



**CITY OF NEWPORT BEACH
ADMINISTRATIVE HEARING
STAFF REPORT**

April 16, 2026
Agenda Item No. 1

SUBJECT: Three-Year Construction Time Limit Extension in Accordance with Newport Beach Municipal Code (NBMC) 15.02.095 (Addition of Sections 105.3.3, 105.3.4 and 105.3.5), Section 105.3.4, Item 2

PERMITS: X2020-2292, U2026-0156

SITE LOCATION: 113 Grand Canal

APPLICANT: Joel Farkas

PROPERTY OWNER: 113 Grand Canal LLC

BUILDING INSPECTOR: David Reed, Building Inspector II

PREPARED BY: Tonee Thai, Chief Building Official - 949-718-1867, tthai@newportbeachca.gov

PROJECT SUMMARY

NEW 2,501 S.F. SINGLE-FAMILY DWELLING WITH ATTACHED 399 S.F. GARAGE, 536 S.F. DECK, PATIO COVER(S) 245/540 S.F.

BUILDING PERMIT HISTORY

This project first started with Permit X2020-2292 issued on April 8, 2022, with subsequent permits. Currently, referenced permits above are subject to Newport Beach Municipal Code 15.02.095 with initial three-year construction limit expiration date of April 8, 2025.

Permit U2026-0156 is an additional permit to construct a retaining wall and block fence. This permit was issued on March 6, 2026.

The first inspection was on March 28, 2023, for a Pre-Grading Meeting.

The last inspection was on March 19, 2026, for Final Plumbing.

Please refer to Attachment 1 for detailed permit history.

Notice of pending Three-Year Construction Limit expiration was sent on February 4, 2026.

Please refer to Attachment 2 for detailed notice activities.

BUILDING OFFICIAL EXTENSION

The chief building official granted an extension for a three-year construction time limit on March 7, 2025, and 2nd extension on August 25, 2025, with expiration date of April 6, 2026. (Attachment 3).

RECOMMENDATION

- 1) Conduct a public hearing;
- 2) Find this project exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15301 under Class 1 (Existing Facilities) of the CEQA Guidelines, because this project has no potential to have a significant effect on the environment;
- 3) The hearing officer may grant, or conditionally grant, up to a 180-calendar day extension, per application for extension, if the officer finds special circumstances warrant an extension of time, or the failure to meet the time limit was caused by circumstances beyond the property owner, applicant, or the contractor's control. If the officer makes the findings to grant an extension, then the officer shall consider whether conditions are necessary to ensure the timely completion of the project in a manner that limits impacts to the surrounding property owners. The hearing officer shall deny the application if they cannot make the findings set forth in Newport Beach Municipal Code Section 15.02.095 (Addition of Sections 105.3.3, 105.3.4, and 105.3.5).

PUBLIC NOTICE

Notice of this hearing was published in the Daily Pilot, mailed to all owners of property within 300 feet of the boundaries of the site (excluding intervening rights-of-way and waterways) including the applicant, and posted on the subject property at least 10 days before the scheduled meeting, consistent with the provisions of the Municipal Code. Additionally, the item appeared on the agenda for this meeting, which was posted at City Hall and on the city website.

ATTACHMENTS

- Attachment No. 1 – Building Permit History
- Attachment No. 2 – Three-Year Construction Limit Notice Activities
- Attachment No. 3 – Building Official Extension

Attachment No. 1

Building Inspection History



LINKED PERMIT INSPECTION HISTORY REPORT (1835-2020) FOR CITY OF NEWPORT BEACH

Permit Type: Plan Check	Application Date: 10/08/2020	Owner: JOEL & DANA FARKAS
Work Class: New	Issue Date: 04/08/2022	Parcel: 050 173 17
Status: Approved	Expiration Date: 04/10/2022	Address: 113 GRAND CANAL NEWPORT BEACH, CA
IVR Number: 140631		

Scheduled Date	Actual Start Date	Inspection Type	Inspection No.	Inspection Status	Primary Inspector	Reinspection Required?	Complete
Inspection Location: 113 GRAND CANAL							
Permit: N2023-0109							
10/12/2023	10/12/2023	Rough Utilities	iPW-038720-2023	Approved	Kevin O'Campo	No	Complete
02/07/2024	02/07/2024	Final Public Works	iPW-004745-2024	Approved	Tom Legault	No	Complete
Permit: PV2024-0081							
04/04/2025	04/04/2025	Other - Electrical	iBLD-012811-2025	Approved	David Reed	No	Complete
07/22/2025	07/22/2025	Final Building	iBLD-029260-2025	Cancelled	David Reed	Yes	Complete
Permit: U2026-0156							
03/11/2026	03/11/2026	Footings and Foundation	iBLD-010684-2026	Approved	David Reed	No	Complete
03/18/2026	03/18/2026	Masonry Pre-Grout	iBLD-011911-2026	Approved	David Reed	No	Complete
Permit: X2020-2292							
03/28/2023	03/28/2023	Call Inspector for Pre-Grading Meeting	iBLD-010715-2023	Approved	Jason Rudenick	No	Complete
05/09/2023	05/09/2023	Soil Pipe	iBLD-016989-2023	Approved	Mehrdad Maghsoodloo	No	Complete
05/11/2023	05/11/2023	Erection Pads	iBLD-017242-2023	Approved	Marshall Shelton	No	Complete
	05/11/2023	Setbacks/ Line & Grade	iBLD-017243-2023	Cancelled	Marshall Shelton	Yes	Complete
	05/11/2023	Ufer Ground	iBLD-017244-2023	Cancelled	Marshall Shelton	Yes	Complete
06/13/2023	06/13/2023	Footings and Foundation	iBLD-021781-2023	Partial Pass	Marshall Shelton	Yes	Incomplete
	06/13/2023	Ufer Ground	iBLD-021978-2023	Approved	Marshall Shelton	No	Complete
			Reinspection of iBLD-017244-2023				
06/26/2023	06/26/2023	Footings and Foundation	iBLD-023820-2023	Approved	Marshall Shelton	No	Complete
			Reinspection of iBLD-021781-2023				
	06/26/2023	Slab On Grade	iBLD-023775-2023	Approved	Ken Knipe	No	Complete
10/03/2023	10/03/2023	Floor Framing & Sheathing	iBLD-037948-2023	Partial Pass	Marshall Shelton	Yes	Incomplete
11/27/2023	11/27/2023	Floor Framing & Sheathing	iBLD-045469-2023	Not Ready for Inspection	David Reed	Yes	Complete
			Reinspection of iBLD-037948-2023				
11/29/2023	11/29/2023	Floor Framing & Sheathing	iBLD-046114-2023	Partial Pass	Marshall Shelton	Yes	Incomplete
			Reinspection of iBLD-045469-2023				
12/08/2023	12/08/2023	Shear and Hold Downs	iBLD-047869-2023	Partial Pass	Ken Knipe	Yes	Incomplete
01/10/2024							

LINKED PERMIT INSPECTION HISTORY REPORT (1835-2020)

Permit Type: Plan Check	Application Date: 10/08/2020	Owner: JOEL & DANA FARKAS
Work Class: New	Issue Date: 04/08/2022	Parcel: 050 173 17
Status: Approved	Expiration Date: 04/10/2022	Address: 113 GRAND CANAL NEWPORT BEACH, CA
IVR Number: 140631		

Scheduled Date	Actual Start Date	Inspection Type	Inspection No.	Inspection Status	Primary Inspector	Reinspection Required?	Complete
	01/10/2024	Roof Framing, Sheathing & Bldg Height	iBLD-001280-2024	Correction	David Reed	Yes	Complete
01/17/2024	01/17/2024	Roof Framing, Sheathing & Bldg Height	iBLD-001964-2024	Approved	David Reed	No	Complete
			Reinspection of iBLD-001280-2024				
01/19/2024	01/19/2024	Shear and Hold Downs	iBLD-002274-2024	Partial Pass	Jaime Molina	Yes	Incomplete
			Reinspection of iBLD-047869-2023				
06/25/2024	06/25/2024	Other - Mechanical	iBLD-023664-2024	Not Ready for Inspection	David Reed	Yes	Complete
	06/25/2024	Rough Plumbing & Pan Test	iBLD-024379-2024	Not Ready for Inspection	David Reed	Yes	Complete
08/09/2024	08/09/2024	Other Building	iBLD-030642-2024	Partial Pass	David Reed	Yes	Incomplete
08/14/2024	08/14/2024	Rough HVAC/Mech/Fireplace	iBLD-031189-2024	Correction	David Reed	Yes	Complete
11/15/2024	11/15/2024	Other - Plumbing	iBLD-044702-2024	Partial Pass	David Reed	Yes	Incomplete
02/19/2025	02/19/2025	Rough HVAC/Mech/Fireplace	iBLD-006389-2025	Correction	David Reed	Yes	Complete
			Reinspection of iBLD-031189-2024				
	02/19/2025	Shear and Hold Downs	iBLD-006129-2025	Approved	David Reed	No	Complete
			Reinspection of iBLD-002274-2024				
03/06/2025	03/06/2025	Rough Plumbing & Pan Test	iBLD-008553-2025	Cancelled	David Reed	Yes	Complete
			Reinspection of iBLD-024379-2024				
03/10/2025	03/10/2025	Gas Pipe Rough	iBLD-008905-2025	Not Ready for Inspection	David Reed	Yes	Complete
	03/10/2025	Rough Plumbing & Pan Test	iBLD-008904-2025	Correction	David Reed	Yes	Complete
			Reinspection of iBLD-008553-2025				
03/12/2025	03/12/2025	Rough Plumbing & Pan Test	iBLD-009247-2025	Approved	Jaime Molina	No	Complete
			Reinspection of iBLD-008904-2025				
03/13/2025	03/13/2025	Gas Pipe Rough	iBLD-009417-2025	Approved	David Reed	No	Complete
			Reinspection of iBLD-008905-2025				
	03/13/2025	Rough HVAC/Mech/Fireplace	iBLD-009418-2025	Correction	David Reed	Yes	Complete
			Reinspection of iBLD-006389-2025				
03/27/2025	03/27/2025	Rough Electric Residential	iBLD-011317-2025	Approved	David Reed	No	Complete
04/02/2025	04/02/2025	Rough HVAC/Mech/Fireplace	iBLD-012158-2025	Approved	David Reed	No	Complete
			Reinspection of iBLD-009418-2025				
04/04/2025							

