



TEXAS ASSOCIATION OF REALTORS® SELLER'S DISCLOSURE NOTICE

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Section 5.008, Property Code requires a seller of residential property of not more than one dwelling unit to deliver a Seller's Disclosure Notice to a buyer on or before the effective date of a contract. This form complies with and contains additional disclosures which exceed the minimum disclosures required by the Code.

CONCERNING THE PROPERTY AT 905 N. Orange St.
Fredericksburg, TX 78624

THIS NOTICE IS A DISCLOSURE OF SELLER'S KNOWLEDGE OF THE CONDITION OF THE PROPERTY AS OF THE DATE SIGNED BY SELLER AND IS NOT A SUBSTITUTE FOR ANY INSPECTIONS OR WARRANTIES THE BUYER MAY WISH TO OBTAIN. IT IS NOT A WARRANTY OF ANY KIND BY SELLER, SELLER'S AGENTS, OR ANY OTHER AGENT.

Seller ☐ is ☒ is not occupying the Property. If unoccupied (by Seller), how long since Seller has occupied the Property?
☐ _____ or ☐ never occupied the Property

Section 1. The Property has the items marked below: (Mark Yes (Y), No (N), or Unknown (U).)

This notice does not establish the items to be conveyed. The contract will determine which items will & will not convey.

Item	Y	N	U
Cable TV Wiring	☒	☐	☐
Carbon Monoxide Det.	☒	☐	☐
Ceiling Fans	☒	☐	☐
Cooktop	☒	☐	☐
Dishwasher	☒	☐	☐
Disposal	☒	☐	☐
Emergency Escape Ladder(s)	☐	☐	☒
Exhaust Fans	☒	☐	☐
Fences	☒	☐	☐
Fire Detection Equip.	☒	☐	☐
French Drain	☒	☐	☐
Gas Fixtures	☒	☐	☐
Natural Gas Lines	☒	☐	☐

Item	Y	N	U
Liquid Propane Gas:	☒	☐	☐
-LP Community (Captive)	☒	☐	☐
-LP on Property	☒	☐	☐
Hot Tub	☒	☐	☐
Intercom System	☒	☐	☐
Microwave	☒	☐	☐
Outdoor Grill	☒	☐	☐
Patio/Decking	☒	☐	☐
Plumbing System	☒	☐	☐
Pool	☒	☐	☐
Pool Equipment	☒	☐	☐
Pool Maint. Accessories	☒	☐	☐
Pool Heater	☒	☐	☐

Item	Y	N	U
Pump: ☐ sump ☐ grinder	☒	☐	☐
Rain Gutters	☒	☐	☐
Range/Stove	☒	☐	☐
Roof/Attic Vents	☒	☐	☐
Sauna	☒	☐	☐
Smoke Detector	☒	☐	☐
Smoke Detector - Hearing Impaired	☒	☐	☐
Spa	☒	☐	☐
Trash Compactor	☒	☐	☐
TV Antenna	☒	☐	☐
Washer/Dryer Hookup	☒	☐	☐
Window Screens	☒	☐	☐
Public Sewer System	☒	☐	☐

Item	Y	N	U	Additional Information
Central A/C	☒	☐	☐	☒ electric ☐ gas number of units: <u>1</u>
Evaporative Coolers	☒	☐	☐	number of units: _____
Wall/Window AC Units	☒	☐	☐	number of units: _____
Attic Fan(s)	☒	☐	☐	if yes, describe: _____
Central Heat	☒	☐	☐	☒ electric ☐ gas number of units: <u>1</u>
Other Heat	☒	☐	☐	if yes, describe: _____
Oven	☒	☐	☐	number of ovens: _____ ☐ electric ☐ gas ☐ other: _____
Fireplace & Chimney - <u>Electric</u>	☒	☐	☐	☐ wood ☐ gas logs ☐ mock ☐ other: _____
Carport	☒	☐	☐	☐ attached ☐ not attached
Garage	☒	☐	☐	☐ attached ☐ not attached
Garage Door Openers	☒	☐	☐	number of units: _____ number of remotes: _____
Satellite Dish & Controls	☒	☐	☐	☐ owned ☐ leased from _____
Security System	☒	☐	☐	☐ owned ☐ leased from _____
Water Heater	☒	☐	☐	☒ electric ☐ gas ☐ other: _____ number of units: <u>1</u>
Water Softener	☒	☐	☐	☐ owned ☐ leased from _____
Underground Lawn Sprinkler	☒	☐	☐	☒ automatic ☐ manual areas covered: <u>front & back</u>
Septic / On-Site Sewer Facility	☒	☐	☐	if yes, attach Information About On-Site Sewer Facility (TAR-1407)

(TAR-1406) 01-01-14

Real Estate Advisory Team, 734 S. Washington St. Fredericksburg, TX 78624
Neal Reed

Initialed by: Buyer: _____

and Seller: _____

Phone: 830.997.3400 Fax: 830.990.8576
Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

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Oilprant, 905 N.

905 N. Orange St.

Fredericksburg, TX 78624

Concerning the Property at

Water supply provided by: ☒ city ☐ well ☐ MUD ☐ co-op ☐ unknown ☐ other: _____

Was the Property built before 1978? ☒ yes ☐ no ☐ unknown

(If yes, complete, sign, and attach TAR-1906 concerning lead-based paint hazards).

