

# FOUNDATION INSPECTION REPORT

[REDACTED]

5/31/19



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**ENGINEERING**

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Report Date: 5/1/19

Address: [REDACTED]

Client: [REDACTED]

Subject: Foundation Inspection

References: (1) Home Inspection Report

Attachments: (1) Glossary of Terms  
(2) Expansive Soil Illustrations  
(3) Drainage Illustrations  
(4) Possible causes of foundation movement matrix  
(5) Terms & Conditions

Dear [REDACTED],

### **Background**

On 5/31/19, we inspected the interior and exterior of the property listed above to better understand overall condition of the foundation & related drainage conditions from the standpoint of a foundation specialist. The observations/findings are included in this report along with the corresponding pictures & recommendations for addressing the areas. **The observations/findings are listed in order of relative importance.**

Note 1: The words left, right, front, rear, and center are used throughout this report to describe locations within or around the structure/property. These directions are all made relative to standing facing the structure/property from the front entry door and/or street.

Note 2: The comments made herein are limited only to the exposed and visible portions of the foundations. Comments cannot be made on the foundation where the foundation is hidden from view. The exact design of the foundations is not known especially the portions of the foundation which are hidden from view such as below ground embedment depth and dimensions or existence and/or size, placement and amount of steel reinforcing bars within the foundation.

### **Description**

The structure was originally built in 1960 and the structure appears to have been built using conventional building practices consistent with the age.

The house is a two-story wood framed structure supported by basement walls on the uphill side with the downhill portion view blocked by the deck and no drawings were available for the property at the time of the inspection but all appears to be standard for the age and the area.

**Item #1 - Floor elevations results & minor settlement**



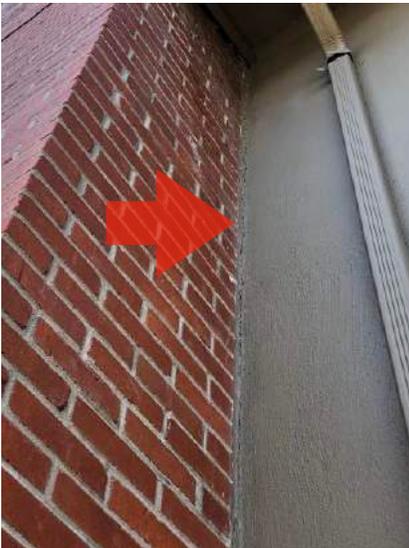
**Figure 1**



**Figure 2**



**Figure 3**



**Figure 4**



**Figure 5**



**Figure 6**



**Figure 7**

**Item #1 - Floor elevations results & minor settlement (cont'd)**



**Figure 8**



**Figure 9**



**Figure 10**



**Figure 11**



**Figure 12**



**Figure 13**



**Figure 14a**



**Figure 14b**



**Figure 14c**

Item #1 - Floor elevations results & minor settlement (cont'd)

