



PROFESSIONAL ENGINEERING SERVICES CONTRACT

PURPOSE:

The engineering service to be performed for the Client consists of providing a limited evaluation of the structural integrity of the dwelling foundation. The investigation will be limited to the observations made during the evaluation and any recommendations which may be provided will be based on the Engineer's opinions as well as generally accepted engineering practices. The report SD Engineering provides is neither a geological nor a geotechnical report. The engineer of record for these services is Gary N. Sniffin, R.C.E. #C29710. The condition of the property at any time following the evaluation may vary from the condition at the time of the evaluation and SD Engineering makes no representations or guarantees regarding future performance of the property. The evaluation report is for the sole use of the Client and is not transferable. SD Engineering does not intend that anyone other than the Client will rely upon this report, therefore, it is intended solely for the Client, to the exclusion of all others.

SCOPE:

The evaluation of the foundation will be based solely upon a visual examination of the exterior and interior of the dwelling. SD Engineering will examine the exterior siding and the interior ceilings and walls for significant cracking and other signs of movement. The doors and door frames will be examined for fit and squareness. For raised foundation dwellings, the accessible portions of the foundation crawl space will be examined. For slab-on-grade dwellings, a manometer will be used to perform a random floor level survey on the structure to determine the possibility of any differential settlement and/or movement which may have occurred. SD Engineering is not responsible for removal of carpeting or any other flooring coverings. The drainage around the perimeter of the dwelling will be visually examined.

The basic evaluation fee includes repair recommendations provided that any repairs which may be deemed advisable are relatively simple and do not require soil testing, design calculations, or the preparation of extensive specifications. If the repairs are more complex, a fee for designing repairs will be quoted in the evaluation report. Certification of the completed repair work is available for an additional fee. The Client is advised that certification of repairs, as defined in the Professional Engineers Act, Section 6735.5 of the California Business and Professions Code, constitutes an expression of professional opinion and does not constitute a warranty or guarantee, either expressed or implied. The fee for certification of any recommended repairs will be quoted in the evaluation report.

Any recommended repairs will be predicated upon the original construction meeting accepted standards at the time of construction. Discovery of sub-standard original construction or other conditions not known to SD Engineering at the time of the evaluation may require modification of the repair recommendations. Any such conditions not noted in the original report should be reported to SD Engineering for evaluation and possible modification to the original repair recommendations. Evaluation of such conditions and modification to the recommendations may require an additional fee.

The report may include recommendations which require a building permit. Obtaining any necessary building permits is the responsibility of the property owner. SD Engineering provides only the repair design and does not provide other information which may be required including, without limitation, floor plans, plot plans, legal descriptions, or any other documents. Satisfaction of all permit fees and requirements is the responsibility of the property owner.

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EXCLUSIONS:

The scope of this evaluation does not include any determination of permit status or code compliance for the original construction or for any additions, alterations, or repairs.

No soil samples will be taken and no soil tests will be performed. The report which will be provided will not be a geological or geotechnical report.

No visual examination or tests will be performed for asbestos, radon, mold, mildew, fungus, pests (including, without limitation insects and rodents), lead paint, pollutants, or other hazardous organic or inorganic materials or substances. This evaluation also excludes items which would normally be included in Structural Pest Control and Physical Inspections.

Determination of compliance with lot line setbacks or other zoning requirements, location of the property lines, and measurement of lot or home size or other matters pertaining to surveys are beyond the scope of this evaluation.

NO WARRANTIES OR GUARANTEES:

SD Engineering does not guarantee or warrant, expressly or impliedly, the services being provided hereunder.

LIMITATION OF LIABILITY:

In recognition of the relative risks and benefits to both of the parties, the parties have allocated their contractual and other risks such that the Client agrees, to the fullest extent permitted by law, to limit the liability of SD Engineering, its agents, employees, directors, officers, and principals for any and all claims, demands, losses, liabilities, attorney fees, or injuries, whether sounding in tort, contract, indemnity, law, equity, or otherwise, so that the total aggregate liability of SD Engineering to the Client shall not exceed \$5,000. It is intended that this limitation shall apply to any and all liabilities, causes of action, or claims for relief, however alleged or arising, unless otherwise prohibited by law.

INDEMNITY:

The Client agrees to defend, indemnify, and hold harmless SD Engineering from and against any and all claims, demands, losses, injuries, or liabilities arising out of this contract to the fullest extent permitted by law.

MEDIATION:

In the event a dispute, other than one regarding the payment of SD Engineering's fee, arises between SD Engineering and the Client, the parties agree to (a) first attempt to reach an informal resolution of the dispute with a face-to-face meeting, and (b) in the event the meeting fails to be depositive, the parties agree to mediate their

dispute before the Judicial Arbitration and Mediation Service ("JAMS") in San Diego California with each party paying half of the JAMS mediation fee. Such mediation is a condition precedent to litigation between the parties, except with respect to a fee dispute.

CANCELLATION & SEVERABILITY:

This contract may be cancelled by either party prior to the performance of the services upon reasonable notice. Should any portion of this contract be declared void or unenforceable, the remaining portions shall remain in effect.

COMPLETE AGREEMENT:

This contract is the complete embodiment of the parties' intentions to the exclusion of any prior oral or written agreements between them respecting its subject matter.

NO THIRD PARTY BENEFICIARIES:

There are no third party beneficiaries to this contract. The contract is solely to benefit the executing parties.

CLIENT ACKNOWLEDGEMENT:

I/We hereby acknowledge that I/we understand and are in agreement with the terms and conditions of this contract and agree to pay the evaluation fee quoted below. If this contract is executed on behalf of Client by any third party, the person executing this contract expressly represents that he/she has the full and complete authority to execute this contract on Client's behalf and to fully and completely bind Client to all of the terms of this contract. Fees are due at the time of the evaluation unless other prior arrangements are made. Any additional services requested by the Client may require additional fees.

File # _____ Fee \$ _____

Property Address

Client Name

Client Address

City, State, Zip

Client Signature Date

Client Signature Date

SD Engineering Signature Date

Revised 1/1/07