LINKED PERMIT INSPECTION HISTORY REPORT (1835-2020)

Permit Type: Plan Check	Application Date: 10/08/2020	Owner: JOEL & DANA FARKAS
Work Class: New	Issue Date: 04/08/2022	Parcel: 050 173 17
Status: Approved	Expiration Date: 04/10/2022	Address: 113 GRAND CANAL NEWPORT BEACH, CA
IVR Number: 140631		

Scheduled Date	Actual Start Date	Inspection Type	Inspection No.	Inspection Status	Primary Inspector	Reinspection Required?	Complete
	04/04/2025	Rough Electrical Service	iBLD-012544-2025	Cancelled	David Reed	Yes	Complete
04/07/2025	04/07/2025	Complete Framing	iBLD-012659-2025	Correction	David Reed	Yes	Complete
04/08/2025	04/08/2025	Complete Framing	iBLD-013064-2025	Approved	David Reed	No	Complete
		Reinspection of iBLD-012659-2025					
	04/08/2025	Floor Framing & Sheathing	iBLD-013283-2025	Approved	David Reed	No	Complete
		Reinspection of iBLD-046114-2023					
04/21/2025	04/21/2025	Insulation/Densglass	iBLD-014773-2025	Approved	David Reed	No	Complete
04/25/2025	04/25/2025	Drywall Fire Caulk	iBLD-016078-2025	No Access	Steven Lane	Yes	Complete
04/30/2025	04/30/2025	Drywall Fire Caulk	iBLD-016312-2025	Approved	David Reed	No	Complete
		Reinspection of iBLD-016078-2025					
	04/30/2025	Vapor Barrier/Exterior Lath/Veneer Lath	iBLD-015737-2025	Approved	David Reed	No	Complete
06/12/2025	06/12/2025	Other - Plumbing	iBLD-023542-2025	Approved	David Reed	No	Complete
		Reinspection of iBLD-044702-2024					
06/19/2025	06/19/2025	Other Building	iBLD-023124-2025	Not Ready for Inspection	David Reed	Yes	Complete
		Reinspection of iBLD-030642-2024					
	06/19/2025	Shower Lath	iBLD-024580-2025	Approved	David Reed	No	Complete
01/20/2026	01/20/2026	Final Gas Pressure Test	iBLD-002016-2026	Approved	Noah Driscoll	No	Complete
	01/20/2026	Other Building	iBLD-002017-2026	Approved	Noah Driscoll	No	Complete
		Reinspection of iBLD-023124-2025					
02/04/2026	02/04/2026	Area Drains	iBLD-004453-2026	Correction	David Reed	Yes	Complete
02/10/2026	02/10/2026	Area Drains	iBLD-005613-2026	Partial Pass	Chad Shelton	Yes	Incomplete
		Reinspection of iBLD-004453-2026					
03/04/2026	03/04/2026	Final Electrical	iBLD-008569-2026	Partial Pass	David Reed	Yes	Incomplete
03/11/2026	03/11/2026	Setbacks/ Line & Grade	iBLD-010671-2026	Cancelled	David Reed	Yes	Complete
		Reinspection of iBLD-017243-2023					
03/18/2026	03/18/2026	Final Electrical	iBLD-011537-2026	Not Ready for Inspection	David Reed	Yes	Complete
		Reinspection of iBLD-008569-2026					
03/19/2026	03/19/2026	Final Plumbing	iBLD-011539-2026	Correction	David Reed	Yes	Complete
Permit: X2022-1039							
10/04/2022	10/04/2022	Other Building	iBLD-011340-2022	Approved	Marshall Shelton	No	Complete
03/28/2023	03/28/2023	Final Building	iBLD-010928-2023	Approved	Jason Rudenick	No	Complete



City of Newport Beach - Building Division

100 Civic Center Drive, Newport Beach, CA 92660

Permit Counter Phone (949)644-3288

Inspection Requests Phone (949)644-3255

Combination Type - SFP MECH ELEC MECH GRAD



NO CONSTRUCTION NOISE

COMB Permit : X2020-2292

Project No : 1835-2020

Issued Date : 04/08/2022

Inspection Area : 2

PERMIT EXPIRES 180 DAYS AFTER ISSUANCE OR LAST VALID INSPECTION. PROJECTS MUST BE COMPLETED BY 04/08/2025 OR PERMIT WILL BE INVALID

Construction Hours: Monday - Friday 7:00 a.m. to 6:30 p.m. and Saturday from 8:00 a.m. to 6:00 p.m. No work on Sundays or Holidays

ON THE WEEKEND

INSPECTOR

Job Address: 113 GRAND CANAL NB

Description: NEW SFR W/ATT GARAGE 2,501/399 SF, DECK 536 SF, PATIO COVER(S) 245/540 SF

Legal Desc.: BALBOA ISLAND SEC 4 BLK 2 LOT 9

Owner: FARKAS JOEL & DANA
Address: 9033 E EASTER PL, SUITE E200
CENTENNIAL CO 80112
Phone: 949/500-9120

Contractor: ROBINSON REESE LP
Address: 2505 W COAST HWY #202
NEWPORT BEACH CA 92663
Phone: 949-910-3047

Architect:
Address:
Phone: **State Lic:**

Applicant: JEHEBER ROD
Address: 410 32ND ST, STE 202
NEWPORT BEACH CA 92663
Phone: 949/723-4393

Con State Lic: 1053055
Lic Expire: 05/31/2023
Bus Lic: BT30071636
Lic Exp Date: 04/30/2022

Engineer: REZAEI ALI
Address: 18021 SKYPARK CIR #E2
IRVINE CA 92614
Phone: 949-466-9394 **State Lic:** C-041068

Code Edit : 2019

Type of Construction: V-B-SPR

Occupancy Group: R3/U

Added /New sq.ft. Bldg: 2501

Added /New sq. ft. Garage: 399

No of Stories: 3

No of Units : 1

Bldg Height: 0

Bldg Sprinklers: Y

Flood Zone: 0.2

Worker's Compensation Insurance
Carrier: EXEMPT
Policy No: NO EMPLOYEES
Expire:

Building Setbacks Rear: 1 5
Front: 1 5
Left: 1 3
Right: 1 3

Use Zone: **Parking Spaces:** 0 **Fire Hazard Zone :** N

Designer:
Address:
Phone:

Special Conditions:

Construction Valuation: \$600,000.00

Building Permit Fee: \$5,855.00
Plan Check Fee: \$3,365.00
Overtime Plan Ck: \$0.00
Investigation Fee: \$0.00
Record Management : \$96.00
Energy Compliance: \$303.00
CA Seismic Safety : \$78.00
Disabled Access : \$0.00
Hazardous Mat : \$0.00
Building Green Fee : \$24.00

Excise Tax: \$609.00
Additional Fee : \$68.00
Grading Bonds Fee: \$0.00
Grading PC Consultant : \$0.00
Grading Permit Fee: \$1,046.00
Grading PC Fee: \$910.02
WQ Insp. Fee : \$1,220.00
Electrical %: \$409.85
Mechanical %: \$234.20
Plumbing %: \$0.00

Planning Department -
Plan check Fee : \$520.00
Fair Share : \$0.00
SJH Trans : \$0.00
In-lieu Housing Fee : \$0.00
Public Works Department -
Park Dedication : \$0.00
P/W Plan Check : \$253.75
San Dist : \$0.00
NMUSD Fee: \$0.00

Fire Department
Fire Inspection: \$0.00
Fire Plan Rev \$0.00
Demolition Fee
Building Dept Adm \$0.00
General Service \$0.00
Refund Deposit \$0.00
Grading Bond: \$0.00

TOTAL FEE : \$14,991.82

Plan Check Fee : \$4,474.24

Fee Due at Permit Issuance : \$10,517.58

PROCESSED BY:

ZONING APPROVAL:

GRADING APPROVAL:

Jms
DL
SPG

PUBLIC WORKS APPROVAL:

PLAN CHECK BY:

APPROVAL TO ISSUE:

Chg
Jms
7



City of Newport Beach - Building Division

100 Civic Center Drive, Newport Beach, CA 92660
Permit Counter Phone (949)844-3288
Inspection Requests Phone (949)844-3255
Combination Type - BLDG PLUM



NO CONSTRUCTION NOISE ON THE WEEKEND

COMB Permit : X2022-1039

Project No : 1835-2020

Issued Date : 04/08/2022

Inspection Area : 2

PERMIT EXPIRES 180 DAYS AFTER ISSUANCE OR LAST VALID INSPECTION. PROJECTS MUST BE COMPLETED BY 04/08/2025 OR PERMIT WILL BE INVALID

Construction Hours: Monday - Friday 7:00 a.m. to 6:30 p.m. and Saturday from 8:00 a.m. to 6:00 p.m. No work on Sundays or Holidays

Job Address: 113 GRAND CANAL NB
Description: DEMO (E) SFR WIATT GARAGE 2,541 SF (5 BEDROOMS)
Legal Desc.: BALBOA ISLAND SEC 4 BLK 2 LOT 9

Owner: FARKAS JOEL & DANA
Address: 9033 E EASTER PL, SUITE E200
CENTENNIAL CO 80112
Phone: 949/500-9120

Contractor: ROBINSON REESE LP
Address: 2505 W COAST HWY #202
NEWPORT BEACH CA 92663
Phone: 949-910-3047

Architect:
Address:
Phone: State Lic:

Applicant: ROBINSON REESE LP
Address: 2505 W COAST HWY #202
NEWPORT BEACH CA 92663
Phone: 949-910-3047

Con State Lic: 1053055
Lic Expire: 05/31/2023
Bus Lic: BT30071636
Lic Exp Date: 04/30/2022

