HOME INSPECTION; DEAL MAKER OR DEAL BREAKER

Scope of the Inspection 3

I. How it Works 4
   a. The Purchase and Sale Agreement Example 9
      i. Quiz 1;
   b. The disclaimer notice 11
      i. Quiz 2;

II. Pre or Prior Inspections 14
   a. Exercise 1 17

III. The Participants / Objectives 18
     i. Quiz 3;

IV. Presentation of the Report to the Buyer and Seller 21
   a. Exercise 2 22
      i. Quiz 4;

V. Sample Inspection Report 24
   a. Summary 7 83
   b. Definitions 86
   c. Cost of Remodeling or Repairs 87
   d. Preventative Maintenance tips 88
   e. Exercise 3 89
      i. Quiz 5;

VI. The report 91
   a. Buyer Exercise 4 92
   b. Seller Exercise 5 94
      i. Quiz 6;

VII. Negotiating the Inspections and Repairs 98
     i. Quiz 7;

VIII. Final forms 101
      a. Repair Replacement Proposal
      b. Repair Replacement Addendum
      c. Tennessee Residential Property Condition Disclosure Update
      d. Buyers Final Inspection 100-101
         i. Quiz 8;

Summary 109
   Exercise 6 110
   Quiz 9 110
Regarding the forms contained in this presentation:

*Tennessee Association of Realtors (TAR) forms are copyrighted and may only be used in actual real estate practice by members or service subscribers of the Tennessee Association of Realtors. The viewpoints and opinions that are presented in class may not necessarily reflect those of TAR.*

*TAR Standard Real Estate Forms are copyrighted materials and are for the exclusive use of members of the TAR or a local REALTOR® association in Tennessee. The copies of the forms provided by Realestatelearning.com are simply learning tools are not to be used in a real estate transaction.*

*All included forms are by permission from the Tennessee Association of Realtors. Permission for approval is on file.*
The Scope of the Inspection

In Tennessee as in most states, the scope of the Home Inspection is spelled out in the Purchase Agreement. It is important for all parties to the transaction to have an understanding of

- The scope of the inspection
- Realistic expectations for buyers and sellers

Both the BUYER’S and SELLER’S AGENTS should invest the time needed and answer any questions regarding the scope of the inspection during the presentation of the offer so that there are no contract issues to define when scheduling, presenting or negotiating the Home Inspection.

When explaining the offer to the prospective buyer, the buyer’s agent has an opportunity to clarify exactly what rights the buyer has in hiring an inspector and how the process works including defining what is appropriate in requesting repairs. The agent has a chance to be proactive with the inspection report at the time of explaining the offer. If this part of the offer is not explained and questions answered, it is likely that the report and expectations will be misunderstood by the buyer. It will be very difficult to go back and explain or clarify after the buyer has received and read the report without conditioning expectations from the very beginning.

The process should be the same for the seller and seller’s agent. If the contract scope of the inspection is explained properly, it should be much easier to negotiate the results of inspections, as the seller will already have some idea what to expect.

If the agents do not explain the process and terms, do not expect the buyers and sellers to set realistic expectations. Expect responses like, “I did not understand it that way.” Or even worse, “Why did you not explain that to me in the beginning?”

Building a strong foundation of what the buyer and seller can expect from the beginning is the best way to eliminate or overcome objections as the process progresses.
Section I. How It Works.

The text of the Tennessee scope of Inspection is:

EXTRACTED FROM 2015 TAR Purchase and Sale Agreement

8. Inspections.
   A. Buyer’s Right to Make Inspection(s). All inspections/requests, including but not limited to the home inspection report, Wood Destroying Insect Infestation Inspection Report, septic inspection and well water test, are to be made at Buyer’s expense, unless otherwise stipulated in this Agreement. The parties hereto agree that in the event Buyer shall elect to contract with a third party inspector to obtain a “Home Inspection” as defined by Tennessee law, said inspection shall be conducted by a licensed Home Inspector. However, nothing in this paragraph shall preclude Buyer from conducting any inspections on his/her own behalf, nor shall it preclude Buyer from retaining a qualified (and if required by law, licensed) professional to conduct inspections of particular systems or issues within such professional’s expertise or licensure, including but not limited to inspection of the heating/cooling systems, electrical systems, foundation, etc., so long as said professional is not in violation of Tenn. Code Ann. § 62-6-301, et seq. as may be amended. Seller shall cause all utility services and any pool, spa, and similar items to be operational so that Buyer may complete all inspections and tests under this Agreement. Buyer agrees to indemnify Seller from the acts of himself, his inspectors and/or representatives in exercising his rights under this Purchase and Sale Agreement. Buyer’s obligations to indemnify Seller shall also survive the termination of this Agreement by either party, which shall remain enforceable. Buyer waives any objections to matters of purely cosmetic nature (e.g., decorative, color or finish items) identified by inspection. Buyer has no right to require repairs or allegations purely to meet current building codes, unless required to do so by governmental authorities. In the event Buyer fails to timely make such inspections and respond within said timeframe as described herein, the Buyer shall have forfeited any rights provided under this Paragraph 8, and in such case shall accept the Property in its current condition, normal wear and tear excepted.

B. Initial Inspections. Buyer and/or his inspectors/representatives shall have the right and responsibility to enter the Property during normal business hours, for the purpose of making inspections and/or tests of the Property. Buyer and/or his inspectors/representatives shall have the right to perform a visual analysis of the condition of the Property, any reasonably accessible installed components, the operation of the Property’s systems, including any controls normally operated by Seller including the following components: heating systems, cooling systems, electrical systems, plumbing systems, structural components, foundations, roof coverings, exterior and interior components, any other site aspects that affect the Property and environmental issues.

C. Wood Destroying Insect Infestation Inspection Report. If desired by Buyer or required by Buyer’s Lender, it shall be Buyer’s responsibility to obtain at Buyer’s expense a Wood Destroying Insect Infestation Inspection Report (the “Report”), which shall be made by a Tennessee-licensed and certified pest control operator. The foregoing expense may be subject to governmental guidelines relating to VA Loans (See VA/FHA Loan Addendum if applicable).

The inspection shall include each dwelling, garage, and other permanent structure on the Property excluding evidence for active infestation and/or damage.

Buyer shall cause such Report to be delivered to Seller simultaneously with any repairs requested by the Buyer or the end of the Inspection Period, whichever is earlier. If the Report indicates evidence of active infestation, Seller agrees to treat infestation at Seller’s expense and provide documentation of the treatment to Buyer prior to Closing. Requests for repair of damage, if any, should be addressed in the Buyer’s request for repairs pursuant to Subparagraph 8B of Buyer’s Inspection and Resolution below.

D. Buyer’s Inspection and Resolution. Within 21 days after the Binding Agreement Date (“Inspection Period”), Buyer shall cause to be conducted any inspection provided for herein, including but not limited to the Wood Destroying Insect Infestation Inspection Report AND shall provide written notice of such to Seller as described below. In said notice Buyer shall either:

1. Furnish Seller with a list of written specified objections and immediately terminate this Agreement via the Notification form or equivalent written notice, provided Buyer has conducted a home inspection or other inspection(s) as allowed herein, and in good faith discovers matters objectionable to Buyer within the scope of such inspection(s). As additional consideration for Buyer’s right to terminate, Buyer shall deliver to Seller or Seller’s representative, upon Seller’s request, a copy of all inspection reports. All Earned Money shall be returned to Buyer upon termination.

OR

2. Accept the Property in its present “AS IS” condition with any and all faults and no warranties expressed or implied via the Notification form or equivalent written notice. Seller has no obligation to make repairs.

OR

3. Furnish Seller a written list of items which Buyer requires to be repaired and/or replaced with like quality or value in a professional and workmanlike manner. Seller shall have the right to request any supporting evidence for the defects and/or damages as indicated by Buyer. If such defects or damages are not corrected to Seller’s satisfaction, Buyer may terminate this Agreement via the Notification form or equivalent written notice. Buyer does not have any right to terminate this Agreement if Seller has already started making repairs.

This form is copyrighted and may only be used in real estate transactions in which it is involved as a TAR authorized user. Unauthorized use of the form may result in legal sanctions being brought against the user and should be reported to the Tennessee Association of Realtors at (615) 221-1437.

Copyright 2015 © Tennessee Association of Realtors

RF401 – Purchase and Sale Agreement, Page 5 of 9

Version 01/01/2015
documentation that substantiates any item listed.

Resolution Period. Seller and Buyer shall then have a period of ____ days following receipt of
the above stated written list ("Resolution Period") to reach a mutual agreement as to the items to
be repaired or replaced with like quality or value by Seller, which shall be evidenced by the
Repair / Replacement Amendment or written equivalent(s). The parties agree to negotiate
repairs in good faith during the Resolution Period. In the event Seller and Buyer do not reach a
mutual written resolution during such Resolution Period or a mutually agreeable written extension
thereof as evidenced in an Amendment to this Agreement signed by both parties within said period
of time, this Agreement is hereby terminated. If terminated, Buyer is entitled to a refund of the
Earnest Money.

☐ F. Waiver of All Inspections. THIS BOX MUST BE CHECKED TO BE PART OF THIS AGREEMENT.

Buyer, having been advised of the benefits of inspections, waives any and all Inspection Rights under this
Paragraph 8 (including but not limited to the Wood Destroying Insect Infestation Inspection Report).

9. Final Inspection. Buyer and/or his inspectors/representatives shall have the right to conduct a final inspection of
Property on the Closing Date or within ____ day(s) prior to the Closing Date only to confirm Property is in the same or
better condition as it was on the Binding Agreement Date, normal wear and tear excepted, and to determine that all
repairs/replacements agreed to during the Resolution Period, if any, have been completed. Property shall remain in such
condition until Closing at Seller’s expense. Closing of this sale constitutes acceptance of Property in its condition as of
the time of Closing, unless otherwise noted in writing.
What the Inspection section of the Purchase and Sale Agreement addresses:

Lines 231-234: Defines the right of the buyer to conduct any inspections that the buyer deems necessary at the buyer’s expense unless otherwise stated. Who pays for what can be determined by mutual contract agreement but would be a departure from the contract norm. This section should clarify what the buyer and seller might inspect.

Lines 234-240: Defines who can conduct an inspection. The key word here is “qualified”. This insures that the inspections are valid based on the recognized expertise of the Inspector and by law. It does state that the buyer also has the right to conduct inspections. The point here is to establish some platform of qualification for inspectors so that all parties are treated fairly and representations have some consistency from one inspector to another.

Lines 240-242: Defines the responsibility of the seller to insure that the property components are turned on for the inspection. This eliminates any question about the responsibility and ensures that the Inspector can inspect all components on his first visit to the property and avoid any cost associated with return visits or time delay in meeting the terms of the dates stated in the contract. It is important for the seller to understand this responsibility.

Lines 242-245: Addresses the issue of indemnity of Seller by Buyer. Indemnify: to guard or secure against anticipated loss; gives security against future damage or liability.

Lines 245-247: Defines the issues that are not to be considered a part of the inspection or that must be repaired by the seller. This is extremely important to communicate so that the expectations about these issues are clear to both the buyer and seller. If section is clear up front, many of the issues associated with the inspection report will not become stumbling blocks to the transaction and the buyer and seller will have established appropriate expectations.

Lines 247-250: Addresses the fact that the dates and number of days to inspect are critical and that if the dates are not honored or the contract amended, the Buyer will forfeit his rights to inspect. Buyers or buyers agents may not explain this well but should. The seller is entitled to reject any inspections and demand performance on the contract with the property transferring “as is” if the dates and timeframe relating to inspections are not honored or the contract extended.

Lines 251-257: Defines the Buyer’s rights to inspect. This section helps both the buyer and seller understand that it is appropriate to inspect anything of concern regarding the property as long as the inspections are either performed during the contract inspection.
period or the contract dates amended. It also addresses that the property will provide access to areas to be inspected.

Lines 258-260: Addresses the requirement that the Termite Inspection be conducted by a licensed and chartered pest control operator and that the Buyer is responsible for payment for the report.

Lines 264-269: Defines the extent of the Termite remedy and the responsibility of the Seller and the Buyer. According to the contract, the report is to be delivered simultaneously with the repair request (to be addressed later). Note that the Seller has the right to treat the termite issue without negotiating. The repairs for damage, however, are addressed by the Buyer in the Repair Replacement Proposal and could allow the Buyer to terminate the contract if a satisfactory solution cannot be reached.

Lines 270: Limits how long the Buyer has to conduct all inspections based on the Binding Agreement Date on the contract. The response to the Inspections must be addressed in writing.

Lines 273-286: Addresses the options to the Buyer once the Inspection Report is received. The options available are:

1. Provide a copy of the report and terminate the contract. All earnest money will be returned to the buyer. Seller should understand the buyer’s right so that if this occurs the disappointment will be minimized. Sometimes a seller erroneously thinks that if the buyer terminates over an inspection that he is entitled to keep the earnest money.
2. Accept the property “as is” with no repairs required by the seller. Move on to closing!
3. Provide a list of requested repairs using the “Repair Replacement Proposal”. Repairs must be made as stated in the contract and support agreement documents. Buyer must provide support documents with the repair request.

Lines 287 -295: Allows time for the parties to try to negotiate in good faith any repairs or concessions to be made. Allow enough time for the Seller to explore the cost of potential repairs. If the process needs more time than allowed, the contract must be extended in writing by all parties. If no solution can be reached, the contract is voided and the buyer is entitled to a refund of earnest money. **NOTE:** The seller can refuse any or all repairs requested but cannot terminate the contract. It is the buyer’s right to terminate if he does not accept the sellers proposal.

Lines 296-298: Should only be used for specific purposes. If this box is checked the Buyer waives all rights to inspect. Most buyers do not have the expertise to choose this option. If a Buyer is knowledgeable about the workings of a property, he/she might
choose this as an incentive for the Seller to give greater consideration regarding accepting an offer without negotiating because the Seller would not have to consider the possibility of any additional cost of repairs. This option is so risky that I suggest initials as well as a check mark to assure that the buyer understands waiving his rights.

Lines 299-304: Defines the scope of the final inspection / walkthrough. The purpose is to allow the buyer to inspect any repairs and confirm that the property is being delivered in the same condition as when purchased. Repairs can be confirmed by the buyer’s inspector(s) if the buyer chooses at the buyer’s expense.

In addition, Tennessee also provides a form specifically disclosing to both the Buyer and Seller the types of inspections that are appropriate. The Buyer has the option of conducting any or all of the Inspections as long as (1) he bears any cost of the inspections, and (2) all inspections are completed within the Inspection period or extended period. RF304 Disclaimer Notice follows. This form should also be covered with the Buyer and Seller and any concerns or questions covered. This forms answers the Question, “Can I inspect the ____________.” 
The purpose of the Disclaimer Notice is to insure the Buyer, Seller, Buyer’s agent and Seller’s Agent have an understanding of the types of inspections that might be needed to address any concerns regarding a property. Lines 1-15 introduce the scope and objective of the form. Once this form is explained and signed, the seller should not be surprised regarding any of the inspections the buyer chooses to perform. Every buyer will have had the opportunity to clearly understand his choices for inspections, and since he has signed off, this relieves the agent from leaving something out of this part of the inspection process and limits agent liability. This is an important document for the buyer to consider, because it is now his responsibility, regarding inspections or possible deficiencies that an inspection might have revealed.
Quiz 1

1. Why is it important to explain the scope of the inspection when writing or presenting the offer?
   a. It allows the agent to seem smart.
   b. It helps establish realistic expectations.
   c. It helps the buyer understand how to re-negotiate the offer to his advantage.

2. Who cannot conduct an inspection?
   a. A qualified and licensed inspector.
   b. A licensed contractor; electrician.
   c. Uncle Ed from Ohio.

3. A seller can refuse to open a pool for an inspector.
   a. True
   b. False

4. The buyer is entitled per the contract language to ask for repairs to anything and everything.
   a. Yes; he is entitled.
   b. No; the contract language specifies what is to be expected.

5. The dates time lines of the contract:
   a. Are just guidelines and have little meaning
   b. Can be adjusted any time.
   c. Must be changed in writing by all parties.

6. Who pays for the termite letter?
   a. The buyer
   b. The seller
   c. Can be negotiated in writing.
7. What are the buyer’s options once the inspection has been received?
   a. Cancel the contract but will forfeit his earnest money
   b. Accept the findings of the contract “as is”
   c. Request repairs through a Repair Proposal.
   d. All of the above
   e. b & c

8. Once the seller receives the request for repairs he cannot
   a. Accept the proposal for repairs.
   b. Cancel the contract.
   c. Negotiate the repair request.

9. Waiving the Inspections is a good option for all buyers. The agent should promote this decision.
   a. True
   b. False

10. The final walkthrough provides the buyer an opportunity to
    a. Renegotiate the contract.
    b. Confirm the repairs.
DISCLAIMER NOTICE

The Brokers and their affiliated licensees (hereinafter collectively “Licensees”) involved in the Purchase and Sale Agreement (hereinafter “Agreement”) regarding real estate located at _______________, hereinafter “Property”, are not attorneys and are not structural or environmental engineers. They are engaged in bringing together buyers and sellers in real estate transactions. Licensees expressly deny any expertise with respect to advise or informed opinions regarding any of the following matters. This Disclaimer Notice is an express warning to all sellers and buyers that they should not rely on any statement, comment or opinion expressed by any Licensee when making decisions about any of the following matters, including the selection of any professional to provide services on behalf of buyers or sellers. Any professional selected by buyers or sellers should be an “independent, qualified professional”, who complies with all applicable state/local requirements, which may include licensing, insurance, bonding requirements. It is strongly recommended that buyers include contingency clauses in their offers to purchase with respect to these or any other matters of concern and that buyers, in writing the offer, allow enough time to get an evaluation of the following matters from an independent, qualified professional. The matters listed below are not an exclusive list of actions or circumstances which are not the responsibility of the Licensees with whom you work. These items are examples and are provided only for your guidance and information.

1. THE STRUCTURAL OR OTHER CONDITIONS OF THE PROPERTY. Consult with professional engineers or other independent, qualified professionals to ascertain the existence of structural issues, the condition of synthetic stucco (E.I.F.S.) and/or the overall condition of the Property.

2. THE CONDITION OF ROOFING. Consult with a bonded roofing company for any concerns about the condition of the roof.

3. HOME INSPECTION. We strongly recommend that you have a home inspection, which is a useful tool for determining the overall condition of a home including, but not limited to, electrical, heating, air conditioning, plumbing, water-heating systems, fireplaces, windows, doors and appliances. Contact several sources (like the Tennessee Department of Commerce & Insurance (www.state.tn.us/commerce/index.shtml), the American Society of Home Inspectors (www.ash.com), the National Association of Certified Home Inspectors (www.nahi.org), and Home Inspectors of Tennessee (www.hiti.us) and independently investigate the competency of an inspector, including whether he has complied with State and/or local licensing and registration requirements in your area. The home inspector may, in turn, recommend further examination by a specialist (heating-air-plumbing, etc.). Failure to inspect typically means that you are accepting the Property “as is”.

4. WOOD DESTROYING ORGANISMS, PESTS AND INFESTATIONS. It is strongly recommended that you use the services of a licensed, professional pest control company to determine the presence of wood destroying organisms (termites, fungus, etc.) or other pests or infestations and to examine the Property for any potential damage from such.

5. ENVIRONMENTAL HAZARDS. Environmental hazards, such as, but not limited to: radon gas, mold, asbestos, lead-based paint, hazardous wastes, landfills, byproducts of methamphetamines production, high-voltage electricity, noise levels, etc., require advanced techniques by environmental specialists to evaluate, remediate and/or repair. It is strongly recommended that you secure the services of knowledgeable professionals and inspectors in all aspects of environmental concern.
6. SQUARE FOOTAGE. There are many ways of measuring square footage. Information is sometimes gathered from tax or real estate records on the Property. Square footage provided by builders, real estate licensees, or tax records is only an estimate with which to make comparisons, but it is not guaranteed. It is advised that you have a licensed appraiser determine actual square footage.

7. CURRENT VALUE, INVESTMENT POTENTIAL, OR RESALE VALUE OF THE PROPERTY. A true estimate of the value can only be obtained through the services of a licensed appraiser. No one, not even a professional appraiser, can know the future value of a property. Unexpected and unforeseeable things happen. NOTE: A real estate licensee’s Comparative Market Analysis (CMA) or Broker’s Price Opinion (BPO), etc., while sometimes used to set an asking price or an offer price, is not an appraisal.

