

PROPERTY INSPECTION REPORT

Prepared For: John Sample
(Name of Client)

Concerning: 12345 Sample Lane, Frisco
(Address or Other Identification of Inspected Property)

By: John Cahill, TREC 855 Monday, February 23, 2009
(Name and License Number of Inspector) (Date)

Not applicable
(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 535.227-535.231 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. 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 warrantability 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 action, 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

The language above is provided by the Texas Real Estate Commission (TREC). The comments below supplement the TREC language.

Client and CIS agree that this inspection will use the Cahill Inspection Services, Inc. (CIS) amended version of the TREC Standards (SoP). The CIS SoP amends the TREC document by providing specificity to sections that are poorly written, unclear or impractical. The amendments include departure from comparing the residence to code or actions that CIS considers comprehensive and best done by a specialist or expert. The CIS SoP are considered an integral part of this report. If you misplace the CIS SoP contact us.

The inspection is systematic. For example, the inspector may inspect the home interior room by room, the exterior, the roof and then the attic. The inspection may vary in sequence pending inspector preference and duration due to conditions present at the time of inspection. Upon conclusion the inspector will report discovered material defects. Minor discrepancies or items outside the Scope of inspection might be mentioned by the inspector; any such comment is gratuitous, partial in context and does not establish precedent. Optional comprehensive inspections will further reduce risk. By relying on this report Client agrees the inspector and CIS liability is limited solely to the twice the report fee paid or less. Do not proceed if you are in disagreement.

I NI NP D **KEY TO OBSERVATION CODES**

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Inspected: The item was visually inspected without significant disassembly and adverse material deficiencies were not discovered or evident to the inspector. "Inspected" <u>does not mean</u> undiscovered problems do not exist. This is a limited systematic inspection. Comprehensive inspections can further reduce risk.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Not Inspected: The item was present but not inspected.
<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Not Present: The item was not present or discovered by the inspector.
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Inspected / Deficient: A condition that, in the inspector's opinion, adversely and materially affects the performance of the item inspected. 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. The TREC Standards of Practice do not require inspectors to perform safety or code compliance inspections. Contract forms developed by TREC for use by its real estate licensees 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 deficiency identified in an inspection report is left to the parties to the contract for the sale or purchase of the home. Some discrepancies, immaterial or minor conditions may be documented as gratuitous additional comment but should they should not be interpreted to be comprehensive.

A separate file of photo(s) accompanies this report as an addendum. The photo file serves to assist understanding of the report. The photo file is in PDF format and is best viewed in color although black and white printing may suffice. The photo file does not fax well on many fax machines. If you have a question about photos please contact us.

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

I	NI	NP	D	Inspection Item
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GENERAL CONDITIONS	
For orientation purposes, the building faces:	North
Approximate outdoor temperature at start of inspection:	About 40 to 50 degrees Fahrenheit.
Precipitation during the inspection:	Partly cloudy;
Wind during inspection:	Breezy;

I. STRUCTURAL SYSTEMS

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A. Foundations

Type of Foundation(s):

Primary foundation type appears to be:	Concrete slab;
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Comments: Read the CIS Standards of Practice for Scope of Inspection and limitation / departure wording.

Foundation: Inspected

Evidence of unusual foundation related movement was not observed during the inspection. It is the inspectors opinion is that the foundation appears to be performing.

It usually is not possible within the time frame of a single observation to determine the future stability of a foundation. Foundation movements are common in North Texas, therefore, as time passes some movements may occur. These movements could be indicated by small cracks or sticking doors. If however, you notice large cracks or unusual movements you should consult with a structural engineer or foundation expert as soon as possible.

To reduce the risk of future movement a consistent watering maintenance / foliage control program should be maintained. It is important to maintain good drainage around the home while keeping the soils consistently moist. Rainy seasons and droughts are particularly risky periods. Failure to maintain expansive soils at a consistent moisture level can result in foundation movements. Excessive watering can result in foundation movements.

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B. Grading & Drainage - Comments:

Read the CIS Standards of Practice for limitation, departure and other information.

Soil condition around home at time of inspection:	Soil damp;
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Grading and Drainage: Inspected

- Obvious or ongoing drainage problems were not observed around the perimeter of the home during the inspection. Monitor site drainage condition over time, especially during rainy weather, and have correction or improvements made on an if needed basis. Poor drainage can cause foundation movement, water penetration or attract termites. Avoid landscaping which promotes slow water drainage.

Gutters: Deficient

- The leaf fall from trees around the home will necessitate regular gutter cleaning in order to assure proper gutter operation.
- Downspout(s) are missing. This was seen at the western side.

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C. Roof Covering Materials

Type(s) of Roof Covering Materials:

Primary roof covering:	Composition shingle;
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<i>Viewed From:</i>	
The roof surface was observed in the following manner:	The roof was inspected walking on random surface areas and observing large random surface areas;
Areas of past or suspected repair were seen on the roof:	At plumbing vent pipe flashing.
Areas of past or suspected water penetrations were seen:	At exterior eaves. This was seen at the front porch

Comments: Read the CIS Standards of Practice for Scope of Inspection and limitation / departure wording.

Roof Covering: Inspected

- Repair needs were not seen.

D. Roof Structure & Attic

<i>Viewed From:</i>	
Attic viewed from:	Decked areas;
Prevalent roof sheathing seen in areas accessed:	Radiant barrier sheathing;
Attic ventilation:	Roof vents;
Predominant attic framing observed consisted of:	Conventional framing;
Attic insulation present in areas observed?	Yes;
Primary type of insulation seen in attic:	Blown;

<i>Approximate Average Depth of Insulation:</i>	
Approximate depth of insulation installed over a horizontal area:	appears to be 10 to 12 inches;

Comments: Read the CIS Standards of Practice for Scope of Inspection and limitation / departure wording.

