

TexCode Inspection Service

P.O. Box 200934 Austin, TX 78720-0934 http://www.texcode.com P-512-335-5366

PROPERTY INSPECTION REPORT

Prepared For: Sandi Crinkelmeyer 7/17/2013 4:30 PM

(Name of Client)

Concerning: <u>102 Mesa Dr.; Leander, TX 78641</u>

By: Doyle Williamson # 4494 President and Inspector

(Name and License Number of Inspector)

(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

Acceptance or use of this report constitutes agreement with the terms and conditions of the TexCode, Inc. Standard Service Contract. The customer recognizes **NO WARRANTIES OR GUARANTEES** are expressed or implied. See the TexCode, Inc. Standard Service Contract for all legal terms and conditions. This inspection is strictly a visual inspection of the property and no items will be moved or displaced in the inspection process. For this reason and the fact that some items and conditions are concealed, not all defects will be discovered in the process of any inspection.

This State of Texas promulgated report is required for all Texas Inspections on single family, 2-4-family dwellings. However, we believe the use of the four check boxes may be confusing to our clients and may not adequately describe the findings. Therefore, we have developed a company "Key" that will hopefully better explain the information contained in this report. Please refer to this key below to determine what items are in need of immediate attention and which items are either informational or minor repairs. Our difficulty is determining the knowledge and abilities of each Client we work with and how to adequately relay to our Clients what items are important to them. Therefore, we make every attempt to use this key based on this very limited knowledge of our Client. Please know that the interpretation of the key is not definitive but only a suggestion of how to categorize the reported information.

KEY DESCRIPTION - Many comments contained in this report fall under different categories. These listed items are reported for your consideration & you ultimately need to determine which are the most important to your needs. However, the bolded key titles below are meant to help define my opinion of the comments. Each item may be on either end of the spectrum regarding level of importance to you.

Several comments are general in nature and may not be in need of immediate repairs at this time. These items may include best practices, future improvements, industry standard and simple observations. However, you might be inclined to make these repairs if you feel they are necessary.

Failure - The item or system is not functioning as intended and is in need of immediate and necessary repairs for the item of system to work. <u>Concern</u> - The item or system is suspected of current or near future failure.

Safety - The item or system is contributing to a direct life safety or fire safety issue.

General repairs - The item may be in need of repair but is considered less important than items marked in red and may not be an immediate serious problem in the opinion of the inspector. You might consider these listed comments as small repairs that need to be done in the future or as ongoing maintenance. Green improvement - Tips and recommendations for improving conservation which can potentially save money.

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.

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

I	NI	NP	D	Inspection Item
				I. STRUCTURAL SYSTEMS
\boxtimes				A. Foundations (If all crawl space areas are not inspected, provide an explanation.) Note: This report is not a intended to resemble a detailed structural engineering report that may be provided by a Structural Engineer.
				Type: Slab on grade
				Performance of foundation: Possible damage - Possible structural damage may be present. Indications of more severe movement are present. This evidence may or may not be severe enough for repairs (necessary or preventative). However, I do recommend further evaluation by a registered Structural Engineer for a more accurate opinion. The house may be under a 10- year structural warranty. Check with the builder and have the seller make a claim if possible. (The inspector's opinion on performance is mandatory.)
				Concern The condition of the foundation is questionable. See the performance opinion at the top of this section as well as other comments throughout the report.
				Concern There are several cracks in the slab plaster coat at that appear to be evidence of substantial structural/foundation movement. Several grade beam cracks transfer up through the masonry worl Recommend further evaluation by a registered structural engineer or qualified foundation repair company and repair as necessary. (see photo on the last few pages of this report)
\boxtimes			\boxtimes	B. Grading and Drainage Note: Proper grading and drainage ensures against foundation movement over time. Proper moisture control is essential for long term foundation stability.
				<u>General Repair</u> The soil has eroded badly away from the foundation perimeter where rain gutters are missing. Improper drainage may contribute to foundation destabilization over time. Add enough soil to fill in the low areas.
×				C. Roof Covering Materials (If the roof is inaccessible, report the method used to inspect.) Note: This inspection is not a warranty as to the absence of current or future leaks. All roofing systems require periodic inspection and repairs. When roof tops are accessed, not all areas may be accessible (slopes >7/12) for inspection.
				Type: Composition asphalt shingle. (When asphalt shingles are sealed down, fasteners are not accessible.)
				Inspection Method: The roof was inspected by walking on the surface. To ensure against damage and personal injury, some areas of the roof may not have been accessed.
				Condition: Good - This is a relatively new roof with no or little damage. Trees: Trees near
				Gutters: None
				Approximate installation date: 7 years ago
				General Repair There are tree branches that are too close to the roof. Trees should be a minimum of 3' away from