Engineer:
Address:
Phone: State Lic:

Code Edit : 2019
Type of Construction: VB
Occupancy Group: R3/U
Added /New sq.ft. Bldg: 0
Added /New sq. ft. Garage: 0
No of Stories: 0
No of Units : 1
Bldg Height: 0
Bldg Sprinklers:
Flood Zone: X

Worker's Compensation Insurance
Carrier: EXEMPT
Policy No: NO EMPLOYEES
Expire:

Designer:
Address:
Phone:

Building Setbacks Rear: /
Front: /
Left: /
Right: /

Special Conditions: HAULER: JD EMO
NO CITY TREES ON SITE

Use Zone: Parking Spaces: 0 Fire Hazard Zone : N

INSPECTOR

Construction Valuation: \$10,000.00					
Building Permit Fee: \$122.00	Excise Tax: \$0.00	Planning Department -		Fire Department	
Plan Check Fee: \$0.00	Additional Fee : \$0.00	Plan check Fee : \$0.00	Fire Inspection: \$0.00	Fire Inspection: \$0.00	
Overtime Plan Ck: \$0.00	Grading Bonds Fee: \$0.00	Fair Share : \$0.00	Fire Plan Rev: \$0.00	Fire Plan Rev: \$0.00	
Investigation Fee: \$0.00	Grading PC Consultant : \$0.00	SJH Trans : \$0.00	Demolition Fee	Demolition Fee	
Record Management : \$0.00	Grading Permit Fee: \$0.00	In-lieu Housing Fee : \$0.00	Building Dept Adm	Building Dept Adm	\$27.00
Energy Compliance: \$0.00	Grading PC Fee: \$0.00	Public Works Department -	General Service	General Service	\$265.00
CA Seismic Safety : \$0.00	WQ Insp. Fee : \$0.00	Park Dedication : \$0.00	Refund Deposit	Refund Deposit	\$1,692.00
Disabled Access : \$0.00		P/W Plan Check : \$0.00	Grading Bond:	Grading Bond:	\$0.00
Hazardous Mat \$0.00	Electrical %: \$0.00	San Dist : \$0.00			
Building Green Fee : \$1.00	Mechanical %: \$0.00	NMUSD Fee: \$0.00			
	Plumbing %: \$10.98				
TOTAL FEE : \$2,117.98	Plan Check Fee : \$0.00	Fee Due at Permit Issuance :	\$2,117.98		

PROCESSED BY: _____
ZONING APPROVAL: _____
GRADING APPROVAL: _____

PUBLIC WORKS APPROVAL: _____
PLAN CHECK BY: _____
APPROVAL TO ISSUE: _____

9

**City of Newport Beach**

Community Development Department - Building Division
 100 Civic Center Drive, Newport Beach, CA 92660
 Permit Counter Phone: (949) 644-3288
 Inspection Requests Phone: (949) 644-3255
 newportbeachca.gov/inspections
 Combination Type - SFP
 Work Class - New

**COMB Permit : F2023-0017**

Plan Check No : PC2023-0059
 Issued Date : 01/10/2023
 Inspection Area : 2

PERMITS EXPIRE 180 DAYS AFTER ISSUANCE OR LAST VALID INSPECTION, BUT NO LATER THAN 3 YEARS FROM ORIGINAL ISSUANCE DATE
 NO CONSTRUCTION RELATED NOISE ON SATURDAY OR SUNDAY IN HIGH DENSITY AREAS AND NO WORK ON SUNDAY AND HOLIDAYS IN ALL AREAS

Job Address : 113 GRAND CANAL

Legal Desc : A TR BALBOA ISLAND SEC 4 BLK 2 LOT 9

Description : SFR FIRE SPRINKLERS 24 HEADS (X2020-2292)

Owner : CABIN 3 LLC
 Address : 9033 E EASTER PL STE112
 CENTENNIAL, CO 80112
 Phone :

Contractor : XFIRE PROTECTION
 Address : 9182 ALWICK CIR
 GARDEN GROVE, CA 92841
 Phone : (714) 231-5108

Architect :
 Address :
 Phone :
 State Lic :

Applicant : XFIRE PROTECTION
 Address : 9182 ALWICK CIR
 GARDEN GROVE, CA 92841
 Phone : (714) 231-5108

Con State Lic : 1084661
 Lic Expire : 12/31/2023
 Bus Lic : BT30077912
 Bus Lic Expire : 02/28/2023

Engineer : ANTHONY VU
 Address : 1621 W SUMAC LN
 ANAHEIM, CA 92802
 Phone : (714) 234-9633

Owner/Builder :
 Address :
 Phone :

Workers' Compensation Insurance
 Carrier : NO EMPLOYEES
 Policy No : EXEMPT
 W. C. Expire :


Designer :
 Address :
 Phone :

Code Edition : 2022
 Type of Construction : V-B
 Occupancy Groups : R3/U
 Bldg Height :

Fire Sprinklers :
 Fire Hazard Zone : NO
 No of Units : 1
 No of Stories : 3

Construction Valuation : \$3,300.00
 Added/New/TI sq. ft. Bldg : 0
 Alteration sq. ft. Bldg :
 Added/New sq. ft. Garage : 0
 TOTAL sq. ft. : 0

Building Setbacks : Front: 5, Side: 3, Side: 3, Rear: 5
 Flood Zone : X
 Use Zone : R-B1 - Two-Unit Residential, Balboa Island

PROCESSED BY : 

NO CONSTRUCTION NOISE INSPECTOR

SPECIAL CONDITIONS:

ON THE WEEKEND

10

**City of Newport Beach**

Community Development Department - Building Division
 100 Civic Center Drive, Newport Beach, CA 92660
 Permit Counter Phone: (949) 718-1888
 newportbeachca.gov/civc

**Permit : H2025-0200**

Plan Check No :
 Work Class : Other
 Permit Status: Issued
 Issued Date : 03/14/2025
 Inspection Area : 2

PERMITS EXPIRE 180 DAYS AFTER ISSUANCE OR LAST VALID INSPECTION, BUT NO LATER THAN 3 YEARS FROM ORIGINAL ISSUANCE DATE
 NO CONSTRUCTION RELATED NOISE ON SATURDAY OR SUNDAY IN HIGH DENSITY AREAS AND NO WORK ON SUNDAY AND HOLIDAYS IN ALL AREAS

Job Address : 113 GRAND CANAL**Legal Desc :** A TR BALBOA ISLAND SEC 4 BLK 2 LOT 9**Description :** MECH - INSTALL (1) HEAT PUMP**Owner :** 113 GRAND CANAL, LLC**Address :** 113 GRAND CANAL NEWPORT BEACH, CA 92662**Phone :****Contractor :** FOLGER HEATING & AIR INC**Address :** 8842 LUSS DR HUNTINGTON BEACH, CA 92646**Phone :** (714) 334-4433**Con State Lic :** 763312**Lic Expire :** 04/30/2026**Bus Lic :** BT30047641**Bus Lic Expire:** 06/30/2025**Workers' Compensation Insurance****Carrier :** NORGUARD INS.**Policy No :** FOWC575169**W. C. Expire :** 10/1/2025**Owner/Builder :****Address :****Phone :****Code Edition :** 2022**Fire Hazard Zone :** NO**Manufacturer :** GE APPLIANCES**Type of Construction :****Model# :** AUH486OZGDA**Occupancy Groups :****Building Setbacks :** Front: 5, Side: 3, Side: 3, Rear: 5**Flood Zone :** X**Use Zone :** R-BI - Two-Unit Residential, Balboa Island**PROCESSED BY :** _____**SPECIAL CONDITIONS:** TIMERS PROHIBITED ON HEAT PUMPS

**City of Newport Beach**

Community Development Department - Building Division
 100 Civic Center Drive, Newport Beach, CA 92660
 Permit Counter Phone: (949) 718-1888
 newportbeachca.gov/civic
 Combination Type -
 Work Class - Addition/Alteration

**MISC Permit : U2026-0156**

Plan Check No : 1835-2020
 Issued Date : 03/06/2026
 Final Date:
 Permit Status: Issued
 Inspection Area : 2

INSPECTOR

PERMITS EXPIRE 180 DAYS AFTER ISSUANCE OR LAST VALID INSPECTION, BUT NO LATER THAN 3 YEARS FROM ORIGINAL ISSUANCE DATE
 NO CONSTRUCTION RELATED NOISE ON SATURDAY OR SUNDAY IN HIGH DENSITY AREAS AND NO WORK ON SUNDAY AND HOLIDAYS IN ALL AREAS

Job Address : 113 GRAND CANAL**Legal Desc :** A TR BALBOA ISLAND SEC 4 BLK 2 LOT 9**Description :** SFR CONSTRUCT 20' LF X 1'6" H RETAINING WALL W/ 2' H BLOCK FENCE ON TOP PER PLAN SPEC (X2022-1039)

Owner : JOEL & DANA FARKAS
Address : 9033 E EASTER PL., E-200
 CENTENNIAL, CO 80112
Phone : (949) 500-9120

Contractor : MDM SCAPES INC
Address : PO BOX 23021
 SANTA ANA, CA 92711
Phone : (714) 478-2304
Con State Lic : 990933
Lic Expire : 02/29/2028
Bus Lic : BT30049876
Bus Lic Expire : 02/28/2027

Architect :
Address :
Phone :
State Lic :

Applicant : FRANKIE MATA
Address : 538 S Daisy Ave
 Santa Ana, CA 92703
Phone : (714) 478-2304

Workers' Compensation Insurance
Carrier : OMAHA NATIONAL CASUALTY COMPANY
Policy No : ONCC0701213704
W. C. Expire : 9/13/2026

Engineer : ALI REZAEI
Address : 18021 SKYPARK CIR #E2
 IRVINE, CA 92614
Phone : (949) 466-9394

Owner/Builder :
Address :
Phone :

Designer :
Address :
Phone :

Code Edition : 2025
Type of Construction :
Occupancy Groups : U
Bldg Height :

Fire Sprinklers : NO
Fire Hazard Zone : NO
Fire Alarms : NO
No of Units :
No of of Stories :
No of Basement :

Construction Valuation : \$3,000.00
Added/New/TL sq. ft. Bldg : 0
Alteration sq. ft. Bldg : 0
Add/New sq. ft. Garage : 0
TOTAL sq. ft. : 0

Building Setbacks : Front: 5, Side: 3, Side: 3, Rear: 5
Flood Zone : X
Use Zone : R-BI - Two-Unit Residential, Balboa Island

PROCESSED BY :**NO CONSTRUCTION NOISE****SPECIAL CONDITIONS:****ON SATURDAYS**

12



**ENERGY CALC SERVICES
946 E 5TH ST
LONG BEACH, CA 90802**

March 04, 2025

TO WHOM IT MAY CONCERN:

113 Grand Canal, Newport Beach, Ca. 92662

I Nicholas Cunningham have Verified that the Insulated ceilings & walls meet the appropriate requirements for Title 24. The building insulation exceeds the required QII requirements and was installed properly.