Roof Type: Asphalt/Flt Age: 2013 (approximate)

Is there an overlay roof covering on the Property (shingles or roof covering placed over existing shingles or roof covering)?

☐ yes ☒ no ☐ unknown

Are you (Seller) aware of any of the items listed in this Section 1 that are not in working condition, that have defects, or are need of repair? ☐ yes ☐ no If yes, describe (attach additional sheets if necessary): _____

Section 2. Are you (Seller) aware of any defects or malfunctions in any of the following?: (Mark Yes (Y) if you are aware and No (N) if you are not aware.)

Item	Y	N
Basement		☒
Ceilings		☒
Doors		☒
Driveways		☒
Electrical Systems		☒
Exterior Walls		☒

Item	Y	N
Floors		☒
Foundation / Slab(s)		☒
Interior Walls		☒
Lighting Fixtures		☒
Plumbing Systems		☒
Roof		☒

Item	Y	N
Sidewalks		☒
Walls / Fences		☒
Windows		☒
Other Structural Components		☒

If the answer to any of the items in Section 2 is yes, explain (attach additional sheets if necessary): _____

Section 3. Are you (Seller) aware of any of the following conditions: (Mark Yes (Y) if you are aware and No (N) if you are not aware.)

Condition	Y	N
Aluminum Wiring		☒
Asbestos Components		☒
Diseased Trees: ☐ oak wilt ☐ _____		☒
Endangered Species/Habitat on Property		☒
Fault Lines		☒
Hazardous or Toxic Waste		☒
Improper Drainage		☒
Intermittent or Weather Springs		☒
Landfill		☒
Lead-Based Paint or Lead-Based Pt. Hazards		☒
Encroachments onto the Property		☒
Improvements encroaching on others' property		☒
Located in 100-year Floodplain		☒
Located in Floodway		☒
Present Flood Ins. Coverage (If yes, attach TAR-1414)		☒
Previous Flooding into the Structures		☒
Previous Flooding onto the Property		☒
Located in Historic District		☒
Historic Property Designation		☒
Previous Use of Premises for Manufacture of Methamphetamine		☒

Condition	Y	N
Previous Foundation Repairs		☒
Previous Roof Repairs		☒
Other Structural Repairs		☒
Radon Gas		☒
Settling		☒
Soil Movement		☒
Subsurface Structure or Pits		☒
Underground Storage Tanks		☒
Unplatted Easements		☒
Unrecorded Easements		☒
Urea-formaldehyde Insulation		☒
Water Penetration		☒
Wetlands on Property		☒
Wood Rot		☒
Active infestation of termites or other wood destroying insects (WDI)		☒
Previous treatment for termites or WDI		☒
Previous termite or WDI damage repaired		☒
Previous Fires		☒
Termite or WDI damage needing repair		☒
Single Blockable Main Drain in Pool/Hot Tub/Spa*		☒

(TAR-1406) 01-01-14

Initialed by: Buyer: _____ and Seller: [Signature]

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If the answer to any of the items in Section 3 is yes, explain (attach additional sheets if necessary):

2010: Repaired Pool
 2013: Pool Re-Shingled
 2010: White Treatment & Repair

*A single blockable main drain may cause a suction entrapment hazard for an individual.

Section 4. Are you (Seller) aware of any item, equipment, or system in or on the Property that is in need of repair, which has not been previously disclosed in this notice? ☐ yes ☒ no If yes, explain (attach additional sheets if necessary):

Section 5. Are you (Seller) aware of any of the following (Mark Yes (Y) if you are aware. Mark No (N) if you are not aware.)

Y N

- ☐ ☒ Room additions, structural modifications, or other alterations or repairs made without necessary permits or not in compliance with building codes in effect at the time.
- ☐ ☒ Homeowners' associations or maintenance fees or assessments. If yes, complete the following:
 Name of association: _____
 Manager's name: _____ Phone: _____
 Fees or assessments are: \$ _____ per _____ and are: ☐ mandatory ☐ voluntary
 Any unpaid fees or assessment for the Property? ☐ yes (\$ _____) ☐ no
 If the Property is in more than one association, provide information about the other associations below or attach information to this notice.
- ☐ ☒ Any common area (facilities such as pools, tennis courts, walkways, or other) co-owned in undivided interest with others. If yes, complete the following:
 Any optional user fees for common facilities charged? ☐ yes ☐ no If yes, describe: _____
- ☐ ☒ Any notices of violations of deed restrictions or governmental ordinances affecting the condition or use of the Property.
- ☐ ☒ Any lawsuits or other legal proceedings directly or indirectly affecting the Property. (Includes, but is not limited to: divorce, foreclosure, heirship, bankruptcy, and taxes.)
- ☐ ☒ Any death on the Property except for those deaths caused by: natural causes, suicide, or accident unrelated to the condition of the Property.
- ☐ ☒ Any condition on the Property which materially affects the health or safety of an individual.
- ☐ ☒ Any repairs or treatments, other than routine maintenance, made to the Property to remediate environmental hazards such as asbestos, radon, lead-based paint, urea-formaldehyde, or mold.
 If yes, attach any certificates or other documentation identifying the extent of the remediation (for example, certificate of mold remediation or other remediation).
- ☐ ☒ Any rainwater harvesting system located on the property that is larger than 500 gallons and that uses a public water supply as an auxiliary water source.
- ☐ ☒ The Property is located in a propane gas system service area owned by a propane distribution system retailer.

