

ATS PROPERTY INSPECTIONS

"PROFESSIONAL INSPECTIONS PERFORMED WITH INTEGRITY AND RESPONSIBILITY"

9203 Tamara Lane, Chattanooga, TN 37421-4570
Tel: 423.892.4101 Fax: 423.892.4101 Cell: 423.421.7095
www.atspropertyinspections.com ATSPROPERTYINSPECTIONS@comcast.net

CONFIDENTIAL INSPECTION REPORT

PREPARED FOR:

Mr. and Mrs. Homebuyer

INSPECTION ADDRESS

123 Sample Drive, Chattanooga, TN 37421

INSPECTION DATE

5/8/2005 9:00 am to 2:10 pm



This report is the exclusive property of ATS PROPERTY INSPECTIONS and the client whose name appears herein. Use, possession or reliance on the findings of this report by anyone other than the client named on the contract is strictly prohibited. ATS PROPERTY INSPECTIONS is not responsible for any unauthorized editing or copying of this report.

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REPORT OVERVIEW

Client: Mr. and Mrs. Homebuyer

Inspection Address: 123 Sample Drive, Chattanooga, TN 37421

Inspection Date: 5/8/2005 Start: 9:00 am End: 2:10 pm

Inspected by: Paul Edmonson

This Report Overview is intended to provide a convenient and cursory preview of the conditions and components that we have identified within our report as Notice items that need service or a second opinion, it is not definitive, it is obviously not comprehensive and reading the entire report is absolutely essential. An endorsement of the condition of components or features that do not appear in this overview is not to be implied. Regardless, in recommending service, we have fulfilled or contractual obligation as generalists and disclaim any further responsibility. Also, the service or further review recommendations that we make in this overview and throughout the report should be completed well before the close of escrow by licensed specialists, who may identify additional defects or recommend upgrades that could affect a purchasers evaluation of the property. Note: See main report section for important Advisories and Photographs specific to this property.

Key to Terms and Symbols used in the Report Overview:

ATTENTION - Specific notation is made that issues were found that need to be addressed by competent repair personnel (in most cases a licensed contractor) after full system evaluation prior to closing escrow.

CONSULT an ENGINEER - Consult an appropriate, competent and licensed engineer for full review and further determination prior to closing escrow.

CONSULT SELLER - Consult the seller for past history/performance details and/or other general information prior to closing escrow.

REVIEW - Complete confirmation of condition was not made during our visual observation, we recommend complete evaluation prior to closing escrow.

CONSULT a PEST EXPERT - Conditions warrant consultation with a pest control/fungi/wood destroying organism inspector prior to closing escrow.

MONITOR or REPAIR - Item or condition should be monitored or repaired as required. Consult a qualified expert prior to closing escrow if not familiar with the requirements.

SAFETY NOTE - The notation refers to a condition that affects safety, complete evaluation and correction is suggested prior to closing escrow.

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Components and Conditions Needing Service

Site

Exterior Elements

Entry-Porch

- +The openings are too wide on the handrails at the entry porch.-apartment -Safety Note.
- + There are offsets in the entry-porch surface that could be a trip hazard - apartment -Safety Note.
- +There were no handrails on the porch.-house-Safety Note

Present - Steps & Handrails

- + As a safety precaution, we recommend installing handrails on steps that have three or more risers -front-Safety Note.
- + The steps are damaged -apartment - loose stones side at house-Review.

Grading-Drainage & Misc

Site Grading & Drainage Observations

- + Site drainage is poor, alterations are suggested to control water flow and keep it away from the building -side and rear of apartment - left side and rear of house-Attention.

Issues - Vegetation Concerns

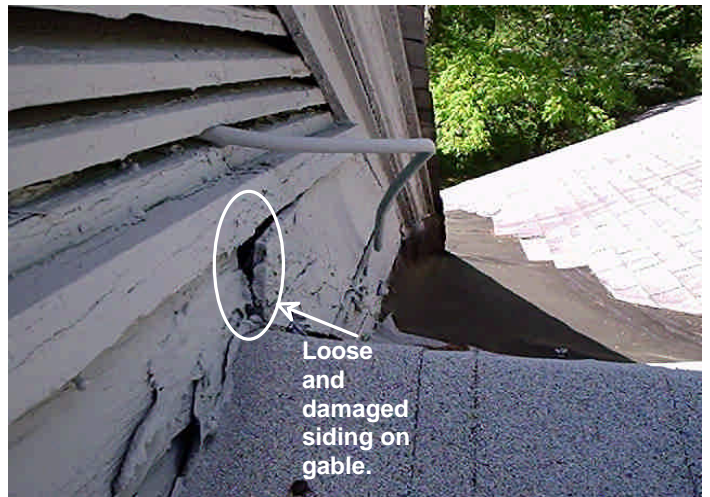
- + Vegetation is encroaching on the structure. Vegetation should be kept a minimum of twelve inches away from the structure for the general welfare of the walls and foundation - Review.
- + Vegetation needs to be trimmed away from the roof- Safety Note.

Structure

Wall Components

Wall Covering Observations

- +There is siding damage noted that will require repair.-Masonite type de-laminated-overdriven nails-apartment side-rear offset left side of house-several areas of wood may need replacement-loose on gable end at upper roof area-Attention



- + Paint/finish is deteriorated at the walls - Attention.
- + The siding nailing appears improper, evaluate further for required nailing pattern - overdriven nails in fibrous siding-Review.
- + The structure appears to be clad with siding that may be considered to be a manufacturers defect - fibrous on house-Review.

Fascia-Soffits-Trim

- + Damaged trim was observed at the property - apartment side-rear patio side header cover has water leaking into it--Attention.

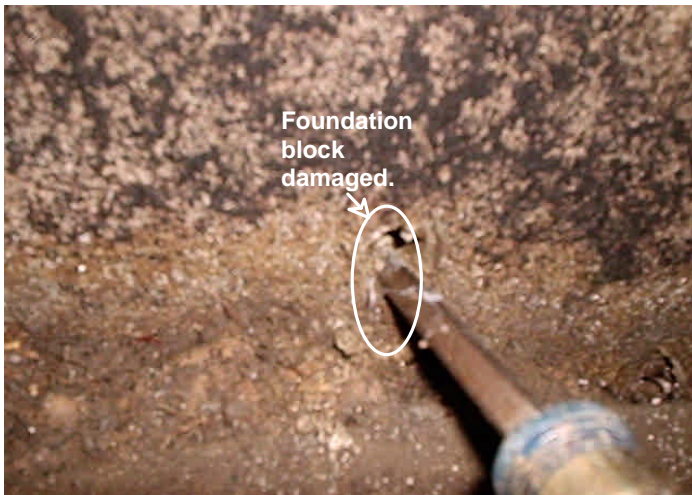


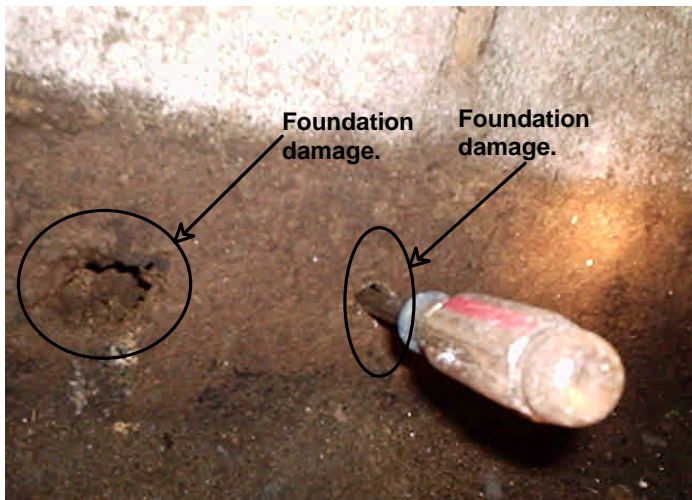
Raised Foundation or Basement
Raised Foundation Observations

- + Standing water in the crawl area. Repairs are needed.- under the apartment-Attention
- + Debris exists at the raised foundation areas - Attention.
- + Evidence of past moisture was observed at the raised foundation area - end wall of house at the left side, rear wall of house-Review.
- + Evidence of rodents was observed at the raised foundation area - Consult a Pest Expert.

Foundation Walls

- +The foundation blocks are deteriorating due to the constant wetting and drying process caused by water penetration into the crawl area.-apartment-structural damage to foundation-Attention.



