



3 February 2026

To:
Fr: Matthew Monks
Re: Summary of Findings
Property: 1023 Sentinel Ave. Los Angeles 90063

This is the Summary of Findings based on my observations of the foundation system that I performed for you. After you have read through this, feel free to give me a call to get any further questions answered and/or to discuss scheduling.

As a preface to the prescription we're calling for, it is important to realize that we are isolating what we consider to be the "worst offenses" in this foundation system. In that spirit, we are offering to perform remedial repairs on those specific areas only. This is not intended to be an exhaustive list of everything that *could* be corrected or improved, but rather is designed to select out those areas considered to be in need of correction at this time. Every older foundation has more that could be done to it to improve it, but our objective is to isolate and improve the specific areas that are most in need of attention. The judgment employed in this approach is meant to create a prescription unique to this

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particular property, effective foundation solutions designed to extend the overall useful life of this particular foundation system as a whole.

As a comment regarding the existing “seismic preparedness” of the foundation system, the home was built at a time when the use of metal anchor bolts was not yet an inherent part of building construction. Additionally, there are key steps to seismic preparedness that were not known about at the time of original construction of this home. Those areas form the current points of vulnerability which lead us to recommend seismic upgrades as will be detailed a bit later in this summary.

In terms of the overall condition of the foundation system, there are some issues of concern that we are calling for remedial repair on. In order to help clarify the prescription of repairs, I will detail my concerns and the corrections I’m advocating for them.

Aside from the issues we are calling for correction of at this time, there was also a portion of the foundation that was not fully viewable due to the crawl space being too low to enter at the rear-right corner quadrant. Due to this current inability to visually inspect this area, there is the chance that more damage to the foundation could be discovered that would warrant repair. If so, this could become an extra sum over the total contract amount, below. We don’t anticipate this, but do need to mention it, as it is a possibility. With this as the exception, the price quoted below is the final job fee and will not increase.

Much of what is present at the interior of the home is as a result of the way the actual structure was originally built. Weight distribution issues have, over several decades, culminated in the current combination of cresting and sloping floors, wall crack patterns, and other similar more subtle manifestations all indicative of this same issue. Stating that these issues are fairly common on a home of this age in this area is not meant to make less of their presence but instead is intended to help you have a better relative perspective on the degree of “expectancy” of them in the home. Whereas the scope of our (The Foundation Works) work does not extend beyond the actual foundation beneath

the floor of the bottom level of the home, you could have other trades people brought in to perform spot corrections to the interior of the home if desired.

Realize that as a whole, the house has experienced a degree of settlement that has brought it to its current “resting point”. In waking the building up structurally, the potential occurs for other undesired manifestations to in turn appear as well as the definite fact of the collateral damage inherent in opening up interior walls and ceilings to bolster the internal structure of the home. Often times, the final cost of having gone through such an evolution is later viewed as having been more financially involved than the final result was worth.

There have been previous repairs and additions to the home. We recommend contacting the previous owner for further information/ details about the contractor used to repair the home. In addition, we recommend further research with the department of building and safety for any permits used during construction.

As regards the nature of the way a slab foundation is designed for the rear-right corner laundry room, we are not able directly and visually see that part of the foundation and therefore are unable to determine its condition. Our inspection process is limited to those portions of the foundation system which were fully visible and accessible to us at the time of our inspection.

NOTE: Some portions of the crawlspace area have mechanical components of the building (such as plumbing) that will need to be relocated to complete the scope of foundation work prescribed. Any potential cost incurred by utility obstructions will be the responsibility of the owner and is not factored into our estimate of work; nor is it within the scope of services we offer.

1. The main topic of concern is sections of missing foundation system around the perimeter living line of the house. The foundation walls are original to the house and at the front-right corner quadrant the foundation was constructed around the patio of the house. Cumulatively, I isolated 18’ of lineal foundation wall that is viewed as being incomplete around the

perimeter living line of the house. We are calling for full foundation install at these section of the perimeter wall adjacent to the front-right patio quadrant under the front entrances to the building. This will include all permits, debris removal, excavation, labor, materials, and a full and proper cleanup at the end of the job.