Concerning the Property at Fredericksburg, TX 78624If the answer to any of the items in Section 5 is yes, explain (attach additional sheets if necessary):

_____Section 6. Seller ☒ has ☐ has not attached a survey of the Property.Section 7. Within the last 4 years, have you (Seller) received any written inspection reports from persons who regularly provide inspections and who are either licensed as inspectors or otherwise permitted by law to perform inspections? ☒ yes ☐ no If yes, attach copies and complete the following:

Inspection Date	Type	Name of Inspector	No. of Pages
7-20-10	Property Inspection	Robert Inspection Service	11

Note: A buyer should not rely on the above-cited reports as a reflection of the current condition of the Property. A buyer should obtain inspections from inspectors chosen by the buyer.

Section 8. Check any tax exemption(s) which you (Seller) currently claim for the Property:

- ☐ Homestead ☐ Senior Citizen ☐ Disabled
☐ Wildlife Management ☐ Agricultural ☐ Disabled Veteran
☐ Other: _____ ☐ Unknown

Section 9. Have you (Seller) ever filed a claim for damage to the Property with any insurance provider? ☒ yes ☐ noSection 10. Have you (Seller) ever received proceeds for a claim for damage to the Property (for example, an insurance claim or a settlement or award in a legal proceeding) and not used the proceeds to make the repairs for which the claim was made? ☐ yes ☒ no If yes, explain: _____

_____Section 11. Does the property have working smoke detectors installed in accordance with the smoke detector requirements of Chapter 766 of the Health and Safety Code? ☒ unknown ☐ no ☐ yes. If no or unknown, explain.
(Attach additional sheets if necessary): _____

**Chapter 766 of the Health and Safety Code requires one-family or two-family dwellings to have working smoke detectors installed in accordance with the requirements of the building code in effect in the area in which the dwelling is located, including performance, location, and power source requirements. If you do not know the building code requirements in effect in your area, you may check unknown above or contact your local building official for more information.*

A buyer may require a seller to install smoke detectors for the hearing impaired if: (1) the buyer or a member of the buyer's family who will reside in the dwelling is hearing-impaired; (2) the buyer gives the seller written evidence of the hearing impairment from a licensed physician; and (3) within 10 days after the effective date, the buyer makes a written request for the seller to install smoke detectors for the hearing-impaired and specifies the locations for installation. The parties may agree who will bear the cost of installing the smoke detectors and which brand of smoke detectors to install.

Concerning the Property at Fredericksburg, TX 78624

Seller acknowledges that the statements in this notice are true to the best of Seller's belief and that no person, including the broker(s), has instructed or influenced Seller to provide inaccurate information or to omit any material information.

Signature of Seller

Date

Signature of Seller

Date

Printed Name: Darrell J. OliphantPrinted Name: Dorian J. Oliphant**ADDITIONAL NOTICES TO BUYER:**

- (1) The Texas Department of Public Safety maintains a database that the public may search, at no cost, to determine if registered sex offenders are located in certain zip code areas. To search the database, visit www.txdps.state.tx.us. For information concerning past criminal activity in certain areas or neighborhoods, contact the local police department.
- (2) If the property is located in a coastal area that is seaward of the Gulf Intracoastal Waterway or within 1,000 feet of the mean high tide bordering the Gulf of Mexico, the property may be subject to the Open Beaches Act or the Dune Protection Act (Chapter 61 or 63, Natural Resources Code, respectively) and a beachfront construction certificate or dune protection permit may be required for repairs or improvements. Contact the local government with ordinance authority over construction adjacent to public beaches for more information.
- (3) If you are basing your offers on square footage, measurements, or boundaries, you should have those items independently measured to verify any reported information.
- (4) The following providers currently provide service to the property:

Electric: City of Fredericksburgphone #: 830.997.7521Sewer: City of Fredericksburgphone #: "Water: City of Fredericksburgphone #: "Cable: Time Warnerphone #: 830.997.4646Trash: City of Fredericksburgphone #: 830.997.7521Natural Gas: Fredericksburg Energyphone #: 888.295.6700Phone Company: Verizonphone #: 800.483.3000Propane: N/Aphone #: N/A

- (5) This Seller's Disclosure Notice was completed by Seller as of the date signed. The brokers have relied on this notice as true and correct and have no reason to believe it to be false or inaccurate. YOU ARE ENCOURAGED TO HAVE AN INSPECTOR OF YOUR CHOICE INSPECT THE PROPERTY.

The undersigned Buyer acknowledges receipt of the foregoing notice.

Signature of Buyer

Date

Signature of Buyer

Date

Printed Name: _____

Printed Name: _____

**ADDENDUM FOR SELLER'S DISCLOSURE OF INFORMATION
ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS
AS REQUIRED BY FEDERAL LAW**CONCERNING THE PROPERTY AT 905 N. Orange St. Fredericksburg
(Street Address and City)

A. LEAD WARNING STATEMENT: "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-paint hazards is recommended prior to purchase."

NOTICE: Inspector must be properly certified as required by federal law.

B. SELLER'S DISCLOSURE:

1. PRESENCE OF LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS (check one box only):

☐ (a) Known lead-based paint and/or lead-based paint hazards are present in the Property (explain): _____

☒ (b) Seller has no actual knowledge of lead-based paint and/or lead-based paint hazards in the Property.

