



PLANNING COMMISSION AGENDA REPORT

VIII.2
ITEM NUMBER:

MEETING DATE: MARCH 14, 2005

SUBJECT: PLANNING APPLICATION PA-04-18
151 ALBERT PLACE, UNITS A-C

DATE: MARCH 3, 2005

FOR FURTHER INFORMATION CONTACT: WENDY SHIH, ASSOCIATE PLANNER (714)754-5136

DESCRIPTION

The applicant proposes to convert an existing 2-story triplex into a common interest development (condominiums), which would allow the units to be sold independent of one another.

APPLICANT

Thomas T. Burger III of Burger & Associates, Architecture, is representing the property owner Richard Fiock.

RECOMMENDATION

Approve by adoption of Planning Commission resolution, subject to conditions.


WENDY SHIH
Associate Planner


MICHAEL ROBINSON, AICP
Asst. Development Services Director

PLANNING APPLICATION SUMMARY

Location: 151 Albert Place, A-C Application: PA-04-18

Request: To convert an existing 2-story triplex to a common interest development (condominiums).

Zone: R2-MD North: Surrounding properties
 General Plan: Medium Density Residential South: are all residentially
 Lot Dimensions: Irregular (Corner lot) East: zoned and
 Lot Area: 9,135 sq.ft. West: developed.
 Existing Development: 2-story triplex with a 2-car garage for each unit.

DEVELOPMENT STANDARD COMPARISON

<u>Development Standard</u>	<u>Code Requirement</u>	<u>Proposed/Provided</u>
Lot size:		
Lot width	100 ft.	66 ft.*
Lot area	12,000 sq.ft.	9,135 sq.ft.*
Density: Zone/GP	1 du/ 3,630 sq.ft.	1 du/ 3,045 sq.ft.*
Building coverage – overall project:		
Buildings	NA	38% (3,465 sq.ft.)
Paving	NA	16% (1,420 sq.ft.)
Open Space	40% (3,654 sq.ft.)	46% (4,250 sq.ft.)
TOTAL	100% (9,135 sq.ft.)	100% (9,135 sq.ft.)
Min. private open space dimension	10 ft. by 10 ft. min.	10 ft. by 10 ft. min.
Building Height:	2 stories/27 ft.	2 stories/24 ft.
Setbacks:		
Front	20 ft.	20 ft.
Side (left/right – abuts Elden Avenue)	5 ft./10 ft.	5 ft./12 ft.
Rear	20 ft.	14 ft.*
Parking:		
Covered	3	6
Open	8	2
Guest	2	1
TOTAL	13	9*
Driveway width:	16 ft.	16 ft.

CEQA Status Exempt, Class 1
 Final Action Planning Commission

* Existing, nonconforming.

BACKGROUND

The subject property is located on the southeast corner of Elden Avenue and Albert Place. The lot contains a triplex with a 2-car garage per unit. The applicant proposes to convert the three apartment units into condominiums.

Pursuant to Code Section 13-42(g), Planning Commission review is required when occupied apartments are proposed to be converted to a common interest development. The review is required to confirm compliance with applicable development standards and to consider potential impacts on the rental housing supply and displacement of tenants if the City's vacancy rate is below 3%.

A parcel map will be required to be processed and recorded before the units can be sold independent of one another. The applicant is aware of this requirement but did not want to have the map prepared until Planning Commission acted on the conversion.

ANALYSIS

Common interest developments must comply with additional development standards above those applicable to the zone of the property. These additional development standards include provision of a 10-foot by 10-foot private open space for each unit, having a break in the front plane of the building of at least 4 feet every 2 dwelling units, and provision of on-site lighting. The existing development already complies with the common interest development requirements.

The existing development is situated on a lot with nonconforming lot width and lot area. The triplex was constructed in 1985 and is legal, nonconforming because the density, number of parking spaces and rear (south) side setback do not comply with current Zoning Code requirements – whether apartments or condominiums. The proposed change in the type of ownership will not increase the project's degree of nonconformity.

Approval of the conversion will satisfy General Plan Goal LU-1A.4 that encourages additional home ownership opportunities in the City. However, City Council is concerned that conversions may diminish the supply of rental housing and displace residents unreasonably, particularly senior citizens, low- and moderate-income families, and families with school-age children. Consequently, City Council established a "critical vacancy rate" of 3% as the threshold for discouraging conversion of apartments to common interest developments. When the citywide rental vacancy rate is 3% or less, Planning Commission may deny any requested conversions. The latest census data indicates the City's rental vacancy rate is 2.97%.

The tenants are currently charged \$2,250 a month in rent, which exceeds affordable rental rates of \$928 for very low income to \$1,619 for moderate income households for a 3-bedroom unit. Therefore, conversion of the units would not result in a loss of affordable units. As conditioned, the applicant will offer right of first refusal to the tenants, with terms more favorable than those offered to the general public. If the

tenants confirm that they are not interested in purchasing the units, the property owner will pay the registration fee for an apartment referral service. The City is only .03% (or 12 units City-wide) below the adopted vacancy rate threshold; therefore, it is staff's opinion that this proposal meets the goal of the General Plan's housing Element to provide additional home ownership opportunities, and does not impact availability of affordable rental housing.

As required by Code, a property inspection report as well as a termite report was submitted, and a City property inspection report was prepared. Based on those reports, Planning staff's inspection of the site, and to allow a general upgrading of the site, staff recommends the following improvements:

1. Replace all deteriorated asphalt composition roofing.
2. Treat termite infestations as recommended by a termite control company.

A list of building, electrical, plumbing and mechanical corrections or upgrades are also included in the conditions of approval.

ALTERNATIVES

The units could still be rented without the site upgrades, if the request is denied.