2. At present, there is quite a bit of wood debris under the building, we will be removing this and having it properly disposed of because this is an open invitation to rot and/or termite infestation.
3. I found the perimeter concrete foundation to be in need of repair in (5) places. At these locations, there are cracks in the concrete perimeter stem wall that are of a size that warrant repair. We will be repairing (4) of these with a process known as a “pin and plate” repair. This basically involves installing large steel pins into the solid concrete adjacent to the damaged area, filling the gapping of the crack with either epoxy or high-strength mortar, fastening large steel plates/straps over the damaged area and then fastening these two component parts together to constitute the repair. For the other (1), we will be employing a more aggressive approach known as a “pin and pour”. This is a process where we will be excavating beneath the foundation, epoxy embedding rebar into the existing walls adjacent to the crack, building a temporary form around the damaged area, and then pouring a new concrete wall next to and under the base of the damaged section of the existing wall.
4. Along the full left side of the house there are sections of the existing perimeter that are severely rotated and is compromising the framing structure above. “Rotation” is the condition where settlement activity has caused the concrete stem wall to progressively shift out of its original plumb vertical orientation. It started with the cracks forming in the foundation wall (as noted earlier in this summary), these cracks in turn created a division of the continuous concrete wall and as the home slowly settled, the concrete shifted from its original perpendicular position. In some cases, the rotation can be arrested, if not too severe, thru the

installation of a proper drainage system, repairing of the cracked perimeter and more securely fastening the framing structure to the concrete itself. As the rotation in this case is so severe, it is not feasible to employ that technique; for this reason I am calling for the replacement of the foundation at this location. Cumulatively, I isolated 40' of lineal foundation wall that is viewed as being in need of replacement by virtue of the rotation having progressed too far. As a correction, this section of the concrete foundation will require replacement and will be done with city permits and in such a manner as to meet or exceed the current standards.

During the process of opening up the exterior facade of the building during our efforts to improve the foundation, there will be an unavoidable degree of stucco damage involved in freeing the structure of the house from the concrete footings it rests on. Breaking open the exterior stucco is a necessary part of this process. The scope of the work that we are proposing to do does not include cosmetic repair after the foundation improvements are completed. We ask that you understand and accept this, as it is an unavoidable necessity if the house is to be properly corrected as per the included prescription of repairs.

NOTE: There is a plumbing obstruction for this repair that will need to be relocated before work commences

5. Another issue to be corrected is part of the support structure under the house, called a post and pier assembly. In simple terms, this is a vertical wooden post that sits atop a concrete pad which in turns rests directly on the soil beneath the building. These two items together support a large wooden beam called a girder, which itself supports a section of the structure above it. At present, there are key areas under the building which lack adequate support due to the existing assemblies needing adjustment. For this reason, we will be replacing (3) post and sister framing (1) post to make up for these deficiencies.

6. Additionally, we will be adding (9) additional post and pier assemblies in areas that are currently lacking adequate support.

Each post and pier assembly will be installed via the following:

- A solid pour of concrete, minimally 12” x 12” in width and 18” in depth.
 - Protruding from the top of each cement pour will be a metal bracket to attach the concrete pier to the wood above it. This will be embedded in the concrete when it is poured.
 - New, pressure treated 4” x 4” or 4” x 6” wood posts will be positioned vertically above each new concrete pier and fastened to the pier via the metal straps noted in step # 2 above.
 - The 4” x 4” or 4” x 6” post lumber will in turn be well secured to the existing girders already present in the home. This connection will be accomplished via a metal strap on each side of the assembly.
7. At present, there is not adequate support present under one area of the building. The section I am referring to is located at the left side bathroom quadrant of the home. At this location, we will be installing a new “line of support” which will consist of a series of (2) post and pier assemblies and which will be supporting a new linear footage of approximately 4’ of 4” x 6” girder.
 8. There is a termite damaged section of wood framing at the left and right side quadrants of the foundation. To correct this, we will be using a technique called “sistering”. This is a new framing assembly adapted to the existing framing configuration in such a way as to bring that span up to a similar standard as the rest of the framing surrounding it. The corrections will be approximately 30’.
 9. During our inspection, we observed some earth to wood contact in the crawl space area; as this can act as a conduit for not only moisture but also

for termites and other wood destroying organisms, we are going to clear all earth to wood contact under the building as a point of preventative care.

10. The next issue to be addressed is that some of the cripple wall framing is damaged and does not at all lend itself to the seismic retrofit portion of this summary. This is located at the right side and front-left perimeter walls of the home. For this reason, we will be rebuilding approximately 26' of linear length of the cripple wall framing to include the vertical studs and the top plate where necessary. This work is being done independent of the framing steps of a seismic retrofit.