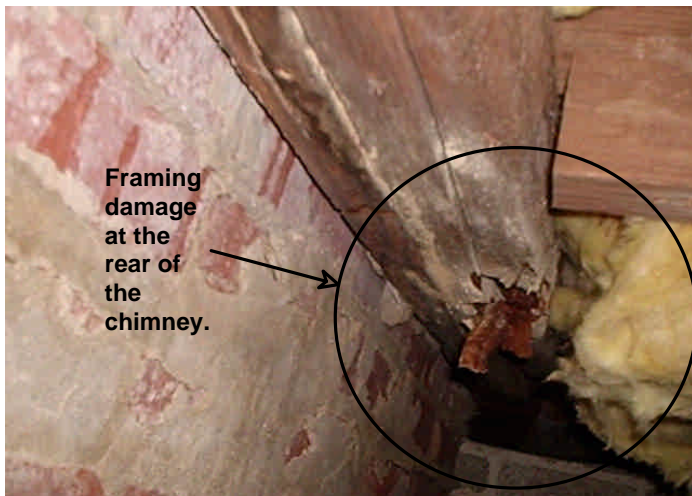


Ventilation

- +Install a vapor barrier on top of the soil under the house.-Attention.
- + Foundation screen cover(s) are missing and should be replaced to keep rodents or other pests out. Vents missing or damaged at the front of the master bedroom and the rear of the rear bedroom-Attention.

Floor Framing

- + Damaged/cut/sagging framing was observed - rear wall of sunroom on house is damaged at sill, ledger and band joist-left side wall of left bedroom at rear of side wall may be damaged as it has a temporary support under it. There is damaged framing on the floor at the rear of the left side bedroom.-there is damaged framing at the old fireplace at the bedroom side-cut and damaged framing below the hallway bathroom-Attention.

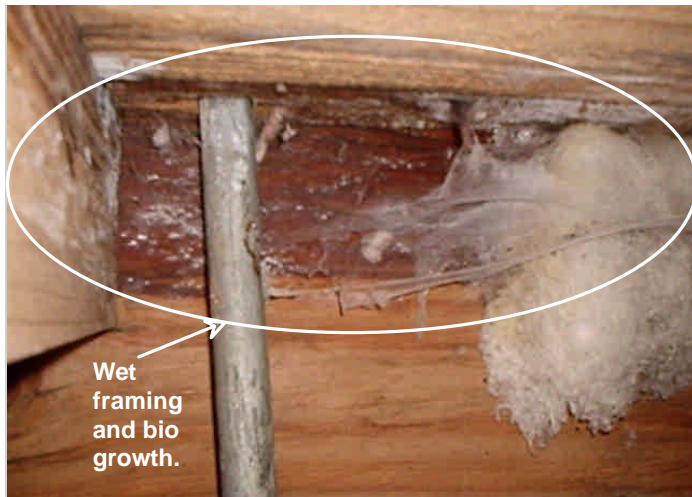


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- +There was wet and stained framing noted.-rear wall of apartment bathroom/kitchen area-Attention.



Floor Insulation

- + Some pieces of insulation are hanging or have fallen from between the floor joists or are damaged and missing- Attention

Foundation Support Components

- +There are metal posts supporting the framing which are rusting at the base.-under the left side bedroom-Review



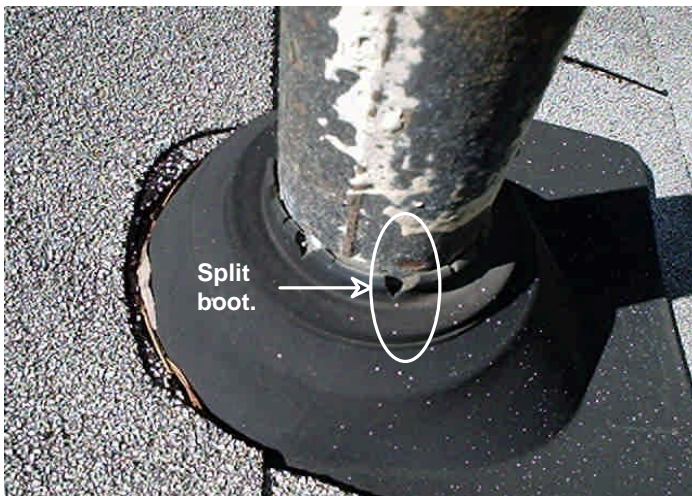
Attic-Roof

Composition Shingle Shingle Roof Observations

- + Complete roofing system evaluation is needed - apartment and garage due to age-Review.
- + Maintenance is required at roof shingles. There are damaged shingles that require repair. Check the entire roof for damaged shingles and repair as necessary. - gutter hangers on house have damaged some shingles-Attention.
- +Moss growth was noted on the roof.-garage-Attention.

Flashing-Penetrations Flashing Observations

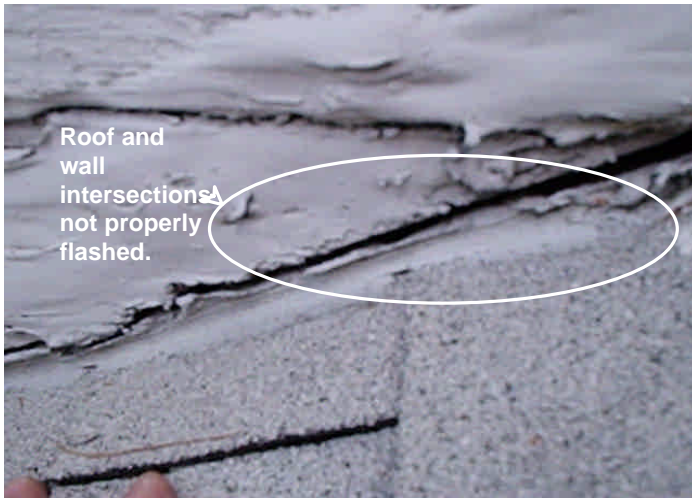
- +The vent stack boots are split and need replacing.-boot split master bathroom-tar on boot at the apartment-split boot hallway bathroom-check all-Attention.



- +Step flashing not visible at the roof and wall intersections.-house-garage-Attention.

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Drainage System

Drainage System Observations

- + The roof drainage system should be cleaned - Attention.
- + There are partial gutters on the structure (which are helpful in protecting the foundation), installation should be considered - Review.
- +The gutter hangers are incorrectly installed.-Attention.



Electrical

Main Panel

Overcurrent Protection

- +The GFCI breaker did not trip when tested.-house panel-Attention.
- +There is a breaker or breakers that are off in the panel. I don't reset them for testing. Consult the seller.-double pole in both panels-Attention

Distribution System

Electrical Distribution System Observations

- + There are open electrical junction boxes at the property, which should be capped to contain any arcing or sparking that might occur. Have an electrician perform a thorough evaluation to identify all locations with deficiencies - attic and crawl area-garage-Attention.

Issues - Outlets

- + Three prong outlets do not test properly grounded (recommend evaluation of all) - apartment living room-open ground master at bathroom wall--Review.
- + Reverse polarity was detected at outlets (check all) - master bedroom outlet behind door-Attention.
- + Painted over outlets noted -hallway bathroom -Review.
- +There is improper wiring to the outlet at-the master bedroom outlet behind the door is on the living room switched outlet circuit at the front door-Attention

Issues - Switch & Lighting

- + Light bulbs are missing/not responding (possibly burned out) - Review.
- +I was unable to identify what some light switches operate.- closet bedroom at end of hallway -Consult the Seller.

Parking

Garage

Walls and Ceiling

- +The sill plate is damaged.-Attention
- +Evidence of water penetration into the garage floor.-Attention

Laundry

Laundry Area Comments

Observations

- + The laundry room does not have a drain pan plumbed either to the exterior or to an internal drain - Review.

Dryer Vent

- + There is no dryer vent provision provided - Review.

Plumbing

Meter & Supply

Meter & Supply Piping Observations

- +Water was off to the apartment. No opinion is offered regarding the plumbing system and its components.-Attention.
- +A flow and drainage test wasn't conducted.-Correct issue and conduct flow and drainage test-house due to sewer grinder off with alarm-Attention

Issues - Pressure Regulator

- + The water pressure is too high and will stress components of the system. A licensed plumber should reduce the pressure at the regulator to 80 psi or less (it is possible that regulator has failed and needs repair/replacement) - 100-110 at bibs-Attention.

