

CITED AND APPLICABLE POLICIES AND IMPLEMENTATION PLAN SECTIONS

Demolition Procedures

IP Section 12.06.010 (Purpose). In order to insure, to the maximum extent feasible, that parcels currently used for residential use be continued as residential when feasible, that habitable residential structures be relocated when feasible, and that replacement residential units be provided when demolitions or conversions of such structures takes place. This section is in part designated to meet the requirements of Section 65590 to the Government Code.

IP Section 12.06.050 (Relocation of Habitable Residential Structures). Reasonable efforts shall be made by the applicant to provide for the relocation and continued use of habitable residential structures. The following procedures shall be followed to insure this: **(a) Determination of Habitability.** Upon receipt of an application for a demolition permit, it shall be the responsibility of the County building official to inspect the structure to be demolished to determine habitability, within ten working days of the date of application for such demolition permit. If said structure is structurally sound, and structurally capable of being relocated in the judgment of the County building official, the structure shall be deemed habitable for the purpose of this Section. If the structure is deemed not to be habitable, the requirements of this Section shall not apply. **(b) Public Notice Requirements.** Any individual, firm, business or organization applying for a demolition permit for the demolition of a habitable residential structure, shall provide proof of publication in a newspaper of general circulation within the community where the structure is located, of the following notice:

THIS STRUCTURE IS AVAILABLE FOR SALE OR REMOVAL, ARRANGEMENTS TO PURCHASE OR RELOCATE THE STRUCTURE MUST BE MADE BY _____ (30 days after the first publication of the notice).

The notice shall be published at least once a week for a period of thirty days, and shall contain a photograph of the structure, the address of the structure, and the telephone number and/or address of the owner of the structure, or the person authorized to arrange for the sale or relocation of the structure if some person other than the owner is so authorized. The notice shall also contain a statement encouraging persons interested in purchasing or relocating the structure to contact the County Planning Department for full information on the procedures applicable to relocation of structures. The notice shall be at least three inches by four inches. In addition, the notice shall be posted on the structure in a conspicuous location. The notice shall contain the telephone number of the County Planning Department. (c) Relocation Requirements. The owner of a residential structure scheduled for demolition which has been determined to be habitable shall allow 90 days from the end of the Public Notice period for the relocation of the structure, provided that a good faith offer to purchase or relocate the structure has been received. No demolition of a structure which has been determined to be habitable shall be permitted if an offer to purchase or relocate the structure, is received within thirty days after first publication of the notice required by Section 12.06.050(b), and if relocation is accomplished within the period specified in this section.

Noticing Procedures

IP Section 18.10.223 (Level V (Zoning Administrator) through Level VII (Board of Supervisors) -- Notice of public hearing). **(a) Procedures.** A public notice of all public hearings conducted pursuant to the issuance of permits and approvals at Levels V (Zoning Administrator) through VII (Board of Supervisors) shall be given in the following ways: 1. The County shall cause the notice to be published in a newspaper of general circulation printed and published within the County at least ten (10) calendar days prior to the date set for hearing. 2. Posted on the property in a conspicuous place at least ten (10)

calendar days prior to the hearing. 3. The County shall mail notices in the form of a postcard or letter not less than ten (10) calendar days prior to the public hearing to the applicant and to the owners of all property within three hundred (300) feet of the exterior boundaries of the subject property and to all lawful occupants of properties within one hundred (100) feet of the subject property, including the lawful occupants of the subject property. In the event that there are fewer than ten (10) separate parcels within three hundred (300) feet of the exterior boundaries of the property involved in the application, said three hundred (300) foot distance shall be extended in increments of fifty (50) feet (e.g., 350, 400, 450) until owners of at least ten (10) properties have been notified by mail. The County shall also mail these notices to the Coastal Commission and to all persons who have requested to be on the mailing list for the subject development project or for coastal decisions within that jurisdiction. 4. The County shall provide notice to the Board of Supervisors by delivery by the United States Postal Service addressed to each Board Member at the County Governmental Center, or by delivery to each Board Member by County Government inter-departmental mail at least ten (10) days prior to the public hearing. (b) Contents of Notice. The contents of the notice shall be as follows: 1. Location of the proposed project; 2. Name of the applicant; 3. Description of the proposed use; 4. Title of the hearing officer or hearing body; 5. Date of the hearing; 6. Time of the hearing; 7. Location of the hearing; 8. How further information may be obtained; 9. Notices of pending applications for permits including Coastal Zone approval shall include a statement that the development is or is not appealable to the Coastal Commission, and the appeal process. (c) Alternative Noticing Procedure. If the number of persons or entities who would be notified in subsection (a) of this section is more than one thousand (1,000), or where a County initiated General Plan amendment affects the designation of a large area or number of parcels, or for public works projects initiated by public agencies which do not include rezonings, notice may be given by placing a display advertisement of at least one-eighth page in a newspaper having general circulation within the area affected by the proposed ordinance, policy or plan amendment, or project; or by including an insert with any generalized mailing sent by the County to property owners and residents affected by the proposal. (d) Alternative Notice Procedure for Coastal Approvals. When a Development Permit includes only a Coastal Approval for a project pursuant to Chapter 13.20 of this Code, and when the number of persons or entities who would be notified in subsection (a)(3) of this section is more than two hundred (200), the County may give notice by: 1. Increasing the posting requirement in subsection (a)(2) of this section to provide posting every one thousand (1,000) feet along an adjoining roadway; and 2. Placing a display advertisement of at least one-eighth page in a newspaper having general circulation within the area affected by the project. (e) Notice of Continuances. Any matter may be continued from time to time. The proposal need not be re-noticed if, at the time of the public hearing for the proposal, the matter is continued to a specific date. Otherwise, the continued matter shall be noticed in the same manner as the original hearing. (f) Requests for Notice. The County shall send notice by first class mail to any person who has filed a written request with the Planning Department. Requests may be made for notices for all public hearings or for all public hearings relating to a certain application. Requests shall be accompanied by a fee set by the Board of Supervisors Resolution...

IP Section 18.10.224 (Notice of Proposed Development for Level IV through Level VII). For all development that requires review at Levels IV through VII, the applicant shall install a sign or signs on each site of the proposed development in accordance with this section. (a) Deadline for Placement. Any sign required by this chapter shall be placed no later than seven calendar days after the applicant for an approval for which a sign is required has been informed that the application will be determined to be complete when the sign is placed and placement is verified. The number of signs, size, and locations shall be approved in advance by the Planning Director. Sign specifications shall be provided by the Planning Department to the manufacturer of the sign for the applicant who will then install the sign.

Verification shall occur when the County receives from the applicant a completed certificate attesting that the sign has been installed as required (including photographs). **(b) Location.** Any sign required by this chapter shall be placed on the subject property so as to be clearly seen and readily readable from each right-of-way providing primary vehicular access to the subject property. For proposed projects in public rights-of-way, signs shall be posted at one thousand (1,000) foot intervals along subject right(s)-of-way. Additional signs may be required that are visible from other public vantage points, such as for when a proposed project is located within a public park some distance from the vehicular accessway. Signs shall be located so as to not interfere with vehicular line of sight distance. **(c) Size, Material and Height Above Grade.** Each sign shall be a minimum of two feet by two feet up to a maximum of two feet (vertical) by four feet (horizontal). Signs shall be constructed of recyclable coroplast material. Other material may be used with the approval of the Planning Director. The information required shall be painted, laminated, or otherwise rendered weatherproof and shall be legible at all times. No sign required by this chapter shall exceed seven feet above grade, except where necessary to be clearly seen and readily readable from each right-of-way providing primary vehicular access to the subject property. Lettering shall as follows: 1. Letter style: Arial or similar standard typeface; 2. Letter size: A. Two-inch bold capital letter for the header: NOTICE OF PROPOSED DEVELOPMENT; B. One-inch bold capital letters for the project description, C. One-inch upper and lower case for all other letters, D. One-inch bold capital letters for the footer contact information with the applicant information on the left side and the County information on the right side:

For Further Information Contact:

Applicant:	Project planner:
Applicant's name	Planner's name
Applicant's phone number	Planner's phone number
Applicant's e-mail address	Planner's e-mail address

1. Letter color shall be black; 2. Background color shall be white.

(d) Information Required. Each sign shall include only the following factual information and shall be printed with legible black lettering on a white background: 1. Header; 2. Application number; 3. Description of proposed development on the site, including type of project, proposed use, number of units/lots, types of applications being processed and a description of each; 4. Footer with applicant's name, address, phone number, and e-mail address if applicable, on the left side and the project planner's name, address, phone number, and e-mail address on the right side; 5. Staff may require additional specific information be included in order to provide a useful notice. **(e) The following modifications to a submitted application will require new noticing including new sign text:** 1. A change that results in an increase of twenty (20) percent or more in height, floor area ratio, or lot coverage; 2. A change that necessitates a variance; 3. A change that results in an increase in the number of lots or dwelling units; 4. A change that results in an intensification of use, as defined in County Code Section 13.10.700-1. **(f) Deadline for Sign Removal.** Each sign shall be removed within ten (10) calendar days after the expiration of the final appeal period or the date on which a final appeal decision is effective. The applicant shall provide the project planner a completed, signed affidavit attesting that the sign has been removed in the time period allowed. **(g) Failure to Provide Affidavit and/or Remove Sign.** If the applicant fails to return the affidavit or if the sign is not removed within the time allowed, then the Planning Director shall record a notice of violation against the property. Additionally, no inspection signoff may occur nor shall any building permit be approved before removal of the sign and correction of the violation.

Park Use and Development

LUP Objective 2.16 (Visitor Accommodation Designation C-V). To provide for a variety of temporary residential uses in both urban and rural areas which provide for visitor needs while preserving the unique environmental settings that attract visitors to the County and protecting residential communities in the County.

LUP Objective 2.22 (Coastal Dependant Development). To ensure priority for coastal-dependant development and coastal-related development over other development on the coast.

LUP Policy 2.22.1 (Priority of Uses within the Coastal Zone). Maintain a hierarchy of land use priorities within the Coastal Zone: First Priority: Agriculture and coastal-dependant industry; Second Priority: Recreation, including public parks; visitor serving commercial uses; and coastal recreation facilities; Third Priority: Private residential, general industrial and general commercial uses

LUP Objective 7.1a (Parks and Recreation Opportunities). To provide a full range of public and private opportunities for the access to, and enjoyment of, park, recreation, and scenic areas, including the use of active recreation areas and passive natural open spaces by all ages, income groups and people with disabilities with the primary emphasis on needed recreation facilities and programs for the citizens of Santa Cruz County.

LUP Policy 7.1.7 (Park Financing). Include park site acquisition and development in the Capital Improvements Program (see section 7.27). Finance park acquisition where possible through park dedication or fees, County Service Area and recreation district funds, state, federal, and private foundation grants, and private donation to relieve the burden on the County General Fund. Where appropriate, use private concessionaires at County facilities to offset maintenance costs.

LUP Policy 7.2.1 (Neighborhood Park Standards). Locate neighborhood parks based on the general standard that most urban residences should be within one-half mile of a neighborhood park serving a population of 1500 to 2000 people. An area of 4-6 acres is considered adequate for a neighborhood park; or when combined with school grounds, 2-3 acres would be sufficient. It should be recognized that park acreage standards are set as long-term goals rather than set objectives to be met. Facilities need not be elaborate and should include children's play equipment, play lots, paved game areas, free play fields, and areas for passive recreation and restroom facilities. Designate specific sites for neighborhood parks throughout the urban portion of the County on the General Plan and Local Coastal Program Land Use Maps.

LUP Policy 7.2.5 (Beaches in Neighborhoods). Support the continued availability and use of beach areas to serve as a neighborhood recreational outlet for County residents, but do not credit beach areas towards satisfying neighborhood park acreage goals due to the seasonal availability of the resource, and the extensive regional demands placed on this limited coastal area.

LUP Objective 7.3 (Community Parks and Recreation Facilities). To provide community recreation facilities as a standard of 2-3 net usable acres per 1,000 population, including parks, cultural centers, and community complexes, in central locations in the urban areas which will serve as focuses for community social, organizational, cultural and/or recreational activities.

LUP Policy 7.3.3 (Community Park Siting Criteria). Select community park sites based on the following criteria: accessibility, land availability, geographic relationship to the particular community, attractive natural features on the site, ease of development, and association with existing or proposed roads or trails and other city or state parks, and/or open space and beaches.

LUP Objective 7.7a (Coastal Recreation). *To maximize public use and enjoyment of coastal recreation resources for all people, including those with disabilities, while protecting those resources from the adverse impacts of overuse.*

LUP Objective 7.7b (Shoreline Access). *To provide a system of shoreline access to the coast with adequate improvements to serve the general public and the coastal neighborhoods which is consistent with the California Coastal Act, meets public safety needs, protects natural resource areas from overuse, protects public rights and the rights of private property owners, minimizes conflicts with adjacent land uses, and does not adversely affect agriculture, subject to policy 7.6.2.*

IP Section 15.01.070(a) (Park Dedication and Public Access Standards, Parks). *The amount of land to be dedicated and developed or fees to be paid shall bear a reasonable relationship to the use of the park and recreational facilities by the inhabitants of the new development. By provisions of this chapter, owners of new development shall be responsible to provide for a portion of park need created by their development--three acres of developable parkland improved for park use for every 1,000 new residents. Based on this standard, the area required to be dedicated shall be 400 square feet for every one-family, and 300 square feet for every multiple dwelling unit, mobile home, or visitor accommodations unit, as defined in Section 13.10.700-V of the County Code, that is planned for the development. This land shall be in addition to any setback or open space area required by the zone district regulations. If land is dedicated in excess of the park dedication requirements then the excess land may be used in calculating the number of dwelling units allowed. Up to 25 percent of the park dedication requirement may be met by dedication of land within the 100 year floodplain if the county determines that the site is appropriate as a park site under the provisions of Section 15.01.090(c), that the land is suitable for park use, and no permanent structures are required in this area. Planned developments and real estate developments (as defined in Sections 11003 and 11003.1 and any successor provisions of the Business and Professions Code) which contain common open space areas usable for active recreation purposes may receive park dedication credit to the extent that this land exceeds the normal common open space requirements for such development projects.*

Scenic Resources and Community Character

Objective 5.10.a (Protection of Visual Resources). *To identify, protect, and restore the aesthetic values of visual resources.*

Objective 5.10.b (New Development in Visual Resource Areas). *To ensure that new development is appropriately designed and constructed to minimal to no adverse impact upon identified visual resources.*

LUP Policy 5.10.1 (Designation of Visual Resources). *Designate on the General Plan and LCP Resources Maps and define visual resources as areas having regional public importance for their natural beauty or rural agricultural character. Include the following areas when mapping visual resources: vistas from designated scenic roads, Coastal Special Scenic Areas, and unique hydrologic, geologic and paleontology c features identified in Section 5.0.*

LUP Policy 5.10.2 (Development Within Visual Resource Areas). *Recognize that visual resources of Santa Cruz County possess diverse characteristics.... Require projects to be evaluated against the context of their unique environment and regulate structure height, setbacks and design to protect these resources consistent with the objectives and policies of this section. ...*

LUP Policy 5.10.3 Protection of Public Vistas. *Protect significant public vistas...from all publicly used roads and vistas points by minimizing disruption of landform and aesthetic character caused by grading*

operations, ... inappropriate landscaping and structure design.

