

Preliminary Inspection Report

Client: Daniel & Melanie Cherry Inspection Address: 1303 Harkness Lane Redondo Beach, CA 90278 Date of Inspection: May 22, 2023

Inspection performed by David Puccio 1130 South Flower Street #221 Los Angeles, CA 90015 Office: 310-773-9936 Hygienist Mobile: 310-422-6934

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Preliminary Inspection Report

1.0 Introduction

The following report is Nu Environmental, Inc.'s findings regarding our limited preliminary inspection of 1303 Harkness Lane, Redondo Beach, CA, on May 22, 2023, on behalf of Daniel & Melanie Cherry as per our engagement agreement. Within this report will be any concerns identified by Nu Environmental, Inc. with respect to elevated moisture, signs of water damage, visible mold, and areas where mold growth is possible due to past moisture intrusion events. If any sampling was conducted during our preliminary inspection, those results will be listed in this report as well as any recommendations for removal, if necessary.

2.0 Summary of Inspection:

The following is a description of the areas of concern that were identified during our preliminary inspection. This summary is not meant to replace any recommendations, information or sample results that are in the remaining portions of the report and should not be used by anyone to make opinions or conduct remediation or work of any kind. If any recommendations for removal are present, they can be found in the recommendations section of this report. If samples were collected, detailed results can be found in the results section of this report.

Mold Remediation Concerns:

Concern #1: 2F North Bedroom

Concern #2: 2F NE Bedroom

Concern #3: 2F Primary Bedroom

Concern #4: Bottom of the Stairs/Entry

Concern #5: Office

Concern #6: Dining Room

General Contractor Concerns:

Concern #1: General Areas of the Home

Results of Samples: No samples were taken during this inspection because the person authorized to allow intrusive samples could not be reached.

3.0 **Property Information:**

Type of Inspection

• Standard Preliminary Inspection

Description

- The property is a single-family home, which the front door faces east.
- The structure is constructed on a slab foundation with stucco exterior wall surfaces.
- The property is present on a flat grade.
- The property has an attached garage.
- Occupants were living in the property during our inspection. The home had contents covering areas that could not be fully investigated.

Site information

• Our client, our client's real estate agent, and the owner's real estate agent assistant were present during the inspection.

Any and all information that is outside what was listed in this report was not disclosed to Nu Environmental, Inc.. If there is any additional information that is discovered by any parties after our inspection is completed, our conclusions and findings might be changed.

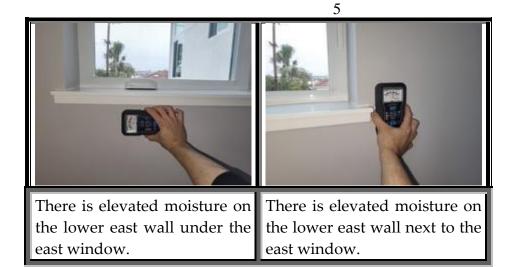
4.0 Interior Concerns:

During our preliminary inspection the following areas of concern were identified. We believe the concerns listed might be potential concerns for possible mold growth inside the property. Within this section, areas of concern within the property are listed depending on who should perform the removal or cleaning. Concerns are listed as areas that require the attention of a professional mold remediation company and as areas that appear to be addressed by a general contractor, providing that the contractor has pertinent knowledge that will aid in the proper repairs that are necessary.

The following areas of concern should be addressed by a professional mold remediation company.