Thank you.

Nicholas Cunningham

NICHOLAS CUNNINGHAM
Energy Calc Services
Certified HERS Rater
ID# CC2021068



CITY OF NEWPORT BEACH
COMMUNITY DEVELOPMENT DEPARTMENT
BUILDING DIVISION

100 Civic Center Drive | P.O. Box 1768 | Newport Beach, CA 92668-8915
 www.newportbeachca.gov | (949) 844-3200

Structural Observation Report

No. 9

Project Address: 113 Grand Canal	Report Date: 04/04/25	CNB Inspector Name:	CNB Permit #: X2020-2292
Building Owner Name: Cabin 3, LLC	Owner's Mailing Address (if different from site): Same	Owner's Telephone #:	CNB Plan Check #:
Full Name of Structural Observer (BO): ALI REZAEI	BO E-mail Address: alirezai-eng.com	BO Telephone #: 949-416-9394	BO License / Reg. #: C41068

PLEASE INDICATE STRUCTURAL ELEMENTS AND CONNECTIONS OBSERVED (check applicable boxes)

FOUNDATIONS	SHEAR WALLS	FRAMES	DIAPHRAGMS (Floor/Roof)	INDICATE LOCATION(S) OBSERVED	DATE OBSERVED
<input type="checkbox"/> Conventional Footings & Slab	<input type="checkbox"/> Concrete	<input type="checkbox"/> Steel	<input type="checkbox"/> Concrete		
<input type="checkbox"/> Mat Foundation, Prestressed Concrete	<input type="checkbox"/> Masonry	<input type="checkbox"/> Concrete	<input type="checkbox"/> Steel Deck		
<input type="checkbox"/> Caissons, Piles, Grade Beams	<input type="checkbox"/> Wood or Metal Shear Panels	<input type="checkbox"/> Masonry	<input type="checkbox"/> Wood		
<input type="checkbox"/> Other:	<input type="checkbox"/> Other:	<input type="checkbox"/> Other:	<input type="checkbox"/> Other:		

ITEMS CHECKED ABOVE ARE APPROVED AND WITHOUT DEFICIENCIES. **X**

OBSERVED DEFICIENCIES AND COMMENTS:

observed upon completion of all rough MEP.

REPORT CONTINUED ON ATTACHED PAGES.

FINAL STRUCTURAL OBSERVATION REPORT:

The structure generally complies with the approved construction documents, and all observed deficiencies were corrected.

I declare that the following statements are true to the best of my knowledge:

- I am the licensed design professional retained by the owner to be in responsible charge of the structural observation;
- I, or another licensed design professional whom I have designated above and is under my responsible charge, have performed the required site visits at each significant construction stage to verify that the structure is in general conformance with the approved construction documents;
- I understand that all deficiencies which I have documented must be corrected, prior to final acceptance of the structural systems by the City of Newport Beach, Building Division.

Ali Rezaei
 SIGNATURE OF STRUCTURAL OBSERVER OF RECORD

04/04/25
 DATE



STAMP OF STRUCTURAL OBSERVER

STRUCTURAL OBSERVATION DOES NOT WAIVE ANY REQUIREMENTS FOR BUILDING INSPECTION BY AUTHORIZED EMPLOYEES OF THE CITY OF NEWPORT BEACH.



CITY OF NEWPORT BEACH
COMMUNITY DEVELOPMENT DEPARTMENT
BUILDING DIVISION

100 Civic Center Drive | P.O. Box 1768 | Newport Beach, CA 92658-8915
www.newportbeachca.gov | (949) 644-3200

RECEIVED BY
 COMMUNITY
 DEVELOPMENT

MAR 14 2026

CITY OF
 NEWPORT BEACH

**TEMPORARY POWER RELEASE
 APPLICATION**

(Inspection/Administrative Fee)

COMMERCIAL: \$209.00

RESIDENTIAL: NO FEE

PROJECT: 113 Grand Canal, Newport Beach, CA 92662

OWNER'S NAME: Joel Farkas

PHONE NO:

303-109-410 The owner
 949-910-3047 contractor

JOB ADDRESS: 113 Grand Canal, Newport Beach, CA 92662

BUILDING PERMIT NO.(s): X 2020-2292

Request is hereby made for the release of electrical on subject project only for the purpose of testing equipment and/or mechanical systems prior to building permit final approval.

I agree that no building or structure shall be used or occupied until the Building inspector has issued a building permit final approval or Certificate of Occupancy.

Moving in furniture, staging, showing for sale, or any use other than construction, shall be considered use or occupancy and a violation of this agreement (CBC 111.1).

Furthermore, it is not our intent to use or occupy this building until all City regulations and conditions concerning this building have been complied with, and it is understood and agreed that the City of Newport Beach is hereby authorized to order disconnect of service without notification for any violation of the above conditions prior to final approval or Certificate of Occupancy.

OWNER or TENANT SIGNATURE J Farkas

DATE: 3-4-26

PRINT name of owner or tenant: Joel Farkas

PHONE #: 303-109-410

CONTRACTOR SIGNATURE John Robinson

DATE: 3-4-26

PRINT name of contractor: John Robinson

PHONE #: 949 910 3074

(for office use only)

APPROVED BY: David Neel
 Building Inspector

3/4/26
 Date



CITY OF NEWPORT BEACH
COMMUNITY DEVELOPMENT DEPARTMENT
BUILDING DIVISION

100 Civic Center Drive | P.O. Box 1798 | Newport Beach, CA 92658-8918
 www.newportbeachca.gov | (949) 644-3200

BUILDING HEIGHT CERTIFICATION

Project Street Address: 1136 Grand Canal

Building Permit Number(s): X2020-2292

As the surveyor of record for the project at the above address, I hereby certify that I have reviewed the City of Newport Beach approved plan and original topographic survey and based the elevations listed below on those plans.

Elevations shall include an allowance for roofing material thickness if not yet installed. Provide each critical ridge and flat roof, or roof deck railing elevations indicated on the approved plans. Use the format below on the back of this form if additional space is necessary or further explanation is needed. Provide original copy to the inspector before roof framing inspection.

All elevation points are based on: NAVD88 NGVD25 Assumed

Please provide the following elevation information for the highest roof ridges, flat roofs, or parapets/guardrails. Additional elevation points may be requested by the Building Inspector.
Actual elevation includes 0.17" roof material
RIDGES (3:12 slope or greater)

1. Approved elevation point of ridge is 38.0 and actual elevation point is 37.93
2. Approved elevation point of ridge is _____ and actual elevation point is _____
3. Approved elevation point of ridge is _____ and actual elevation point is _____

FLAT ROOFS, PARAPETS AND GUARDRAILS

1. Approved elevation point of flat roof or parapet is 33.0 and actual elevation point is 31.2
2. Approved elevation point of flat roof or parapet is _____ and actual elevation point is _____
3. Approved elevation point of flat roof or parapet is _____ and actual elevation point is _____

I certify that the above height measurements are correct and the above project:

- IS in compliance with the City-approved plans.
 IS NOT in compliance with the City-approved plans (Provide explanation).

Please describe any deviation from the City-approved plans on the back of this form.

Mike Miedema

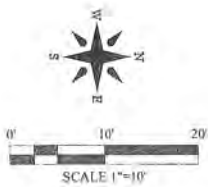
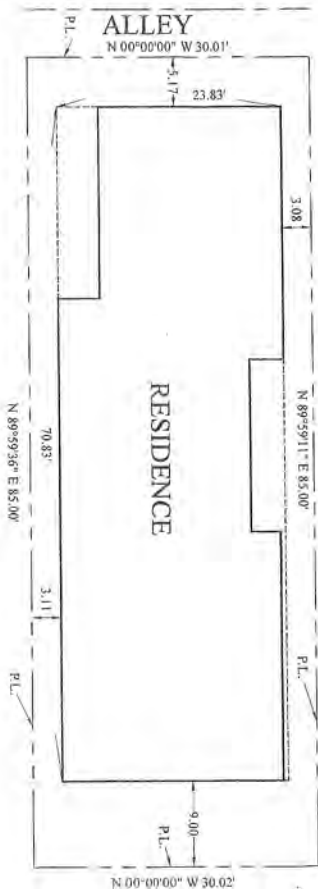
Surveyor or Civil Engineer's* signature and seal
 (Wet stamp and signature required)



1-12-24 Date

* License number of 33985 or lower

17



GRAND CANAL



engineering
geotechnical
applications

FIELD REPORT

TO: File

DAY	DATE
PROJECT NAME	PROJECT NO.
LOCATION	CITY
SUPERINTENDENT/FOREPERSON	
CONTRACTOR(S)	
ENGINEER	
EQUIPMENT ON SITE	
PERSONNEL ON SITE	

TYPE OF INSPECTION REQUIRED	<input type="checkbox"/> Soils	<input type="checkbox"/> Structural Steel Assembly	<input type="checkbox"/> Quality Control
	<input type="checkbox"/> Reinforced Concrete	<input type="checkbox"/> Drainage	<input type="checkbox"/> Epoxy
	<input type="checkbox"/> Reinforced Masonry	<input type="checkbox"/> Asphalt	<input type="checkbox"/> Other

SUMMARY OF OBSERVATIONS AND/OR DISCUSSIONS: *As per to include soil samples by ...*
... 15 soil samples taken ... 2" ... All ...