LUP Policy 5.10.6 (Preserving Ocean Vistas). Where public ocean vistas exist, require that these vistas be retained to the maximum extent possible as a condition of approval for any new development.

LUP Policy 5.10.7 (Open Beaches and Blufftops). Prohibit the placement of new permanent structures which would be visible from a public beach, except where allowed on existing parcels of record, or for shoreline protection and for public beach access. Use the following criteria for allowed structures: (a) Allow infill structures (typically residences on existing lots of record) where compatible with the pattern of existing structures. (b) Require shoreline protection and access structures to use natural materials and finishes to blend with the character of the area and integrate with the landform.

LUP Policy 5.10.10 (Designation of Scenic Roads). The following roads and highways are valued for their vistas. The public vistas from these roads shall be afforded the highest level of protection... East Cliff Drive – from 33rd Avenue to 41st Avenue...

LUP Policy 5.10.12 (Development Visible from Urban Scenic Roads). In the viewsheds of urban scenic roads, require new discretionary development to improve the visual quality through siting, architectural design, landscaping and appropriate signage.

Objective 8.8 (Villages, Towns and Special Communities). To recognize certain established urban and rural villages as well as Coastal Special Communities for their unique characteristics and/or popularity as visitor destination points; to preserve and enhance these communities through design review ensuring the compatibility of new development with the existing character of these areas.

LUP Policy 8.8.1 (Design Guideline for Unique Areas). Develop specific design guidelines and/or standards for well-defined villages, towns and communities.... New development within these areas listed in Figure 8-1 ...shall conform to the adopted plans for these areas, as plans become available.

LUP Objective 8.8 Program a. In the preparation of village plans, develop a citizen participation program to include concerned neighborhood groups and affected property owners.

Figure 8-1 (Areas with Special Design Criteria or Guidelines). ...Area: Live Oak Planning Area; Design Guideline Source: Live Oak Community Plan (to be completed)...

LUP Policy 8.8.2 (Coastal Special Community Designation). Maintain a Coastal Special Community designation for the following area shown on the General Plan and LCP Land Use Maps: ... East Cliff Village Tourist Area.

IP Section 13.20.130 (Design Criteria for Coastal Zone Developments). (a) General Applicability. 1. The Coastal Zone Design Criteria are applicable to any development requiring a Coastal Zone Approval. 2. Conformance with Development Standards and Design Criteria of Basic Zones. All required project Design Criteria and use standards and conditions of Chapters 13.10, 13.11 and Section 13.20.140 et seq. shall be met in addition to the criteria of this section. 3. Exceptions. Exceptions to the Coastal Zone Design Criteria may be allowed in conjunction with granting of a Coastal Zone Approval (Level V or higher) when the following findings can be made: i. The project meets the general intent of the Coastal Zone Design Criteria. ii. The exception will result in a project design quality equivalent to that produced by adherence to the required Design Criteria and will be equally protective of the natural and visual environments. iii. The project will be consistent with the Visual Resource Policies of the General Plan and Local Coastal Program Land Use Plan. (b) Entire Coastal Zone. The following Design Criteria shall apply to projects sited anywhere in the coastal zone: 1. Visual Compatibility. All

new development shall be sited, designed and landscaped to be visually compatible and integrated with the character of surrounding neighborhoods or areas. 2. Minimum Site Disturbance. Grading, earth moving, and removal of major vegetation shall be minimized. Developers shall be encouraged to maintain all mature trees over 6 inches in diameter except where circumstances require their removal, such as obstruction of the building site, dead or diseased trees, or nuisance species. Special landscape features (rock outcroppings, prominent natural landforms, tree groupings) shall be retained. 3. Ridgeline Development. Structures located near ridges shall be sited and designed not to project above the ridgeline or tree canopy at the ridgeline. Land divisions which would create parcels whose only building site would be exposed on a ridgetop shall not be permitted. 4. Landscaping. When a landscaping plan is required, new or replacement vegetation shall be compatible with surrounding vegetation and shall be suitable to the climate, soil, and ecological characteristics of the area. The County's adopted Landscape Criteria shall be used as a guide.... (d) Beach Viewsheds. The following Design Criteria shall apply to all projects located on blufftops and visible from beaches. 1. Blufftop Development. Blufftop development and landscaping (e.g., decks, patios, structures, trees, shrubs, etc.) in rural areas shall be set back from the bluff edge a sufficient distance to be out of sight from the shoreline, or if infeasible, not visually intrusive. In urban areas of the viewshed, site development shall conform to (c) 2 and 3 above. 2. Beaches. The scenic integrity of open beaches shall be maintained: i. No new permanent structures on open beaches shall be allowed, except where permitted pursuant to Chapter 16.10 (Geologic Hazards) or Chapter 16.20 (Grading Regulations). ii. The design of permitted structures shall minimize visual intrusion, and shall incorporate materials and finishes which harmonize with the character of the area. Natural materials are preferred.

IP Section 13.20.145 (East Cliff Village Tourist Area Special Community Design Criteria). (a) Historic Structures. The historic structures listed below shall not be demolished; any renovations shall respect their historic character; any additions shall be compatible with the original structure: 1. Buckhart's Confectionery (East Cliff Drive); 2. Frazier Lewis Home (East Cliff Drive and 13th Avenue). (b) New development shall maintain the one and two story scale of the area. Along 17th Avenue, new development shall strengthen the visual edge along the street by placing structures at the minimum street setback. Along East Cliff Drive clustered landscaping is encouraged to accent the various commercial uses.

Coastal Act Citations

Section 30001.5. The Legislature further finds and declares that the basic goals of the state for the coastal zone are to: (a) Protect, maintain, and where feasible, enhance and restore the overall quality of the coastal zone environment and its natural and artificial resources. (b) Assure orderly, balanced utilization and conservation of coastal zone resources taking into account the social and economic needs of the people of the state. (c) Maximize public access to and along the coast and maximize public recreational opportunities in the coastal zone consistent with sound resources conservation principles and constitutionally protected rights of private property owners. (d) Assure priority for coastal-dependent and coastal-related development over other development on the coast. (e) Encourage state and local initiatives and cooperation in preparing procedures to implement coordinated planning and development for mutually beneficial uses, including educational uses, in the coastal zone.

Section 30210. In carrying out the requirement of Section 4 of Article X of the California Constitution, maximum access, which shall be conspicuously posted, and recreational opportunities shall be provided for all the people consistent with public safety needs and the need to protect public rights, rights of private property owners, and natural resource areas from overuse.

Section 30211. Development shall not interfere with the public's right of access to the sea where acquired through use or legislative authorization, including, but not limited to, the use of dry sand and rocky coastal beaches to the first line of terrestrial vegetation.

Section 30212(a). Public access from the nearest public roadway to the shoreline and along the coast shall be provided in new development projects...

Section 30213. Lower cost visitor and recreational facilities shall be protected, encouraged, and, where feasible, provided. Developments providing public recreational opportunities are preferred. ...

Section 30220. Coastal areas suited for water-oriented recreational activities that cannot readily be provided at inland water areas shall be protected for such uses.

Section 30221. Oceanfront land suitable for recreational use shall be protected for recreational use and development unless present and foreseeable future demand for public or commercial recreational activities that could be accommodated on the property is already adequately provided for in the area.

Section 30223. Upland areas necessary to support coastal recreational uses shall be reserved for such uses, where feasible.

Section 30251. The scenic and visual qualities of coastal areas shall be considered and protected as a resource of public importance. Permitted development shall be sited and designed to protect views to and along the ocean and scenic coastal areas, to minimize the alteration of natural land forms, to be visually compatible with the character of surrounding areas, and, where feasible, to restore and enhance visual quality in visually degraded areas. New development in highly scenic areas such as those designated in the California Coastline Preservation and Recreation Plan prepared by the Department of Parks and Recreation and by local government shall be subordinate to the character of its setting.

Section 30253(5). New development shall where appropriate, protect special communities and neighborhoods which, because of their unique characteristics, are popular visitor destination points for recreational uses.



PLANNING DEPARTMENT

701 OCEAN STREET, SUITE 400, SANTA CRUZ, CA 95060-4073

(831) 454-2680 FAX: (831) 454-2131 TDD: (831) 454-2123

www.co.santa-cruz.ca.us
TOM BURNS, DIRECTOR

RECEIVED

AUG 07 2008

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

Date: May 28, 2008
Application #: 08-0090
Hearing Date: Friday, June 13, 2008

THIS LETTER CONTAINS IMPORTANT INFORMATION ABOUT THE PROCESSING OF YOUR APPLICATION AND REQUIRES ACTION ON YOUR PART. PLEASE READ THE FOLLOWING CAREFULLY.

Your application requires a public hearing. For such hearings, County Code requires that a "Notice of Public Hearing" be posted on the property in a conspicuous place at least ten calendar days prior to the hearing (Section 18.10.223(a)2). In the past, the Planning Department has provided this posting as a service to the applicant. Due to current budget constraints we are no longer able to provide this service. The Planning Department will, however, continue to mail notices to property owners within 300 feet of the property and to occupants within 100 feet of the property and to publish a notice of the public hearing in a local newspaper, as required in the County Code.

The Planning Department is providing you with the attached "Notice of Public Hearing" approximately 15 days before the hearing. **IT IS YOUR RESPONSIBILITY TO POST THIS NOTICE.** As stated above, this notice is required by law to be posted in a conspicuous place on the property at least ten calendar days prior to the hearing date. The staff report will be mailed to you under separate cover. If you have not received the staff report five days prior to your hearing date, please contact the staff person at the number listed below.

We are also providing you with an "Affidavit of Posting." When the "Notice of Public Hearing" has been posted, you are required to fill out the "Affidavit of Posting" and return it to the Planning Department at least five calendar days prior to the hearing date. **IF THE "AFFIDAVIT OF POSTING" IS NOT RECEIVED BEFORE THE HEARING DATE, THAT ITEM WILL BE REMOVED FROM THE AGENDA AND POSTPONED TO A LATER DATE. IF, AFTER THE PERMIT IS APPROVED, IT IS DETERMINED THAT THE POSTING WAS NOT DONE, THE PERMIT APPROVAL COULD BE SUBJECT TO LEGAL CHALLENGE AND THE COUNTY MAY ACT TO REVOKE THE PERMIT.**

Please return the "Affidavit of Posting" notice to:

County of Santa Cruz Planning Department
Attn: Steven Guiney
701 Ocean Street, Fourth Floor
Santa Cruz, CA 95060

Thank you for your cooperation. If you have any questions regarding this process, please contact Nell Sulborski at 454-3156.

Sincerely,

Tom Burns
Planning Director

CCC Exhibit 6
(page 1 of 4 pages)

RECEIVED

12/10/08



NOTICE OF PUBLIC HEARING

COASTAL CENTRAL CALIFORNIA

Notice is hereby given that the County of Santa Cruz Zoning Administrator will hold a public hearing on the following item:

5. 08-0090 (***) 23905 EAST CLIFF DRIVE, SANTA CRUZ APN(S): 032-181-08
Proposal to demolish an existing single-family dwelling and associated outbuildings. Requires a coastal development permit. Property located on the north side of East Cliff Drive, approximately 180 feet west of the intersection with Larch Lane at 23905 East Cliff Drive.

OWNER: LEILA NASLUND
APPLICANT: RON GORDON
SUPERVISORIAL DIST: 1
PROJECT PLANNER: STEVEN GUINEY, 454-3172
EMAIL: pln950@co.santa-cruz.ca.us

DATE: Friday, June 13, 2008
TIME: The morning Agenda beginning at 10:00 AM
PLACE: Board of Supervisors Chamber
County Government Center
701 Ocean Street, Room 525
Santa Cruz CA 95060

FROM : RON GORDON

FAX NO. : 831 724 4673

Aug. 07 2008 12:57PM P4

Any persons whose interests are adversely affected by any act or determination by the Zoning Administrator may appeal such act of determination to the Planning Commission. Appeals from any action of the Zoning Administrator shall be taken by filing a written notice of appeal with the Planning Department and paying the appeal fee, not later than the fourteenth calendar day after the day on which the act or determination appealed was made.

If any person challenges an action taken on the foregoing matter(s) in court, they may be limited to raising only those issues which were raised at the public hearing described in this notice, or in written correspondence delivered to the Planning Commission at or prior to the public hearing.

— This project requires a Coastal Development Permit which is not appealable to the California Coastal Commission.

X This project requires a Coastal Development Permit, the approval of which is appealable to the California Coastal Commission. (Grounds for appeal are listed in Section 13.20.122 of the County Code.) The appeal must be filed with the Coastal Commission within ten working days of receipt by the Coastal Commission of notice of final local action.

All interested persons are invited to provide comments to the Zoning Administrator either at the public hearing, or in writing. Written comments may be sent to the Zoning Administrator at the County Government Center, 701 Ocean Street, Room 400, Santa Cruz CA 95060. Staff reports on permit applications are available for review or purchase one week before the hearing by calling 454-3156.

The County of Santa Cruz does not discriminate on the basis of disability, and no person shall, by reason of a disability, be denied the benefits of its services, programs, or activities. The Board of Supervisors Chambers is located in an accessible facility. If you wish to attend this meeting and you require special assistance in order to participate, please contact the ADA Coordinator at 454-3055 (TDD number 454-2123), at least 72 hours in advance of the meeting, to make arrangements. Persons with disabilities may request a copy of the agenda in an alternative format. As a courtesy to those persons affected, please attend the meeting smoke and scent free.

For more information, call the project planner noted in the above project description.

CO. ADMIN. OFFICE

Fax: 831-454-3420

Aug 7 2008 15:42

P. 02



AFFIDAVIT OF POSTING
County of Santa Cruz
Planning Department

RECEIVED

Please return Affidavits by: **Monday, June 9, 2008**

AUG 08 2008

Applicant: Ron Gordon
Application #: 08-0090
APN(S): 032-181-08
Site Address: 23905 East Cliff Drive, Santa Cruz
Hearing Date: Friday, June 13, 2008

CALIFORNIA
COASTAL COMMISSION
CENTRAL COAST AREA

AG BD PC ZA Level IV

Please note that it is legally required that the notice be posted in a conspicuous place on the Project Site

APPLICANT:

PLEASE COMPLETE THE FOLLOWING AND RETURN TO:

County of Santa Cruz, Planning Department
Attn: Steven Gainsy
701 Ocean Street, Fourth Floor
Santa Cruz, CA 95060

Posting Location (please be specific):

Front of building

Posted By:

Lita Ruel

Date Posted:

~~5-20-08~~ 5-31-08

I declare under penalty of perjury that I posted the notice(s) at the location and on the date listed above.