Concern #1: 2F North Bedroom





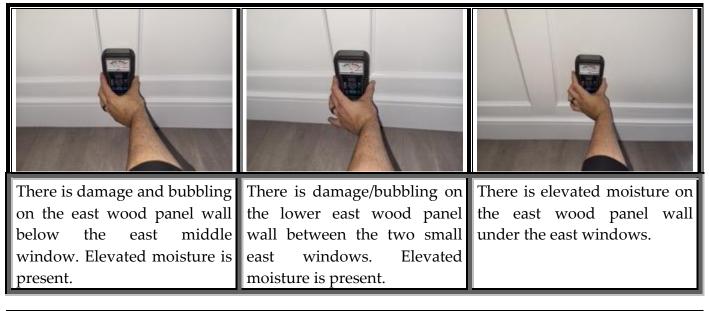
Concern #2: 2F NE Bedroom



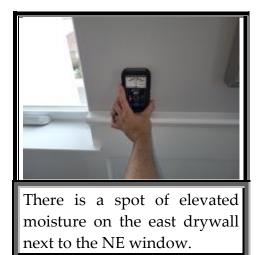
Concern #3: 2F Primary Bedroom



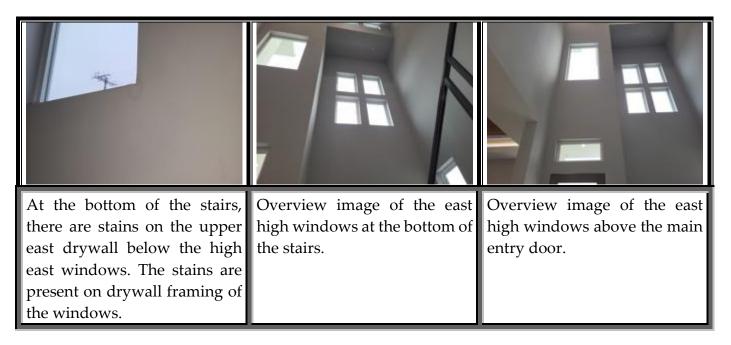
	-
Overview image of the east	There is damage and bubbling There is damage/bubbling on
windows.	on the east wood panel wall the lower east wood panel
	below the east middle wall between the two small
	window. east windows.

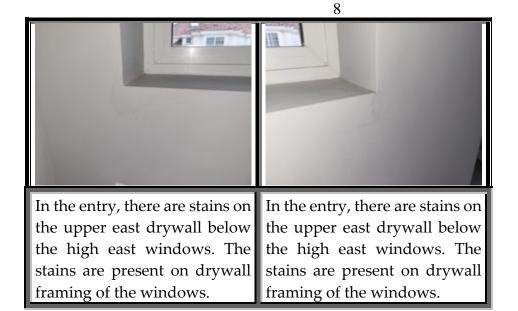






Concern #4: Bottom of the Stairs





Concern #5: Office



Concern #6: Dining Room

Overview image of the east	There is elevated moisture on	There is elevated moisture on
window.	the base of the east window.	the east wood panel wall
		under the east window.



There is elevated moisture on the north wood panel wall in the NE corner.

The following areas of concern can be addressed by a general contractor.

Concern #1: General Areas of the Home

Patchwork, cracking, nail	Patchwork, cracking, nail	Patchwork, cracking, nail
pops, and visible seams are	pops, and visible seams are	pops, and visible seams are
present on the walls and	present on the walls and	present on the walls and
ceilings in the home. There are	ceilings in the home. There are	ceilings in the home. There are
no signs of damage or	no signs of damage or	no signs of damage or
moisture to these areas today.	moisture to these areas today.	moisture to these areas today.
Image of the 2F top of the stairs	Image of the 2F top of the stairs	Image of the 2F primary
ceiling patch.	ceiling patch.	bedroom patch.
Patchwork, cracking, nail	There are yellow spots of	There are yellow spots of
pops, and visible seams are	corners of the rooms in the	corners of the rooms in the
present on the walls and	home. There are no signs of	home. There are no signs of
ceilings in the home. There are	moisture or signs of visible	moisture or signs of visible
no signs of damage or	water damage. These areas	water damage. These areas
moisture to these areas today.	could be lack of paint/patch.	could be lack of paint/patch.

Image	of	the	2F	primary	Image	of	the	2F	primary	Image	of	the	office	ceiling
bedroo	m pa	atch.			bedroom ceiling corner.				corner.					

Please note that if visible mold or possible rot is discovered during the removal listed above by a general contractor, all areas should be sealed properly to prevent dispersal of possible mold to non-affected areas and a professional mold remediation company should be contacted immediately to remove of all materials properly.