ENVIRONMENTAL DETERMINATION

The project is exempt from the provisions of the California Environmental Quality Act.

CONCLUSION

Conversion of the apartments will result in a general upgrading of the property, as well as providing additional home ownership opportunities. In staff's opinion, conversion of the units will not diminish affordable housing stock. Additionally, current tenants will be offered right of first refusal to purchase, or the property owner will pay registration fees for an apartment search service to help them find a new apartment if they decide not to purchase.

Attachments: Draft Planning Commission Resolution
 Exhibit "A" - Draft Findings
 Exhibit "B" - Draft Conditions of Approval
 Applicant's Project Description and Justification
 Inspection Reports
 Location Map
 Plans

cc: Deputy City Manager - Dev. Svs. Director
 Sr. Deputy City Attorney

City Engineer
Fire Protection Analyst
Staff (4)
File (2)

Thomas T. Burger III
Burger & Associates, Architecture
20331 Irvine Ave., Ste.7
Santa Ana Heights, CA 92707

Richard Fiock
2259 Elden Avenue
Costa Mesa, CA 92627

File: 031405PA0418	Date: 030205	Time: 400p.m.
--------------------	--------------	---------------

RESOLUTION NO. PC-05-

**A RESOLUTION OF THE PLANNING COMMISSION OF THE
CITY OF COSTA MESA APPROVING PLANNING
APPLICATION PA-04-18**

THE PLANNING COMMISSION OF THE CITY OF COSTA MESA HEREBY
RESOLVES AS FOLLOWS:

WHEREAS, an application was filed by Thomas T. Burger III of Burger & Associates, Architect, authorized agent for Richard Fiock with respect to the real property located at 151 Albert Place, Units A-C, requesting approval of the conversion of a triplex to a common interest development (condominiums), in the R2-MD zone; and

WHEREAS, a duly noticed public hearing was held by the Planning Commission on March 14, 2005.

BE IT RESOLVED that, based on the evidence in the record and the findings contained in Exhibit "A", and subject to the conditions contained in Exhibit "B", the Planning Commission hereby **APPROVES** Planning Application PA-04-18 with respect to the property described above.

BE IT FURTHER RESOLVED that the Costa Mesa Planning Commission does hereby find and determine that adoption of this Resolution is expressly predicated upon the activity as described in the Staff Report for Planning Application PA-04-18 and upon applicant's compliance with each and all of the conditions contained in Exhibit "B". Any approval granted by this resolution shall be subject to review, modification or revocation if there is a material change that occurs in the operation, or if the applicant fails to comply with any of the conditions of approval.

PASSED AND ADOPTED this 14th day of March, 2005.

Chair, Costa Mesa
Planning Commission

EXHIBIT "A"**FINDINGS**

- A. The information presented substantially complies with Costa Mesa Municipal Code Section 13-29(10) in that, although the critical vacancy rate is less than the rate established in Section 13-42(c) (Residential Common Interest Development Conversions), the condominium conversion will not diminish affordable housing stock within the City. Conversion of the apartments will result in a general upgrading of the property, as well as providing additional home ownership opportunities within the City. A condition is also included to require that current tenants be offered right of first refusal to purchase, or the property owner pay registration fees for an apartment search service to help them find a new apartment if they decide not to purchase.
- B. The information presented substantially complies with Costa Mesa Municipal Code Section 13-29(e) in that:
- a. The project is compatible and harmonious with existing development and uses in the general neighborhood.
 - b. Safety and compatibility of the design of buildings, parking areas, landscaping, luminaries and other site features, which includes functional aspect of the site development such as automobile and pedestrian circulation, have been considered.
 - c. The project is consistent with the General Plan.
 - d. The planning application is for a project-specific case and is not to be construed to be setting a precedent for future development.
 - e. The cumulative effect of all the planning applications has been considered.
- C. The project has been reviewed for compliance with the California Environmental Quality Act (CEQA), the CEQA Guidelines, and the City environmental procedures, and has been found to be exempt from CEQA.
- D. The project is exempt from Chapter XII, Article 3, Transportation System Management, of Title 13 of the Costa Mesa Municipal Code.

EXHIBIT "B"**CONDITIONS OF APPROVAL**

- Plng. 1. The following improvements shall be made:
- a. Replace all deteriorated asphalt composition roofing.
 - b. Treat termite infestations as recommended by a termite control company.
2. The address of individual units shall be blueprinted on the site plan and on all floor plans in the working drawings.
 3. Prior to issuance of building permits, applicant shall contact the US Postal Service with regard to location and design of mail delivery facilities. Such facilities shall be shown on the site plan, landscape plan, and/or floor plan.
 4. Street addresses shall be displayed on the complex identification sign or, if there is no complex identification sign, on the wall in a manner visible to the public street. Street address numerals shall be a minimum 6" in height with not less than 1/2" stroke and shall contrast sharply with the background. Identification of individual units shall be provided adjacent to the unit entrances. Letters or numerals shall be 4" in height with not less than 1/4" stroke and shall contrast sharply with the background.
 5. Applicant shall contact the Building Safety Division, prior to the release of utilities for any units, to provide proof that the Uniform Building Code requirements for condominiums have been satisfied, to obtain a change of occupancy permit, and to complete any additional paperwork created through this conversion.
 6. The site plan shall show provisions for the placement of centralized mail delivery units, if applicable. Specific locations for such units shall be to the satisfaction of the Planning Division, Engineering Division, and the US Postal Service.
 7. The conditions of approval and ordinance or code provisions and special district requirements of Planning Application PA-04-18 shall be blueprinted on the face of the site plan.
 8. The applicant shall contact the Planning Division to arrange for an inspection of the site prior to the final Building Division inspections. This inspection is to confirm that the conditions of approval and code requirements have been satisfied.
 9. The applicant shall offer the existing tenants right of first refusal to purchase the units with terms more favorable than those offered to the general public. If the existing tenants confirm in writing that they are not interested in purchasing the units, the property owner will pay the registration fee for an apartment referral service.
 10. The applicant shall show proof of compliance with all applicable conditions of approval and code requirements prior to recordation of the final map. This condition shall be completed under the direction of the Planning Staff.
 11. The CC&R's shall require that garage spaces be used for parking, and

any changes made to this provision require prior review and approval by the City of Costa Mesa.