NOTE: The basement level of the home presently has finished walls and surfaces. Our work will include partial demolition of these existing finish surfaces for the right side perimeter wall; these areas will have to be stripped down to the framing in order to for us to then perform the repairs. The scope of the work that we are proposing to do does not include cosmetic repair after the project is completed. We ask that you understand and accept this, it is an unavoidable necessity if the house is to be properly secured against future seismic activity.

11. We will be lifting up (1) the full left side perimeter wall of the building extending from the front-left corner bedroom down the left side of the bathroom and to the rear-left corner of the bedroom (2) and the front perimeter wall of the building adjacent to the patio of the building for the front entrance quadrants of the home / living room; We will take great care to not create any more damage to the building surfaces than is necessary to accomplish our objective of bringing the flooring of those portions of the house back closer to level than they are at present. Typically, we expect about a 60%-70% improvement in terms of how level the floor will be relative to how level it is prior to our work.

In order to perform these leveling corrections, we will be separating the existing framing where the rim joist and floor joists meet (these are 2 parts of the existing wood structure under the floor area of the structure).

Next, we will be lifting that portion of the structure up to bring it back towards level. Due to the fact that this is a wood structure and by the nature of wood, it forms shapes and takes positions that cannot always be corrected mechanically, it is not possible to state that the flooring will be absolutely level when we are done with this step of the work. However, we have great certainty that we will be able to make a significant difference and that we will be able to bring the floor much closer to its original orientation than it is now. We will persist on this part until it is right or as close to level as it can feasibly be, before we proceed in stabilizing the building in the newly bolstered position. After bringing the building to the new level, we will be structurally re-uniting the areas that we had separated in order to accomplish the floor leveling.

NOTE: It is nearly impossible to lift and level any portion of an older structure without the resultant strain manifesting in the form of cosmetic damage to building surfaces. While we will proceed with great care, the scope of our work does not extend to performing cosmetic work in the form of unavoidable damage that occurs as a result of our foundation prescription. We ask that in agreeing to have us proceed with this prescription, you also agree to that unavoidable factor.

The type of foundation at the rear-right pop-out laundry room section of the building is a slab foundation, this type of foundation does not have any crawl space under it. Therefore, this area cannot be retrofitted without destruction of the interior or exterior finished walls. Thus, this area is not included in the seismic retrofit described below. Instead we will be retrofitting the common wall between it and the original part of the house. The description of that process is as detailed below.

The following upgrades are being prescribed for this building. I have calculated the building precisely based on the City of Los Angeles' "Minimum prescriptive standards" for this type of work. Our suggestion on this is to perform a fully correct job for a one-story structure per current standards, all done to meet or

exceed those standards. This will include a full complement of the primary facets to a correct “bolting” job for this type of structure which are:

- The anchor bolts / anchor plates / anchor straps themselves (installed not more than 6’ apart all the way around the perimeter of the building).
- Wood blocking where applicable to retrofit standards.
- Additional wood blocking, plywood shear paneling over minimally 50% or more of the existing perimeter cripple walls, vent screens in the plywood and ¼” wire mesh over the vent screens.
- Metal framing clips every 32” at the perimeter of the building where required.
- A full and proper cleanup and haul-away of any debris created during the work.
- A city permit for all aspects of the retrofit, including a guaranteed sign-off from the city prior to the final payment of the job cost being received.
- Before we can perform the upgrades called for, we will first need to create access to some portions of the crawl space. More specifically, this refers to the rear-right corner portion of the crawlspace for the house. We will be excavating to create access that will enable us to reach the areas to apply the seismic retrofit upgrades.
- NOTE: The basement level of the home presently has finished walls and surfaces. Our work will include partial demolition of these existing finish surfaces for the right side perimeter wall; these areas will have to be stripped down to the framing studs in order to for us to then perform the seismic retrofit. The scope of the work that we are proposing to do does not include cosmetic repair after the seismic retrofit is completed. We ask that you understand and accept this, it is an unavoidable necessity if the house is to be properly secured against future seismic activity.

The cost of the above repairs (\$70,150) and the seismic retrofit upgrades (\$9,120) comes to \$79,270. **Note: All permit fees paid by owner. Permit fees not included in below project cost.** There are two payment plan options on this, as follows:

OPTION A: Repairs and the voluntary seismic retrofit work. \$79,270

\$1,000 down upon acceptance of this proposal and the setting of a start date.

10% (\$7,927) due 14-days prior to commencement of the on-site work

30% (\$23,781) due two days after commencement of the on-site work.

30% (\$23,781) due when the city inspector authorizes us to pour the new foundation.

20% (\$15,854) due upon completion of the work.