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General Observations:

Our inspection is a visual inspection only, with the use of a moisture meter. Samples may or may not be collected depending on the inspection and the client's concerns. Contents and furniture were present throughout the home and the closets throughout various areas of the property. Items that are present can restrict portions of our inspection and prohibit moisture testing and/or a visual inspection of the surfaces of the walls in various areas. Once all items are removed from the house, if concerned, a follow-up inspection should be conducted if any areas of visible damage are discovered. Wall coverings such as tile, cloth, wallpaper, or other can prohibit a proper inspection of the wall materials. Certain coverings can prohibit proper moisture testing and cannot be properly inspected.

5.0 Exterior Concerns:

An exterior inspection was conducted on the subject property; however, no concerns were identified at this time. Please consult the general or drainage inspection reports for further information.

6.0 Laboratory Sample Results:

No samples were taken during this inspection because the person authorized to allow intrusive samples could not be reached.

7.0 Inspection Conclusions

At the time of Nu Environmental, Inc.'s preliminary inspection of the property, our visual observations and moisture meter analysis of the interior of the home leads us to conclude that mold contamination most likely does exist. Our inspection and most mold inspections for the interior of a property are almost always limited in budget due to the extreme measures to identify all possible mold spores present inside of a home. If the client has any concerns at all, samples can always be collected in the air or walls throughout the home. It is extremely difficult to identify all molds present, if any is present, inside of a property beyond what is reasonably accessible or identifiable.

We recommend that the client or representatives of the client contract a professional mold remediation company in order to properly remove any and all mold contaminated building materials. The recommendations section below will have all of the necessary steps to lead a remediation company towards the proper steps to remove all contaminated areas of concern. In conjunction with the mold remediation efforts that may or may not be necessary in order to alleviate all mold related concerns, the appropriate specialist should be contracted to repair any possible moisture intrusion related issues that might have caused the areas of concern to exist.

Any areas that were recommended for a general contractor to address will be listed specifically in the recommendations section to do so. When using a general contractor, make sure they have the proper knowledge to perform any and all

repairs or construction work to the property. Any areas where possible water damage occurred and a general contractor is recommended to address should be done so with the most extreme care in the case mold is discovered in excess. Reducing dispersal of mold spores is the most important step when performing repairs or construction to areas that may have had moisture intrusion in the past.

We do not inspect or sample for lead based paint, asbestos, or radon and will not make any recommendations regarding anything related. It is possible that any of these substances can exist in certain homes depending on age, materials, and construction. If concerns exist regarding the following substances, then the appropriate specialist should be contacted.

Any areas that are obstructed due to personal contents, furniture, or other items cannot be properly inspected and/or moisture tested. If the client has specific concerns regarding areas that are obstructed, a follow-up inspection should be conducted upon clearing of the contents or furniture. This is a visual inspection only, cavity spaces inside of the walls cannot be inspected without performing extensive invasive sampling. Nu Environmental, Inc. is not responsible for any concerns that might exist that could be present obstructed due to contents

8.0 Recommendations

The following section contains all recommendations that are relevant to the subject property. Each area of concern is listed for either a professional remediation company or a general contractor to address. As always, it is possible once areas of removal begin, that the scope of work can change, be expanded, or contracted at the discretion of the remediation company or general contractor depending upon what is discovered inside of wall/ceiling cavity spaces. If such changes occur, and it is necessary to confirm the expansion or contraction of the recommendations, contact Nu Environmental, Inc. immediately. If the areas recommended below were not sampled and concerns exist as to type of mold or how much is indeed present, intrusive wall samples can be collected with the permission of the owner of the property.