- Bldg. 12. The following Building Division corrections shall be made:
- a. Restore self-closing door between each unit and garage.
 - b. Comply with all interior and exterior electrical receptacle requirements.
 - c. Provide seismic strapping for water heaters and T/P discharge lines shall terminate to exterior.

PLANNING DIVISION - CITY OF COCHISE MESA

DESCRIPTION/JUSTIFICATION

Application #: PA-04-18
Address: 151 ALBERT PLACE

Environmental Determination:

1. Fully describe your request: COMMON INTEREST DEVELOPMENT CONVERSION OF EXISTING 3 UNIT BUILDING

2. Justification

A. For a Conditional Use Permit or Minor Conditional Use Permit: Describe how the proposed use is substantially compatible with uses permitted in the same general area and how the proposed use would not be materially detrimental to other properties in the same area.

B. For a Variance or Administrative Adjustment: Describe the property's special circumstances, including size, shape, topography, location or surroundings that deprive the property of privileges enjoyed by other properties in the vicinity under the identical zoning classification due to strict application of the Zoning Code.

3. This project is: (check where appropriate)

In a flood zone.

In the Redevelopment Area.

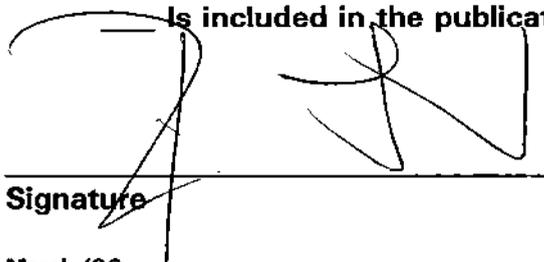
Subject to future street widening.

In a Specific Plan Area.

4. I have reviewed the HAZARDOUS WASTE AND SUBSTANCES SITES LIST published by the office of Planning and Research and reproduced on the rear of this page and have determined that the project:

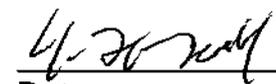
Is not included in the publication indicated above.

Is included in the publication indicated above.



Signature

11



Date

June 1, 2004

PROPERTY REPORT



Property:
151 Albert Place
Costa Mesa, CA 92626

RECEIVED
CITY OF COSTA MESA
DEVELOPMENT SERVICES DEPARTMENT

ARCHITECTURE

Owner:
Mr. Rich Fiock
2259 Elden Ave.
Costa Mesa, CA 92627
(949)500-2705

JAN 12 2005

Wendy

20331 IRVINE AVE.
SUITE 7
SANTA ANA HEIGHTS
CALIFORNIA 92707

714-850-0700
FAX: 714-850-0772

Location: The property is one block east of Newport Blvd. on the corner of Albert Place and Elden Ave. The neighborhood consists of single and multi-family dwellings ranging in age from approximately 10 to 50 years old.

Configuration: The property consists of 3 identical attached two-story units of 1,396 sq. ft. (per original plans) positioned in different orientations and attached by common walls in two places. Each unit has an attached two car garage with direct access to the unit. Each unit has living, dining and kitchen and ½ bath on the ground level and three bedrooms with private bathrooms on the second floor.

Access: Each unit has its own private entry. The entry to Unit A faces Albert Place, the entry to Unit B faces Elden and entry to Unit C faces the adjacent property to the south on Albert Place. A private concrete driveway with room for two off street guest spaces parking for Unit A is accessed from Albert Place and a common concrete driveway for units B & C is accessed from Elden Ave. There is one separate guest parking space accessible from the common driveway. Each unit has direct access into it's garage. There appears to be ample street parking in the area.

Roof: The asphalt composition roofing shows some areas of deterioration and should be replaced. Useful life: Less than 5 years.

Foundation system: The foundations are reinforced concrete slab on grade with reinforced concrete footings. Type of concrete and amount of reinforcing unknown. Useful life: life of structure.

Mechanical system: Each unit has it's own water heater and washer & dryer in the garage and has a flex ducted gas forced air heating system with no air conditioning. Useful life: approx. 10 years for water heater & appliances, approx. 30 years for forced air unit, life of structure for ducting.

Electrical system: Each unit has a separately metered 100A electric panel. There is one meter panel for common area lighting. Wiring is copper Romex. Useful life: life of structure.

Plumbing system: Each unit has separate water and gas meters. Water piping is copper. Gas piping is galvanized steel. Sewer piping is ABS. It is not apparent whether each unit has a separate sewer lateral. Useful life: life

of structure. (It is not possible to determine the life of sub-slab water piping which depends on soil conditions and installation method.)

Construction: The structure, built in 1985, is wood framed. Exterior finishes are composite siding and stucco with aluminum windows and wood trim. Interior walls are finished with gypsum board. Common walls are double framed with airspace between. The building has been recently painted and appears to be very well maintained. Useful life: assuming continued proper routine maintenance, periodic termite abatement, and repair of leaks: approx. 70 years.

Landscape: The building is surrounded by well maintained and mature landscaping comprised of trees, shrubs, flowers and lawn areas.