8. BOUNDARY LINES, EASEMENTS, ENCROACHMENTS, AND ACREAGE. It is strongly advised that you secure the services of a licensed surveyor for a full-stake boundary survey with all boundary lines, easements, encroachments, flood zones, total acreage, etc., clearly identified. It is also advised that you not rely on mortgage loan inspection surveys, previous surveys, plat data, or Multiple Listing Service (MLS) data for this information, even if acceptable to your lender.

9. ZONING, CODES, COVENANTS, RESTRICTIONS, AND RELATED ISSUES. Zoning, codes, covenants, restrictions, home owner association by-laws, special assessments, city ordinances, governmental repair requirements and related issues need to be verified by the appropriate sources in writing. If your projected use requires a zoning or other change, it is recommended that you either wait until the change is in effect before committing to a property or provide for this contingency in your purchase and sale agreement.

10. UTILITY CONNECTIONS, SEPTIC SYSTEM CAPABILITY, AND RELATED SERVICES. The availability, adequacy, connection and/or condition of waste disposal (sewer, septic system, etc.), water supply, electric, gas, cable, internet, telephone, or other utilities and related services to the Property need to be verified by the appropriate sources in writing. You should have a professional check access and/or connection to public sewer and/or public water source and/or the condition of any septic system(s) and/or wells. To confirm that any septic systems are properly permitted for the actual number of bedrooms, it is recommended that sellers and/or buyers request a copy of the information contained in the file for the Property maintained by the appropriate governmental permitting authority. If the file for this Property cannot be located or you do not understand the information contained in the file, you should seek professional advice regarding this matter. For unimproved land, septic system capability can only be determined by using the services of a professional soil scientist and verifying with the appropriate governmental authorities that a septic system of the desired type, size, location, and cost can be permitted and installed to accommodate the size home that you wish to build.

11. FLOODING, DRAINAGE, FLOOD INSURANCE, AND RELATED ITEMS. It is recommended that you have a civil or geotechnical engineer or other independent expert determine the risks of flooding, drainage or run-off problems, erosion, land shifting, unstable colluvial soil, sinkholes and landfills. The risk of flooding may increase and drainage or storm run-off pathways may change. Be sure to consult with the proper governmental authorities, elevation surveyors, and flood insurance professionals regarding flood and elevation certificates, flood zones, and flood insurance requirements, recommendations and costs.

12. CONDEMNATION. It is recommended that you investigate whether there are any pending or proposed condemnation proceedings or similar matters concerning any portion of the Property with the State, County and city/town governments in which the Property is located. Condemnation proceedings could result in all or a portion of the Property being taken by the government with compensation being paid to the landowner.

13. SCHOOL DISTRICTS AND OTHER SCHOOL INFORMATION. It is advised that you independently confirm school zoning with the appropriate school authorities, as school districts are subject to change. Other school information (rankings, curriculums, student-teacher ratios, etc.) should be confirmed by appropriate sources in writing.
14. INFORMATION ABOUT CRIMES, METHAMPHETAMINE PROPERTIES, OR SEX OFFENDERS. You should consult with local, state and federal law enforcement agencies for information or statistics regarding criminal activity at or near the Property, the presence of methamphetamine manufacturing, or for the location of sex offenders in a given area.

15. LEGAL AND TAX ADVICE. You should seek the advice of an attorney and/or certified tax specialist on any legal or tax questions concerning any offers, contracts, issues relating to title or ownership of the Property, or any other matters of concern, including those itemized in this Disclaimer Notice. Real estate licensees are not legal or tax experts, and therefore cannot advise you in these areas.

16. RECOMMENDED INSPECTORS, SERVICE PROVIDERS, OR VENDORS. The furnishing of any inspector, service provider or vendor named by the real estate licensee is done only as a convenience and a courtesy, and does not in any way constitute any warranty, representation, or endorsement. Buyers and sellers have the option to select any inspectors, service providers or vendors of the buyer’s or seller’s choice. You are advised to contact several sources and independently investigate the competency of any inspector, contractors, or other professional expert, service provider or vendor and to determine compliance with any licensing, registration, insurance and bonding requirements in your area.

The buyers and sellers acknowledge that they have not relied upon the advice, casual comments, or verbal representations of any real estate licensee relative to any of the matters itemized above or similar matters. The buyers and sellers understand that it has been strongly recommended that they secure the services of appropriately credentialed experts and professionals of the buyer’s or seller’s choice for the advice and counsel about these and similar concerns.

The party(ies) below have signed and acknowledge receipt of a copy.

CLIENT/CUSTOMER (BUYER / SELLER) CLIENT/CUSTOMER (BUYER / SELLER)

Date    Date

NOTE: This form is provided by TAR to its members for their use in real estate transactions and is to be used as is. By downloading and/or using this form, you agree and covenant not to alter, amend, or edit said form or its contents except as provided in the blank fields, and agree and acknowledge that any such alteration, amendment or edit of said form is done at your own risk. Use of the TAR logo in conjunction with any form other than the standardized forms created by TAR is strictly prohibited. This form is subject to periodic revision and it is the responsibility of the member to use the most recent available form.

This form is copyrighted and may only be used in real estate transactions in which

Tennessee Association of Realtors

Copyright 2003 © Tennessee Association of Realtors

RF 394 – Disclaimer Notice, Page 3 of 3

Version 01/01/2015
Quiz 2

1. The buyer can inspect or confirm
   a. The survey.
   b. Radon.
   c. Moisture
   d. All of the above.

2. Who pays for inspections?
   a. The buyer.
   b. The seller.
   c. Costs are negotiable.

3. Square footage must be determined by (which are correct?)
   a. A qualified inspector.
   b. Blueprints.
   c. Agent measurements.

4. An appraisal
   a. Determines the exact value of a home.
   b. Provides a good approximate value based on industry criterion.
   c. Once received, cannot be negotiated by the buyer or seller

5. Only the items listed in the Disclaimer Notice can be inspected.
   a. True
   b. False

6. The agent
   a. Can adequately answer most of the questions regarding the Disclaimer Notice for a client.
   b. Should explain the Notice fully and allow the client to hire professionals regarding any concerns.
Section II. Pre or Prior Inspections

The purpose of a pre inspection for the seller is to determine the condition of the home and identify any repairs that might be necessary to sell a property. Also, a good inspection report with repairs made in advance of listing the property for sale might be an incentive for a buyer to purchase and close quickly. If the seller chooses to initiate a pre-inspection the advantages are that the issues and repairs discovered can be addressed prior to beginning the marketing process. In theory, this provides the seller with a better understanding of what he or she will net from a potential sale because the cost of repairs has been predetermined or the repairs made. A pre-inspection also provides an opportunity for the seller to determine what maintenance issues might be necessary to market the property in A+ condition. Addressing maintenance issues prior to marketing is a great way for the seller to position a property so that potential buyers recognize the property as a better value than other competing properties that have not addressed general maintenance issues. This might also be an incentive for higher buyer interest or higher offers to purchase the property.

However, there are some additional considerations regarding pre or prior inspections of a property:

1. Multiple inspections are not necessarily consistent. A buyer inspection would not be eliminated by a pre or prior inspection. A buyer might either accept the results of a prior inspection or choose for the same inspection to re-inspect, but is not obligated to do so. The seller should also confirm from an inspector if the report can be shared in its entirety with a buyer and under what conditions. If a new inspection is the buyer’s choice, the seller may find that new issues are discovered and more repairs need addressing. So a pre inspection does not guarantee that additional repairs will not be required to sell.

2. What about disclosure of repairs from a pre-inspection or prior inspection, especially of the issues are significant?

The real estate agent may have other obligations under the law and the Code of Ethics. Pursuant to Tenn. Code Ann. § 62-13-403(2), a real estate agent is required to “disclose to each party to the transaction any adverse facts of which the licensee has actual
notice or knowledge.” Tennessee law defines an adverse fact as “conditions or occurrences generally recognized by competent licensees that have a negative impact on the value of the real estate, significantly reduce the structural integrity of improvements to real property or present a significant health risk to occupants of the property.” Tenn. Code Ann. § 62-13-102(2). Therefore, if an agent has actual knowledge of an adverse fact, he must disclose it, particularly if the seller does not. This could be seen as an adverse fact.

There is an obligation pursuant to Article 2 of the Code of Ethics. It states:

Realtors® shall avoid exaggeration, misrepresentation, or concealment of pertinent facts relating to the property or the transaction. Realtors® shall not, however, be obligated to discover latent defects in the property, to advise on matters outside the scope of their real estate license, or to disclose facts which are confidential under the scope of agency of non-agency relationships as defined by state law.

If an agent has knowledge of an adverse fact, the agent is required by law to disclose it. The agent will have to notify future prospective buyers of any adverse facts. The agent should advise the seller that adverse facts must be disclosed and that the disclosures be made in writing and signed by the potential buyer along with any documentation regarding the scope of the facts, inspections, remedies and/or repairs. If an agent is aware of an adverse fact, the agent should notify the seller and require the seller sign off indicating he understands any adverse fact must be disclosed and that the agent will not be held responsible for the disclosure. If a seller refuses to disclose, the agent should release the listing. It is unclear if all results or an existing inspection report has to be disclosed. However the agent must disclose adverse facts. If there is any doubt about what would be defined as an adverse fact the broker and an attorney should be consulted regarding disclosure.

The seller’s options for addressing pre-inspection or prior inspection findings would be:

- Disclose the issues in writing to perspective buyers or buyers agents.
- Determine any cost involved for addressing the issues or making repairs and disclose that information in writing. The purpose of choosing this option would be to offer disclosure without investing in the repairs. The cost of repairs when choosing this option would become part of negotiating the sale price. Once an offer is initiated the seller would have a better idea of his net proceeds from the sale based on any concession regarding repairs.
- The seller might also choose to repair part or all of the issues. The benefit of this option for the seller is that he can disclose the issues and document the repairs. Choosing this option means that the cost of repairs should no longer be an issue.
Home Inspection; Deal Maker or Deal Breaker

If the seller does choose this option, he or she should be sure to retain and make available any documentation for a potential buyer, buyer’s agent or buyer’s home inspection for evaluation.

The disadvantages of a pre-inspection are:

- The buyer may not trust a home inspection that has been performed on behalf of the seller. In order to overcome this objection the seller should ask the inspector who has performed the pre-inspection under what circumstances the entire inspection including a re-inspection with the buyer could be provided. Many inspectors will agree to this strategy with some payment for the re-inspection. This approach might create enough confidence in the buyer to accept the results of the pre-inspection and proceed. It is the buyer’s right if they choose, to hire their own inspector whose relationship and liability is a direct relationship. It is highly likely that a second inspection will find issues that the first inspection did not uncover. This can be very disappointing to the seller if they think all home inspection issues have been previously addressed.

To protect himself, a buyer’s agent should consider asking any listing agent in writing (or by e-mail):

1. If there have been recent inspections of the property.
2. To provide a copy of the reports.
3. To provide documentation regarding any repairs as well as receipts and warranties.

**Exercise 1**

Is it a good idea for the seller to secure a pre inspection?

*Transfer your answer to the answer sheet*

The seller’s agent should discuss the pros and cons of the pre-inspection and the seller should then decide. The seller’s agent should present the option but not participate in the decision.
**Section III. The Participants/ Objectives**

The participants in the inspection portion of completing a transaction are the buyer, the buyer’s agent, the seller, the seller’s agent, the inspectors, and later in the process, the repair providers.

The first decision-maker in the process is the buyer.

The buyer’s primary objective is to eliminate the risk associated with purchasing a property. The buyer hires inspectors to define risk and determine what additional costs he might incur if he purchases a particular property. The buyer will probably ask his agent to recommend a competent inspector to provide inspections. The buyer’s agent should provide a list of competent licensed inspectors for the buyer to choose from. The buyer’s agent should be familiar with inspectors who are capable of providing the needed services depending on the type of property to be inspected. For instance, one group of inspectors might be more confident in inspecting older homes that would have more specific repair needs or issues. Others might be more qualified in certain areas of inspections like wet basements, mold, or radon. It is also important for the agent to be sure that enough time is allowed to perform all inspections that the buyer might want for a particular property.

The other decision-maker in the process is the seller.

The seller’s primary objective is usually to spend as little additional money as possible in completing the transaction. The seller’s agent should have prepared the seller regarding what to expect from an inspection when presenting the offer and completing the contract. If the seller thoroughly explains the scope of the inspection to the seller initially, it should eliminate some of the anxiety and stress associated with waiting for the results of any inspection.

To successfully gain a meeting of the minds of the Buyer and Seller, agents must keep the individual objectives focused on the primary objective.

The primary objective is for a buyer to buy the property and the seller to sell the property.

The secondary objectives must be channeled into the primary.

The secondary objective of the buyer is to eliminate risk associated with the inspections findings.

The secondary objective of the seller is to minimize his cost.
If both parties can reduce the secondary objectives to a function of money, the chances of successful negotiating will increase.

The inspector should not assume a decision-making role in the inspection process. The objective of the inspector should be to provide a fair perspective of the condition of the property. The inspector should provide a detail report including pictures, descriptions and exhibits that clearly define the scope of any issues he finds during the inspection process. The report is usually distributed to the buyer and buyer’s agent initially, and ultimately to the seller and seller’s agent as soon as the buyer determines how he intends to negotiate the findings of the home inspection using the Repair Replacement form RF654.

The buyer’s and seller’s agents should not assume a decision-making role in the process. Their role should be to offer suggestions and/or options regarding how to move forward with the transaction. Agents must remember that they are not licensed inspectors nor considered to be experts outside of their license capability. If expert opinions are needed regarding the findings of the report, the home inspector or other experts should be consulted for expert opinions and/or solutions.
Quiz 3

1. If a property is inspected by 2 different inspectors:
   a. The results should be identical.
   b. The results may vary dramatically
   c. The results of the second inspection would be considered most accurate.

2. Regarding a pre-inspection which answers are correct?
   a. The entire report must be shared with prospective buyers.
   b. The seller has the right to ignore all results of a pre-inspection and disclose nothing.
   c. The agent alone can determine what should be disclosed.
   d. None of the above

3. Which are correct? Tennessee law defines an adverse fact as:
   a. Conditions or occurrences generally recognized by competent licensees that have a negative impact on the value of the real estate.
   b. It reduces the structural integrity of improvements to real property.
   c. It presents a significant health risk to occupants of the property.
   d. All of the above.

4. If the seller is aware of an adverse fact the seller can
   a. Advise the agent to ignore it.
   b. Disclose it verbally.
   c. Disclose it in writing.

5. The agent’s options regarding disclosure of an adverse fact are to:
   a. Ignore it, inspectors can be wrong.
   b. Ignore it because it can be considered “confidential.”
   c. Inform the seller in writing that the adverse fact will be disclosed.
6. The seller can avoid disclosing an adverse fact by hiring a new agent to represent him and not telling the agent.
   a. True
   b. False

7. A seller can avoid disclosing what might be an adverse fact by:
   a. Not reading the inspection report.
   b. Asking the agent to review and determine the disclosure issue.
   c. The seller cannot avoid disclosure through ignorance.

8. A seller can address an adverse fact by:
   a. Repairing the issue with no disclosure.
   b. Repairing the issue with disclosure.

9. The buyer
   a. Must accept the results of the pre inspection.
   b. Can review the pre-inspection because it belongs to the seller.
   c. Can conduct an additional inspection at the buyer’s expense.

10. Is the buyer’s agent required by law to ask the listing agent if there have been prior inspections?
    a. Yes
    b. No

### IV. Presentation of the Report to the Buyer and Seller

Usually the buyer will meet the Home Inspector at the property for some portion of the inspection. It is better for the buyer to arrive somewhere towards the end of the process so that he or she does not have to wait for hours for the inspector to complete the process. Buyer presence can be a distraction to the inspector and take more time than necessary. The advantage of the buyer visiting the property with the inspector is that he can see any issues and ask questions immediately. Some buyers’ agents feel it is necessary to attend all inspections entirely. Although not required it is not a bad idea for the buyer’s agent to at least attend the presentation so that he/she will have a clear understanding of any issues. The buyer will often expect the agent to interpret the inspection later when he has questions about how to respond. A note here: the agent needs to remember his role is not a decision maker and that he should defer back to the inspector or other experts if there are questions.
The inspector should thoroughly explain and point out any issues that he finds to the buyer and buyers’ agent. A professional inspector should stick with the facts and not interject emotion into the presentation. Many buyers will be nervous about the inspection because it is critical to their decision to proceed. If emotion or words indicating emotion are used by the inspector or the agent, it may cause the buyer to lose objectivity in the decision-making process. If the buyer doesn’t focus on the report as strictly a risk assessment and solutions to risk based on money, they may overload and back out.

The best presentation will focus on an issue considering three areas:

1. Is the issue definable?
2. Is the issue repairable?
3. Can the exact cost of the repair be determined?

If the focus on issues is based on these three factors, there is no emotion and a decision is strictly a function of money, which is where it should be. All issues can be defined under these terms and negotiated effectively, whether completing this transaction or moving on to the next offer if no solution can be established. Issues do not magically disappear; they must be addressed in order to sell a property.

**Exercise 2**

Suppose the report indicates the presence of a leak in the roof.

Question: How will a prospective buyer react?

*Transfer your answer to the answer sheet*

How will the seller react?

*Transfer your answer to the answer sheet*

What if instead of a leak in the roof, the buyer and seller is presented with an issue requiring $500.00 fix?

*Transfer your answer to the answer sheet*
The same problem evaluated logically as a fixable issue with a finite cost is not the same as an emotional reaction about a leaky roof.

Quiz 4

1. The buyer’s objective in conducting inspections is to:
   a. Re-negotiate the contract to a lower price.
   b. Determine his risk factor.
   c. Provide a few days to decide if he really wants to proceed with the purchase.

2. The buyer’s agent should:
   a. Provide a list of qualified inspectors for the buyer to choose.
   b. Arrange a referral fee with an inspector and use him exclusively.

3. Inspectors should be listed based on which criterion?
   a. A track record with the type of property.
   b. Ability to conduct specific inspections.
   c. How much they charge.

4. The sellers primary objective is to:
   a. Get a free evaluation of his property.
   b. Spend as little money as possible to complete the sale.
   c. Provide time for him to see if he can produce a better offer.

5. The buyer’s agent should:
   a. Advise regarding the inspection
   b. Provide options for decision making.
   c. Participate in the decision making process.

6. The buyer should:
   a. Plan to be present for the entire inspection.
   b. Use the written report only.
   c. Plan on spending the last hour with the inspector on site.
7. The inspection should focus on all except:
   a. Is the issue definable?
   b. Is the issue repairable?
   c. The cost does not matter; it is relative.

SECTION V SAMPLE INSPECTION REPORT

HOME INSPECTION REPORT

INSPECTION DATE:

PREPARED FOR:

PREPARED BY:

INSPECTION NUMBER:

INSPECTOR:

BUILDING DATA
Home Inspection; Deal Maker or Deal Breaker

Approximate Age: 16 Years
Style: One and a half Story
General Appearance: Satisfactory
Main Entrance Faces: East
Weather Condition: Clear
Temperature: Over 60°F
Ground cover: Dry

Inspection Address:
Dear ____________________________:

At your request, an inspection of the above property has been performed. We are pleased to submit the attached report. This report is a professional opinion based on a visual inspection of the accessible components of the home. This report is not an exhaustive technical evaluation. An evaluation of this nature would cost many times more.

Please understand that there are limitations to this inspection. Many components of the home are not visible during the inspection and very little historical information is provided in advance of the inspection. While we can reduce your risk of purchasing a home, we cannot eliminate it, nor can we assume it. Even the most comprehensive inspection cannot be expected to reveal every condition you may consider significant to ownership. In addition to those improvements recommended in our report, we recommend that you budget for unexpected repairs. On average, we have found that setting aside roughly one percent of the value of the home on an annual basis is sufficient to cover unexpected repairs.

Your attention is directed to your copy of the Inspection Agreement. It more specifically explains the scope of the inspection and the limit of our liability in performing this inspection. The Standards of Practice prohibits us from making any repairs or referring any contractors. We are not associated with any other party to the transaction of this property, except as may be disclosed to you.

The information provided in this report is solely for your use. We will not release a copy of this report without your written consent.

Thank you for selecting our company. We appreciate the opportunity to be of service. Should you have any questions about the general condition of the house in the future, we would be happy to answer these. There is no fee for this telephone consulting. Our fees are based on a single visit to the property. If additional visits are required for any reason, additional fees may be assessed.