Attic Ventilation: Inspected

Attic Structure: Inspected

Attic Insulation: Inspected

Attic Stair: Inspected

- The home has pull down attic access stairs. Use these stairs with care as they can be wobbly and unsteady. Unless stated, this inspection does not determine the safety of pull down stairs.

E. Walls (Interior & Exterior) - Comments:

<i>Read the CIS Standards of Practice for limitation, departure and other information.</i>	
Predominant exterior siding material(s):	Brick veneer;

Interior Walls: Inspected

Exterior Walls: Deficient

- Soil or landscape materials are above the brick. Ideally, soils and landscape materials should, be a few inches below the brick. This reduces risk of water and termite penetration. If the soils are lowered assure proper drainage exists when repair is complete. This was seen at the front.

Exterior Foliage: Deficient

- Foliage touching the home obstructs the inspection. Recommend foliage be trimmed away from the home exterior in order to reduce deterioration and insect activity. Conditions behind the foliage remain undetermined.

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F. Ceilings & Floors - Comments:
Read the CIS Standards of Practice for limitation, departure and other information.
Ceilings: Inspected
Floors: Inspected

G. Doors (Interior & Exterior) - Comments:
Comments: Read the CIS Standards of Practice for Scope of Inspection and limitation / departure wording.
Interior Doors: Deficient
 - Doors stick or will not close. This was seen at the middle bedroom.
Exterior Doors: Deficient
 - The inspection does not operate exterior doors with keys for security reasons. All exterior doors should be re-keyed before you take possession. This is safety recommendation and not a repair.
 - The door to the garage from the home would not meet modern safety standards for firewall separation. Depending on the age of home, this may or may not have been required. Repair / improvement priorities are subjective.
Garage Door(s): Inspected

H. Windows - Comments:
Read the CIS Standards of Practice for limitation, departure and other information.
Windows: Deficient
 - Suspected failed seal(s) were seen on double pane (multi-pane) windows. Some seal failures may not have been discovered due to soiled window conditions, discreet or subtle failures, lighting or window treatments. In addition to the windows listed, all windows in the home should be inspected by an experienced window installer and repaired as needed. Windows with suspected seal failures were seen at areas such as but not limited to:
 - 1 in the living room.

I. Stairways (Interior & Exterior) - Comments:
Read the CIS Standards of Practice for limitation, departure and other information.
Stairs: Deficient
 - The spacing between the spindles on the stairs exceeds the modern 4 inch maximum spacing standard. Spindles with spacing greater than 4 inches pose a safety hazard to children. Although commonly found, the Texas Real Estate Commission considers it an item in need of repair.

J. Fireplace / Chimney - Comments:
Read the CIS Standards of Practice for limitation, departure and other information.
Chimney Exterior: Inspected
Crown: Inspected
Damper: Inspected
Firebox: Inspected
Flue: Inspected
Fireplace Gas: Inspected

K. Porches, Balconies, Decks and Carports - Comments:
Read the CIS Standards of Practice for limitation, departure and other information.
Porch: Inspected

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II. ELECTRICAL SYSTEMS

A. Service Entrance and Panels - Comments:

Comments: Read the CIS Standards of Practice for Scope of Inspection and limitation / departure wording.

Service Entry: Inspected

Service Panel: Deficient

- The panel does not meet Texas Real Estate Commission (TREC) recommendations for arc fault protection. The TREC Standards compare homes to the newest electrical standards however most cities have not adopted the newest standards. It is likely this home meets current construction standards. Consult an electrician for further information.

B. Branch Circuits, Connected Devices and Fixtures

Type of Wiring:

Service entrance:	Above ground;
Primary branch conductor seen in main panel:	Copper;
Wire or conductor type:	The home branch wiring system appears to consist of non-metallic sheathing (Romex like).

Comments: Read the CIS Standards of Practice for Scope of Inspection and limitation / departure wording.

Outlets or Receptacles: Deficient

- Receptacles are improperly wired. This was seen at the living room west wall.

GFCI (ground fault circuit interrupt): Deficient

- GFCI protection was not observed or found at some locations. This is a hazard or safety concern. Have the home and home site inspected by an electrician to assure all locations lacking GFCI protection have been discovered and then install GFCI to the most current standards. Have the electrician test every GFCI and required GFCI location with an approved remote testing device. Request the electrician to use the most recent listed GFCI devices available. GFCI protection was not observed or found at locations such as but not limited to:
Bathroom locations;

Fixtures: Inspected

Switches: Inspected

Smoke Detectors: Inspected

- The smoke detector(s) operated after spraying one with artificial smoke.

III. HEATING VENTILATION AND AIR CONDITIONING SYSTEMS

A. Heating Equipment

Type of System:

Heating system description:	Forced air; Single zone;
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Energy Source:

Type of energy used for heating:	Natural gas.
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Comments: Read the CIS Standards of Practice for Scope of Inspection and limitation / departure wording.

Heating Equipment: Inspected

- The system was operable using normal controls. The gas flame was a desirably blue color. The blue flame indicates proper combustion conditions. The furnace should be inspected and serviced annually by a qualified HVAC contractor.

B. Cooling Equipment

Type of System:

Type of air conditioning system:	Central air conditioning; Single zone;
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Comments: Read the CIS Standards of Practice for Scope of Inspection and limitation / departure wording.