Distribution Piping

Distribution Piping Observations

- + Moderate to major distribution piping corrosion was observed - apartment-Review.
- + Budget for distribution system piping replacement - Monitor.
- +The pipe insulation on some of the piping below the house may contain asbestos.-Review

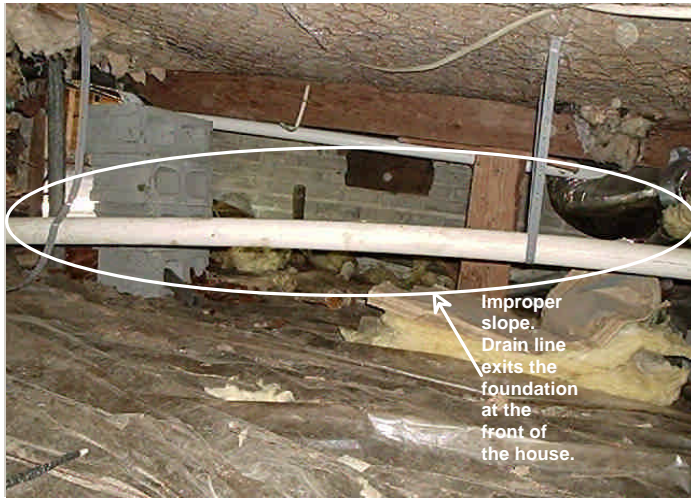
Hose Bibs

- + Hose bib handles were missing, check all - Attention.

Waste and Vent Piping

Waste and Vent Pipe Observations

- + Given the age of this residence, it is possible that the drainpipes are old. Older piping is susceptible to decay, therefore, it would be prudent to ask the sellers if they have replaced the piping, ever had blockages in the main drainpipe, and/or have the line video-scanned - Review.
- +There is visible corrosion on the drain/vent piping.-apartment-Attention
- +The drain lines did not slope for proper drainage.-kitchen sink drain-Attention.



Present - Sewage Lift Provisions

- +The sewage grinder did not appear to work. The power was turned off and when turned on an alarm sounded.-Attention.

Gas System

Gas System Observations

- +The gas piping was not corrosion proofed.-left side-Attention.

Water Heater - Gas

Issues - Combustion Chamber

- +Access to the burner was blocked or inaccessible. Inspection is recommended prior to closing.-Review.

Issues - Combustion Venting

- + The combustion air vents for the water heater appear undersized - Attention.

Interior

Safety Components

Safety Component Observations

- + No smoke detector found - apartment -Safety Note.

Exterior Doors

Exterior Door Observations

- + Exterior door(s) would not latch/lock, service needed - sun porch door to patio-Attention.

Interior Doors

Interior Door Observations

- +Door needs adjustment.-interior of apartment -house master bedroom by kitchen -hallway of house-first bedroom on the left-bedroom at end of hallway closets and door to hallway -rear bedroom and closet-hallway bathroom -Attention .

Windows

Window Observations

- + Some windows were painted shut and need service to make them function (check all) -most all windows are painted closed- - Attention.

Kitchen

Sink

Basin

- +The water was off in the sink-apartment-Review

Issues - Faucet & Supply

- + The sink spray wand was inoperative - Attention.
- +The piping wasn't completed. Complete piping and test for proper operation.-apartment -Attention

Issues - Drains

- +The piping wasn't completed. Complete piping and test for proper operation.-apartment -Attention

Range-Oven

Venting

- + Stove exhaust fan was inoperative - Attention.
- +No stove or range venting provision was provided.-apartment -Attention.

Bathroom

Toilets

Toilet Observations

- +The toilet was off.-apartment -Review.

Sinks

Basin

- +The sink was off and not tested.-apartment -Review

Ventilation

Bathroom Ventilation Observations

- + Window would not open at the bathroom - painted closed-Attention.

Tubs & Showers

Tub-Shower

- +The tub wasn't tested.-water off apartment -Attention .

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This report has been produced in accordance with our contract and is subject to the terms and conditions therein.
All printed comments and the opinions expressed herein are those of ATS PROPERTY INSPECTIONS.

GENERAL INFORMATION

Inspection Address: 123 Sample Drive, Chattanooga, TN 37421
Inspection Date: 5/8/2005 Time: 9:00 am to 2:10 pm
Inspected by: Paul Edmonson

Client Information: Mr. and Mrs. Homebuyer
123 Maple Sample Drive, Chattanooga, TN 37421

Structure Type: Framed
Furnished: No
Number of Stories: One

Structure Style: Single Family

Approx.Year Built: 1967
Unofficial Sq.Ft.: 2313

People on Site At Time of Inspection: Buyer(s)

PLEASE NOTE:

The service and further review recommendations that we make in this report should be completed well before the close of escrow by licensed specialists, who may identify additional defects or recommend upgrades that could affect your evaluation of the property. The Transfer Disclosure Statement or TDS is an important legal document that the sellers are required to provide to you. You should read it carefully, and seek a second opinion regarding any disclosure that could become contentious or subject to interpretation. This is important, because sellers generally have the most intimate knowledge of a property and its components. These are the facts that you deserve to be informed about, and that we may not necessarily discern during our relatively brief visit to the site. Use of this inspection and report in any way constitutes acceptance of it's terms and conditions. The inspection and report is null and void if a signed contract does not exist between ATS PROPERTY INSPECTIONS and the Client.

Report File: ATS Sample

SCOPE OF WORK

You have contracted with us to perform a general inspection in accordance with the ASHI standards for the inspection profession. It is different from a specialist inspection, which can be costly, take several days to complete, involve the use of specialized instruments, the dismantling of equipment, video-scanning, destructive testing, and laboratory analysis. By contrast, a general inspection is completed on-site at a fraction of the cost and within a few hours. Consequently a general inspection and its report will not be as comprehensive as that generated by specialists and it is not intended to be. Our purpose is to identify defects or adverse conditions that need additional evaluation, are safety related or may lead to costs that would significantly affect your evaluation of the property.

We evaluate systems/components and report on their general condition. A Satisfactory or Operational notation does not mean that the item is perfect but that it is either functional or met a reasonable standard on the day of the inspection. We take into consideration when a structure was built and allow for the predictable deterioration that would occur through time, such as the cracks that appear in concrete and in the surfaces around windows and doors, scuffed walls or woodwork, worn or moderately damaged floors, stiff or stuck windows, and cabinetry that does not function as it did when new. Therefore, we tend to ignore insignificant and predictable defects and may or may not note them, particularly those that would be apparent to the average person or to someone without any construction experience. We are not authorized and do not have the expertise to test for environmental contaminants, or comment on termite, dry rot, fungus or mold. You should schedule any desired specialized inspections with the appropriate specialists before the close of escrow.

A building and its components are complicated and because of this and the limitations of a generalist inspection, we offer unlimited consultation and encourage you to ask questions. We promote candid and forthright communication between all parties because we believe that it is the only way to avoid stressful disputes and costly litigation. Remember, it is essential that you read the entire report and any recommendations that we make for service or evaluation by specialists should be completed and documented well before the close of escrow (because additional defects could be revealed by specialists and upgrades recommended could affect your evaluation of the property). Our service should not be construed as a warranty or guarantee.

Key to Terms and Symbols used in the Report:

FUNCTIONAL, SATISFACTORY or OPERATIONAL - The system or component appears capable of being used and is considered acceptable for its age and general usefulness. Evidence of past or present defects or additional notations may be present, however, the item is considered to be repairable or capable of generally satisfactory service within the limits of its age.

ATTENTION - Specific notation is made that issues were found that need to be addressed by competent repair personnel (in most cases a licensed contractor) after full system evaluation prior to closing escrow.

CONSULT an ENGINEER - Consult an appropriate, competent and licensed engineer for full review and further determination prior to closing escrow.

CONSULT SELLER - Consult the seller for past history/performance details and/or other general information prior to closing escrow.

REVIEW - Complete confirmation of condition was not made during our visual observation, a complete evaluation is needed prior to closing escrow.

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MONITOR or REPAIR- Item or condition should be monitored or repaired as required. Consult a qualified expert prior to closing escrow if not familiar with the requirements.

SAFETY NOTE - The notation refers to a condition that affects safety, complete evaluation and correction is needed prior to closing escrow.

+ - A plus sign at the beginning of a notation means that this is a comment that requires specific consideration prior to closing escrow.

Site

Our evaluation of the site features of a property does not include subterranean drainage systems, fountains, ponds, statuary, fire pits, play equipment or display/security lighting. This inspection does not include geological conditions or site stability information. For information concerning these conditions, a geologist or soils engineer should be consulted.