There are tree branches that are too close to the roof. Trees should be a minimum of 3' away from the roof to prevent rubbing, potential damage & rodent access. Damage may be present at areas of the roof not accessed at the time of inspection.

Comment

Recommend seamless roof gutters around the entire structure for proper moisture and soil erosion control.

Report Identification: 102 Mesa Dr.; Leander, TX 78641 page 4 of 10 NP D NI Inspection Item Comment The antenna has been installed directly onto the roof. Maintain sealant around the anchors in this area to prevent water penetration. D. Roof Structure and Attic (If the attic is inaccessible, report the method used to inspect.) M П Note: The attic was inspected from the floored walkway or safe footings only. Insulation is not disturbed to find a walking surface. Many situations limit observation of the attic space including low clearances, insulation, stored items, ducts, etc. Accessibility to the attic: The attic was partially accessible. Depth of insulation: ~12" Thickness of vertical insulation: N/A **General Repair** Trim has moved as evidence of some structural wall rollout indicating structural/foundation movement. **General Repair** The garage attic trim is loose. **General Repair** The attic vent screening is missing under the vents. Missing screens may allow animals into the attic **General Repair**

The attic insulation depth is inconsistent. There should be 12-14" of insulation present. I recommend having insulation redistributed in the attic due to the uneven distribution of the material. Special care should be taken to prevent blowing insulation on soffit vents, recess lights and other similar items.

General Repair

All wiring less than 6 feet from the attic opening should be secured and protected from damage.

Green Improvement

There is no radiant barrier under the roof decking. I recommend you research radiant barriers and consider installing this system to reduce attic heat load and increase the home's efficiency.

E. Walls (Interior and Exterior) \boxtimes \boxtimes

Note: There is almost never access to inspect important framing, electrical, plumbing, flashing and other concealed areas in the walls, ceilings, floors & other areas. These are part of the many inaccessible areas of this inspection.

Exterior Siding & Trim Type(s): Siding 1 - Rock, Siding 2 - Cement board (a.k.a. Hardiplank), Trim 1 - Composite or engineered product (a.k.a. Masonite), Trim 2 - Wood (Trim)

Concern

The paint on the exterior trim is deterioration. Repainting will be necessary. (see photo on the last few pages of this report)

Concern

There are substantial cracks in the exterior masonry work at the garage overhead door. This often occurs when there is no area for the steel lintel to expand into. When heat causes expansion, the metal will push the masonry columns causing these types of cracks. This cracking is excessive and may fall under the builder's 10-year structural warranty (if applicable). (see photo on the last few pages of this report)

Concern

There are substantial cracks in the exterior masonry above the overhead garage door that may indicate settling of an undersized header. In several cases, the extent of the cracking does not continue after the initial settling. However, in some cases The movement is excessive and may fall under the builder's 10-year structural warranty. (see photo on the last few pages of this report)

General Repair

Recommend sealing around all exterior trim, windows and penetrations to keep moisture & insects from entering the structure. Examples of penetrations (opening in the wall) are light & plumbing fixtures, pipes, electrical panels, etc.

General Repair

There are cracks in the exterior masonry walls that appear to be general indications of foundation movement. Water may penetrate these cracks potentially allowing moisture into the structure.