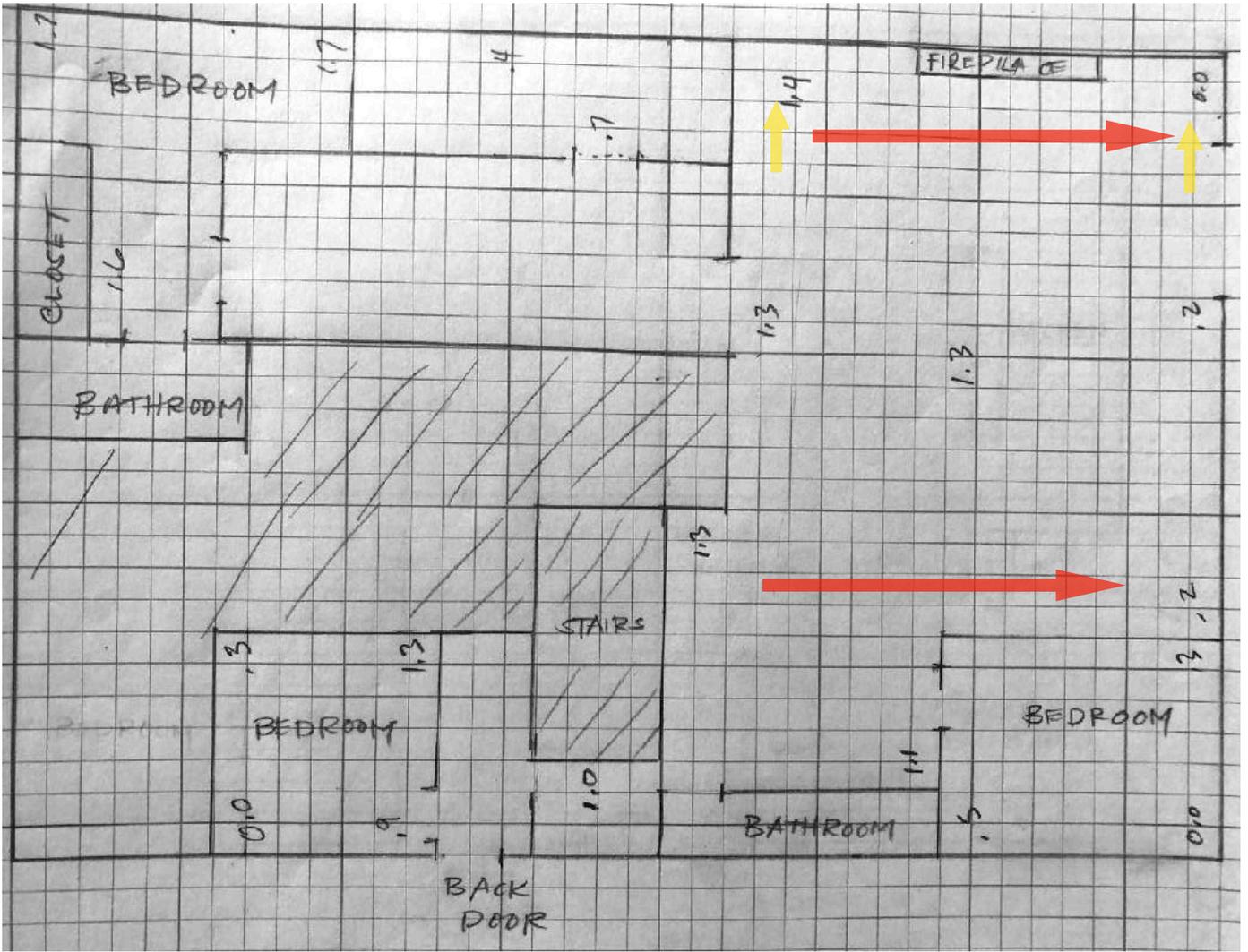


Figure 15

## Item #1 - Floor elevations results & minor settlement (cont'd)

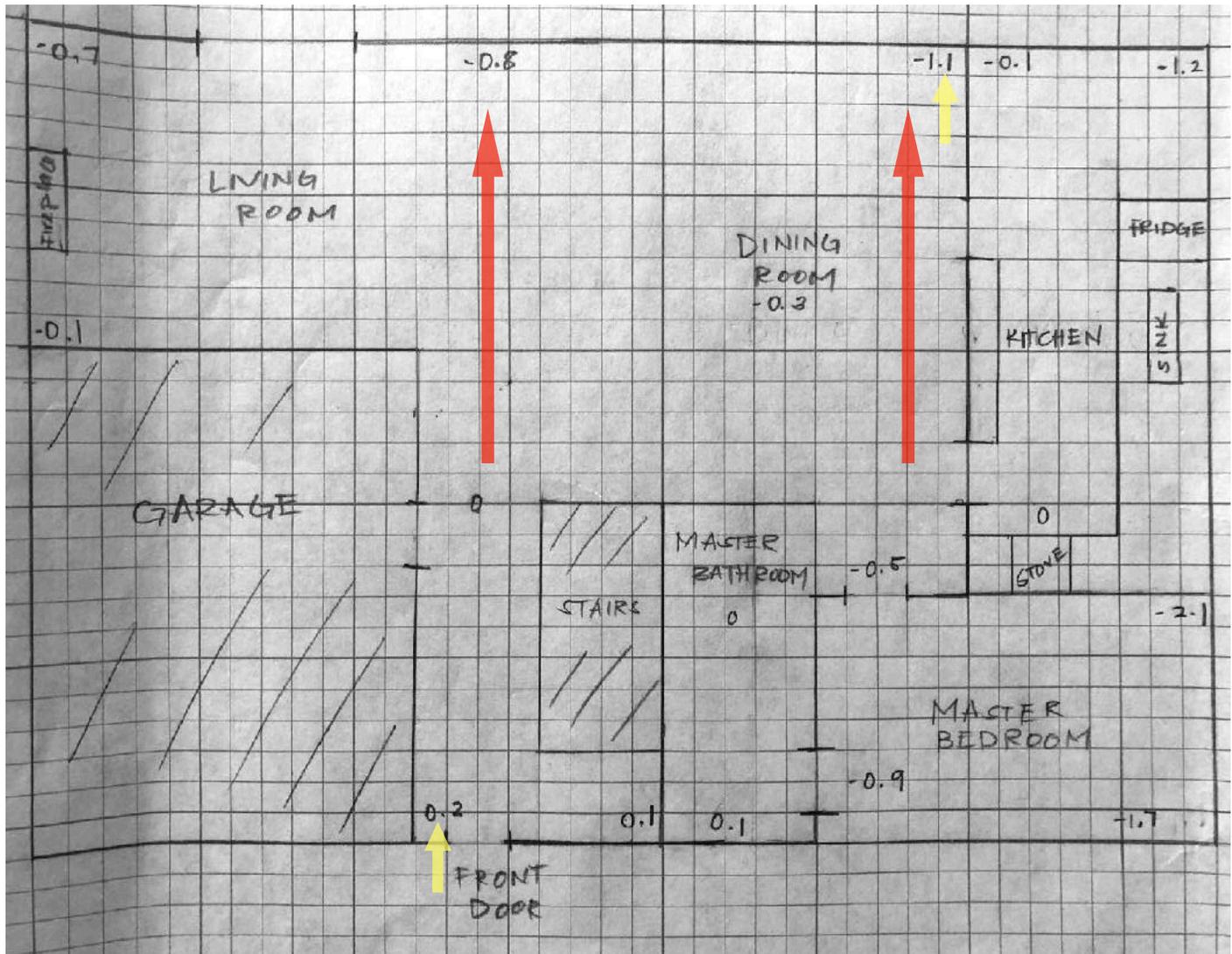


Figure 16

- Shown in the first set of images are interior and exterior cracks that are consistent with a small amount of foundation movement. In some of the exterior indications, we can see where areas were patched and then painted (apparently within the last year) and have since opened up slightly which indicates there is some slight active movement.
- There were also a few uneven areas in the floors of the lower floor (slab) that might be consistent with cracks below but without removing the flooring there is no way to know for sure and it could be construction flaws in the slab or in the flooring, there was no evidence of water coming up through the area and I don't think it justifies removing the flooring at this time but rather pointed out as something to monitor and be aware of should the flooring be replaced in the future.
- The interior floors were spot checked for levelness using a Zipllevel manometer with the results shown above for both floors. The general direction was in the downhill direction with a maximum change of 1.3 inches on the top floor (shown with the small yellow arrows) and 1.4 inches on the lower floor.
- In Attachment 4 we go through a few possible contributing factors to this but overall, this about of movement is quite minor for a hillside home of this age and does not affect the livability of the house. Based on the combination of this data it does not appear to justify stabilization (which would be via underpinning of the structure with deep anchors).
- The recommendations are to make the drainage improvements as water contributes to foundation movement and to patch all areas after purchase, with a priority on the exterior areas as they can allow water to enter during rains, and then monitor for future signs of movement and expect some small cracks to still form. The floor election readings can also be used for future checks to see if there is movement.
- Overall though, the data indicates the house is performing well for the age and location and is along the lines of what you would likely see with other homes in the area.

## Item #2 - Sidewalk & small retaining wall movement



Figure 17



Figure 18



Figure 19

- The sidewalk area shown in Fig 18 has moved away from the structure an inch or so. This is fairly common to see in general but it's likely accelerated in this case since the stepped retaining walls below this area have rotated downhill slightly. The retaining walls aren't providing support for the house itself so it's not an immediate item but at some point, these will have to be rebuilt or reinforced. At this time I'd recommend sealing the gap that's opened to prevent water entry and to provide a reference for monitoring for future movement.
- The small retaining wall shown in Fig 19 is leaning in the area shown. This is just providing support for the walking area and not the deck itself since these supports appear robust and in good shape so this would also be a lower priority item.

## Item #3 - Drainage improvements



Figure 20



Figure 21

- In the front yard the slope is towards and this is a crucial part of the drainage.