TESTS PERFORMED: _____ CYLINDERS: _____

RECOMMENDATIONS: _____

PERSONNEL ON SITE	ARRIVAL	DEPARTURE	TIME ON SITE	TRAVEL TIME	SUBTOTAL	SIGNATURE, TITLE (POSITION)
						SIGNATURE OF SUPERINTENDENT, TITLE (POSITION)
<i>JLJ</i>					<i>4</i>	<i>[Signature]</i>
						<i>[Signature]</i>

TOTAL HRS
(4 HR. MIN)

9

EGA CONSULTANTS
 375-C Monte Vista Avenue
 Costa Mesa, CA 92627
 (949) 642-9309
 FAX (949) 642-1290

Prior to the placement of fill, the excavation bottoms were inspected and approved by a geologist employed by EGA Consultants. The exposed surface was scarified, moisture conditioned and recompacted to a minimum of 90% relative compaction. Field density test results are tabulated on Table 1, Summary of Field Density Tests.

Site retaining walls were constructed in accordance with the above referenced grading plan and foundation plan (see References 2 and 3). All earthwork operations were performed under continuous observations by this firm and were performed in accordance with geotechnical specifications outlined in the soils report by EGA Consultants, Inc., dated June 8, 2015.

The building pad was graded in accordance with the 2019 CBC and the City of Newport Beach Building standards and are approved for construction. Based on our continuous observations and testing, the subject and adjacent sites are not impacted by the site grading operations to date.

This report includes the test results performed at the subject site during the placement of on-site soil material in the area of the proposed building pad.

Additional observations and testing are required to verify capillary break, to test footing trenches, utility trench backfill, and areas to receive exterior improvements (driveway approach, flatwork, etc.).

I certify that all rough grading work was done in compliance with the above-referenced Soils Report and the work complies with City of Newport Beach grading regulations. All soils values and geotechnical specifications outlined in the above-referenced soils report remain valid.

This opportunity to be of service is appreciated. If you have any questions, please call.

Very truly yours,

EGA Consultants, Inc.



DAVID A. WORTHINGTON CEG 2124
Principal Engineering Geologist, President

cc: (1) Addressee
(1) Joey Erte, Robinson Reaser

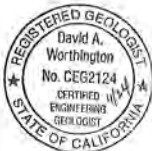


TABLE 2
SUMMARY OF MAXIMUM DENSITY TEST
(ASTM D 1557)

Sample Location	Maximum Density (Pcf)	Optimum Moisture (%)
Fill/Native - Beach Sands Per Soils Report dated June 6, 2015, updated June 15, 2020	106.5	8.5



CITY OF NEWPORT BEACH
COMMUNITY DEVELOPMENT DEPARTMENT
BUILDING DIVISION

100 Civic Center Drive | P.O. Box 1768 | Newport Beach, CA 92658-8915
www.newportbeachca.gov | (949) 644-3200

PRE-GRADE MEETING AGREEMENT

DATE: 3-28-23 JOB ADDRESS: 113 Grand Canal

1. All residential one-unit and two-unit dwelling projects must be completed in a three (3)-year period in accordance with Newport Beach Municipal Code 15.02.095.
2. The grading plan check number for this site is X2020-2292 and will be referred to in all reports, certifications and correspondence.
3. **STOP ORDERS:** Whenever any work is being done contrary to the provisions of the City Codes, the Chief Building Official or his authorized representative may order the work stopped by notice in writing served on any persons engaged in the doing or causing such work to be done and any such persons shall forthwith stop such work until authorized by the Chief Building Official to proceed with the work.
4. The stamped set of approved plans shall be on the job site at all times.
5. **NOTIFICATION OF NONCOMPLIANCE:** If, in the course of fulfilling their responsibilities, the civil engineer, surveyor, the soils engineer, the engineering geologist or the testing agent finds that the work is not being done in conformance with the approved grading plans, the discrepancies shall be reported immediately in writing to the person in charge of the grading work and to the Building Division. Recommendations for corrective measures, if necessary, shall be submitted to the Building Division for approval.
6. When import or export of materials is required, haul routes to and from the site shall be approved by the City Traffic Engineer and hauling procedures shall be in accordance with Chapter 15 of the Newport Beach Municipal Code (NBMC). Contractor shall use Best Management Practices (BMP's) to insure that all water quality issues are addressed.
7. Between October 1 and April 30, erosion control BMP measures shall be in place. During the remainder of the year dry season wind erosion BMP's (dust control) shall be implemented. Sediment control BMP's shall be installed and maintained at all operational storm drain inlets internal to the project. BMP's to control off-site sediment tracking shall be implemented and maintained. Appropriate BMP's to prevent contamination of stormwater from construction activities shall be implemented. A "weather triggered" action plan and the ability to deploy BMP's to protect all exposed portions of the site within 48-hours when the National Weather Service forecasts a 50% or greater chance of rain.
8. All fills shall be compacted throughout to a minimum of 90 percent compaction as determined by ASTM test method 1557 and approved by the soils engineer. Compaction tests shall be performed according to the preliminary soils report.
9. All trench (including interior and exterior utility trenches) and retaining wall backfill shall be compacted throughout to a minimum of 90 percent relative compaction and approved by the soils engineer.
10. Whenever work on which required inspection/testing is covered by additional work without first being inspected/tested, the Chief Building Official shall require by written notice that the work be exposed for examination. The work of exposing and recovering shall not entail or be subject to expense to the City of Newport Beach and will be the sole expense of the Permittee.
11. Landscaping of all slopes and pads shall be in accordance with 15.10.130 of the NBMC.
12. Approved drainage provisions shall be used to protect adjoining properties during the grading operation.



CITY OF NEWPORT BEACH
COMMUNITY DEVELOPMENT DEPARTMENT
BUILDING DIVISION
 100 Civic Center Drive | P.O. Box 1788 | Newport Beach, CA 92658-8915
www.newportbeachca.gov | (949) 644-3200

Structural Observation Report

No. 7

Project Address: 113 Grand Canal	Report Date: 1/12/24	CNB Inspector Name: DAVID REECE	CNB Permit #: X 2020-2292
Building Owner Name: Cabin 3, LLC	Owner's Mailing Address (if different from site): Same	Owner's Telephone #: -	CNB Plan Check #:
Full Name of Structural Observer (SO): ALI REZAEI	SO E-mail Address: alirece-eng.com	SO Telephone #: 949-466-9394	SO License / Reg. #: C41068

PLEASE INDICATE STRUCTURAL ELEMENTS AND CONNECTIONS OBSERVED (check applicable boxes)

FOUNDATIONS	<u>SHEAR WALLS</u>	FRAMES	<u>DIAPHRAGMS (Floor/Roof)</u>	INDICATE LOCATION(S) OBSERVED	DATE OBSERVED
<input type="checkbox"/> Conventional Footings & Slab	<input type="checkbox"/> Concrete	<input type="checkbox"/> Steel	<input type="checkbox"/> Concrete		
<input type="checkbox"/> Mat Foundation, Prestressed Concrete	<input type="checkbox"/> Masonry	<input type="checkbox"/> Concrete	<input type="checkbox"/> Steel Deck		
<input type="checkbox"/> Caissons, Piles, Grade Beams	<input checked="" type="checkbox"/> Wood or Manuf. Shear Panels	<input type="checkbox"/> Masonry	<input checked="" type="checkbox"/> Wood	3rd level S/W +	1/12/24
<input type="checkbox"/> Other:	<input type="checkbox"/> Other:	<input type="checkbox"/> Other:	<input type="checkbox"/> Other:	Roof sheathing	1/12/24

ITEMS CHECKED ABOVE ARE APPROVED AND WITHOUT DEFICIENCIES.

OBSERVED DEFICIENCIES AND COMMENTS:

REPORT CONTINUED ON ATTACHED PAGES.

FINAL STRUCTURAL OBSERVATION REPORT:

The structure generally complies with the approved construction documents, and all observed deficiencies were corrected.

I declare that the following statements are true to the best of my knowledge:

- I am the licensed design professional retained by the owner to be in responsible charge of the structural observation;
- I, or another licensed design professional whom I have designated above and is under my responsible charge, have performed the required site visits at each significant construction stage to verify that the structure is in general conformance with the approved construction documents;
- I understand that all deficiencies which I have documented must be corrected, prior to final acceptance of the structural systems by the City of Newport Beach, Building Division.



Ali Rezaei
 SIGNATURE OF STRUCTURAL OBSERVER OF RECORD DATE **1/12/24**

STAMP OF STRUCTURAL OBSERVER

STRUCTURAL OBSERVATION DOES NOT WAIVE ANY REQUIREMENTS FOR BUILDING INSPECTION BY AUTHORIZED EMPLOYEES OF THE CITY OF NEWPORT BEACH.



CITY OF NEWPORT BEACH

COMMUNITY DEVELOPMENT DEPARTMENT BUILDING DIVISION

100 Civic Center Drive | P.O. Box 1768 | Newport Beach, CA 92658-8915
www.newportbeachca.gov | (949) 644-3200

Structural Observation Report

No. 2

Project Address: <u>113 Grand Canal</u>	Report Date: <u>6/12/23</u>	CNB Inspector Name:	CNB Permit #: <u>X2020-2292</u>
Building Owner Name: <u>Cabin 3, LLC</u>	Owner's Mailing Address (if different from site): <u>Same</u>	Owner's Telephone #:	CNB Plan Check #:
Full Name of Structural Observer (SO): <u>ALI REZAEI</u>	SO Email Address: <u>alirezai-cng.com</u>	SO Telephone #: <u>949-466-9394</u>	SO License / Reg. #: <u>C41068</u>

PLEASE INDICATE STRUCTURAL ELEMENTS AND CONNECTIONS OBSERVED (check applicable boxes)

FOUNDATIONS	SHEAR WALLS	FRAMES	DIAPHRAGMS (Floor/Roof)	INDICATE LOCATION(S) OBSERVED	DATE OBSERVED
<input checked="" type="checkbox"/> Conventional Footings & Slab	<input type="checkbox"/> Concrete	<input type="checkbox"/> Steel	<input type="checkbox"/> Concrete	<u>Cont. Flg + Grade</u>	<u>6/12/23</u>
<input type="checkbox"/> Mat Foundation, Prestressed Concrete	<input type="checkbox"/> Masonry	<input type="checkbox"/> Concrete	<input type="checkbox"/> Steel Deck		
<input type="checkbox"/> Caissons, Piles, Grade Beams	<input type="checkbox"/> Wood or Manuf. Shear Panels	<input type="checkbox"/> Masonry	<input type="checkbox"/> Wood		
<input type="checkbox"/> Other:	<input type="checkbox"/> Other:	<input type="checkbox"/> Other:	<input type="checkbox"/> Other:		

ITEMS CHECKED ABOVE ARE APPROVED AND WITHOUT DEFICIENCIES.

