

To Elizabeth Burnham
Subject: Offer on 805 High Mesa

Overall, the house has some very good repairs in the major systems (HVAC/heater/dishwasher) and has been painted over.

Still, it is the cumulative amount of foundational risks that is the biggest issue. The mobile home is 27 years old. The lifespan of mobile homes is 30-50 (with maintenance required for the higher span). Simply, the report indicates there will be additional significant investment needed in bringing the mobile home up to par with modern standards.

Having lived in a 30' RV Trailer for 2 years so we know the issues of mobile homes and the importance of good maintenance. So while I understand and acknowledge the hard work put into improving the property it is closer to par with a solid house - but the risks are still significant. Yet, some credit is given to the investment made to bring the house up to par.

And finally, the location has pluses and minuses to it. The river access is a major plus for us and for families. The neighborhood is eclectic as a bright spot. As a rental it is just a bit further from the center of Wimberley so it reduces opportunities to long term rental for stable ROI. Still the price is good for a start-up in rental income.

Bottom line, we feel the selling price of \$235,000 is still too high. Simply there are two main cost issues:

- A) Market adjustment - which we believe the price needs an additional 10% reduction - purely on market trends. (Note we just finished our 2025 appraisal protest and the value was reduced by 15% in 2025 based on professional protest company analysis.)
- B) Mobile Home Risk given the age. We believe we need an upfront investment of minimum of \$10K to prepare and optimize rental income.

Combined we believe this puts the offering price at \$201,500. We are ready to proceed with the purchase of the property AS-IS at this price with a cash basis.

Any counter would need to address the "foundational issues" which we prioritize as follows:

- Moisture of foundation/walls/flooring
- Landscaping with a minimum of \$5000
- Plumbing insulation and foundation treatments
- New roof
- Walk through reviewing all the issues listed below.

Inspection Report Summary of Issues

The more “*” per item reflects the higher the risks.

1. Plumbing

- a. (***) Plumbing: Insulation of pipes in crawl space
- b. (*) Plumbing: Leak under the heater; is there any damage in the surrounding house structure.
- c. Plumbing: Toilet @ guest - structural damage?
- d. Plumbing: @meter shut off valve

2. Foundation: piers

- a. Repairs only has 1 yr warranty on piers/leveling (4/29)
- b. the piers were concrete block on pad and screw jacks. The beams were iron. The foundation was anchored with metal straps.
- c. The particular screw jacks used for adjustable piers are the wrong type for this application. I would recommend further evaluation and repair by a qualified foundation company.
- d. Several of the concrete block piers are leaning and no longer supporting the structure. I would recommend further evaluation and repair by a qualified foundation company.
- e. Interior flooring sloping
- f. Several doors (Exterior and few internal) were ajar.
- g. Patches in master bedroom

3. Foundation: flooring

- a. (**) Subfloor insulation was damaged and hanging down in several locations.
- b. (**) The vapor barrier holding the insulation in place was also damaged. I would recommend further evaluation and repair by a qualified contractor. ??
- c. (**) In my opinion the foundation has settled some as evidenced by some of the piers no longer supporting the beams, out of square interior door margins, sloping interior floors, and is no longer performing adequately. I would recommend further evaluation and repair by a qualified foundation company.
- d. (*) recommend the installation of rain gutters with down spout extensions draining the rain water 4-5 ft. away from the foundation walls to help preserve the integrity of the foundation.

4. Electrical

- a. Various issues see electral section
- b. (*) No meter on main power pane
- c. (***) No GFCI breaker on various appliances and 250Vlines.: dryer, washer, oven, HVAC, heater
- d. (*) Exterior lights

5. HVAC/Heater/Ventilation

- a. New HVAC system is VERY loud
- b. (**) Living Room supply 58 – output 68
- c. Air ducts lying on the floor

- d. No safety pan at heater
- 6. Roof
 - a. (*) Recommendation installation of rain gutters with down spout extensions draining the rain water 4-5 ft. away from the foundation walls to help preserve the integrity of the foundation.
 - b. (*) Shingles damage - back edge of house
 - c.
- 7. Tree Limbs & Landscaping
 - a. (***) Need to significant tree trimming, esp over the roof.
 - b. Backyard needs major clean up: beds, edges, cleanup
 - c. Back porch issues and too small.
- 8. (***) Moisture Damage
 - a. Front corner edge
 - b. Master bedroom discoloration
 - c. Loss of seals on several windows
 - d. 50% under kitchen sink
 - e. 41% moisture reading in front master bedroom
 - f. (**) Microbiel growth in walls
 - g. Hole in rear tents
- 9. General Upkeep and health issues
 - a. Fron/rear stairs, no handrails