- Ensure adequate slope away from the house in all areas - see Attachment 3 for relevant illustrations.
- One option would be hardscape that slopes away and then has a swale line that directs the flow towards the driveway where it could flow off the property. A french drain should be considered as well.

#### Item #4 - Typical concrete slab cracking



Figure 22

- Typical concrete slab cracking, not of a structural concern relative to the house.
- The areas could be patched to extend the life

#### Conclusion

In our opinion the visible portions of the foundation appear to be in serviceable condition.

It was a pleasure working with you, please let me know if you have any other questions or concerns either now or over time.

Sincerely,

Nathan M. Toothman  
Owner

#### Disclaimer

*This inspection report should not be considered a warranty or guarantee, implied or expressed, of the structure in general, including but not limited to the building superstructure, slabs, foundations, repairs recommended or repairs performed. Structures including but not limited to their foundations and slabs may be affected severely by changes in climate, land use, drainage, soil moisture conditions, soil characteristics, and other factors too numerous to list. The conclusions presented in this letter are based on the conditions visually observed during our visit. It is performed without the benefit of formal soils investigation, slope stability analysis, drainage analysis or similar studies. This letter is for use by the above named individual and is not to be used by any other individuals and is not transferable. Our opinions and recommendations are subject to change based on new information as it becomes available to this office.*

# Attachment 1 - Glossary of Terms (Page 1 of 2)

**ANCHOR BOLT:** A steel bolt anchoring a wood frame structure to the foundation. Current UBC Code requires anchor bolts at 6" centers and within 4" to 12" of the end of each sill board.

**BEARING PILE:** A shaft or column drilled or driven into the ground to act as a foundation by transferring the load that it supports to the very firm soil or bedrock on which it rests.

**BEDROCK:** The solid crust of the earth, which may be exposed at the surface or located several hundred feet below the surface.

**CAP:** A concrete pad that ties the top end of a pile group together either in a cluster or row, which in turn supports a column or wall.

**CATCH BASIN:** Surface drain inlet with grate (also "drop inlet").

**COSMETIC:** Minor distress that does not impact structural integrity, i.e. drywall cracks, door offsets.

**CREEP:** The slow down slope movement of near surface soils usually related to annual wetting and drying cycles of expansive clay soils or poorly consolidated fill.

**CRIPPLE WALL:** The wall in the crawl space of a home between the foundation and home's first floor.

**CUT:** The ground surface remaining after the removal of soil by excavation.

**EARTH TO WOOD SEPARATION:** Current UBC Code and good construction practice requires a 6" separation between soil and the wood elements of a home to minimize pest infestation and rot problems.

**EFFLORESCENCE:** An indication of excessive moisture resulting in a white salt deposit remaining on a concrete surface after repeated drying cycles (also calcium deposit).

