

BUYER INTELLIGENCE REPORT

Wood-Destroying Organism Analysis

Property: [REDACTED]

Buyer: [REDACTED]

Loan type: **CONVENTIONAL**

Contingency deadline: [REDACTED]

Report date: [REDACTED]

EXECUTIVE SUMMARY

The WDO inspection identified 15 findings, including 5 critical and 4 significant. 8 require action before closing.

Estimated remediation: \$15,000 - \$37,000. This range includes 3 projects with concealed-damage risk where actual costs may increase after invasive evaluation.

Critical findings:

- **Active subterranean termites at crawlspace dining room support pier** (Crawlspace support pier beneath dining room area)
- **Active subterranean termites at east-side sill plate foundation penetration** (East-side sill plate adjacent to foundation penetration)
- **Active subterranean termites at subfloor joists near plumbing supply lines** (Subfloor joists near plumbing supply lines)
- **Fungal growth and probable wood decay at deck ledger attachment area** (Deck ledger attachment area)
- **WDO-related structural concerns including sagging subfloor and softened sill plates** (Subfloor near dining room; sill plate sections (crawlspace); joists (crawlspace))

SCOPE SYNTHESIS

This property has a confirmed, active subterranean termite infestation across multiple crawlspace locations, with structural deterioration — including a sagging subfloor, softened sill plates, and fungal decay at joists and the rim joist — that has progressed beyond the surface. The dominant remediation scope is an integrated crawlspace project requiring coordinated pest control treatment, structural framing repair, and moisture mitigation; that project carries meaningful cost uncertainty because portions of the crawlspace were inaccessible and the inspector specifically recommended structural engineering evaluation before closing. Secondary scopes — deck ledger repair, finished basement wall evaluation, exterior drainage correction, and deck stair contact correction — are operationally discrete but should be addressed in the same transaction negotiation to present the seller with a complete and credible remediation picture. If structural engineering evaluation or removal of the crawlspace obstruction reveals damage beyond what is currently visible, total remediation costs could increase materially above the ranges presented here.

Estimated total remediation: \$15,000 - \$37,000

Concealed-damage expansion risk in 3 projects: Crawlspace termite treatment, structural repair, and moisture mitigation; Invasive evaluation of finished basement walls; Evaluation of inaccessible attic eaves and garage workshop areas. Actual costs may increase after invasive evaluation.

1. Crawlspace termite treatment, structural repair, and moisture mitigation

Before closing | Licensed pest control operator (for soil treatment and termite bond) + structural contractor or general contractor with framing capability (for joist, sill plate, and subfloor repair) + crawlspace moisture contractor (for vapor barrier and condensate

line correction); in practice, a single general contractor with subcontractor relationships often coordinates all three trades | Est. \$12,000 - \$28,000

Eight findings across the crawlspace collectively represent a single, integrated remediation project. Active subterranean termites confirmed at three locations — the dining room support pier, the east-side sill plate, and the subfloor joists near plumbing — require a full-perimeter soil treatment executed once across the entire crawlspace, not separately per finding. That treatment will be performed in the same contractor mobilization as structural repairs: sistering or replacing compromised joists, sill plate sections, and subfloor framing, including the sagging subfloor near the dining room that signals structural damage has already progressed. Fungal decay at joists beneath the rear bathroom and at the rim joist near the HVAC condensate line are in the same work zone and require the same framing contractor; those moisture sources must also be corrected as part of the scope to prevent recurrence. The missing vapor barrier sections and elevated moisture throughout the crawlspace are contributing conditions that should be addressed in the same project pass — a new continuous vapor barrier is standard practice at the close of any crawlspace remediation. The inaccessible crawlspace section blocked by stored materials must be cleared and re-inspected before or concurrent with remediation; any additional findings in those areas would expand this scope.