Lita Ruel
(Signature)

5-31-08
(Date)

CCC Exhibit 6
(page 4 of 4 pages)

**List of Residents & Property Owners
Notified by Planning Department of the
Public Hearing for Coastal Development
Permit (CDP) #08-0090**

03209228
 OTTERS LAIR ASSOCIATION
 4630 W WALNUT #C
 SOQUEL CA 95073

03217107
 TURCO JOHN E TRUSTEE ETAL
 P O BOX 2437
 SAN JOSE CA 95109

03218103
 521 SANTA CRUZ LLC
 C/O FRANCINE J JACKSON
 508 SAN MIGUEL WAY
 SACRAMENTO CA 95819

03209229
 SCHLAGER BARBARA J U/W
 3885 FLORAL CT
 SANTA CRUZ CA 95062

03217108
 TROWBRIDGE DWIGHT H TRUSTEE ETAL
 145 ALTA DR
 WATSONVILLE CA 95076

03218104
 SANTA CRUZ COUNTY OF
 P O S C S
 979 17TH AVE
 SANTA CRUZ CA 95062

03209230
 GERSHANOV ANN TRUSTEE
 18720 E CAVENDISH DR
 CASTRO VALLEY CA 94552

03217109
 GANSZ STEVEN WILLIAM U/M
 470 38TH AVE
 SANTA CRUZ CA 95062

03218108
 SIMMS RONALD I U/M
 4128 OAK POINTE CT
 HAYWARD CA 94542

03209232
 WINCEK ARTHUR T & FRANCES L H/W JT
 3887 FLORAL CT
 SANTA CRUZ CA 95062

03217111
 SAKASHITA BRUCE J & SUE SAVAGE H/W
 P O BOX 9244
 SALT LAKE CITY UT 84109

03218108
 HOFFMAN WENDY CO-TRUSTEES ETAL
 83 GARRET
 DURANGO CO 81301

03209237
 KIRSCH WILLIAM E TRUSTEES ETAL
 1191 SHERMAN AVE
 MENLO PARK CA 94025

03217113
 ARATA RANCHES INC
 999 WEST TAYLOR ST #B
 SAN JOSE CA 95128

03218113
 RANDOLPH JEFFREY M/M SS
 544 38TH AVE
 SANTA CRUZ CA 95062

03212203
 ATRE SHAKUNTALA TRUSTEE
 366 W 11TH ST #7-D
 NEW YORK NY 10014

03217115
 ROSITANO STACY L & ROBERT A W/H CP I
 14618 CARNELIAN GLEN CT
 SARATOGA CA 95070

03218114
 DRILLING CARRIE M/W SS
 925 VISTA GRANDE
 MILLBRAE CA 94030

03216123
 CHARNEY STANTON M & FREYA J JT
 WILLIAM L & BEVERLY B LAWRIE JT AGRE
 P O BOX 397
 CAPITOLA CA 95010

03217116
 FRIDHAM THOMAS W & BARBARA JANE TT
 13651 PIERCE RD
 SARATOGA CA 95070

03218115
 ENES MARK E & KRISTIN L DELANEY TRI
 3349 SIERRA OAKS DR
 SACRAMENTO CA 95864

03216130
 ROSE FAMILY LIMITED PARTNERSHIP
 1885 THE ALAMEDA
 SAN JOSE CA 95128

03217202
 BALLEW RODNEY G TRUSTEE ETAL
 43831 SKYLINE DR
 THREE RIVERS CA 93271

03218116
 HANNON MARY ELLEN W/H CP RS ETAL
 3844 FLORAL CT
 SANTA CRUZ CA 95062

03216131
 LYONS RONALD I CO-TRUSTEE ETAL
 18795 RANCHITO DEL RIO DR
 SALINAS CA 93908

03218101
 LEE MONICA A S/W
 371 PRENTISS
 SAN FRANCISCO CA 94110

03218119
 KEGG KENNETH & LOUISE M CO-TRUSTE
 610 BURLINGAME AVE
 CAPITOLA CA 95010

03217108
 NIEBLAS NANCY F U/W JT ETAL
 225 HARMON ST
 BOULDER CREEK CA 95006

03218102
 TICE ALLAN M & MARY J H/W CP
 4001 STEAMERS LN
 GEORGETOWN CA 95634

03218129
 WADE LEE M S/M TC ETAL
 300 STATE PARK DR #1
 APTOS CA 95003

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03218130
SALISBURY DEBORAH A TRUSTEE
528 38TH AVE
SANTA CRUZ CA 95062

03230122
FERDINAND JAMES R & PATTY M H/W JT
7510 MAY WAY
SAN RAMON CA 94583

03218133
CRAWFORD SUSAN P & JOHN R W/H CP F
435 LARCH LN
SANTA CRUZ CA 95062

03232101
MC GUIRE JAMES E & CAROL B TRUSTEES
1361 DUKE AVE
SAN JOSE CA 95125

03218138
DUBOSE LISA E M/W SS
4150 BELLA VISTA
CHOWCHILLA CA 93610

03232102
KULICK ROBERT M & MARILYN J CP
18074 DAVES AVE
MONTE SERENO CA 95030

03218140
STRINI RICHARD D U/M
471 LARCH LN
SANTA CRUZ CA 95062

03232103
REEVES KIRK ALAN & SHELLEY LYNN H/W
P O BOX 516
CAPITOLA CA 95010

03218142
NEIDER LEROY U/M
16285 LOS GATOS BLVD
LOS GATOS CA 95032

03232104
MC NALLY STEPHEN U/M
120 B COLLEGE TER
LOS GATOS CA 95030

03218201
SANTA CRUZ COUNTY REDEVELOPMENT
701 OCEAN ST #510
SANTA CRUZ CA 95060

03232105
EPIS BARBARA U/W
P O BOX 2624
SUNNYVALE CA 94087

03218202
KENGLE KIM K TRUSTEE
P O BOX 10242
RENO NV 89510

03232108
PHIRIPES CONSTANTINE & KATHLEEN B F
433 E VASSAR
FRESNO CA 93704

03218204
BREIDENTHAL DAVID U/M
P O BOX 514
LOS GATOS CA 95031

03232108
PLEASURE POINT COURT SUBDIVISION C
P O BOX 325
CAPITOLA CA 95010

03230101
SANTA CRUZ COUNTY OF
701 OCEAN ST
SANTA CRUZ CA 95060

03233101
HOLDREN DANNY R
2-3929 E CLIFF DR
SANTA CRUZ CA 95062

03230102
OWNERS OF CA OF BRIARWOOD TR 1075
C/O S C PROPERTY MANAGEMENT
1240 41ST AVE
CAPITOLA CA 95010

03208147
WATSON BRUCE D U/M TC ETAL
601 38TH AVE
SANTA CRUZ CA 95062

03209227
ZEHNDER ANDREW P TRUSTEE
609 41ST AVE
SANTA CRUZ CA 95062

03209229
SCHLAGER BARBARA J U/W
3885 FLORAL CT
SANTA CRUZ CA 95062

03209231
WINCEK ARTHUR T & FRANCES L H/W
3867 FLORAL CT
SANTA CRUZ CA 95062

03209234
RYDER STEPHEN T U/M AS JT ETAL
3855 FLORAL CT
SANTA CRUZ CA 95062

03209235
CHURCH FRANKLIN & KATHLEEN H/M
3845 FLORAL CT
SANTA CRUZ CA 95062

03209236
SCHROEDER RICHARD CARL & HEIDI
3817 FLORAL CT
SANTA CRUZ CA 95062

03209238
WASHKO PATRICIA J TRUSTEE
3813 FLORAL CT
SANTA CRUZ CA 95062

03209239
VAN DYKE ELIZABETH A JT RS ETAL
3811 FLORAL CT
SANTA CRUZ CA 95062

03212201
DAVIS JOHN M & DEBRA M H/W JT
545 38TH AVE
SANTA CRUZ CA 95062

03212202
JANI MICHAEL E & JEAN H TRUSTEES
535 38TH AVE
SANTA CRUZ CA 95062

03212218
GRANT NORA E SUCCESSOR CO-TRI
515 38TH AVE
SANTA CRUZ CA 95062

03212225
TEMME STEVEN FREDERICK
505 38TH AVE
SANTA CRUZ CA 95062

03217110
GANSZ STEVEN WILLIAM U/M
470 38TH AVE
SANTA CRUZ CA 95062

03217112
JENKINS JACK D & MARTHA F TRUST
3844 MOANA WAY
SANTA CRUZ CA 95062

03218112
ROSENGA LORETTA E TRUSTEE
534 38TH AVE
SANTA CRUZ CA 95062

03218113
RANDOLPH JEFFREY M/M SS
544 38TH AVE
SANTA CRUZ CA 95062

03218116
HANNON MARY ELLEN W/H CP RS ET
3844 FLORAL CT
SANTA CRUZ CA 95062

03218117
CASTRO EDWARD M & CYNTHIA H/W
3850 FLORAL CT
SANTA CRUZ CA 95062

03218122
INKELES JORDON & TRACY MACLAY
3860 FLORAL CT
SANTA CRUZ CA 95062

03218126
HUNTER JOHN D & CAROLINE A H/W
3835 MOANA WAY
SANTA CRUZ CA 95062

03218127
FELLOWS JAMES G & VIOLA F TRUST
445 LARCH LN
SANTA CRUZ CA 95062

03218133
CRAWFORD SUSAN P & JOHN R W/H
435 LARCH LN
SANTA CRUZ CA 95062

03218134
DINI MATTHEW B TRUSTEE ETAL
425 LARCH LN
SANTA CRUZ CA 95062

03218135
MADSEN GREGORY W & JAN H/W
3821 MOANA WAY
SANTA CRUZ CA 95062

03218136
GILES ROBERT S/M
500 38TH AVE
SANTA CRUZ CA 95062

03218137
FERRARO ARTHUR A & JANET H/W
471 LARCH LN
SANTA CRUZ CA 95062

03218139
ATKINSON JENNIE JET U/W
3870 FLORAL CT
SANTA CRUZ CA 95060

03218141
SCHLEIF EDWARD D & JOAN K TRUS
432 LARCH LN
SANTA CRUZ CA 95062

03230121
BIRHAN ALKILE RA S/M
3890 BRAMBLE LN #A
SANTA CRUZ CA 95062

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03230123
PARTHMORE TIMOTHY U/M
3900 BRAMBLE LN #B
SANTA CRUZ CA 95062

03231103
MO QI XIANG U/M
3890 BRAMBLE LN #B
SANTA CRUZ CA 95062

03233102
HARBUCK ROBERT H/W CP RS ETAL
23927 E CLIFF DR
SANTA CRUZ CA 95062

03217113
OCCUPANT
3842 MOANA WAY
SANTA CRUZ CA 95062

03218129
OCCUPANT
3833 MOANA WAY #A
SANTA CRUZ CA 95062

03232102
OCCUPANT
23915 E CLIFF DR
SANTA CRUZ CA 95062

03217114
OCCUPANT
3836 MOANA WAY
SANTA CRUZ CA 95062

03218129
OCCUPANT
3833 MOANA WAY #B
SANTA CRUZ CA 95062

03232103
OCCUPANT
23917 E CLIFF DR
SANTA CRUZ CA 95062

03217115
OCCUPANT
3846 MOANA WAY
SANTA CRUZ CA 95062

03218129
OCCUPANT
3833 MOANA WAY #C
SANTA CRUZ CA 95062

03232104
OCCUPANT
23925 E CLIFF DR
SANTA CRUZ CA 95062

03217116
OCCUPANT
3840 MOANA WAY
SANTA CRUZ CA 95062

03218129
OCCUPANT
3833 MOANA WAY #D
SANTA CRUZ CA 95062

03232105
OCCUPANT
23923 E CLIFF DR.
SANTA CRUZ CA 95062

03217117
OCCUPANT
3838 MOANA WAY
SANTA CRUZ CA 95062

03218131
OCCUPANT
475 LARCH LN
SANTA CRUZ CA 95062

03232106
OCCUPANT
23921 E CLIFF DR
SANTA CRUZ CA 95062

03217118
OCCUPANT
3834 MOANA WAY
SANTA CRUZ CA 95062

03218133
OCCUPANT
435 LARCH LN #B
SANTA CRUZ CA 95062

03232107
OCCUPANT
23919 E CLIFF DR
SANTA CRUZ CA 95062

03218108
OCCUPANT
23905 E CLIFF DR
SANTA CRUZ CA 95062

03218138
OCCUPANT
3880 FLORAL CT
SANTA CRUZ CA 95062

03233101
OCCUPANT
23929 E CLIFF DR
SANTA CRUZ CA 95062

03218113
OCCUPANT
542 38TH AVE
SANTA CRUZ CA 95062

03218203
OCCUPANT
23920 E CLIFF DR
SANTA CRUZ CA 95062

03218115
OCCUPANT
3840 FLORAL CT
SANTA CRUZ CA 95062

03218204
OCCUPANT
23850 E CLIFF DR
SANTA CRUZ CA 95062

03218116
OCCUPANT
3848 FLORAL CT
SANTA CRUZ CA 95062

03232101
OCCUPANT
23911 E CLIFF DR
SANTA CRUZ CA 95062

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STRUCTURAL INSPECTION

*23905 E. Cliff Drive
Santa Cruz, CA 95060*

Prepared for:

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Prepared by:

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February 7, 2007

Inspection No. S07-799
Date of Inspection: *January 29, 2007*
Engineer: Willard Decker, P.E.

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(page 1 of 10 pages)

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SUMMARY

Both the main house and "carriage" house are in poor structural condition. This includes excessive differential settlement, out-of-level floors, excessive deflection of roof framing, and poor resistance to lateral forces both wind and seismic.

In addition to the poor structural condition both interior and exterior finishes are very deteriorated from both the weather and termites. Windows do not close properly and allow rain into the interior. Roof and siding leakage at the "carriage" house is chronic and severe.

There are safety deficiencies with both buildings. These include un-tempered glass within 18" of the floor, and within 24" of doors. Ceiling heights throughout the ground floor of the main house and in the attic bedroom are less than the 7' 6" allowed by the building code. Stairways are narrow with non-compliant landings and inadequate head clearance.