The remaining balance (\$6,927) due after the city inspector has signed off on the permit verifying that the work is correct and complete.

OPTION B: Repairs only, exclude the voluntary seismic retrofit work. \$70,150

\$1,000 down upon acceptance of this proposal and the setting of a start date.

10% (\$7,015) due 14-days prior to commencement of the on-site work

30% (\$21,045) due two days after commencement of the on-site work.

30% (\$21,045) due when the city inspector authorizes us to pour the new foundation.

20% (\$14,030) due upon completion of the work.

The remaining balance (\$6,015) due after the city inspector has signed off on the permit verifying that the work is correct and complete.

As of June 24th, 2016, the City of Los Angeles has instituted what is known as an “Owner Statement and Acknowledgment of Compliance”. Per the city, this form must be notarized by the property owner prior to the City Inspector signing off on the permit. Our office will provide this to you electronically prior to the final city inspection of our work to your property. The items called for on that form (*for example, Smoke/Carbon Monoxide detectors and Shower & Water Closets Device*) are clearly not within the scope of service that we are providing and accordingly, if said form is not ready, final payment will be due upon completion of the work.

As an aside to the above repairs, there are also a few things we wanted to make you aware of that we noticed during the inspection that also warrant attention but are outside the scope of service we offer.

While inspecting the area under the building, moisture was observed that is allowing for over-saturation of the soil in the crawl space. This can lead to additional foundation settlement and other foundation / structure related issues if not resolved. We advise you to have a drainage specialist out to evaluate this and make all needed repairs to correct these deficiencies.

Termite castings were noted in the crawlspace indicating a general past or present infestation that should be summarized by a separate termite inspection. The reason this is mentioned in *this* report is due to the fact that termite work generally includes replacement of overly damaged wood, though often does not include major structural members. Therefore, the termite report should be carefully reviewed for overlapping work, or the potential that it might call out items for replacement, but which are not included within their scope of work or expertise that they provide.

While we are watchful and address obvious termite damage that is germane to the foundation system, our emphasis is on the foundation system as a whole. Our discovery of termite damage during inspection is considered incidental to a termite specialist, and to whom we defer to for in-depth discovery. It is therefore possible that issues could arise that would have to be addressed as a separate matter.

Another facet of foundation maintenance you should be aware of is drainage. By drainage I primarily mean rainwater and where it is running to or where it is being directed. The reason this is relevant to this foundation is because moisture is the chief cause of foundation settlement. Our objective is to not only repair the foundation damage when necessary, but also to guide you toward taking action regarding the needed corrections that will help prevent future foundation issues from occurring. Although drainage corrections are beyond the scope of services that The Foundation Works provides, it is important that

you follow up on the drainage issues and get proper drainage in place to help reduce the likelihood of additional damage occurring in the future. Realize that even after both foundation and drainage are corrected, it may take up to 3-4 years before the building will achieve its resting point and surface damage will lessen or diminish altogether.

We look forward to the opportunity to display our level of quality to you. Though foundation repair is not a very visible trade, I assure you that we take the work very seriously as we know that you are relying on us to perform adequate repairs to help stabilize and protect your home well into the future.

Sincerely,



Matthew Monks, Inspector.

ACCEPTANCE OF PROPOSAL

The above prices, specifications, and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be as outlined above. In agreeing to have you perform work on this property, I also agree to allow you to place a small yard sign at the front area of the property upon commencement of work and to keep it there for approximately 30 days from the time the work is completed.

Please type the letter option you prefer (Option A, B):

CLIENT: _____ DATE: _____

NOTE: This proposal may be withdrawn by us if not accepted within 45 days of the proposal date.

The down payment may not exceed \$1,000.00 or 10 percent of the contract price, whichever is less.

Owner shall pay Contractor the fixed sum listed above as Contract Price for the work performed under this contract, subject to additions and deductions pursuant to change orders agreed upon in writing by both parties.