2. RECORDS AND REPORTS AVAILABLE TO SELLER (check one box only):

☐ (a) Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the Property (list documents): _____

☒ (b) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the Property.

C. BUYER'S RIGHTS (check one box only):

☐ 1. Buyer waives the opportunity to conduct a risk assessment or inspection of the Property for the presence of lead-based paint or lead-based paint hazards.

☒ 2. Within ten days after the effective date of this contract, Buyer may have the Property inspected by inspectors selected by Buyer. If lead-based paint or lead-based paint hazards are present, Buyer may terminate this contract by giving Seller written notice within 14 days after the effective date of this contract, and the earnest money will be refunded to Buyer.

D. BUYER'S ACKNOWLEDGMENT (check applicable boxes):

☐ 1. Buyer has received copies of all information listed above.

☒ 2. Buyer has received the pamphlet *Protect Your Family from Lead in Your Home*.

E. BROKERS' ACKNOWLEDGMENT: Brokers have informed Seller of Seller's obligations under 42 U.S.C. 4852d to:

(a) provide Buyer with the federally approved pamphlet on lead poisoning prevention; (b) complete this addendum; (c) disclose any known lead-based paint and/or lead-based paint hazards in the Property; (d) deliver all records and reports to Buyer pertaining to lead-based paint and/or lead-based paint hazards in the Property; (e) provide Buyer a period of up to 10 days to have the Property inspected; and (f) retain a completed copy of this addendum for at least 3 years following the sale. Brokers are aware of their responsibility to ensure compliance.

F. CERTIFICATION OF ACCURACY: The following persons have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Buyer

Date

Seller

Date

Darrell J. Oliphant

Buyer

Date

Seller

Date

Dorcas J. Oliphant

Other Broker

Date

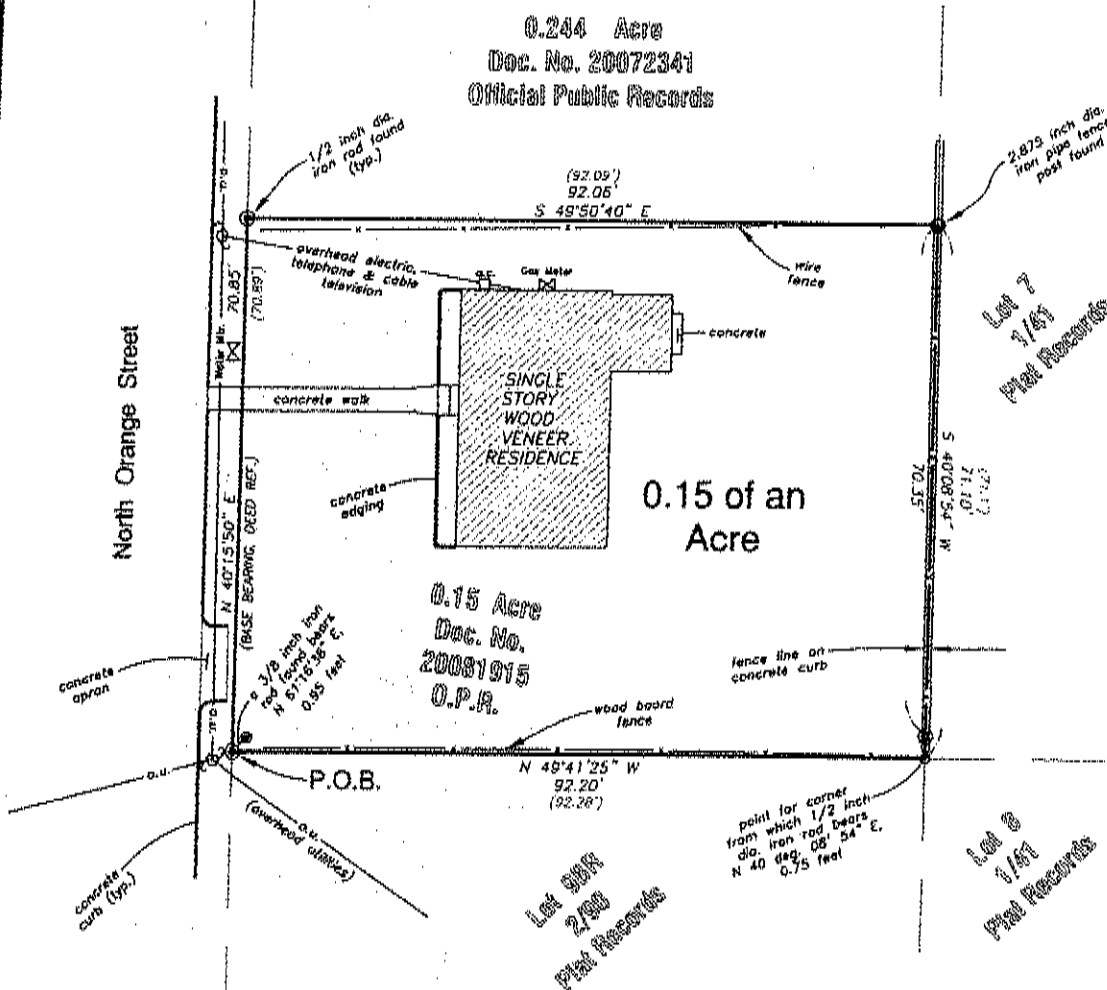
Listing Broker

Date

Neal Reeh

The form of this addendum has been approved by the Texas Real Estate Commission for use only with similarly approved or promulgated forms of contracts. Such approval relates to this contract form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not suitable for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>)