Restoring these buildings to livable, safe and code compliant condition will require removal of exterior finishes and roofing, replacement of roof framing, replacement of foundations and ground floor slabs, replacement of the main house ground floor wall framing, reconstruction of the main house back addition, replacement of windows and reconfiguration of stair to provide adequate headroom. It may not be possible using the main house attic bedroom as a habitable room without reconstruction of the roof and consequent change in the roofline.

In our opinion it would be less costly to construct new building with similar configuration, elevations, and exterior materials than to refinish buildings with numerous structural defects, extensive weather and insect damage to framing and finishes, and safety code violations.

INTRODUCTION

At your request, a structural inspection of the above property was performed on *January 29, 2007*. The report that follows has been prepared based on that inspection. This inspection was performed by and report written by Willard Decker, P.E.

This inspection and report does not include code compliance related to electrical, plumbing, heating, or ventilation systems, municipal regulatory compliance, subsurface investigation, or records research related to this building. This report focuses on the current structural condition of the buildings.

This inspection report is limited to observations made from visual evidence. No destructive or invasive testing was performed. The report is not to be considered a guarantee of condition and no warranty is implied. The purpose of this inspection and report is to evaluate the current condition of the structural system of this building and to determine what, if any, significant maintenance, repairs, and/or replacement to this system might be expected within the next few years.

For your reference while reading the report that follows, the following definitions may be helpful:

- Excellent* - Component or system is in "as new" condition requiring no rehabilitation and should perform in accordance with expected performance.
- Good* - Component or system is sound and performing its function, although it may show signs of normal wear and tear. Some minor rehabilitation work may be required.
- Fair* - Component or system falls into one or more of the following categories: a) Evidence of previous repairs not in compliance with commonly accepted practice, b) Workmanship not in compliance with commonly accepted standards, c) Component or system is obsolete, d) Component or system approaching end of expected performance. Repair or replacement is required to prevent further deterioration or to prolong expected life.
- Poor* - Component or system has either failed or cannot be relied upon to continue performing its original function as a result of having exceeded its expected performance, excessive deferred maintenance, or state of disrepair. Present condition could contribute to or cause the deterioration of other adjoining elements or systems. Repair or replacement is required.

All ratings are determined by comparison to other buildings of similar age and construction type. Further, some details of workmanship and materials will be examined more closely in higher quality homes where such details of workmanship and materials typically become more relevant.

As Professional Engineers, it is our responsibility to evaluate available evidence relevant to the major systems in this building. We are not, however, responsible for conditions that could not be seen or were not within the scope of our service at the time of the inspection. This inspection and report have been conducted in compliance with the standards of practice of the National Academy of Building Inspection Engineers.

DESCRIPTION

The main house and "carriage" house were constructed in 1902. The property was originally developed as a vacation destination. The "carriage" house appears to originally been used as vehicle (buggy) and feed storage.

The main house is roughly rectangular in shape with three habitable levels. Since originally constructed there have been interior partitions added in the ground floor level along with a bathroom. A second floor addition at the back of the kitchen has been added along with a second floor deck. The second floor front deck of the main house is a relatively recent apparent replacement of an earlier wood deck.

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The "carriage" house ground floor is currently used for storage. A narrow stairway leads up to a second floor apartment that is unfinished and un-insulated.

Both the main house and "carriage" house have wood shingles and roofing.

STANDARD OF REFERENCE

For purposes of this report, all directions (left, right, rear, etc.) are taken from the viewpoint of an observer standing in front of the building and facing it.

INTENDED QUALITY

Common criteria used for evaluating the intended quality are as follows:

- Economy* Mass-produced from stock plans. Material and workmanship satisfy minimum building codes requirements. Low cost construction dominates distinctive features.
- Average* Simple design and built from standard designer plans. Materials and workmanship are average but often exceed minimum building code requirements. Often there are special features that provide distinctive characteristics for the home.
- Custom* Usually built from designer's plans that were modified to give the building a distinction of design. Materials and workmanship are generally above average with attention to construction details. Construction normally exceeds building code requirements.
- Luxury* Built from an architect's plan. The building is unique in design and workmanship with many special features and usually exceeds all building code requirements.

Based on our understanding of this home as compared to other homes of similar age, we would judge this home to be in the **average** category.

STRUCTURAL

Both the main house and "carriage" house are wood framed structures over perimeter concrete foundations. Both buildings have concrete slabs at the ground floor level and wood framed upper floors. Visible floor framing is a mix of both 2x8, and 2x10's at 24" on center with 1x6 board sub-floor sheathing installed perpendicular to joists.

The second floor of the main house is supported by two rows of 4x6 girders spanning front-to-back over wood posts. The posts are supported over the original concrete slab. Except for the storage area at the back, left corner the girders in the main house have been incorporated into the interior partition walls and are mostly obscured from direct observation. The upper floor of the "carriage" house is supported by a single girder oriented left-to-right over wood posts over the concrete slab.

Roof framing for both buildings is a 2x4 rafter at 24" on-center in the main house and 30" on-center in the "carriage" house. Both buildings have 1x6 "skip" sheathing supporting shingle roofing.

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Walls are framed with 2x4 studs spaced at 16" on-center in the main house and 30" on-center at the upper floor of the "carriage" house. The walls are sheathed with 1x6 boards installed horizontally and spaced at 9" on-center. Blocking installed diagonally between studs serves as bracing. The perimeter "rim" joist functions as a top plate at the ground floors.

The following lists findings related to the structure, finishes, and safety issues:

1. Foundations:

- a. Both buildings are supported over a perimeter concrete foundation that is mostly hidden from direct observation by interior finishes, exterior siding, soil, and foliage. At the main house there does not appear to have been excessive settlement of the perimeter foundation. However, the second floor level is considerably uneven with floor slopes in excess of 2% ($\frac{1}{4}$ " vertical differential within a 12" horizontal distance.) These uneven floors appear to be the result of excessive settlement of footings under interior floor support posts in the front, left quadrant of the main house.

Settlement of the interior footings is also one of the likely, (but not the only) causes of out-of-plumb exterior and interior walls. Settlement of the interior footings versus the perimeter has pulled the second floor framing downward and consequently pulled the perimeter walls inward. Many of the interior and exterior walls are out-of-plumb by more than $\frac{1}{2}$ " horizontal offset within a 48" vertical distance.

Interior wall and ceiling finishes at the left side of the second floor level of the main house have diagonal cracks as a result of the building settlement.

There has been excessive settlement of footings supporting posts under the back of the main house back addition. The upper floor of the addition slopes to the back at almost 3%. Window and door openings at the left and right ends of the addition are visibly out-of-square.

- b. At present the exterior "grade" (ground surface) around the main house is level with the top of the new interior concrete slab. The top of the original foundation, and therefore the base of the wood wall framing, is approximately 4" below the surrounding exterior ground surface. This places the base of the wall framing at a high risk of rot damage and termite infestation. While there are very few areas where the base of the wall framing can be directly observed it should be assumed that there is considerable damage to the wall base plates.
- c. The perimeter foundation of the "carriage" house has settled considerably compared to the footings supporting interior floor support posts. The upper floor slopes in all directions away from the center of the floor toward the perimeter walls by almost 2%. The concrete slab at the ground floor of the "carriage" house also slopes to the left and right and contains cracks up to $\frac{1}{2}$ " in width.

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- d. The original slab of the main house is visible only at the back, left storage area. This slab is very deteriorated with a rough, spalled top surface. This may have been caused by deterioration of the concrete due to minerals in moisture infiltrating up through the slab. The ground floor living area of the main house has been covered by a newer 4" concrete slab over 2" of sand. It is likely that the sand was placed under the newer slab as a moisture barrier in recognition of moisture problems with the original slab.
- e. What appears to be a newer foundation stem wall around the back and right side of the main house is actually a concrete veneer installed at the exterior side of the original foundation and wood wall framing. There is no physical means of preventing water infiltration into the joint between the concrete veneer and the wall framing.

2. Wall Framing:

- a. Top Plates: The ground level floors have been framed with the top end of the studs nailed to a single 2x8 "rim" joist. As a result there is no overlap of the top plates at joints. Continuity is apparently provided by the overlap of the "rim" joists, floor sheathing, and second floor wall base plates. A single top plate has been used at the top floor wall of the "carriage" house. It is presumed that the upper floor of the main house was similarly constructed. Again there is no splice at the top plates.
- b. Base Plates: Rot damage was observed at a base plate at the back door opening to the main house storage area. Base plates are not bolted to foundations at either the main house or "carriage" house.

The base of an interior partition wall over the original main house slab at the back, left corner is extremely rotted. This extensive rot may have been caused by a combination of moisture infiltration through the slab or by minor flooding of this area that is lower than the surrounding exterior "grade".

- c. Headers: Windows and doors have generally been framed without headers on trimmer studs. Openings have been framed with a 2x4 nailed into the side of a single stud at each side of the openings.

3. Floor Framing:

- a. Post-Beam Connections: Posts are connected to floor girders using nails diagonally through the posts or girders into the adjoining member.
- b. Beam Bearing Area: At a girder joint over a post in the back, left storage room of the main house there is inadequate support for the end of a girder where it bears on the post. The girder has not fallen apparently because of a post under the center of the beam.

- c. Joists: At the second floor of the main house the floor joists span left-to-right across the two girder spans. The center joists are 2x10 while the outer joists are 2x8. The 2x8 joists do not bear directly on the girders or on shims. These joists have been nailed into the side of the larger 2x10 joists leaving the perimeter floors supported by nails rather than bottom bearing on a support.
 - d. Stair Support: Framing under the bottom landing of the main house stairs to the second floor is severely damaged by rot. There is inadequate clearance between soil and the wood framing.
4. Roof Framing:
- a. Rafters: 2x4 rafters over the main house have visible severe sagging at dormer hips. Sagging of the corners eaves is also visible at the back, right corner of the main house, and at the front below the attic front window.

Several rafters in the right side of the "carriage" house have been spliced with short boards.
 - b. Walls: The roof over the "carriage" house has been framed with hip boards at each corner and three "collar ties". These ties have not been adequate to prevent the tops of the second floor walls from being pushed outward by the rafters. The outer walls the second floor have been pushed out as much as 2" by the lateral forces on the rafters.
5. Exterior Finishes:
- a. Windows: Windows in both buildings have visible water leaks around the frames. At the right side of the main house there is a visible ½" to 1" gap between the top of the window and framing or siding. There is extensive water damage to interior finishes below these right side windows.
 - b. Siding & Roofing: Wood shingle siding is very deteriorated with weathering, rot and termite damage evident in many areas. The siding was originally installed directly over sheathing without building paper. At the "carriage" house building paper has been installed at the interior side of the sheathing in an attempt to limit leakage.

In spite of the rolled roofing installed over the shingles the "carriage" house roof has extensive and severe leakage into the second floor living area. Water stains are evident in many interior areas.

Water stains at the front interior walls at the ground floor of the main house indicate that there has been water infiltration into the interior across the front.
6. Safety:
- a. Stairs: Stairs to the main house attic bedroom are less than the 36" allowed by the building code. In addition, these stairs are missing handrail sections as are the "carriage" house stairs to the second floor living space.

- b. Railings: Railings at the back deck and stairs have baluster openings greater than the 4" opening allowed by the building code. The handrail at the main house stairs to the second floor is 29" above the nose of the stair tread and has a grip that is roughly 2x4. The back deck stair handrail grip is also a 2x4. Handrails are to be 34" to 38" above the tread nose.
- c. Landings: The stairs at the "carriage" house change direction at the top by a change in the tread alignment instead of at a landing. The tread length tapers to zero at the radius point of the turn. The building code requires that the minimum tread length be 6" at a change in stair alignment.
- d. Clearance at stairs: Headroom at the main house stairs to the second floor bedroom is 4' 10". Headroom at the lower end of the main house stairs to the second floor is 5' 10 1/2". Both of these are less than the 6' 8" allowed by the building code.
- e. Earthquake & Wind:
 - i. Lateral forces acting on the main house in the left-to-right direction are resisted by a gypsum sheathed diagonal wall at the front, interior partitions sheathed with vertical boards, and by a short section of the back exterior wall. Front-to-back lateral forces on the "carriage" house are resisted by short sections of wall between windows and door openings. These wall sections are too short to qualify as "braced" walls even if they were sheathed with plywood. Occupants report that both builds noticeably shake during windstorms. These are storms that are not nearly as severe as a "design" wind event of 70 mile per hour winds.
 - ii. Floor sheathing: Floors are sheathed with boards oriented perpendicular to the floor joists. This is not currently allowed in this seismic zone to resist earthquake forces.
 - iii. Wall Sheathing: Walls are sheathed with 1x6 boards installed horizontally at a 9" spacing. This is a very poor means of resisting lateral forces and is not allowed by the building code.
 - iv. Back deck: The back deck is very poorly connected to the main house, which is, relies on for lateral support. The deck sheathing is nailed into a 1x ledger board nailed into the main house framing. The use of nails in withdrawal to resist lateral forces is not allowed by the building code.
 - v. Top Plates: The lack of splicing and connections at the tops of the walls limits the ability of the framing to transfer lateral forces to load resisting elements of the structure.
- f. Windows: There are several areas where un-tempered glazing is located within 18" of the floor and within 24" of doors. These conditions exist along the front of the ground floor of the main house, at sidelights at a back ground floor door of the main house, and at second floor windows in the "carriage" house.

ATTACHMENT 9

23905 East Cliff Drive
Santa Cruz, CA 95060

- g. Ceiling clearance: Headroom clearance in the ground floor back, right bedroom of the main house is 6' 10". In the front living area the headroom clearance is 6' 6". The attic bedroom of the main house has a 7' 0" headroom clearance. The building code minimum ceiling height is 7' 6".

CONCLUSION

Both the main house and "carriage" house have suffered from long-term lack of maintenance, roof and wall leakage, moisture infiltration, poor construction of additions, improper clearance to soil, excessive differential settlement, and sagging of structural members. In addition, because of the age of these buildings there are numerous areas where they are no longer in compliance with current building code requirements especially related to safety issues such as tempered glass, headroom clearance, handrails, etc.

It is our opinion that restoring these buildings to livable, code compliant condition will be more costly than construction of new buildings of equal size, layout, and appearance.

Thank you for the opportunity to be of assistance to you.