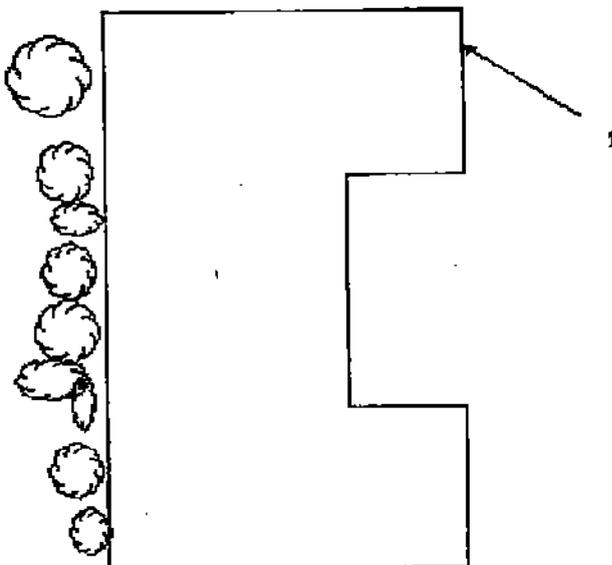
Prepared by:
BURGER & ASSOC.



Thomas T. Burger III,
Architect

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

Building No. 151	Street, City, State, Zip ALBERT PLACE #A-C, COSTA MESA, CA, 92627	Date of Inspection 07/29/03	No. of Pages 5
INTEGRITY TERMITE 1905 E. 29th Street Signal Hill, CA 90755 Ph: (562) 988-1170 (714) 891-1200 (310) 545-2295 (949) 376-7630 Fax: (562) 988-0399			
Firm Registration No. PR 2813	Report No. 231237	Escrow No.	
Ordered By: GISH BUILDERS CHARLES GISH	Property Owner/Party of Interest: RICHARD FLOCK 2257 ELDEN AVENUE COSTA MESA CA 92627	Report Sent To: GISH BUILDERS CHARLES GISH	
COMPLETE REPORT <input type="checkbox"/> LIMITED REPORT <input checked="" type="checkbox"/> SUPPLEMENTAL REPORT <input type="checkbox"/> REINSPECTION REPORT <input type="checkbox"/>			
General Description: 3 UNIT CONDOMINIUM COMPLEX WITH ATTACHED GARAGES		Inspection Tag Posted: GARAGE	
		Other Inspection Tags:	
An inspection has been made to the structure(s) shown on the diagram in accordance with the Structural Pest Control Act. Detached porches, detached steps, detached decks and any other structures not on the diagram were not inspected.			
Subterranean Termites <input type="checkbox"/> Drywood Termites <input checked="" type="checkbox"/> Fungus/Dryrot <input type="checkbox"/> Other Findings <input type="checkbox"/> Further Inspection <input type="checkbox"/> If any of above boxes are checked, it indicates that there were visible problems in accessible areas. Read the report for details on checked items.			



PA-04-18

14

Inspected By SEAN DRISCOLLLicense No. OPR 8901

Signature

You are entitled to obtain copies of all reports and completion notices on this property reported to the Structural Pest Control Board during the preceding two years. To obtain copies contact: Structural Pest Control Board, 1418 Howe Avenue, Suite 18, Sacramento, California 95825-3204.

NOTE: Questions or problems concerning the above report should be directed to the manager of the company. Unresolved questions or problems with services performed may be directed to the Structural Pest Control Board at (916) 561-8708, (800) 737-6186 or www.pestboard.ca.gov. 43M-41 (Rev. 10/01)

2nd

PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

151

ALBERT PLACE #A-C, COSTA MESA, CA, 92627

07/29/03

231237

BUILDING NO. STREET, CITY, STATE, ZIP

INSPECTION DATE REPORT NO.

A. Certain areas are recognized by the industry as inaccessible and/or for other reasons not inspected. These include but are not limited to: inaccessible and/or insulated attics or portions thereof, attics with less than 18" clear crawl space, the interior of hollow walls; spaces between a floor or porch deck and the ceiling below; area where there is no access without defacing or tearing out lumber, masonry or finished work; areas behind stoves, refrigerators or beneath floor coverings, furnishings; areas where encumbrances and storage, conditions or locks make inspection impractical, portions of the subarea concealed or made inaccessible by ducting or insulation, area beneath wood floors over concrete, and areas concealed by heavy vegetation. Areas or timbers around eaves were visually inspected from ground level only. Although we make visual examinations, we do not deface or probe window/door frames or decorative trims. Unless otherwise specified in this report, we do not inspect fences, sheds, dog houses, detached patios, detached wood decks, wood retaining walls or wood walkways. We assume no responsibility for work done by anyone else, for damage to structure or contents during our inspection, or for infestation, infection, adverse conditions or damage undetected due to inaccessibility or non-disclosure by owner/agent/tenant.

B. Slab floor construction has become more prevalent in recent years. Floor covering may conceal cracks in the slab that will allow infestation to enter. Infestations in the walls may be concealed by plaster so that a diligent inspection may not disclose the true condition. These areas are not practical to inspect because of health hazards, damage to the structure, or inconvenience. They were not inspected unless described in this report. We recommend further inspection if there is any question about the above noted areas. Ref: Structural Pest Control Act, Article 6, Section 8516(b), paragraph 1990(1), Amended effective March 1, 1974. Inspection is limited to disclosure of wood destroying pests or organisms as set forth in the Structural Pest Control Act, Article 6, Section 8516(b), Paragraph 1990-1991.

C. A re-inspection will be performed, if requested within four (4) months from date of original inspection, on any corrective work that we are regularly in the business of performing. If CERTIFICATION is required, then any work performed by others must be CERTIFIED by them. There is a re-inspection fee.