I	NI	NP	D	Inspection Item
				Comment Insects are nesting in the exterior masonry weep holes over the lintels due to their size. Recommend copper wool in the weep holes which will create a barrier while still allowing moisture an escape out of the wall cavity.
				Comment Recent interior paint may conceal evidence of foundation movement, water penetration or other conditions.
				Comment The front door brick moulding should not sit in the masonry pocket. Water damage is likely over time
\boxtimes			\boxtimes	F. Ceilings and Floors
				General Repair There are cockroach droppings in the water heater closet.
				<u>General Repair</u> The cabinet flooring is slightly water damaged at the kitchen sink area, possibly from a previous leak in this area.
				General Repair The gas at he master tub/floor caulk seems to indicate structural movement.
				Comment There are floors that slope at the kitchen which appears to be general indications of foundation movement.
				Comment It appears repairs have been made to the foyer and den ceilings. This may be evidence of structural movement or roof leaking. Some information may have been covered up or concealed.
\boxtimes				G. Doors (Interior and Exterior) Note: It is recommended that you re-key or change all exterior locks when you take possession of the home.
				General Repair There are gaps at the bottom corners of the overhead garage door where pests may enter.
				<u>General Repair</u> The weather stripping is loose and damaged at the garage access door. Doors must be weather tight to keep energy in and bugs out.
				General Repair The dead bolt lock is out of adjustment at the front. The lock should drop into the door frame easily.
				General Repair The door will not latch correctly at the pantry, air handler closet (out of square), side bedroom (out of square) and master bath (out of square). This seems to indicate structural/foundation movement.
				General Repair The overhead garage door handle is loose.
\boxtimes			\boxtimes	H. Windows
				Failure There are inoperable windows at the rear corner master. If the window is not operable, it can not be used as an emergency escape if necessary.
				General Repair There are damaged exterior glazing seals at various windows. This can lead to looseness in the glass and leaking.
				General Repair Heavy foliage outside the mater corner bedroom window may impede emergency egress.
	\boxtimes	\boxtimes		I. Stairways (Interior and Exterior)
				No comment.
	\boxtimes	\boxtimes		J. Fireplace and Chimney
_	_	_	_	Note: Only the visible parts of the firebox & in some cases the top of the chimney will be accessible as part of this inspection. Many areas of this system will not be visible.
				No comment.

I	NI	NP	D	Inspection Item
\boxtimes				K. Porches, Balconies, Decks & Carports
				No comment.
	\boxtimes	\boxtimes		L. Other
				No comment.
				II. ELECTRICAL SYSTEMS
				A. Service Entrance and Panels Note: In some cases, the presence of some panels can not be determined. Only completely accessible & unobstructed panels will be inspected. Sub panel 1 - Cutler Hammer/Eaton - location: Garage
				General Repair There should be no pointed or un-approved screws used on the garage sub electrical panel cover. The point may penetrate the energized wire sheathing and cause an electrocution or a short.
				Comment Wiring is bundled where it enters the sub panel. Modern standards require separation of conductors where they enter the panel.
			×	B. Branch Circuits, Conn. Devices & Fixt. (Report as in need of repair the lack of ground fault circuit protection where required.) Note: Only completely accessible and unobstructed branch circuit origination & termination points will be inspected. Receptacles covers are removed in only one location & at random to check representative wiring. Building grounding can not be confirmed. Smoke detectors higher than 9' are not tested due to safety risks. Replace all batteries in detectors upon move in.
				Type of Wiring: Copper
				Safety The outlet cover is missing at the garage. Secured covers enclose the electrified wires connections thus reducing the chance of electric shock.
				General Repair The switches are backwards at the foyer/front patio.
				General Repair The paper shades on the dining fan lights are burned or damaged.
				General Repair There should be no switches within reach of the wet hall tub standing surface.
				Comment Outlets are connected to conductors by stabbing the wire into the backs of the receptacles. I am not able to confirm National Electrical Code requirements for connections. However, some manufacturers allow this connection.
				III. HEATING, VENTILATION AND AIR CONDITIONING SYSTEMS
				A. Heating Equipment Note: The inspector's ability to adequately inspect the heating system is very limited. TexCode always recommends that you hire a qualified & licensed HVAC contractor to fully evaluate the entire HVAC system before committing to the purchase. In addition, heating systems are not operated in their regular mode when outside temperatures are greater than 60 degrees F. The system might be started but would be immediately shut down.
				Type of System: Standard electric - Furnace Hall closet - Carrier - model# FA4BNF030 - serial # 1605A88015 - year 2005
				No comment

No comment.