**END BEARING PIER:** A drilled or driven shaft, extended to bedrock, providing foundation support.

**EXCAVATION:** The digging out and removal of soil from a site.

**EXPANSIVE SOIL:** A type of clay soil which expands when moisture is added and shrinks during drying cycles.

**FILL:** The material used to fill & level, or adjust the grade of, a sloping site or to rebuild the base of an excavation to the required height (imported, not native soil).

**FINGER DRAIN:** A finger drain is constructed much like a sub-drain, but is typically positioned in the sub-area, just inside the perimeter foundation. A finger drain is typically 8" wide and varies in depth from 6" to 15" and often outlets to an 18" diameter, 30" deep, cased sump that is provided with a float-switch activated pump.

**FLOATING FOUNDATION:** A continuous spread footing foundation that extends under an entire building replacing many separate footings (also "mat").

**FLOOR JOISTS:** any of the small timbers or metal beams ranged parallel from wall to wall in a structure to support a floor or ceiling.

**FOOTING:** The portion of the foundation that bears on the supporting soil.

**FORM WORK:** The temporary mold into which liquid concrete is poured to create a specific shape and the associated structure.

**FOUNDATIONS:** The structural system constructed below a building that transfers the vertical weight and lateral loads of the building to the ground on which it stands.

**FOUNDATION WALL:** A wall (usually poured concrete or concrete block) built below ground level to transfer the weight of the exposed wall it supports to the footing on which it rests (also stem wall).

**FRICTION PIER:** A drilled or driven shaft extended into the ground normally filled with reinforced concrete which provide support through friction between the piers surface and the soil.

**FRICTION PILE:** A shaft or column that is drilled or hammered into the ground until the pressure or friction developed between the pile surface and the soil into which it is forced (driven) enables it to become a firm foundation support on which, when combined or grouped with other piles, to build heavy structures.

**GRADE:** Soil surface or the inclination of a pipe or the property (also site slope). Grade is often expressed as a ratio of the horizontal to the vertical components of slope i.e. 2:1.

**GRADE BEAM:** A reinforced concrete foundation element used to distribute building loads to foundations piers and to interconnect the piers.

**HONEYCOMB:** Voids in concrete typically resulting from inadequate vibration during placement (also "popcorn concrete").

**INVERT:** The lowest point on the inside surface of a pipe or channel.

# Attachment 1 - Glossary of Terms (Page 2 of 2)

**LANDSLIDE:** A slope failure resulting in the downward movement of a section of a hillside.

**LATERAL LOAD:** A horizontally applied force typically resulting from seismic loads on foundations and wind loads on walls.

**PIER:** A column or shaft (also caisson) in the ground that serves as a foundation constructed by drilling a hole and filling it with concrete and reinforcing steel.

**PIPE PILES:** A type of underpinning in which steel pipes are driven into the ground below an existing foundation to provide stable support (also mini-pile).

**PONY WALL:** A less than standard height stud wall (also known as a cripple wall). It is usually employed to provide support between the foundation and the floor on a sloping site.

**REINFORCING:** The deformed steel rods or mesh embedded in concrete to strengthen it.

**RETAINING WALL:** A wall built to retain soil or support a foundation on sloping ground. The Uniform Building Code requires walls over 4 feet to be designed by a licensed Civil or Structural Engineer.

**SEISMIC STRAP:** A steel strap used to restrain the structure or an element of the structure from the lateral forces developed during earthquakes by connecting the frame to the foundation (also "tie-down"). The term used to describe the exact location of a building.

**SHEARPLY:** Plywood reinforcement used to improve the strength of stud walls to resist lateral loads (earthquake forces).

**SHEAR TRANSFER TIE:** A metal brace nailed into both the shear wall and the floor joists that allows the shear wall to support the house during the shaking of an earthquake.

**SHEAR WALL:** Sheets of plywood nailed to the studs of an exterior wall, such as a cripple wall, to provide bracing against the shaking forces of an earthquake.

**SILL:** The first wood element above the foundation (also mudsill).

**SIMPSON:** A manufacturer of steel connectors for wood frame construction.

**SLAB:** A flat, thin, horizontal concrete element.

**SLIPOUT:** A small slope failure that moves (also "mud flow").

**SLOPE:** The degree to which a surface tends upward or downward – see definition for GRADE

**SOFT STORY:** An open area, commonly a garage, at ground level with a room directly above it. Because of the garage door, one wall of the house can't be secured with shear wall.

**SOIL PROFILE:** A vertical cross-section drawing of the ground showing the type and depth of each layer of material between the surface and bedrock.

**SPOT FOOTER:** A spot or pad footing is used to support a single point of contact, such as under a pier or post.

**SPREAD FOOTING FOUNDATION:** A very common type of foundation that involves placing a wide flat concrete footing under the perimeter building walls distributing the weight over a greater area.

**STANDING WATER:** Water within the crawl space that has not evaporated or percolated away.

**STEM WALL:** The portion of the foundation above the footing that supports the wood frame by connection to the sill plate.

**SUBDRAIN:** A subsurface moisture collection system normally designed to cut off underground water flow (also "back drain", "curtain drain" or "french drain").