Areas of concern to be address by a professional mold remediation company only:

1. Area of Concern: 2F North Bedroom

- Proper containment should be constructed to prevent dispersal of mold spores when removing any affected building materials.
- Seal any HVAC system vents inside of the room where the containment area is present. The HVAC system should not be operated during the remediation efforts to make sure containments are not affected or breached.
- If elevated levels of moisture were observed in the following area of concern, it is important to identify and repair the source of the moisture intrusion. If this is not completed properly and correctly, moisture will continue to enter the area and cause future mold growth. If moisture was found the area of concern should be properly dried out using dehumidifiers.
- A negative air pressure HEPA filtration unit should be used during all removal and cleaning of the containment.
- The following areas of concern should be addressed:
 - Remove the lower 3-4 feet of the east wall under and next to the east window.
 - Remove the base of the east window.
 - Remove the lower portion of the drywall window frame of the east window to investigate.
 - Upon removal, further investigate to determine if more removal is necessary due to damage/mold growth.

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- If concerned- intrusive wall cavity samples can be taken with the permission of the seller by drilling a dime-sized hole on the area/areas of concern.
- Any and all insulation that is present upon the removal of the above-mentioned areas should be removed and discarded.
- When performing any removal, a HEPA vacuum should be used to remove all dust and debris that exists.
- Upon removal of the areas of concern, an additional 12 inches of wall materials should be removed to reduce the likelihood of additional contamination nearby.
- Any additional building materials that are discovered after removal that are not listed in the above-mentioned areas should be removed and discarded properly. If confirmation of additional work outside of the original scope is necessary, contact the industrial hygienist immediately.
- All areas inside of the containment area should be wiped down using appropriate biocides and HEPA vacuumed prior to the post remediation clearance inspection and sampling to reduce the likelihood of sample failure. If a containment area is visibly not ready for a post remediation clearance inspection when the industrial hygienist arrives on site, then clearance sampling will not be conducted, and a failure shall be issued verbally to the client and remediation company.
- Operate the negative air pressure HEPA filtration units inside of the containment area for approximately 2-3 days after removal was completed. Prior to the post remediation clearance inspection and sampling, the machines should be turned off approximately 12-24 hours in advance.

2. Area of Concern: 2F NE Bedroom

- The following areas of concern should be addressed:
 - Remove a 1x1 foot section of the east wall under the NE window where water drip stain is present to investigate.
 - Upon removal, further investigate to determine if more removal is necessary due to damage/mold growth.
 - Place full containment if mold growth is found.
 - If no mold is found, no need for further remediation or follow up testing unless specifically requested.
 - If concerned- intrusive wall cavity samples can be taken with the permission of the seller by drilling a dime-sized hole on the area/areas of concern.

3. Area of Concern: 2F Primary Bedroom

- Proper containment should be constructed to prevent dispersal of mold spores when removing any affected building materials.
- Seal any HVAC system vents inside of the room where the containment area is present. The HVAC system should not be operated during the remediation efforts to make sure containments are not affected or breached.
- If elevated levels of moisture were observed in the following area of concern, it is important to identify and repair the source of the moisture intrusion. If this is not completed properly and correctly, moisture will continue to enter the area and cause future mold growth. If moisture was found the area of concern should be properly dried out using dehumidifiers.
- A negative air pressure HEPA filtration unit should be used during all removal and cleaning of the containment.
- The following areas of concern should be addressed:
 - Remove the lower 3-4 feet of the entire east wood panel wall where the two thin east windows are present.

- Remove the east drywall next to the east thin windows above the wood panel wall. The lower portion of the drywall window frames of the two east thin windows should be investigated.
- Upon removal, further investigate to determine if more removal is necessary due to damage/mold growth.
- If concerned- intrusive wall cavity samples can be taken with the permission of the seller by drilling a dime-sized hole on the area/areas of concern.
- Any and all insulation that is present upon the removal of the above-mentioned areas should be removed and discarded.
- When performing any removal, a HEPA vacuum should be used to remove all dust and debris that exists.
- Upon removal of the areas of concern, an additional 12 inches of wall materials should be removed to reduce the likelihood of additional contamination nearby.
- Any additional building materials that are discovered after removal that are not listed in the above-mentioned areas should be removed and discarded properly. If confirmation of additional work outside of the original scope is necessary, contact the industrial hygienist immediately.
- All areas inside of the containment area should be wiped down using appropriate biocides and HEPA vacuumed prior to the post remediation clearance inspection and sampling to reduce the likelihood of sample failure. If a containment area is visibly not ready for a post remediation clearance inspection when the industrial hygienist arrives on site, then clearance sampling will not be conducted, and a failure shall be issued verbally to the client and remediation company.
- Operate the negative air pressure HEPA filtration units inside of the containment area for approximately 2-3 days after removal was completed. Prior to the post remediation clearance inspection and sampling, the machines should be turned off approximately 12-24 hours in advance.