Cooling Equipment: Inspected

- The approximate temperature differential was between 15 and 22 degrees. The temperature differential will vary from system to system however the range of an operable system is generally within this range. Temperature differential is simply a rule of thumb for determining if the system is cooling; it is not a comprehensive way of inspecting all the factors that may influence the system. Comprehensive inspections are performed by licensed air conditioner contractors. System performance in different weather or load conditions may vary. If a seller's disclosure is available refer to it for refrigerant recharge histories, as this inspection does not address refrigerant leaks. Monitor system performance over time and make corrective action or repairs on if needed.

C. Duct System, Chases and Vents – Comments:

Read the CIS Standards of Practice for limitation, departure and other information.

Air Filter: Deficient

- Clean or replace air filter(s) as needed.

Ducts and Vents: Inspected

Thermostat(s): Inspected

IV. PLUMBING SYSTEM

A. Water Supply System and Fixtures

Location of water meter:

The water meter appears to be located at:	Front. Performing a water meter movement test to identify leaks or inspecting the meter is beyond the scope of inspection.
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Location of main water supply valve:

The water supply / shut off valve appears to be at:	Front; valve not operated;
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Static water pressure reading:

Approximate static pressure. Water pressure can vary at other times:	About 40 to 80 pounds. This is considered acceptable per TREC.
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Comments: Read the CIS Standards of Practice for Scope of Inspection and limitation / departure wording.

Supply valve: Deficient

- The water shut off valve is soil covered and conditions are unknown. Repair of the water shut off is recommended.

Sink(s): Deficient

- The sink will not drain. This was seen at the hall bathroom.

Toilet(s): Deficient

- A toilet tank flapper assembly operates poorly. This was seen at the hall bathroom.

Shower(s): Inspected

Bathtub(s): Inspected

Exterior hose faucets (attached): Inspected

Utility or Laundry Room: Inspected

B. Drains, Wastes, Vents - Comments:

Read the CIS Standards of Practice for limitation, departure and other information.

Drains and Venting: Inspected

- Significant or obvious drainage problems were not observed after running a limited amount of water in fixtures.

Drains: Not Inspected

- This inspection does not determine the condition or material type of inaccessible or

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underground plumbing materials. Refer to the seller's disclosure for possible information pertaining to past drain performance and repairs.

C. Water Heating Equipment

Energy Source:
 Energy used to heat water: Gas;

Capacity:
 Approximate water heater One 50 gallon unit
 storage capacity:

Comments: Read the CIS Standards of Practice for Scope of Inspection and limitation / departure wording.

Water Heater: Inspected

D. Hydro-Massage Therapy Equipment - Comments:

Read the CIS Standards of Practice for limitation, departure and other information.

Whirlpool or Jetted Bathtub: Inspected

V. APPLIANCES

A. Dishwasher- Comments:

Read the CIS Standards of Practice for limitation, departure and other information.

Dishwasher: Deficient

- The heating element does not appear to operate.

B. Food Waste Disposer - Comments:

Read the CIS Standards of Practice for limitation, departure and other information.

Food Waste Disposer: Inspected

C. Range Exhaust Vent - Comments:

Read the CIS Standards of Practice for limitation, departure and other information.

Kitchen Fan: Inspected

D. Ranges, Cooktops and Ovens- Comments:

Read the CIS Standards of Practice for limitation, departure and other information.

Range: Inspected

Oven: Inspected

- The oven was 350 degrees at a 350 bake setting. Plus or minus 25 degrees is generally considered acceptable.

E. Microwave Oven - Comments:

Read the CIS Standards of Practice for limitation, departure and other information.

Microwave: Inspected

F. Trash Compactor - Comments:

Read the CIS Standards of Practice for limitation, departure and other information.

Trash Compactor: Not Present

G. Mechanical Exhaust Vents and Bathroom Heaters - Comments:

Read the CIS Standards of Practice for limitation, departure and other information.

Exhaust Fan: Inspected

H. Garage Door Operator(s) - Comments:

Read the CIS Standards of Practice for limitation, departure and other information.

Door Operator: Deficient

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Comments: The presence or operation of remote openers or key pads is not determined.

- The auto reverse device did not function properly after applying modest hand pressure. This safety feature should be adjusted so the door(s) will auto-reverse when meeting reasonable resistance.

I. Door Bell & Chimes- *Comments:*

Read the CIS Standards of Practice for limitation, departure and other information.

Door Bell: Inspected

J. Dryer Vents - *Comments:*

Read the CIS Standards of Practice for limitation, departure and other information.

Dryer Vent: Inspected

- The dryer vent is vertical and more prone to clogging with lint than a horizontal vent. Maintain the vent by disconnecting the dryer from time to time and cleaning the vent. If you notice an increase in drying time it may be a hint that cleaning is needed.

K. Other Built-in Appliances - *Comments:*

Read the CIS Standards of Practice for limitation, departure and other information.

Other Built In Appliance: Not Present

VI. OPTIONAL SYSTEMS

I NI NP R

A. Lawn Sprinklers

Comments: Read the CIS Standards of Practice for limitation, departure and other information.

Back flow prevention device (not tested or verified to comply with local regulatory requirements):	Located at front of home;
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Lawn Sprinkler: Deficient

- Sprinkler head(s) are broken or operating improperly. This was seen at the front yard.

E. Gas Supply Systems *Comments:*

Read the CIS Standards of Practice for limitation, departure and other information.

Underground and inaccessible gas lines: Not Inspected

End of TREC Promulgated Form. The following is addenda.