**SWALE:** Linear depression which forms a drainage channel.

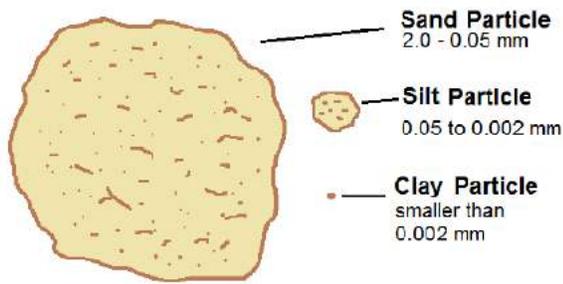
**UBC:** Uniform Building Code; the code that each building permit authority uses as a basis for review and acceptance at residential design and construction (the code is updated periodically).

**UNDERPINNING:** Added foundation support placed under an existing building foundation.

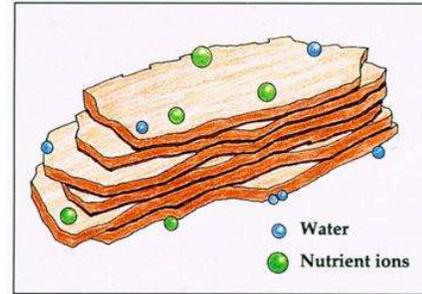
**WATERPROOF MEMBRANE:** An impermeable barrier placed to prevent moisture intrusion.

**WATER TABLE:** The distance below the surface at which the soil is completely saturated with water. A perched water table can develop above the actual water table when a clay lens or other impermeable layer prevents or delays vertical percolation.

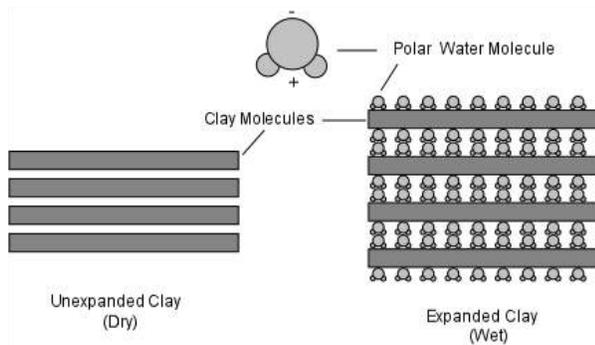
# Attachment 2 - Properties of Expansive Soils