OBSERVED DEFICIENCIES AND COMMENTS:

REPORT CONTINUED ON ATTACHED PAGES.

FINAL STRUCTURAL OBSERVATION REPORT:
The structure generally complies with the approved construction documents, and all observed deficiencies were corrected.

I declare that the following statements are true to the best of my knowledge:

1. I am the licensed design professional retained by the owner to be in responsible charge of the structural observation;
2. I, or another licensed design professional whom I have designated above and is under my responsible charge, have performed the required site visits at each significant construction stage to verify that the structure is in general conformance with the approved construction documents;
3. I understand that all deficiencies which I have documented must be corrected, prior to final acceptance of the structural systems by the City of Newport Beach, Building Division.

Ali Rezaei 6/12/23
SIGNATURE OF STRUCTURAL OBSERVER OF RECORD DATE



STAMP OF STRUCTURAL OBSERVER

STRUCTURAL OBSERVATION DOES NOT WAIVE ANY REQUIREMENTS FOR BUILDING INSPECTION BY AUTHORIZED EMPLOYEES OF THE CITY OF NEWPORT BEACH.

Form/Consent/Obstruction/Regulation/Restriction



CITY OF NEWPORT BEACH

COMMUNITY DEVELOPMENT DEPARTMENT
BUILDING DIVISION

100 Civic Center Drive | P.O. Box 1768 | Newport Beach, CA 92658-8915
www.newportbeachca.gov | (949) 644-3200

Structural Observation Report

No. 5

Project Address: <i>113 Grand Canal</i>	Report Date:	CNB Inspector Name:	CNB Permit #: <i>X 2020-2292</i>
Building Owner Name: <i>Cabin 3, LLC</i>	Owner's Mailing Address (if different from site): <i>Same</i>	Owner's Telephone #:	CNB Plan Check #:
Full Name of Structural Observer (SO): <i>ALI REZAEI</i>	SO E-mail Address: <i>aliorce-eng.com</i>	SO Telephone #: <i>144-466-9394</i>	SO License / Reg. #: <i>C41068</i>

PLEASE INDICATE STRUCTURAL ELEMENTS AND CONNECTIONS OBSERVED (check applicable boxes)

FOUNDATIONS	SHEAR WALLS	FRAMES	DIAPHRAGMS (Floor Slab)	INDICATE LOCATION(S) OBSERVED	DATE OBSERVED
<input type="checkbox"/> Conventional Footings & Slab	<input type="checkbox"/> Concrete	<input type="checkbox"/> Steel	<input type="checkbox"/> Concrete		
<input type="checkbox"/> Mat Foundation, Prestressed Concrete	<input type="checkbox"/> Masonry	<input type="checkbox"/> Concrete	<input type="checkbox"/> Steel Deck		
<input type="checkbox"/> Columns, Pilots, Grade Beams	<input checked="" type="checkbox"/> Wood or Manuf. Shear Panels	<input type="checkbox"/> Masonry	<input checked="" type="checkbox"/> Wood	<i>3rd Fl. SAT 4.</i>	<i>11/25/23</i>
<input type="checkbox"/> Other:	<input type="checkbox"/> Other:	<input type="checkbox"/> Other:	<input type="checkbox"/> Other:	<i>ONLY</i>	

ITEMS CHECKED ABOVE ARE APPROVED AND WITHOUT DEFICIENCIES.

OBSERVED DEFICIENCIES AND COMMENTS:

REPORT CONTINUED ON ATTACHED PAGES.

FINAL STRUCTURAL OBSERVATION REPORT:

The structure generally complies with the approved construction documents, and all observed deficiencies were corrected.

I declare that the following statements are true to the best of my knowledge:

- I am the licensed design professional retained by the owner to be in responsible charge of the structural observation;
- I, or another licensed design professional whom I have designated above and is under my responsible charge, have performed the required site visits at each significant construction stage to verify that the structure is in general conformance with the approved construction documents;
- I understand that all deficiencies which I have documented must be corrected, prior to final acceptance of the structural systems by the City of Newport Beach, Building Division.



SIGNATURE OF STRUCTURAL OBSERVER OF RECORD

DATE

STAMP OF STRUCTURAL OBSERVER

STRUCTURAL OBSERVATION DOES NOT WAIVE ANY REQUIREMENTS FOR BUILDING INSPECTION BY AUTHORIZED EMPLOYEES OF THE CITY OF NEWPORT BEACH.

Attachment No. 2

Three-Year Construction Limit Notice Activities



PERMIT ACTIVITY REPORT (X2020-2292) FOR CITY OF NEWPORT BEACH

Created Date	Activity Type	Activity Name	Activity Number	Activity Comments	Created By
02/04/2025					
	Phone Call		ACT-000532-2025	called GC (Jon) and informed him that I would be onsite today to drop off the 3 year expiration deadline notice.	David Reed
02/04/2026					
	Generic Activity		ACT-000481-2026	Hand delivered the 3 year expiration deadline notice. Spoke onsite with GC rep (Machelle) I informed her of the required Hearing Officer application and how to download it off the City of Newport Beach website	David Reed
02/07/2025					
	Generic Activity		ACT-000584-2025	dropped off 3 year notice and application onsite. Hand delivered to Jon Robinson at job site. Informed him of the process and need for required documentation with the application.	David Reed
03/11/2026					
	Generic Activity	HEARING APPLICATON SUBMITTAL	ACT-001017-2026	COMPLETE HEARING APPLICATION RECEIVED ON 03/04/2026. APPLICATION ROUTED TO CITY CLERK AND FINANCE FOR PROCESSING.	Tonee Thai
03/07/2025					
	Generic Activity	Building Official Extension Approved	ACT-000983-2025	3-YEAR CONSTRUCTION TIME LIMIT 6 MONTHS TOTAL EXTENSION GRANTED. PERMIT SHALL EXPIRE ON 10/08/2025 UNLESS AN ADDITIONAL EXTENSION IS GRANTED.	Tonee Thai
	Generic Activity	APPLICATION SUBMITTED ON 02/19/2025	ACT-000982-2025		Tonee Thai
05/02/2025					
	Generic Activity	3-YEAR DEADLINE EXTENSION	ACT-001761-2025	MAILED & EMAILED APPROVED 3-YEAR CONSTRUCTION LIMIT EXTENSION TO PROPERTY OWNER	Debi Schank
08/11/2025					
	Generic Activity		ACT-003098-2025	Posted 3 year time limit extension on front door	David Reed
08/25/2025					

PERMIT ACTIVITY REPORT (X2020-2292)

Created Date	Activity Type	Activity Name	Activity Number	Activity Comments	Created By
	Generic Activity	APPLICATION SUBMTTEL	ACT-003244-2025	Complete application submitted on 08/19/2025.	Tonee Thai
	Generic Activity	Building Official Extension Approved	ACT-003245-2025	3-YEAR CONSTRUCTION TIME LIMIT 180 DAYS TOTAL EXTENSION GRANTED. PERMIT SHALL EXPIRE ON 04/06/2026 UNLESS AN ADDITIONAL EXTENSION IS GRANTED.	Tonee Thai

Attachment No. 3

Building Official Extension



CITY OF NEWPORT BEACH
COMMUNITY DEVELOPMENT DEPARTMENT
BUILDING DIVISION

100 Civic Center Drive | P.O. Box 1768 | Newport Beach, CA 92658-8915 AUG 15 2025
 www.newportbeachca.gov | (949) 844-3200

RECEIVED BY
 COMMUNITY
 DEVELOPMENT

CITY OF
 NEWPORT BEACH

Three Year Construction Time Limit Extension
Building Official Application

Project Address:	113 Grand Canal, Newport Beach, CA		Receipt No.:	1AW-00045507	
Permit No.:	X2020-2292	Original Permit Issued Date:	4/8/22	Extension Fee:	\$228
			Date Fee Paid:	08/15/25	
PETITIONER/PROPERTY OWNER INFORMATION					
Name (Must be payor of fees):			Company Name:		
Joel Farkas			113 Grand Canal LLC		
Street Address:			City:	State:	Zip Code:
9033 E Easter Pl E200			Centennial	CO	80112
Email:			Phone:		
joelfarkas@gmail.com			303.909.4076		
PROJECT INFORMATION					
Length of extension requested: 6 mos			New end date if request is approved: 4/8/26		
Previous Extension(s) Granted? (Y/N): Y			If Yes, How Many?: 1		
Description of Work Under Permit:	New Construction - single family				
Reason for Extension Request	(Attach Supporting Documents as Needed)				
	The start of the build was March 2023. The owner had a financial hardship that changed the liquidity of income. The owner received a loan in November of 2024 - we were able to start full time building again in November. We were stalled, or at least slowed significantly down from March 2024-Nov 2024. We will not need the full 6 months.				
Per Ordinance No. 2025-5, the following criteria are required to be included when requesting an extension. Please check each box to confirm that it is included in this application.					
<input checked="" type="checkbox"/> The cause of delay and reason for the extension request					
<input checked="" type="checkbox"/> A plan to complete the project within the extended period					
<input type="checkbox"/> Project management and code enforcement history					
I HEREBY CERTIFY THAT THE ABOVE STATEMENT IS TRUE.					
Petitioner's Signature:			Date:		
Jon Robinson			8/15/2025		
Relationship to Property Owner:			Date:		
General Contractor/Owner			8/12/25		
FOR STAFF USE ONLY					
Department Action:	<input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied				
Conditions of Approval or Comments:	180 DAYS EXTENSION GRANTED TO 04-06-2026				
Building Inspector Reviewed:	Name:	Signature:	Date:		
	DAVID REBEL	David Rebel	8/19/25		
Building Official Approval:	Name:	Signature:	Date:		
	IONEE THRE	[Signature]	08/15/25		