Sincerely,

Inspector
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Category</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>BUILDING DATA / RECEIPT INFORMATION</td>
<td></td>
</tr>
<tr>
<td>GROUNDS</td>
<td>27</td>
</tr>
<tr>
<td>ROOF COVERING</td>
<td>34</td>
</tr>
<tr>
<td>GUTTERS / SIDING / TRIM</td>
<td>37</td>
</tr>
<tr>
<td>EXTERIOR / ELECTRICAL / AC / GARAGE</td>
<td>44</td>
</tr>
<tr>
<td>KITCHEN</td>
<td>49</td>
</tr>
<tr>
<td>LAUNDRY / UTILITY ROOM</td>
<td>49</td>
</tr>
<tr>
<td>BATHROOMS</td>
<td>52</td>
</tr>
<tr>
<td>LIVING ROOM</td>
<td>56</td>
</tr>
<tr>
<td>DINING ROOM</td>
<td>56</td>
</tr>
<tr>
<td>MASTER BEDROOM</td>
<td>56</td>
</tr>
<tr>
<td>BEDROOM</td>
<td>58</td>
</tr>
<tr>
<td>BEDROOM</td>
<td>58</td>
</tr>
<tr>
<td>BONUS ROOM</td>
<td>58</td>
</tr>
<tr>
<td>OFFICE</td>
<td>60</td>
</tr>
<tr>
<td>WINDOWS / FIREPLACES / ATTIC</td>
<td>62</td>
</tr>
<tr>
<td>CRAWL SPACE</td>
<td>70</td>
</tr>
<tr>
<td>PLUMBING</td>
<td>74</td>
</tr>
<tr>
<td>HEATING SYSTEM</td>
<td>76</td>
</tr>
<tr>
<td>COOLING SYSTEM</td>
<td>78</td>
</tr>
<tr>
<td>ELECTRICAL</td>
<td>78</td>
</tr>
<tr>
<td>SUMMARY*</td>
<td>83</td>
</tr>
</tbody>
</table>
## GROUNDS

### Service Walks
- **Concrete**
- **Satisfactory**

- **Flagstone**
- **Marginal**

- **Brick**
- **Poor**

- **Other**

- **Trip**

- None
- Public sidewalk needs repair
- Pitched towards home
- Settling cracks
- Not visible

### Driveway
- Concrete
- Satisfactory
- Flagstone
- Marginal
- Brick
- Poor
- Other
- Trip

- None
- Asphalt
- Poor

- Gravel
- Trip

- Not visible

- *Fill cracks and seal*
- Pitched towards home
- Settling cracks

### Deck
- Treated
- Painted/Stained
- Railing/balusters recommended

- Wood
- Other

- Satisfactory
- Marginal
- Poor

- *Fill cracks and seal*
- *Pitched towards home*

### Porch (covered entrance)
- Support Pier: Wood
- Concrete
- Brick

- Satisfactory
- Marginal
- Poor

- *Railing/balusters recommended*

### Stoops/Steps
- Concrete
- Wood
- Other

- Satisfactory
- Marginal
- Poor

- Uneven risers
- Safety Hazard

- Railing recommended

- *Railing recommended*

### Fencing
- None
- *Type: Wood*

- *Not evaluated*

### Landscaping Affecting Foundation
- *Recommend additional backfill wells/covers*

- North
- South

- Satisfactory
- Recommend window

- Wood in contact/too close to

- N/A

### Retaining Wall:
- Concrete
- Wood

- *Safety Hazard*

- Other

- No

### Hose Bibs
- Yes
- No

- *Not tested*

- *Not on*

### General Comments

*Driveway is showing signs of settlement cracks, but is in satisfactory condition. However, these cracks should be sealed to slow down the deterioration process of the cement, and to prevent heaving in the future.*

*Both decks and garage landing are in need of sealing/ staining maintenance to prolong their useful life.*

*Balusters are too far apart on the garage landing rail. Balusters need to be 4” or less apart. This is a Safety -
Concern for small children. 4x4 supports are missing for the railing at the corners, and where the railing meets the house on the deck. Safety – Concern. Recommend a licensed contractor evaluate to provide proper strength/stability for the railing. A settlement crack was discovered between the front steps and porch. Recommend tuck pointing new mortar into place to prevent moisture intrusion, further settlement in the future. Fence is in need of minor maintenance repairs in the side yard. Rest of the fence appeared to be in overall satisfactory condition. However is in need of sealing/staining maintenance to prolong its useful life. Low areas (negative grade) next to the foundation at the back of the house are in need of correction. Recommend additional backfill to create a proper pitch away from the foundation. Two trees in the south side yard are either dead or dying, and should be removed to prevent personal injury, and/or structural damage.

Driveway cracks should be sealed
Both decks/landing are in need of staining

maintenance
4x4 supports are missing                          Balusters are too far apart
Home Inspection; Deal Maker or Deal Breaker

Crack should be sealed

Fence is in need of repair/ Stain
Negative grade at the back of the house
Dead trees in the side yard
GROUND REMARKS

Service Walks/Driveways
Spalling concrete cannot be patched with concrete because the new will not bond with the old. Water will freeze between the two layers, or the concrete will break up from movement or wear. Replacement of the damaged section is recommended. Walks or driveways that are close to the property should be properly pitched away to direct water away from the foundation. Asphalt driveways should be kept sealed and larger cracks filled so as to prevent damage from frost.

Patios that have settled towards the structure should be mud jacked or replaced to assure proper pitch. Improperly pitched patios are one source of wet basements.

Exterior Wood Surfaces
All surfaces of untreated wood need regular applications of paint or special chemicals to resist damage. Porch or deck columns and fence posts which are buried in the ground and made of untreated wood will become damaged within a year or two.

Decks should always be nailed with galvanized or aluminum nails. Decks that are not painted or stained should be treated with a water sealer.

Grading and Drainage
Any system of grading or landscaping that creates positive drainage (moving water away from the foundation walls) will help to keep a basement dry. Where negative grade exists and additional backfill is suggested, it may require digging out around the property to get a proper pitch. Dirt shall be approximately 6’’ below the bottom sill and should not touch wood surfaces.

Flower beds, loose mulched areas, railroad ties and other such landscaping items close to the foundation trap moisture and contribute to wet basements. To establish a positive grade, a proper slope away from the house is 1” per foot for approximately 5-6 feet. Recommend ground cover planting or grass to foundation.

Roof and Surface Water Control
Roof and surface water must be controlled to maintain a dry basement. This means keeping gutters cleaned out and aligned, extending downspouts, installing splash blocks, and building up the grade so that roof and surface water is diverted away from the building.

Window Wells
The amount of water which enters a window well from falling rain is generally slight, but water will accumulate in window wells if the yard is improperly graded. Plastic window well covers are useful in keeping out leaves and debris.

Retaining Walls
Retaining walls deteriorate because of excessive pressure buildup behind them, generally due to water accumulation. Often, conditions can be improved by excavating a trench behind the retaining wall and filling it with coarse gravel. Drain holes through the wall will then be able to relieve the water pressure.

Retaining walls sometime suffer from tree root pressure or from general movement of topsoil down the slope. Normally, these conditions require rebuilding the retaining wall.

Railings
It is recommended that railings be installed for any stairway over 3 steps and porches over 30” for safety reasons. Balusters for porches, balconies, and stairs should be close enough to assure children cannot squeeze through.
## ROOF COVERING

### General Information

<table>
<thead>
<tr>
<th>Roof Visibility</th>
<th>☑ All ☐ Percent ☐ None ☐ Limited By:</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Inspected From</th>
<th>☐ Roof ☑ Ladder at eaves ☑ Ground w/binoculars</th>
</tr>
</thead>
</table>

### Style of Roof

<table>
<thead>
<tr>
<th>Type: Combination:</th>
<th>☐ Gable ☑ Hip ☐ Mansard ☐ Shed ☐ Flat ☐ Other</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Pitch: Combination:</th>
<th>☐ Low ☑ Medium ☑ Steep ☐ Flat</th>
</tr>
</thead>
</table>

### Roof Covering

<table>
<thead>
<tr>
<th>Roof #1:</th>
<th>Type: Asphalt</th>
<th>Estimated Layers: 1 Layer</th>
<th>Approximate age of cover: 15-20 years</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Ventilation System</th>
<th>Combination:</th>
<th>☑ Soffit ☑ Ridge ☐ Gable ☑ Roof</th>
</tr>
</thead>
</table>

| ☑ Powered ☐ Eaves ☐ Other |

<table>
<thead>
<tr>
<th>Flashing Material</th>
<th>Combination:</th>
<th>☑ Galv./Aluminum visible</th>
</tr>
</thead>
</table>

| ☑ Copper ☐ Other |

| ☑ Lead ☑ Rubber ☐ Not |

| ☐ Asphalt |

### Valley Material

<table>
<thead>
<tr>
<th>Combination:</th>
<th>☑ Galv./Aluminum ☐ Not visible</th>
</tr>
</thead>
</table>

| ☑ Asphalt ☐ Copper ☐ N/A |

### Apparent Condition of the Following at Time of Inspection (conditions reported reflect visible portion only)

<table>
<thead>
<tr>
<th>Roof Covering</th>
<th>Condition:</th>
<th>☑ Satisfactory ☐ Marginal ☐ Poor</th>
</tr>
</thead>
</table>

| ☑ Curling ☑ Moss Buildup |

| ☑ Nail Popping ☑ Ponding ☐ Burn |

| ☐ Exposed Felt ☐ Other |

### Ventilation

<table>
<thead>
<tr>
<th>(See Remarks page)</th>
<th>(See Attic page)</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Flashings</th>
<th>☐ Rusted</th>
</tr>
</thead>
</table>

| ☑ Not visible ☑ Satisfactory ☐ Marginal ☐ Poor |

| ☑ Recommend Sealing |

### Valleys

| ☑ Satisfactory ☐ Marginal ☐ Poor |
|——|——|——|

| ☑ Not visible ☐ N/A ☑ Rusted |

| ☑ Recommend Sealing |

### Skylights

| ☐ Yes ☑ No |
|-----------|---------|

| ☑ Satisfactory ☐ Marginal ☐ Poor |

### Plumbing Vents

| ☑ Yes ☒ No |
|-----------|---------|

| ☑ Satisfactory ☐ Marginal ☐ Poor |

### General Comments

Asphalt shingles are showing signs of normal wear, but were in overall adequate condition at the time of inspection. Nail popping has occurred in a couple of areas the front, and back of the roof system. Nails need to be reset to eliminate the possibility of moisture intrusion, and to add life to the shingles.
Nail popping
**ROOF COVERING REMARKS**

**Valleys & Flashings**
Valleys and flashings that are covered with shingles and/or tar or any other material are considered not visible and are not part of the inspection.

**Stone Roofs - Coverings**
This type of covering on a pitched roof requires ongoing annual maintenance. We recommend that a roofing contractor evaluate this type of roof. Infra-red photography is best used to determine areas of potential leaks.

**Flat Roofs**
Flat roofs are very vulnerable to leaking. It is very important to maintain proper drainage to prevent ponding of water. We recommend that a roofing contractor evaluate this type of roof.

<table>
<thead>
<tr>
<th>ROOF TYPE</th>
<th>LIFE EXPECTANCY</th>
<th>SPECIAL REMARKS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Asphalt Shingles</td>
<td>15-20 years</td>
<td>Used on nearly 80% of all residential roofs; requires little maintenance</td>
</tr>
<tr>
<td>Asphalt Multi-Thickness Shingles*</td>
<td>20-30 years</td>
<td>Heavier and more durable than regular asphalt shingles</td>
</tr>
<tr>
<td>Asphalt Interlocking Shingles*</td>
<td>15-25 years</td>
<td>Especially good in high-wind areas</td>
</tr>
<tr>
<td>Asphalt Rolls</td>
<td>10 years</td>
<td>Used on low slope roofs</td>
</tr>
<tr>
<td>Built-up Roofing</td>
<td>10-20 years</td>
<td>Used on low slope roofs; 2 to 3 times as costly as asphalt shingles</td>
</tr>
<tr>
<td>Wood Shingles*</td>
<td>10-40 years¹</td>
<td>Treat with preservative every 5 years to prevent decay</td>
</tr>
<tr>
<td>Clay Tiles*</td>
<td>20 + years</td>
<td>Durable, fireproof, but not watertight, requiring a good subsurface base</td>
</tr>
<tr>
<td>Cement Tiles*</td>
<td>20 + years</td>
<td></td>
</tr>
<tr>
<td>Slate Shingles*</td>
<td>30-100 years²</td>
<td>Extremely durable, but brittle and expensive</td>
</tr>
<tr>
<td>Asbestos Cement Shingles*</td>
<td>30-75 years</td>
<td>Durable, but brittle and difficult to repair</td>
</tr>
<tr>
<td>Metal Roofing</td>
<td>15-40 + years</td>
<td>Comes in sheets &amp; shingles; should be well grounded for protection from lightning; certain metals must be painted</td>
</tr>
<tr>
<td>Single Ply Membrane</td>
<td>15-25 years</td>
<td>New material; not yet passed test of time</td>
</tr>
</tbody>
</table>

¹ Depending on local conditions and proper installation  
² Depending on quality of slate

Roof covering should be visually checked in spring and fall for any visible missing shingles, damaged coverings or other defects. Before re-roofing, the underside of the roof structure and roof sheathing should be inspected to determine that the roof structure can support the additional weight of the shingles.

Wood shakes and shingles will vary in aging, due to quality of the material, installation, maintenance, and surrounding shade trees. Ventilation and drying of the wood material is critical in extending the life expectancy of the wood. Commercial preservatives are available on the market, which could be applied to wood to impede deterioration.
### Gutters & Downspouts

<table>
<thead>
<tr>
<th>Condition</th>
<th>Insides need to be cleaned</th>
<th>Galvanized/Alum.</th>
<th>Copper</th>
<th>Vinyl</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rusting</td>
<td></td>
<td>☑</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Extension needed</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- None (See Remarks page)
- Ponding
- Galvanized/Alum.
- Copper
- Vinyl
- Other

- Insides need to be cleaned
- Galvanized/Alum.
- Copper
- Vinyl
- Other

- Rusting
- Satisfactory
- Marginal
- Poor
- Other

- Extension needed:
  - North
  - South
  - East
  - West

- Leaking:
  - Corners
  - Joints

### Siding

<table>
<thead>
<tr>
<th>Fiber-cement</th>
<th>Brick</th>
<th>Wood</th>
<th>Metal</th>
<th>Vinyl</th>
<th>Stucco</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Condition</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repair/painting</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
</tbody>
</table>

- Brick
- Wood
- Metal
- Vinyl
- Stucco
- Other

- Fiber-cement:
  - Brick
  - Wood
  - Metal
  - Vinyl
  - Stucco
  - Other

- Condition:
  - Satisfactory
  - Marginal
  - Poor
  - Recommend painting

### Window Frames

<table>
<thead>
<tr>
<th>Putty</th>
<th>Wood</th>
<th>Aluminum covered</th>
<th>Metal</th>
<th>Vinyl</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screens</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Storms</td>
<td></td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Putty:
  - Wood
  - Aluminum covered
  - Metal
  - Vinyl
  - Other

- Screens:
  - Satisfactory
  - Needed
  - Insulated glass

- Storms:
  - Satisfactory
  - Torn
  - Missing

- Installed:
  - Satisfactory
  - Broken/cracked
  - Damaged wood

### Storms & Screens

<table>
<thead>
<tr>
<th>Putty</th>
<th>Wood</th>
<th>Clad comb.</th>
<th>Wood/metal comb.</th>
<th>Insulated glass</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Screens</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
<td>☑</td>
</tr>
<tr>
<td>Storms</td>
<td></td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Putty:
  - Wood
  - Clad comb.
  - Wood/metal comb.
  - Insulated glass
  - Other

- Screens:
  - Satisfactory
  - Needed
  - Insulated glass

- Storms:
  - Satisfactory
  - Torn
  - Missing

- Installed:
  - Satisfactory
  - Broken/cracked
  - Damaged wood

### General Comments

Gutters, downspouts, and possibly the downspout extensions are full of debris and need to be cleaned out. Recommend installing downspout extensions for the downspouts at the back of the house to discharge rainwater away from the house. Six to eight foot extensions are recommended. Splash guards are missing for the gutter system at the front and back of the house, and should be installed to prevent rainwater from overshooting the gutters during a hard rain. Soffits is displaced and damaged at the back, and south side of the house, and is in need of repairs and replacement to prevent wildlife intrusion. Moisture damage was discovered at the window sill outside the dining room, and is in need of repair/replacement.
Gutters need to be cleaned out
Home Inspection; Deal Maker or Deal Breaker

Downspout extensions recommended
Splash guards are missing
Soffit is displaced
Soffit damage

Moisture damage at the window sill
**CHIMNEY / GUTTERS / SIDING / TRIM REMARKS**

**Chimneys**
Chimneys built of masonry will eventually need tuck-pointing. A cracked chimney top that allows water and carbonic acid to get behind the surface brick/stone will accelerate the deterioration. Moisture will also deteriorate the clay flue liner. Periodic chimney cleaning will keep you apprised of the chimney’s condition. The flashing around the chimney may need resealing and should be inspected every year or two. Fireplace chimneys should be inspected and evaluated by a chimney professional before using. Chimneys must be adequate height for proper drafting. Spark arrestors are recommended for wood burning chimney and chimney caps for fossil fuels.

**Unlined Chimney** - should be re-evaluated by a chimney technician.

**Have flue cleaned and re-evaluated.** The flue lining is covered with soot or creosote and no representation can be made as to the condition.

**NOT EVALUATED** - The flue was not evaluated due to inaccessibility such as roof pitch, cap, cleanout not accessible, etc.

**Cricket Flashing**
Small, sloped structure made of metal and designed to drain moisture away from a chimney. Usually placed at the back of a chimney.

**Gutters and Downspouts**
This is an extremely important element in basement dampness control. Keep gutters clean and downspout extensions in place (4’ or more). Paint the inside of galvanized gutters, which will extend the life. Shortly after a rain or thaw in winter, look for leaks at seams in the gutters. These can be recaulked before they cause damage to fascia or soffit boards. If no gutters exist, it is recommended that they be added.

**Siding**
Wood siding should not come in contact with the ground. The moisture will cause rotting to take place and can attract carpenter ants.

**EIFS** - This type of siding has experienced serious problems and requires a certified EIFS inspector to determine condition.

Brick and stone veneer must be monitored for loose or missing mortar. Some brick and stone are susceptible to spalling. This can be caused when moisture is trapped and a freeze/thaw situation occurs. There are products on the market that can be used to seal out the moisture. This holds true for brick and stone chimneys also.

Metal sidings will dent and scratch. Oxidation is a normal reaction in aluminum. There are good cleaners on the market and it is recommended that they be used occasionally. Metal siding can be painted.

**Doors and Windows**
These can waste an enormous amount of energy. Maintain the caulking around the frames on the exterior. Check for drafts in the winter and improve the worst offenders first. Windows that have leaky storm windows will usually have a lot of sweating. Likewise, well-sealed storms that sweat indicate a leaky window. It is the tighter unit that will sweat (unless the home has excess humidity to begin with.)

Wood that exhibits blistering or peeling paint should be examined for possible moisture sources: roof leaks, bad gutters, interior moisture from baths or laundry or from a poorly vented crawl space. Some paint problems have no logical explanation, but many are a symptom of an underlying problem. A freshly painted house may mask these symptoms, but after you have lived in the home for a year or two, look for localized paint blistering (peeling). It may be a clue.

New glazing will last longer if the raw wood is treated with boiled linseed oil prior to glazing. It prevents the wood from drawing the moisture out of the new glazing.