**Fig 1 - Relative Particle Sizes**



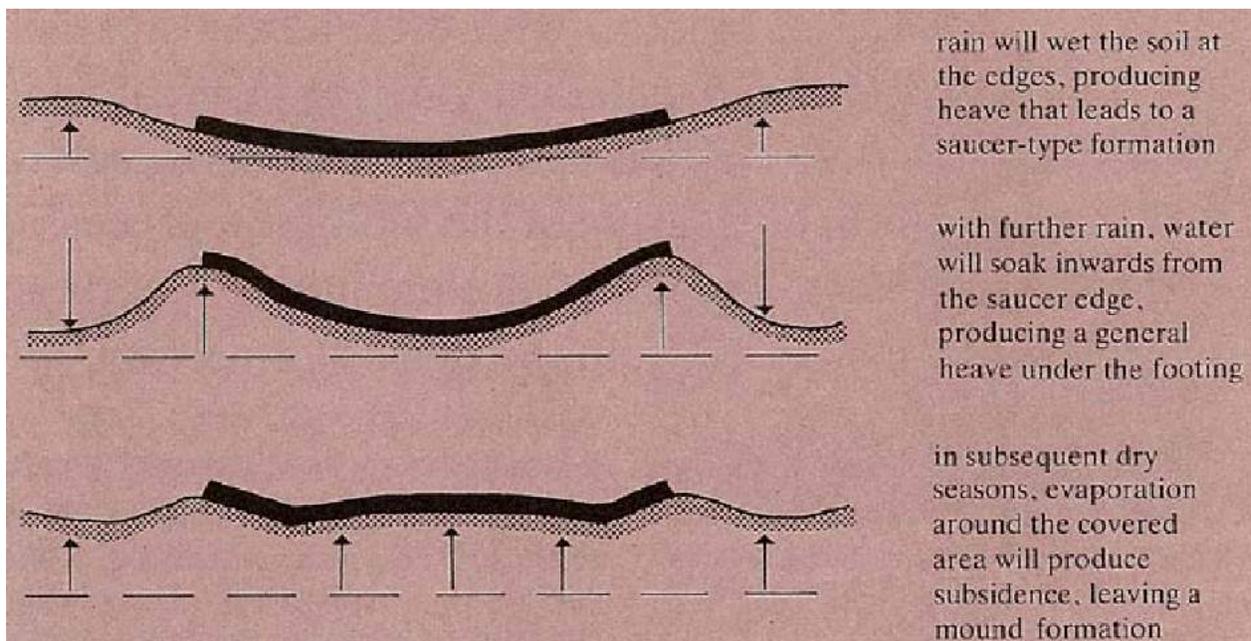
**Fig 2 - Clay Shape**



**Fig 3 - Expansive Mechanism**

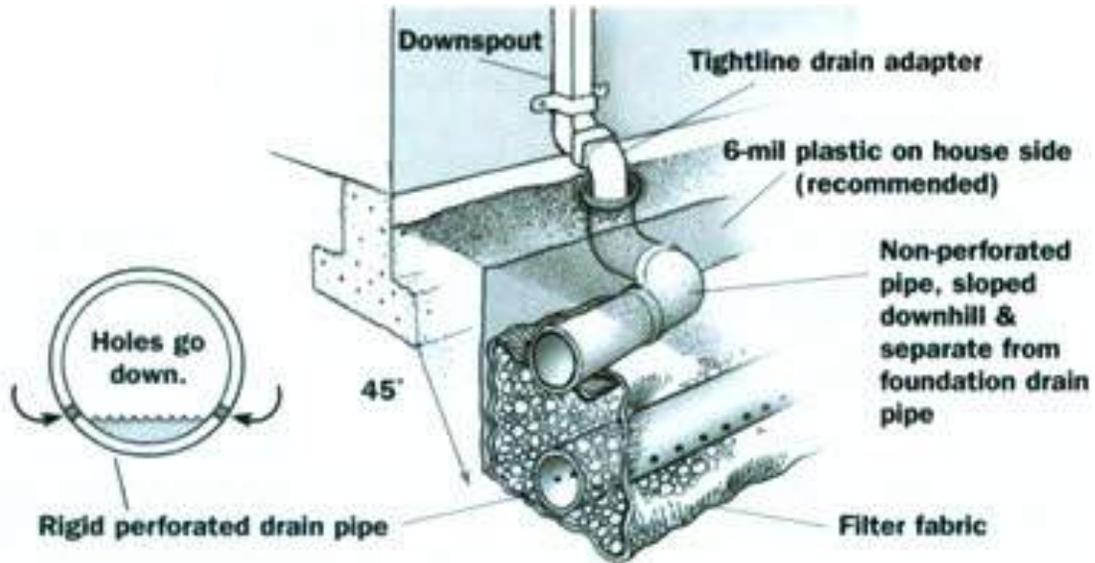


**Fig 4 - Visual Appearance of Expansive Soils When Dry**

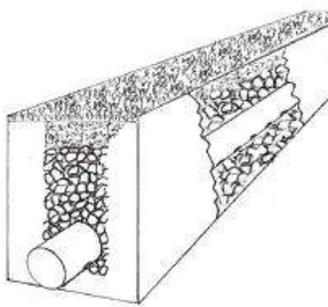


**Fig 5 - Slab movement with wetting & drying cycles**

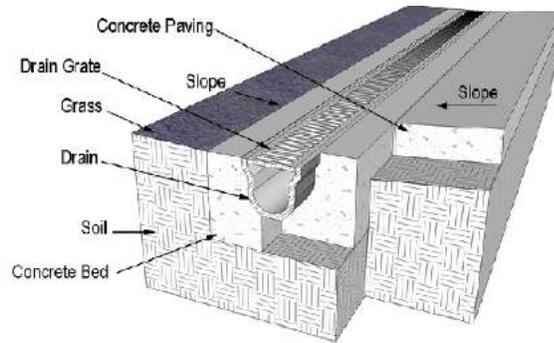
# Attachment 3 - Drainage Illustrations



**Fig 1 - Subsurface & Surface Drain Overview**



**Fig 2 - French Drain**



**Fig 3 - Trench Drain**



**Fig 4 - Drainage Slope Relative To The Structure**

## Attachment 4 - Possible causes of foundation movement

|   |   |
|---|---|
| <p><b><u>Low Bearing Capacity Soils</u></b><br/>Some soils are not capable of supporting the weight or bearing pressure exerted by a building's foundation.</p>   | ✗ |
| <p><b><u>Poor Fill Compaction</u></b><br/>In some cases lots are created by adding soils brought in from off-site locations or cutting one area of the hillside and filling another to create a more level lot and when fill soils are not adequately compacted, they can compress under a foundation load.</p>   | ■ |
| <p><b><u>Excessive Moisture Content</u></b><br/>Excess moisture can saturate foundation soils, which often leads to softening or weakening of clays and silts. The reduced ability of the soil to support the load results in foundation movement and/or cracking. The moisture is often a consequence of poor surface drainage around the structure, leaks in water lines or plumbing, or a raised groundwater table.</p>                  | ✗ |
| <p><b><u>Expansive Soils</u></b><br/>Expansive soils will swell when wet and contract when dry.</p>   | ■ |
| <p><b><u>Lateral Sliding/Soil Creep</u></b><br/>Soil creep is caused by slow downward movement of expansive soils under the influence of gravity and the effect of moisture changes. The depth to which this occurs varies depends on moisture amounts and soil types but can often times extend down below the depth of most shallow foundations.</p>  | ■ |
| <p><b><u>Insufficient Footers</u></b><br/>Sometimes footers are either nonexistent, designed too small for the current loads or not built to the design at the time and hence have inadequate bearing capacity.</p>   | ✗ |
| <p><b><u>Soil Consolidation</u></b><br/>Consolidation occurs when the weight of a structure or newly-placed fill soils compress lower, weak clay based soils. Consolidation results in downward movement or settlement of overlying structures. Settlement caused by consolidation of foundation soils may take weeks, months, or years to be considered "complete."</p>  | ✗ |
| <p><b><u>Soil Compaction</u></b><br/>Vibration from heavy equipment or vehicular traffic.</p>   | ✗ |
| <p><b><u>Seismic Activity</u></b><br/>Vibration from seismic activity.</p>  | ■ |
| <p><b><u>Impact from Trees</u></b><br/>As trees mature, their demand for water also grows and the root systems continually expand and can draw moisture from the soil beneath the foundation. Clay-rich soils shrink as they lose moisture, resulting in settlement of overlying structures. Foundations closer to the surface are more often affected by soil dehydration due to tree roots than are deep, basement level foundations.</p> | ✗ |
| <p><b><u>Soil Erosion</u></b><br/>Most likely causes include poor surface drainage, faulty drains, leaking water mains or other underground water movements.</p>  | ✗ |
| <p><b><u>Apparent Settlement Due to Construction</u></b><br/>This is where the area in question was built with a slope to it, greater than normal such that it looks as if it has settled when in fact it may not have moved.</p>   | ✗ |