D. This company is not responsible for work completed by others, recommended or not, including by Owner. Contractor bills should be submitted to Escrow as certification of work completed by others.

E. This report includes findings related to the presence/non-presence of wood destroying organisms and/or visible signs of leaks in the accessible portions of the roof. The inspector did not go onto the roof surface due to possible physical damage to the roof, or personal injury. No opinion is rendered nor guarantee implied concerning the water-tight integrity of the roof or the condition of the roof and roofing materials. If interested parties desire further information on the condition of the roof, we recommend that they engage the services of a licensed roofing contractor.

F. Second story stall showers are inspected but not water tested unless there is evidence of leaks in ceiling below. Ref: Structural Pest Control Rules and Regulations, Sec. 8516G. Sunken or below grade showers or tubs are not water tested due to their construction.

G. During the course of/ or after opening walls or any previously concealed areas, should any further damage or infestation be found, a supplementary report will be issued. Any work completed in these areas would be at Owner's direction and additional expense.

H. During the process of treatment or replacement it may be necessary to drill holes through ceramic tiles or other floor coverings; These holes will then be sealed with concrete. We will exercise due care but assume no responsibility for cracks, chipping or other damage to floor coverings. We do not re-lay carpeting.

I. We assume no responsibility for damage to any Plumbing, Gas or Electrical lines, etc., in the process of pressure treatment of concrete slabs or replacement of concrete or structural timbers.

J. When a fumigation is recommended we will exercise all due care but assume no responsibility for damage to Shrubberty, Trees, Plants, TV Antennas or Roofs. A FUMIGATION NOTICE will be left with, or mailed to the Owner of this property, or his designated Agent. Occupant must comply with instructions contained in Fumigation Notice. During fumigation and aeration, the possibility of burglary exists as it does any time you leave your home. Therefore, we recommend that you take any steps that you feel necessary to prevent any damage to your property. We also recommend that you contact your insurance agent and verify that you have insurance coverage to protect against any loss, damage or vandalism to your property. The company does not provide any onsite security except as required by state or local ordinance and does not assume any responsibility for care and custody of the property in case of vandalism, breaking or entering.

K. Your termite report and clearance will cover EXISTING infestation or infection which is outlined in this report. If Owner of property desires coverage of any new infestation it would be advisable to obtain a Control Service Policy which would cover any new infestation for the coming year.

L. If you should have any questions regarding this report, please call or come by our office any weekday between 8:00 a.m. and 5:00 p.m. We also provide information about additional services for the control of Household Pests such as Ants and Fleas, etc.

M. I agree to pay reasonable attorney's fees if suit is required by this COMPANY to enforce any terms of this contract.

15

3rd PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

151	ALBERT PLACE #A-C, COSTA MESA, CA, 92627	07/29/03	231237
BUILDING NO.	STREET, CITY, STATE, ZIP	INSPECTION DATE	REPORT NO.

together with the costs of such action, whether or not suit proceeds to judgement.

N. The total amount of this contract is due and payable upon completion of work unless otherwise specified. A finance charge computed at a Monthly rate of 1.5% of the unpaid balance (annual percentage rate of 18%) will be added to all accounts past due.

O. If this report is used for escrow purposes then it is agreed that this inspection report and Completion, if any, is part of the ESCROW TRANSACTION. However, if you received written or verbal instructions from any interested parties involved in this escrow (agents, principals, etc.) to not pay our invoice at close of escrow, you are instructed by us not to use these documents to satisfy any conditions or terms of your escrow for purposes of closing the escrow. Further, you are instructed to return all of our documents and the most current mailing address you have on file for the property owner.

P. Owner/agent/tenant acknowledges and agrees that inspection of the premises will not include any type of inspection for the presence or non-presence of asbestos and that this report will not include any findings or opinions regarding the presence or non-presence of asbestos in, upon or about the premises, we recommend that you contact a contractor specifically licensed to engage in asbestos related work. Further, should we discover the presence of asbestos during our inspection of the premises or should our inspection of the premises cause a release of asbestos dust or particles, owner/agent/tenant shall be solely responsible for the cleanup, removal and disposal of the asbestos and the cost thereof. Owner/agent/tenant hereby agrees to waive any and all claims against this Company which are in any way related to the presence of asbestos on the premises and further agrees to indemnify and hold this company harmless from any and all claims of any nature asserted by any third party, including this Company's employees, which is in any way related to the presence of asbestos on the premises.

16

4th

PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

151	ALBERT PLACE #A-C, COSTA MESA, CA, 92627	07/29/03	231237
BUILDING NO.	STREET, CITY, STATE, ZIP	INSPECTION DATE	REPORT NO.

THE EXTERIOR SURFACE OF THE ROOF WILL NOT BE INSPECTED. IF YOU WANT THE WATER TIGHTNESS OF THE ROOF DETERMINED, YOU SHOULD CONTACT A ROOFING CONTRACTOR WHO IS LICENSED BY THE CONTRACTOR'S STATE LICENSE BOARD.

"NOTICE: Reports on this structure prepared by various registered companies should list the same findings (i.e. termites infestations, termite damage, fungus damage, etc.). However, recommendations to correct these findings may vary from company to company, you have a right to seek a second opinion from another company.