**Caulking**
Many different types of caulk are available on the market today. Check with a paint or hardware store for the kind of application you need.
# Exterior / Electrical / AC / Garage

## Exterior Wall Construction
- [ ] Not visible
- [x] Wood frame
- [ ] Masonry
- [ ] Log
- [ ] Other

## Exterior Doors
- [ ] Entrance (1); Storm (2); Patio (3)
- Weather-stripping: [x] Satisfactory
- Condition: [x] Satisfactory

## Exterior Electrical Service
- [ ] Overhead
- [x] Underground
- Service drop: [x] Satisfactory
- Exterior outlets: [x] Yes
- Operate: [x] Yes
- GFCI protected: [x] Yes
- Operate: [x] Yes
- Reverse polarity: [x] Yes
- Open ground: [x] Yes
- Overhead wires: [x] Low
- Cord/exposed Romex
- Potential safety hazard: [x] Yes
- (See Remarks page)

## A/C Condenser/Heat Pump
- [ ] None
- Approximate age: 7-17
- Max breaker/fuse: 35-20
- #1 Brand: Rheem
- Model #: RRNA-B036JK10E
- Shutoff: [x] Yes
- #2 Brand: Rheem
- Model #: RAKA-024JAZ
- Shutoff: [x] Yes
- Condition: [x] Satisfactory
- Marginal
- Poor
- Rusted/dirty
- Level: [x] Yes

## Garage
- [x] Attached
- [ ] Detached
- [ ] 1-car
- [x] 2-car
- [ ] 3-car
- Automatic opener: Inoperable
- [x] Yes
- [ ] No
- Operable
- Safety reverse: Present: [x] Yes
- [ ] No
- Operates: [x] Yes
- [ ] No
- Safety Hazard
- Electric sensor: Present: [x] Yes
- [ ] No
- Operates: [x] Yes
- [ ] No
- Safety Hazard
- Roofing: [x] Same as house
- Type: Satisfactory
- Approx. age: Approx.
- Approx.
- Layers:
  - Condition: Satisfactory
  - Marginal
  - Poor
- Gutters: [x] Satisfactory
- Marginal
- Poor
- None
- Siding: [x] Same as house
- Wood
- Metal
- Vinyl
- Stucco
- Masonry
- Slate
- Fiberboard
- Trim: [x] Same as house
- Wood
- Aluminum
- Vinyl
- Floor: [x] Concrete
- Gravel
- Asphalt
- Dirt
- Burners less than 18” above garage floor: [ ] N/A
- [x] Yes
- [ ] No
- Safety hazard
- Overhead door: Condition: [x] Satisfactory
- Typical cracks
- Large settling cracks
- Wood
- Fiberglass
- Masonite
- Metal
- Other
- Condition: [x] Satisfactory
- Marginal
- Poor
- Repair,
- Service door: [x] Satisfactory
- Marginal
- Poor
- None
- [ ] Elevated
- Floor level
- Both
- Not visible
- Rotted

---

Realestatelearning.com

D&D School of Real Estate
Home Inspection; Deal Maker or Deal Breaker

Electricity present:  Yes  No  GFCI Protected:  Yes  No  Operates:  Yes

Reverse polarity/open ground:  Yes  No  Safety Hazard  No  Handyman/ext.

Firewall:  Present  N/A  Missing  No

Fire door:  Not verifiable  Not a fire door  Needs repair  Satisfactory

Auto closure:  N/A  Satisfactory  Inoperative  Missing  No

Exterior doors were reviewed and found to be in working order. Door frames for the back exterior doors leading to the deck and garage service door are showing signs of moisture damage at the bottom of the frames, and are in need of repair. Exterior and garage outlets are not GFCI protected. GFCI protection is required by code. Recommend a licensed electrician evaluate to provide proper protection. 2nd floor A/C compressor is not level. Recommend leveling the unit to relieve tension on the refrigerant lines, for energy efficiency, and to add life to the unit. Garage door and opener were in normal working order at the time of inspection. Evidence of what appears to be fungus/mildew growth was found on the west garage wall with high moisture readings indicating active and consistent moisture intrusion at the time of the inspection. It is recommended that a licensed contractor evaluate to resolve, then treat for fungus/mildew growth. Safety Concern.
Moisture damage at the door frames

A/C unit is not level
High moisture readings with fungus growth on the garage wall
EXTERIOR / ELECTRICAL / AC / GARAGE REMARKS

Exterior Doors
The exposed side of exterior doors needs to be painted or properly stained and varnished to prevent discoloring and delamination. Weather stripping is a must to prevent drafts.

Electrical
Overhead wires from the mast to the main panel that are exposed to the weather may fray and crack. If this occurs, wires should be replaced by a licensed electrician.

Any outdoor overhead service conductor wires should have adequate clearance above the ground (10 feet) and from balcony and windows (3 feet), for safety reasons.

Underground system - Some exterior boxes that are at ground level have a grade line on them. You should insure that the grade remains below this line to prevent moisture from entering the main panel.

Overhead Door Openers
We recommend that a separate electrical outlet be provided. Openers that do not have a safety reverse are considered a safety hazard. Small children and pets are especially vulnerable. We recommend the operating switches be set high enough so children cannot reach them. If a electric sensor is present, it should be teste occasionally to ensure it is working.

Garage Sill Plates
Sill plates within the garage should be elevated or treated lumber should be used. If this is not the case, try to direct water away to prevent rotting.

A/C Compressors
They should not become overgrown with foliage. Clearance requirements vary, but 2’ on all sides should be considered minimal with up to 6’ of air discharge desirable. If a clothes dryer vent is within five to ten feet, either relocate the vent or do not run when the A/C is running. The lint will quickly reduce the efficiency of the A/C unit.

Burners
Any appliance such as a water heater, furnace, etc. should have the flame a minimum of 18” above the floor. Any open flame less than 18” from the floor is a potential safety hazard. The appliance should also be protected from vehicle damage.
# KITCHEN

<table>
<thead>
<tr>
<th>Component</th>
<th>Satisfactory</th>
<th>Marginal</th>
<th>Poor</th>
<th>Recommend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Countertops</td>
<td>☑</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cabinets</td>
<td>☑ Satisfactory</td>
<td>☐</td>
<td>☐</td>
<td>☐ Yes</td>
</tr>
<tr>
<td>Condition</td>
<td>☑ Satisfactory</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Plumbing Comments</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faucet leaks</td>
<td>☑ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drainage</td>
<td>☑ Adequate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pipes leak/corroded</td>
<td>☑ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water pressure</td>
<td>☑ Adequate</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Walls &amp; Ceiling</td>
<td>☑ Satisfactory</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Condition</td>
<td>☑ Satisfactory</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Heat Source Present</td>
<td>☑ Yes</td>
<td>☐</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Floor Condition</td>
<td>☑ Satisfactory</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Squeaks</td>
<td>☑ Satisfactory</td>
<td>☐</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Appliances</td>
<td></td>
<td></td>
<td></td>
<td>(See Remarks page)</td>
</tr>
<tr>
<td>Disposal</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td>☑ Yes</td>
</tr>
<tr>
<td>Dishwasher</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td>☑ Yes</td>
</tr>
<tr>
<td>Range</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td>☑ Yes</td>
</tr>
<tr>
<td>Oven</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td>☑ Yes</td>
</tr>
<tr>
<td>Trash compactor</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td>☑ Yes</td>
</tr>
<tr>
<td>Exhaust fan</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td>☑ Yes</td>
</tr>
<tr>
<td>Refrigerator</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td>☑ Yes</td>
</tr>
<tr>
<td>Other</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td>☑ Yes</td>
</tr>
<tr>
<td>Electrical</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outlets present</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td>☑ Yes</td>
</tr>
<tr>
<td>GFCI protected</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td>☑ Yes</td>
</tr>
<tr>
<td>Remarks</td>
<td></td>
<td></td>
<td></td>
<td>Safety Hazard</td>
</tr>
<tr>
<td>General Comments:</td>
<td>Anti-tipping bracket is missing for the stove. and needs to be installed. Stoves are top heavy, and tend to tip over if weight is applied to the door while the door is open. Safety – Concern. Ground-fault outlet to the left of the stove in the kitchen is not operating properly. Outlet won’t trip. Safety – Concern. Recommend a licensed electrician evaluate for replacement as needed. Outlet to the right of the stove in the kitchen is loose, and needs to be re-secured. Safety - Concern. Floor tile is cracked on the kitchen floor, and is in need of replacement.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

## LAUNDRY / UTILITY ROOM

<table>
<thead>
<tr>
<th>Component</th>
<th>N/A</th>
<th>☐ Yes</th>
<th>☐ No</th>
<th>☐ Yes</th>
<th>☐ No</th>
<th>☐ N/A</th>
<th>☐ Yes</th>
<th>☐ No</th>
<th>☐ N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laundry sink</td>
<td>N/A</td>
<td>☐ Yes</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cross connections</td>
<td>Yes</td>
<td>☑ None apparent</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Room appears vented</td>
<td>Yes</td>
<td>☐ No</td>
<td>☐ Not visible</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dryer vented</td>
<td>N/A</td>
<td>☑ Wall</td>
<td>☑ Ceiling</td>
<td>☑ Not vented</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Realestatelearning.com
D&D School of Real Estate
## Home Inspection; Deal Maker or Deal Breaker

<table>
<thead>
<tr>
<th>Electrical: Open ground/reverse polarity within 6’ of water:</th>
<th>Yes</th>
<th>No</th>
<th>Safety Hazard: No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appliances present:</td>
<td>Washer</td>
<td>Dryer</td>
<td>Water heater</td>
</tr>
<tr>
<td>Gas pipe:</td>
<td>N/A</td>
<td>Cap shutoff:</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**General Comments**

Cap is missing for the gas line in the laundry room, and needs to be installed. Safety - Concern.

---

Cap is needed for the gas line in the laundry room
**KITCHEN / LAUNDRY / UTILITY ROOM REMARKS**

**Plaster on Wood Lath**
Plaster on wood lath is an old technique and is no longer in general use. Wood lath shrinks with time and the nails rust and loosen. As a result, the plaster may become fragile and caution is needed in working with this type of plastering system. Sagging ceilings are best repaired by laminating drywall over the existing plaster and screwing it to the ceiling joists.

**Plaster on Gypsum Lath (Rock Lath)**
Plaster on gypsum lath will sometimes show the seams of the 16” wide gypsum lath, but this does not indicate a structural fault. The scalloping appearance can be leveled with drywall joint compound and fiberglass mesh joint tape or drywall can be laminated over the existing plaster on the ceiling.

**Wood Flooring**
Always attempt to clean wood floors first before making the decision to refinish the floor. Wax removers and other mild stripping agents plus a good waxing and buffing will usually produce satisfactory results. Mild bleaching agents help remove deep stains. Sanding removes some of the wood in the floor and can usually be done safely only once or twice in the life of the floor.

**Nail Pops**
Drywall nail pops are due to normal expansion and contraction of the wood members to which the drywall is nailed, and are usually of no structural significance.

**Carpeting**
Where carpeting has been installed, the materials and condition of the floor underneath cannot be determined.

**Appliances**
Dishwashers are tested to see if the motor operates and water sprays properly (full cycles are not run). Stoves are tested to see that burners are working and oven and broiler get hot. Timer and controls are not tested. Refrigerators are not tested.

*No representation is made to continued life expectancy of any appliance.*

**Asbestos and Other Hazards**
Asbestos fibers in some form are present in many homes, but are often not visible and cannot be identified without testing.

If there is reason to suspect that asbestos may be present and if it is of particular concern, a sample of the material in question may be removed and analyzed in a laboratory. *However, detecting or inspecting for the presence or absence of asbestos is not a part of our inspection.*

*Also excluded from this inspection and report are the possible presence of, or danger from, radon gas, lead-based paint, urea formaldehyde, toxic or flammable chemicals and all other similar or potentially harmful substances and environmental hazards.*

**Windows**
A representative number of windows are inspected.
# BATHROOMS

## Bath: Master bath

<table>
<thead>
<tr>
<th>Component</th>
<th>Condition</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sinks</td>
<td>Faucet leaks: ☑ No</td>
<td>Pipes leak: ☐ Yes</td>
</tr>
<tr>
<td></td>
<td>Pipes leak: ☐ Yes</td>
<td></td>
</tr>
<tr>
<td>Tubs</td>
<td>Faucet leaks: ☑ No</td>
<td>Pipes leak: ☐ Yes</td>
</tr>
<tr>
<td></td>
<td>Pipes leak: ☐ Yes</td>
<td></td>
</tr>
<tr>
<td>Showers</td>
<td>Faucet leaks: ☑ No</td>
<td>Pipes leak: ☐ Yes</td>
</tr>
<tr>
<td></td>
<td>Pipes leak: ☐ Yes</td>
<td></td>
</tr>
<tr>
<td>Toilet</td>
<td>Bowl loose ☑ Yes</td>
<td>Operates: ☑ Yes</td>
</tr>
<tr>
<td></td>
<td>Operates: ☐ No</td>
<td></td>
</tr>
<tr>
<td>Whirlpool</td>
<td>☑ Yes</td>
<td>☐ No</td>
</tr>
<tr>
<td>Shower/Tub area</td>
<td>☑ Satisfactory</td>
<td>☑ Fiberglass</td>
</tr>
<tr>
<td></td>
<td>☑ Marginal</td>
<td>☑ Poor</td>
</tr>
<tr>
<td>Caulk/Grouting needed</td>
<td>☑ Yes</td>
<td>☐ No</td>
</tr>
<tr>
<td>Where: Whirlpool/ Shower/</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drainage: ☑ Satisfactory</td>
<td>☐ Marginal</td>
<td>☐ Poor</td>
</tr>
<tr>
<td>Water flow: ☑ Satisfactory</td>
<td>☐ Marginal</td>
<td>☐ Poor</td>
</tr>
<tr>
<td>Moisture stains present: ☑ Yes</td>
<td>☑ Walls</td>
<td>☑ Ceilings</td>
</tr>
<tr>
<td>Window/doors: ☑ Satisfactory</td>
<td>☑ Marginal</td>
<td>☑ Poor</td>
</tr>
<tr>
<td>Outlets present: ☑ Yes</td>
<td>☑ No</td>
<td>☑ Satisfactory</td>
</tr>
<tr>
<td>Moisture stains present: ☑ Yes</td>
<td>☑ Walls</td>
<td>☑ Ceilings</td>
</tr>
<tr>
<td>Window/doors: ☑ Satisfactory</td>
<td>☑ Marginal</td>
<td>☑ Poor</td>
</tr>
<tr>
<td>Outlets present: ☑ Yes</td>
<td>☑ No</td>
<td>☑ Satisfactory</td>
</tr>
<tr>
<td>Heat source present: ☑ Yes</td>
<td>☑ No</td>
<td></td>
</tr>
<tr>
<td>Exhaust fan: ☑ Yes</td>
<td>☑ No</td>
<td></td>
</tr>
<tr>
<td>Noisy</td>
<td>☑ Yes</td>
<td>☑ No</td>
</tr>
</tbody>
</table>

*General Comments*

Original stopper for the whirlpool in the master bathroom is missing, and needs to be installed. Caulk is failing where the floor meets the shower stall, whirlpool, and sink in the master bathroom, and needs to be re-caulked to eliminate the possibility of mold/mildew growth under the floor.

## Bath: First floor half bath

<table>
<thead>
<tr>
<th>Component</th>
<th>Condition</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sinks</td>
<td>Faucet leaks: ☑ No</td>
<td>Pipes leak: ☐ Yes</td>
</tr>
<tr>
<td></td>
<td>Pipes leak: ☐ Yes</td>
<td></td>
</tr>
<tr>
<td>Toilet</td>
<td>Bowl loose ☑ Yes</td>
<td>Operates: ☑ Yes</td>
</tr>
<tr>
<td></td>
<td>Operates: ☐ No</td>
<td></td>
</tr>
<tr>
<td>Rotted floors</td>
<td>Caulk/Grouting needed: ☑ Yes</td>
<td>☐ No</td>
</tr>
<tr>
<td>Where: Whirlpool/ Shower/</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Drainage: ☑ Satisfactory</td>
<td>☐ Marginal</td>
<td>☐ Poor</td>
</tr>
<tr>
<td>Water flow: ☑ Satisfactory</td>
<td>☐ Marginal</td>
<td>☐ Poor</td>
</tr>
<tr>
<td>Moisture stains present: ☑ Yes</td>
<td>☑ Walls</td>
<td>☑ Ceilings</td>
</tr>
<tr>
<td>Window/doors: ☑ Satisfactory</td>
<td>☑ Marginal</td>
<td>☑ Poor</td>
</tr>
<tr>
<td>Outlets present: ☑ Yes</td>
<td>☑ No</td>
<td>☑ Satisfactory</td>
</tr>
<tr>
<td>Moisture stains present: ☑ Yes</td>
<td>☑ Walls</td>
<td>☑ Ceilings</td>
</tr>
<tr>
<td>Window/doors: ☑ Satisfactory</td>
<td>☑ Marginal</td>
<td>☑ Poor</td>
</tr>
<tr>
<td>Outlets present: ☑ Yes</td>
<td>☑ No</td>
<td>☑ Satisfactory</td>
</tr>
<tr>
<td>Heat source present: ☑ Yes</td>
<td>☑ No</td>
<td></td>
</tr>
<tr>
<td>Exhaust fan: ☑ Yes</td>
<td>☑ No</td>
<td></td>
</tr>
<tr>
<td>Noisy</td>
<td>☑ Yes</td>
<td>☑ No</td>
</tr>
</tbody>
</table>
General Comments

Toilet bowl is loose in the 1st floor ½ bath. Recommend a licensed plumber evaluate to replace the seal, and then tighten. Door to the 1st floor ½ bathroom won’t latch, and is in need of re-alignment.
# BATHROOMS

**Bath: Second floor bath**

<table>
<thead>
<tr>
<th>Item</th>
<th>Yes</th>
<th>No</th>
<th>Yes</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Sinks</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faucet leaks:</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Pipes leak:</td>
<td>☐</td>
<td>☑</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td><strong>Tubs</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faucet leaks:</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Pipes leak:</td>
<td>☐</td>
<td>☑</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td><strong>Showers</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Faucet leaks:</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Pipes leak:</td>
<td>☐</td>
<td>☑</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td><strong>Toilet:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bowl loose</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Operates:</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td><strong>Toilet leaks</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Whirlpool:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operates:</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td><strong>Shower/Tub area:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Condition:</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td><strong>Roofed floors</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Caulk/Grouting needed:</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Where:</td>
<td>Floor to tub</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Drainage:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfactory</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Marginal</td>
<td>☐</td>
<td>☑</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td><strong>Water flow:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfactory</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Marginal</td>
<td>☐</td>
<td>☑</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td><strong>Moisture stains present:</strong></td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Walls</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Ceilings</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td><strong>Window/doors:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Satisfactory</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Marginal</td>
<td>☐</td>
<td>☑</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td><strong>Outlets present:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>☑ Yes ☐ No GFCI protected:</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Operates:</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td><strong>Potential safety hazards present:</strong></td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Open ground/reverse polarity within 6’ of water:</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>☑ Yes ☐ No</td>
<td>(See Remarks page)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Heat source present:</strong></td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>☑ Yes ☐ No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Exhaust fan:</strong></td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>Operates:</td>
<td>☑</td>
<td>☐</td>
<td>☑</td>
<td>☐</td>
</tr>
<tr>
<td>☑ Yes ☐ No</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**General Comments**

Caulk is failing where the floor meets the shower stall in the 2nd floor bathroom, and needs to be re-caulked to eliminate the possibility of mold/ mildew growth under the flooring. Door to the shower in the 2nd floor bathroom won’t latch, and is in need of re-alignment.
BATHROOM REMARKS

Stall Shower
The metal shower pan in a stall shower has a potential or probable life of 10-20 years depending on quality of the pan installed. Although a visible inspection is made to determine whether a shower pan is currently leaking, it cannot be stated with certainty that no defect is present or that one may not soon develop. Shower pan leaks often do not show except when the shower is in actual use.

Ceramic Tile
Bathroom tile installed in a mortar bed is excellent. It is still necessary to keep the joint between the tile and the tub/shower caulked or sealed to prevent water spillage from leaking through and damaging the ceilings below.

Ceramic tile is often installed in mastic. It is important to keep the tile caulked or water will seep behind the tile and cause deterioration in the wallboard. Special attention should be paid to the area around faucets and other tile penetrations.

Exhaust Fans
Bathrooms with a shower should have exhaust fans where possible. This helps to remove excess moisture from the room, preventing damage to the ceiling and walls and wood finishes. The exhaust fan should not be vented into the attic. The proper way to vent the fans is to the outside. Running the vent pipe horizontally and venting into a gable end or soffit is preferred. Running the vent pipe vertically through the roof may cause condensation to run down the vent pipe, rusting the fan and damaging the wallboard. Insulating the vent pipe in the attic will help to reduce this problem.

SLOW DRAINS on sinks, tubs, and showers are usually due to build-up of hair and soap scum. Most sink pop-ups can be easily removed for cleaning. Some tubs have a spring attached to the closing lever that acts as a catch for hair. It may require removing a couple of screws to disassemble. If you cannot mechanically remove the obstruction, be kind to your pipes. Don’t use a caustic cleaner. There are several bacteria drain cleaners available. They are available at hardware stores in areas where septic tanks are used. These drain cleaners take a little longer to work, but are safe for you and your pipes.

Safety Hazards
Typical safety hazards found in bathrooms are open grounds or reverse polarity by water. Replacing these outlets with G.F.C.I.’s are recommended. (See Electrical section)

Whirlpool Tubs
This relates to interior tubs hooked up to interior plumbing. Where possible, the motor will be operated to see that the jets are working. Hot tubs and spas are not inspected.
# LIVING ROOM

**Location:**

<table>
<thead>
<tr>
<th>Walls &amp; Ceiling: Satisfactory</th>
<th>Marginal</th>
<th>Poor</th>
<th>Typical Cracks</th>
<th>Holes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moisture Stains: No</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Flooring: Satisfactory</th>
<th>Marginal</th>
<th>Poor</th>
<th>Squeaks</th>
<th>Slopes</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Ceiling fan: N/A</th>
<th>Satisfactory</th>
<th>Marginal</th>
<th>Poor</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Electrical: Switches: Yes</th>
<th>No</th>
<th>Outlets: Yes</th>
<th>No</th>
<th>Operates: Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>Open ground/reverse polarity: No</td>
<td>Yes</td>
<td>Safety Hazard</td>
<td>No</td>
</tr>
</tbody>
</table>

**General Comments:**

Living room seemed to be in overall satisfactory condition at the time of inspection. Home was furnished at the time of inspection. Some of the items/components in the house were not accessible such as outlets, heat and air vents, flooring, windows, and overall condition of the walls, etc.