High uncertainty: *The inspector explicitly recommended structural engineering evaluation before closing, the sagging subfloor indicates damage has progressed beyond the visible surface, multiple framing areas are concealed, and the inaccessible crawlspace section has not been evaluated — actual structural repair scope is unknown until invasive evaluation is completed.*

2. Deck ledger fungal decay repair and structural re-attachment

Before closing | Licensed carpenter, deck contractor, or general contractor with structural framing experience | Est. \$1,500 - \$5,000

Fungal growth and probable wood decay at the deck ledger connection is an operationally isolated finding that requires its own scope: a contractor must evaluate the extent of decay, replace compromised ledger material, and re-attach the deck framing to the house with appropriate hardware and flashing to eliminate the moisture intrusion pathway. This is geographically and trade-distinct from the crawlspace work — it is an exterior structural repair at the deck-to-house interface, typically performed by a carpenter or general contractor, and ledger decay specifically carries a collapse risk that warrants treatment as a standalone safety item rather than a line item folded into a larger package.

Moderate uncertainty: *If decay has migrated from the ledger into the adjacent house band joist or rim joist framing, or if the deck requires partial disassembly to complete the repair, scope and cost expand meaningfully beyond a straightforward ledger replacement.*

3. Termite bond establishment and prior treatment documentation

Before closing | Licensed pest control operator (same contractor performing rd_001 treatment) | Est. \$0 - \$400

Physical evidence of prior termite treatment exists — garage slab drill marks, prior bait station locations, and chemical staining — but no transferable bond or treatment history documentation was provided. Given that active infestation was confirmed elsewhere on the property, the remediation in rd_001 will require a new treatment and bond in any case; the practical ask here is that the pest control company performing the treatment issues a transferable bond to the buyer at closing, and that the seller provide or obtain prior treatment records for disclosure purposes.

4. Rear foundation drainage correction and downspout redirection

Before closing | General handyman, landscaper, or drainage contractor | Est. \$200 - \$500

Standing water near the rear foundation wall, caused by a downspout terminating adjacent to crawlspace vents, is a discrete exterior drainage correction. The work involves extending or redirecting the downspout discharge point away from the foundation and making minor grading corrections to eliminate the ponding condition. This is operationally separate from the crawlspace remediation — it is exterior site work, not crawlspace work — though correcting it is part of eliminating the moisture conditions that contributed to the crawlspace findings.

5. Deck stair wood-to-soil contact correction

Within first year | General handyman or carpenter | Est. \$150 - \$400

Direct wood-to-soil contact at the deck stair assembly is an isolated exterior maintenance correction — typically resolved by installing gravel beds, concrete footings, or hardware standoffs to break the soil-wood connection. This is geographically and operationally separate from all other findings and requires no specialized trade; it is a standard corrective maintenance item.

6. Invasive evaluation of finished basement walls

Before closing | Licensed pest control operator (for WDO evaluation) + general contractor (for wall access and any subsequent framing repair) | Est. \$500 - \$2,000

Finished interior basement walls prevented inspection of the framing behind them, and the inspector's own structural concerns section references possible concealed damage in this area. Given confirmed active infestation elsewhere in the structure, the condition behind these walls is genuinely unknown. The remediation scope here is: access panels or selective demolition of finished wall sections to allow visual and probing inspection of the framing, followed by treatment and repair if findings warrant it. This is operationally separate from the crawlspace work — it is an interior finished-space investigation, not a crawlspace project — and the cost depends entirely on what is found.

High uncertainty: *The condition of framing behind the finished walls is unknown; evaluation cost is bounded, but if active infestation or structural damage is found, remediation costs would be additive and cannot be estimated without inspection access.*

7. Evaluation of inaccessible attic eaves and garage workshop areas

Within first year | Licensed pest control operator (for WDO evaluation) + general contractor or handyman (for obstruction removal and panel/insulation reinstallation) | Est. \$300 - \$1,000

Two sets of inaccessible areas — attic eave framing beneath insulation, and the garage workshop wall framing behind paneling plus the subfloor beneath the HVAC platform — are grouped here because they share the same practical resolution: removal of the obstruction, evaluation by a qualified inspector or pest control operator, and treatment or repair if warranted. Neither area has specific WDO evidence documented, and both are routine inspection scope limitations. These are lower-priority follow-up items that can be addressed by the buyer after closing if not resolved as part of the transaction.