Exterior Elements

Driveways

Functional Components and Conditions

The driveway was Satisfactory.

Walkways

Functional Components and Conditions

Exterior walkways were Satisfactory.

Present - Retaining Walls

Functional Components and Conditions

The retaining walls appeared Satisfactory.

Entry-Porch

Components and Conditions Needing Service

- +The openings are too wide on the handrails at the entry porch.-apartment -Safety Note.
- + There are offsets in the entry-porch surface that could be a trip hazard - apartment -Safety Note.
- +There were no handrails on the porch.-house-Safety Note

Present - Steps & Handrails

Components and Conditions Needing Service

- + As a safety precaution, we recommend installing handrails on steps that have three or more risers -front-Safety Note.
- + The steps are damaged -apartment - loose stones side at house-Review.

Patio

Functional Components and Conditions

The patio was Satisfactory.

Grading-Drainage & Misc

Site Grading & Drainage Observations

Components and Conditions Needing Service

- + Site drainage is poor, alterations are suggested to control water flow and keep it away from the building -side and rear of apartment - left side and rear of house-Attention.

Issues - Vegetation Concerns

Components and Conditions Needing Service

- + Vegetation is encroaching on the structure. Vegetation should be kept a minimum of twelve inches away from the structure for the general welfare of the walls and foundation - Review.
- + Vegetation needs to be trimmed away from the roof- Safety Note.

Structure

We do not typically comment on surface coatings, cosmetic deficiencies or normal wear and tear that would be readily apparent to the average person. Unless noted otherwise, the house exterior was evaluated from the ground. Some areas were not fully visible to evaluate. A board by board/brick by brick/stone by stone/section by section search or evaluation of the siding/veneer on this structure was not performed and is beyond the scope of this inspection.

Structural Elements

Wall Structure Type - Observations

Functional Components and Conditions

The wall structure appeared Satisfactory.

Informational Components

The structure walls are framed.

Wall Components

Type of Material

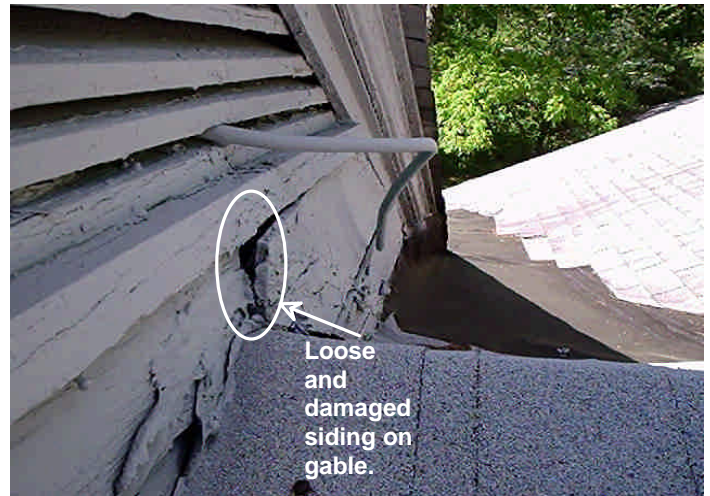
Informational Components

The walls are clad with a fibrous type siding
The exterior walls are clad with a wood siding.

Wall Covering Observations

Components and Conditions Needing Service

+There is siding damage noted that will require repair.-Masonite type de-laminated-overdriven nails-apartment side-rear offset left side of house-several areas of wood may need replacement-loose on gable end at upper roof area-Attention



- + Paint/finish is deteriorated at the walls - Attention.
- + The siding nailing appears improper, evaluate further for required nailing pattern - overdriven nails in fibrous siding-Review.
- + The structure appears to be clad with siding that may be considered to be a manufacturers defect - fibrous on house-Review.

Fascia-Soffits-Trim

Components and Conditions Needing Service

+ Damaged trim was observed at the property - apartment side-rear patio side header cover has water leaking into it--Attention.



Issues - Limitations to Inspection

Informational Components

The trim wasn't fully visible to inspect due to the height of the structure.

Raised Foundation or Basement

Description of Foundation Type

Informational Components

The foundation is a raised type with a crawlspace.

Floor framing Main Beams 3x2x10 Joists 2x8

Method of Evaluation

Informational Components

We evaluated the raised foundation by partial access within the crawlspace.

+ We cannot access all areas of the foundation crawlspace due to obstructions - front of left side bedroom-side wall of left side bedroom-Review.

Raised Foundation Observations

Components and Conditions Needing Service

+ Standing water in the crawl area. Repairs are needed.- under the apartment-Attention

+ Debris exists at the raised foundation areas - Attention.

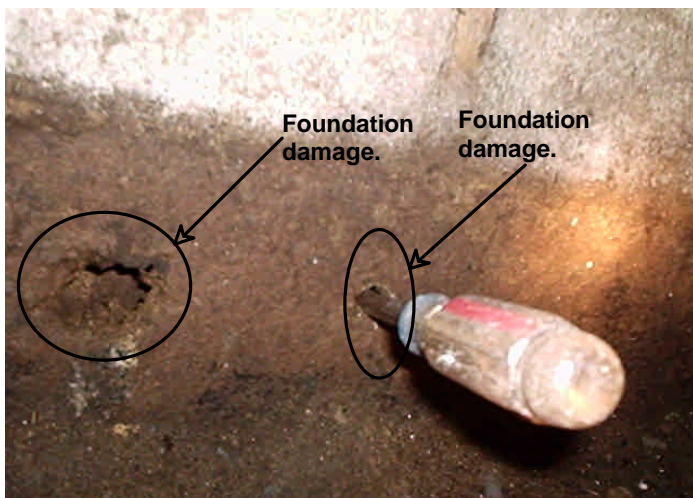
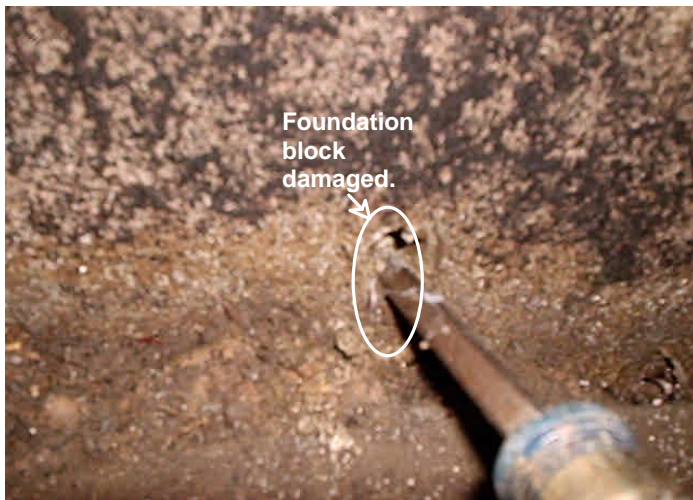
+ Evidence of past moisture was observed at the raised foundation area - end wall of house at the left side, rear wall of house-Review.

+ Evidence of rodents was observed at the raised foundation area - Consult a Pest Expert.

Foundation Walls

Components and Conditions Needing Service

+ The foundation blocks are deteriorating due to the constant wetting and drying process caused by water penetration into the crawl area.-apartment-structural damage to foundation-Attention.



Ventilation

Components and Conditions Needing Service

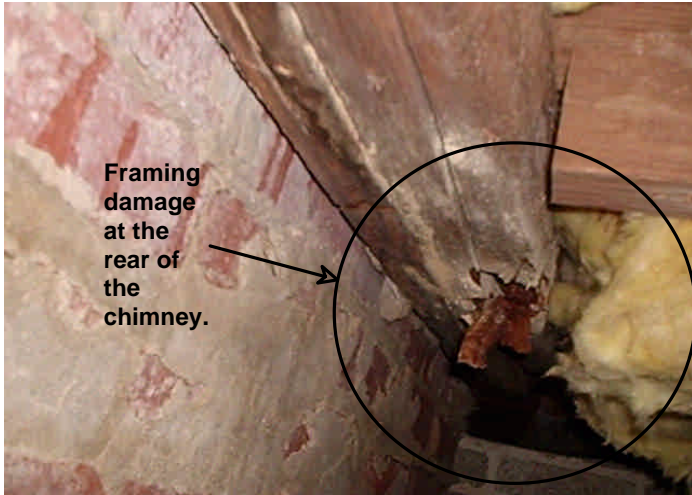
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- + Foundation screen cover(s) are missing and should be replaced to keep rodents or other pests out. Vents missing or damaged at the front of the master bedroom and the rear of the rear bedroom-Attention.