---

# DINING ROOM

**Location:**

<table>
<thead>
<tr>
<th>Walls &amp; Ceiling: Satisfactory</th>
<th>Marginal</th>
<th>Poor</th>
<th>Typical Cracks</th>
<th>Holes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moisture Stains: No</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Flooring: Satisfactory</th>
<th>Marginal</th>
<th>Poor</th>
<th>Squeaks</th>
<th>Slopes</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Ceiling fan: N/A</th>
<th>Satisfactory</th>
<th>Marginal</th>
<th>Poor</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Electrical: Switches: Yes</th>
<th>No</th>
<th>Outlets: Yes</th>
<th>No</th>
<th>Operates: Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>Open ground/reverse polarity: No</td>
<td>Yes</td>
<td>Safety Hazard</td>
<td>No</td>
</tr>
</tbody>
</table>

**General Comments:**

Dining room seemed to be in overall satisfactory condition at the time of inspection.

---

# MASTER BEDROOM

**Location:**

<table>
<thead>
<tr>
<th>Walls &amp; Ceiling: Satisfactory</th>
<th>Marginal</th>
<th>Poor</th>
<th>Typical Cracks</th>
<th>Holes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moisture Stains: No</td>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Flooring: Satisfactory</th>
<th>Marginal</th>
<th>Poor</th>
<th>Squeaks</th>
<th>Slopes</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Ceiling fan: N/A</th>
<th>Satisfactory</th>
<th>Marginal</th>
<th>Poor</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Electrical: Switches: Yes</th>
<th>No</th>
<th>Outlets: Yes</th>
<th>No</th>
<th>Operates: Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>No</td>
<td>Open ground/reverse polarity: No</td>
<td>Yes</td>
<td>Safety Hazard</td>
<td>No</td>
</tr>
</tbody>
</table>

---

Realestatelearning.com

&D&D School of Real Estate
<table>
<thead>
<tr>
<th>Heat source present:</th>
<th>Yes</th>
<th>Not visible</th>
<th>Holes:</th>
<th>Doors</th>
<th>Walls</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ceilings</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doors &amp; Windows:</td>
<td>Sat.</td>
<td>Marg.</td>
<td>Poor</td>
<td>Cracked glass</td>
<td>Evidence of leaking insulated glass</td>
</tr>
<tr>
<td>Master bedroom seemed to be in overall satisfactory condition at the time of inspection.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
# BEDROOM

**Location:** Second floor/ Back corner

<table>
<thead>
<tr>
<th>Walls &amp; Ceiling</th>
<th>☑ Satisfactory</th>
<th>☐ Marginal</th>
<th>☐ Poor</th>
<th>☐ Typical Cracks</th>
<th>☐ Holes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moisture stains</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flooring</td>
<td>☑ Satisfactory</td>
<td>☐ Marginal</td>
<td>☐ Poor</td>
<td>☐ Squeaks</td>
<td>☐ Slopes</td>
</tr>
<tr>
<td>Ceiling fan</td>
<td>☑ N/A</td>
<td>☐ Satisfactory</td>
<td>☐ Marginal</td>
<td>☐ Poor</td>
<td></td>
</tr>
<tr>
<td>Electrical</td>
<td>Switches: ☑ Yes ☐ No</td>
<td>Outlets: ☑ Yes ☐ No</td>
<td>Operates: ☑ Yes</td>
<td>☐ No</td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ No</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Open ground/reverse polarity: ☑ Yes ☐ Safety Hazard ☑ No</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covers missing</td>
<td>☐ No</td>
<td>☑ Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heat source present: ☑ Yes ☐ Not visible</td>
<td>Holes: ☐ Doors ☐ Walls ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ceilings</td>
<td>☐ No</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doors &amp; Windows</td>
<td>☐ Sat. ☐ Marg. ☐ Poor ☐ Cracked glass ☐ Evidence of leaking insulated glass</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**General Comments:**

Closet bi-fold door is off its track in the back corner bedroom, and needs to be re-installed.

---

# BEDROOM

**Location:** Second floor/ Front middle

<table>
<thead>
<tr>
<th>Walls &amp; Ceiling</th>
<th>☑ Satisfactory</th>
<th>☐ Marginal</th>
<th>☐ Poor</th>
<th>☐ Typical Cracks</th>
<th>☐ Holes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moisture stains</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flooring</td>
<td>☑ Satisfactory</td>
<td>☐ Marginal</td>
<td>☐ Poor</td>
<td>☐ Squeaks</td>
<td>☐ Slopes</td>
</tr>
<tr>
<td>Ceiling fan</td>
<td>☑ N/A</td>
<td>☐ Satisfactory</td>
<td>☐ Marginal</td>
<td>☐ Poor</td>
<td></td>
</tr>
<tr>
<td>Electrical</td>
<td>Switches: ☑ Yes ☐ No</td>
<td>Outlets: ☑ Yes ☐ No</td>
<td>Operates: ☑ Yes</td>
<td>☐ No</td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ No</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Open ground/reverse polarity: ☑ Yes ☐ Safety Hazard ☑ No</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covers missing</td>
<td>☐ No</td>
<td>☑ Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heat source present: ☑ Yes ☐ Not visible</td>
<td>Holes: ☐ Doors ☐ Walls ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ceilings</td>
<td>☐ No</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Doors &amp; Windows</td>
<td>☑ Sat. ☐ Marg. ☐ Poor ☐ Cracked glass ☐ Evidence of leaking insulated glass</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**General Comments:**

Bedroom seemed to be in overall satisfactory condition at the time of inspection.

---

# BONUS ROOM

**Location:** Above the garage

<table>
<thead>
<tr>
<th>Walls &amp; Ceiling</th>
<th>☑ Satisfactory</th>
<th>☐ Marginal</th>
<th>☐ Poor</th>
<th>☐ Typical Cracks</th>
<th>☐ Holes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moisture stains</td>
<td>☑ Yes</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flooring</td>
<td>☑ Satisfactory</td>
<td>☐ Marginal</td>
<td>☐ Poor</td>
<td>☐ Squeaks</td>
<td>☐ Slopes</td>
</tr>
<tr>
<td>Ceiling fan</td>
<td>☑ N/A</td>
<td>☐ Satisfactory</td>
<td>☐ Marginal</td>
<td>☐ Poor</td>
<td></td>
</tr>
<tr>
<td>Electrical</td>
<td>Switches: ☑ Yes ☐ No</td>
<td>Outlets: ☑ Yes ☐ No</td>
<td>Operates: ☑ Yes</td>
<td>☐ No</td>
<td></td>
</tr>
<tr>
<td></td>
<td>☐ No</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Open ground/reverse polarity: ☑ Yes ☐ Safety Hazard ☑ No</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Covers missing</td>
<td>☐ No</td>
<td>☑ Yes</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Heat source present: ☑ Yes ☐ Not visible</td>
<td>Holes: ☐ Doors ☐ Walls ☐</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ceilings</td>
<td>☐ No</td>
<td>☐ No</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Doors & Windows: □ Sat. □ Marg. □ Poor □ Cracked glass □ Evidence of leaking insulated glass

General Comments:
Sub floor is loose/squeaks in some areas throughout the interior rooms/master bathroom, and should be re-glued. Recommend a licensed contractor evaluate to resolve. Balusters are too far apart on the living room railing. Balusters need to be 4” or less apart. This is a Safety Concern for small children. Closet door in the bonus room won’t latch, and is in need of re-alignment.
## OFFICE

<table>
<thead>
<tr>
<th>Location: Second floor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Walls &amp; Ceiling:</td>
</tr>
<tr>
<td>Moisture stains:</td>
</tr>
<tr>
<td>Flooring:</td>
</tr>
<tr>
<td>Ceiling fan:</td>
</tr>
<tr>
<td>Electrical:</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Covers missing</td>
</tr>
<tr>
<td>Heat source present:</td>
</tr>
<tr>
<td>Ceilings</td>
</tr>
<tr>
<td>Doors &amp; Windows:</td>
</tr>
</tbody>
</table>

**General Comments:**
Nail popping is taking place at the ceiling in the office, and is in need of minor repairs/patch work.
ROOMS (INTERIOR) REMARKS

Door Stops
All swinging doors should be checked for door stops. Broken or missing door stops can result in door knobs breaking through drywall or plaster.

Closet Guides
Sliding closet doors should be checked to see that closet guides are in place. Missing or broken closet guides can cause scratches and damage to doors.

Cold Air Returns
Bedrooms that do not have cold air returns in them should have a 3/4” gap under the doors to allow cold air to be drawn into the hall return.

AN INSPECTION VERSUS A WARRANTY
A home inspection is just what the name indicates, an inspection of a home...usually a home that is being purchased. The purpose of the inspection is to determine the condition of the various systems and structures of the home. While an inspection performed by a competent inspection firm will determine the condition of the major components of the home, no inspection will pick up every minute latent defect. The inspector’s ability to find all defects is limited by access to various parts of the property, lack of information about the property and many other factors. A good inspector will do his or her level best to determine the condition of the home and to report it accurately. The report that is issued is an opinion as to the condition of the home. This opinion is arrived at by the best technical methods available to the home inspection industry. It is still only an opinion.

A warranty is a policy sold to the buyer that warrants that specific items in the home are in sound condition and will remain in sound condition for a specified period of time. Typically, the warranty company never inspects the home. The warranty company uses actuarial tables to determine the expected life of the warranted items and charges the customer a fee for the warranty that will hopefully cover any projected loss and make a profit for the warranty seller. It is essentially an insurance policy.

The service that we have provided you is an inspection. We make no warranty of this property. If you desire warranty coverage, please see your real estate agent for details about any warranty plan to which their firm may have access.
## WINDOWS / FIREPLACES / ATTIC

### Interior Windows/Glass

<table>
<thead>
<tr>
<th>General condition:</th>
<th>Satisfactory</th>
<th>Marginal</th>
<th>Poor</th>
<th>Painted/ swollen shut</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hardware missing</td>
<td>Glazing compound needed</td>
<td>Cracked glass</td>
<td>Broken counter-balance mech.</td>
<td></td>
</tr>
<tr>
<td>Surface deterioration:</td>
<td>(See Remarks page)</td>
<td>Representative number of windows operated</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Evidence of leaking insulated glass:**
- Yes
- No
- Not determinable
- N/A

**Safety glazing:**
- N/A
- Safety issue

**Security bars present:**
- Yes
- No
- Not tested
- Test release mechanism before moving in

**Interior Windows/Glass**

- General condition: Satisfactory
- Hardware missing: Glazing compound needed
- Surface deterioration: (See Remarks page)
- Representative number of windows operated

### Fireplaces

- Location(s): Living room
- Gas
- Wood
- Woodburner stove

**Fireplace**

- Masonry insert
- Metal insert
- Blower built-in
- Damper missing
- Operates: Yes
- No
- Damper operates
- Open joints or cracks in firebrick should be sealed
- Pre-fabricated panels
- Hearth: Satisfactory
- No
- Mantle: Satisfactory

**Fireplace**

- Gas
- Wood
- Woodburner stove
- Masonry insert
- Metal insert
- Blower built-in
- Operates: Yes
- No
- Damper operates
- Open joints or cracks in firebrick should be sealed
- Pre-fabricated panels
- Hearth: Satisfactory
- No
- Mantle: Satisfactory

### Stairs

<table>
<thead>
<tr>
<th>Stairs</th>
<th>Satisfactory</th>
<th>Marginal</th>
<th>Poor</th>
<th>None</th>
</tr>
</thead>
<tbody>
<tr>
<td>Handrail:</td>
<td>Satisfactory</td>
<td>Marginal</td>
<td>Poor</td>
<td>None</td>
</tr>
<tr>
<td>Risers/Treads:</td>
<td>Satisfactory</td>
<td>Marginal</td>
<td>Poor</td>
<td>None</td>
</tr>
</tbody>
</table>

### Smoke/CO Detectors

- Smoke detector:
  - Yes
  - No
  - Operates: Yes
  - No
  - Not tested
  - CO detector: No

### Attic

- Access: Stairs
- Pulldown
- Scuttlehole
- Knee wall
- No access
- Inspected from:
  - Access panel
  - In the attic
  - Other
  - Location:
    - Bedroom
    - Bedroom closet
    - Garage
    - Other
- Flooring:
  - Complete
  - Partial
  - None
- Insulation:
  - Type: Fiberglass wool / Fiberglass Batts / Loose
  - Average inches:
- Installed in:
  - Floor
  - Rafters
  - Walls
  - Not Visible
- Vent fans:
  - Present
  - Not tested
  - Thermostat controlled
  - Safety Hazard
- Ventilation:
  - Appears adequate
  - Recommend additional venting
- Roof structure:
  - Wood rafters/ joists
  - Metal rafters/ joists
  - Collar ties
  - Other
- Roof sheathing:
  - Plywood
  - OSB
  - 1x wood
  - Other
  - Not visible
- Fans exhausted to:
  - Attic: Yes
  - No
  - Outside: Yes
  - No
  - Not visible
- Chimney chase:
  - Satisfactory
  - Needs repairs
  - Not visible
- Structural problems observed:
  - Yes
  - No
  - See comments below

---

Realestatelearning.com

D&D School of Real Estate
Home Inspection; Deal Maker or Deal Breaker

Vapor barriers:  
- None  
- Kraft faced  
- Improperly installed  
- Plastic  
(See Remarks page)

Electrical:  
- Open junction box(es)  
- Handyman wiring  
- Visible knob-and-tube

General Comments

Most of the windows throughout the house are either swollen or painted shut. Recommend a full evaluation be performed on all windows for proper operation, and condition. Mantle is loose at the fireplace, and needs to be re-secured. Safety – Concern. Smoke detectors are not completing their circuit. Detectors are hard wired, and should sound off in unison. Recommend a licensed technician evaluate for proper operation. This is a potential Safety – Concern. Carbon monoxide detector is missing on the 1st and 2nd floor, and should be installed. Carbon monoxide gas is heavy, and hovers low to the floor therefore should be located no higher than 18 inches from the floor. Roof sheathing at the back south corner of the attic is showing signs of moisture damage/deterioration. While moisture readings were at acceptable low levels at the time of inspection indicating the leak has been resolved, it is recommended that a licensed roofer evaluate for repairs or replacement as needed, then monitor for moisture intrusion in the future. Insulation in the attic has been disturbed/compressed, and is inadequate with an average of 1 to 6 inches throughout, and needs to be improved/distributed evenly for energy efficiency, and overall comfort within the home. 12+ inches of loose fill fiberglass insulation is needed for proper R-Value efficiency. This issue is possibly caused by wildlife intrusion (Squirrels) Recommend a licensed exterminator evaluate to confirm active intrusion, and to eliminate. Insulation is missing on top of the attic access panel. Recommend installing/gluing rolled insulation on the panel for energy efficiency. Rolled insulation in the bonus room knee wall attic has fallen from the rafters, and needs re-installation. An opening was discovered at the attic floor. Recommend a licensed contractor evaluate to install sheathing to seal this opening, then insulate for energy efficiency. Thermostat for the power vent in the attic is not secured, and is missing its cover, and needs to be attached to the rafter to prevent the possibility of loose electrical connections is the future. Safety – Concern. Screen for the power vent in the attic is damaged, and is in need of repair or replacement to prevent wildlife intrusion.
Insulation in the attic is compressed and inadequate
Squirrel tunnel in the attic insulation

Insulation needed on top of the attic access panel
Home Inspection; Deal Maker or Deal Breaker

Thermostat for the power vent is loose

Screen for the power vent is damaged
Moisture damage at the attic sheathing
Opening in the attic floor should be sealed
Rafter insulation needs to be re-installed

Wildlife feces in the attic
WINDOWS / FIREPLACES / ATTIC REMARKS

Window Frames and Sills
Window frames and sills often are found to have surface deterioration due to condensation that has run off the window and damaged the varnish. Usually this can be repaired with a solvent style refinisher and fine steel wool. This is sometimes a sign of excess humidity in the house.

See comments regarding caulking doors and windows above (Chimneys/Gutters/Siding).

Fireplaces
It is important that a fireplace be cleaned on a routine basis to prevent the buildup of creosote in the flue, which can cause a chimney fire.

Masonry fireplace chimneys are normally required to have a terra cotta flue liner or 8 inches of masonry surrounding each flue in order to be considered safe and to conform with most building codes.

During visual inspections, it is not uncommon to be unable to detect the absence of a flue liner either because of stoppage at the firebox, a defective damper or lack of access from the roof.

Woodburners
Once installed, it can be difficult to determine proper clearances for woodburning stoves. Manufacturer specifications, which are not usually available to the inspector, determine the proper installation. We recommend you ask the owner for paperwork verifying that it was installed by a professional contractor.

Ventilation
Ventilation is recommended at the rate of one square foot of vent area to 300 square feet of attic floor space, this being divided between soffit and rooftop. Power vents should ideally have both a humidistat and a thermostat, since ventilation is needed to remove winter moisture as well as summer heat. Evidence of condensation, such as blackened roof sheathing, frost on nail heads, etc. is an indication that ventilation may have been or is blocked or inadequate.

Insulation
The recommended insulation in the attic area is R-38, approximately 12”. If insulation is added, it is important that the ventilation is proper.

Smoke Detectors
Smoke detectors should be tested monthly. At least one detector should be on each level.

Vapor Barriers
The vapor barrier should be on the warm side of the surface. Most older homes were built without vapor barriers. If the vapor barrier is towards the cold side of the surface, it should be sliced or removed. Most vapor barriers in the attic are covered by insulation and therefore, not visible.

Safety Glazing
Safety glazing requirements vary depending on the age of the home. Every attempt is made to identify areas where the lack of safety glazing presents an immediate safety hazard, such as a shower door. In some older homes it is difficult to determine if safety glazing is present, since the glass is not marked. Therefore, no representation is made that safety glazing exists in all appropriate areas.