EXPLANATIONS AND LIMITATIONS

This is part of the Inspection Report, *please take time to read it.*

• **Read everything! It is important!**

Reading everything may be tedious however it is important that you and all interested persons read the report, these explanations and limitations, the inspection agreement and any addenda, *before the property is purchased.* Larger copy of the following is available on request.

• **General statement**

Thank you for using Cahill Inspection Services, Inc. (CIS) to conduct your inspection. A home inspection is a very complex undertaking and most consumers are incapable of understanding the details and limitations. The purpose of the inspection is to provide an overall understanding of the general property condition. This inspection is performed to the Standards of Practice of the Texas Real Estate Commission with permitted departures. Some safety concerns may be reported by the inspector however it is important to understand that this is not a comprehensive safety inspection and all unsafe potentials are not inspected for. Identification of items that do not meet modern construction standards or codes are not a part of this REI 7A-1 (10/2008)

service and are departed from and any comment regarding such is partial. Manufacturing defects and recalls are not inspected for and any comment is incomplete and supplemental. For the purpose of this report the terms "appropriate" and "proper" as used in the TREC Standards of Practice is defined as: "meeting building and repair practices customary to the region relative to the age of the item being inspected"; the terms do not mean compliance to manufacturer specifications or codes. In some circumstances TREC requires the inspector to compare the home to modern standards however this comparison is very limited and we depart from such. Comparing the home to new construction standards is an optional service you may request. The inspectors opinions are made based upon what was seen at the time of inspection in readily accessible areas. Furniture, stored items, foliage and flooring are not moved for inspection purposes. It is important to understand that while **the inspection attempts to reduce your risk, it will not eliminate your risk.** Although the inspector tries to be thorough, **this limited report does not represent all defects (large or small) and unsafe conditions (minor or major) to have been discovered or**

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completely interpreted. This inspection will not find all the problems. Such expectation is simply beyond the scope of this limited service. **It is likely the inspector will fail to recognize a repair need. Guarantees, warranties or protection against errors and omissions are not expressed or implied.** Comprehensive inspections are available for higher fees if you are interested. Unless specifically stated in the report, all of the following limitations apply to the inspection performed. There are times when an inspector may recognize a specific condition or make a recommendation that exceeds these limitations and such is simply presented for your added convenience and should not be construed as a comprehensive statement. You are advised to have all issues, regardless of their apparent insignificance, investigated by properly trained repair specialist before acquiring the property. If you have questions or are unclear regarding our findings, please call us before you buy the property.

• Performance

The inspection observes the building and systems for evidence of significant ongoing visible performance failures and not code, construction standards or manufacturer standards. The vast majority of all homes built will not meet ideal code or construction standard inspections. For example attic framing and foundation design deviate widely from code yet may continue to perform. Understanding that the inspector looks for evidence of significant failure that needs immediate repair as seen at the time of inspection is an important understanding of what this service offers. The opinion of another inspector can vary significantly from ours.

• Legalese

The following commentary was developed over many years of customer inquiry and inspection experience and it contains numerous limitations and explanations. We ask for your patience regarding this information, as we are aware that limitations and disclaimers are offensive. Remember, if there is something we are not doing which is important to you, ask us about optional inspections that might be available.

• Ask for the sellers disclosure notice.

We recommend you obtain and read a recent or current version of the sellers disclosure notice. The disclosure should be updated to reflect conditions at the time of closing. The disclosure notice is important because it addresses many issues our inspection does not include. When you obtain a copy of the sellers disclosure form, you should request copies of all known property condition reports, some of which might include engineering reports, home inspections, termite inspections, environmental, home warranty and insurance inspections. Additionally, prior repair or termite treatment documentation should be provided if available. Differences may exist between this report and any other documents, please contact the inspector to discuss such *before closing*. If provided to the inspector, the disclosure and prior reports may be briefly reviewed however the inspection does not conduct a detailed comparison or validation of the disclosure documents. We can review prior documents (document review) for an additional charge. The TREC inspection does not address all of the items found on a standard disclosure statement nor does the inspection determine if disclosures are accurate and complete. If this inspection report is used to prepare a seller's disclosure it is important to know that the information we provide is supplemental to the disclosure document and the sellers knowledge of the property. The seller may not eliminate their responsibility for full disclosure by substituting this report. If the home is occupied you should ask the seller to disclose any new conditions, for example termite activity or water damage, that might be discovered during the packing process prior to closing.

• Past or future inspections.

Past or future inspections may discover additional repair and safety findings. If we were to inspect this property a second time a new finding or opinion is likely to be discovered. Future changes or interpretations of the TREC inspection Standards of Practice may cause conditions to be reported on a future inspection that are not included in this report. If you are aware of issues the inspector did not recognize please bring that to our attention before you buy the property so that it may be discussed.

• Future Seller's Disclosure

When this home is sold at a future date a copy of this report may be included as part of a Seller's Disclosure. Such is permitted with the following understanding: The report represents conditions found at the date of the inspection. The report is not comprehensive and all repair needs may not have been discovered. Cahill Inspection Services, Inc. did not aid the seller in the preparation of the Seller's Disclosure and is unaware of other

property condition issues that may exist. The report is considered incomplete without an oral review by the performing inspector at the home site. Because it would be a conflict of interest to consult with a prospective buyer, when the seller is our prior client, we are unable to provide further inspection or oral review for a new buyer, therefore this report is incomplete. The new buyer is strongly encouraged to hire an inspector of their own choosing to perform a complete TREC inspection. The report may be referred to but not relied upon. The new inspector may review the report but is responsible for forming and validating individual conclusions. By referring to this report all interested parties agree to hold Cahill Inspection Services, Inc. the inspector(s) and employees harmless of any and all future claims.