4. Area of Concern: Bottom of the Stairs

- The following areas of concern should be addressed:
 - At the bottom of the stairs- remove the stained portions of the upper east window drywall to investigate. Remove the drywall base of the stained east window.
 - In the entry- remove the stained portions of the upper east window drywall. Remove the drywall base of the stained east window.
 - Upon removal, further investigate to determine if more removal is necessary due to damage/mold growth.
 - Place full containment if mold growth is found.
 - If no mold is found, no need for further remediation or follow up testing unless specifically requested.
 - If concerned- intrusive wall cavity samples can be taken with the permission of the seller by drilling a dime-sized hole on the area/areas of concern.

5. <u>Area of Concern: Office</u>

- The following areas of concern should be addressed:
 - Remove the base of the SW window frame.
 - Remove the west drywall below the SW window to investigate.
 - Upon removal, further investigate to determine if more removal is necessary due to damage/mold growth.
 - Place full containment if mold growth is found.

- If no mold is found, no need for further remediation or follow up testing unless specifically requested.
- If concerned- intrusive wall cavity samples can be taken with the permission of the seller by drilling a dime-sized hole on the area/areas of concern.

6. Area of Concern: Dining Room

- Proper containment should be constructed to prevent dispersal of mold spores when removing any affected building materials.
- Seal any HVAC system vents inside of the room where the containment area is present. The HVAC system should not be operated during the remediation efforts to make sure containments are not affected or breached.
- If elevated levels of moisture were observed in the following area of concern, it is important to identify and repair the source of the moisture intrusion. If this is not completed properly and correctly, moisture will continue to enter the area and cause future mold growth. If moisture was found the area of concern should be properly dried out using dehumidifiers.
- A negative air pressure HEPA filtration unit should be used during all removal and cleaning of the containment.
- The following areas of concern should be addressed:
 - Remove the east wood panel wall under and next to the east window.
 - Remove the base of the east window frame. Remove the lower portion of the drywall window frame of the east window.
 - Remove the north wood panel wall in the NE corner.
 - Upon removal, further investigate to determine if more removal is necessary due to damage/mold growth.
 - If concerned- intrusive wall cavity samples can be taken with the permission of the seller by drilling a dime-sized hole on the area/areas of concern.
- All insulation that is present upon the removal of the above-mentioned areas should be removed and discarded.
- When performing any removal, a HEPA vacuum should be used to remove all dust and debris that exists.
- Upon removal of the areas of concern, an additional 12 inches of wall materials should be removed to reduce the likelihood of additional contamination nearby.
- Any additional building materials that are discovered after removal that are not listed in the above-mentioned areas should be removed and discarded properly. If confirmation of additional work outside of the original scope is necessary, contact the industrial hygienist immediately.
- All areas inside of the containment area should be wiped down using appropriate biocides and HEPA vacuumed prior to the post remediation clearance inspection and sampling to reduce the likelihood of sample failure. If a containment area is visibly not ready for a post remediation clearance inspection when the industrial hygienist arrives on site, then clearance sampling will not be conducted, and a failure shall be issued verbally to the client and remediation company.
- Operate the negative air pressure HEPA filtration units inside of the containment area for approximately 2-3 days after removal was completed. Prior to the post remediation clearance inspection and sampling, the machines should be turned off approximately 12-24 hours in advance.

Nu Environmental, Inc. highly recommends that a post remediation clearance inspection be performed when the mold remediation company notifies the client that the above listed work has been completed. A post remediation clearance inspection and sampling is not included in the costs of the preliminary inspection and will have additional fees. For a complete list of pricing for a possible post remediation clearance, please contact Nu Environmental, Inc. If the post

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remediation clearance inspection is not performed, then Nu Environmental, Inc. is not responsible for any findings or concerns that arise after the remediation company finishes the above-mentioned work and leave the property.