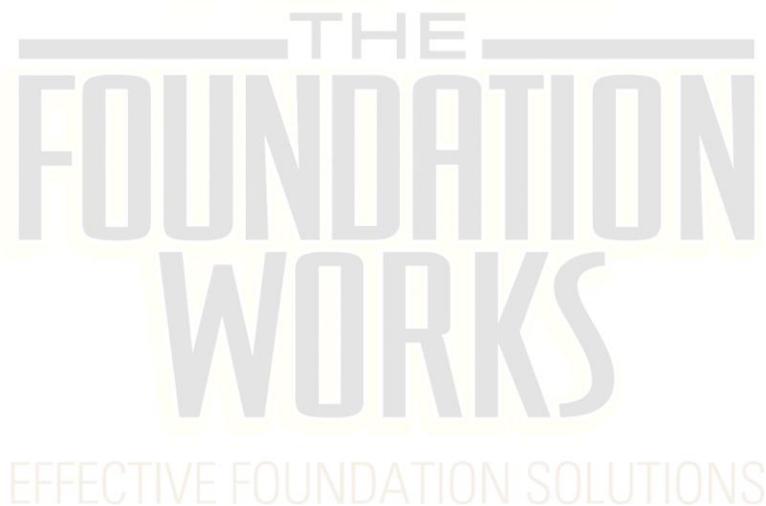
This Contract and its attachments constitute the entire agreement between the parties. There are no other agreements, oral or written, pertaining to the work to be performed under this Contract. This Contract can be modified only by an agreement in writing signed by both parties.

You are entitled to a completely filled-in copy of this agreement, signed by both you and the contractor/agent, before any work may be started. Property Owner/agent for same acknowledges receipt of a complete, signed and legible copy of this Contract:

The law requires that the Contractor give you a notice explaining your right to cancel.

Initial the checkbox if the Contractor has given you a copy of Attachment "B", 'Notice of the Three-Day Right to Cancel':

Notice of Cancellation may be mailed to the address at the bottom of the contract. See attachment B Notice of Three-Day Right to Cancel.



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CONSUMER NOTICES, TERMS AND CONDITIONS

Note About Extra Work and Change Orders

Extra Work and Change Orders become part of the contract once the order is prepared in writing and signed by both parties prior to the commencement of any work covered by the new change order. The order must describe the scope of extra work or change, the cost to be added or subtracted from the contract, and the effect the order will have on the schedule of progress payments.

If Owner or his agents or any public body or inspector directs any modification or addition to the work covered by this Contract, the Contract Price and time of performance shall be adjusted accordingly. Payments for extra work shall be made as the work progresses, concurrently with progress payments. Work or expenses necessitated as a result of Contractor encountering conditions at the Project site which:

(a) are subsurface or otherwise concealed conditions which differ materially from those indicated in the plans and specifications, or in the event that work was necessitated to maintain job progress (i.e. added foundation depth, detail changes, required excavation, etc). Expense incurred because of adverse ground conditions whether expressed in a separate Soils Report or not such as fill, hard soil, below-ground infrastructure or cementitious obstacles, rock or ground water (hard soil is defined as material unable to be excavated by conventional auger bit using equipment in use at time of construction or for hand excavation, less than 3 cubic yards removed per man per day, shall be paid for by owner as extra work. Casing of holes, de-watering or other added work shall be extra work.

(b) are unusual and differ materially from those ordinarily encountered on construction activities of the kind described in the plans and specifications, shall be deemed extra work and shall be paid for by Owner in accordance with this Paragraph.

Contractor shall not be required to perform any extra or change-order work without prior written authorization of Owner, but Contractor shall be entitled to be paid for extra work whether authorization is given in writing or not. Signed change orders shall be incorporated into and become a part of this Contract.

Further exclusions: OSHA requirements, damage to sidewalks, walkways, streets, curbs, caused by construction, added depths of foundations, as-builts, topo map, electrical, low voltage wiring, plumbing, HVAC or duct work, planters, acoustic ceiling, additional design/correction details, inspection reports.

WORKERS' COMPENSATION INSURANCE

This contractor carries workers' compensation insurance for all employees.

PERMITS AND TESTS

Unless otherwise agreed to in writing by both parties, the Contractor shall procure the necessary permits for the work. Owner shall pay the governmental fees and Contractor's charges for said permits. If any tests or inspections are required by the plans and specifications or by the orders of any public authority having jurisdiction, Owner agrees to procure said tests and inspections in a timely manner and to pay all costs and fees associated with them.

RIGHT TO STOP WORK

Contractor shall have the right to stop work if any payment, including any payment for extra work, is not made to Contractor as agreed in this Contract. If any payment required under this Contract is not made when due, Contractor may keep the Project idle until such time as all payments due have been made.

PERMISSIBLE DELAYS

Contractor shall be excused from any delay in the completion of the work to be performed under this Contract caused by Mother Nature, inclement weather, acts or omissions of Owner or of Owner's agents, employees or independent contractors, material shortages, strikes or other labor troubles, acts of public utilities, acts of public bodies or inspectors (unless related to defects in Contractor's performance), extra work, changes requested by Owner, failure by Owner to make payments promptly, tenant or other vehicles or other personal property blocking Contractor from performing work, or other circumstances or contingencies unforeseen by Contractor and beyond Contractor's reasonable control.