• This report prepared for?

This report is prepared exclusively for the person or persons named on page 1 and are not transferable to any other person or company without mutual written consent from CIS and the client. Other buyer's, home warranty, insurance or appraisal companies may not rely on this inspection. This report does not meet HUD Appraisal VC requirements. If you are a third party or different buyer and are referring to this report, do not rely on it to make a selling or purchasing decision. You are recommended to hire your own inspection company to represent your interests. If you are a new buyer and the owner our past customer we do not want to do your inspection. It is a conflict of interest to work for two parties. We do not often recognize that at order entry so it is your responsibility to ask the seller who their inspector was. In the event of a conflict you may cancel our service. See Future Seller's Disclosure statement above.

• Should you buy a home warranty?

Home warranties are titled Residential Service Contracts by the Texas Real Estate Commission (TREC). There are gaps between what we inspect and what they cover. For example the inspection does not inspect to code, manufacturer instructions, age or lack of maintenance. A home warranty may not cover those conditions. The inspection report may not be used by a warranty, mortgage or insurance company for the purpose of underwriting / funding a property. Home buyer expectations often exceed the limited coverage offered by warranty companies therefore it is important to read and understand the policy before relying on it. The air conditioner, furnace or other appliances can break the second we leave the home. A home warranty offers some protection against such unexpected failures.

• Homeowners insurance.

We have heard of policies being cancelled shortly after closing due to pre-existing conditions. Likewise, future claims may be denied on the basis of pre-existing conditions. As a precaution, you should make sure your homeowners insurance company has accepted the property without limitations or exclusions prior to closing. If exclusions exist they should be specified in writing. Our report is not to be used by an insurance company for the purpose of underwriting a policy. Prior claims history may be available on an insurance data base called CLUE. Ask the seller to provide a CLUE report prior to closing. Ask the seller if they took insurance money on a claim and did not do the repairs.

• General limitations and departures

Unless specified, the following is not determined or inspected: conformance to code; comparison to modern construction standards; habitability; insurability; life expectancy; structural capacity; appraised value; conditions in inaccessible areas; survey & easement determinations; flooding potential; wood destroying insect activity (unless we conducted that optional report and then such is very limited); wood destroying organism activity; wood destroying insect or organism damage; future performance of systems such as but not limited to foundation, roof, drainage and HVAC systems. This is not a comprehensive safety inspection and the risks of hazards such as, but not limited to: fire, electrocution, collapse, trip/slip/fall, personal injuries and/or property damage risks are not eliminated or warranted by this inspection service. Identification and reporting of product recalls, pending litigation or defective materials are not a part of this service. The home could be made safer by bringing it up to the most current codes or construction standards. If the home is not brand new it probably will not meet the most current codes for safety; likewise, even a new home may not be completely safe. We recommend you not enter the attic, the crawl space or go onto the roof at any time as they are very dangerous areas. If your HVAC filters are in the attic hire a professional to change them.

• Utilities

The inspection does not address utility usage or energy efficiency. Distribution in single or multifamily dwellings is not traced or verified. Determining if there are improper taps or shared utilities is not within the scope of the inspection.

• Environmental

The inspection does not address environmental inspections. Any reference to

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such is partial and should be followed up on by you with special inspections before closing. Some, but not all, environmental or contamination concerns might be: lead; urea formaldehyde; radon; asbestos from sources not limited to vermiculite, insulation materials gas flues and HVAC materials; pesticides; allergens; electromagnetic fields (EMF), microbiological [mold, mildew, etc.] conditions. The potential for these conditions to exist varies from building to building. If you are concerned about any of these issues you should contact an appropriate experts for special inspections. You can also contact the EPA for a list of sites in the Dallas areas that may be of special concern. See "insurance" section above for information about a CLUE report.

Mold

The inspection does not inspect for the presence or risk of microbiologicals such as mold and any comment is without charge and incomplete. Given the proper conditions, mold can exist in any home and is commonly associated with air ducts, air conditioners, crawl space areas and any area repeatedly wetted. Mold can exist in inaccessible areas and may not become visible until renovation or repairs begin. Areas we have seen associated with mold can be, but are not limited to: warped wood floors; past or present leaks from sources such as air conditioners, water heaters, roofing, leaking wall systems, plumbing, refrigerators, icemakers, toilets, showers, bathtubs, flashing, windows, appliance failures, floods, air ducts in a crawl space to mention a few. EIFS (synthetic stucco) and stucco may also be a candidate for increased mold risks. Although the inspector does not perform mold inspection as part of the home inspection the inspector may have a good general knowledge about molds. Any comment about mold should be considered incomplete and worthy of optional testing consideration. If you are concerned about mold and indoor air quality you should call an appropriate indoor air quality expert for special inspections. The Texas Department of Health regulates mold inspection and remediation. Be advised, mold inspection testing can cost \$500 to \$5000 and the results of the tests are often ambiguous and confusing. Information about mold remediation can be found at the EPA internet site <http://www.epa.gov/iaq/molds/index.html>. The Texas Department of Health has a links page at <http://www.tdh.state.tx.us/beh/iaq/MoldLinks.htm>. The inspection also does not determine if there have been prior water damage or floods in the home. Some insurance companies are not providing coverage on homes with a history of flooding. Refer to the seller's disclosure for possible information regarding this item and check to see your insurance company does not have an underwriting issue by reviewing a CLUE report.