CITY OF NEWPORT BEACH
COMMUNITY DEVELOPMENT DEPARTMENT
BUILDING DIVISION

100 Civic Center Drive | P.O. Box 1768 | Newport Beach, CA 92658-8815
 www.newportbeachca.gov | (949) 644-3200

*Received
02-19-2025*

Three Year Construction Time Limit Extension
Building Official Application

Project Address: <u>113 Grand Canal, Newport Beach, CA</u>		Receipt No.: <u>INV-00237943</u>	
Permit No.: <u>X2020-2292</u>	Original Permit Issued Date:	Extension Fee: \$221	Date Fee Paid: <u>02/21/25</u>
PETITIONER/PROPERTY OWNER INFORMATION			
Name (Must be payor of fees): <u>Joe I Farkas</u>		Company Name: <u>113 Grand Canal, LLC</u>	
Street Address: <u>9033 E Easter Pl, E 20D</u>		City: <u>Centennial</u>	State: <u>CO</u> Zip Code: <u>80117</u>
Email: <u>joel.farkas@gmail.com</u>		Phone: <u>303-909-4076</u>	
PROJECT INFORMATION			
Length of extension requested: <u>6 mos</u>			
New end date if request is approved: <u>10/8/25</u>			
Previous Extension(s) Granted? (Y/N): <u>N</u>		If Yes, How Many?:	
Description of Work Under Permit:	<u>New construction single family</u>		
Reason for Extension Request:	(Attach Supporting Documents as Needed) The start of the build was March 2023. The owner had a financial hardship that changed the liquidity of income. The owner received a loan (see attached) in November of 2024. We were able to start full time building again in November. We were stalled, or at least slowed significantly down, from March 2024-November 2024.		
I HEREBY CERTIFY THAT THE ABOVE STATEMENT IS TRUE.			
Petitioner's Signature: <u>Jon Robinson</u>	Name: <u>Joe I Farkas</u>	Relationship to Property Owner: <u>General Contractor</u>	Date: <u>2 14 25</u>
FOR STAFF USE ONLY			
Department Action: <input type="checkbox"/> Approved <input type="checkbox"/> Denied			
Conditions of Approval or Comments:	<u>6 MONTHS EXTENSION GRANTED. PERMITS SHALL EXPIRE ON 10-08-2025 UNLESS ADDITIONAL EXTENSION IS GRANTED</u>		
Building Inspector Reviewed:	Name: <u>DAVID REED</u>	Signature: <u>David Reed</u>	Date: <u>2/12/25</u>
Building Official Approval:	Name: <u>WALTER HART</u>	Signature: <u>[Signature]</u>	Date: <u>03/02/25</u>

Loan Documents and third, to reduce the principal balance due. Borrower agrees not to send Lender payments marked "paid in full", "without recourse", or similar language. If Borrower sends such a payment, Lender may accept it without losing any of Lender's rights under this Note, and Borrower will remain obligated to pay any further amount owed to Lender. All written communications concerning disputed amounts, including any check or other payment instrument that indicates that the payment constitutes "payment in full" of the amount owed or that is tendered with other conditions or limitations or as full satisfaction of a disputed amount must be mailed or delivered to: FCI Lender Services, Inc., Attention: Loan Servicing 8180 East Kaiser Blvd. Anaheim Hills, CA 92805.

8. **DEFAULT RATE.** From and after the Maturity Date, or such earlier date on which an Event of Default (as defined in the Loan Agreement) exists under the Loan Agreement or under any of the other Loan Documents, then at the option of Lender, all sums owing on this Note shall immediately bear interest at a rate per annum equal to the lesser of (a) ten percent (10%) in excess of the interest rate otherwise accruing under this Note, or (b) the maximum interest rate permitted to be charged without violating applicable Usury Laws (as defined below) ("Default Rate"). To the extent permitted by law, the Default Rate shall apply both before and after any judgment on the indebtedness evidenced by this Note.

9. **ACCELERATION.** If: (a) Borrower shall fail to pay when due any sums payable hereunder; or (b) upon the occurrence of any Event of Default, as defined in any one or more of the Security Instrument, Loan Agreement, any other Loan Document, or any obligation secured by any of the foregoing, which Event of Default is not cured within the applicable grace period, if any; THEN Lender may, at its sole option, declare all sums owing under this Note immediately due and payable; provided, however, that if any document related to this Note provides for automatic acceleration of payment of sums owing hereunder, all sums owing hereunder shall be automatically due and payable in accordance with the terms of that document.

10. **MISCELLANEOUS**

10.1 **Notices.** All notices or other communications required or permitted to be given pursuant to this Note shall be given to the parties at the address and in the manner provided for in the Loan Agreement, except as otherwise provided herein.

10.2 **Waiver of Right to Trial by Jury.** TO THE EXTENT PERMITTED BY APPLICABLE STATE LAW, EACH PARTY TO THIS NOTE HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY CLAIM, DEMAND, ACTION OR CAUSE OF ACTION (a) ARISING UNDER THE LOAN DOCUMENTS, INCLUDING, WITHOUT LIMITATION, ANY PRESENT OR FUTURE MODIFICATION THEREOF OR (b) IN ANY WAY CONNECTED WITH OR RELATED OR INCIDENTAL TO THE DEALINGS OF THE PARTIES HERETO OR ANY OF THEM WITH RESPECT TO THE LOAN DOCUMENTS (AS NOW OR HEREAFTER MODIFIED) OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HERewith, OR THE TRANSACTIONS RELATED HERETO OR THERETO, IN EACH CASE WHETHER SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION IS NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT OR TORT OR OTHERWISE; AND EACH PARTY HEREBY AGREES AND CONSENTS THAT ANY PARTY TO THIS NOTE MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS SECTION WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF ANY RIGHT THEY MIGHT OTHERWISE HAVE TO TRIAL BY JURY.

IN WITNESS WHEREOF, Borrower has executed this Note as of the date appearing on the first page of this Note.

BORROWER:
113 Grand Canal LLC, a Colorado limited liability company

By:  _____
Joel Farkas, Manager

PURCHASE, SALE AND MATCHING OF FUNDS. Borrower understands, agrees and acknowledges the following: (a) Lender has no obligation to purchase, sell and/or match funds in connection with the use of a Calculated Interest Rate as a basis for calculating an Effective Rate; (b) a Calculated Interest Rate is used merely as a reference in determining an Effective Rate; and (c) Borrower has accepted a Calculated Interest Rate as a reasonable and fair basis for calculating an Effective Rate. Borrower further agrees to pay the Taxes and Regulatory Costs, if any, whether or not Lender elects to purchase, sell and/or match funds.

MISCELLANEOUS. As used in this Exhibit, the plural shall mean the singular and the singular shall mean the plural as the context requires.

[SIGNATURE PAGE FOLLOWS]

"Loan Agreement" means that certain Construction Loan Agreement dated as of 11/6/2024 between Beneficiary and Borrower, as amended from time to time.

"Loan Documents" means the Note, the Loan Agreement, this Security Instrument, each other **"Security Instrument"** as defined in the Loan Agreement (if any), and any other documents or Instruments now or hereafter securing or evidencing the Note or the obligations secured by this Security Instrument and all other **"Loan Documents"** as defined in the Loan Agreement.

"Note" means that certain Promissory Note dated as of 11/6/2024, in the maximum principal amount of \$5,150,000.00, executed by Borrower and payable to the order of Beneficiary in evidence of the Loan, and any amendments or supplements thereto or any renewals or replacements thereof.

"Personal Property" means all "Accounts", "Cash proceeds", "Chattel paper", "Collateral", "Commercial tort claims", "Deposit accounts", "Documents", "Electronic chattel paper", "Equipment", "Fixtures", "General Intangibles", "Goods", "Instruments", "Inventory", "Investment property", "Letter-of-credit rights", "Noncash proceeds", "Payment intangibles", "Proceeds", "Software", "Supporting Obligations", and "Tangible chattel paper", as defined in the Uniform Commercial Code and any and all other personal property in which Borrower has any interest, whether currently owned or hereafter acquired, relating to, generated from, arising out of or incidental to the ownership, development, use or operation of the Real Property (whether or not subsequently removed from the Real Property), other than that portion of the Property consisting of the Real Property.

"Property" means all of the real, personal, tangible and intangibles property, rights, interests and estates now owned, or hereafter acquired by Borrower, including the following: (1) the real property described in Exhibit A attached hereto and incorporated herein by reference, together with all buildings and other improvements (the **"Improvements"**) now or hereafter located thereon, and any and all right, title or interest in any other real property or improvements comprised in such real property, which right, title or interest is acquired after the date of this Security Instrument (such real property, buildings, improvements and after acquired interest being hereinafter collectively referred to as the **"Real Property"**); (2) the Personal Property; (3) all easements and other rights now or hereafter made appurtenant to the Real Property; (4) all additions and accretions to the Real Property; (5) all fixtures, machinery, equipment, and appliances at any time attached to, or located in or on the Real Property in which Borrower has an interest; (6) all rights in or to existing or future streets or public places; (7) all existing and future minerals, oil, gas and other hydrocarbon substances upon, under or through the Real Property; (8) all water and water rights, pumps and pumping plants, and existing and future water stock relating thereto; (9) declarant's rights under any covenants, conditions and restrictions (including all supplemental addenda thereto, the **"CC&Rs"**), pertaining to the real property described on Exhibit A, hereto, provided, however, that Beneficiary shall have no liability under such declarant's rights unless and until Beneficiary forecloses on the real property; (10) all existing and future shares of stock or other evidence of ownership of any part of the foregoing property and all intangible property and rights relating to the foregoing property, or the operation thereof or used in connection therewith, including all options, sales contracts and rights of first refusal of any nature whatsoever, covering all or any portion of such property, together with any deposits or other payments made in connection therewith, existing and future development rights, permits and approvals, air rights and other similar land use permits, approvals or entitlements; and (11) all proceeds of any of the foregoing. Any reference in this Security Instrument to the **"Property"** means the Property described in this Section, any part thereof, or any interest therein.

deliver to Beneficiary such original renewal policies with premiums prepaid no less than fifteen (15) days before the expiration of any existing policy.