Floor Framing

Components and Conditions Needing Service

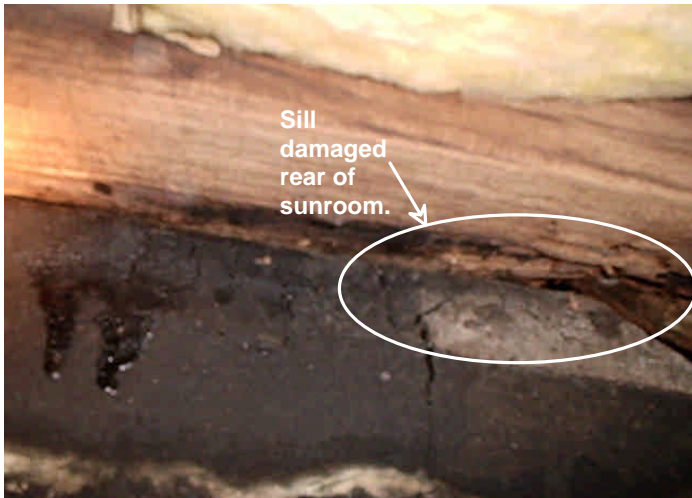
- + Damaged/cut/sagging framing was observed - rear wall of sunroom on house is damaged at sill, ledger and band joist-left side wall of left bedroom at rear of side wall may be damaged as it has a temporary support under it. There is damaged framing on the floor at the rear of the left side bedroom.-there is damaged framing

at the old fireplace at the bedroom side-cut and damaged framing below the hallway bathroom-Attention.

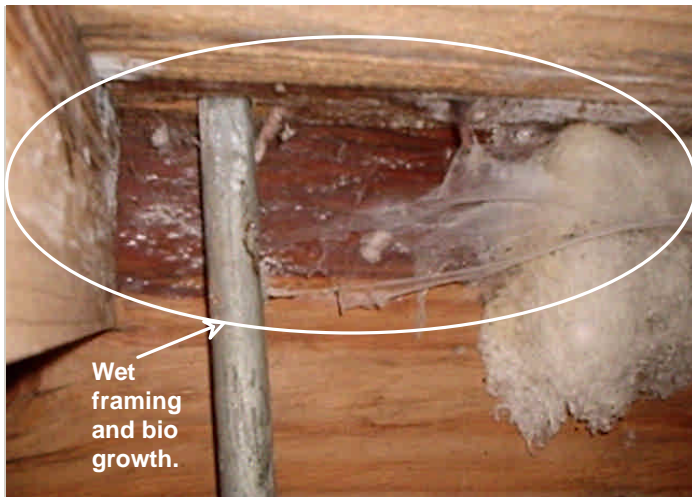


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+There was wet and stained framing noted.-rear wall of apartment bathroom/kitchen area-Attention.



Floor Insulation

Components and Conditions Needing Service

+ Some pieces of insulation are hanging or have fallen from between the floor joists or are damaged and missing- Attention

Foundation Support Components

Components and Conditions Needing Service

+There are metal posts supporting the framing which are rusting at the base.-under the left side bedroom-Review



Attic-Roof

We will not attempt to enter an attic that has less than thirty-six inches of headroom, is restricted by ducts, framing, wiring or when insulation obscures framing making mobility hazardous. Also, we do not move the insulation, which may obscure other components or defects. Determining the presence of Asbestos or other hazardous materials is beyond the scope of this inspection. We access the roof to examine the surface or note that our access was limited. The inspection will not include a prediction of remaining life-expectancy or a guarantee against leaking. The report is an opinion of the general quality and condition of the roofing. The inspector cannot, and does not offer an opinion or warranty as to whether the roof has leaked in the past, leaks now, or may be subject to future leakage. This report is issued in consideration of the foregoing disclaimer.

Attic

Method of Evaluation

Informational Components

We evaluated portions of the attic by direct access - inspection limited.

+ There was no visible attic access - the attic was not inspected (roof and ceiling structure type not determined).-apartment

Roof & Ceiling Structure Type

Informational Components

The roof & ceiling structure is conventionally framed with rafters, joists, purlins, collar-ties, etc.

Attic Observations

Informational Components

There were several areas of the attic without access for inspection or the clearance was too low to enter.

The visible components within the attic appear to be Satisfactory.

Insulation

Functional Components and Conditions

The average attic insulation depth is approximately 8 to 10 inches, which meets or is close to current standards.

Informational Components

The attic insulation type includes fiberglass.

Ventilation

Functional Components and Conditions

Ventilation within the attic appears to be Satisfactory.

General

Issues - Miscellaneous

Informational Components

There are many different roof types, which we evaluate by walking on their surfaces. If we are unable or unwilling to do this for any reason, we will indicate the method that was used to evaluate them. Every roof will wear differently relative to its age, the number of its layers, the quality of its material, the method of its application, its exposure to direct sunlight or other prevalent weather conditions, and the regularity of its maintenance. Regardless of its design-life, every roof is only as good as the waterproof membrane beneath it, which is concealed and cannot be examined without removing the roof material, and this is equally true of almost all roofs. In fact, the material on the majority of pitched roofs is not designed to be waterproof only water-resistant. However, what remains true of all roofs is that, whereas their condition can be evaluated, it is virtually impossible for anyone to detect a leak except as it is occurring or by specific water tests, which are beyond the scope of our service. Even water stains on ceilings, or on the framing within attics, will not necessarily confirm an active leak without some corroborative evidence, and such evidence can be deliberately concealed. Consequently, only the installers can credibly guarantee that a roof will not leak, and they do. We evaluate every roof conscientiously, and even attempt to approximate its age, but we will not predict its remaining life expectancy, or guarantee that it will not leak. Naturally, the sellers or the occupants of a residence will generally have the most intimate knowledge of the roof and of its history. Therefore, we recommend that you ask the sellers about it, and that you either include comprehensive roof coverage in your home insurance policy, or that you obtain a roof certification from an established local roofing company.

Composition Shingle

Method of Evaluation & Location

Informational Components

We evaluated the roof and its components by walking its surface.

Shingle Roof Observations

Informational Components

The shingle roof shows signs of normal weathering and aging.

Components and Conditions Needing Service

- + Complete roofing system evaluation is needed - apartment and garage due to age-Review.
- + Maintenance is required at roof shingles. There are damaged shingles that require repair. Check the entire roof for damaged shingles and repair as necessary. - gutter hangers on house have damaged some shingles-Attention.
- +Moss growth was noted on the roof.-garage-Attention.

Flashing-Penetrations

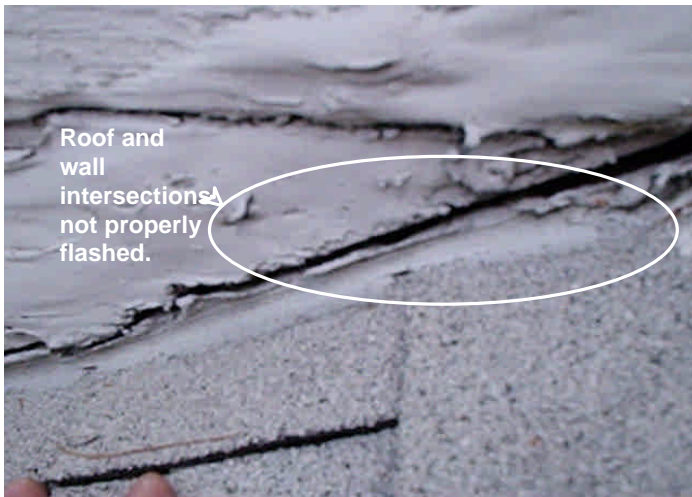
Flashing Observations

Components and Conditions Needing Service

- +The vent stack boots are split and need replacing.-boot split master bathroom-tar on boot at the apartment-split boot hallway bathroom-check all-Attention.



+Step flashing not visible at the roof and wall intersections.-house-garage-Attention.



Drainage System

Drainage System Observations

Informational Components

Gutters, downspouts and subsurface drains are not water tested for leakage and blockage. Regular maintenance of drainage systems is required to reduce water problems at the roof and foundation.

Components and Conditions Needing Service

- + The roof drainage system should be cleaned - Attention.
- + There are partial gutters on the structure (which are helpful in protecting the foundation), installation should be considered - Review.
- +The gutter hangers are incorrectly installed.-Attention.



Membrane Roof

Method of Evaluation & Location

Informational Components

We evaluated the roof and its components by walking its surface.