DATE: 09	0.244 Acre
DRAWING NO.: 3-4767	Doc. No. 20072341
SHEET 1 OF 1	Official Public Records



LIENHOLDER:
MainStreets of Texas Mortgage
106 West Creek Street
Fredericksburg, TX 78624

PREPARED FOR:
Darell J. & Dorian J. Oliphant
905 North Orange Street
Fredericksburg, TX 78624

TITLE COMPANY:
Hill Country Titles, Inc.
114 East Austin Street
Fredericksburg, TX 78624

This tract is subject to any and all easements, setbacks, restrictions and potential R.O.W. takes including the following easements listed in Hill Country Titles, Inc. Commitment for Title Insurance, C. F. No. 210-509, issued July 16, 2010:
- NONE OF RECORD.

The undersigned does hereby certify that a survey was made on the ground of the property shown hereon, that it is correct and that there are no obvious boundary line conflicts, encroachments, overlapping of improvements or roads in place except as shown hereon and that said property has access to and from a dedicated roadway except as shown.

Dale Allen Sulzmeier
Registered Professional Land Surveyor
No. 4542 - State of Texas



August 5, 2010



**SULZMEIER
SURVEYING & ENGINEERING**

Boundary-Title-Topographic-Construction Surveys
Engineering - Land Development Services
805 North Llano Street
Fredericksburg, Texas 78624
(830) 990-1221 Fax (830) 990-1222
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sulzmeiersurveying.com

A PLAT SHOWING A 0.15 OF AN
ACRE TRACT OF LAND SITUATED
IN THE CITY OF
FREDERICKSBURG, GILLESPIE
COUNTY, TEXAS; BEING PART OF
LOT 10 IN BLOCK A OF
BURGDORF'S ADDITION, A PLAT
OF RECORD IN VOLUME 13, PAGE
481 OF THE GILLESPIE COUNTY
DEED RECORDS.

SULTEMEIER

SURVEYING & ENGINEERING

805 North Llano
Fredericksburg, TX 78624
Tel.: (830) 990-1221 Fax: (830) 990-1222

0.15 OF AN ACRE
CITY OF FREDERICKSBURG
GILLESPIE COUNTY, TEXAS

EXHIBIT "A"

FN-10-5047
AUGUST 6, 2010

A DESCRIPTION OF A 0.15 OF AN ACRE TRACT OF LAND SITUATED IN THE CITY OF FREDERICKSBURG, GILLESPIE COUNTY, TEXAS; BEING PART OF LOT 10 IN BLOCK A OF BURGDORF'S ADDITION, A PLAT OF RECORD IN VOLUME 1, PAGE 41 OF THE PLAT RECORDS OF SAID COUNTY, AND BEING THAT CERTAIN 0.15 ACRE TRACT OF LAND DESCRIBED IN A CONVEYANCE FROM THE ESTATE OF GLENN RAY CRAWFORD TO CARLOS MOSELEY, ET AL, FOUND OF RECORD IN A WARRANTY DEED DATED MARCH 24, 2008, RECORDED IN DOCUMENT NO. 20081915 OF THE OFFICIAL PUBLIC RECORDS OF SAID COUNTY; SAID 0.15 OF AN ACRE TRACT OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING at a ½ inch iron rod found on the southeast line of North Orange Street at the west corner of said Lot 10 and north corner of Lot 9BR as shown on a plat of record in Volume 2, Page 90 of the said Plat Records; being at the west corner of the said 0.15 acre tract, for the west corner hereof;

THENCE with the said southwest line of North Orange Street and northwest line of said Lot 10, N 40° 15' 50" E (BASE BEARING FOR DIRECTIONAL CONTROL FROM DEED REFERENCE, DOC. NO. 20081915), a distance of 70.85 feet to a ½ inch iron rod found at the west corner of that certain 0.244 acre tract described in Document No. 20072341 of the said Official Public Records, being at the north corner of the said 0.15 acre tract, for the north corner hereof;

THENCE departing from said northwest line and passing over and across said Lot 10 with the southwest line of the said 0.244 acre tract, S 49° 50' 40" E, a distance of 92.06 feet to a 2.875 inch diameter iron pipe fence post found in a concrete curb on the southeast line of said Lot 10 and northwest line of Lot 7 as shown on said Plat of Burgdorf's Addition, being at the south corner of the said 0.244 acre tract, at the east corner of the said 0.15 acre tract, for the east corner hereof;

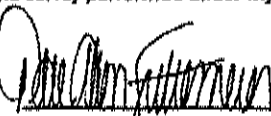
THENCE with the said southeast line of Lot 10 and northwest line of Lot 7, S 40° 08' 54" W, at a distance of 70.35 feet along said concrete curb and a fence line a ½ inch iron rod found, continuing for a total distance of 71.10 feet to the east corner of said Lot 9BR and south corner of said Lot 10, for the south corner of the said 0.15 acre tract and hereof;

THENCE with the southwest line of the said 0.15 acre tract and northeast line of said Lot 9BR, N 49° 41' 25" W, a distance of 92.20 feet to the POINT OF BEGINNING, containing 0.15 of an acre of land, more or less.