Areas of concern that can be addressed by a General Contractor:

When addressing the listed areas of concern, care should be taken to reduce the chance of dispersing any unknown mold conditions that can be discovered upon removal. It is recommended that, if removal is occurring, the room in question be sealed using a thick plastic to cut down on any dust and possible mold that might exist inside of a cavity space. According to the EPA guidelines for removing mold growth, upon removal of any building materials, if visible mold is discovered in an area less than 10 ft² containment will not be necessary. If an area larger than 10 ft² is discovered, seal the area completely and contact Nu Environmental, Inc. or a professional mold remediation company immediately. The failure to do so can lead to cross contamination to non-affected areas.

1. <u>Concern area: General Areas of the Home</u>

• Please contact NU Environmental if any water damage or mold growth is detected once all contents have been removed from the property.

9.0 Inspection Agreement

The Attached addendum to this report is our inspection agreement contract. By accepting this report, the client accepts all terms and conditions to the agreement. All limitations of the inspection are listed within the contract and report and apply unless physically discussed and signed off on by Nu Environmental, Inc. and the client. Everything listed in this report is pursuant to our inspection agreement contract.

10.0 Laboratory Results Sheet

No samples were collected during the preliminary inspection at the subject property.

Report completed by, David Puccio Industrial Hygienist

Report reviewed by, Ian Shapiro Senior Industrial Hygienist

Appendix: Inspection Agreement Contract:

This Mold Inspection Agreement ("Agreement") is entered into between Nu Environmental Inc. (Nu Environmental, Inc.) ("Inspector") and the Client identified above and governs the terms and conditions of services to be provided and work to be performed by Inspector for Client at the Property identified above.

1. <u>Inspection For Mold; Inspection Report</u>

Client has requested, and Inspector has agreed to inspect (the "Inspection") of the Property for mold. Inspector agrees to provide the Client with a written inspection report ("Report"). The Report will identify any mold that the Inspector observed, located and/or deemed material during the course of the Inspection.

- 2. <u>Scope Of Inspection</u>
- A. Inspector will inspect the Property for mold, and will test for mold which is visible or is brought to the Inspector's attention by the Client. Inspector will also test for mold in any other areas in which the Inspector believes mold might be present even if that mold is not visible. For purposes of this Agreement, Inspector will not be doing any destructive testing, such as knocking out portions of walls or floors to inspect areas which are not otherwise accessible.
- B. The Inspection is limited to the readily accessible and visible systems and components of the Property. The Inspector will not dismantle and/or move equipment, systems, furniture, appliances, floor coverings, finished or fastened surfaces or components, personal property or other items to conduct the Inspection or otherwise to expose concealed or inaccessible conditions.
- C. The purpose of the mold inspection is to identify and report signs of potential mold growth along with conditions that are conducive to mold growth as evident to the Inspector on the day of the inspection. The inspection is a non-intrusive, visual examination performed for a fee identified above, and is limited to the primary building along with its parking structure. The inspection includes only visual and readily accessible components and systems. Mold sampling and laboratory testing are optionally performed with the Client's acceptance of additional fees outlined below.
- D. The areas of the Property to be inspected for signs of potential mold growth and conditions that are conducive to mold growth include exposed and visible landscaping, exteriors, foundations, roofing, plumbing, attic, interior rooms, basement and crawlspaces, heating and central air conditioning, and garage or carport, where these components are visible and readily accessible on the day of the inspection.
- 3. <u>Client To Provide Inspector With Reasonable And Safe Access</u>

Client shall provide Inspector with reasonable and safe access to the Property on the date and at the time of the agreed Inspection. If Inspector should determine that the Property cannot safely be Inspected, the Inspection shall be terminated until such safety concerns are satisfactorily resolved, and the Property is deemed safe for inspection by the Inspector.