NOTICE: The charge for service that this company subcontracts to another registered company may include the company's charges for arranging and administering such services that are in addition to the direct cost associated with paying the subcontractor. You may accept (Integrity Termite's) bid or you may contract directly with another registered company licensed to perform the work. If you choose to contract directly with another registered company, (Integrity Termite) will not in any way be responsible for any act or omission in the performance of work that you directly contract with another person to perform"

NOTICE TO OWNER

Under the California Mechanics Lien any structural pest control company which contracts to do work for you, any contractor, subcontractor, laborer, supplier or other person who helps to improve your property, but is not paid for his or her work or supplies, has a right to enforce a claim against your property. This means that after a court hearing, your property could be sold by a court officer and the proceeds of sale used to satisfy the indebtedness. This can happen even if you have paid your structural pest control company in full if the subcontractor, laborers or suppliers remain unpaid. To preserve their right to file a claim or lien against your property, certain claimants such as subcontractors or material suppliers are required to provide you with a document entitled "A Preliminary Notice". Prime contractors and laborers for wages do not have to provide this notice. A Preliminary Notice is not a lien against your property. Its purpose is to notify you of persons who may have a right to file a lien against your property if they are not paid.

"THIS PROPERTY WAS NOT INSPECTED FOR THE PRESENCE OR ABSENCE OF HEALTH RELATED MOLDS OR FUNGI. BY CALIFORNIA LAW WE ARE NEITHER QUALIFIED, AUTHORIZED NOR LICENSED TO INSPECT FOR HEALTH RELATED MOLDS OR FUNGI. IF YOU DESIRE INFORMATION ABOUT THE PRESENCE OR ABSENCE OF HEALTH RELATED MOLDS, YOU SHOULD CONTACT AN INDUSTRIAL HYGIENIST."

17

5th PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

151	ALBERT PLACE #A-C, COSTA MESA, CA, 92627	07/29/03	231237
BUILDING NO.	STREET, CITY, STATE, ZIP	INSPECTION DATE	REPORT NO.

IF A SEPARATED REPORT HAS BEEN REQUESTED, IT IS DEFINED AS SECTION 1 & SECTION 2 CONDITIONS EVIDENT ON THE DATE OF INSPECTION.

SECTION 1: CONTAINS ITEMS WHERE THERE IS EVIDENCE OF ACTIVE INFESTATION, INFECTION OR CONDITIONS THAT HAVE RESULTED IN OR FROM INFESTATION OR INFECTION.

SECTION 2: SECTION 2 ITEMS ARE CONDITIONS DEEMED LIKELY TO LEAD TO INFESTATION OR INFECTION, BUT WHERE NO VISIBLE EVIDENCE OF SUCH WAS FOUND.

FURTHER INSPECTION: FURTHER INSPECTION ITEMS ARE DEFINED AS RECOMMENDATIONS TO INSPECT AREAS WHICH DURING THE ORIGINAL INSPECTION, DID NOT ALLOW THE INSPECTOR ACCESS TO COMPLETE THE INSPECTION AND CANNOT BE DEFINED AS SECTION 1 OR SECTION 2.

EXTERIOR:

Item 1: Evidence of Kaloterm (drywood termite specie) infestation noted.

RECOMMENDATION: Fumigation with Vikane gas which is registered by the Department of Agriculture. NOTE: Aeration process, (after the tent is removed) will be 48 hours with Vikane gas. The certification of completion for the fumigation process can only be done by the licensed fumigator, at the jobsite. Secondary locks on exterior doors "will not" be removed until licensee has tested for safe re-entry for humans. This company encourages the owner/designated agent of the property to provide on-site security during the fumigation process, or after the secondary locks are removed. This company's liability insurance DOES NOT cover malicious vandalism or theft.

***** This is a Section 1 Item *****

INSPECTION WAS LIMITED TO EXTERIOR FOR FUMIGATION ONLY AS REQUESTED BY CHARLES GISH.

THE PLANTS ON THE LEFT SIDE OF THE STRUCTURE WILL HAVE TO BE MOVED PRIOR TO THE FUMIGATION BEING DONE.

SECTION 1	SECTION 2	FURTHER INSPECT.
-----------	-----------	------------------

1: \$ 3950.00

18

STANDARD NOTICE OF WORK COMPLETED AND NOT COMPLETED

NOTICE - All recommendations may not have been completed. - See below - Recommendations not completed.
This form is prescribed by the Structural Pest Control Board.

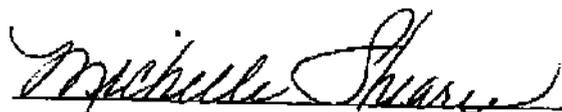
Building No. 151	Street, City, State, Zip ALBERT PLACE #A-C, COSTA MESA, CA, 92627	Date of Completion 08/20/2003
INTEGRITY TERMITE 1905 E. 29th Street Signal Hill, CA 90755 Ph: (562) 988-1170 (714) 891-1200 (310) 545-2295 (949) 376-7630 Fax: (562) 988-0399		
Firm Registration No. PR 2813	Report No. 231237	Escrow No.
Ordered By: GISH BUILDERS CHARLES GISH	Property Owner/Party of Interest: RICHARD FIOCK 2257 ELDEN AVENUE COSTA MESA CA 92627	Report Sent To: GISH BUILDERS CHARLES GISH

The following recommendations on the above designated property, as outlined in Wood Destroying Pests and Organisms Inspection Report dated 07/29/2003 have been and/or have not been completed.