I, Dale Allen Sultemeier, a Registered Professional Land Surveyor, do hereby certify that this description and accompanying plat were prepared from an on the ground survey performed under my direction and supervision.

SULTEMEIER SURVEYING &
ENGINEERING, LLC
805 North Llano
Fredericksburg, Texas 78624
(830) 990-1221




Dale Allen Sultemeier
Registered Professional Land
Surveyor
No. 4542 - State of Texas

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 meritinspections.com

PROPERTY INSPECTION REPORT

Prepared For: DORIAN & DARRELL OLIPHANT

(NAME OF CLIENT)

Concerning: 905 N ORANGE, FREDERICKSBURG, TX

(ADDRESS OR OTHER IDENTIFICATION OF INSPECTED PROPERTY)

By: JIM JARREAU

PROFESSIONAL INSPECTOR #402
(NAME AND LICENSE NUMBER OF INSPECTOR)

July 20, 2010
(DATE)

This property inspection report does include an "Inspection Contract" (page 2), 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 info.

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 535.227-535.231 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. This 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 imply insurability or warrant ability of the structure or its components. Although some safety issues may be addressed in the 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 TREC Consumer Notice Concerning Recognized Hazards, Form OP-I.

This property inspection is not an exhaustive inspection of the structure, systems and 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 can not eliminate these risk, nor can the inspection anticipate future events or changes in performance due to change in use or occupancy. It is recommended that you obtain as much information as is available about this property, including any seller's disclosure, previous inspection reports, engineers 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 action, nor is the purchaser required to request that the sellers take action. When a deficiency is reports, it is the client's responsibility to obtain future evaluations and/or cost estimates from qualified service professionals. Any such follow-up should take place prior to the expiration of any time limits such as "Option Periods". Evaluation by qualified tradesmen may lead to the discovery or 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 cost. 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 observation 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 inspections reports may effect 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.

**MERIT INSPECTION SERVICE, INC.
INSPECTION CONTRACT**

1. **PARTIES:** Client(s) listed on page one of this report agree to employ Merit Inspection Service, Inc. to provide general real estate inspection service.

2. **PROPERTY:** Listed on page one of this report.

3. **FEES:** Client(s) agree to pay **MERIT INSPECTION SERVICE, INC. 309 E. Travis Street, Fredericksburg, TX 78624** or authorizes **TITLE CO.** to pay out of closing funds or Earnest money in the event property is not closed.

4. **SCOPE OF THE INSPECTION:** Merit Inspection Service, Inc. agrees to provide an inspector, licensed as required by law to perform a visual non-destructive general inspection of the following denoted (see section 5 of this contract) parts, components, and/or systems that are permanently installed as part of the above mentioned property in accordance with the Standards Of Practice of the Texas Real Estate Commission regulations. It is important to note the inspection is "general" in nature and is not intended to be a totally exhaustive inspections of any component and that it is unrealistic to expect that every deficiency will be discovered during this limited inspection period. The intent of the inspection process is to reduce risk but not to totally eliminate it. There is a probability that deficiencies exist that will not be noted in this inspection report. This inspection and related fees are based, in part, on these amounts of liability limits agreed upon by the client(s). The client(s) hereby agrees not to hold the Inspector and/or Merit Inspection Service, Inc. liable in any form or fashion for more than the amount of the inspection fees.

5. **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. **TERMITE INSPECTION:** "Wood Destroying Insects"
OPTIONAL SYSTEM: (If selected) Pool, spa, water quality, water well, septic, sprinkler and/or other.

6. **LIMITATIONS OF LIABILITY:** (A) The liability of Merit Inspection Service, Inc., it's Inspector(s) and staff is strictly limited to the specific areas which are denoted in section 5 of the Inspection Contract. (see ITEMS TO BE INSPECTED:) (B) The client(s) agrees that Merit Inspection Service, Inc. will have no liability for latent defects which can not be observed through normal non-destructive inspection nor can be detected by normal testing or operation; and it specifically agreed and understood that: Merit's liability is specifically limited to those situations where it can be conclusively shown that the component and/or mechanical device inspected was inoperative or in need of immediate repair or was not performing the function for which intended at the time of the inspection. (C) The client(s) agree that Merit Inspection Service, Inc. or its inspector(s) will have no liability for failing to detect a defect, malfunction, inoperative condition or need for repair where the defect was concealed or covered up, intentional or otherwise. (D) The client(s) agree that Merit Inspection Service, Inc. or its inspector(s) will have no liability for incidental or consequential damages and that direct damages are specifically limited to the cost of the inspection fees. This inspection and related fees are based, in part, on these amounts of liability limits agreed upon by the client(s). A "No liability limits" inspection would have a considerable higher fee.

SPECIFIC LIMITATIONS: This inspection does NOT include testing for any hazardous material and/or gases, to include but not limited to formaldehyde, radon, asbestos, lead (in paints, pipes or other areas) or mold/ fungal growth related to moisture etc that may be present on the grounds or in this property. The clients understand that inspection testing is limited to visual, audible and operational techniques and that the inspector will not probe, dismantle, take test samples and/or remove any materials or components during this inspection period. This inspection does not cover any latent defect(s) not reasonably observable during the inspection, including, but not limited to recent repairs, paint, and/or coverings that may conceal current or prior defects, either deliberately concealed or otherwise. Also excluded from this inspection are unexposed plumbing, shower pans, drains/waterlines leaks, any and all gas/propane lines electrical wiring, cosmetic items such as stained/worn flooring, walls and ceiling finishes, operation of cabinet doors/drawers and an other item detailed in the body of this report or allowed by the departure provision of the TREC Real Estate Inspector Standard of Practice.