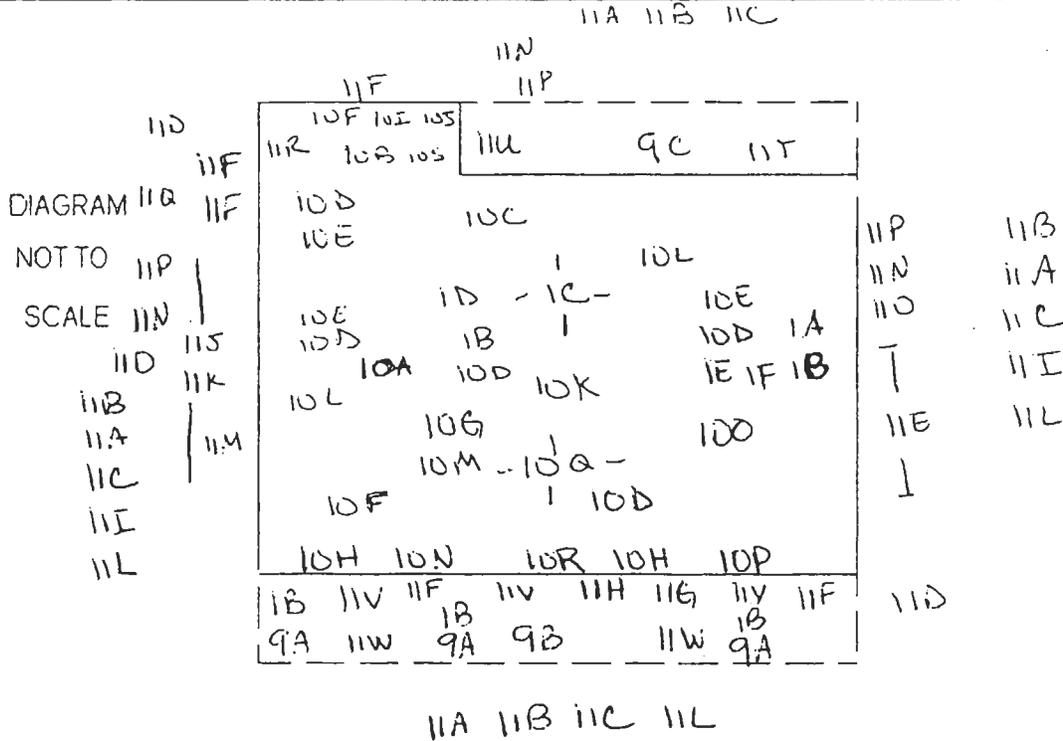
Sincerely,

Willard Decker, P.E.

WDD/jdd

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

BUILDING NO. 23905	STREET, CITY, STATE, ZIP CLIFF DRIVE E, SANTA CRUZ CA 95060	Date of Inspection 1/26/07	No. of Pages 14 <i>15</i>
ANTIQUE TERMITE, INC. 1913 Stone Avenue, San Jose, CA 95125 Ph: (408) 995-6300 (408) 995-0517 Fax			
Firm Registration No. PR 1187	Report No. 37137	Escrow No.	
Ordered By: LITA RUBEL 52 FAIRVIEW PLAZA LOS GATOS, CA 95030 354-4368	Property Owner/Party of Interest LELIA NASLUND C/O LITA RUBEL	Report Sent To:	
COMPLETE REPORT <input checked="" type="checkbox"/>	LIMITED REPORT <input type="checkbox"/>	SUPPLEMENTAL REPORT <input type="checkbox"/>	REINSPECTION REPORT <input type="checkbox"/>
General Description: MULTI LEVEL SINGLE FAMILY DWELLING, WOOD FRAME WITH WOOD SIDING		Inspection Tag Posted: SUBAREA	
		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 checked="" type="checkbox"/> Drywood Termites <input checked="" type="checkbox"/> Fungus/Dryrot <input checked="" type="checkbox"/> Other Findings <input checked="" type="checkbox"/> Further Inspection <input checked="" 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.			



Inspected by LUIS E. RODRIGUEZ License No. FR38503 Signature *[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 Ave., Ste. 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, or (800) 737-8188 or www.pestboard.ca.gov.

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AREAS NOT INSPECTED: The interior of hollow walls, areas beneath and behind built in cabinets were not inspected since inspection of these areas are considered impractical. We did not water test and do not certify against leakage of any appliances, plumbing over finished ceilings, roof coverings or decks. Such actions, were not performed, they are considered impractical without specific written authorization. Floors which are carpeted makes inspection of the flooring in these areas impractical. Soffitted (enclosed framing) areas of the structure, makes inspection of interior framing inaccessible for inspection. We make no guarantee against infestations, leaks or adverse conditions which may exist in such areas not inspected. Attached and/or detached fences were not inspected unless otherwise stated in the body of this report. Further inspection is recommended. Further inspection of any inaccessible area and/or area not inspected would be performed upon request at an additional charge (with written authorization). 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.

No furniture or appliances were moved or removed, limiting this inspection to the visible and accessible areas of the above structure shown on the diagram. No statements can be made regarding conditions in closed walls, floors beneath coverings, areas below or behind appliances and built-in cabinet work, stall showers over finished ceilings, such structural segments as porte cocheres, enclosed bay windows, buttresses and similar areas to which there is no access without defacing or tearing out lumber, masonry or finished work. Antique Termite & Pest Inc. does not inspect roofs. Should interested parties desire further representation regarding roof, interested parties should contact a licensed roof contractor. Antique Termite assumes no responsibility for leaks not evident during the time of this inspections. Our inspectors are not equipped with extension ladders, therefore all buildings will be inspected from the ground level only. All wood members above 10 from the ground level would be visually inspected only (no probing, etc). Further inspection of these inaccessible area(s) or area(s) not inspected is recommended and will be performed upon request and at an additional fee.

REINSPECTIONS: If requested by the person ordering this report, a reinspection of the structure will be performed. This company will reinspect repairs done by others within four (4) months of the date of the original inspection. A charge, if any, can be no greater than the original inspection fee for each reinspection. The reinspection must be done within ten (10) working days of request. The reinspection is a visual inspection and if inspection of concealed areas is desired, inspection of work in progress will be necessary. Any guarantees must be received from parties performing repairs. Antique Termite & Pest Inc. does not guarantee work performed by others. Reinspection fee is payable at the time of inspection.

GUARANTEES: On work (labor) performed by Antique Termite Inc. are for one (1) year from the date of completion. Guarantees for local chemical treatments are limited to wood members treated only. Fumigations are guaranteed for one year from the date of completion. Plumbing repairs (parts provided by this firm), linoleum (vinyl materials), toilet resets or any other measures for the control of moisture (caulkings and grouts etc.) are guaranteed for thirty (30) days. Antique Termite, Inc. assumes no responsibility for water damage if the shower enclosure is not installed immediately. The guarantee on showers and tub units is void if the area is used before 24 hours. If the shower fixtures do not fit the owner must contact other tradesman to have new fixtures installed. If necessary for floor installation, vanities are to be removed and replaced by others. Kitchens and laundry areas also must have appliances removed before installation. An additional fee of \$ 75.00 per appliance and or furniture will be charged for Antique Termite to remove and/or reinstall. We do not do painting, texturing, staining or wallpapering.

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

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THIS IS A SEPARATED REPORT WHICH IS DEFINED AS SECTION I, SECTION II AND UNKNOWN FURTHER INSPECTIONS CONDITIONS EVIDENT ON THE DATE OF INSPECTION.

SECTION I: Contains items where there is evidence of active infestations, infections, or conditions which have resulted in or from infestation or infection.

SECTION II: Are conditions deemed likely to lead to infestation or infection, but where there is no visible evidence of such found.

UNKNOWN FURTHER INSPECTION: 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.

WHILE PERFORMING TREATMENTS OR ANY CONSTRUCTION REPAIRS, ANTIQUE TERMITE INC. WILL NOT BE RESPONSIBLE OR LIABLE FOR ANY DAMAGE TO ELECTRICAL OR PLUMBING WHICH MAY BE CONCEALED IN WALLS OR BELOW SLABS. BUILDING PERMITS REGARDING REPAIRS WHICH A BUILDING PERMIT IS REQUIRED, IF IT IS FOUND THAT LOCAL BUILDING CODES REQUIRE ADDITIONAL REPAIRS TO BE PERFORMED, THESE ADDITIONAL REPAIRS WOULD BE AT THE OWNERS EXPENSE AND SAME WOULD BE OUTLINED A SUPPLEMENTAL REPORT.

TILE OR LINOLEUM SELECTIONS: Bids which are given in report for replacement of ceramic tile or linoleum are based on using standard grade material. Ceramic tile bids are based on standard-square 4 tiles at a cost of \$2.78 per square foot for shower walls or tub shower walls. Ceramic floor tile bids are based on 8x8 tiles at \$2.75 per square foot. Tile selections can be made at Dal-Tile, 2549 Zanker Road, San Jose (408) 435-1566 Linoleum bids are based on using standard grade linoleum at \$.99 per square foot. Linoleum selections can be made at Anthony Interiors, 401 E Hedding Street, San Jose (408) 292-3737 or standard grade selections can be viewed at web site A14FLOORS.NET. Tile and/or linoleum selections must be made at least 5 days prior to scheduled repairs. Any upgrades, must be paid by client at the time of selection. If NO selection is made prior to repairs, standard/neutral color tile or sheet vinyl will be installed.

MOLD POLICY STATEMENT: Molds, sometimes called mildew, are not wood destroying organisms. Branch 3 licensees do not have a duty under the Structural Pest Control Act and related regulations to classify molds as harmful to human health or not harmful to human health. This does not modify the Structural Pest Control Act or related regulations.

SUB STRUCTURE AREA:

Addendum to Contract Due to recent changes in the law, we are required to give you the following notice. Our inspection report contains a recommendation for lethal gas fumigation. This company subcontracts lethal gas fumigation to Cost Less Fumigation Inc. (408) 918-9100. Notice The charge for service that this company subcontracts to another registered company may include the companys charges for arranging and administering such services that are in addition to the direct costs associated with paying the subcontractor. You may accept Antique Termite Inc's bid or you may contract directly with another registered company. Antique Termite Inc. will not be responsible for any act or omission in the performance of work that you directly contract with another to perform. By signing the attached contract, you authorize Antique Termite Inc. to subcontract this fumigation to a registered fumigation company.

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1. SUB STRUCTURE AREA:

- ITEM 1A FINDING: Evidence of infestation by drywood termites was noted at the basement , interior and exterior. These infestations appear to extend into inaccessible areas.

RECOMMENDATION: Seal up and fumigate the entire structure with a lethal gas (VIKANE AND CHLOROPICRIN) for the control of drywood termites in all areas of the structure. Remove the seals for reoccupancy. NOTE Antique Termite is not liable for any damage which may occur to roof or plant life during fumigation. Fumigation cannot begin during inclement weather. In the case of rain or strong winds the job may be postponed to a later date. Additional information will be shown on the Occupants Fumigation Notice which must be signed and returned to the fumigation department before the fumigation date. Structure must be vacated for two nights (one night to fumigate,one night to allow for proper ventilation.) All preparation work to get structure ready for fumigation is owner/occupants responsibility. Should owner desire a fumigation prep company to do the necessary prep-work, they should contact Fumigation Department-there is a cost for this service, which will be in addition to price for fumigation.

***** This is a Section 1 Item ***** BID ON REQ

- ITEM 1B FINDING: Evidence of infestation by drywood termites was noted in item #1A (fecal pellets).

RECOMMENDATION: In compliance with the Structural Pest Control Board, remove or mask over all accessible drywood termite evidence (pellets) upon completion of treatments.

***** This is a Section 1 Item ***** \$ 350.00

- ITEM 1C FINDING: Portions of the basement were inaccessible for inspection due to storage.

RECOMMENDATION: Further inspeciton is recommended after others remove the storage. If requested we will return to the property, perform a further inspection and issue a supplemental report outlining findings, recommendations, and any additional cost.

***** Unknown Further Inspection Recommended ***** \$ 175.00

- ITEM 1D FINDING: Fungus damage was noted to the framing at the wall. The extent of the damage is unknown at this time.

RECOMMENDATION: Remove sheetrock to determine the extent of daamage, at that time we will issue a supplemental report outlining findings, recommendations, and any additional cost. NOTE: At this time this bid is for opening the sheetrock and perform a further inspection only.

***** This is a Section 1 Item ***** \$ 395.00

- ITEM 1E FINDING: A leak was noted at the 4" cast iron pipe in the subarea.

RECOMMENDATION: Owner is advised to contact a licensed plumber to survey and repair as needed.

***** This is a Section 2 Item ***** OTHERS

- ITEM 1F FINDING: The hot water heater was noted to be leaking at the time of this inspection.

RECOMMENDATION: Other trades to remove and replace the hot water heater.

***** This is a Section 2 Item ***** OTHERS

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9. DECKS-PATIOS:

- ITEM 9A FINDING: Evidence of Drywood Termites were noted at exterior.
- RECOMMENDATION: See recommendation in item # 1A above regarding fumigation of entire structure.
 ***** This is a Section 1 Item ***** SEE #1A
- ITEM 9B FINDING: Fungus damage, drywood termite damage and dampwood termite damage was noted to various wood members at the front deck.
- RECOMMENDATION: Owner is advised to contact a licensed deck contractor to re-construct the deck bringing the deck up to city and/or county codes.
 ***** This is a Section 1 Item ***** OTHERS
- ITEM 9C FINDING: Fungus damage was noted to the stair jack and various wood members at the rear deck.
- RECOMMENDATION: Owner is advised to contact a licensed deck contractor to re-construct the deck, bring it up to city and/or county codes.
 ***** This is a Section 1 Item ***** OTHERS

OTHER-INTERIORS:

- ITEM 10A FINDING: Fungus damage and drywood termite damage was noted to the wall plate and trim at the plastic shower.
- RECOMMENDATION: Remove the plastic three wall shower. Remove and replace the the fungus damaged and drywood termite damaged wood members with new materials, and re-install the plastic shower unit.
 ***** This is a Section 1 Item ***** BID ON REQ
- ITEM 10B FINDING: Fungus damage was noted to the linoleum floor and subfloor in the dinning room.
- RECOMMENDATION: Remove the linoleum floor and underlayment. Remove and replace the damaged subfloor with new materials., Install new standard grade linoleum floor and underlayment.
 ***** This is a Section 1 Item ***** BID ON REQ
- NOTE: If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.
- ITEM 10C FINDING: Water stains were noted to the ceiling at the base of the stair case.
- RECOMMENDATION: Further inspection is recommended by opening a 2' section of sheetrock. If requested we will return to the property, perform the further inspection and issue a supplemental report outlining findings, recommendations, and any additional cost. If no damage is found we will install new sheetrock where removed applying one coat of tape and mud only, with other trades to paint. NOTE: This bid is for openong the sheetrock and performing the further inspection only.
 ***** Unknown: Further Inspection Recommended ***** \$ 350.00

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10. OTHER-INTERIORS:

ITEM 10D FINDING: Evidence of infestation by drywood termites was noted at the area indicated on the diagram. These infestations appear to extend into inaccessible areas.