High uncertainty: *Evaluation costs are modest and bounded, but if either area reveals active infestation or structural damage, remediation costs would be additive and entirely dependent on findings.*

NEGOTIATION CONSIDERATIONS

The following findings provide leverage in repair or credit negotiations, organized by priority. This analysis is for the buyer's strategic planning and should not be shared with the seller.

High Priority

Active subterranean termites at crawlspace dining room support pier: Active infestation with documented structural damage at a load-bearing member is commonly treated as a material defect in residential transactions and supports a strong request for seller-funded treatment and repair.

Active subterranean termites at east-side sill plate foundation penetration: Active infestation at a sill plate, a primary structural member, is commonly treated as a material defect and provides strong grounds for requesting seller-funded treatment and structural repair.

Active subterranean termites at subfloor joists near plumbing supply lines: Active infestation with structural joist damage near plumbing is commonly treated as a material defect and supports a request for seller-funded treatment, repair, and further evaluation.

Fungal growth and probable wood decay at deck ledger attachment area: Decay at a deck ledger is a documented structural safety concern that is commonly treated as a material defect and provides strong grounds for requiring seller-funded repair before closing.

WDO-related structural concerns including sagging subfloor and softened sill plates: Documented structural deterioration with a sagging subfloor and the inspector's explicit recommendation for engineering evaluation prior to closing is commonly treated as a material defect and supports a request that the seller fund both the evaluation and remediation.

Fungal growth and wood decay at crawlspace joists beneath rear bathroom: Documented fungal decay at structural joists beneath a bathroom, with possible concealed damage, is commonly treated as a material defect and supports a request for contractor evaluation and repair at seller's expense.

Fungal growth and wood decay at rim joist near HVAC condensate line: Structural wood decay at the rim joist with an identified ongoing moisture source is commonly treated as a material defect and supports a repair request that includes both wood replacement and correction of the moisture source.

Medium Priority

Inaccessible crawlspace portions blocked by stored materials: Given confirmed active infestation in the same crawlspace, requesting the seller clear the blocked areas and allow a complete re-inspection is a reasonable ask that strengthens the buyer's overall negotiating position.

Elevated crawlspace moisture and missing vapor barrier sections: Elevated moisture and a compromised vapor barrier are directly connected to the active infestations documented in the same crawlspace, strengthening the buyer's position to request correction as part of a broader remediation package.

Prior termite treatment evidence with no transferable bond documentation: The absence of transferable bond documentation is a legitimate concern that strengthens the buyer's position to request the seller obtain and transfer a current termite bond as a condition of sale.

Inaccessible finished basement walls limiting inspection certainty: The inspector's own structural concerns section explicitly references possible concealed damage behind finished basement materials, giving the buyer reasonable grounds to request invasive evaluation as part of the remediation scope.

HOW TO USE THE SUGGESTED LETTER

This report is accompanied by a suggested seller repair request letter. The letter is a starting point, not a final document. Review the following guidance before sending.

- You do not need to request every item listed in the suggested letter. Your agent or attorney may recommend narrowing requests strategically.
- Consider prioritizing the 7 high-priority findings for the strongest negotiating position.
- Some buyers prefer seller credits instead of repairs. Credits give you control over contractor selection and work quality.
- For items with high scope uncertainty, credits may be riskier than seller-directed repair. Consider requiring repair for those items and credits for well-defined scopes.
- Removing lower-cost items may improve negotiation posture by demonstrating that your requests are focused on material concerns.
- Your contingency deadline is **XXXXXX**. Ensure repair requests are submitted with enough time for the seller to respond and schedule contractors.
- Edit tone and scope to fit your transaction dynamics. Your agent is best positioned to calibrate the approach.