Insulated Glass
The broken seals are not always detectable due to dirty windows, covered windows, etc. In most cases, leaking glass seals take some time before they are evident.
# CRAWL SPACE

<table>
<thead>
<tr>
<th>Crawl Space</th>
<th>☑ Full ☐ Combination basement/crawl space</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Access to Crawl Space</strong></td>
<td></td>
</tr>
<tr>
<td>☑ Exterior ☐ Interior hatch door ☐ Via basement ☐ No</td>
<td></td>
</tr>
<tr>
<td>Inspected from: ☐ Access panel ☑ In the crawl space</td>
<td></td>
</tr>
<tr>
<td><strong>Foundation Walls</strong></td>
<td></td>
</tr>
<tr>
<td>☑ Concrete block ☐ Poured concrete ☐ Stone ☐ ☐</td>
<td></td>
</tr>
<tr>
<td>☐ Brick ☐ Piers &amp; columns ☐ Other</td>
<td></td>
</tr>
<tr>
<td>☐ Cracks ☐ Movement ☑ Have evaluated ☐</td>
<td></td>
</tr>
<tr>
<td><strong>Floor</strong></td>
<td></td>
</tr>
<tr>
<td>☑ Dirt ☐ Concrete ☐ Gravel ☐ Other</td>
<td></td>
</tr>
<tr>
<td>☐ Typical cracks ☐ Large cracks noted</td>
<td></td>
</tr>
<tr>
<td><strong>Seismic Bolts</strong></td>
<td></td>
</tr>
<tr>
<td>☑ N/A ☐ None visible ☐ Appear satisfactory ☑ Recommend</td>
<td></td>
</tr>
<tr>
<td><strong>Drainage</strong></td>
<td></td>
</tr>
<tr>
<td>☑ Outside drain ☐ Sump pump Test: ☐ Yes ☐ No ☐ None</td>
<td></td>
</tr>
<tr>
<td>Evidence of moisture damage: ☐ Yes ☑ No</td>
<td></td>
</tr>
<tr>
<td><strong>Ventilation</strong></td>
<td></td>
</tr>
<tr>
<td>☑ Wall vents ☐ Power vents ☐ None apparent</td>
<td></td>
</tr>
<tr>
<td><strong>Girders (1), Columns (2)</strong></td>
<td></td>
</tr>
<tr>
<td>☐ N/A ☐ Steel ☑ Wood ☑ Block ☐ Concrete ☐</td>
<td></td>
</tr>
<tr>
<td>Not visible Condition: ☑ Satisfactory ☐ Marginal ☐ Poor ☐ Rusted ☐</td>
<td></td>
</tr>
<tr>
<td><strong>Joists</strong></td>
<td></td>
</tr>
<tr>
<td>☐ 2x8 ☐ 2x8 ☑ 2x10 ☐ 2x12</td>
<td></td>
</tr>
<tr>
<td><strong>Sub Floor</strong></td>
<td></td>
</tr>
<tr>
<td>☐ Not visible ☑ Wood ☐ Concrete ☐ Other</td>
<td></td>
</tr>
<tr>
<td><strong>Moisture Stains</strong></td>
<td></td>
</tr>
<tr>
<td>☑ Walls ☐ Sub floor ☐ Other</td>
<td></td>
</tr>
<tr>
<td><strong>Insulation</strong></td>
<td></td>
</tr>
<tr>
<td>☐ None ☐ Walls ☑ Ceiling ☐ Other</td>
<td></td>
</tr>
<tr>
<td><strong>Vapor Barrier</strong></td>
<td></td>
</tr>
<tr>
<td>☑ Yes ☐ No ☑ See Remarks page</td>
<td></td>
</tr>
<tr>
<td>☑ Kraft face ☑ Plastic ☐ Other ☐ Not visible</td>
<td></td>
</tr>
<tr>
<td><strong>Basement/Crawl Space Walls</strong></td>
<td></td>
</tr>
<tr>
<td>Diagram indicates where wall not visible and type of covering: P = Paneling C = Crack(s)</td>
<td></td>
</tr>
<tr>
<td>D = Drywall M = Monitor West</td>
<td></td>
</tr>
<tr>
<td>S = Storage E = Evaluate North East</td>
<td></td>
</tr>
</tbody>
</table>

Realestatelearning.com

D&D School of Real Estate
General Comments

Evidence of moisture and efflorescence was found on the crawl space walls, possibly due to missing downspout extensions, and negative grade. Recommend correcting these issues, then monitor for moisture intrusion in the future. Evidence of what appears to be fungus/mildew growth was found on the crawl space joists in some areas possibly due to the negative grade, and missing downspout extensions. While moisture readings were at an acceptable low level at the time of the inspection, it is recommended to correct these issues, then treat for fungus/mildew growth. Safety – Concern. Insulation has fallen from the crawl space ceiling from what appears to be wildlife intrusion (Squirrels) and needs re-installation. Some of this insulation is damaged, and will need to be replaced.
Insulation is damaged and falling from the crawl space ceiling
CRAWL SPACE / SLAB ON GRADE REMARKS

Crawl Spaces
Crawl spaces are shallow spaces between the first level floor joist and the ground. Access to this area may be from the inside, outside, or not accessible at all. Ductwork, plumbing and electrical may be installed in the space in which access may be necessary. The floor of the crawl space may be covered with concrete, gravel, or may be the original soil. A vapor barrier may be a sheet of plastic or tar paper and installed over or under this material. The vapor barrier will deter the moisture from the earth from escaping into the crawl space and causing a musty smell. Ventilation is also important to control excess moisture buildup. Vents may be located on the outside of the house and are normally kept open in the summer and closed for the winter (where freezing may occur).

The basement/crawl space diagram indicates areas that are covered and not part of a visual inspection. Every attempt is made to determine if paneling is warped, moisture stains are bleeding through, etc. Storage that blocks the visibility of a wall is not removed to examine that area. Therefore, it is important that on your walk-through before closing, you closely examine these areas.

Closed crawl spaces that have vents to the outside should have insulation under the floor above the crawl space.

Have Evaluated
We recommend that the walls be re-evaluated by a structural engineer or basement repair company and estimates be obtained if work is required.

Monitor
Monitor indicates that the walls have stress cracks, but little movement has occurred. In our opinion, the cracks should be filled with mortar and the walls monitored for further movement and cracking. If additional movement or cracking occurs, reinforcement may be necessary.
### PLUMBING

#### Water Service

<table>
<thead>
<tr>
<th>Water entry piping:</th>
<th>Not visible</th>
<th>Copper</th>
<th>Plastic/PB</th>
<th>Unknown</th>
</tr>
</thead>
<tbody>
<tr>
<td>Water lines:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unknown</td>
<td></td>
<td>Copper</td>
<td>Plas<strong>c</strong></td>
<td>Polybutylene</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Galvanized</td>
<td>Plastic</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Lead (other than solder joints):</strong></td>
<td>Yes</td>
<td>No</td>
<td>Service entry</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water flow:</td>
<td>Satisfactory</td>
<td>Poor</td>
<td>Cross connection:</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Water pressure:</td>
<td>Satisfactory</td>
<td>Poor</td>
<td>Above 80 psi (Needs evaluation)</td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>No</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pipes:</td>
<td>Corroded</td>
<td>Leaking</td>
<td>Valves broken/missing</td>
<td>Dissimilar</td>
</tr>
<tr>
<td>Drain/waste/vent pipe:</td>
<td>Copper</td>
<td>Cast iron</td>
<td>Plastic</td>
<td>Other</td>
</tr>
<tr>
<td>Condition:</td>
<td>Satisfactory</td>
<td>Marginal</td>
<td>Poor</td>
<td></td>
</tr>
<tr>
<td>Not visible</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Waste discharge:</td>
<td>Satisfactory</td>
<td>Slow drain</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### Gas Lines

<table>
<thead>
<tr>
<th>Not visible</th>
<th>Shutoff missing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Copper</td>
<td>Brass</td>
</tr>
<tr>
<td></td>
<td>Black iron</td>
</tr>
<tr>
<td></td>
<td>Stainless steel</td>
</tr>
<tr>
<td>CSST</td>
<td></td>
</tr>
</tbody>
</table>

#### Water Heater #1

<table>
<thead>
<tr>
<th>Brand name: State</th>
<th>Serial #: 397991214</th>
<th>Model #: PRV 50 NOT970</th>
<th>Capa<strong>city:</strong> 50 gallons</th>
<th>Seismic restraints needed: N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>17 yr(s)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Relief valve:</td>
<td>Yes</td>
<td>No</td>
<td>Extension proper: Yes</td>
<td>No Missing</td>
</tr>
<tr>
<td>Vent pipe:</td>
<td>N/A</td>
<td>Satisfactory</td>
<td>Improper pitch:</td>
<td>Rusted</td>
</tr>
<tr>
<td>Safety Hazard</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

#### General Comments

Water pressure entering the house from the street was at an acceptable pressure of 65 psi. Pressure should be in a range of 40 – 70 psi. Water heater was in normal working order at the time of inspection. However, due to the age of the unit, it is recommended to budget in the future for a new water heater.
PLUMBING REMARKS

Wells

*Examined of wells is not included in this visual inspection.* It is recommended that you have well water checked for purity by the local health authorities and, if possible, a check on the flow of the well in periods of drought. A well pit should have a locked cover on it to prevent anyone from falling into the pit.

Septic Systems

*The check of septic systems is not included in our visual inspection.* You should have the local health authorities or other qualified experts check the condition of a septic system.

In order for the septic system to be checked, the house must have been occupied within the last 30 days.

Water Pipes

Galvanized water pipes rust from the inside out and may have to be replaced within 20 to 30 years. This is usually done in two stages: horizontal piping in the basement first, and vertical pipes throughout the house later as needed.

Copper pipes usually have more life expectancy and may last as long as 60 years before needing to be replaced.

Polybutylene pipes are grey pipes that have a history of failure and should be examined by a licensed plumber.

Hose Bibs

During the winter months it is necessary to make sure the outside faucets are winterized. This can be done by means of a valve located in the basement. Leave the outside faucets open to allow any water standing in the pipes to drain, preventing them from freezing. Hose bibs cannot be tested when winterized.

Water Heater

The life expectancy of a water heater is 5-10 years. Water heaters generally need not be replaced unless they leak. It is a good maintenance practice to drain 5-10 gallons from the heater several times a year. *Missing relief valves or improper extension present a safety hazard.*

Water Softeners

During a visual inspection, it is not possible to determine if water is being properly softened.

Plumbing

The temperature/pressure valve should be tested several times a year by lifting the valve’s handle. Caution: very hot water will be discharged. If no water comes out, the valve is defective and must be replaced.

Shut-Off Valves

Most shut-off valves have not been operated for long periods of time. We recommend operating each shut-off valve to: toilet bowl, water heater, under sinks, main shut-off, hose faucets, and all others. We recommend you have a plumber do this, as some of the valves may need to be repacked or replaced. Once the valves are in proper operating order, we recommend opening and closing these valves several times a year.

Polybutylene Piping

This type of piping has a history of problems and should be examined by a licensed plumber and repaired or replaced as necessary.

*MECHANICAL DEVICES MAY OPERATE AT ONE MOMENT AND LATER MALFUNCTION; THEREFORE, LIABILITY IS SPECIFICALLY LIMITED TO THOSE SITUATIONS WHERE IT CAN BE CONCLUSIVELY SHOWN THAT THE MECHANICAL DEVICE INSPECTED WAS INOPERABLE OR IN THE IMMEDIATE NEED OF REPAIR OR NOT PERFORMING THE FUNCTION FOR WHICH IT WAS INTENDED AT THE TIME OF INSPECTION.*
# HEATING SYSTEM

<table>
<thead>
<tr>
<th>Fuel Shutoff for Building</th>
<th>Main fuel shutoff location: Outside at the gas meter</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forced Air System</td>
<td>☑ Central Unit ☐ Wall Furnace ☐ Floor Furnace</td>
</tr>
<tr>
<td><strong>Brand name</strong>: Rheem</td>
<td><strong>Approximate age</strong>: 7 year(s)</td>
</tr>
<tr>
<td><strong>Model #</strong>: RRNA-B036JK10E</td>
<td><strong>Serial #</strong>: 2G7287ADBAF240706823</td>
</tr>
<tr>
<td><strong>Brand name</strong>: Rheem</td>
<td><strong>Approximate age</strong>: 17 year(s)</td>
</tr>
<tr>
<td><strong>Model #</strong>: RGPH-07EAUER</td>
<td><strong>Serial #</strong>: DG5D302F169700651</td>
</tr>
</tbody>
</table>

- Energy source: ☑ Gas ☐ LP ☐ Oil ☐ Electric
- Hot air systems: ☑ Direct drive ☐ Belt drive ☐ Gravity
- Heat exchanger: ☑ Visual ☑ N/A (sealed) ☐ Not accessible
  - Condition: ☑ Rusted ☐ Flame distortion ☐ Other

- System not operated due to:

- View is extremely limited - See Remarks page about options

| CO test: | Tester: TIFF 8900 ☑ Plenum/register ☐ Not tested ☐ N/A |
| Distribution: | ☑ Metal duct ☑ Insul. flex duct ☑ Cold air returns |
| Flue piping: | ☑ Metal ☐ PVC ☐ Proper pitch ☐ Rusted ☐ N/A |
| Filter: | ☑ Standard ☐ Electrostatic ☑ Paper ☐ N/A |

- Condition: ☑ Satisfactory ☐ Replace/clean ☐

- Missing
- Operated: When turned on by thermostat: ☑ Fired ☐ Did not fire
- Operation: Satisfactory: ☑ Yes ☐ No ☑ Recommend HVAC technician examine ☑

### General Comments

Furnaces were in normal working order at the time of the inspection. However due to the age of the 2nd floor unit, it is recommended to have a licensed HVAC technician evaluate before closing.
HEATING SYSTEM REMARKS

HEATING AND AIR CONDITIONING units have limited lives. Normal lives are:

- GAS-FIRED HOT AIR.........................15-25 years
- OIL-FIRED HOT AIR.........................20-30 years
- CAST IRON BOILER..........................30-50 years
  (Hot water or steam) or more
- STEEL BOILER...............................30-40 years
  (Hot water or steam) or more
- COPPER BOILER.............................10-20 years
  (Hot water or steam)
- CIRCULATING PUMP (Hot water)........10-15 years
- AIR CONDITIONING COMPRESSOR........8-12 years
- HEAT PUMP..................................8-12 years

Gas-fired hot air units that are close to or beyond their normal lives have the potential of becoming a source of carbon monoxide in the home. You may want to have such a unit checked every year or so to assure yourself that it is still intact. Of course, a unit of such an age is a good candidate for replacement with one of the new, high efficiency furnaces. The fuel savings alone can be very attractive.

Boilers and their systems may require annual attention. If you are not familiar with your system, have a heating contractor come out in the fall to show you how to do the necessary things. Caution: do not add water to a hot boiler!

Forced air systems should have filters changed every 30 to 60 days of the heating and cooling season. This is especially true if you have central air conditioning. A dirty air system can lead to premature failure of your compressor - a $1,500 machine.

Oil-fired furnaces and boilers should be serviced by a professional each year. Most experts agree you will pay for the service cost in fuel saved by having a properly tuned burner.

Read the instructions for maintaining the humidifier on your furnace. A malfunctioning humidifier can rust out a furnace rather quickly. It is recommended that the humidifier be serviced at the same time as the furnace, and be cleaned regularly. During a visual inspection it is not possible to determine if the humidifier is working.

Have HVAC Technician Examine - A condition was found that suggests a heating contractor should do a further analysis. We suggest doing this before closing.

Heat exchangers cannot be examined nor their condition determined without being disassembled. Since this is not possible during a visual, non-technically exhaustive inspection, you may want to obtain a service contract on the unit or contact a furnace technician regarding a more thorough examination.

Testing pilot safety switch requires blowing out the pilot light. Checking safety limit controls requires disconnecting blower motor or using other means beyond the scope of this inspection. If furnace has not been serviced in last 12 months, you may want to have a furnace technician examine.

CO Test - This is not part of a non-technical inspection. If a test was performed, the type of tester is indicated on page 27.

Combustible Gas Test (Potential Safety Hazard) - If a combustible gas detector was used during the inspection of the furnace and evidence of possible combustible gases was noted, we caution you that our test instrument is sensitive to many gases and not a foolproof test. None-the-less, this presents the possibility that a hazard exists and could indicate that the heat exchanger is, or will soon be, defective.
COOLING SYSTEM

System Components

| Energy source: | Electric | Gas | Other | Approximate age: 7-17
| Central air: | Air cooled | Water cooled | Evaporative cooler | Heat
| Operated: | Yes | No | Not operated due to outside temperature
| Temperature differential: | Unit 1: 18 °F | Unit 2: 17 °F | (See Remarks page)
| Operation: | Satisfactory: Yes | No | Recommend HVAC technician examine Yes
| Refrigerant lines: | Leak | Damaged | Insulation missing
| Through wall unit(s): | N/A | Operated: Yes | No | Satisfactory

General Comments

A/C units operated properly at the time of inspection with a temperature differential of 18 degrees for the 1st floor and 17 degrees for the 2nd floor. However, due to the age of the 2nd floor unit it is recommended to have a licensed HVAC technician evaluate before closing.

ELECTRICAL

Main Panel

<table>
<thead>
<tr>
<th>Location: Garage</th>
<th>Location: Garage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amps: 200</td>
<td>Volts: 120/240</td>
</tr>
<tr>
<td>Breakers Yes</td>
<td>Fuses No</td>
</tr>
<tr>
<td>Aluminum: Yes</td>
<td>Copper clad aluminum: No</td>
</tr>
<tr>
<td>Copper: Yes</td>
<td>Aluminum: No</td>
</tr>
<tr>
<td>BX cable: No</td>
<td>Conduit: No</td>
</tr>
<tr>
<td>Knob: No</td>
<td>Multiple tapping: No</td>
</tr>
<tr>
<td>Branch wires undersized: No</td>
<td>Federal Pacific panel: Yes</td>
</tr>
<tr>
<td>Remarks: Yes</td>
<td>Safety Hazard: Yes</td>
</tr>
<tr>
<td>Multiple tapping of main disconnect: No</td>
<td></td>
</tr>
</tbody>
</table>

Remarks

Panel not accessible: Yes
Not evaluated: No
Reason: Not evaluated

Electrical Fixtures

A representative number of installed lighting fixtures, switches, and receptacles located inside the house, garage, and exterior walls were tested and found to be:

- Satisfactory: Yes
- Marginal: No
- Poor: Yes
- Open grounds: Yes
- Reverse polarity: No
- GFCIs not operating: Yes
- Loose outlets: No

- Missing GFCI protection: Yes (See Remarks page)
- Recommend a licensed electrician evaluate the service: Yes

General Comments:

Oxidizing agent is missing at the lugs on the main service wires in the main panel. Service wires are aluminum, and expand/contract at the demand of power. Recommend a licensed electrician evaluate to apply an oxidizing agent to prevent loose connections, corrosion, and arcing. Safety – Concern. Exposed
wiring was found in the main panel. Wiring needs to be capped or eliminated to prevent personal injury. Safety – Concern.
Exposed wiring in the main panel
**COOLING SYSTEM / ELECTRICAL REMARKS**

**Electrical**

Every effort has been made to evaluate the size of the service. Three wires going into the home indicate 240 volts. The total amps is sometimes difficult to determine. We highly recommend that ground fault circuit interrupters (G.F.C.I.) be connected to all outlets around water. This device automatically opens the circuit when it senses a current leak to ground. This device can be purchased in most hardware stores. G.F.C.I.’s are recommended by all outlets located near water, outside outlets, or garage outlets. Pool outlets should also be protected with a G.F.C.I.

The G.F.C.I. senses the flow of electricity through a circuit. If more current is flowing through the black (“hot”) wire than the white (“neutral”) wire, there is a current leakage. The G.F.C.I., which can sense a ground leak of as little as .005 amps, will shut off the current in 1/40 of a second, which is fast enough to prevent injury.

If you do have G.F.C.I.’s, it is recommended that you test (and reset) them monthly. When you push the test button, the reset button should pop out, shutting off the circuit. If it doesn’t, the breaker is not working properly. If you don’t test them once a month, the breakers have a tendency to stick, and may not protect you when needed.

Knob and tube wiring found in older homes should be checked by an electrician to insure that the wire cover is in good condition. Under no circumstances should this wire be covered with insulation. Recess light fixtures should have a baffle around them so that they are not covered with insulation. The newer recessed fixtures will shut off if they overheat.

Federal Pacific electrical panels may be unsafe. See www.google.com and search for “Federal Pacific” for additional and up-to-date information.

*Aluminum wiring in general lighting circuits has a history of overheating, with the potential of a fire. If this type of wiring exists, a licensed electrical contractor should examine the whole system.*

**Arc Faults**

In some areas, arc faults are required in new homes, starting in 2002. These control outlets in the bedrooms.

**Reverse Polarity**

A common problem that surfaces in many homes is reverse polarity. This is a potentially hazardous situation in which the hot and neutral wires of a circuit are reversed at the outlet, thereby allowing the appliance to incorrectly be connected. This is an inexpensive item to correct.

Each receptacle has a brass and silver screw. The black wire should be wired to the brass screw and the white wire should go to the silver screw. When these wires are switched, this is called “reverse polarity”. Turning off the power and switching these wires will correct the problem.

Main service wiring for housing is typically 240 volts. The minimum capacity for newer homes is 100 amps, though many older homes still have 60 amp service. Larger homes or all electric homes will likely have a 200 amp service.

Main service wiring may be protected by one or more circuit breakers or fuses. While most areas allow up to six main turnoffs, expanding from these panels is generally not allowed.

**Cooling**

**Testing A/C System and Heat Pump** - The circuit breakers to A/C should be on for a minimum of 24 hours and the outside temperature at least 60 degrees for the past 24 hours or an A/C system cannot be operated without possible damage to the compressor. Check the instructions in your A/C manual or on the outside compressor before starting up in the summer. Heat pump can only be tested in the mode it’s running in. Outside temperature should be at least 65° for the past 24 hours to run in cooling mode.
Home Inspection; Deal Maker or Deal Breaker

Temperature differential, between 14°-22°, is usually acceptable. If out of this range, have an HVAC contractor examine it. It is not always feasible to do a differential test due to high humidity items not operating, low outside temperature, etc.
SUMMARY*

ITEMS NOT OPERATING

1. Splash guards are missing for the gutter system at the front and back of the house, and should be installed to prevent rainwater from overshooting the gutters during a hard rain.

2. Original stopper for the whirlpool in the master bathroom is missing, and needs to be installed.

3. Most of the windows throughout the house are either swollen or painted shut. Recommend a full evaluation be performed on all windows for proper operation, and condition.

4. Insulation is missing on top of the attic access panel. Recommend installing/ gluing rolled insulation on the panel for energy efficiency.