6.2.2 Adjustment and Distribution of Casualty Insurance Proceeds.

Borrower shall cause any insurance policy in respect of loss or damage to the Property to provide that any loss (a) shall be adjusted by Borrower and Beneficiary, and (b) shall be paid to Beneficiary.

6.2.3 Release. Borrower, for itself, and on behalf of its Insurers, hereby releases and waives any right to recover against Beneficiary or Trustee on any liability for: damages for injury to or death of persons; any loss or damage to property, including the property of any occupant of the Property; any loss or damage to buildings or other improvements comprising the Property; any other direct or indirect loss or damage caused by fire or other risks, which loss or damage is or would be covered by the insurance required to be carried hereunder by Borrower, or is otherwise insured; or claims arising by reason of any of the foregoing.

6.2.4 Miscellaneous. Neither Beneficiary nor Trustee shall, by reason of accepting, rejecting, obtaining or failing to obtain insurance, incur any liability for (a) the existence, nonexistence, form, amount or legal sufficiency thereof, (b) the solvency or insolvency of any insurer, or (c) the payment of losses. All insurance required hereunder or carried by Borrower shall be procured at Borrower's sole cost and expense. Borrower shall deliver to Beneficiary receipts satisfactory to Beneficiary evidencing full prepayment of the premiums therefor. In the event of foreclosure on, or other transfer of title in lieu of foreclosure of, the Property, all of Borrower's interest in and to any and all insurance policies in force shall pass to Beneficiary, or the transferee or purchaser as the case may be, and Beneficiary is hereby irrevocably authorized to assign in Borrower's name to such purchaser or transferee all such policies, which may be amended or rewritten to show the interest of such purchaser or transferee.

6.3 Liens and Encumbrances. Except as is specifically permitted by this Security Instrument or the other Loan Documents, Borrower shall not cause, suffer or create any liens or encumbrances upon the Property.

6.4 Disposition of Insurance and Condemnation Proceeds and Damages.

6.4.1 Beneficiary's Rights in Proceeds and Damages; Use of Insurance Proceeds to Repair Property. Borrower hereby assigns to Beneficiary (a) any award for damages suffered or compensation paid by reason of a taking for public use, or an action in eminent domain, or the exercise of the police power, whether by a condemnation proceeding or otherwise (such as by inverse condemnation), or any transfer of all or any part of the Property in avoidance thereof, affecting the Property, (b) all proceeds of any insurance policies paid by reason of loss sustained to the Property, and (c) all claims, damages, causes of action, against or from any party or parties, with respect to the Property, or any funds received or receivable in connection with any damage to the Property, incurred as a result of any cause whatsoever. The Loan Agreement shall otherwise govern Beneficiary's rights in such respects, as well as Borrower's rights to use any such funds.

6.4.2 Waiver of Allocation Rights. Without limitation of the foregoing, Borrower hereby specifically, unconditionally and irrevocably waives all rights of a property owner granted under California Code of Civil Procedure Section 1265.225(a), which provides for allocation of condemnation proceeds between a property owner and a lienholder, and any other law or successor statute of similar import.

Security Instrument, the appointment of a receiver, or for such other equitable relief as may be appropriate. In addition to any other remedies Beneficiary may otherwise have.

(c) **Elect to Sell Property.** To execute a written notice of such Event of Default and of the election to cause the Property to be sold to satisfy the obligations secured hereby, Trustee shall give and record such notice as the law then requires as a condition precedent to a trustee's sale. When the minimum period of time required by law after such notice has elapsed, Trustee, without notice to or demand upon Borrower except as otherwise may then be required by law, shall sell the Property at the time and place of sale fixed by it in the notice of sale, either as a whole or in separate parcels or through one or more successive sales and in such order as it or Beneficiary may determine, at public auction to the highest bidder for cash, in lawful money of the United States, or other form of payment acceptable to Beneficiary, payable at the time of sale. Borrower shall have no right to direct the order in which the Property is sold. Beneficiary may, in its sole discretion, designate the order in which the Property is offered for sale or sold and determine if the Property shall be sold through a single sale or through two or more successive sales, or in any other manner Beneficiary deems to be in its best interest. If Beneficiary elects more than one sale or other disposition of the Property, Beneficiary may at its option cause the same to be conducted simultaneously or in such order and at such times as Beneficiary may deem to be in its best interests, and no such sale shall terminate or otherwise affect the lien of this Security Instrument on any part of the Property not then sold until all indebtedness secured hereby has been fully paid. If Beneficiary elects to dispose of the Property through more than one sale, Borrower shall pay the costs and expenses of each such sale and of any judicial proceedings where the same may be undertaken. Trustee may postpone any such sale by public announcement at the time and place fixed by the notice of sale, and may thereafter continue such postponement by like announcements at the time and place fixed by the preceding postponement, at Beneficiary's direction and without necessity of additional notices of sale. Trustee shall deliver to the purchaser at such sale a deed conveying the Property or portion thereof so sold, but without any covenant or warranty, express or implied. The recitals in such deed of any matters or facts shall be conclusive proof of the truthfulness thereof. Any person, including Trustee, Borrower or Beneficiary, may purchase at such sale. Notwithstanding anything to the contrary contained herein, Trustee shall (to the extent permitted by applicable law) allocate or apply the proceeds of sale (including the amount of any credit bid) in such manner and in such priority as Beneficiary may elect in its sole and absolute discretion. Notwithstanding anything to the contrary contained herein, Beneficiary's rights and remedies under California Code of Civil Procedure Section 736 shall not be waived, limited or otherwise adversely affected by virtue of a full or partial credit bid upon foreclosure of this Security Instrument.

(d) **Appointment of Receiver.** To apply to any court having jurisdiction to appoint a receiver or receivers for the Property, as a matter of right and without notice to Borrower or anyone claiming under Borrower, and without regard to the then value of the Property or the adequacy of any security for the obligations secured hereby, Borrower hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or

terms of this Security Instrument, Beneficiary and Borrower acknowledging their intent that no other right, duty or obligation shall be implied as a result of the agency relationship created hereunder.

6.27 Governing Law. This Security Instrument is being executed and delivered, and is intended to be performed, in the State of California and the laws of the State of California and of the United States of America shall govern the rights and duties of the parties hereto and the validity, construction, enforcement and interpretation of this Security Instrument shall be governed by and construed in accordance with the laws of the State of California; provided, however, that the laws of the state in which the Real Property is located shall govern as to the creation, perfection, priority and enforcement of liens and security interests in Property located in such state.

6.28 Notices. Except when otherwise required by law, any notice which a party is required or may desire to give the other shall be given in accordance with the Loan Agreement. Borrower requests that a copy of any notice of default and notice of sale hereunder by mailed to Borrower.

6.29 Disbursements. Borrower acknowledges that Lender is under no obligation to make any disbursements or Advances under the terms of the Loan Agreement, and, as a result thereof, and notwithstanding Borrower's delivery of this Security Instrument, Lender may, nevertheless, choose not to make the Loan. In which case, this Security Instrument shall secure all costs and fees required to be paid by Borrower pursuant to Section 6.16.2 of this Security Instrument and the provisions of the other Loan Documents, together with all other obligations of Borrower hereunder and thereunder.

6.30 Expenses; Indemnity. Section 10.4 of the Loan Agreement is hereby incorporated into this Agreement by this reference as if herein set forth in full.

7. WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT PERMITTED BY LAW, BORROWER AND BENEFICIARY HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE THE RIGHT TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS SECURITY INSTRUMENT, THE LOAN, OR ANY OTHER LOAN DOCUMENT, OR ANY COURSE OF CONDUCT, COURSE OF DEALING, STATEMENT (WHETHER VERBAL OR WRITTEN) OR ACTION OF BENEFICIARY, BORROWER OR TRUSTEE OR ANY EXERCISE BY ANY PARTY OF THEIR RESPECTIVE RIGHTS UNDER THE LOAN DOCUMENTS OR IN ANY WAY RELATING TO THE LOAN OR THE PROPERTY. THIS WAIVER IS A MATERIAL INDUCEMENT FOR BENEFICIARY TO MAKE THE LOAN TO BORROWER.

8. CONSTRUCTION DEED OF TRUST. This Security Instrument secures a loan made by Lender to Borrower, some or all of the proceeds of which may be used for the purpose of constructing improvements on the Real Property. For purposes of Section 3097(j) of the California Civil Code, (a) the name and address of Lender and the name and address of Borrower, the owner of the Real Property, are set forth in the introductory paragraph of this Security Instrument, and (b) a legal description of the Real Property is set forth on Exhibit A attached hereto, and the street address of the Real Property (if known) is 113 Grand Canal, Newport Beach, CA 92662.

9. JUDICIAL REFERENCE. Each of Borrower and Lender acknowledges and agrees that the terms of Section 11 of the Loan Agreement apply, by their terms, to any Dispute (as such

EXHIBIT A
LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED NEWPORT BEACH IN THE COUNTY OF ORANGE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

LOT 9, BLOCK 2, SECTION 4, BALBOA ISLAND, IN THE CITY OF NEWPORT BEACH, COUNTY OF ORANGE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 7, PAGE 37 OF MISCELLANEOUS MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY,

APN: 050-173-17