This report is an analytical aid and is not intended to be sent directly to the seller. Consult your agent and attorney before finalizing the repair request.

FINDINGS APPENDIX

Detailed findings supporting the analysis above, organized by treatment priority. Each finding is cited to the inspection report with severity, category, evidence basis, and cost analysis.

REQUIRED BEFORE CLOSING

1. Active subterranean termites at crawlspace dining room support pier

Critical | Active Infestation | Crawlspace support pier beneath dining room area | Stated (A)

Live termites were found at a structural support pier under the dining room, with visible wood damage already present. This needs to be treated and the damaged wood replaced before closing, and a contractor should evaluate whether the damage extends further than what was visible.

Recommended treatment: Full professional subterranean termite treatment; replacement of visibly damaged structural wood; further invasive evaluation of concealed framing

Estimated cost: \$3,000 - \$5,000 -- A full subterranean termite soil treatment for a crawlspace property, combined with replacement of visibly damaged structural wood at the pier, is typically in the \$3,000–\$5,000 range per standard industry estimates. However, the inspector recommends further invasive evaluation of concealed framing, and actual repair costs could increase materially if damage extends beyond the visible area.

Report reference: Active Subterranean Termite Activity, Page 1, page 1

2. Active subterranean termites at east-side sill plate foundation penetration

Critical | Active Infestation | East-side sill plate adjacent to foundation penetration | Stated (A)

Live termites were found at the sill plate on the east side of the house, which is one of the main structural members that holds up the walls. The damaged wood needs to be treated and replaced, and a contractor should check whether the damage has spread into the wall framing above.

Recommended treatment: Full professional subterranean termite treatment; replacement of visibly damaged structural wood; further invasive evaluation of concealed framing

Estimated cost: \$3,000 - \$5,000 -- Full-perimeter soil treatment combined with sill plate section replacement is typically in the \$3,000–\$5,000 range based on regional pricing data. Actual costs may increase if invasive evaluation reveals damage extending behind the wall assembly above the sill plate.

Report reference: Active Subterranean Termite Activity, Page 1, page 1

3. Active subterranean termites at subfloor joists near plumbing supply lines

Critical | Active Infestation | Subfloor joists near plumbing supply lines | Stated (A)

Live termites were found at the floor joists near the plumbing lines in the crawlspace, and the wood there is already softened and damaged. Treatment and joist repair are needed, and a contractor should inspect further since the area around plumbing often has more concealed damage.

Recommended treatment: Full professional subterranean termite treatment; replacement of visibly damaged structural wood; further invasive evaluation of concealed framing

Estimated cost: \$3,000 - \$5,000 -- Full crawlspace soil treatment combined with joist section replacement near plumbing is typically in the \$3,000–\$5,000 range per typical contractor pricing. Costs may increase if invasive evaluation reveals that moisture from the plumbing lines has allowed damage to extend beyond what is currently visible.

Report reference: Active Subterranean Termite Activity, Page 1, page 1

4. Fungal growth and probable wood decay at deck ledger attachment area

Critical | Structural Concern | Deck ledger attachment area | Stated (A)

Appraiser Concern Visible wood decay at an exterior structural connection point such as a deck ledger may be noticed by the appraiser during the property visit and could prompt a condition depending on appraiser judgment.

The board that attaches the deck to the house is showing signs of fungal growth and rot. This connection is critical for deck safety, and failure here can cause the deck to collapse without warning. A contractor should evaluate and repair this before closing.

Recommended treatment: Further evaluation by a qualified contractor; replacement of visibly damaged structural wood

Estimated cost: \$1,500 - \$3,000 -- Deck ledger replacement and associated structural reattachment work is typically in the \$1,500–\$3,000 range per industry benchmark for a standard single-story deck. Costs could increase if the ledger decay extends into the adjacent house framing or if the deck requires partial disassembly to complete the repair.