7. **NOTICE: LEGAL DOCUMENT:** This is a legal binding, multi-page contract between the above mentioned parties. No changes, modifications or amplifications shall be enforceable against any party unless changes or modifications are in writing and signed by both parties. This contract shall be binding and enforceable by the parties and their heirs, executors, administrators, successors, agents and assigns. Client(s) are advised to read this multiply paged document and seek legal counsel if there are any unclear areas. Acceptance and use of reports and/or information provided by this inspection/inspector constitutes acceptance of all the terms and conditions contained in this legal documents.

Use of any information provided by the inspector constitutes full acceptance of the terms and conditions of this contract!

WARRANTY: NO WARRANTIES OR GUARANTEES ARE EXPRESSED OR IMPLIED AS A RESULT OF THIS INSPECTION. The reports of this inspection, mechanical, structural and/or wood destroying insect are valid only for the day and time of the inspection. The client(s) recognizes that there is not any representation of warranty or guaranty on the future life for items inspected. No type of pest treatment (preventative) was performed during this inspection period. Termites and other domestic pest do and will infest a property at any time without a preventative measure taken, therefore no warranty against future infestation is given, implied, or stated.

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

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I. STRUCTURAL SYSTEMS

☒ ☐ ☐ ☒ **A. Foundations** Type of Foundation(s): Traditional pier and beam type. Note: not all of crawl space was accessible due to height restrictions and mechanical obstructions. Concrete footing and piers.

Comments: Signs of prior movement/settlement observed in the form of hairline type fracture cracks to walls and ceiling surfaces. Small stack of concrete block and chips (see photo) should be replaced with solid concrete pier to match other supports. The foundation appears to be supporting the structure at this time.



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/soil movement. In most cases floor coverings and/or stored articles prevent recognition of signs of settlement - cracking in all but the most severe 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. The future performance of the foundation is not warranted.

☒ ☐ ☐ ☒ **B. Grading & Drainage**

Comments: SEE ABOVE COMMENT! Grade will allow water to stand/pond around base of foundation. Any area where ground or grade does not visibly slope away from the base of the foundation should be considered an area of improper drainage. Raised flowerbeds hold water. All downspouts should have diverters or extensions to help direct water away from around base of foundation. Gutters are not draining (full of leaves/debris or not pitched properly).

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ALL DOWNSPOUTS SHOULD HAVE DIVERTERS OR SPLASH BLOCKS TO HELP REDUCE SOIL EROSION.

☒ ☐ ☐ ☒ C. Roof Covering Materials

Type(s) of Roof Coverings: V-grove type metal roofing secured with screws.

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

Comments: Noted surface cracks, pits and splits and/or curling commensurate with age/exposure. Noted signs of prior hail impact on roofing. Clients should request sellers seek a hail damage claim from insurance company or a letter from the insurance company stating that roof is not hail damaged. (for use with client's carrier) Locations where caulking, roof tar and/or other sealant have been applied would indicate locations of prior moisture migration. These products become dry and cracked over time due to exposure and need to be reapplied. see like at furnace flue vent pipe (see photo). Tree growth in contact with roof's surface. Cut back to protect roof's surface. The probability is high that the roof covering needs replacement or extensive repairs and further investigation of its overall condition should be carried out by a licensed roofer prior to authorizing any repair efforts. Exact age of roofing material was not determined.



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

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 damaging roofing materials we did not lift shingles to determine presence, amount and/or condition of any fasteners. You should make sure the roof along with the entire property meets insurance underwriting guidelines regarding insurability before end of option period.

☒ ☐ ☐ ☐

D. Roof Structure and Attic

Viewed From:

Approximate Average Depth of Insulation:

Approximate Average Thickness of Vertical Insulation: Not determined.

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Comments: Cellulose 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.

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.

☒ ☐ ☐ ☒ E. Wall (Interior and Exterior)

The exterior finish is a combination of the following: Wood and/or wood products.

Comments: Any and all locations where siding terminates at or below grade are areas condition conducive to termites and moisture migration. (re-grade to break contact)

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-carpet-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.

☒ ☐ ☐ ☐ F. Ceilings and Floors

Comments:

☒ ☐ ☐ ☒ G. Doors (Interior and Exterior) (Representative Number)

Comments: Current safety codes require that all glass indoors and side lights be safety/tempered type glass (should not only be leaded or decorative glass). Some of the doors rub frame and will need adjustments. See like at rear door. Current safety codes require that all glass indoors and side lights be safety/tempered type glass (should not only be leaded or decorative glass).

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.

☒ ☐ ☐ ☒ H. Windows (Representative Number)

Comments: Noted stuck windows and may hinder egress in an emergency (either painted or moisture). Noted damaged/loose window tension springs or ropes.

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

Comments:

☒ ☐ ☐ ☐ K. Porches, Decks and Carports (Attached)

Comments:

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 Promulgated by the Texas Estate Commission (TREC) REI7A1 Form, P.O. Box 12188, Austin, TX 78711-2188, 1-800-250-8732, www.TREC.State.TX.US (Pages also include inspection contract)

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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 protection devices were breakers. 200 amp main electrical service. Service connect wires need to be moved off top of conduit. Should form a "drip coop". Unit is direct connected and should have plug/outlet.