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PLANS, SPECIFICATIONS AND PERMITS

The project will be constructed according to plans and specifications which have been examined by the Owner. Building permits and expediting fees shall be paid for by Owner unless otherwise specified on preceding page. Owner will pay assessments and charges required by public bodies and utilities as apply. Owner shall pay for geotechnical fees, special inspection fees, and engineer fees unless otherwise stated on preceding page.

LABOR AND MATERIAL

Contractor shall pay all valid charges for labor and material incurred by Contractor and used in the construction of the project but is excused by Owner from this obligation for bills received in any period during which Owner is in arrears in making progress payments to the Contractor.

Should Contractor fail to make payments required under this paragraph, Owner may make such payments on behalf of Contractor, and Contractor shall reimburse Owner for the amount actually paid on demand, but Owner shall not, by means of assignment or otherwise be entitled to collect any greater amount from Contractor than the amount actually paid for labor and material under this paragraph.

No waiver or release of mechanics lien given by Contractor shall be binding until all payments due to Contractor when the release was executed have actually been made.

CONTRACT, PLANS AND SPECIFICATIONS

The contract, plans and specifications are intended to supplement each other in case of conflict, however, the plans shall have control over the specifications, and the provisions of this contract shall control both.

DESIGN BUILD

The Contractor (The Foundation Works) owns the rights to the plans until the construction phase has been paid in full.

COSMETIC WORK

No cosmetic work whatsoever shall be undertaken unless expressly written on previous page under "Includes". Cosmetics, for the purposes of this agreement, include stucco, paint, siding, doors, windows, moldings, hardwood flooring, carpeting, plants, landscaping or hardscape, plaster cracks or other damage caused by but not limited to performed work such as house jacking, dry wall work, brick work, stone work, soft-story retrofitting.

House jacking - Raising floor planes is an inexact means of correcting settled floors visually. "Level" is not the standard but rather an approximation of 1" drop in 20 linear feet and this is only a guide and may possibly not be achieved. The effort is a flatter looking floor, not a "level" floor. Contractor will make the final determination as to when the building has achieved the degree of level that in its estimation, is the attainable amount without in fact causing more damage than the resulting additional efforts would achieve.

OWNER INDEMNIFICATION

The Contractor hereby agrees to hold the Owner harmless and to indemnify the Owner against any and all claims which may arise during the course of the work as a consequence of the negligent acts or deliberate omissions of the Contractor, its agents, or employees.

CONTRACTOR INDEMNIFICATION

The Owner hereby agrees to hold the Contractor harmless and to indemnify the Contractor against any and all claims which may arise during the course of the work as a consequence of the negligent acts or deliberate omissions of the Owner, its agents or employees.

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OWNER'S RIGHT TO REQUIRE BOND

Owner has the right to require Contractor to have a performance and payment bond. The expense of such bond will be borne by Owner.

FINAL INSPECTION

It is possible that the Final Inspection is linked to work outside the scope provided by The Foundation Works, such as stucco, mechanical, or other work. In this case, it is only the completion of work as expressed by this agreement that needs to be complete to execute final payment.

DAMAGE TO PROJECT AND INSURANCE

Owner will procure at his own expense and before the commencement of any work hereunder, fire insurance with course of construction, vandalism, and malicious mischief clauses attached, such insurance to be in a sum at least equal to the contract price with loss, if any, payable to any beneficiary under any deed of trust covering the project, such as insurance to name Contractor as an additional insured, and to protect Owner, Contractor and construction lender as their interests may appear; should Owner fail to do so, Contractor may procure such insurance as agent for and at expense of Owner, but is not required to do so. If the project is destroyed or damaged by an accident, disaster or calamity, such as storm, flood, landslide, subsidence or earthquake, or by theft or vandalism, any work done by Contractor in rebuilding or restoring the project shall be paid for by Owner as extra work.

Contractor will maintain in full force and effect a workers' compensation insurance policy in amounts not less than required by the specifications, or, as noted under payments, first page, and shall make available such Certificate of Insurance to Owner before commencing work. The failure of Owner to demand delivery of certificate hereunder shall not relieve Contractor of any obligation under this paragraph.

CLEAN-UP

Upon completion of the work, Contractor will remove debris and surplus material from Owners property and leave it in a neat and broom-clean condition unless otherwise stated in this contract.