Report reference: Wood Decay and Fungal Findings, Page 2, page 2

5. WDO-related structural concerns including sagging subfloor and softened sill plates

Critical | Structural Concern | Subfloor near dining room; sill plate sections (crawl space); joists (crawl space) | Stated (A)

The active termite damage has already caused visible structural problems, including a sagging floor near the dining room and softened, weakened sill plates and joists. The inspector recommends having a structural engineer evaluate the full extent of the damage before closing, since additional damage may be hidden behind finished walls.

Recommended treatment: Structural engineering evaluation prior to closing; replacement of visibly damaged structural wood

Estimated cost: \$5,000+ -- Structural sistering or replacement of multiple compromised joists, sill plate sections, and subfloor repair across several affected areas of a crawl space typically exceeds \$5,000 based on typical contractor pricing. Because the inspector specifically recommended structural engineering evaluation and noted possible concealed damage behind finished materials, the actual scope is unknown and costs could increase significantly after invasive evaluation.

Report reference: Structural Concerns, Page 2, page 2

6. Fungal growth and wood decay at crawl space joists beneath rear bathroom

Significant | Structural Concern | Crawl space joists beneath rear bathroom | Stated (A)

Mold-like fungal growth and rotting wood were found at the floor joists under the rear bathroom. This type of decay weakens the floor structure and should be evaluated by a contractor before closing to understand how much of the wood needs to be replaced.

Recommended treatment: Further evaluation by a qualified contractor; replacement of visibly damaged structural wood

Estimated cost: \$1,500 - \$3,000 -- Replacement of decayed joist sections beneath a bathroom and associated moisture source correction is typically in the \$1,500–\$3,000 range per standard industry estimates. However, the inspector flagged possible concealed structural damage, and costs could increase after a contractor performs invasive evaluation.

Report reference: Wood Decay and Fungal Findings, Page 2, page 2

7. Fungal growth and wood decay at rim joist near HVAC condensate line

Significant | Structural Concern | Rim joist near HVAC condensate line | Stated (A)

Fungal growth and wood rot were found at the rim joist, which is a structural board that runs along the edge of the floor framing, near the HVAC condensate drain. The HVAC drain appears to be causing ongoing moisture damage that needs to be corrected along with the rotted wood.

Recommended treatment: Further evaluation by a qualified contractor; replacement of visibly damaged structural wood; correction of HVAC condensate discharge

Estimated cost: \$1,500 - \$3,000 -- Rim joist section replacement combined with correction of the HVAC condensate line routing is typically in the \$1,500–\$3,000 range based on regional pricing data. Costs may expand if decay has spread laterally along the rim joist beyond the visible area.

Report reference: Wood Decay and Fungal Findings, Page 2, page 2

8. Inaccessible crawl space portions blocked by stored materials

Significant | Other | Crawl space (portions blocked by stored materials) | Derived (B)

Parts of the crawl space were blocked by stored items and could not be inspected. Because live termites were already found in the accessible parts of the same crawl space, clearing out those areas and completing a full inspection before closing is a reasonable precaution.

Recommended treatment: Further invasive evaluation of concealed framing after removal of stored materials

Report reference: Inspection Scope and Limitations, Page 1, page 1

RECOMMENDED WITHIN 30 DAYS

9. Elevated crawl space moisture and missing vapor barrier sections

Significant | Conducive Condition | Crawl space (general) | Stated (A)

The crawl space has very high moisture levels and the plastic ground cover is missing in spots, which creates ideal conditions for termites and wood rot. Correcting this after closing will help protect the repairs being made to the structural damage found elsewhere.

Recommended treatment: Crawl space moisture mitigation; installation of continuous vapor barrier

Estimated cost: \$1,500 - \$3,000 -- Crawl space moisture mitigation including installation of a continuous vapor barrier, addressing ventilation deficiencies, and related work is typically in the \$1,500–\$3,000 range based on typical contractor pricing for a standard crawl space.