ı	NI	NP	ט	Inspection Item
⊠				B. Cooling Equipment Note: The inspector's ability to adequately inspect the air conditioning system is very limited. TexCode always recommends that you hire a qualified & licensed HVAC contractor to fully evaluate the entire HVAC system before committing to the purchase.
				Type of System(s): Air Conditioner Right side - Carrier - model# 38BRC030320 - serial # 1305E08397 - year 2005 - primary drain termination point @ Compressor - secondary drain termination point @ Comment Recommend servicing the HVAC system. The Inspectors ability to adequately check the system is
				very limited. I recommend having the seller provide proof of a recent cleaning and diagnosis the entire HVAC system by a qualified & licensed HVAC contractor and repair/replacement as necessary.
				Comment The A/C compressor top and fan motor are rusty.
\boxtimes				C. Duct System, Chases and Vents Notes: Reporting on the interior portions of ducting systems is not part of this inspection. Systems 10 years or older, even if properly maintained, may be dirty and need cleaning.
				General Repair Refrigerant lines should not run through the return air plenum. Even though most homes are built this way, TREC standards require me to mark this as a repair. If the line insulation is burned (from a fire), it can produced toxic fumes which may be distributed into the air supply.
				IV. PLUMBING SYSTEMS
☒				A. Water Supply System and Fixtures Note: Laundry connections are not operated. Supply line material: Water Supply Line Material 1 - Copper
				Location of water meter: Left front corner Location of main water supply valve: Left front corner Static water pressure reading: 70 PSI
				General Repair The vegetable sprayer hose binds.
				General Repair It appears the flapper is leaking allowing water to constantly drain into the bowl at the master bath. Much water will be lost over time.
				General Repair The tank is not secure to the base at the master commode bowl.
				<u>General Repair</u> The shower diverter binds badly at the master. Water continues to pour out of the tub spout when the shower is on.
				General Repair The master bath commode will not flush properly. This is often caused by a flapper that is out of adjustment.
				B. Drains, Wastes and Vents Notes: Obstructed parts of this & other systems can not be inspected. Drain line material: Drain Line Material 1 - PVC (Polyvinyl Chloride) Clean out location: Right front corner Sewer type: Public
				Concern Slab foundations that show signs of movement increase the possibility of damage to the drain lines or the movement may be a result of a sub slab drain leak. I highly recommend having a hydrostatic

or other test to determine is the drain system is safe and functioning as intended.

<u>General Repair</u>
The drain is slow to evacuate at the master sink. This could be a clog, a venting, indications of a drain breech or some other problem.

I	NI	NP	D	Inspection Item
				C. Water Heating Equipment Water Heater Source: Electric (50-gallon) Type of System(s): Water Heater Garage - State - model# ES652DORT - serial # D05J071429 - year 2005 - drain pan: Right side - TPRV drain point: Right side Comment
				The water heater unit was not on and operating at the time of inspection. It should be on and operating and full temperature and pressure several days before this inspection to fully determine it there are any problems. I am not able to fully inspect the system under this condition.
	\boxtimes			D. Hydro-Massage Therapy Equipment
				No comment.
				V. APPLIANCES
				A. Dishwasher Type of System(s): Dishwasher 1 - Whirlpool - model# DU811SWPU0 - serial # FS2012821 Comment The dishwasher is loud.
\boxtimes				B. Food Waste Disposer Type of System(s): Disposal 1 - In Sink Erator - model# 1-83A - serial # 05041816213
				No comment.
\boxtimes				C. Range Exhaust Vent
				No comment.
				D. Ranges, Cooktops and Ovens Type of System(s): Oven Standing range - Whirlpool - model# RF303PXKT2 - serial # RS2011206
				No comment.
☒			\boxtimes	E. Microwave Oven Type of System(s): Microwave 1 - Whirlpool - model# GH4155XPT-0 - serial # TRR4614186
				General Repair The microwave oven door is cracked. (see photo on the last few pages of this report)
		\boxtimes		F. Trash Compactor
				No comment.
\boxtimes				G. Mechanical Exhaust & Bath Heaters
				No comment.
\boxtimes				H. Garage Door Operator(s)
				No comment.
\boxtimes				I. Doorbell and Chimes
				No comment.