Unlikely to be contributing based on data available at the time of the inspection



Likely contributing based on data available at the time of the inspection



Possibly contributing but further data, analysis (soils report) and/or history would be needed

# Attachment 5 - Inspection Terms & Conditions (Page 1 of 2)

## Section 1 – General

1.1 The inspection of this property is subject to the Limitations and Conditions set out in this Agreement. Because evaluation of the existing structure requires certain assumptions be made regarding existing conditions, and because some of these assumptions cannot be verified without expending additional sums of money or destroying otherwise adequate or serviceable portions of the building, the Client agrees, to the fullest extent permitted by law, to indemnify and hold harmless the Inspector against all damages, liabilities or costs, including reasonable attorneys fees and defense costs, arising out of or in any way connected with this Project.

1.2 The inspection is based on a visual examination of the readily accessible features of the building. The inspection does not include identifying defects that are hidden behind walls, floors or ceilings. This includes wiring, heating, cooling, structure, plumbing and insulation that are hidden or inaccessible. Some intermittent problems may not be obvious on an inspection because they only happen under certain circumstances. As an example, we may not discover leaks that occur only during certain weather conditions or when a specific tap or appliance is being used in everyday life. We will not find conditions that may only be visible when storage or furniture is moved and they do not remove wall coverings (including wallpaper) or lift flooring (including carpet) or move storage to look underneath or behind.

1.3 We will have no liability for any claim or complaint if conditions have been disturbed, altered, repaired, replaced or otherwise changed before we have had a reasonable period of time to investigate.

1.4 The inspection report is for the exclusive use of the client named herein. No use of the information by any other party is intended.

1.5 This inspection should not be considered a warranty or guarantee, implied or expressed, of the structure in general, including but not limited to the building superstructure, slabs, foundations, repairs recommended or repairs performed. Structures including but not limited to their foundations and slabs may be affected severely by changes in climate, land use, drainage, soil moisture conditions, soil characteristics, and other factors too numerous to list. The conclusions presented in this report are based on the conditions observed during our visit. Our opinions and recommendations are subject to change based on new information as it becomes available to this office.

1.6 *Bear Engineering* shall perform those professional services as specified in the AGREEMENT and detailed herein. In rendering these services, *Bear Engineering* shall apply the skill and care ordinarily exercised by contemporaneous design professionals of the same discipline currently practicing under similar circumstances at the same time and in the same or similar locality. Upon notice to *Bear Engineering* and by mutual agreement between the parties, *Bear Engineering* will, without additional compensation, correct those services not meeting such a standard.

1.7 *Bear Engineering* shall put forth reasonable professional efforts to comply with the applicable laws, codes and regulations in effect as of the date of the execution of this AGREEMENT. Design changes made necessary by newly enacted laws, codes and regulations after this date shall entitle *Bear Engineering* to a reasonable adjustment in the schedule and additional compensation in accordance with the Additional Services provisions of this AGREEMENT.

## Section 2 - Fees and Payments

### 2.1 Fees and Other Compensation

2.1.1 Fees for basic services, additional services, and compensation for reimbursable expenses are set forth in the AGREEMENT.

2.1.2 If *Bear Engineering's* services covered by this Agreement have not been completed within 12 months of the date hereof, through no fault of *Bear Engineering*, the remaining fees shall be escalated at the rate of 5% per year.

2.1.3 Additional Services: Services beyond the scope of work indicated in the Agreement shall be on a cost-plus basis using billing rates in effect at the time these services are performed. However, before any additional services are provided, *Bear Engineering* must receive the CLIENT's consent to these services.

### 2.2 Payments on Account

2.2.1 Invoices for *Bear Engineering's* services shall be submitted, at *Bear Engineering's* option, either on a monthly basis or upon completion of any phase of service. Invoices shall be payable when rendered and shall be considered PAST DUE if not paid within 15 days after the invoice date. Any project with payment past due, *Bear Engineering* retains the right to suspend services until the past due payment is received and the Client's account is in good standing.

2.2.2 Retainers, if applicable to this PROJECT, shall be credited to the final invoice(s).

2.2.3 Any inquiry or questions concerning the substance or content of an invoice shall be made to *Bear Engineering* in writing within 30 days of receipt of the invoice. A failure to notify *Bear Engineering* within this period shall constitute an acknowledgement that the service has been provided.