TAXES AND ASSESSMENTS

Taxes and special assessments of all descriptions will be paid for by Owner.

NOTICE

Any notice required or permitted under this contract may be given by ordinary mail at the address contained in this contract, but such address may be changed by written notice given by one party to the other from time to time. After a notice is deposited in the mail postage prepaid, it shall be deemed received in the ordinary course of the mail.

BANKRUPTCY

If either party becomes bankrupt, or makes an assignment for the benefit of creditors, the other party has the right to cancel this contract.

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ATTORNEY FEES

If either party becomes involved in litigation arising out of this contract or the performance thereof, the court in such litigation, or in a separate suit, shall award reasonable costs and expenses, including attorney fees to the party justly entitled thereto. In awarding attorney fees, the court will not be bound by any court fee schedule, but shall, if it is in the interest of justice to do so, award the full amount of costs, expenses and attorney fees paid or incurred in good faith.

MEDIATION

Unless otherwise agreed upon by the parties in writing, any controversy arising out of the construction of the project referred to in this contract shall be subject to a good faith mediation conducted by and in accordance with the rules of the American Arbitration Association. Mediation shall take place prior to the commencement of arbitration, but in no event later than (60) days after the first demand for arbitration is filed by one of the parties. Mediation shall be governed by the confidentiality requirements contained in California Evidence Code Section 1152.5. Should mediation fail, the parties shall arbitrate their dispute according to the terms of Section 17h, intra, but unless otherwise agreed by the parties, the arbitrator shall not be the same person who conducted the mediation.

ARBITRATION

Any controversy arising out of the construction of the project referred to in this contract or regarding the interpretation of this contract shall be subject to arbitration in accordance with the applicable Construction Industry Arbitration Rules of the American Arbitration Association which are in effect at the time the demand for arbitration is filed. Should any party refuse or neglect to appear or participate in an arbitration proceeding, the arbitrator is empowered to decide the controversy in accordance with whatever evidence is presented. The arbitrator is authorized to award any party or parties such sums as he or she shall deem proper for the time, expense and trouble of arbitration.

Contractor agrees that its subcontractors will contain an arbitration provision providing that any controversy arising out of the construction of the project referred to in this contract shall be subject to arbitration by and in accordance with the applicable Construction Industry Arbitration Rules of the American Arbitration Association which are in effect at the time the demand for arbitration is filed. Contractor agrees that by subcontract, it will require its subcontractors to agree, upon request of Owner or Contractor, to join as parties to arbitration pursuant to this agreement, between Owner and Contractor, and to issue only subcontracts which contain like provisions, as to its subcontractors.

ARBITRATION OF DISPUTES. NOTICE: BY SIGNING THE CONTRACT YOU ARE AGREEING TO HAVE ANY DISPUTE ARISING OUT OF THE MATTERS INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION DECIDED BY NEUTRAL ARBITRATION AS PROVIDED BY CALIFORNIA LAW AND YOU ARE GIVING UP ANY RIGHTS YOU MIGHT POSSESS TO HAVE THE DISPUTE LITIGATED IN A COURT OR JURY TRIAL. BY SIGNING THE CONTRACT, YOU ARE GIVING UP YOUR JUDICIAL RIGHTS TO DISCOVERY AND APPEAL, UNLESS THOSE RIGHTS ARE SPECIFICALLY INCLUDED IN THE "ARBITRATION OF DISPUTES" PROVISION. IF YOU REFUSE TO SUBMIT TO ARBITRATION AFTER AGREEING TO THIS PROVISION, YOU MAY BE COMPELLED TO ARBITRATE UNDER THE AUTHORITY OF THE BUSINESS AND PROFESSIONS CODE OR OTHER APPLICABLE LAWS. YOUR AGREEMENT TO THIS ARBITRATION PROVISION IS VOLUNTARY.

ESCROW ACCOUNTS

The Foundation Works reserves the right to require that a separate fund control or escrow account be established to guarantee funding of said project at Owners' expense.

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MECHANICS LIEN WARNING

Anyone who helps improve your property, but who is not paid, may record what is called a mechanics' lien on your property. A mechanics' lien is a claim, like a mortgage or home equity loan, made against your property and recorded with the County Recorder. Even if you pay your Contractor in full, any unpaid subcontractors, suppliers, and or laborers who helped to improve your property may record mechanics' liens and sue you in court to foreclose the lien. If a court finds the lien is valid, you could be forced to pay twice or have a Court Officer sell the subject property to pay the lien. Liens can also affect your credit. To preserve their right to record a lien, each subcontractor and material supplier must provide you with a document called a "20-day Preliminary Notice." This notice is not a lien. The purpose of the notice is to let you know that the person who sends you the notice has the right to record a lien on your property if he or she is not paid.