RECOMMENDATION: Seal up and fumigate the entire structure with a lethal gas (VIKANE AND CHLOROPICRIN) for the control of drywood termites in all areas of the structure. Remove the seals for reoccupancy. NOTE Antique Termite is not liable for any damage which may occur to roof or plant life during fumigation. Fumigation cannot begin during inclement weather. In the case of rain or strong winds the job may be postponed to a later date. Additional information will be shown on the Occupants Fumigation Notice which must be signed and returned to the fumigation department before the fumigation date. Structure must be vacated for two nights (one night to fumigate, one night to allow for proper ventilation.) All preparation work to get structure ready for fumigation is owner/occupants responsibility. Should owner desire a fumigation prep company to do the necessary prep-work, they should contact Fumigation Department-there is a cost for this service, which will be in addition to price for fumigation.

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

SEE #1A

ITEM 10E FINDING: Evidence of infestation by drywood termites was noted in item #10D (fecal pellets).

RECOMMENDATION: In compliance with the Structural Pest Control Board, remove or mask over all accessible drywood termite evidence (pellets) upon completion of treatments.

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

SEE #1B

ITEM 10F FINDING: Dampwood swarmers were noted at the window at the area indicated on the diagram. No active infestation was noted at this time.

RECOMMENDATION: Owner is advised to schedule periodic inspections for dampwood termites.

***** Unknown Further Inspection Recommended *****

\$ 175.00

ITEM 10G FINDING: Drywood termite damage was noted to the hardwood T&G ceiling at the area indicated on the diagram.

RECOMMENDATION: Remove and replace the drywood termite damaged sections with new materials. Other trades to paint or stain as needed.

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

BID ON REQ.

ITEM 10H FINDING: Fungus damage was noted to wood framed window at the areas indicated on the diagram.

RECOMMENDATION: Owner is advised to contact the appropriate licensed tradesperson to remove and repalce the damaged window frames.

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

OTHERS

ITEM 10I FINDING: Fungus damage was noted to the wood paneling at teh ceiling of the kitchen/ dining room area.

RECOMMENDATION: Remove and replace with new materials. Other trades to paint.

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

BID ON REQ

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10. OTHER-INTERIORS:

ITEM 10J FINDING: In conjunction with the item above, it appears that fungus damage to the paneling was caused by a roof leak.

RECOMMENDATION: Owner is advised to contact a licensed roofer to survey and make any recommendations, repairs and/or corrections as needed.

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

OTHERS

ITEM 10K FINDING: Water stains was noted to the sheetrock around the fire place.

RECOMMENDATION: Further inspection is recommended by opening a 2ft x 2ft section of sheetrock to allow further inspection. At the request of interested parties we will return to the property, perform the further inspection, at that time we will issue a supplemental report outlining findings, recommendations, and any additional cost. If no damage is found we will install new sheetrock where removed applying one coat of tape and mud only, with other trades to paint. NOTE: This bid is for performing the further inspection only.

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

\$ 350.00

ITEM 10L NOTE: We noted other trades to have performed repairs to the sheetrock at the areas indicated on the diagram. Antique Termite does not guarantee repairs performed by others. Guarantees should be obtained from person or firm which performed the actual repairs.

***** Information Item *****

NOTE

ITEM 10M FINDING: Fungus damage was noted to the hardwood flooring at the tub and toilet of the upstairs hall bathroom.

RECOMMENDATION: Remove the claw foot tub, toilet. Remove and replace the hardwood floor with new materials. Upon completion of wood repairs we will reset the existing claw foot tub and toilet set on a new wax seal.

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

BID ON REQ

NOTE: If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.

ITEM 10N FINDING: Fungus damage was noted to the sheetrock below the window at the area indicated on the diagram. The extent of the damage is unknown at this time.

RECOMMENDATION: Remove the fungus damaged sheetrock below the window at that time we will perform a further inspection to the adjacent framing. At that time we will issue a supplemental report outlining findings, recommendations, and any additional cost. If no damage is found we will replace the sheetrock where removed applying one coat of tape and mud only, with other trades to paint. NOTE: If the wall is plastered a supplemental report will be issued outlining additional cost.

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

\$ 410.00

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10. OTHER-INTERIORS:

ITEM 100 FINDING: Drywood termite damage was noted to the hardwood flooring at the area indicated on the diagram.

RECOMMENDATION: Owner is advised to contact a licensed hardwood flooring contractor to remove and replace with new materials.

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

OTHERS

ITEM 10P FINDING: Drywood termite damage was noted to the window sill at the area indicated on the diagram.

RECOMMENDATION: Remove and replace with new materials. Other trades to paint.

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

BID ON REQ

NOTE: If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.

ITEM 10Q FINDING: Water stains were noted to the wood paneling on the ceiling of the first floor. The cause of the water stains cannot be determined at the time of this inspection.

RECOMMENDATION: Other trades to survey and perform any and all necessary repairs to correct this condition.

***** This is a Section 2 Item *****

OTHERS

ITEM 10R FINDING: Surface fungus infections were noted at the plywood at the base of the windows at the front door.

RECOMMENDATION: Scrape and/or wire brush all surface infected wood members and treat with a registered fungicide. Chemical to be used: Tim-bor active ingredient: Disodium Octaborate Tetrahydrate.

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

\$ 225.00

ITEM 10S FINDING: Drywood termite damage was noted to the bottom rail at the stair case at the area indicated on the diagram.

RECOMEMNDATION: Other trades to remove and replace the drywood termite damaged sections with new materials.

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

OTHERS

OTHER-EXTERIORS:

ITEM 11A FINDING: Evidence of Drywood Termites were noted at the exterior shingle style siding .

RECOMMENDATION: See recommendation in item # 1A above regarding fumigation of entire structure.

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

SEE #1A

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11. OTHER-EXTERIORS:

ITEM 11B FINDING: Drywood termite damage was noted to the shingle style siding around the entire structure.

RECOMMENDATION: Remove and replace the drywood termite damaged sections with new materials. Other trades to paint.

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

T&M

NOTE: This item is based on time and material which is based at \$105.00 per man per hour plus cost of materials plus 10%.

NOTE: If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.

ITEM 11C FINDING: The second story eaves, trim and siding were visually inspected from the ground level only. These areas are considered inaccessible for physical inspection due to the height involved. Interested parties should be aware that Antique Termite and Pest, Inc. assumes no responsibility for any inaccessible areas.

RECOMMENDATION: Further inspection is recommended. Return to the property with a tall extension ladder and/or extension pole. At that time we would perform further inspection and issue a supplemental report on any findings.

***** Unknown Further Inspection Recommended *****

\$ 310.00

ITEM 11D FINDING: Surface fungus infections were noted at the second story eaves at the area indicated on the diagram. This was seen from the ground level only.

RECOMMENDATION: Scrape and/or wire brush all surface infected wood members and treat with a registered fungicide. Chemical to be used: Tim-bor active ingredient: Disodium Octaborate Tetrahydrate.

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

\$ 510.00

ITEM 11E FINDING: Portions of the exterior are inaccessible for inspection due to plant growth.

RECOMMENDATION: Further inspection recommended. The owner is advised to trim back the plant growth. At that time, upon request we would perform further inspection and issue a supplemental report on any findings.

***** Unknown Further Inspection Recommended *****

\$ 175.00

ITEM 11F FINDING: Fungus damage was noted to the wood framed windows at the area indicated on the diagram.

RECOMMENDATION: Other trades to remove and replace the damaged wood framed windows with new materials.

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

OTHERS

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11. OTHER-EXTERIORS:

- ITEM 11G FINDING: Fungus damage was noted to the front door.
- RECOMMENDATION: Remove and replace with a new door that is like as in quality and design. We will reuse the existing hardware if possible. Other trades to paint.
 ***** This is a Section 1 Item ***** BID ON REQ
- ITEM 11H FINDING: A dead dampwood swarmer was noted at the exterior front door. No activity of infestation was noted at this time.
- RECOMMENDATION: Owner is to schedule periodic checks for dampwood termites.
 ***** Unknown Further Inspection Recommended ***** \$ 175.00
- ITEM 11I FINDING: Deteriorated paint was noted at the exterior.
- RECOMMENDATION: Engage the services of a licensed painting contractor for repairs.
 ***** This is a Section 2 Item ***** OTHERS
- ITEM 11J FINDING: Fungus damage was noted to the shingle style siding due to earth contact at the area indicated on the diagram.
- RECOMMENDATION: Remove and replace the fungus damaged siding with new materials.
 ***** This is a Section 1 Item ***** T&M
- NOTE: This item is based on time and material which is based at \$105.00 per man per hour plus cost of materials plus 10%.**
- NOTE: If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.
- ITEM 11K FINDING: In conjunction with the item above earth contact has contributed to the fungus damaged shingle style siding at the area indicated on the diagram.
- RECOMMENDATION: Other trades to lower the soil to eliminate the earth contact condition.
 ***** This is a Section 1 Item ***** OTHERS
- ITEM 11L FINDING: Water stains were noted to the eaves around the entire structure.
- RECOMMENDATION: Owner is advised to contact a licensed roofer to survey and repair as needed.
 ***** This is a Section 2 Item ***** OTHERS
- ITEM 11M FINDING: Fungus damage was noted to the side door.
- RECOMMENDATION: Remove and replace with a new door and jamb that is like as in quality and design. Other trades to paint.
 ***** This is a Section 1 Item ***** BID ON REQ

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11. OTHER-EXTERIORS:

ITEM 11N FINDING: Fungus damage was noted to the eaves at the area indicated on the diagram as seen from the ground level only.

RECOMMENDATION: Remove the roof covering and remove and replace the damaged roof eaves with new materials.

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

BID ON REQ

NOTE: If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.

ITEM 11O FINDING Roof coverings will be removed or disturbed in conjunction with repairs for wood destroying organism damage as outlined in item #11N.

RECOMMENDATION Upon completion of wood repairs as outlined above, owner to contact a licensed roofing contractor to inspect, repair and guarantee the water tight condition of the entire roof covering. Note Interested parties should be aware that Antique Termite & Pest Inc. will not be responsible for any roof leaks and assumes no liability against future damage which may occur in the event that roof coverings are not re-installed in this area. Note If gutters need to be removed in order to facilitate repairs, owner to have other trades reinstall, repair or install new gutters upon completion of wood repairs.

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

OTHERS

ITEM 11P FINDING: Drywood termite damage and fungus damage was noted to the roof eaves as seen from the ground level only.

RECOMMENDATION: Remove the roof coverings, remove and replace the drywood termite damaged, and fungus damaged eaves with new materials.

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

BID ON REQ

NOTE: If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.

ITEM 11Q FINDING: Drywood termite damage was noted to the custom rafter tails at the area indicated on the diagram. This was seen from the ground level only.

RECOMMENDATION: Cut out the damaged section and replace with new materials. We will match the new materials as close as possible with the existing.

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

BID ON REQ

ITEM 11R FINDING: Fungus damage was noted to the 2x4 support post in the laundry room.

RECOMMENDATION: Remove and replace the damage with new materials.

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

BI DON REQ

PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

23905	CLIFF DRIVE E, SANTA CRUZ CA 95060	1/26/07	37137
BUILDING NO.	STREET, CITY, STATE, ZIP	INSPECTION DATE	REPORT NO.

11. OTHER-EXTERIORS:

NOTE: If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.

ITEM 11S FINDING: Fungus damage was noted to the 1x10 sheathing at various areas in the living room.

RECOMMENDATION: Remove the shingle siding at this area with new materials, and remove and replace the fungus damaged sheathing.

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

BID ON REQ

ITEM 11T FINDING: Fungus damage was noted to the eaves at the area indicated on the diagram approx 10-12 ft.

RECOMMENDATION: Remove the roof coverings, and remove and replace the fungus damaged eaves with new materials.

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

BID ON REQ

NOTE: If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.

ITEM 11U FINDING: Fungus damage was noted to the door that the area indicated on the diagram.

RECOMMENDATION: Remove and replace with a door that is like as in quality and design.

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

BID ON REQ

ITEM 11V FINDING: Fungus damage was noted to the exterior window sill at the area indicated on the diagram.

RECOMMENDATION: Remove and replace with new materials.

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

BID ON REQ

NOTE: If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.

ITEM 11W FINDING: Fungus damage was noted to approx 12 custom rafter tails.

RECOMMENDATION: Remove and replace with new materials.

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

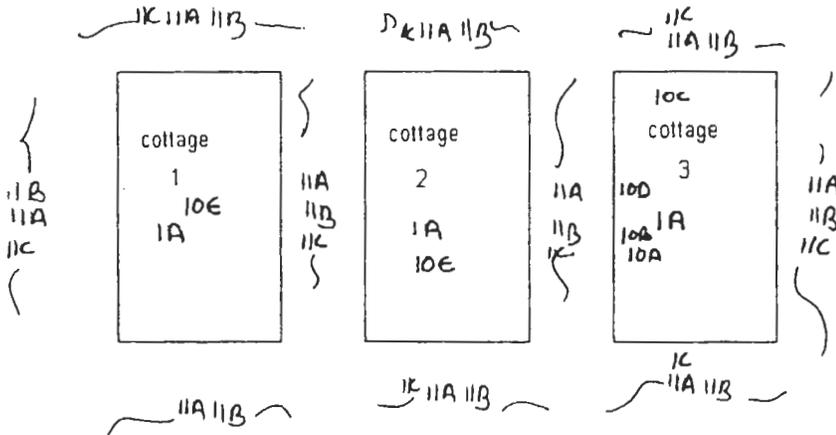
BID ON REQ

NOTE: If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

BUILDING NO. 23905	STREET, CITY, STATE, ZIP CLIFF DRIVE E, SANTA CRUZ CA 95060	Date of Inspection 1/26/07	No. of Pages 6/2
ANTIQUE TERMITE, INC. 1913 Stone Avenue, San Jose, CA 95125 Ph: (408) 995-6300 (408) 995-0517 Fax			
Firm Registration No. PR 1187	Report No. 37166	Escrow No.	
Ordered By LITA RUBEL 52 FAIRVIEW PLAZA LOS GATOS, CA 95030 354-4368	Property Owner/Party of Interest LELIA NASLUND C/O LITA RUBEL	Report Sent To:	
COMPLETE REPORT <input checked="" type="checkbox"/>	LIMITED REPORT <input type="checkbox"/>	SUPPLEMENTAL REPORT <input type="checkbox"/>	REINSPECTION REPORT <input type="checkbox"/>
General Description ONE STORY SINGLE FAMILY COTTAGE WOOD FRAME WITH WOOD SIDING.		Inspection Tag Posted:	
		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 checked="" type="checkbox"/> Other Findings <input checked="" type="checkbox"/> Further Inspection <input checked="" 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.			