### 2.3 Late Payments

2.3.1 A service fee of 1.5% (18% annual rate) per month or the maximum allowable by law will be charged on the outstanding balance of "past due" accounts.

2.3.2 In the event that any portion of an account remains unpaid 90 days after billing, *Bear Engineering* may, without waiving any claim or right against the CLIENT, and without liability whatsoever to the CLIENT, suspend the performance of the service.

## Section 3 - Insurance, Indemnification and Limitation of Liability

### 3.1 Insurance

*Bear Engineering* shall secure and maintain professional liability insurance and automobile liability insurance to protect *Bear Engineering* from claims which may arise out of the performance of *Bear Engineering's* services under this AGREEMENT, and from claims under the Workers' Compensation Acts. *Bear Engineering* shall, if requested in writing, issue certificates confirming such insurance to the CLIENT.

## Attachment 5 - Inspection Terms & Conditions (Page 2 of 2)

### 3.2 Limitation of Liability

3.2.1 In recognition of the relative risks and benefits of the project to both the CLIENT and *Bear Engineering*, the risks have been allocated such that the CLIENT agrees, to the fullest extent permitted by law, to limit the liability of *Bear Engineering*, its officers, employees, and sub-consultants on this project for any and all negligent acts, injuries, claims, losses, expenses, damages of any nature whatsoever or claims expenses from any cause or causes, including attorneys' fees and costs and expert witness fees and costs, so that the total aggregate liability of *Bear Engineering* shall not exceed the amount of fees paid to *Bear Engineering* under this AGREEMENT. It is intended that this limitation apply to any and all liability or cause of action however alleged or arising, unless otherwise prohibited by law.

3.2.2 Time Bar to Legal Action: All legal actions by either party against the other arising out of or in any way connected with this AGREEMENT or the services to be performed hereunder shall be barred and under no circumstances shall any such legal action be initiated by either party after five (5) years from the date of Substantial Completion, unless this AGREEMENT shall be terminated earlier, in which case the date of termination of this AGREEMENT shall be the date on which such period shall commence.

### 3.3 Indemnification

*Bear Engineering* agrees, to the fullest extent permitted by law, to indemnify and hold harmless the CLIENT, its officers, directors and employees (collectively, CLIENT) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by *Bear Engineering's* negligent performance of professional services under this AGREEMENT and that of its sub-consultants or anyone for whom *Bear Engineering* is legally liable. The CLIENT agrees, to the fullest extent permitted by law, to indemnify and hold harmless *Bear Engineering*, its officers, directors, employees and sub-consultants (collectively, *Bear Engineering*) against all damages, liabilities or costs, including reasonable attorneys' fees and defense costs, to the extent caused by the CLIENT'S negligent acts in connection with the PROJECT and the acts of its contractors, subcontractors or consultants or anyone for whom the CLIENT is legally liable. The CLIENT agrees that any and all limitations of *Bear Engineering's* liability, waivers of damages by the CLIENT to *Bear Engineering* and indemnifications by the CLIENT to *Bear Engineering* shall include and extend to those individuals and entities

*Bear Engineering* retains for performance of the services under this Agreement, including but not limited to *Bear Engineering's* officers, partners and employees and their heirs and assigns, as well as *Bear Engineering's* sub consultants and their officers, employees, heirs, and assigns. Neither the CLIENT nor *Bear Engineering* shall be obligated to indemnify the other party in any manner whatsoever for the other party's own negligence or for the negligence of others.

### 3.4 Third-Party Beneficiaries

Nothing contained in this Agreement shall create a contractual relationship with or a cause of action in favor of a third party against either the CLIENT or *Bear Engineering*. *Bear Engineering's* services under this agreement are being performed solely for the CLIENT's benefit, and no other party or entity shall have any claim against *Bear Engineering* because of this Agreement or the performance or nonperformance of services hereunder. The CLIENT and *Bear Engineering* agree to require a similar provision in all contracts with contractors, subcontractors, sub consultants, vendors and other entities involved in this PROJECT to carry out the intent of this provision.

## Section 4 - Miscellaneous Provisions

### 4.1 Opinions of Probable Construction Cost

In providing opinions of probable construction cost, the CLIENT understands that *Bear Engineering* has no control over costs or the price of labor, materials, or equipment, or over the Contractor's method of pricing, and that the opinions of probable construction costs provided herein are to be made on the basis of *Bear Engineering's* qualifications and experience. *Bear Engineering* makes no warranty, expressed or implied, as to the accuracy of such opinions as compared to bid or actual costs. If the CLIENT wishes greater assurance as to Project or Construction Costs, he shall employ an independent cost estimator. Services to modify the Contract Documents to bring the Construction Cost within any limitation established by the CLIENT shall be considered Additional Services and paid for as such by the CLIENT.

### 4.2 Disputes Resolution

All claims, counterclaims, disputes and other matters in question between the parties hereto arising out of or relating to this Agreement or breach thereof will be presented to non-binding mediation, subject to the parties agreeing to a mediator(s).

### 4.3 Governing Laws

Unless otherwise specified, this contract shall be governed by the laws of the State of California