Membrane Roof Observations

Functional Components and Conditions

The membrane roof appears to be in Satisfactory condition.

Electrical

The inspection includes identifying the type and capacity of the service and evaluating panels, overcurrent protection, visible wiring, system ground, and a representative number of switches and outlets. It is essential that any service recommendations or upgrades that we make be completed well before the close of escrow because a specialist could reveal additional deficiencies or recommend upgrades. Generally, the comments made in this section are safety related and critically important. Adding GFCI (Ground Fault Circuit Interrupter) protection should be considered in areas that are not required due to the age of the structure. Adding Arc Fault Circuit Interrupter (AFCI) protection, a newly designed breaker to stop arcs and sparking from occurring, should be considered.

Main Panel

Type of Service Entrance Wiring

Informational Components

The service entrance conductors are aluminum where visible.

Size and Location

Informational Components

The property is served by a 200 amp, 120/240 volt panel, located at the hallway

The property is served by a 100 amp, 120/240 volt panel, located inside the garage.

Service Entrance Observations

Functional Components and Conditions

The overhead service entrance was Satisfactory.

Grounding & Bonding

Functional Components and Conditions

The electrical system grounding/bonding appears Satisfactory where visible.

Overcurrent Protection

Informational Components

The overcurrent protection is provided by breakers.

Components and Conditions Needing Service

- +The GFCI breaker did not trip when tested.-house panel-Attention.
- +There is a breaker or breakers that are off in the panel. I don't reset them for testing. Consult the seller.-double pole in both panels-Attention

Distribution System

Electrical Distribution System Observations

Components and Conditions Needing Service

- + There are open electrical junction boxes at the property, which should be capped to contain any arcing or sparking that might occur. Have an electrician perform a thorough evaluation to identify all locations with deficiencies - attic and crawl area-garage-Attention.

Distribution Wiring Type

Informational Components

Wiring is all copper where visible.

The property is wired with a modern vinyl coated wiring known as Romex.

GFCI Outlets

Functional Components and Conditions

The GFCI outlets tested were Operational.-garage-apartment -bathrooms

Issues - Outlets

Components and Conditions Needing Service

- + Three prong outlets do not test properly grounded (recommend evaluation of all) - apartment living room-open ground master at bathroom wall--Review.
- + Reverse polarity was detected at outlets (check all) - master bedroom outlet behind door-Attention.
- + Painted over outlets noted -hallway bathroom -Review.
- +There is improper wiring to the outlet at-the master bedroom outlet behind the door is on the living room switched outlet circuit at the front door-Attention

Issues - Switch & Lighting

Components and Conditions Needing Service

- + Light bulbs are missing/not responding (possibly burned out) - Review.
- +I was unable to identify what some light switches operate.- closet bedroom at end of hallway -Consult the Seller.

Parking

It is not uncommon for moisture to penetrate garages, because their slabs are on-grade. Evidence of this is typically apparent in the form of efflorescence, or salt crystal formations, that result when moisture penetrates the concrete slab or sidewalls. This is common with garages that are below grade, and some sidewalls are even cored to relieve the pressure that can build up behind them, and which actually promotes drainage through the garage. Also, garage door openings are not standard, and you may wish to measure the opening to ensure that there is sufficient clearance to accommodate your vehicles.

Garage

Overhead Doors

Functional Components and Conditions

The garage door(s) were Operational.

Walls and Ceiling

Components and Conditions Needing Service

- +The sill plate is damaged.-Attention
- +Evidence of water penetration into the garage floor.-Attention

Laundry

We do not test clothes dryers or washing machines and their water connections and drainpipes. Conditions of walls and flooring under and behind washing machines and dryers cannot be judged. Water supply valves if turned may be subject to leaking.

Laundry Area Comments

Observations

Informational Components

- + Laundry area appeared Satisfactory except Adverse Conditions noted - Review.

Components and Conditions Needing Service

- + The laundry room does not have a drain pan plumbed either to the exterior or to an internal drain - Review.

Dryer Connection

Informational Components

The dryer connection is 240 volt electric.

Dryer Vent

Components and Conditions Needing Service

- + There is no dryer vent provision provided - Review.

Plumbing

The inspection includes evaluation of functional flow & drainage. Concealed or underground piping will not be evaluated, judged for sizing, leaks, corrosion or identified for type during this inspection., The description of material type noted in the report refers to visible portions only. Some plastic piping can be problematic and require additional steps beyond the inspection to identify. Underground piping cannot be evaluated for corrosion, breaks, leakage or possible root intrusions/blockage. Future drainage performance is also not determined. Problems with waste lines, particularly the main sewer line or the septic field lines, can be costly and it would be prudent to have the main sewer line or the septic tank/field lines video scanned particularly on older systems.

Meter & Supply

Type of Material

Informational Components

I was unable to determine the supply line size and type of piping. The line wasn't located for inspection.

Meter & Supply Piping Observations

Components and Conditions Needing Service

- +Water was off to the apartment. No opinion is offered regarding the plumbing system and its components.-Attention.

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+A flow and drainage test wasn't conducted.-Correct issue and conduct flow and drainage test-house due to sewer grinder off with alarm-Attention

Main Shut-Off Observations

Informational Components

+ The main water shut-off valve was not located - Consult Seller.

Issues - Pressure Regulator

Components and Conditions Needing Service

+ The water pressure is too high and will stress components of the system. A licensed plumber should reduce the pressure at the regulator to 80 psi or less (it is possible that regulator has failed and needs repair/replacement) - 100-110 at bibs-Attention.

Distribution Piping

Type of Material

Informational Components

+ The building is served by a combination of galvanized and copper potable water pipes, budget for replacement of the galvanized piping - Monitor.

Distribution Piping Observations

Components and Conditions Needing Service

+ Moderate to major distribution piping corrosion was observed - apartment-Review.
+ Budget for distribution system piping replacement - Monitor.
+The pipe insulation on some of the piping below the house may contain asbestos.-Review

Hose Bibs

Components and Conditions Needing Service

+ Hose bib handles were missing, check all - Attention.

Waste and Vent Piping

Type of Material

Informational Components

The building is served by plastic waste and vent pipes.
The building is served by galvanized-cast iron waste and vent pipes.

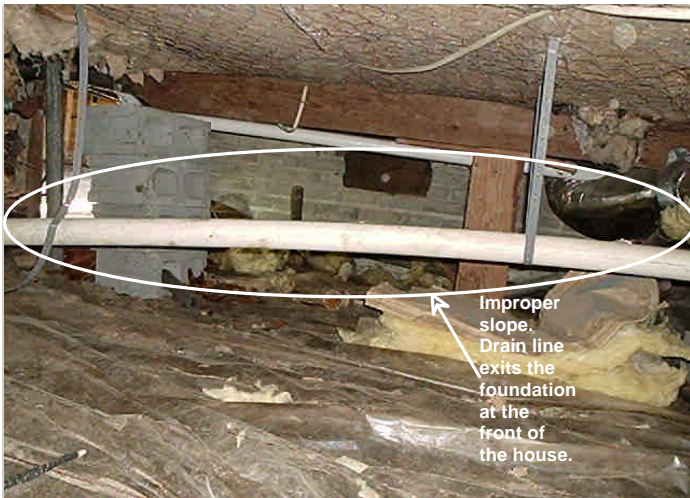
Waste and Vent Pipe Observations

Informational Components

+Budget to replace the drain lines.-Monitor.

Components and Conditions Needing Service

+ Given the age of this residence, it is possible that the drainpipes are old. Older piping is susceptible to decay, therefore, it would be prudent to ask the sellers if they have replaced the piping, ever had blockages in the main drainpipe, and/or have the line video-scanned - Review.
+There is visible corrosion on the drain/vent piping.-apartment-Attention
+The drain lines did not slope for proper drainage.-kitchen sink drain-Attention.



Present - Sewage Lift Provisions

Components and Conditions Needing Service

- +The sewage grinder did not appear to work. The power was turned off and when turned on an alarm sounded.-Attention.

Gas System

Gas Main - Shut Off Location

Informational Components

- Gas shut off valve is located at the gas meter.

Gas System Observations

Components and Conditions Needing Service

- +The gas piping was not corrosion proofed.-left side-Attention.

Water Heater - Gas

Gas Water Heater Size

Informational Components

- Gas water heater(s) are 1 unit(s) at 40 gallons. 2001 model approximately

Water Heater Location & General Observations

Informational Components

- Water heater location - exterior closet.