☒ ☐ ☐ ☒ 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: There is no GFCI safety protection at one or more of the required "wet locations" (see important note below). Several lights noted out throughout. All bulbs should be replaced prior to closing to ensure operation of fixtures/circuits. Several lights noted out throughout. All bulbs should be replaced prior to closing to ensure operation of fixtures/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 yrs). Note: 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 "Deficiency". A licensed electrician should be consulted!

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 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.

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 operational prior to final walk-through for review by buyers. Setback or programmable thermostats or electronic air filter and humidifiers are not test operated or part of this inspection.

☒ ☐ ☐ ☐ A. Heating Equipment

Type of System:

Energy Source: electric - located in attic (newer)

Comments:

☒ ☐ ☐ ☐ B. Cooling Equipment

Type of System(s) Split - forced air system

Energy Source: electric split system

24,000 BTUH output, Goodman brand, mfr date: new

Comments:

IMPORTANT NOTE: Commercial style "packaged unit" 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.

☒ ☐ ☐ ☐ C. Ducts Systems, Chases and Vents

Comments:

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IV. PLUMBING SYSTEMS

☒ ☐ ☐ ☐

A. Water Supply Systems and Fixtures

Location of water meter:

Location of main water supply valve: Not determined - ask sellers for details.

Static water pressure reading: 45 ~ 53 * psi (measured at hose bib)

Comments: Water source: public. A combination of copper, galvanized and pvc pipes observed.

* 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.

Water service should have been on 48 hours prior as leaks may only become visible after being pressurized.

☒ ☐ ☐ ☐

B. Drains, Wastes, Vents

Comments: Pvc and metal pipes observed.

Unless otherwise stated cloth 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. Other Note: Not all supply shut off valves for fixtures may not have been observed or visible.

☒ ☐ ☐ ☐

C. Water Heating Equipment

Energy Source: electric

Capacity: 40-Gallon water heater, newer

Comments:

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.

V. APPLIANCES

☐ ☐ ☒ ☐

A. Dishwasher

Comments:

☐ ☐ ☒ ☐

B. Food Waste Disposer

Comments:

☐ ☐ ☒ ☐

C. Range Exhaust Vent

Comments:

☒ ☐ ☐ ☒

D. Ranges, Cook tops, and Ovens -

Comments: Electric stove is not secured in place to prevent accidental tip over.

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 self-cleaning cycles are not test operated.

☐ ☐ ☒ ☐

E. Microwave Oven

Comments:

☒ ☐ ☐ ☐

G. Mechanical Exhaust Vents and/or Heaters

Comments:

All exhaust fans should vent to the exterior of the home. (not just into the attic space) Venting exhaust fans to the attic space could lead to moisture related problems. 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.

☐ ☐ ☒ ☐

I. Door Bell and Chimes

Comments:

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☒ ☐ ☐ ☐ J. Dryer Vents

Comments:

Note: If dryer vent is routed thru the roof the roof jack vent should have a back draft damper. These are new devices and may not have been available when this home was constructed. Dryer vents should not extend beyond 25 feet from dryer. This distance is reduced with bends (-5 ft per 90 degree bend or -2.5 ft for 45 degree bend). Refer to manufacturer's specification for venting prior to connection or use of your dryer.

VI. OPTIONAL SYSTEMS

☐ ☒ ☐ ☐ C. Outbuildings

Comments: The inspection and this report are of conditions observed in the main dwelling structure only - not of any out buildings or components. (Beyond scope)

☒ ☐ ☐ ☒ K. Fire Protection Equipment

Comments: Operational smoke detectors are needed at sleeping, living and cooking areas.

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. CARBON MONOXIDE DETECTOR INSTALLATION IS RECOMMENDED WITH USE OF ANY GAS FIRED APPLIANCE/EQUIPMENT OR FIREPLACE.

ADDENDUM: ADDITIONAL COMMENTS

☒ THE OFFICIAL STATE "WOOD DESTROYING INSECTS REPORT WILL BE MAILED TO THE TITLE COMPANY PRIOR TO CLOSING. THE FOLLOWING ARE DETAILS OF THE REPORT AND FINDINGS.

General note: Ask sellers for details of any previous termite activity and/or treatment the property may have had. (Is. Warranty/contract papers - Name of Pest Control operator servicing the home)

☒ NO SIGNS OF WOOD DESTROYING INSECTS WERE OBSERVED AT THIS TIME.

☒ THE FOLLOWING CONDUCTIVE CONDITIONS WERE OBSERVED: Grade soils and/or landscaping observed onto siding or above slab elevation. This is a condition that is conducive to both termites and moisture related damage. (re-grade so that water flows away from base of foundation) See like at front at flowerbeds.

IMPORTANT CONTRACT NOTICE TO CLIENT(S): 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.**

IMPORTANT NOTICE OF AGREEMENT AND LIMITATIONS: THIS IS A MULTI PAGE DOCUMENT INCLUDING THE INSPECTION CONTRACT 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 its 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.

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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:
askjim@meritinspections.com



Jim Jarreau



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

10-27-08

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

Report Identification 905 N Orange

I=Inspected

NI=Not Inspected

NP=Not Present

D=Deficiency

I

NI

NP

D

Inspection Item

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>)

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

TREC Form No OP-1