Structural and foundation

Structural comments are of conditions seen at the time of inspection and such comments are comprised of opinion and not fact. Factual determinations are available via specialized engineering studies that you can obtain from other sources. Unless specified, the following is not determined or inspected: the potential for the structure to experience future problems; the potential of underlying soils to experience movements and/or water flow; whether the soils of a neighborhood or home site are stable; the types of soil under the home; the existence or quality of prior repairs; the potential of future repair; failure analysis; documentation of all possible movement or repair indications; calculation of structural capacities; the condition of underground piers or pilings; construction material type or quality; ventilation calculations; deck & balcony capacity (especially cantilevered balconies); retaining wall conditions or capacity, capacities or life spans; framing span, point load and spacing calculations. For inspector safety reasons, crawlspaces with less than 18 inches of clearance are considered obstructed and / or inaccessible. Areas with further than 20 feet from the entrance are considered unsafe for the inspector and may be inspected from a distance. Other more daring inspectors may choose to push the safety threshold however we encourage our inspectors to be careful and not take chances. Accessible crawlspace areas are observed in a limited fashion. Extensive wood probing is not done and wood damage or plumbing leaks may remain undetected. Water damaged wood is common under bathrooms however such does not always mandate a repair. The condition is subjective. It is very important to know that crawl space area inspections are very limited and the results of one person can vary from another. Comprehensive crawlspace examinations are available and entail additional fees. If termite or decay damage is found, the extent of such is not determined. More comprehensive structural engineering follow-ups to this inspection are an option you may consider. As is the case with most North Texas homes, future movements and possible repairs are possible.

Termites and wood destroying insects / organisms

Unless stated, this report does not determine if wood destroying insects (WDI), organisms or damages resulting from such are present in the property. Any reference to such aforementioned conditions is without charge, partial and incomplete. If the home has a crawl space be it known that the inspector did not probe all woods and that undiscovered damages may exist. See the foundation section above for more crawl space limitations. Likewise, condition of construction materials inside walls or in attics is also unknown. If we did a WDI report on the home you should know that it is not considered comprehensive and does not address the extent of WDI damage. If you are concerned about termite or WDI damage you should have the home undergo comprehensive inspection on a square inch basis before you close on the loan. This would include all crawl space areas, the attic and wall voids when the home is vacant. Unless stated, the inspection does not address any pest control issue and any comment is supplemental.

Drainage

Drainage comments are made regarding conditions surrounding the immediate building inspected at the time of inspection. Unless specified, the following is not determined or inspected: flood plain considerations; condition of or termination points of underground drainage systems; water penetration or poor drainage histories; flooding or water penetration potential of crawlspace soils, mold or microbiological growths, home site, below grade living and storage areas; capacity of site to discharge rain waters acceptably; underground water tables or springs; what impact this sites drainage may have on other properties and vice versa; impact of vegetation on building systems. Special inspections such as topographical surveys, flood plain inspections and sub surface water table tests are available from other sources.

Roof and attic

A limited observation of roof systems and surfaces as they appear at time of inspection is done. The inspector is looking for immediate significant repair needs. Roof surfaces are observed from ground level with binoculars or from a ladder randomly placed at eaves that are not higher than 10 feet. If access and safety permits, the inspector will walk on some roof surfaces. Roof surfaces exceeding 4/12 pitch are considered steep and unsafe for the inspector. Attics with less than 4 feet of clear headroom and/or areas that are not decked are considered inaccessible and unsafe for the inspector. The inspector does not routinely crawl under areas less than 4 feet high. Circumstances such as access limitations and insulation will prevent all roof and attic areas from being seen. Attic decking is not inspected to code and we find the vast majority of attic decking to be marginal and flimsy. Attics are very unsafe and we recommend you not enter them. If you must enter the attic do so warily and use extreme caution. Any comment about decking condition is supplemental to this inspection. Optional Roof performance may differ in other weather conditions. Unless specified the following is not determined or inspected: remaining lifespan; manufacturing defects of materials; fastener appropriateness; prior hail activity or damage; if the roof was installed to manufacturer or code specifications; the adequacy of framing spans / supports or the leak resistance of the roof at any future date; that flashing is present or proper in all possible locations; the ability to pass insurance or other inspection - appraisal - lender requirements; the number of layers which exist or presence of felt. We recommended you refer to the seller's disclosure for information about prior leaks, repairs, hail activity or insurance claims. Be advised, most attic framing will not pass a code inspection. Inspecting to such stringent standards is beyond the scope of this inspection however specialty inspections are available for an additional fee.

Insulation

Insulation is observed when entering accessible attics. Unless specified the following is not determined or inspected: insulation type; presence of asbestos; energy efficiency; cellulose risks (corrosion and fire); fire spread risk potentials; R value; the presence of insulation inside wall or ceiling voids; ventilation provisions between insulation and roof decks (found on vaulted ceilings); vapor barriers or barrier orientation. The inspector does not look for mold on insulation and any comment regarding such is supplemental.

Exterior & interior walls

Unless specified the following is not determined or inspected: conditions related to Stucco or Exterior Insulated Finish Systems (EIFS or synthetic stucco) walls. All homes with EIFS or stucco should be inspected by a specialist for proper installation, water penetration and mold before closing; the presence of window safety or tempered glass to modern standards; water penetration potentials of masonry mortars or joints; performance of synthetic stone or composite/glued wood systems; the lifespan of materials; fastener condition or quality; rail load capacity;

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Windows

Unless specified the following is not determined or inspected: Security systems; the presence of window safety or tempered glass tom modern standards; locks or security devices; emergency escape dimensions; the presence or condition of weep holes or flashing behind exterior veneers. Windows are randomly operated and storm windows are not operated. Thermal pane inspection is limited to available light and distinctly obvious failures. Subtle seal failures may go unseen. Windows are a common leakage points and should be inspected during rainy periods for leaks.