Report reference: Moisture and Conducive Conditions, Page 1–2, pages 1, 2

10. Prior termite treatment evidence with no transferable bond documentation

Moderate | Prior Damage | Garage slab (drill marks); perimeter (prior bait stations); foundation wall (chemical staining) | Stated (A)

Documentation Gap *Prior treatment evidence without a transferable bond or clearance letter may prompt a conventional lender or appraiser to request documentation, which could delay closing if not resolved.*

The property shows signs of prior termite treatment, but the seller did not provide any paperwork proving the treatment was completed or that a warranty is in place. You should request this documentation before closing, as it affects whether you have any coverage if termites return.

Recommended treatment: Establishment of transferable termite bond/warranty; verification of prior treatment history
Estimated cost: Under \$500 -- Establishing a new transferable termite bond or obtaining treatment records typically involves an inspection fee and bond establishment cost, which is generally under \$500 per industry benchmark. If a new full treatment is required to obtain the bond, costs would be higher.

Report reference: Prior Treatment Indicators, Page 1, page 1

11. Standing water near rear foundation wall from improper downspout discharge

Moderate | Conducive Condition | Rear foundation wall; crawlspace vents (downspout discharge point) | Stated (A)

Appraiser Concern *Standing water visible near the foundation during a property visit may be independently noticed by the appraiser and could prompt additional scrutiny or a condition, depending on appraiser judgment.*

Water is pooling near the back of the foundation because the downspout empties right next to the crawlspace vents. Redirecting the downspout is a relatively inexpensive fix that helps protect the foundation and crawlspace from future moisture damage.

Recommended treatment: Drainage correction near rear foundation; downspout extension or redirection away from foundation

Estimated cost: Under \$500 -- Downspout extension or redirection and minor grading correction to eliminate standing water near the foundation are typically under \$500 per industry benchmark for straightforward drainage corrections.

Report reference: Moisture and Conducive Conditions, Page 2, page 2

12. Inaccessible finished basement walls limiting inspection certainty

Moderate | Other | Interior of finished basement walls | Stated (A)

The finished walls in the basement prevented the inspector from seeing the framing behind them, and the report separately notes possible hidden damage in that area. You should plan to have a contractor investigate further after closing, or negotiate access before closing given the other active findings.

Recommended treatment: Further invasive evaluation of concealed framing

Report reference: Inspection Scope and Limitations / Structural Concerns, Page 1–2, pages 1, 2

ADDRESS WITHIN FIRST YEAR

13. Wood-to-soil contact at deck stair assembly

Moderate | Conducive Condition | Deck stair assembly | Stated (A)

The wood framing of the deck stairs is sitting directly in the soil, which makes it easy for termites to reach the wood and causes the wood to rot faster. This is a simple correction to make within the first year of ownership.

Recommended treatment: Correction of soil-to-wood contact at deck stair assembly

Estimated cost: Under \$500 -- Correcting wood-to-soil contact at a deck stair assembly, typically by installing gravel beds, concrete footings, or hardware standoffs, is generally under \$500 per typical contractor pricing for a standard stair assembly.

Report reference: Moisture and Conducive Conditions, Page 2, page 2

14. Inaccessible attic eave areas beneath insulation limit inspection

Minor | Other | Attic eaves (areas beneath insulation) | Stated (A)

The inspector could not see the attic eave framing because it was covered by insulation. There is no specific concern noted here, but you may want to have this area evaluated within the first year as routine due diligence.

Recommended treatment: Further evaluation after insulation is moved or removed

Report reference: Inspection Scope and Limitations, Page 1, page 1

15. Inaccessible garage workshop wall paneling and HVAC platform subfloor

Minor | Other | Garage workshop area (behind wall paneling); subfloor beneath HVAC platform | Stated (A)

Two additional areas could not be inspected: the wall framing behind paneling in the garage workshop, and the subfloor under the HVAC platform. No specific problems were noted here, but you may want to have these areas checked within the first year.

Recommended treatment: Further invasive evaluation after removal of wall paneling and HVAC platform obstruction

Report reference: Inspection Scope and Limitations, Page 1, page 1