TPR Safety Valve and Discharge Pipe

Functional Components and Conditions

- The water heater is equipped with a mandated TPR safety valve, testing this device is not part of the inspection.

Vent Pipe and Cap

Informational Components

- The vent pipe and cap on the gas water heater is Satisfactory where visible.

Issues - Combustion Chamber

Components and Conditions Needing Service

- +Access to the burner was blocked or inaccessible. Inspection is recommended prior to closing.-Review.

Issues - Combustion Venting

Components and Conditions Needing Service

- + The combustion air vents for the water heater appear undersized - Attention.

Heat-Cool

The inspection includes identifying and evaluating systems and their components. We do not dismantle the heating-cooling system, nor do we evaluate the following components: heat exchanger, electronic air-cleaners, humidifiers, in-line duct motors or dampers. We do not perform airflow diagnostic testing at the registers and it is imperative that any recommendation that we make for service or a second opinion be scheduled before the close of escrow, because a specialist could reveal additional defects or recommend further upgrades that could affect your evaluation of the property. The inspector does not perform pressure tests on coolant systems; therefore no representation is made regarding coolant charge or line integrity. Subjective judgment of system capacity is not part of the inspection. Window or portable units are not inspected. Our service does not include a warranty or guarantee on the systems. We do not light pilot lights and shut down systems are not inspected. Determining the presence of asbestos can only be performed by laboratory testing and is beyond the scope of this inspection. Thermostats are not checked for calibration or timed function. Adequacy, efficiency or even heat/cooling distribution of the system through the house is not a part of this inspection.

Gas Heater Size & Type

Gas Heater Size & General Comments

Informational Components

Gas furnace(s) are 1 unit(s) at approximately 88 k input btu's. Approximate age 1995.

Gas Heater Location

Informational Components

Gas heater location - crawl area

Gas Heating System Observations

Operational Notes

Functional Components and Conditions

The gas heating system was Operational

Vent Pipe & Cap

Functional Components and Conditions

The furnace vent pipe appeared Satisfactory where visible.

Gas Valve and Connector

Functional Components and Conditions

The gas valve and connector appear Satisfactory.

Electric Heater Size & Type

Electric Heater Size & General Comments

Informational Components

Electric forced air heat size first unit 7.3 kw Approximate age 2003

Electric Heater Location

Informational Components

Electric heating system location - garage.

Electric Heating System Observations

Operational Notes

Functional Components and Conditions

The electric heating system was Operational.

Distribution-Duct System

Distribution-Duct System Observations

Functional Components and Conditions

Ductwork appeared Satisfactory where visible.

Filter(s) & Return Air Compartment

Filter & Return Air Compartment Observations

Functional Components and Conditions

Filter(s) were Satisfactory.

Informational Components

Filter was located at the interior wall.

Controls-Thermostats

Thermostat

Functional Components and Conditions

The thermostat(s) were Operational. Tested in heating-mode.

Electric Cooling System Size & Type

Cooling System Size & General Comments

Informational Components

Electric air conditioner(s) are 1 unit(s) at approximately 1.5 tons. Approximate age 2004

Electric air conditioner(s) are 1 unit(s) at approximately 3.5 tons. Approximate age 1989

Cooling System Location

Informational Components

Electric cooling system location - exterior ground mounted.

Electric Cooling System Observations

Operational Notes

Informational Components

+ We did not test the cooling system because the ambient temperature was too low (below 65 degrees F.) and testing the unit could damage it - Review.

Issues - Evaporator Coil

Informational Components

Evaporator was not accessible to inspect.

Interior

The inspection includes the visually accessible areas of walls, floors, cabinets and counters, including the testing of a representative number of windows and doors. We do not evaluate window treatments, move furniture, lift carpets or rugs, empty closets or cabinets, and we do not comment on cosmetic deficiencies. The condition of walls behind wallpaper and paneling cannot be evaluated. The condition of wood flooring below carpet is not possible and not evaluated as determining odors or stains in flooring isn't included. A number of environmental pollutants can exist in a building such as asbestos, carbon monoxide, radon, and a variety of molds and fungi that require specialized equipment to detect, which is beyond our expertise and the scope of our service. Determining the condition of all thermopane windows is not possible due to temperature, weather and lighting variations. Consult with the owner for information regarding the condition of all windows. Wood and ashes are not moved in the fireplace for inspection. Wood burning fireplace inserts should be removed for inspection of the firebox and chimney flue inasmuch as inspection of these units isn't possible and isn't included in the scope of this inspection.

Safety Components

Safety Component Observations

Informational Components

- + Smoke detector(s) not tested - Review.

Components and Conditions Needing Service

- + No smoke detector found - apartment -Safety Note.

Exterior Doors

Exterior Door Observations

Functional Components and Conditions

The doorbell did function.

Informational Components

- + There is no doorbell installed or one was not found -apartment - Review.

Components and Conditions Needing Service

- + Exterior door(s) would not latch/lock, service needed - sun porch door to patio-Attention.

Interior Doors

Interior Door Observations

Components and Conditions Needing Service

+Door needs adjustment.-interior of apartment -house master bedroom by kitchen -hallway of house-first bedroom on the left-bedroom at end of hallway closets and door to hallway -rear bedroom and closet-hallway bathroom -Attention .

Windows

Window Type

Informational Components

The windows are single pane.

Window Observations

Components and Conditions Needing Service

- + Some windows were painted shut and need service to make them function (check all) -most all windows are painted closed- - Attention.

Walls & Ceilings

Walls and Ceiling Observations

Functional Components and Conditions

The walls and ceilings were Satisfactory where visible.

Informational Components

+Common wall cracks /ceiling cracks were present.-Monitor or Repair .

Floors

Floor Observations

Functional Components and Conditions

The flooring appeared Satisfactory (this is a subjective opinion and you should judge for yourself).

Kitchen

Cabinets-Counters

Kitchen Cabinets

Functional Components and Conditions

The cabinets in the kitchen were Satisfactory.

Kitchen Countertops

Functional Components and Conditions

The kitchen countertops were Satisfactory.

Sink

Basin

Components and Conditions Needing Service

+The water was off in the sink-apartment-Review

Issues - Faucet & Supply

Informational Components

+ The spray wand creates a possible cross-connection (a cross-connection is a potential safety concern that could allow waste water to siphon back into the drinking water) - Safety Note.

Components and Conditions Needing Service

+ The sink spray wand was inoperative - Attention.

+The piping wasn't completed. Complete piping and test for proper operation.-apartment -Attention

Issues - Drains

Components and Conditions Needing Service

+The piping wasn't completed. Complete piping and test for proper operation.-apartment -Attention

Dishwasher

Dishwasher Observations

Informational Components

There was no dishwasher installed.

Range-Oven

Range-Oven Type

Informational Components

- The range-oven is electric.
- +No range or oven installed.-apartment

Range-Oven Observations

Functional Components and Conditions

- The range-oven was Operational.

Venting

Components and Conditions Needing Service

- + Stove exhaust fan was inoperative - Attention.
- +No stove or range venting provision was provided.-apartment -Attention.

Ancillary Appliances

Ancillary Appliance Notes

Informational Components

- +Special features which may include: refrigerator, microwave, blender, ice makers, trash compactor, water purifier, instant hot water unit were present but were not inspected. They are outside the scope of this inspection.
- +The refrigerator wasn't inspected as it is not within the scope of this inspection.

Bathroom

This inspection does not include leak testing of shower pans and we do not evaluate steam showers and saunas.

Toilets

Toilet Observations

Functional Components and Conditions

- The toilets were Operational.

Components and Conditions Needing Service

- +The toilet was off.-apartment -Review.

Sinks

Basin

Components and Conditions Needing Service

- +The sink was off and not tested.-apartment -Review

Ventilation

Bathroom Ventilation Observations

Components and Conditions Needing Service

- + Window would not open at the bathroom - painted closed-Attention.

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Tubs & Showers

Tub-Shower

Components and Conditions Needing Service

+The tub wasn't tested.-water off apartment -Attention .

