. OPTIONAL SYSTEMS

A. Lawn and Garden Sprinkler System

Inspected, Deficient

Some sprinkler heads need to be adjusted to cover area adequately.

Home inspectors are not required to report on the following: Life expectancy of any component or system; The causes of the need for a repair; The methods, materials, and costs of corrections; The suitability of the property for any specialized use; Compliance or non-compliance with codes, ordinances, statutes, regulatory requirements or restrictions; The market value of the property or its marketability; The advisability or inadvisability of purchase of the property; Any component or system that was not observed; The presence or absence of pests such as wood damaging organisms, rodents, or insects; or Cosmetic items, underground items, or items not permanently installed. Home inspectors are not required to: Offer warranties or guarantees of any kind; Calculate the strength, adequacy, or efficiency of any system or component; Enter any area or perform any procedure that may damage the property or its components or be dangerous to the home inspector or other persons; Operate any system or component that is shut down or otherwise inoperable; Operate any system or component that does not respond to normal operating controls; Disturb insulation, move personal items, panels, furniture, equipment, plant life, soil, snow, ice, or debris that obstructs access or visibility; Determine the presence or absence of any suspected

adverse environmental condition or hazardous substance, including but not limited to mold, toxins, carcinogens, noise, contaminants in the building or in soil, water, and air; Determine the effectiveness of any system installed to control or remove suspected hazardous substances; Predict future condition, including but not limited to failure of components; Since this report is provided for the specific benefit of the customer(s), secondary readers of this information should hire a licensed inspector to perform an inspection to meet their specific needs and to obtain current information concerning this property.

Prepared Using HomeGauge <http://www.HomeGauge.com> : Licensed To William M. Graham

10-27-08

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

TEXAS REAL ESTATE CONSUMER NOTICE CONCERNING HAZARDS OR DEFICIENCIES

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

- improperly installed or missing ground fault circuit protection (GFCI) devices for electrical receptacles in garages, bathrooms, kitchens, and exterior areas;
- improperly installed or missing arc fault protection (AFCI) devices for electrical receptacles in family rooms, dining rooms, living rooms, parlors, libraries, dens, bedrooms, sunrooms, recreation rooms, closets, hallways, or similar rooms or areas;
- ordinary glass in locations where modern construction techniques call for safety glass;
- the lack of fire safety features such as smoke alarms, fire-rated doors in certain locations, and functional emergency escape and rescue openings in bedrooms;
- excessive spacing between balusters on stairways and porches;
- improperly installed appliances;
- improperly installed or defective safety devices; and
- lack of electrical bonding and grounding.

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 licensees 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>)

TREC Form No. OP-I

**This form is available on the TREC website at
www.trec.state.tx.us**



The address of the property is: 100 Your New Place Frisco Tx 75035

Fee for the home inspection is \$0.00. INSPECTOR acknowledges receiving a deposit of \$ from CLIENT.

THIS AGREEMENT made on 10/30/2012 by and between William M. Graham (Hereinafter "INSPECTOR") and the undersigned (hereinafter "CLIENT"), collectively referred to herein as "the parties." The Parties Understand and Voluntarily Agree as follows:

1. INSPECTOR agrees to perform a visual inspection of the home/building and to provide CLIENT with a written inspection report identifying the defects that INSPECTOR both observed and deemed material. INSPECTOR may offer comments as a courtesy, but these comments will not comprise the bargained-for report. The report is only supplementary to the seller's disclosure.
2. Unless otherwise inconsistent with this Agreement or not possible, INSPECTOR agrees to perform the inspection in accordance to the current Standards of Practice of the National Association of Certified Home Inspectors posted at <http://www.nachi.org/sop.htm>. CLIENT understands that these standards contain certain limitations, exceptions, and exclusions.
3. The inspection and report are performed and prepared for the use of CLIENT, who gives INSPECTOR permission to discuss observations with real estate agents, owners, repairpersons, and other interested parties. INSPECTOR accepts no responsibility for use or misinterpretation by third parties. INSPECTOR'S inspection of the property and the accompanying report are in no way intended to be a guarantee or warranty, express or implied, regarding the future use, operability, habitability or suitability of the home/building or its components. Any and all warranties, express or implied, including warranties of merchantability and fitness for a particular purpose, are expressly excluded by this Agreement.
4. INSPECTOR assumes no liability for the cost of repair or replacement of unreported defects or deficiencies either current or arising in the future. CLIENT acknowledges that the liability of INSPECTOR, its agents, employees, for claims or damages, costs of defense or suit, attorney's fees and expenses and payments arising out of or related to the INSPECTOR'S negligence or breach of any obligation under this Agreement, including errors and omissions in the inspection or the report, shall be limited to liquidated damages in an amount equal to the fee paid to the INSPECTOR, and this liability shall be exclusive. CLIENT waives any claim for consequential, exemplary, special or incidental damages or for the loss of the use of the home/building even if the CLIENT has been advised of the possibility of such damages. The parties acknowledge that the liquidated damages are not intended as a penalty but are intended (i) to reflect the fact that actual damages may be difficult and impractical to ascertain; (ii) to allocate risk among the INSPECTOR and CLIENT; and (iii) to enable the INSPECTOR to perform the inspection at the stated fee.
5. INSPECTOR does not perform engineering, architectural, plumbing, or any other job function requiring an occupational license in the jurisdiction where the inspection is taking place, unless the inspector holds a valid occupational license, in which case he/she may inform the CLIENT that he/she is so licensed, and is therefore qualified to go beyond this basic home inspection, and for additional fee,

perform additional inspections beyond those within the scope of the basic home inspection. Any agreement for such additional inspections shall be in a separate writing or noted here:

6. In the event of a claim against INSPECTOR, CLIENT agrees to supply INSPECTOR with the following: (1) Written notification of adverse conditions within 14 days of discovery, and (2) Access to the premises. Failure to comply with the above conditions will release INSPECTOR and its agents from any and all obligations or liability of any kind.

7. The parties agree that any litigation arising out of this Agreement shall be filed only in the Court having jurisdiction in the County in which the INSPECTOR has its principal place of business. In the event that CLIENT fails to prove any adverse claims against INSPECTOR in a court of law, CLIENT agrees to pay all legal costs, expenses and fees of INSPECTOR in defending said claims.

8. If any court declares any provision of this Agreement invalid or unenforceable, the remaining provisions will remain in effect. This Agreement represents the entire agreement between the parties. All prior communications are merged into this Agreement, and there are no terms or conditions other than those set forth herein. No statement or promise of INSPECTOR or its agents shall be binding unless reduced to writing and signed by INSPECTOR. No change or modification shall be enforceable against any party unless such change or modification is in writing and signed by the parties. This Agreement shall be binding upon and enforceable by the parties and their heirs, executors, administrators, successors and assignees. CLIENT shall have no cause of action against INSPECTOR after one year from the date of the inspection.

9. Payment of the fee to INSPECTOR (less any deposit noted above) is due upon completion of the on-site inspection. The CLIENT agrees to pay all legal and time expenses incurred in collecting due payments, including attorney's fees, if any. If CLIENT is a corporation, LLC, or similar entity, the person signing this Agreement on behalf of such entity does personally guaranty payment of the fee by the entity.

10. HOLD HARMLESS AGREEMENT: CLIENT agrees to hold any and all real estate agents involved in the purchase of the property to be inspected harmless and keep them exonerated from all loss, damage, liability or expense occasioned or claims by reason of acts or neglects of the INSPECTOR or his employees or visitors or of independent contractors engaged or paid by INSPECTOR for the purpose of inspecting the subject home.

CLIENT HAS CAREFULLY READ THE FOREGOING, AGREES TO IT, AND ACKNOWLEDGES RECEIPT OF A COPY OF THIS AGREEMENT.

FOR INSPECTOR

CLIENT OR REPRESENTATIVE