Recommendations completed by this firm that are in accordance with the Structural Pest Control Board's Rules and Regulations: 1									
Recommendations completed by this firm that are considered secondary and substandard measures under Section 1992 of the Structural Pest Control Board's Rules and Regulations including Person requesting secondary measure:									
Cost of work completed:	<table> <tr> <td>Cost: \$</td> <td><u>3950.00</u></td> </tr> <tr> <td>Inspection Fee: \$</td> <td><u>0.00</u></td> </tr> <tr> <td>Other: \$</td> <td><u>0.00</u></td> </tr> <tr> <td>Total: \$</td> <td><u>3950.00</u></td> </tr> </table>	Cost: \$	<u>3950.00</u>	Inspection Fee: \$	<u>0.00</u>	Other: \$	<u>0.00</u>	Total: \$	<u>3950.00</u>
Cost: \$	<u>3950.00</u>								
Inspection Fee: \$	<u>0.00</u>								
Other: \$	<u>0.00</u>								
Total: \$	<u>3950.00</u>								
Recommendations not completed by this firm:									
Estimated Cost: \$ _____									
Remarks:									

19

Signature



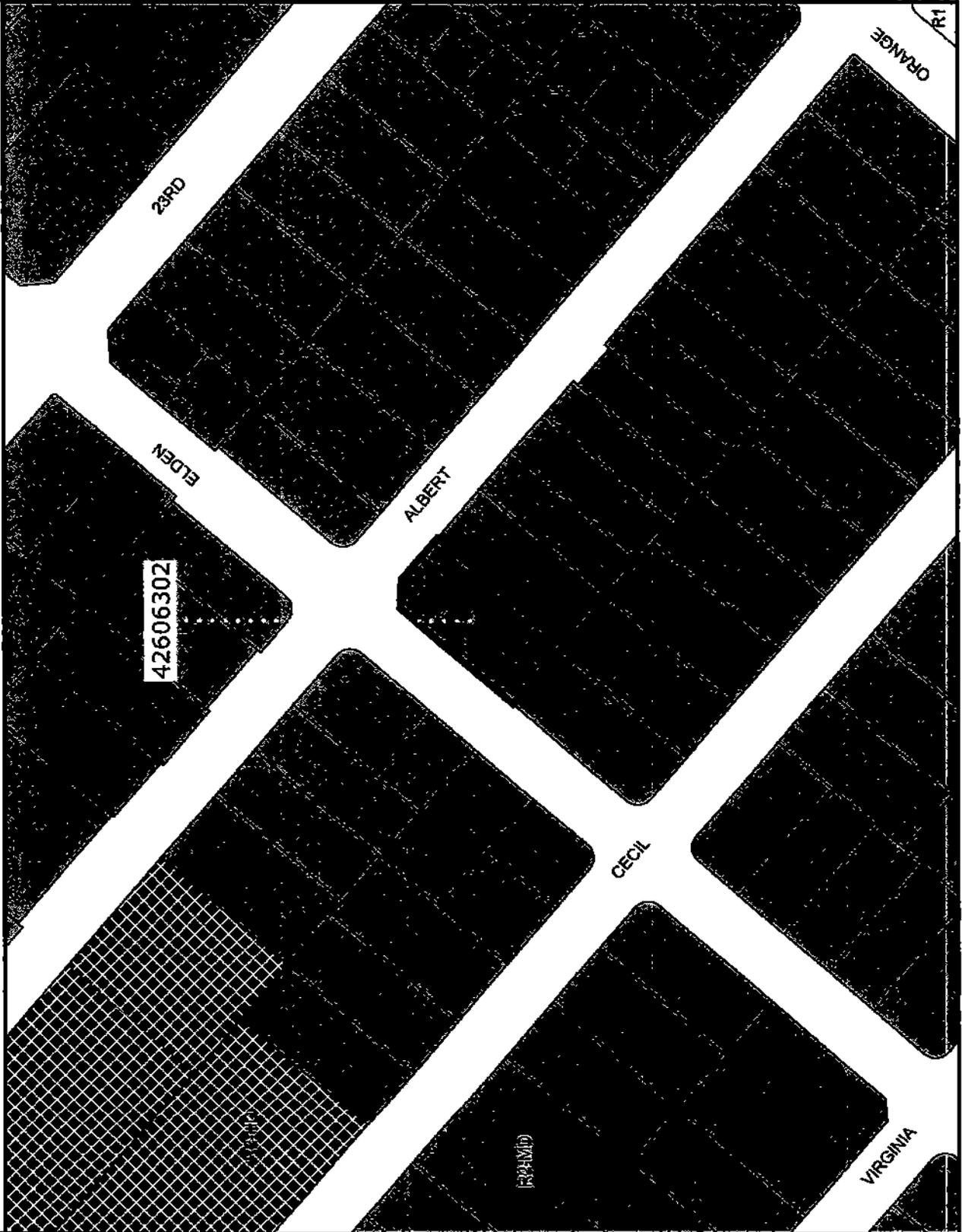
You are entitled to obtain copies of all reports and completion notices on this property reported to the Board during the preceding two years upon payment of a search fee to: The Structural Pest Control Board, 1418 Howe Avenue, Suite 18, Sacramento, California 95825-3204.

NOTE: Questions or problems concerning the above report should be directed to the manager of the company. Unresolved questions or problems with services performed may be directed to the Structural Pest Control Board at (916) 561-8708, (800) 737-8188 or www.pestboard.ca.gov.

ZONING/LOCATION MAP

PA-04-18

42606302



Legend

Selected by Buffer

Selected Features

Street Names
Parcel Lines
City Boundary
Zoning

- AP
- C1
- C1-S
- C2
- CL
- IAR
- IAR-S
- MG
- MP
- P
- PDC
- PDI
- PDR-HO
- PDR-LD
- PDR-ND
- PDR-NCH
- R1
- R2-HO
- R2-MO
- R3
- TC
- Parcels