Contract

Contract Signature

On-site signing

Functional Components and Conditions

THIS CONTRACT LIMITS OUR LIABILITY AND SUPERSEDES ALL PREVIOUS COMMUNICATIONS, PLEASE READ CAREFULLY - BY ELECTRONIC CODED SIGNATURE BELOW THE CLIENT AGREES TO CONDUCT THIS TRANSACTION BY ELECTRONIC MEANS. For the fee of \$ 295.00 Client hereby requests a limited visual inspection of the property at the above address to be conducted by ATS Property Inspections, 9203 Tamara Lane, Chattanooga, TN 37421, (423) 892-4101 (Company) for my sole use and benefit. I warrant that I will read the following agreement carefully. I understand that I am bound by all the terms of this contract and that the inspection fees are immediately due and payable upon completion of the inspection. It is understood that the report is furnished on an "Opinion only" Basis. SCOPE OF THE INSPECTION Company will perform a limited visual inspection to identify the general features and major deficiencies of the property in accordance with the American Society of Home Inspectors "Standards of Practice" (available upon request). The inspection will address major components and systems such as: site grading, structure, roof, heating & cooling, visible portions of plumbing & electrical systems, some built-in appliances, doors and windows to provide the Client with a better understanding of the property conditions. Any area, which is not exposed to view or is inaccessible because of soil, walls, floors, carpets, ceilings, furnishings, stored items, or any other item, is not included in this inspection. Items not addressed in the inspection report are to be considered not inspected. The inspection does not include any destructive testing or dismantling. Client agrees to assume the risk for all conditions that are concealed from view at the time of the inspection or are outside the inspection scope. This is not a warranty, guarantee, insurance policy or substitute for the seller property disclosure. Whether or not they are concealed, the following are OUTSIDE THE SCOPE OF THIS INSPECTION: Cosmetic or subjective defects; building code or zoning ordinance violations; geological stability or soil condition; flood potential determination; structural certification or engineering analysis; presence/damage caused by termites, pests or dry rot; building value appraisal; insurability of property; cost estimates; specific components noted as being excluded in the inspection report; systems shut down or inactive; private water or sewage systems or any component thereof; buried piping; drip & bubbler systems; fountains; shower pans; saunas; mist systems; steam baths & equipment; ponds; outbuildings of any kind except garage or carport; landscaping; playground equipment; buried or not visible foundations; BBQ's; radio-controlled devices; automatic gates; elevators; central vacuum systems; load control devices; audio/alarm/intercom systems; thermostatic, motion, light sensitive, and time clock controls; telephone or television systems; security/display lighting; water conditioners or circulating devices; solar systems; fire sprinklers & piping; hidden moisture or the hermetic seal of dual-glazed windows and skylights; sink/tub overflows; heat exchangers; freestanding appliances, or other personal property; gas fired cooling systems; humidifiers; electronic air cleaners; environmental conditions such as asbestos, radon, formaldehyde, lead, water pollutants, mold/fungus, sick building syndrome, air quality, toxic or flammable substances, electromagnetic fields; adequacy or efficiency of any system, or prediction of life expectancy; manufacturer's or CPSC recalls. The inspection will not include any area that has access or clearance less than twenty-four inches in any direction, or is not safely accessible from a fourteen-foot ladder. Your inspector is a property inspection generalist and is not acting as a licensed engineer or expert in every trade. If your inspector recommends consulting other specialized experts, Client agrees to do so at Client's expense. Any items not specifically addressed in the written report are considered beyond the scope of this inspection and are excluded. No verbal statements or information provided as a courtesy by the inspector shall expand the scope of the inspection or take precedence over the inspection report. I HAVE READ AND AGREE TO THE ABOVE SCOPE OF INSPECTION. Client Code & Inspector (as witness) Code Here CLPE050205 USE BY OTHERS: The inspection and report are performed and prepared for the sole, confidential and exclusive use and possession of the Client only. The report is not for

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use or to be relied upon by any third party. Receipt of this report by any purchasers of the property (other than the above listed Client) is strictly prohibited. Client agrees to indemnify, defend and hold Company harmless from any third party claims arising out of Client's unauthorized distribution of the inspection report. LIMITATION OF LIABILITY Company's liability for undetected/undisclosed defects in this inspection and report is limited to a maximum period of one year from date of inspection and is limited to a refund of the fee paid. The liability of the Company's principals, agents, sub-contractors, and employees is also limited to the fee paid. This liability limitation is binding on Client and Client's spouse, heirs, principals, assigns and anyone else who may otherwise submit a claim through the Client. Customer assumes the risk of all losses greater than the fee paid for the inspection. Client agrees to immediately accept a refund of the fee as full settlement of any and all claims that may arise from this inspection. This liability limitation may be removed by electing to have an exhaustive inspection under separate direction, contract and scope at an estimated cost of 3 to 4 times that of a limited visual inspection. If a dispute arises from the inspection, Client agrees not to alter, repair or modify any disputed component or condition without the Company re-inspecting the situation following written notice from Client. Failure of Client to provide written notice and the opportunity to re-inspect the component or condition prior to repair shall result in the forfeiture of Client's right to a claim/refund. Any dispute relating to this contract or breach thereof shall be settled by Mediation using an ASHI Mediator or, if unsuccessful, by Binding Arbitration in accordance with the rules of the American Arbitration Association, and judgment upon the arbitration award rendered may be entered in any court having jurisdiction. Client and/or Client Representative(s) are responsible for their own safety during the inspection. Use of inspector's equipment is at your own risk. Company specifically advises against entering dangerous areas or manipulating equipment. Client is responsible for any damage caused to property components and systems resulting from the inspection. The inspection is performed for the purpose of informing the Client of the condition of the property on the day of the inspection. If any stated limitation or standard is exceeded it is done solely at the inspectors option and does not void the terms and conditions of this contract. Furthermore, if any portion of this contract conflicts with local statutes, only those sections are to be amended, the balance of the contract applies as stated. This report contains technical information that may not be understandable to the layperson. If you have questions about any part of this report it is your responsibility to consult with the inspector. Company is not responsible for report misunderstandings resulting from the failure to request a clarification. Each party signing this Agreement warrants and represents that he/she has the full capacity and authority to execute this Agreement on behalf of the named party(s). If this Agreement is executed on behalf of Client by any third party, the person executing this Agreement expressly represents to Inspector that he/she has the full and complete authority to execute this Agreement on Client's behalf and to fully and completely bind Client to all of the terms, conditions, limitations, exceptions and exclusions of this Agreement. Use or reliance on the findings of this inspection and report in any way binds the Client to the terms and limitations of the inspection as noted herein and within the aforementioned "Standards of Practice". This Agreement shall be governed by the laws of the State of Tennessee. All inspection fees are immediately due and payable upon completion of the physical inspection of the property. Charge for a returned check is \$25.00 and payments due are assessed interest at 24% per annum. I have read, understand and agree to all terms and conditions of this contract. I agree to pay the inspection fee and read all pages of the inspection report including any Supplemental Information provided. I HAVE READ AND AGREE TO THE ABOVE. Client Code & Inspector (as witness) Code Here CLPE050205

REPORT CONCLUSION

Thank you for choosing ATS PROPERTY INSPECTIONS to conduct your inspection. We are proud of our inspection service and trust that you will be happy with our thoroughness. We have made every effort to provide you with an accurate assessment of the visual condition of the property and its components and to alert you to any significant defects or adverse conditions. However, we may not have tested every outlet, opened every window and door, or identified every defect. Also, because we are not specialists and because our inspection is essentially visual, latent defects could exist. Therefore, you should not regard our inspection as a guarantee or warranty. It is simply a report on the general condition of the property at a given point in time. Furthermore, as a property owner, you should expect ongoing problems to occur and budget 1% to 3% of the property's value every year for repairs. Roofs will leak, drain lines will become blocked, and components and systems will fail without warning. If you have been provided with a property protection policy, read it carefully. Such policies may not cover all repair costs and they may deny coverage on the grounds that a given condition was pre-existing or not covered because of a code violation, wear and tear, or manufacturers defect.

Since we never know who will be occupying or visiting a property, whether it be children or the elderly, we ask you to consider following these general safety recommendations: install smoke and carbon monoxide detectors; identify all escape and rescue locations; rehearse an emergency evacuation plan for the property; upgrade older electrical systems to current standards for maximum protection; never service any electrical equipment without first disconnecting its power source; replace or install safety-film on all non-tempered glass in impact risk areas; ensure that every elevated window and the railings of stairs, landings, balconies and decks are child-safe; regulate the temperature of water heaters to prevent scalding; make sure that goods that contain caustic or poisonous compounds like bleach, drain cleaners, and nail polish removers are stored where small children cannot reach them; replace any dual-cylinder deadbolts from primary escape route doors.

Thank you, in advance, for taking the time to read this entire report carefully. Remember to call us immediately if you have any questions or observations. We work very hard to continuously improve the quality of our service and our report. Let us know how we can serve you.

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