MAJOR CONCERNS

*Item(s) that have failed or have potential of failing soon.*

None apparent

POTENTIAL SAFETY HAZARDS

5. Balusters are too far apart on the garage landing rail. Balusters need to be 4” or less apart. This is a Safety – Concern for small children.

6. 4x4 supports are missing for the railing at the corners, and where the railing meets the house on the deck. Safety – Concern. Recommend a licensed contractor evaluate to provide proper strength/ stability for the railing.

7. Two trees in the south side yard are either dead or dying, and should be removed to prevent personal injury, and/or structural damage.

8. Soffits is displaced and damaged at the back, and south side of the house, and is in need of repairs and replacement to prevent wildlife intrusion.

9. Exterior and garage outlets are not GFCI protected. GFCI protection is required by code. Recommend a licensed electrician evaluate to provide proper protection.

10. Evidence of what appears to be fungus/ mildew growth was found on the west garage wall with high moisture readings indicating active and consistent moisture intrusion at the time of the inspection. It is recommended that a licensed contractor evaluate to resolve, then treat for fungus/ mildew growth. Safety – Concern.

11. Anti-tipping bracket is missing for the stove, and needs to be installed. Stoves are top heavy, and tend to tip over if weight is applied to the door while the door is open. Safety – Concern.

12. Ground-fault outlet to the left of the stove in the kitchen is not operating properly. Outlet won’t trip. Safety – Concern. Recommend a licensed electrician evaluate for replacement as needed.

13. Outlet to the right of the stove in the kitchen is loose, and needs to be re-secured. Safety - Concern.
14. Cap is missing for the gas line in the laundry room, and needs to be installed. Safety - Concern.

15. Caulk is failing where the floor meets the shower stall, whirl pool, and sink in the master bathroom, and needs to be re-caulked to eliminate the possibility of mold/ mildew growth under the flooring.

16. Caulk is failing where the floor meets the shower stall in the 2nd floor bathroom, and needs to be re-caulked to eliminate the possibility of mold/ mildew growth under the flooring.

17. Balusters are too far apart on the living room railing. Balusters need to be 4” or less apart. This is a Safety - Concern for small children.

18. Mantle is loose at the fireplace, and needs to be re-secured. Safety – Concern.

19. Smoke detectors are not completing their circuit. Detectors are hard wired, and should sound off in unison. Recommend a licensed technician evaluate for proper operation. This is a potential Safety – Concern.

20. Carbon monoxide detector is missing on the 1st and 2nd floor, and should be installed. Carbon monoxide gas is heavy, and hovers low to the floor therefore should be located no higher than 18 inches from the floor.

21. Insulation in the attic has been disturbed/ compressed, and is inadequate with an average of 1 to 6 inches throughout, and needs to be improved/ distributed evenly for energy efficiency, and overall comfort within the home. 12+ inches of loose fill fiberglass insulation is needed for proper R-Value efficiency. This issue is possibly caused by wildlife intrusion (Squirrels) Recommend a licensed exterminator evaluate to confirm active intrusion, and to eliminate.

22. Thermostat for the power vent in the attic is not secured, and is missing its cover, and needs to be attached to the rafter to prevent the possibility of loose electrical connections is the future. Safety – Concern.

23. Screen for the power vent in the attic is damaged, and is in need of repair or replacement to prevent wildlife intrusion.

24. Evidence of what appears to be fungus/ mildew growth was found on the crawl space joists in some areas possibly due to the negative grade, and missing downspout extensions. While moisture readings were at an acceptable low level at the time of the inspection, it is recommended to correct these issues, then treat for fungus/ mildew growth. Safety – Concern.

25. Insulation has fallen from the crawl space ceiling from what appears to be wildlife intrusion (Squirrels) and needs re-installation. Some of this insulation is damaged, and will need to be replaced.

26. Oxidizing agent is missing at the lugs on the main service wires in the main panel. Service wires are aluminum, and expand/ contract at the demand of power. Recommend a licensed electrician evaluate to apply an oxidizing agent to prevent loose connections, corrosion, and arcing. Safety – Concern.

27. Exposed wiring was found in the main panel. Wiring needs to be capped or eliminated to prevent personal injury. Safety – Concern.
DEFERRED COST ITEMS

Items that have reached or are reaching their normal life expectancy or show indications that they may require repair or replacement anytime during the next five (5) years.

28. Driveway is showing signs of settlement cracks, but is in satisfactory condition. However, these cracks should be sealed to slow down the deterioration process of the cement, and to prevent heaving in the future.

29. Both decks and garage landing are in need of sealing/staining maintenance to prolong their useful life.

30. A settlement crack was discovered between the front steps and porch. Recommend tuck pointing new mortar into place to prevent moisture intrusion, further settlement in the future.

31. Fence is in need of minor maintenance repairs in the side yard. Rest of the fence appeared to be in overall satisfactory condition. However is in need of sealing/staining maintenance to prolong its useful life.

32. Low areas (negative grade) next to the foundation at the back of the house are in need of correction. Recommend additional backfill to create a proper pitch away from the foundation.

33. Nail popping has occurred in a couple of areas the front, and back of the roof system. Nails need to be reset to eliminate the possibility of moisture intrusion, and to add life to the shingles.

34. Gutters, downspouts, and possibly the downspout extensions are full of debris and need to be cleaned out.

35. Recommend installing downspout extensions for the downspouts at the back of the house to discharge rain water away from the house. Six to eight foot extensions are recommended.

36. Moisture damage was discovered at the window sill outside the dining room, and is in need of repair/replacement.

37. Door frames for the back exterior doors leading to the deck and garage service door are showing signs of moisture damage at the bottom of the frames, and are in need of repair.

38. 2nd floor A/C compressor is not level. Recommend leveling the unit to relieve tension on the refrigerant lines, for energy efficiency, and to add life to the unit.

39. Floor tile is cracked on the kitchen floor, and is in need of replacement.

40. Toilet bowl is loose in the 1st floor ½ bath. Recommend a licensed plumber evaluate to replace the seal, and then tighten.

41. Door to the 1st floor ½ bathroom won’t latch, and is in need of re-alignment.

42. Door to the shower in the 2nd floor bathroom won’t latch, and is in need of re-alignment.

43. Closet bi-fold door is off its track in the back corner bedroom, and needs to be re-installed.
44. Sub floor is loose/ squeaks in some areas throughout the interior rooms/ master bathroom, and should be re-glued. Recommend a licensed contractor evaluate to resolve.

45. Closet door in the bonus room won’t latch, and is in need of re-alignment.

46. Nail popping is taking place at the ceiling in the office, and is in need of minor repairs/ patch work.

47. Roof sheathing at the back south corner of the attic is showing signs of moisture damage/ deterioration. While moisture readings were at acceptable low levels at the time of inspection indicating the leak has been resolved, it is recommended that a licensed roofer evaluate for repairs or replacement as needed, then monitor for moisture intrusion in the future.

48. Rolled insulation in the bonus room knee wall attic has fallen from the rafters, and needs re-installation. An opening was discovered at the attic floor. Recommend a licensed contractor evaluate to install sheathing to seal this opening, then insulate for energy efficiency.

49. Evidence of moisture and efflorescence was found on the crawl space walls, possibly due to missing downspout extensions, and negative grade. Recommend correcting these issues, then monitor for moisture intrusion in the future.

50. Water heater was in normal working order at the time of inspection. However, due to the age of the unit, it is recommended to budget in the future for a new water heater.

51. Furnaces were in normal working order at the time of the inspection. However due to the age of the 2nd floor unit, it is recommended to have a licensed HVAC technician evaluate before closing.

52. A/C units operated properly at the time of inspection with a temperature differential of 18 degrees for the 1st floor and 17 degrees for the 2nd floor. However, due to the age of the 2nd floor unit it is recommended to have a licensed HVAC technician evaluate before closing.

* Items listed in this report may inadvertently have been left off the Summary Sheet. Customer should read the entire report, including the Remarks.

DEFINITIONS

SATISFACTORY (Sat.) - Indicates the component is functionally consistent with its original purpose but may show signs of normal wear and tear and deterioration.

MARGINAL (Marg.) - Indicates the component will probably require repair or replacement anytime within five years.

POOR - Indicates the component will need repair or replacement now or in the very near future.

MAJOR CONCERNS - A system or component that is considered significantly deficient or is unsafe.

SAFETY HAZARD - Denotes a condition that is unsafe and in need of prompt attention.
**COSTS OF REMODELING OR REPAIR**

The prices quoted below include a range of prices based on a typical metropolitan area. Individual prices from contractors can vary substantially from these ranges. We advise that several bids be obtained on any work exceeding several hundred dollars. DO NOT RELY ON THESE PRICES... GET FURTHER ESTIMATES.

<table>
<thead>
<tr>
<th>ITEM</th>
<th>UNIT</th>
<th>ESTIMATED PRICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Masonry fireplace</td>
<td>Each</td>
<td>$3,000 - $6,000</td>
</tr>
<tr>
<td>Install prefab fireplace</td>
<td>Each</td>
<td>2,000 - 4,000</td>
</tr>
<tr>
<td>Insulate attic</td>
<td>Square foot</td>
<td>.75 - 1.25</td>
</tr>
<tr>
<td>Install attic ventilating fan</td>
<td>Each</td>
<td>200 - 300</td>
</tr>
<tr>
<td>Install new drywall over plaster</td>
<td>Square foot</td>
<td>1.75 - 2.75</td>
</tr>
<tr>
<td>Install new warm air furnace</td>
<td>Each</td>
<td>2,000 - 3,000</td>
</tr>
<tr>
<td>Replace central air conditioning electric 3T, on existing ductwork</td>
<td>Each</td>
<td>1,400 - 2,000</td>
</tr>
<tr>
<td>Install humidifier</td>
<td>Each</td>
<td>300 - 500</td>
</tr>
<tr>
<td>Install electrostatic air cleaner</td>
<td>Each</td>
<td>800 - 1,500</td>
</tr>
<tr>
<td>Increase elec. svc. to 60-100 amps</td>
<td>Each</td>
<td>600 - 1,200</td>
</tr>
<tr>
<td>Run separate elec. line for dryer</td>
<td>Each</td>
<td>125 - 200</td>
</tr>
<tr>
<td>Run separate elec. line for A/C</td>
<td>Each</td>
<td>135 - 200</td>
</tr>
<tr>
<td>Install hardwired smoke detector</td>
<td>Each</td>
<td>100 - 180</td>
</tr>
<tr>
<td>Install new disposal</td>
<td>Each</td>
<td>250 - 400</td>
</tr>
<tr>
<td>Install new dishwasher</td>
<td>Each</td>
<td>500 - 750</td>
</tr>
<tr>
<td>Install new hot water boiler</td>
<td>Each</td>
<td>2,000 - 4,000</td>
</tr>
<tr>
<td>Install new 30-40 gal water heater</td>
<td>Each</td>
<td>350 - 650</td>
</tr>
<tr>
<td>Install new 30 gal. water heater</td>
<td>Each</td>
<td>300 - 500</td>
</tr>
<tr>
<td>Dig and install new well</td>
<td>Each</td>
<td>get estimate</td>
</tr>
<tr>
<td>Install new septic system</td>
<td>Each</td>
<td>get estimate</td>
</tr>
<tr>
<td>Regrade around exterior</td>
<td>Each</td>
<td>500 - 900</td>
</tr>
<tr>
<td>Install new sump pump and pit</td>
<td>Each</td>
<td>400 - 600</td>
</tr>
<tr>
<td>Build new redwood or pressure-treated deck</td>
<td>Square foot</td>
<td>20 - 30</td>
</tr>
<tr>
<td>Install storm windows</td>
<td>Each</td>
<td>60 - 150</td>
</tr>
<tr>
<td>Install wood replacement windows</td>
<td>Each</td>
<td>400 - 800</td>
</tr>
<tr>
<td>Install aluminum or vinyl replacement windows</td>
<td>Each</td>
<td>300 - 800</td>
</tr>
<tr>
<td>Install new gutters and downspouts</td>
<td>Linear foot</td>
<td>3.50 - 5.00</td>
</tr>
<tr>
<td>Install asphalt shingle over existing roofing</td>
<td>Square foot</td>
<td>1.20 - 1.70</td>
</tr>
<tr>
<td>Tear off existing roof and install new asphalt shingle roof</td>
<td>Square foot</td>
<td>2.50 - 4.00</td>
</tr>
<tr>
<td>Instl 1-ply membrane rubberized roof</td>
<td>Square foot</td>
<td>get estimate</td>
</tr>
<tr>
<td>Instl new 4-ply built-up tar &amp; gravel</td>
<td>Square foot</td>
<td>get estimate</td>
</tr>
<tr>
<td>Remove asbestos from pipes in bsmt (with probable minimum)</td>
<td>Linear foot</td>
<td>get estimate</td>
</tr>
<tr>
<td>Concrete drive or patio</td>
<td>Square foot</td>
<td>3.00 - 4.00</td>
</tr>
<tr>
<td>with removal of old</td>
<td>Square foot</td>
<td>2.25 - 3.00</td>
</tr>
<tr>
<td>Clean chimney flue</td>
<td>Each</td>
<td>100 - 200</td>
</tr>
<tr>
<td>Add flue liner for gas fuel</td>
<td>Each</td>
<td>900 - 1,200</td>
</tr>
<tr>
<td>Add flue liner for oil or wood</td>
<td>Each</td>
<td>2,800 - 3,500</td>
</tr>
</tbody>
</table>

Deferred Costs - It is impossible to determine how long these items will last before needing replacement. The report addresses most of these items from a “condition” standpoint.
PREVENTIVE MAINTENANCE TIPS

I. FOUNDATION & MASONRY: Basements, Exterior Walls: To prevent seepage and condensation problems.
   a. Check basement for dampness & leakage after wet weather.
   b. Check chimneys, deteriorated chimney caps, loose and missing mortar.
   c. Maintain grading sloped away from foundation walls.

II. ROOFS & GUTTERS: To prevent roof leaks, condensation, seepage and decay problems.
   a. Check for damaged, loose or missing shingles, blisters.
   b. Clean gutters, leaders, strainers, window wells, drains. Be sure downspouts direct water away from foundation. Cut back tree limbs.
   c. Check flashings around roof stacks, vents, skylights, chimneys, as sources of leakage. Check vents, louvers and chimneys for birds nests, squirrels, insects.
   d. Check fascias and soffits for paint flaking, leakage & decay.

III. EXTERIOR WALLS: To prevent paint failure, decay and moisture penetration problems.
   a. Check painted surface for paint flaking or paint failure. Cut back shrubs.
   b. Check exterior masonry walls for cracks, looseness, missing or broken mortar.

IV. DOORS AND WINDOWS: To prevent air and weather penetration problems.
   a. Check caulking for decay around doors, windows, corner boards, joints. Re-caulk and weather strip as needed. Check glazing, putty around windows.

V. ELECTRICAL: For safe electrical performance, mark & label each circuit.
   a. Trip circuit breakers every six months and ground fault circuit interrupters (G.F.C.I.) monthly.
   b. Check condition of lamp cords, extension cords & plugs. Replace at first sign of wear & damage.
   c. Check exposed wiring & cable for wear or damage.
   d. If you experience slight tingling shock from handling or touching any appliance, disconnect the appliance & have it repaired. If lights flicker or dim, or if appliances go on and off unnecessarily, call a licensed electrician.

VI. PLUMBING: For preventive maintenance.
   a. Drain exterior water lines, hose bibs, sprinklers, pool equipment in the fall.
   b. Draw off sediment in water heaters monthly or per manufacturer’s instructions.
   c. Have septic tank cleaned every 2 years.

VII. HEATING & COOLING: For comfort, efficiency, energy conservation and safety.
   a. Change or clean furnace filters, air condition filters, electronic filters as needed.
   b. Clean and service humidifier. Check periodically and annually.
   c. Have oil burning equipment serviced annually.

VIII. INTERIOR: General house maintenance.
   a. Check bathroom tile joints, tub grouting & caulking. Be sure all tile joints in bathrooms are kept well sealed with tile grout to prevent damage to walls, floors & ceilings below.
   b. Close crawl vents in winter and open in summer.
   c. Check underside of roof for water stains, leaks, dampness & condensation, particularly in attics and around chimneys.

IX. Know the location of:
   • Main water shutoff valve.
   • Main electrical disconnect or breaker.
   • Main emergency shutoff switch for the heating system.
Exercise 3

Refer to the Home Inspection Report. If you have experienced a Home Inspection, where would you expect the inspector to start?

*Transfer your answer to the answer sheet*

Pick one of the issues. Does it fit within the three defining areas above?

Quiz 5

1. What is not within the scope of the inspection?
   a. Many components of the home are not visible during the inspection and very little historical information is provided in advance of the inspection.
   b. An inspection will eliminate the risk of purchasing a home.
   c. Set aside roughly one percent of the value of the home on an annual basis is sufficient to cover unexpected repairs.

2. The inspector can
   a. Explain the issues he discovers.
   b. Offer to make repairs for a fee.
   c. Recommend contractors to remedy problems.
3. Refer to page 28 of the report. Assuming that the supports do not meet code. Which are correct?
   a. The seller must repair to meet code.
   b. The seller could make the repair if he agrees.
   c. The seller is not required to make the repair.

4. Refer to page 46. Is this moisture finding a deal breaker
   a. Yes
   b. No
   c. Not enough information without further examination.

5. Refer to page 49. Is the issue definable? Can it be repaired? Can the cost be determinable?
   a. Yes
   b. No

6. Refer to page 63. What would be a good remedy?
   a. Call a varmint buster and determine a plan of action.
   b. Ignore it and hope the squirrel goes away.
   c. Patch the hole

7. Refer to page 79. Should the seller make this repair?
   a. The seller is required to make this repair.
   b. The seller should consult an electrician to make this repair.
   c. Uncle Ed from Ohio can make the repair.

8. What are the requirements to inspect the AC?
   a. Temperature differential, between 14°-22°, is usually acceptable.
   b. High humidity may cause a problem.
   c. Temperature must be above 80°.

9. What are the categories of the summery in the example?
   a. Items not operating, potential safety hazards, deferred cost items.
   b. Items not operating, major concerns, potential safety hazards, deferred cost items.
   c. Potential safety hazards.
VI. The Report

The Buyer’s objective

Remember that the buyer would like to buy a home with no issues at all. However, there is no such thing, even if the home is new. So how does a buyer work through the issues?

Buyers are all different. They differ in their knowledge, their finances and most importantly their risk tolerance. Risk tolerance is the most difficult to define and negotiate because it is an emotional element. Agents should begin to measure a buyer’s risk tolerance at the beginning of the home buying process during the needs analysis. What kind of home interests you might uncover some beginning clues. For example, buyers who lean toward new homes are usually trying to limit risk. New homes should not have as many issues. Buyers who are interested in older homes in established neighborhoods usually have an idea of what they will be facing with a home inspection. Never assume without asking questions. Ask the buyer interested in an older home with character, “Have you ever bought or lived in an older home?” If the answer is yes to either, they will not panic with the Inspection report. If the answer is no, you should ask why that lifestyle and type home is attractive to them.

An agent can spend quite a bit of time showing older homes to people who will be frightened off when they become aware of the associated maintenance issues. For example, 75 year old homes in desirable areas are usually eclectic in nature. Many have “cellars” that originally housed the furnace. These cellars in many cases are damp and moldy and often cannot be repaired easily or inexpensively. Personal experience has proved that the buyers of these homes look past this issue because it is what it is, whereas someone that is concerned with this issue should probably be considering newer homes with no cellar or a dry basement. A buyers’ risk tolerance may not be measurable until they go through the inspection process. What one buyer will accept another may walk away from.

The most important point here is to be sure that the inspector and agent do not add to the risk concern. Stay with the facts. Is it definable, repairable and can the cost be determined?

The Sellers’ objective

The seller may well have negotiated the contract price of the transaction to the point that he has little or no money left to spend on repairs. If that is the case, the seller is
Home Inspection; Deal Maker or Deal Breaker

going to be anxious about what the inspection report might uncover. There are options the seller might consider before listing his home.

Another approach is for the seller to instruct the listing agent when accepting the offer to convey to the Buyers’ agent and buyer that there is no more money for repairs in the deal. Under these circumstances, the inspection would be a take it or leave it response to the Inspection. The advantage to this approach is that the seller may not have to deal with any repairs or repair costs and therefore maintain the level of his proceeds.

The disadvantage is that the buyer may terminate the contract and leave the seller with no deal and repairs that will ultimately have to be addressed anyway. The objective of this approach is not necessarily to eliminate repair cost, but to try to limit any concessions.

The seller might also agree to a maximum amount of repair cost when accepting the offer.

Exercise 4

Which approach do you think would work best?