DIAGRAM NOT TO SCALE



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(page 12 of 22 pages)

Inspected by LUIS E. RODRIGUEZ License No. FR38503 Signature [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 Ave., Ste. 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 (516) 561-8708, or (800) 737-8188 or www.pestboard.ca.gov. 43M-41 (Rev. 10/01)

Antique Termite & Pest Inc. 9

23905

CLIFF DRIVE E, SANTA CRUZ CA 95060

1/26/07

37166

BUILDING NO

STREET, CITY, STATE, ZIP

INSPECTION DATE

REPORT NO

AREAS NOT INSPECTED:The interior of hollow walls, areas beneath and behind built in cabinets were not inspected since inspection of these areas are considered impractical. We did not water test and do not certify against leakage of any appliances, plumbing over finished ceilings, roof coverings or decks. Such actions, were not performed, they are considered impractical without specific written authorization. Floors which are carpeted makes inspection of the flooring in these areas impractical. Soffitted (enclosed framing) areas of the structure, makes inspection of interior framing inaccessible for inspection. We make no guarantee against infestations, leaks or adverse conditions which may exist in such areas not inspected. Attached and/or detached fences were not inspected unless otherwise stated in the body of this report. Further inspection is recommended. Further inspection of any inaccessible area and/or area not inspected would be performed upon request at an additional charge (with written authorization). 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.

No furniture or appliances were moved or removed, limiting this inspection to the visible and accessible areas of the above structure shown on the diagram. No statements can be made regarding conditions in closed walls, floors beneath coverings, areas below or behind appliances and built-in cabinet work, stall showers over finished ceilings, such structural segments as porte cocheres, enclosed bay windows, buttresses and similar areas to which there is no access without defacing or tearing out lumber, masonry or finished work. Antique Termite & Pest Inc. does not inspect roofs. Should interested parties desire further representation regarding roof, interested parties should contact a licensed roof contractor. Antique Termite assumes no responsibility for leaks not evident during the time of this inspections. Our inspectors are not equipped with extension ladders, therefore all buildings will be inspected from the ground level only. All wood members above 10 from the ground level would be visually inspected only (no probing, etc). Further inspection of these inaccessible area(s) or area(s) not inspected is recommended and will be performed upon request and at an additional fee.

REINSPECTIONS: If requested by the person ordering this report, a reinspection of the structure will be performed. This company will reinspect repairs done by others within four (4) months of the date of the original inspection. A charge, if any, can be no greater that the original inspection fee for each reinspection. The reinspection must be done within ten (10) working days of request. The reinspection is a visual inspection and if inspection of concealed areas is desired, inspection of work in progress will be necessary. Any guarantees must be received from parties performing repairs. Antique Termite & Pest Inc. does not guarantee work performed by others. Reinspection fee is payable at the time of inspection.

GUARANTEES: On work (labor) performed by Antique Termite Inc. are for one (1) year from the date of completion. Guarantees for local chemical treatments are limited to wood members treated only. Fumigations are guaranteed for one year from the date of completion. Plumbing repairs (parts provided by this firm), linoleum (vinyl materials), toilet resets or any other measures for the control of moisture (caulkings and grouts etc.) are guaranteed for thirty (30) days. Antique Termite, Inc. assumes no responsibility for water damage if the shower enclosure is not installed immediately. The guarantee on showers and tub units is void if the area is used before 24 hours. If the shower fixtures do not fit the owner must contact other tradesman to have new fixtures installed. If necessary for floor installation, vanities are to be removed and replaced by others. Kitchens and laundry areas also must have appliances removed before installation. An additional fee of \$ 75.00 per appliance and or furniture will be charged for Antique Termite to remove and/or reinstall. We do not do painting, texturing, staining or wallpapering.

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

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(page 14 of 22 pages)

23905	CLIFF DRIVE E, SANTA CRUZ CA 95060	1/26/07	37166
BUILDING NO	STREET, CITY, STATE, ZIP	INSPECTION DATE	REPORT NO.

THIS IS A SEPARATED REPORT WHICH IS DEFINED AS SECTION I, SECTION II AND UNKNOWN FURTHER INSPECTIONS CONDITIONS EVIDENT ON THE DATE OF INSPECTION.

SECTION I: Contains items where there is evidence of active infestations, infections, or conditions which have resulted in or from infestation or infection.

SECTION II: Are conditions deemed likely to lead to infestation or infection, but where there is no visible evidence of such found.

UNKNOWN FURTHER INSPECTION: 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.

WHILE PERFORMING TREATMENTS OR ANY CONSTRUCTION REPAIRS, ANTIQUE TERMITE INC. WILL NOT BE RESPONSIBLE OR LIABLE FOR ANY DAMAGE TO ELECTRICAL OR PLUMBING WHICH MAY BE CONCEALED IN WALLS OR BELOW SLABS. BUILDING PERMITS REGARDING REPAIRS WHICH A BUILDING PERMIT IS REQUIRED, IF IT IS FOUND THAT LOCAL BUILDING CODES REQUIRE ADDITIONAL REPAIRS TO BE PERFORMED, THESE ADDITIONAL REPAIRS WOULD BE AT THE OWNERS EXPENSE AND SAME WOULD BE OUTLINED A SUPPLEMENTAL REPORT.

TILE OR LINOLEUM SELECTIONS: Bids which are given in report for replacement of ceramic tile or linoleum are based on using standard grade material. Ceramic tile bids are based on standard-square 4 tiles at a cost of \$2.78 per square foot for shower walls or tub shower walls. Ceramic floor tile bids are based on 8x8 tiles at \$2.75 per square foot. Tile selections can be made at Dal-Tile, 2549 Zanker Road, San Jose (408) 435-1566 Linoleum bids are based on using standard grade linoleum at \$.99 per square foot. Linoleum selections can be made at Anthony Interiors, 401 E Hedding Street, San Jose (408) 292-3737 or standard grade selections can be viewed at web site A14FLOORS.NET. Tile and/or linoleum selections must be made at least 5 days prior to scheduled repairs. Any upgrades, must be paid by client at the time of selection. If NO selection is made prior to repairs, standard/neutral color tile or sheet vinyl will be installed.

MOLD POLICY STATEMENT: Molds, sometimes called mildew, are not wood destroying organisms. Branch 3 licensees do not have a duty under the Structural Pest Control Act and related regulations to classify molds as harmful to human health or not harmful to human health. This does not modify the Structural Pest Control Act or related regulations.

SUB STRUCTURE AREA:

ITEM 1A NOTE: The dwelling is constructed over a concrete slab with finished walls on the interior and exterior which limits our inspection to the accessible areas. No representation can be made in regards to the absence or presence of infestations or infections in these inaccessible areas.
***** Information Item *****

NOTE

OTHER-INTERIORS:

Addendum to Contract Due to recent changes in the law, we are required to give you the following notice. Our inspection report contains a recommendation for lethal gas fumigation. This company subcontracts lethal gas fumigation to Cost Less Fumigation Inc. (408) 918-9100. Notice The charge for service that this company subcontracts to another registered company may include the companys charges for arranging and administering such services that are in addition to the direct costs associated with paying the subcontractor. You may accept Antique Termite Inc's bid or you may contract directly with another registered company. Antique Termite Inc. will not be responsible for any act or omission in the performance of work that you directly contract with another to perform. By signing the attached contract, you authorize Antique Termite Inc. to subcontract this fumigation to a registered fumigation company.

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23905	CLIFF DRIVE E, SANTA CRUZ CA 95060	1/26/07	37166
BUILDING NO	STREET, CITY, STATE, ZIP	INSPECTION DATE	REPORT NO.

10. OTHER-INTERIORS:

ITEM 10A FINDING: Evidence of infestation by drywood termites was noted at the interior of cottage #3. These infestations appear to extend into inaccessible areas.

RECOMMENDATION: Seal up and fumigate the entire structure with a lethal gas (VIKANE AND CHLOROPICRIN) for the control of drywood termites in all areas of the structure. Remove the seals for reoccupancy. NOTE Antique Termite is not liable for any damage which may occur to roof or plant life during fumigation. Fumigation cannot begin during inclement weather. In the case of rain or strong winds the job may be postponed to a later date. Additional information will be shown on the Occupants Fumigation Notice which must be signed and returned to the fumigation department before the fumigation date. Structure must be vacated for two nights (one night to fumigate, one night to allow for proper ventilation.) All preparation work to get structure ready for fumigation is owner/occupants responsibility. Should owner desire a fumigation prep company to do the necessary prep-work, they should contact Fumigation Department-there is a cost for this service, which will be in addition to price for fumigation.

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

BID ON REQ

ITEM 10B FINDING: Evidence of infestation by drywood termites was noted in item #10A (fecal pellets).

RECOMMENDATION: In compliance with the Structural Pest Control Board, remove or mask over all accessible drywood termite evidence (pellets) upon completion of treatments.

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

\$ 210.00

ITEM 10C FINDING: Water stains were noted to the skylight of cottage #3.

RECOMMENDATION: Other trades to survey and repair as needed.

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

OTHERS

ITEM 10D FINDING: Drywood termite damage was noted to the wood paneling at the areas indicated on the diagram.

RECOMMENDATION: Remove and replace the damaged paneling with new materials. We will match the new paneling as close as possible with the existing. Other trades to paint.

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

BID ON REQ

ITEM 10E FINDING: The interior of cottages #2 and #3 were not inspected at this time due to being locked and no keys were provided.

RECOMMENDATION: Further inspection is recommended after keys are provided. If requested we will return to the property, perform a further inspection and issue a supplemental report outlining findings, recommendations, and any additional cost.

***** Unknown Further Inspection Recommended *****

\$ 175.00

OTHER-EXTERIORS:

ITEM 11A FINDING: Fungus damage was noted to the rafter tails around the entire structure of cottages #1,2,3.

RECOMMENDATION: Remove the roof coverings, and remove and replace the eaves with new materials.

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

BID ON REQ

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23905	CLIFF DRIVE E, SANTA CRUZ CA 95060	1/26/07	37166
BUILDING NO	STREET, CITY, STATE, ZIP	INSPECTION DATE	REPORT NO.

11. OTHER-EXTERIORS:

ITEM 11B FINDING: Roof coverings will be removed or disturbed in conjunction with repairs for wood destroying organism damage as outlined in item #11A.

RECOMMENDATION: Upon completion of wood repairs as outlined above, owner to contact a licensed roofing contractor to inspect, repair and guarantee the water tight condition of the entire roof covering. Note Interested parties should be aware that Antique Termite & Pest Inc. will not be responsible for any roof leaks and assumes no liability against future damage which may occur in the event that roof coverings are not re-installed in this area. Note If gutters need to be removed in order to facilitate repairs, owner to have other trades reinstall, repair or install new gutters upon completion of wood repairs.

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

OTHERS

ITEM 11C FINDING: Water stains were noted to the eaves of cottages #1,2,3.

RECOMMENDATION: Owner is advised to contact a licensed roofer to survey and repair if needed.

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

OTHERS

Antique Termite, Inc. does not guarantee work performed by others. Such guarantees should be obtained from those performing the repairs. Antique Termite, Inc. only certifies the absence of infestation or infection in the visible and accessible areas. If it is found that others have concealed or hidden infestations or infections during the course of their repairs, it will be the responsibility of interested parties to pursue the responsible party. Antique Termite, Inc. does not inspect for or comment on workman like manor on repairs done by others. Interested parties must satisfy themselves with the proper permits and licenses and to the quality or appearance of work which is not completed by our company.

All repairs completed by others must be reinspected by Antique Termite before certification will be issued. The reinspection will only CERTIFY the absence of infestation of infection in the visible and accessible areas. Antique Termite does not guarantee work completed by others, nor does this firm make any statements concerning workmanship of those repairs. Workmanship is only determinable by those paying for or receiving those services. A reinspection of specific items on the report or of any other condition pertaining to this structure can be done at an additional cost of \$150.00 per trip. This reinspection must be performed within four (4) months of the Original Inspection Report. REINSPECTION FEE OF \$150.00 IS PAYABLE AT THE TIME OF INSPECTION.

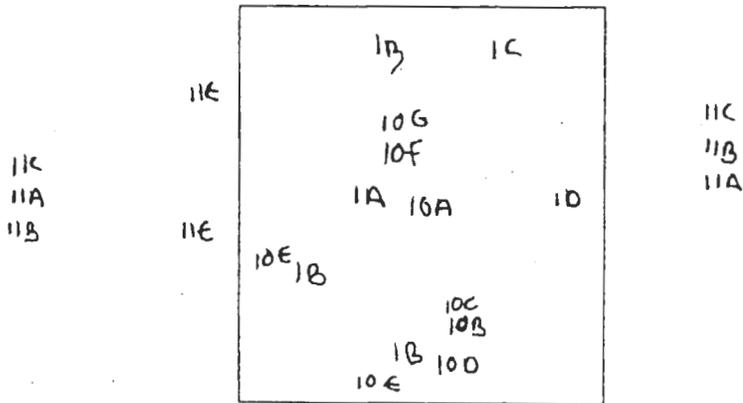
If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.

WOOD DESTROYING PESTS AND ORGANISMS INSPECTION REPORT

BUILDING NO 23905	STREET, CITY, STATE, ZIP CLIFF DRIVE E, SANTA CRUZ CA 95060	Date of Inspection 1/26/07	No. of Pages <i>SMC</i>
ANTIQUE TERMITE, INC. 1913 Stone Avenue, San Jose, CA 95125 Ph: (408) 995-6300 (408) 995-0517 Fax			
Firm Registration No. PR 1187	Report No. 37161	Escrow No.	
Ordered By: LITA RUBEL 52 FAIRVIEW PLAZA LOS GATOS, CA 95030 354-4368	Property Owner/Party of Interest LELIA NASLUND C/O LITA RUBEL	Report Sent To	
COMPLETE REPORT <input checked="" type="checkbox"/> LIMITED REPORT <input type="checkbox"/> SUPPLEMENTAL REPORT <input type="checkbox"/> REINSPECTION REPORT <input type="checkbox"/>			
General Description TWO STORY CONVERTED BARN, WOOD FRAME WITH WOOD SIDING.		Inspection Tag Posted:	
		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 checked="" type="checkbox"/> Other Findings <input checked="" type="checkbox"/> Further Inspection <input checked="" 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.			

DIAGRAM NOT TO SCALE

11A 11B 11C



11A 11B 11C

Inspected by LUIS E. RODRIGUEZ License No. FR38503 Signature *JR*

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 the Structural Pest Control Board, 1418 Howe Ave., Ste. 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 should be directed to the Structural Pest Control Board at (516) 561-8708, or (800) 737-8188 or www.pestboard.ca.gov.