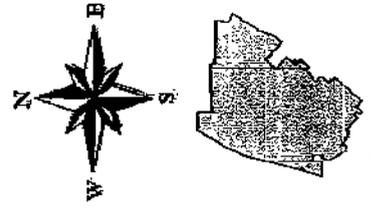
AERIAL PHOTOGRAPH

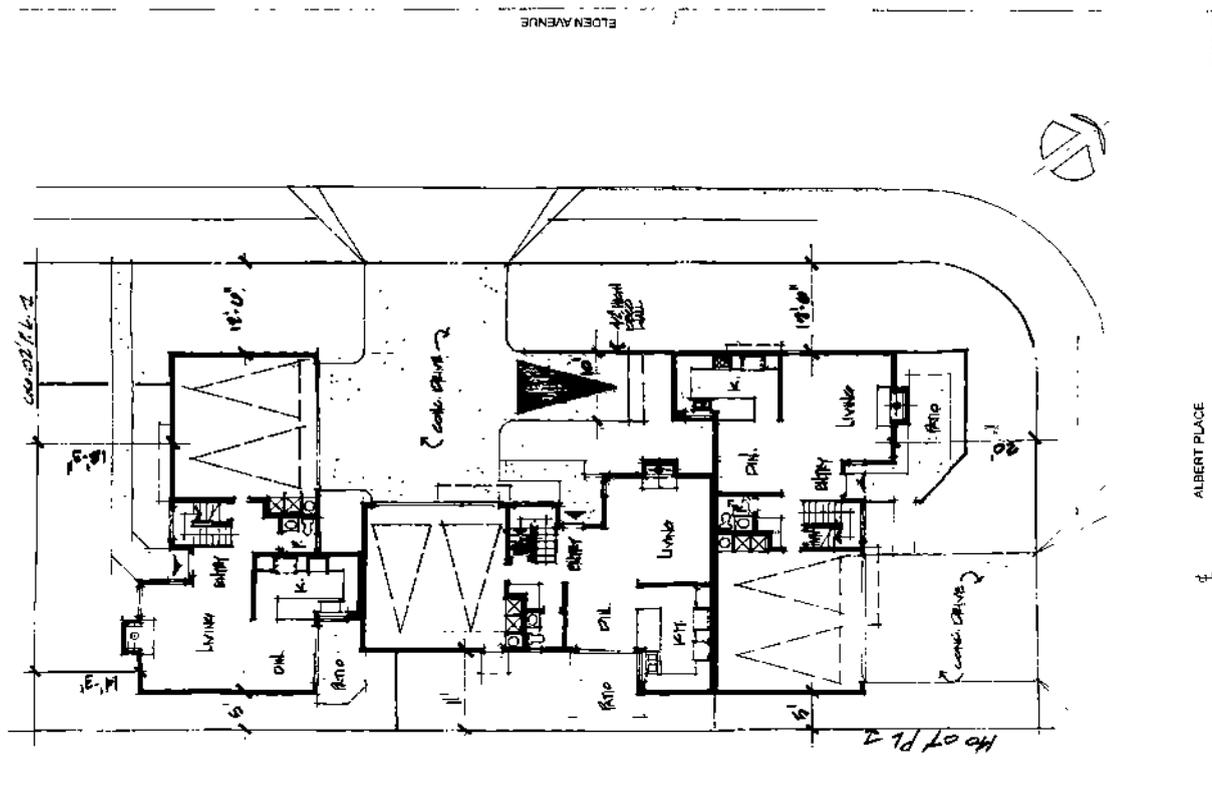
PA-04-18



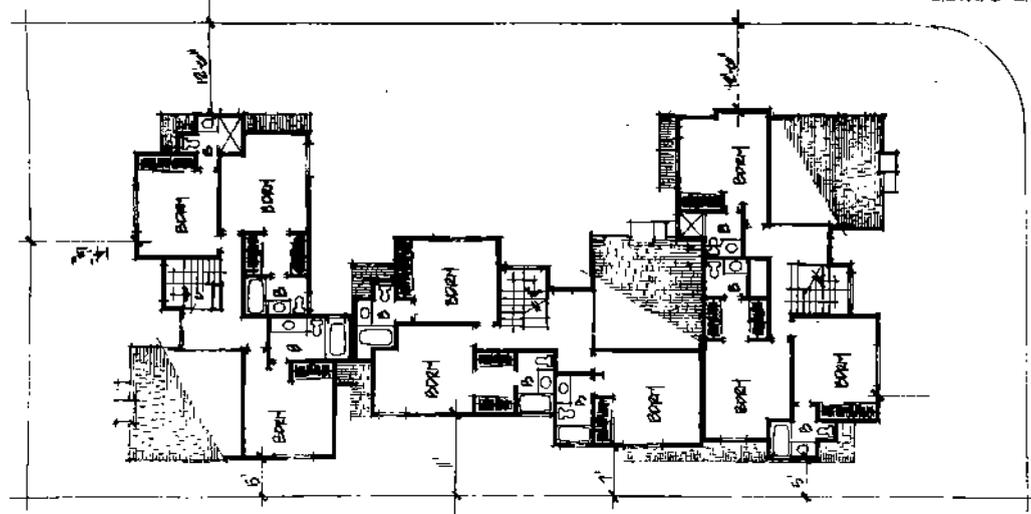
Legend

-  Selected by Buffer
-  Selected Features
- Street Names
- Parcel Lines
- City Boundary
- Ortho Photography
- Parcels





EXISTING SITE / LOWER FLOOR PLAN



EXISTING UPPER FLOOR PLAN

PA-04-18



OWNER:
 RICH FLOCK
 20331 IRVINE AVE. SUITE 7
 SANTA ANA HEIGHTS, CA 92707
 (714)546-7122

PROJECT ADDRESS:
 151 ALBERT PLACE
 COSTA MESA, CA 92627

PROJECT SUMMARY:
 UNITS: 0-3 BEDROOM UNITS
 TYP UNIT SIZE: 1,386 SQ. FT.
 ZONED: R2-MO
 LOT AREA: 9,125 SQ. FT.
 OPEN AREA: 4,274 SQ. FT. (46%)

151 ALBERT PLACE SITE / FLOOR PLANS
 SCALE 1/8"=1'-0"