Transfer your answer to the answer sheet

There is no best approach. Agents usually pick the one that works best for them and has been successful in the past. Consider these as options for the seller to consider and allow them the make the strategy decision. Clients, especially when they are not making the money they anticipated, will think any strategy an agent offers is guaranteed to work. If it does not, the seller will be disappointed and blame the agent. Be sure they understand that any of these may or may not achieve the desired results, but at least have a better chance than no strategy at all.

The seller’s objective is to spend as little money to complete the transaction as possible. Once the Seller’s agent receives the inspection report, it is up to the agent to present the report as fairly as possible. Any repairs or cost will probably not be something the seller wants to confront. The size of the report is sometimes intimidating to the seller in
Home Inspection; Deal Maker or Deal Breaker

itself. The agent needs to direct the seller to the items that the buyer requests be repaired. Concentrate on the definition of the repair so that the seller stays focused.

1. Is the issue definable?
2. Is the issue repairable?
3. Can the exact cost of the repair be determined?

Remember to point out to the seller that for him, it is not about repairs or issues, but simply a function of money. How much will it cost to complete the transaction?

At this point the inspector can be the best friend the transaction has if included properly. Many times the seller and seller’s agent guess at what the repair actually encompasses. Guessing usually creates miscommunication and misses expectations. The seller is only required to make minimal repairs and the buyer wants the best repair available. In order to level the field of expectations, it is appropriate to call the inspector and ask what is needed to satisfy the problem. The inspector is the expert hired by the buyer to protect his interest. Why not use his expert status to resolve the problems? If the inspector signs off, the buyer will either be totally satisfied or hold the inspector accountable.

The approach is much the same as conflict management.

1. Call the inspector and ask him to define the issue as best he can.
2. Ask if he has encountered the issue before.
3. Ask the inspector to define the scope of the repair.
4. Ask if he has any suggestions for a repair provider.
5. Ask if he has any idea what the repair should cost.
6. Gain the agreement of all parties or negotiate the solution.

Once these questions are answered, the seller should have a good idea of what to expect and how to proceed. Most of the time this approach produces acceptable results at minimal cost and meets everyone’s expectations. A classic example of applied win-win that works because everyone is seeking a solution and minimizing the problem.

Negotiating a solution once this process is complete is much easier. Negotiating a solution benefits everyone whereas trying to negotiate away a problem seldom produces results. This process also should produce not only a solution but also a hard cost. If possible, negotiating the money is always easier. Everyone understands the color of green and the possibility of unmet expectations goes away.

Next issue: once a solution has been negotiated, where does the money come from? Now that everyone is focused on money and not repairs, who pays what? If the seller
agrees to the solution and has the money, the transaction moves forward. The reality at this point is that the seller really does not have a choice if he wants to sell his property.

- The repairs have been identified.
- A solution is on the table and everyone has agreed to the solution.

If the seller does not agree at this point, what are his options? The repair issues and cost are not going away. He has a buyer who is ready to close with total understanding of the repairs and content with the solution.

Options:

- Accept the solution and close on his property.
- Decline the transaction.
- Take the property off the market.

If the seller chooses to sell he can move on with his life. He may not have come out financially as expected but he meets his need to sell.

If the seller declines, the problems and cost do not go away and may even deteriorate over a period of time. There is an issue of repair and disclosure regarding the repairs. If a new buyer emerges, there is the same process involved with a new buyer who might not be as willing to negotiate.

**Exercise 5**

William listed a home for sale. The home needed extensive updating but was located on a great piece of land. A buyer made an offer knowing there would be considerable work but was willing to move forward. Just prior to the inspection, it rained heavily and the crawl space flooded with approximately 2 feet of water. The inspector and another professional evaluated the property and found that the landscaping was channeling water for the lot into one of the vents into the crawl space. The gutters were also contributing to the problem. After evaluation by a repair specialist, the cost of remediation was $8,000.00. The buyer offered to accept the home in its current condition with a concession of $8,000.00. The seller turned the offer down. The seller then asked William to put the home back on the market and not disclose that there was a water problem. If you were the list agent what would you advise?

*Transfer your answer to the answer sheet*
Of course there are several problems here.

1. William could hardly take the listing and ignore the water issue without participating in fraud.
2. William should point out that water issues are serious and that if the buyer was willing to proceed it would eliminate the problem with a check. No liability!!
3. The problem was not going away, the cost would not get better, and probably would increase with collateral damage occurring.

William lost the listing and the seller took the property off the market for a year. Another agent listed the home and it finally sold. There was never any evidence that the water issue had been addressed.

Quiz 6

1. Which of the items noted is the seller required to address?
   a. All
   b. None
   c. Whatever is agreed upon

2. What are the buyer’s rights once the report is reviewed?
   a. Cancel the contract in writing and supply a copy of the report to the seller with earnest money returned.
   b. Cancel the contract but lose the earnest money.
   c. Cancel the contract through his agent.
3. Why is the Deferred Cost Items section important?
   a. It is not important.
   b. It provides the buyer with an idea of what his future maintenance issues will be.
   c. It provides a list that the seller must repair.

4. Is the buyer required to provide an explanation if he decides not to proceed with the transaction?
   a. Yes
   b. No

5. The Buyer is required to provide a copy of the inspection report to the seller.
   a. True
   b. False

6. What is the value of the Preventive Maintenance Tips section?
   a. No value
   b. Lowers the long term cost of maintenance.
   c. Provided the buyer with greater leverage negotiate repairs.

7. Is an inspection more beneficial if the property is older or newer?
   a. Both can be beneficial; older homes and newer homes simply present different issues.
   b. Older homes will present repair issues so an inspection will be a waste of money.
   c. Newer homes will not present repair issues, so an inspection is a waste of money.

8. What would be the difference in expectations of someone considering buying a renovated versus a new home?
   a. The renovated home may be more likely to need additional major repairs.
   b. The new home buyer expects the house to be in “perfect” condition because it is new and should not require repairs.
   c. Both

9. The inspector should
   a. Present the facts
   b. Assess the risk associated with the purchase
   c. Advise on whether or not to purchase.
10. When the seller receives the Repair Proposal he can do all except
   a. Decline to make any repairs.
   b. Terminate the contract.
   c. Counter the repair proposal and offer some of the repairs.

11. The seller can offer options when countering the original offer, including
   a. Offering a limited allowance to cover any repairs.
   b. Counter the offer prohibiting any inspections “as is” only.
   c. Counter the offer with the house to transfer “as is” with no repairs.
   d. All the above.

12. If the buyer accepts the offer with no right to repairs,
   a. The buyer should retain the right to accept or terminate the transaction
      based on the inspections.
   b. Not worry about it if he wants the house bad enough.

13. When the seller receives the report his options are (which options)
   a. Accept the repair proposal
   b. Decline the repair proposal
   c. Terminate the contract
   d. Negotiate / counter the repair proposal

14. Who is the buyer going to trust the most regarding the inspection report?
   a. His agent
   b. The Inspector
   c. The Buyer’s agent

15. How can the inspector help clarify the report
   a. Offer to contract to make the repairs
   b. Offer specific solutions
   c. Recommend a contractor to repair any issues

16. What is most important to the Buyer?
   a. The description of the repair
   b. The risk involved in accepting the repair and if the problem will reoccur
   c. The cost of the repair

17. What is most important to the Seller?
   a. The cost of the repair
   b. The description of the repair
18. What is the impact of losing a contract over repairs?
   a. Lost marketing time.
   b. The seller may not need to make the repairs if another inspection does not discover them.

19. The seller will probably end up repairing the issues of an inspection report at some point.
   a. True
   b. False

**VII. Negotiating the Inspection and Repairs.**

Once each party has determined what they want to achieve out of the inspection process, the negotiation proceeds.

Agents should remember when beginning the negotiating process:
- the buyer’s objective is to minimize the risk of buying
- the seller’s objective is to minimize the associated cost
- the buyer initially made a decision to buy
- the seller initially made a decision to sell

In order to proceed, the needs of both parties need to be blended.

Are there any non-negotiable issues? It all depends on the two parties and how they view their objectives. If both parties can stay focused and if both parties had realistic expectations from the outset, most issues can be resolved.

Many inspection reports categorize the issues into items of concern, items posing risk and items that are maintenance in nature. That helps a buyer understand the relativity of different issues; instead of a list that looks unmanageable, the buyer can separate the items more fairly based on the inspector’s assessment.
Managing the Inspection

<table>
<thead>
<tr>
<th>Logical</th>
<th>Emotional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cost of Repairs</td>
<td>Risk</td>
</tr>
</tbody>
</table>

Managing the inspection involves removing the risk and minimizing the impact of the cost.

Pages 82 - 87 represent an excellent way to present the issues associated with the inspection. It allows the buyer to see a breakdown of priorities so that the list does not appear to be unmanageable to the buyer.

Managing the Repair

The perception of the repairs can be more of a deal breaker than the repairs themselves. Usually the seller and buyer are not capable of evaluating the scope of the repair without professional help. That is why they hired inspectors. If all parties to the transaction can focus on successfully repairing any issues discovered by the home inspector, the transaction should complete successfully.

Those hired to make repairs should be given the information defining a repair, and the repair costs should be determined based on meeting the expectations agreed upon by both the buyer and the seller. Depending on the scope of the repair it would be appropriate for the inspector to re-inspect on behalf of the buyer prior to closing to determine whether the repair is adequate. If repairs were significant in scope, the buyer’s agent and buyer should allow enough time between final inspection and closing to address any additional concerns. The repair or replacement proposal following should be used by the buyer when requesting repairs. Any documentation or estimates of repair costs should be included so that the seller can make an intelligent decision regarding cost quickly. Remember that the seller’s objective on making repairs is to spend as little additional money as possible.

Once the seller receives the repair proposal, it may take some time to obtain estimates for repairs requested. Allow enough time in the contract for the seller and buyer to agree on what is to be repaired and to finish repairs prior to closing. If the time limit proves to be too short, extend the contract time allowance.
Agents should keep the buyer and seller respectively focused on the logical aspect of the process. At this point, both buyer and seller should view repairs as a function of money and not the repairs themselves. The buyer’s agent should explain to the buyer that the seller will be considering how much the repairs will cost and not the repairs themselves. Likewise, the seller’s agent should also present the proposal as a function of money.

The seller must consider not just the expense of repairs, but the consequences (cost) of neither negotiating nor making the repairs. The seller has a buyer willing to accept the property at a cost that should be determinable. If the seller does not try to work out the proposal, the real cost will probably be the same or greater plus lost marketing time between the current and future offers. There is also a buyer who has satisfied his risk concern. There is no guarantee that another buyer will come to the same conclusion.

Once the buyer and seller agree on what is to be repaired, the Repair Replacement Addendum should be signed by all parties to the transaction. Once this is completed the transaction should be ready to proceed to closing.

Quiz 7

1. Managing the inspection involves:
   a. removing the risk
   b. minimizing the impact of the cost
   c. managing the buyer or seller’s decision making process

2. Once the seller receives the repair proposal he can (choose all that are correct).
   a. Accept
   b. Decline
   c. Extend the time line with written permission
   d. Terminate the transaction.

3. Repairs should be viewed as
   a. A nuisance
   b. A function of money
   c. Overwhelming
4. Why is it so important for the seller to try to negotiate a successful repair proposal?
   a. It really doesn’t matter. Another offer will come
   b. The Buyer is willing to accept the property with repairs.
   c. The problems will probably not be discovered by a different inspector.

VIII. Final Forms

The purpose of the Repair / Replacement Proposal is for the buyer to notify the seller exactly what the buyer expects to be repaired and allow the seller to respond / negotiate what he is willing to do. The form provides a written audit trail until a mutual agreement is reached.
The **purpose** of the Repair / Replacement Amendment is to document the final outcome of negotiations regarding the proposal(s) and becomes a part of the contract in writing. The buyer and seller are now obligated to perform on the amendment. In rare cases the
amendment could be re-negotiated with written consent of all parties, e.g., seller commits to a repair that is not feasible. The buyer could wave the repair or be compensated.

---

REPAIR / REPLACEMENT AMENDMENT

In consideration of the mutual covenants herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties enter into this Repair / Replacement Amendment for purposes of amending the Purchase and Sale Agreement with a Binding Agreement Date of ___________ (“Agreement”) for the purchase and sale of the real property commonly known as: ___________________________

The Seller shall cause the following items to be replaced or repaired with like quality or value in a professional and workmanlike manner as the parties heretofore agree. (Please be specific as to whether the items are to be repaired or replaced):

1. ___________________________
2. ___________________________
3. ___________________________
4. ___________________________
5. ___________________________
6. ___________________________
7. ___________________________
8. ___________________________

Seller agrees to complete the above matters ___________ days prior to Closing as provided in the Agreement (“Completion of Repairs Deadline”) at which time Buyer and/or Buyer’s inspectors or representatives shall have the right to re-inspect to confirm that such matters have been completed. Such inspection shall not limit Buyer’s right to conduct a Final Inspection as provided for in paragraph 9 of the Agreement.

It is agreed by the parties hereto that all of the other terms and conditions of the aforementioned Agreement shall remain in full force and effect other than as specifically modified herein.

---

The party(ies) below have signed and acknowledge receipt of a copy.

**BUYER**

at ___________ o’clock ___________ am/ pm

at ___________ o’clock ___________ am/ pm

Date ___________ Date ___________

The party(ies) below have signed and acknowledge receipt of a copy.

**SELLER**

at ___________ o’clock ___________ am/ pm

at ___________ o’clock ___________ am/ pm

Date ___________ Date ___________

---

NOTE: This form is provided by TAR to its members for their use in real estate transactions and is to be used as is. By downloading and/or using this form, you agree and covenant not to alter, amend, or edit said form or its contents except as provided in the blank fields, and agree and acknowledge that any such alteration, amendment or edit of said form is done at your own risk. Use of the TAR logo in connection with any form other than standardized forms created by TAR is strictly prohibited. This form is subject to periodic revision and it is the responsibility of the member to use the most recent available form.
The *purpose of the Tennessee Property Condition Disclosure Update* is for the seller to notify the buyer in writing that there have been no changes in the property condition since original Property Disclosure was submitted or amended, and for the buyer to acknowledge in writing the seller’s update. If there are changes, they should be disclosed well before closing so that all parties can come to some mutual agreement about any necessary resolution.
The purpose of the Buyer’s Final Inspection is to release all parties from any additional liability unless so specified starting on line 15. It is always best to have all exceptions covered prior to closing unless absolutely necessary. In most instances, it is difficult with lingering exceptions. Lenders do not like outstanding issues once checks are dispersed. Most also do not like the idea of escrowing funds to cover unfinished exceptions. It is
Home Inspection; Deal Maker or Deal Breaker

hard enough to meet expectations prior to closing without trying to offset buyer’s remorse after the fact.

If any repairs are not complete, the buyer has options:

- The buyer could delay the closing.
- The buyer could escrow money to cover the repairs after closing.
- Although very risky, the buyer could close on a promise that the repairs will be made if the lender agrees.

It is always best to have the repairs completed before closing. However, any part of the contract can be negotiated if all parties are willing. Any renegotiating should be in writing and signed by all parties to the contract.

When money is involved, good intentions can sometimes lose traction. The purpose of closing is to finalize all agreements.

Prior to closing, the seller’s incentive to finish repairs is to get paid. Unfortunately, after closing that incentive no longer exists, and additional money represents a cost.
BUYER’S FINAL INSPECTION

Property Address:

Buyer:

Seller:

We, the Buyers, and/or our inspectors and/or our representatives, (the sections not marked are not part of this Agreement):

☐ waive such final inspection and agree to accept the Property in its present condition, “AS IS.”

OR

☐ have made the final inspection of the Property and confirm it to be in the same or better condition as it was on the Binding Agreement Date, normal wear and tear excepted, and all repairs and replacements, if any, have been made to our satisfaction, and we agree to accept the Property in its present condition.

OR

☐ have made the final inspection of the Property and confirm it to be in the same or better condition as it was on the Binding Agreement Date, normal wear and tear excepted, and all repairs and replacements, if any, have been made to our satisfaction, with the following exceptions. The Buyer requires the following to be completed prior to closing:


This Buyer’s Final Inspection is made a part of the Purchase and Sale Agreement as if quoted therein verbatim. Should the terms of this Buyer’s Final Inspection conflict with the terms of the Purchase and Sale Agreement or other documents executed prior to or simultaneous to the execution of this Buyer’s Final Inspection, the terms of this Buyer’s Final Inspection shall control, and the conflicting terms are hereby considered deleted and expressly waived by both Seller and Buyer. In all other respects, the Purchase and Sale Agreement shall remain in full force and effect.

The party(ies) below have signed and acknowledge receipt of a copy.

BUYER

at

do not sign

 Date

 BUYER

 at

do not sign

 Date

BUYER

 at

do not sign

 Date

BUYER

 at

do not sign

 Date

BUYER

 at

do not sign

 Date

NOTE: This form is provided by TAR to its members for their use in real estate transactions and is to be used as is. By downloading and/or using this form, you agree and consent not to alter, amend, or edit said form or its contents except as where provided in the blank fields, and agree and acknowledge that any such alteration, amendment or edit of said form is done at your own risk. Use of the TAR logo in conjunction with any form other than standardized forms created by TAR is strictly prohibited. This form is subject to periodic revision and it is the responsibility of the member to use the most recent available form.

This form is copyrighted and may only be used in real estate transactions in which the member is involved as a TAR authorized user. Unauthorized use of the form may result in legal sanctions being brought against the user and should be reported to the Tennessee Association of Realtors at (615) 321-5477.
Quiz 8

1. The Repair / Replacement Proposal
   a. Is binding
   b. Is not binding

2. Repairs
   a. Must be made by a licensed contractor.
   b. Must be replaced with like quality.
   c. Do not need to be documented in any manner

3. The proposal should specify if the items are to be repaired or replaced by
   a. The buyer
   b. The seller
   c. Either party

4. When the repairs will be completed can be specified by
   a. The buyer
   b. The Seller
   c. Either

5. The Repair Amendment
   a. Becomes a part of the contract.
   b. Must be shared with the Lender.
   c. Is not necessary if everyone has agreed to the proposal.

6. The Property Condition Disclosure Update
   a. Is required by Code.
   b. Is not necessary as long as any required repairs have been addressed.
   c. All repairs on the Repair Amendment to be reported as changes.

7. The final Inspection
   a. Is required by a Lender.
   b. Accepts the repairs to the property if Box # 2 is checked.
   c. Does not release anyone from liability.
Home Inspection; Deal Maker or Deal Breaker

8. If the repairs are not completed by the final walkthrough (which are correct)
   a. The buyer must accept the property “as is”.
   b. The buyer could delay the closing.
   c. The parties could escrow money to cover any remaining repairs.

9. Lingering repairs after the closing
   a. Are a cost to the seller.
   b. Are usually gladly finished.
   c. Are usually no problem.

SUMMARY

By using the information and forms provided, agents should be able to:

- Clearly define expectations and form a platform for successfully navigating the inspection process.
- Provide a clear path of decision-making for both the buyer and seller.
- By determining to cost of solutions, keep all parties focused on logical solutions instead of losing focus based on risk.
- Provide mutually acceptable solutions that meet both the buyer’s and seller’s expectations.

Both the buyer and seller are faced with logical costs and emotional risks.

The buyer wants to eliminate risk. If buyers can focus on cost effective solutions they eliminate the emotion associated with risk. The buyer needs to consider how much risk is actually left once repairs have been addressed properly. If the risk is minimal, he should proceed. The buyer has emotionally committed to the property, how likely is he to find something better if risk is minimal?

The seller wants to eliminate cost. However, for the seller, cost is relative to moving forward with the transaction. The greatest risk for the seller is not negotiating the cost and then facing the unknown of the transaction failing and the unknown associated with starting the marketing process over. If a seller allows a transaction to fail based on cost, he likely is not eliminating the cost but simply deferring to the next selling opportunity where there is no guarantee that the cost will be less. Considering lost marketing time and the emotional stress associated with starting over, the cost is likely to be more.
Exercise 6

What is the most important point that you learned from the Course?

How will you apply it?

What are your expected results from applying?

Transfer your answer to the answer sheet

Quiz 9

1. The buyer and seller should understand the inspection as
   a. Defining risk and establishing cost.
   b. An opportunity to re-negotiate the sale price.
   c. A final opportunity for the buyer to decide if he really wants to purchase the property.

2. The risk to the seller is (which are correct)
   a. How long will it take to find another buyer?
   b. Will the repair issues deteriorate and become more expensive to address?
   c. There is no definable risk
3. The risk for the buyer is
   a. Will starting the process over produce a better property?
   b. Does not matter. This property will probably be available if he decides to shop around
   c. There is no risk