Floors and Ceilings

Unless specified the following is not determined or inspected: floor slope; ceiling sag; the integrity of framing in an inaccessible area; cosmetic conditions; conditions under the flooring; the presence or integrity of vapor barriers; if wood floors will warp; wood floor warping without evidence of obvious ongoing water problems.

Fireplace

Unless specified, fireplaces are observed from ground level and the following is not determined or inspected: drafting characteristics; compliance to codes or modern construction standards; clearance from combustibles; chimney caps, crowns; structural capacity of masonry chimneys supported on concrete or wood; condition of gas lines in inaccessible areas. Be advised, older fireplaces usually do not meet current codes or construction standards. Specialty inspections are available from chimney specialists. The inspector does not use hydrocarbon gas leak detection equipment to look for gas leaks.

Electrical

Electrical features are operated with normal controls. Switches, outlets and fixtures are randomly checked. While some observations may be code related, this inspection does not determine if the system complies with code or modern construction standards. Unless specified, the following is not determined or inspected: electrical capacity; condition of all conductor insulation in crawlspace or attic areas (randomly inspected); voltage and ampacity; overcurrent capacity determinations for any item including installed appliances; comparing circuit breaker or fuse capacity to installed appliance listings; insurability of the system; aluminum wire systems or condition of connectors, tracing conductors; fire detection, phone, security, computer, cable/satellite TV or radio/intercom systems; interior or exterior low voltage lighting systems. This inspection does not certify or warrant the home to be free from risk of fire, electrocution or personal injury/death. Electricity can be dangerous, always have a licensed master electrician familiar with local code perform repairs. Three phase electrical systems are inspected from a performance (does it operate) perspective only. Protection for loss of phase is not inspected.

Heating & cooling

Systems are operated with normal controls. Air ducts and registers are randomly evaluated. Unless specified, the following is not determined or inspected: register air flow velocity or capacity; air duct cleanliness or mold; the ability of the system to heat and/or cool the building evenly; system refrigerant levels (pressure gages are not used); code or construction standard compliance; maintenance history; refrigerant leaks; refrigerant type such as R22 versus its replacement; gas fueled air conditioners; cooling or heating capacity; humidifiers; electronic air filters; dampers; programmable thermostats; heat exchanger condition or cracks therein; geothermal heat pump ground loops; solar equipment; radiant floor heat systems; boiler systems; supplemental water heating devices; remaining life; heat exchanger condition; electric element or related component function; component matching; if air conditioner float or shut off switches are present or operate (we recommend they be installed as an improvement); if the item will be covered by a warranty company. In order to avoid damaging the system, air conditioners are not activated if outdoor temperatures are below 60 degrees; heat pumps are not operated in heat mode if outdoor temperatures are above 70 degrees or in air conditioning mode if outdoor temperatures are below 60 degrees. Gas furnaces are not checked for carbon monoxide leakage or fire risks. There are carbon monoxide and fire detector alarm systems that can be purchased and easily installed. We recommend you consider this type specialty detector for safety reasons. See **"Should you buy a home warranty"** section above.

Plumbing

Fixtures are operated with normal controls for a limited period of time and actual usage is not simulated. Unless specified, the following is not determined or inspected: toilet flush effectiveness or clog potential,

especially on low flush models; debris is not flushed to discover clogs, optional hydrostatic / camera inspection is best suited for this and it is your responsibility to pursue that test; toilet flange design, installation or condition; if the toilet is plumbed with hot water; bathtub and sink overflow operation or presence thereof; drain stop integrity or presence thereof; shower enclosure and pan moisture or leak testing; shower drain flange condition, installation or leakage; the condition or type of substrate behind wet areas such as tile or enclosures; thermal imaging; the strength or integrity of grab bars, soap dishes; the potential of any surface to be slippery; the presence of slip resistant surfaces; the integrity or life expectancy of aftermarket painted receptor (aka epoxy coat); if receptors such as bathtubs or showers will pool or retain residual water; if cracks in marble like receptor surfaces leak; the capacity, pressure or volume of the system; condition or pressure of gas supply lines (especially buried service lines); gas leaks at any area not readily (walk up) accessible, specialty gas leak tests are available from plumbers; the use of hydrocarbon (gas) leak detectors; the condition or type of sewer and water supply lines under grade, under the foundation, inside inaccessible areas such as wall voids or in the crawlspace; freeze damaged pipes inside enclosed or inaccessible areas; presence or operation of back flow prevention devices; water potability or toxicity; lead contents or testing; solar equipment; water conditioners & filters; water heater temperature and pressure relief valves; water heating gallon per minute capacity; drain, waste or fixture calculations; pressure absorption tanks; pressure regulating valves; exterior and interior shut off valves; presence of condition of cleanouts; PVC joints are not inspected for presence of primer; the presence or integrity of pipe protection such as nail plates and sleeves; presence or accuracy of temperature limiting valves; any computer control; private water supply equipment and sewage disposal or septic systems; condition or quality of polybutylene, PEX, plastic or copper piping; recalls of plumbing related litigation; if copper supply pipe is pitted, eroded or installed in conditions conducive to such occurrences; water temperature is not measured and you are advised to have the water heaters adjusted to provide less than 120 degree water at all fixtures and to consider improving the residence by installing temperature limiting devices wherever possible to reduce scalding risks. Be advised, plumbing under concrete slab foundations is more likely to need repair as time passes and these repairs can be very expensive and disruptive. We are presently unsure of how old the home must be before this becomes a significant concern however pipe older than 25 years is more suspect than that less than 25 years. Plumbing companies can perform specialty inspections of plumbing if you are interested. The condition of substrate (mold or water damage) at areas such as but not limited to tiled bathroom areas is unknown. PEX and systems are not inspected for risk of pest damage, friction damage or joint / connector leakage. PEX and plastic are subject to subject to pest or friction damage. The inspection is visual. Unless specified moisture meters and imaging equipment such as infra-red cameras are not used.