I	NI	NP	D	Inspection Item	
⊠				J. Dryer Vents Note: All dryer vents should be inspected/cleaned once a year to remove any lint build up that may produce a vent fire. Gas Dryer? no	
				Comment The dryer vent in the attic shows signs of previous water penetration. (see photo on the last few pages of this report)	
				VI. OPTIONAL SYSTEMS	
	⊠			A. Lawn and Garden Sprinkler Systems Note: If the water is supplied from the City of Austin check for usage on the water. Use of >20,000 gallons may qualify the property for a lawn sprinkler audit & possibly funds to make repairs. Refer to manufacturer recommendations for programming. Drip zones are not inspected.	
				No comment.	
				B. Pools, Spas, Hot Tubs & Equipment This inspection only covers areas of the system above ground & water surface. Technical testing, analysis or pool bonding is not part of this inspection. A pool professional would be able to provide a more complete inspection of the pool system.	
				No comment.	
	\boxtimes	\boxtimes		C. Outbuildings	
				No comment.	
	\boxtimes	\boxtimes		D. Outdoor Cooking Equipment	
				No comment.	
				E. Whole House Vacuum Systems	
				No comment.	
		×		F. Other Built-in Appliances Note: refrigerators, washers, dryers & some other items are not part of this inspection. See the TexCode Standard Inspection Contract for more details.	
				No comment.	

NI NP D Inspection Item

ADDITIONAL COMMENTS:

Outside temperature pre-inspection - 92°F degrees.

Climate conditions - Overcast & damp.

Client present - Present but did not follow.

Buyer's agent present - Not present.

Seller present - Not present.

Seller's agent present - Not present.

Additional services performed - WDI report.

A/C filter size - 20 x 30; location - Wall; area - Hall

Year Built: 2005

Builder: CenTex Homes

Structure Type: Single family

Bath Eclipse - Hall bath - commode type: Low flow Bath Eclipse - Master bath - commode type: Low flow







Front of house Entry Right front corner







Right side Right rear Right rear Corner







Rear Left rear corner Left rear







Left front Left front corner

Paint deteriorated on gable vent



Left side front grade beam fracture



Slight cracking above fracture



Transferrance of crack along left side front window



Paint deterioration at front door trim



Cracks at left side of garage lintel



Crack at left side of garage header



Cracks at center of header



Cracks at right side of garage lintel



Severe crack at right side of lintel



Paint deterioration at garage door trim



Compressor



Crack at right front window top



Crack at right front window edge



Crack at right front window sill



Transferrance of crack below window



Crack at right rear window top



Crack at right rear window sill (center)



Crack below right rear window



Crack in grade beam



Crack at right rear wall



Crack at right rear window corner



Crack at right rear window top



Crack at right rear window edge



Severe crack in left rear grade beam



Crack at left rear window bottom



Large gap at left rear window bottom



Large gap at left rear window edge



Large gap at left rear window top



Water heater



Cracked microwave oven door



Air handler



Previous water penetrtion at dryer vent (streaks)



TexCode Inspection Service

P.O. Box 200934 Austin, TX 78720-0934 http://www.texcode.com P-512-335-5366 F- Inspection date
7/17/2013
Inspection time
4:30 PM