BE CAREFUL

The Preliminary Notice can be sent up to 20 days after the subcontractor starts work or the supplier provides material. This can be a big problem if you pay your contractor before you have received the Preliminary Notices. You will not get Preliminary Notices from your prime contractor or from laborers who work on your project. The law assumes that you already know they are improving your property.

PROTECT YOURSELF FROM LIENS

You can protect yourself from liens by getting a list from your Contractor of all the subcontractors and material suppliers that work on your project. Find out from your Contractor when these subcontractors started work and when these suppliers delivered goods or materials. Then wait 20 days, paying attention to the Preliminary Notices you receive.

PAY WITH JOINT CHECKS

One way to protect yourself is to pay with a joint check. When your Contractor tells you, it is time to pay for the work of a subcontractor or supplier who has provided you with a Preliminary Notice, write a joint check payable to both the Contractor and the subcontractor or material supplier. For other ways to prevent liens, visit CSLB's Web site at www.cslb.ca.gov or call CSLB at 800-321-CSLB (2752). REMEMBER, IF YOU DO NOTHING, YOU RISK HAVING A LIEN PLACED ON THE SUBJECT PROPERTY. This can mean that you may have to pay twice or face the forced sale of the subject property to pay what you owe.

RELEASE OF MECHANICS' LIENS

Upon satisfactory payment being made for any portion of the work performed, Contractor shall, prior to any further payment being made, furnish to Owner a full and unconditional release from any claim or mechanic's lien pursuant to Section 3114 of the California Civil Code, for that portion of the work for which payment has been made.

CONTRACTORS REQUIRED TO BE LICENSED

Contractors are required by law to be licensed and regulated by the Contractors' State License Board which has jurisdiction to investigate complaints against contractors if a complaint regarding a patent act or omission is filed within four years of the date of the alleged violation. A complaint regarding a latent act or omission pertaining to structural defects must be filed within 10 years of the date of the alleged violation. Any questions concerning a contractor may be referred to the Registrar, Contractors' State License Board, P.O. Box 26000, Sacramento, California 95826.

INFORMATION ABOUT THE CONTRACTOR'S STATE LICENSE BOARD (CSLB):

CSLB is the state consumer protection agency that licenses and regulates construction contractors. Contact CSLB for information about the licensed contractor you are considering, including information about disclosable complaints, disciplinary actions and civil judgments that are reported to CSLB. Use only licensed contractors. If you file a complaint against a licensed contractor within the legal deadline (usually four years), CSLB has authority to investigate the complaint. If you use an unlicensed contractor, CSLB may not be able to help you resolve your complaint. Your only remedy may be in civil court, and you may be liable for damages arising out of any injuries to the unlicensed contractor or the unlicensed contractor's employees. For more information: Visit CSLB's Web site at www.cslb.ca.gov Call CSLB at 800-321-CSLB (2752)

Write CSLB at P.O. Box 26000, Sacramento, CA 95826.

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ATTACHMENT B

NOTICE OF THREE-DAY RIGHT TO CANCEL

You, the buyer, have the right to cancel this contract within three business days. You may cancel by e-mailing, mailing, faxing or delivering a written notice to the contractor at the contractor's place of business by midnight of the third business day after you received a signed and dated copy of the contract that includes this notice. Include your name, your address, and the date you received the signed copy of the contract and this notice.

If you cancel, the contractor must return to you anything you paid within 10 days of receiving the notice of cancellation. For your part, you must make available to the contractor at your residence, in substantially as good condition as you received it, any goods delivered to you under this contract or sale. Or, you may, if you wish, comply with the contractor's instructions on how to return the goods at the contractor's expense and risk. If you do make the goods available to the contractor and the contractor does not pick them up within 20 days of the date of your notice of cancellation, you may keep them without any further obligation.

If you fail to make the goods available to the contractor, or if you agree to return the goods to the contractor and fail to do so, then you remain liable for performance of all obligations under the contract.

To cancel this transaction, mail or deliver a signed and dated copy of this cancellation notice, or any other written notice to The Foundation Works, at 2411 W Empire Ave, Burbank, CA 91504, not later than midnight of (date): _____

I hereby cancel this transaction

Date: _____

(Buyer's Name)

(Buyer's Signature)