Appliances

Appliances are operated with normal controls for a limited period that do not simulate actual maximum usage. Unless specified, the inspection departs from electric range full mode operation in order to reduce risk of inadvertent property damage. Appliances are operated via normal controls only. Unless specified the following is not determined or inspected: temperature regulator devices on water heating systems or plumbing fixtures; water temperatures; burn or scald risks of appliances; electrical shock or fire risks; explosion risks of water heaters; remaining lifespan; the risk an appliance might pose to an user (for example, we do not determine if reaching over a range top to activate a control is unsafe). Obtaining an optional home warranty from a TREC approved provider can reduce the risks of appliance failure.

Water heaters

Unless specified, the inspection departs from temperature and pressure relief valve operation in order to reduce risk of inadvertent property damage. Life expectancy for water heaters varies, however 8 to 12 years is a general expectation. Older appliances pose a greater risk of flooding the home. Because there is a water damage and insurance concern water heaters might best be replaced as a preventative maintenance measure before they fail. You should consult a plumber as to when the best time to replace the appliance might be. The inspection does not check for bacterial contamination issues. The presence of pressure regulating valves and the need for thermal expansion tanks is not determined. Unless specified manufacturer recalls, such as dip tube and / or gas valve failures, are not determined. The water heater should be regularly flushed as a maintenance measure. We recommend a water alarm such as Sonin, be used under every water heater. You can find them at <http://www.sonin.com/products/wateralarmwithremotesensor.html> . You may also investigate or consider an automatic safety valve such as one found at <http://www.wagsvalve.com/> . See "Should you buy a home warranty".

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Gas fired Appliances and Carbon Monoxide

Unless stated, the inspection does not measure carbon monoxide levels and the future potential for carbon monoxide contamination is not determined. If back drafting is recognized it will be reported. There are many conditions that can cause excessive carbon monoxide and back drafting. If the home has gas fired appliances you are recommended to install approved carbon monoxide monitors per the Consumer Product Safety Commission or manufacturer recommendations. All gas fired appliances should be serviced annually by competent professionals.

Smoke Detectors

Unless stated, the inspection does not test or determine the adequacy of all smoke detection devices. These items are important for life safety and you should consider updating the home to the newest standards. Regular periodic safety checks are important.

Gas distribution systems

TREC considers the inspection of gas piping an optional inspection. CIS does not provide this specialty inspection. The following is beyond the scope of inspection: reporting the type, presence or absence of gas availability; inspection of metering devices, gas lines, tanks and especially all buried components; the use of special tools such as combustible gas leak detectors; determining the extent of corrosion; pressure testing; pipe supports; cathodes; buried depths; sleeving; whether compression connectors that are subject to Texas Railroad Commission 2008 investigations are used or are nearby; material type identification; material or manufacturing recalls. Any comment about the gas system is partial in context and provided without charge. A licensed plumber or your gas supplier can conduct more comprehensive inspection of the gas distribution system. If the gas line is more than 30 years old you should have an appropriate expert inspect the system prior to purchase of the home. Younger homes have less risk however are not excluded from special inspection consideration. This inspection conducts a visual inspection of readily accessible gas line connectors and piping at gas appliances only.

Landscape sprinkler system

Systems are manually cycled through various zones. Unless specified the

following is not determined or inspected: code or construction standard compliance; programmable features or clock operation; rain delays; quality of coverage; underground leakage or freeze damage. Almost all sprinklers will spray onto the home at some point. We recommend you maintain the system to reduce over spray to a minimum so as to reduce the likelihood of wood rot and water penetration. Lawn sprinklers are conducive to attracting termites and insects due to increased moisture availability.

Swimming pools and or Spas

Unless specified, the following is not determined or inspected: code or construction standard requirements; equipment is not disassembled; backwash systems and drain line; D/E filter grids, cartridge filters or sand filter media condition; inaccessible wiring condition; heating capacity; underground leakage of any kind; structural integrity or stability of shell; valve operation; programmable or remote controls; thermostat controls; tile adhesion; future performance of decks and deck surfacing materials; plaster or pool surfacing material life spans; sweeps; vacuums; hose; water conditioning equipment; water flow at all returns or inlets; main drain performance; life expectancy; safety of suction openings. Fiberglass or vinyl liners; Water quality; Pools are inherently unsafe. Pool safety, some of which include electrical, diving boards, slides, slippery surfaces, access issues or spa drain (suction) considerations are not addressed. All pools and spas have potential dangers and you are advised to become familiar with the issues of pool safety. Comprehensive inspections are available from specialists.

Referrals

Because we do not perform repairs on buildings we inspect (conflict of interest and illegal) we are often asked for referrals. Most of the time we do not really know of one to give. However, in the event we do give a name, you are advised to research them and their competition.

Conclusion

Thank you for your patience regarding the abundant limitation language and legalese. We wish we could keep things simple but today's litigation prone world just doesn't seem to allow it. Comprehensive inspections are available for additional fees if you desire. Such usually involve specialists and take time. Please call if you are interested.