4. <u>General Limitation And Exclusion</u>

The Inspection is limited to an inspection for mold. Inspector will not inspect, review, oversee, or notify Client of any other conditions at the Property unless a separate Agreement is executed identifying any additional inspections to be performed by Inspector. Inspector will not inspect for or undertake to advise Client about any other conditions at the Property including but not limited to any toxic matters, asbestos, lead paint, water quality, defects other than the existence of mold, the serviceability of any components at the Property, wood destroying organisms, other infestation, code compliance, zoning issues, the value of the Property, the size of the land or any structures, geotechnical engineering, structural, architectural, geological, hydrological, soils-related matters including but not limited to evidence of subsidence, drainage, water ponding, or any other matters other than the location and identification of mold at the Property as set forth in this Agreement.

5. <u>Specific Exclusion From Inspection</u>

Inspector will not inspect or review the following components at the Property: alarms or other security systems, appliances, swimming pools, hot tubs or spas, irrigation or sprinkler systems, drainage systems, central vacuums, solar systems, water softeners, wells, septic systems.

6. <u>Inspection Fee</u>

The Inspection Fee shall be paid to Inspector on or before the date scheduled for the Inspection. Client agrees to pay any attorneys' fees, costs of litigation including expert witness fees incurred by Inspector if payment is not made when provided. Further, if any Inspection Fee is not paid when provided under this Agreement, the amount owed shall accrue interest at the rate of 10% per annum from and after the due-date for the payment.

7. No Remediation Or Repairs, Or Advice Regarding Same; General Release By Client

- A. Inspector assumes no liability for the cost of repair or replacement of any mold or other defects or deficiencies at the Property whether discovered or not discovered during the Inspection, whether included or not included in the Report, whether existing at the time of Inspection or arising in the future.
- B. Inspector will not repair, clean, remove, or attempt to remediate any mold conditions found at the Property, and will not advise Client on the methods for solving any mold conditions found at the Property. Client should consult with and retain a mold remediation service company for that purpose.
- C. Client hereby releases and exempts Inspector and its agents of and from all liability and responsibility for the cost of repairing or replacing any discovered or undiscovered mold or mold-related defect or deficiency and for any consequential damage, property damage, or personal injury of any nature arising from or relating thereto.
- 8. Inspection and Report for Benefit of Client Only
- A. Client agrees that the Inspection and Report are solely for the benefit of the Client. Client agrees that any person designated by the Client to receive information from the Inspection and/or the Report shall be subject to the terms and conditions of this Agreement. Before providing any information from the Inspection or the Report to any other person, Client will arrange to have that person sign the last page of this Agreement indicating that they agree to be bound by the terms and conditions of this Agreement.

B. Client shall notify Inspector if Client wishes to have Inspector discuss the Inspection or the Report with anyone other than Client, and Client hereby gives Inspector permission to have such communications and/or provide such information to third parties designated by Client. Client shall confirm with Inspector that each such third party has signed this Agreement and agreed to be bound to its terms and conditions before disclosure about the Inspection or the Report.

9. <u>Client's Duty To Notify Inspector; Right To Re-Inspect</u>

Client agrees that if Client has any questions or complaints about the Inspection or the Report, Client will promptly notify Inspector and allow Inspector access to the Property to conduct any investigation required to respond to Client's questions or complaint. Failure to promptly notify Inspector and to allow Inspector the opportunity to reinspect the Property before any changes are made to the conditions at the Property shall constitute a waiver of any and all claims Client may have against Inspector.

10. Entire Agreement; No Modifications Except In Writing

Client agrees that this Agreement represents the entire agreement between the parties. No oral agreements, understandings or representations shall change, modify or amend any part of this Agreement. No change or modification shall be enforceable unless such changes or modifications are in writing signed by Client and Inspector.

11. <u>No Guarantees Or Warranties</u>

- A. Client agrees that Inspector is not an insurer and that the mold Inspection and Report are not to be intended or construed as a guarantee or warranty of the adequacy, performance or condition of any structure, item or system at the Property.
- B. Inspector's Inspection of the Property and the accompanying Report are in no way intended to be a guarantee or warranty, express or implied, regarding the future use, habitability or suitability of the Property or its components. Any and all express or implied warranties, including but not limited to warranties of merchantability and fitness for a particular purpose, are expressly excluded by this Agreement.