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2nd

PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

23905	CLIFF DRIVE E, SANTA CRUZ CA 95060	1/26/07	37161
BUILDING NO.	STREET, CITY, STATE, ZIP	INSPECTION DATE	REPORT NO

AREAS NOT INSPECTED: The interior of hollow walls, areas beneath and behind built in cabinets were not inspected since inspection of these areas are considered impractical. We did not water test and do not certify against leakage of any appliances, plumbing over finished ceilings, roof coverings or decks. Such actions, were not performed, they are considered impractical without specific written authorization. Floors which are carpeted makes inspection of the flooring in these areas impractical. Soffitted (enclosed framing) areas of the structure, makes inspection of interior framing inaccessible for inspection. We make no guarantee against infestations, leaks or adverse conditions which may exist in such areas not inspected. Attached and/or detached fences were not inspected unless otherwise stated in the body of this report. Further inspection is recommended. Further inspection of any inaccessible area and/or area not inspected would be performed upon request at an additional charge (with written authorization). 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.

No furniture or appliances were moved or removed, limiting this inspection to the visible and accessible areas of the above structure shown on the diagram. No statements can be made regarding conditions in closed walls, floors beneath coverings, areas below or behind appliances and built-in cabinet work, stall showers over finished ceilings, such structural segments as porte cocheres, enclosed bay windows, buttresses and similar areas to which there is no access without defacing or tearing out lumber, masonry or finished work. Antique Termite & Pest Inc. does not inspect roofs. Should interested parties desire further representation regarding roof, interested parties should contact a licensed roof contractor. Antique Termite assumes no responsibility for leaks not evident during the time of this inspections. Our inspectors are not equipped with extension ladders, therefore all buildings will be inspected from the ground level only. All wood members above 10 from the ground level would be visually inspected only (no probing, etc). Further inspection of these inaccessible area(s) or area(s) not inspected is recommended and will be performed upon request and at an additional fee.

REINSPECTIONS: If requested by the person ordering this report, a reinspection of the structure will be performed. This company will reinspect repairs done by others within four (4) months of the date of the original inspection. A charge, if any, can be no greater than the original inspection fee for each reinspection. The reinspection must be done within ten (10) working days of request. The reinspection is a visual inspection and if inspection of concealed areas is desired, inspection of work in progress will be necessary. Any guarantees must be received from parties performing repairs. Antique Termite & Pest Inc. does not guarantee work performed by others. Reinspection fee is payable at the time of inspection.

GUARANTEES: On work (labor) performed by Antique Termite Inc. are for one (1) year from the date of completion. Guarantees for local chemical treatments are limited to wood members treated only. Fumigations are guaranteed for one year from the date of completion. Plumbing repairs (parts provided by this firm), linoleum (vinyl materials), toilet resets or any other measures for the control of moisture (caulkings and grouts etc.) are guaranteed for thirty (30) days. Antique Termite, Inc. assumes no responsibility for water damage if the shower enclosure is not installed immediately. The guarantee on showers and tub units is void if the area is used before 24 hours. If the shower fixtures do not fit the owner must contact other tradesman to have new fixtures installed. If necessary for floor installation, vanities are to be removed and replaced by others. Kitchens and laundry areas also must have appliances removed before installation. An additional fee of \$ 75.00 per appliance and or furniture will be charged for Antique Termite to remove and/or reinstall. We do not do painting, texturing, staining or wallpapering.

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

3rd

PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

23905 CLIFF DRIVE E, SANTA CRUZ CA 95060 1/26/07 37161
 BUILDING NO. STREET, CITY, STATE, ZIP INSPECTION DATE REPORT NO.

THIS IS A SEPARATED REPORT WHICH IS DEFINED AS SECTION I, SECTION II AND UNKNOWN FURTHER INSPECTIONS CONDITIONS EVIDENT ON THE DATE OF INSPECTION.

SECTION I: Contains items where there is evidence of active infestations, infections, or conditions which have resulted in or from infestation or infection.

SECTION II: Are conditions deemed likely to lead to infestation or infection, but where there is no visible evidence of such found.

UNKNOWN FURTHER INSPECTION: 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.

WHILE PERFORMING TREATMENTS OR ANY CONSTRUCTION REPAIRS, ANTIQUE TERMITE INC. WILL NOT BE RESPONSIBLE OR LIABLE FOR ANY DAMAGE TO ELECTRICAL OR PLUMBING WHICH MAY BE CONCEALED IN WALLS OR BELOW SLABS. BUILDING PERMITS REGARDING REPAIRS WHICH A BUILDING PERMIT IS REQUIRED, IF IT IS FOUND THAT LOCAL BUILDING CODES REQUIRE ADDITIONAL REPAIRS TO BE PERFORMED, THESE ADDITIONAL REPAIRS WOULD BE AT THE OWNERS EXPENSE AND SAME WOULD BE OUTLINED A SUPPLEMENTAL REPORT.

TILE OR LINOLEUM SELECTIONS: Bids which are given in report for replacement of ceramic tile or linoleum are based on using standard grade material. Ceramic tile bids are based on standard-square 4 tiles at a cost of \$2.78 per square foot for shower walls or tub shower walls. Ceramic floor tile bids are based on 8x8 tiles at \$2.75 per square foot. Tile selections can be made at Dal-Tile, 2549 Zanker Road, San Jose (408) 435-1566 Linoleum bids are based on using standard grade linoleum at \$.99 per square foot. Linoleum selections can be made at Anthony Interiors, 401 E Hedding Street, San Jose (408) 292-3737 or standard grade selections can be viewed at web site A14FLOORS.NET. Tile and/or linoleum selections must be made at least 5 days prior to scheduled repairs. Any upgrades, must be paid by client at the time of selection. If NO selection is made prior to repairs, standard/neutral color tile or sheet vinyl will be installed.

MOLD POLICY STATEMENT: Molds, sometimes called mildew, are not wood destroying organisms. Branch 3 licensees do not have a duty under the Structural Pest Control Act and related regulations to classify molds as harmful to human health or not harmful to human health. This does not modify the Structural Pest Control Act or related regulations.

SUB STRUCTURE AREA:

- ITEM 1A NOTE: This is an in-spection of the converted barn.
 ***** Information Item ***** NOTE

- ITEM 1B FINDING: Portion of the lower level was inaccessible for inspection due to storage.
 RECOMMENDATION: Other trades to remove the storage to allow for further inspection. If requested we will return to the property, perform a further inspection and issue a supplemental report outlining findings, recommendations, and any additional cost.
 ***** Unknown Further Inspection Recommended ***** \$ 175.00

- ITEM 1C FINDING: At the time of inspection one room of the lower level was noted to be locked at the time of inspection.
 RECOMMENDATION: Further inspection is recommended once keys are provided. If requested we will return to the property, perform a further inspection and issue a supplemental report outlining findings, recommendations, and any additional cost.
 ***** Unknown Further Inspection Recommended ***** \$ 175.00

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(page 20 of 23 pages)

4th

PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

23905	CLIFF DRIVE E, SANTA CRUZ CA 95060	1/26/07	37161
BUILDING NO	STREET, CITY, STATE, ZIP	INSPECTION DATE	REPORT NO

1. SUB STRUCTURE AREA:

ITEM 1D FINDING: Surface fungus infections were noted at the subfloor on the tub as seen from the basement/ lower level.

RECOMMENDATION: We will return to the property with an extension ladder, and scrape and/or wire brush all surface infected wood members and treat with a registered fungicide. Chemical to be used: Tim-bor active ingredient: Disodium Octaborate Tetrahydrate.

***** This is a Section 1 Item ***** \$ 325.00

OTHER-INTERIORS:

ITEM 10A FINDING: Water stains, and surface fungus, and light was seen shining through the roof coverings in converted barn.

RECOMMENDATION: Other trades to perform any and all necessary repairs to correct this condition.

***** This is a Section 1 Item ***** \$ 325.00

Addendum to Contract Due to recent changes in the law, we are required to give you the following notice. Our inspection report contains a recommendation for lethal gas fumigation. This company subcontracts lethal gas fumigation to Cost Less Fumigation Inc. (408) 918-9100. Notice The charge for service that this company subcontracts to another registered company may include the companys charges for arranging and administering such services that are in addition to the direct costs associated with paying the subcontractor. You may accept Antique Termite Inc's bid or you may contract directly with another registered company. Antique Termite Inc. will not be responsible for any act or omission in the performance of work that you directly contract with another to perform. By signing the attached contract, you authorize Antique Termite Inc. to subcontract this fumigation to a registered fumigation company.

ITEM 10B FINDING: Evidence of infestation by drywood termites was noted at the interior and exterior at the area indicated on the diagram. These infestations appear to extend into inaccessible areas.

RECOMMENDATION: Seal up and fumigate the entire structure with a lethal gas (VIKANE AND CHLOROPICRIN) for the control of drywood termites in all areas of the structure. Remove the seals for reoccupancy. NOTE Antique Termite is not liable for any damage which may occur to roof or plant life during fumigation. Fumigation cannot begin during inclement weather. In the case of rain or strong winds the job may be postponed to a later date. Additional information will be shown on the Occupants Fumigation Notice which must be signed and returned to the fumigation department before the fumigation date. Structure must be vacated for two nights (one night to fumigate, one night to allow for proper ventilation.) All preparation work to get structure ready for fumigation is owner/occupants responsibility. Should owner desire a fumigation prep company to do the necessary prep-work, they should contact Fumigation Department-there is a cost for this service, which will be in addition to price for fumigation.

***** This is a Section 1 Item ***** BID ON REQ

ITEM 10C FINDING: Evidence of infestation by drywood termites was noted in item #10B (fecal pellets).

RECOMMENDATION: In compliance with the Structural Pest Control Board, remove or mask over all accessible drywood termite evidence (pellets) upon completion of treatments.

***** This is a Section 1 Item ***** \$ 310.00

5th

PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

23905	CLIFF DRIVE E, SANTA CRUZ CA 95060	1/26/07	37161
BUILDING NO	STREET, CITY, STATE, ZIP	INSPECTION DATE	REPORT NO

10. OTHER-INTERIORS:

ITEM 10D FINDING: Drywood termite damage was noted to the 2x4 framing at the window at the area indicated on the diagram.

RECOMMENDATION: Remove and replace as necessary with materials.

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

BID ON REQ

NOTE: If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.

ITEM 10E FINDING: Drywood termite damage was noted to the window sill at the area indicated on the diagram.

RECOMMENDATION: Remove and replace with new materials. Other trades to paint.

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

\$ 510.00

NOTE: If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.

ITEM 10F FINDING: Fungus damage was noted to the shingles as seen from the upper level of the converted barn.

RECOMMENDATION: Other trades to remove and replace with new materials.

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

OTHERS

ITEM 10G FINDING: In conjunction with the item above, it appears a roof leak has caused damage to the shingles.

RECOMMENDATION: Owner is advised to contact a licensed roofer to survey and repair if needed.

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

OTHERS

OTHER-EXTERIORS:

ITEM 11A FINDING: Drywood termite damage, and fungus damage was noted to the rafter tails throughout the entire structure.

RECOMMENDATION: Other trades to remove and replace with new materials.

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

OTHERS

ITEM 11B FINDING: Evidence of Drywood Termites were noted at the exterior as indicated on the diagram.

RECOMMENDATION: See recommendation in item #10B above regarding fumigation of entire structure.

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

SEE #10B

CCC Exhibit 9
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6th

PAGE OF STANDARD INSPECTION REPORT ON PROPERTY AT:

23905	CLIFF DRIVE E, SANTA CRUZ CA 95060	1/26/07	37161
BUILDING NO	STREET, CITY, STATE, ZIP	INSPECTION DATE	REPORT NO

11. OTHER-EXTERIORS:

ITEM 11C FINDING: Drywood termite damage was noted to the shingle style siding and trim.

RECOMMENDATION: Remove and replace with new materials.

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

T&M

NOTE: This item is based on time and material which is based at \$105.00 per man per hour plus cost of materials plus 10%.

ITEM 11D FINDING: Drywood termite damage was noted to the wood framed windows.

RECOMMENDATION: Other trades to remove and replace with new materials.

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

OTHERS

ITEM 11E FINDING: Drywood termite damage was noted to the exterior window sills.

RECOMMENDATION: Other trades to remove and replace with new materials.

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

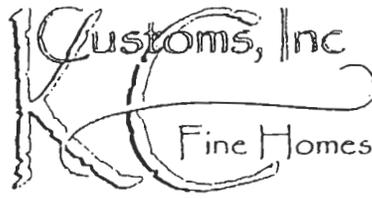
OTHERS

Antique Termite, Inc. does not guarantee work performed by others. Such guarantees should be obtained from those performing the repairs. Antique Termite, Inc. only certifies the absence of infestation or infection in the visible and accessible areas. If it is found that others have concealed or hidden infestations or infections during the course of their repairs, it will be the responsibility of interested parties to pursue the responsible party. Antique Termite, Inc. does not inspect for or comment on workman like manor on repairs done by others. Interested parties must satisfy themselves with the proper permits and licenses and to the quality or appearance of work which is not completed by our company.

All repairs completed by others must be reinspected by Antique Termite before certification will be issued. The reinspection will only CERTIFY the absence of infestation of infection in the visible and accessible areas. Antique Termite does not guarantee work completed by others, nor does this firm make any statements concerning workmanship of those repairs. Workmanship is only determinable by those paying for or receiving those services. A reinspection of specific items on the report or of any other condition pertaining to this structure can be done at an additional cost of \$150.00 per trip. This reinspection must be performed within four (4) months of the Original Inspection Report. REINSPECTION FEE OF \$150.00 IS PAYABLE AT THE TIME OF INSPECTION.

If it is found that during the course of repairs, damage and/ or infestation is found to extend into previously inaccessible areas, a supplemental report will be issued outlining findings and costs for any additional repairs or treatments. Antique Termite Inc. does not do any texturing, painting or wall papering.

CCC Exhibit 9
(page 22 of 23 pages)



1330 Dell Avenue, Suite C, Campbell, 95008
Office: 408-385-1914 - Facsimile: 408-385-1915 - Cellular: 408-568-4680
www.kccustomsinc.com

Project: 23905 E. Cliff Drive
Santa Cruz, Ca 95060

In our review of all structural and termite reports, physical inspection of the site, main house, carriage house, and three cottages. We propose to make all repairs and code compliance recommendations to restore the structures to there historic state is based on a time and material basis. In our opinion restoring these buildings to there original historic state and livable, safe and code compliance conditions would not be cost effective, and we recommend to construct new buildings with similar historic configurations, elevations and exterior materials. The proposal based on time and material would be billed at \$ 105.00 per hour per man with a crew of six men. The estimated time to complete this project would be 78 to 85 weeks. The total cost based on this proposal would be 1,965,600.00 to 2,150,100.00. If you have any questions please feel free to give me a call at 408-385-1914.

Thank you,
Kevin Capps.