STANDARD INSPECTION SERVICE CONTRACT

- **1. PARTIES:** Sandi Crinkelmeyer, (Client) agrees to employ TexCode, Inc., (the Company) to provide a Structural/Mechanical Real Estate Inspection Report and arrange for a Wood Destroying Insect (WDI) Inspection Report to be performed on the primary structure located at **102 Mesa Dr.**; Leander, TX 78641. The WDI report is furnished at no charge & provided on re-sale inspections only and will not be provided on condos and mobile homes. Client requests and authorizes company to disclose information and provide a copy of the reports to real estate agents, sellers, lenders, attorneys & other parties intimate in this transaction.
- **2. FEES:** Client agrees to pay \$370 & was paid by Check to the Company as estimated and based on the specific criteria provided by Client or their Agent. The Company has the right to adjust the fee if the provided information is found to be incorrect. This fee does not include systems or parts of the property not accessible or unable to inspect at the time of the inspection. A twenty five dollar (\$25) charge is applied for all returned checks. Payment must be received & this contract agreed to prior to the release of any reports. If Escrow Billing payment option is selected, Client agrees to provide adequate contact information for the Closing/Escrow company. Minimum contact information is: Title Company name, address and phone number, Escrow Agent name, phone number and email address and date of closing. Additional Escrow/Closing fees apply and the total fee will be collected thirty (30) days from inspection date unless closing occurs before this date. A credit card is required to reserve the funds for this billing option. The Client agrees to be responsible for the above payments whether or not client purchases the property. If payment is to be made at closing, this contract may be presented to the person responsible for the closing and such person shall pay the fee to the Company. If there is no closing on this property, Client authorizes the person responsible for the earnest money to pay this fee before monies are released to the Client.
- 3. LIMITED WARRANTY: Client acknowledges that the Company warrants only that its inspection will be performed in accordance with the scope herein, the inspection report & the standard of practice of the Texas Real Estate Commission. This is a limited and nontransferable warranty and is the only warranty given by the Company. The Company makes and Client receives no other warranty, expressed or implied. All other warranties, including warranties of merchantability and fitness for a particular purpose, are expressly excluded and waived by the Client. This stated expressed limited warranty is in lieu of all liabilities or obligations of the Company for damages arising out of or in connection with the performance of the inspection and any delivery and use of and reliance on this report. Client waives any claim for consequential, exemplary or incidental damages.
- **4. LIMITATIONS ON LIABILITY:** The liability of the Company is strictly limited to the specific areas which were inspected and which were completely accessible at the time of the inspection. If images are provided to the Client, these images may not be used as evidence against the Company in any controversy whatsoever. The Client agrees the Company will be released of any and all liability related to any images provided as part of any report. The Client agrees that the Company will have no liability for failing to detect a defect, malfunction, inoperative condition, or necessity for repair where the defect, malfunction, inoperative condition or necessary repair was concealed, obstructed or covered up, weather intentional or otherwise. The provisions of this section shall apply if loss or damage, irrespective of cause or origin, results directly or indirectly to persons or property, from performance or nonperformance of the obligations imposed by this contract, or from negligence, active or otherwise, of Company, its agents, servants, assigns or employees. The Company's total liability in the event of any breach of this Contract or of its obligations imposed by law or for any losses, damages, claims or demands arising out of the work and services performed under this contract, shall be limited to the amount of the fee charged for the inspection. Except as provided otherwise herein, the Company shall not be liable for or obligated in any manner to pay any losses, damages, claims or demands arising out of the work or services performed by it under this contract. This limitation of liability applies to anyone, including the Client, who is damaged or has to pay expenses of any kind because of mistakes or omissions by the Company in this inspection or report. Client assumes the risk of losses greater than the refund of the fee paid herein. Client acknowledges that this limitation of liability is reasonable in view of the relatively small fee that the company charges for making the inspection when compared with the potential of exposure that the Company might otherwise incur in the absence of such limitation of liability.
- **5. ENTIRE AGREEMENT:** This Agreement represents the entire agreement between the parties. No change or modification shall be enforceable against any party unless such change or modification is in writing and signed by the parties. Any claims asserted between the parties must be brought based on breach(es) of this Contract. Since the parties' rights and obligations are controlled by this contract, common law negligence claims may not be asserted by the parties. **Acceptance or use of the written report constitutes acceptance of the terms of this contract, even if the Client does not sign this Contract.** If the Client is married or part of a civil union, Client represents that this obligation is a family or civil union obligation incurred in the interest of the family or civil union.