12. <u>Client To Provide Inspector With Notice Of Claim And Right To Re-Inspect</u>

In the event of a claim against Inspector, Client agrees to supply Inspector with the following: (1) Written notification of claim within 14 days of discovery, and (2) access to the Property to allow Inspector and Inspector's experts, attorneys and/or consultants to re-inspect. Failure to comply with the above conditions will release Inspector and its agents from any and all obligations or liability of any kind.

13. Mandatory Arbitration Of Client's Claims

A. Any dispute, controversy, interpretation or claim raised by Client relating to or arising from the Inspection or the Report, including claims for, but not limited to, breach of contract, any form of negligence, fraud or misrepresentation arising out of, from, or related to, this Agreement or arising out of, from or related to the mold Inspection or Report or any other services or labor provided by Inspector to Client shall be submitted to final and binding arbitration to be conducted by a retired Superior Court Judge in the County where the Inspector has its principal place of business.

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B. If the Client and Inspector cannot agree on an arbitrator, the Client shall file an application with the Superior Court requesting that the Court select a retired Superior Court judge to serve as arbitrator. The decision of the Arbitrator appointed thereunder shall be final and binding. Judgment on the Award that may be entered in any Court of competent jurisdiction. This section does not apply to any claim by Inspector for the Inspection fee, or other fees claimed to be owed, which Inspector may pursue either in Small Claims or Superior Court, as appropriate.

14. <u>One-Year Statute Of Limitations For Client's Claims Against Inspector</u>

Client further agrees that any such claim shall be brought against Inspector no later than one (1) year after the date of Inspection or shall be barred pursuant to this contractual statute of limitations.

- 15. Inspector's Liability Limited To Amount Of Inspection Fee
- A. Client agrees that, to the extent allowed by law, any damages or breach of this contract or report are limited to the amount of the inspection fee only.
- B. Client further agrees that any liability of Inspector, its agents, employees, for claims or damages, costs of defense or suit, attorney's fees and expenses and payments arising out of or related to any actual, alleged or claimed negligence, tort, or breach of any claimed obligation under this Agreement or in connection with the Inspection and the Report, and/or in relation to the Property, including but not limited to any existing, alleged or claimed errors or omissions in the Inspection or the Report, shall be limited to liquidated damages in an amount equal to the Inspection Fee paid by or on behalf of Client to the Inspector pursuant to this Agreement, and this liability shall be exclusive.
- C. Client waives any claim for consequential, exemplary, special or incidental damages or for any damage to or loss of use of the Property relating to or arising out of the Inspection or the Report.
- D. Client agrees and acknowledges that the liquidated damages described herein are not intended as a penalty but are intended (i) to reflect the fact that actual damages may be difficult and impractical to ascertain; (ii) to allocate risk between the Inspector and Client; and (iii) to enable the Inspector to perform the inspection at the agreed fee.

16. <u>Client Indemnity And Hold-Harmless Of Inspector</u>

Client agrees to indemnify Inspector and hold Inspector harmless from any claims, liability, legal costs, attorneys' fees, and other costs of litigation or investigation, including costs for expert witnesses, in any proceeding brought against Inspector based upon the services provided to Client pursuant to this Agreement.

17. <u>Integration</u>.

This Agreement contains the entire understanding between Inspector and Client with regard to the matters set forth herein. There are no representations, warranties, agreements, arrangements or undertakings, oral or written, between Inspector and Client relating to the subject matter of this Agreement which are not fully expressed herein.

18. Binding Effect.

This Agreement shall be binding upon and inure to the benefit of Inspector and Client and to their respective heirs, assigns, grantees, relatives, trustees, beneficiaries, predecessors, successors, shareholders, partners, affiliated and related entities, officers, directors, agents, servants, employees and representatives.

19. <u>Choice of Law</u>.

This Agreement shall be interpreted in accordance with, and governed in all respects by, the laws of the State of California.