6. SCOPE OF INSPECTION: The scope of the inspection is strictly limited to those items designated by the property inspection report. The inspection is limited to visual, audible and operational techniques of the systems in their normal modes. A Re-Inspection Report consists only of an inspection of the items previously marked as repairs on the original report.

THE COMPANY WILL NOT BE RESPONSIBLE FOR INSPECTING THE FOLLOWING: Any obstructed/inaccessible item, community common areas, solar heating systems, yard lights, water softeners, alarm systems, communication systems, telephone, network or Internet systems, audio/visual systems, photocells, intercoms, any non-built in appliances, refrigerators/freezers, laundry equipment, air humidifiers & filtration systems, water filters/RO systems, water wells, pumps, septic systems, special function of any appliance, gas lines, gas tanks, fencing, playscapes, asbestos, radon gas, radiation, lead paint, urea formaldehyde, toxic or flammable chemicals or substances, molds of any kind, water or airborne diseases, any other heath risks, rodents, insects, and/or wood destroying insects (on new construction, condos & mobile homes). The Company does not take any responsibility for reporting on local, city, county, state or federal building codes. In addition, the Company does not take responsibility for inspecting any item that is not part of the Standard of Practice established by the Texas Real Estate Commission.

- **7. DISPUTE RESOLUTION:** The Client understands and agrees that any claim for failure to accurately report the major visible defects, as limited herein, shall be made in writing and reported to the Company within 10 business days of discovery. The Company agrees to respond promptly to any legitimate complaint and to re-inspect the portion of the property related to the claimed condition. Client further agrees that the Client and its agents, employees or independent contractors will make no alterations, repairs or replacements to the claimed condition prior to a re-inspection by the company. Client understands and agrees that any failure to timely notify the Company and allow adequate time to investigate and re-inspect as stated above shall constitute a complete bar and waiver of any and all claims Client may have against the Company related to the alleged act, omission or claimed condition. Client agrees that if any controversy of claim arising out of or relating to this contract, or breach thereof, shall be settled first by direct discussions secondly by mediation whereas both parties shall share equally the costs of the mediator and lastly by final, binding, non-appealing arbitration whereas both parties shall share equally the costs of the Arbitration. Arbitration shall be performed in accordance with the rules of the American Arbitration Association and conducted in Travis County, Texas. The parties shall mutually agree upon an Arbitrator who is familiar with the real estate inspection industry and the TREC Standards of Practice. If a lawsuit is filed by the Client against the Company and the Company successfully defends against the claim, of the Client, the Client agrees to pay the Company reasonable attorney fees, court costs and expenses incurred in defending against such claims. If a lawsuit is filed by the company to collect monies due an owing under this contract, Client agrees to pay the Company reasonable attorney's fees, court costs and expenses incurred in such lawsuit.
- **8. CONFIDENTIALITY OF REPORT:** The report is confidential and is for the sole and exclusive private use of the Client. It is not to be copied or disseminated to any other party without the expressed written consent of the Company. Use of all information contained in the report is specifically restricted to the transaction for which the inspection was performed. Use of or reliance upon the report by other parties, of for other transactions, is strictly prohibited. No third party shall have any rights arising from this contract or the report and may not rely on the report. In consideration of the furnishing of the report, the client agrees to indemnify, defend, and hold harmless the inspector and Company for all costs, legal fees, awards, settlements, and judgments in any legal proceedings brought by any third party who claims that he/she relied on representations made in such report and was damaged thereby. Client's requests that the Company release copies of the report to any third party or client's release of copies of the report to any third party shall be at the Clients risk with respect to the contents of this paragraph.
- **9. THIRD PARTY SERVICE PROVIDERS:** The Company may have an affiliation with third-party service providers ("TPSP") in order to offer value-added services to its Clients. By signing or agreeing to this contract you authorize our third party service providers to contact you using the contact information you have provided to discuss special service offers. Client authorizes the Company to use data from the inspection report for these or other company purposes.

President and		
Inspector	X Client:	7/17/2013
Company <u>TexCode</u> , Inc.		or fill in date if signed later
TREC #: # 4494	X Client:	
		7/17/2013
		or fill in date if signed later