

PROJECT SUMMARY

					Base Rents - 2020\$		2021\$		2022\$		2023\$		2024\$		2025\$		2029\$	
					Monthly	\$/S.F.	9.9%	\$/S.F.	6.8%	\$/S.F.	3.9%	\$/S.F.	2.7%	\$/S.F.	2.2%	\$/S.F.	3.0%	\$/S.F.
					Rent ¹	Rent	Inflation ³	Rent	Inflation ⁴	Rent	Inflation ⁴	Rent	Inflation ⁴	Rent	Inflation ⁴	Rent	Inflation	Rent
Market Rate Units	# of Units ¹	% of Mix	Unit Size ¹	Total Net Rentable														
Market Rate - Altair East																		
Studio	0	0.0%	0	0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
1 Bed/1 Bath	16	39.0%	754	12,064	\$2,865	\$3.80	\$3,149	\$4.18	\$3,364	\$4.46	\$3,494	\$4.63	\$3,588	\$4.76	\$3,668	\$4.86	\$4,128	\$5.47
2 Bed/2 Bath	18	43.9%	1,024	18,432	\$3,789	\$3.70	\$4,164	\$4.07	\$4,448	\$4.34	\$4,621	\$4.51	\$4,745	\$4.63	\$4,850	\$4.74	\$5,459	\$5.33
3 Bed/3 Bath	7	17.1%	1,291	9,037	\$4,480	\$3.47	\$4,923	\$3.81	\$5,259	\$4.07	\$5,464	\$4.23	\$5,610	\$4.35	\$5,735	\$4.44	\$6,454	\$5.00
Townhome	0	0.0%	0	0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Subtotal	41	100.0%	964	39,533	\$3,546	\$3.68	\$3,897	\$4.04	\$4,163	\$4.32	\$4,325	\$4.49	\$4,441	\$4.61	\$4,540	\$4.71	\$5,109	\$5.30
Market Rate - Altair West																		
Studio	4	14.8%	535	2,140	\$2,087	\$3.90	\$2,293	\$4.29	\$2,449	\$4.58	\$2,545	\$4.76	\$2,613	\$4.88	\$2,671	\$4.99	\$3,006	\$5.62
1 Bed/1 Bath	16	59.3%	740	11,840	\$2,812	\$3.80	\$3,090	\$4.18	\$3,301	\$4.46	\$3,430	\$4.63	\$3,521	\$4.76	\$3,600	\$4.86	\$4,051	\$5.47
2 Bed/2 Bath	2	7.4%	1,068	2,136	\$3,952	\$3.70	\$4,343	\$4.07	\$4,639	\$4.34	\$4,819	\$4.51	\$4,949	\$4.63	\$5,058	\$4.74	\$5,693	\$5.33
3 Bed/3 Bath	5	18.5%	1,270	6,350	\$4,407	\$3.47	\$4,843	\$3.81	\$5,173	\$4.07	\$5,375	\$4.23	\$5,519	\$4.35	\$5,641	\$4.44	\$6,349	\$5.00
Townhome	0	0.0%	0	0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Subtotal	27	100.0%	832	22,466	\$3,084	\$3.71	\$3,390	\$4.07	\$3,621	\$4.35	\$3,762	\$4.52	\$3,862	\$4.64	\$3,948	\$4.74	\$4,444	\$5.34
Market Rate - Lyra																		
Studio	0	0.0%	0	0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
1 Bed/1 Bath	47	50.5%	726	34,122	\$2,759	\$3.80	\$3,032	\$4.18	\$3,239	\$4.46	\$3,365	\$4.63	\$3,455	\$4.76	\$3,532	\$4.86	\$3,975	\$5.47
2 Bed/2 Bath	41	44.1%	956	39,196	\$3,537	\$3.70	\$3,887	\$4.07	\$4,152	\$4.34	\$4,314	\$4.51	\$4,430	\$4.63	\$4,528	\$4.74	\$5,096	\$5.33
3 Bed/3 Bath	0	0.0%	0	0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Townhome	5	5.4%	3,600	18,000	\$11,520	\$3.20	\$12,660	\$3.52	\$13,524	\$3.76	\$14,050	\$3.90	\$14,426	\$4.01	\$14,747	\$4.10	\$16,598	\$4.61
Subtotal	93	100.0%	982	91,318	\$5,573	\$3.64	\$3,927	\$4.00	\$4,194	\$4.27	\$4,358	\$4.44	\$4,474	\$4.56	\$4,574	\$4.66	\$5,148	\$5.24
Market Rate - Vega																		
Studio	66	35.3%	563	37,158	\$2,196	\$3.90	\$2,413	\$4.29	\$2,578	\$4.58	\$2,678	\$4.76	\$2,750	\$4.88	\$2,811	\$4.99	\$3,163	\$5.62
1 Bed/1 Bath	75	40.1%	775	58,125	\$2,945	\$3.80	\$3,237	\$4.18	\$3,457	\$4.46	\$3,592	\$4.63	\$3,688	\$4.76	\$3,770	\$4.86	\$4,243	\$5.47
2 Bed/2 Bath	46	24.6%	961	44,206	\$3,556	\$3.70	\$3,908	\$4.07	\$4,174	\$4.34	\$4,337	\$4.51	\$4,453	\$4.63	\$4,552	\$4.74	\$5,123	\$5.33
3 Bed/3 Bath	0	0.0%	0	0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Townhome	0	0.0%	0	0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Subtotal	187	100.0%	746	139,489	\$2,831	\$3.79	\$3,111	\$4.17	\$3,323	\$4.46	\$3,452	\$4.63	\$3,545	\$4.75	\$3,624	\$4.86	\$4,078	\$5.47
Market Rate - Astra																		
Studio	8	20.0%	588	4,704	\$2,293	\$3.90	\$2,520	\$4.29	\$2,692	\$4.58	\$2,797	\$4.76	\$2,872	\$4.88	\$2,936	\$4.99	\$3,304	\$5.62
1 Bed/1 Bath	12	30.0%	782	9,384	\$2,972	\$3.80	\$3,266	\$4.18	\$3,488	\$4.46	\$3,624	\$4.63	\$3,721	\$4.76	\$3,804	\$4.86	\$4,281	\$5.47
2 Bed/2 Bath	6	15.0%	1,037	6,222	\$3,837	\$3.70	\$4,217	\$4.07	\$4,504	\$4.34	\$4,680	\$4.51	\$4,805	\$4.63	\$4,912	\$4.74	\$5,528	\$5.33
3 Bed/3 Bath	1	2.5%	1,330	1,330	\$4,615	\$3.47	\$5,072	\$3.81	\$5,418	\$4.07	\$5,629	\$4.23	\$5,779	\$4.35	\$5,908	\$4.44	\$6,649	\$5.00
Townhome	13	32.5%	3,600	46,800	\$11,520	\$3.20	\$12,660	\$3.52	\$13,524	\$3.76	\$14,050	\$3.90	\$14,426	\$4.01	\$14,747	\$4.10	\$16,598	\$4.61
Subtotal	40	100.0%	1,711	68,440	\$5,785	\$3.38	\$6,358	\$3.72	\$6,791	\$3.97	\$7,055	\$4.12	\$7,245	\$4.23	\$7,405	\$4.33	\$8,335	\$4.87
Market Rate - Mira																		
Studio	0	0.0%	0	0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
1 Bed/1 Bath	0	0.0%	0	0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
2 Bed/2 Bath	73	93.6%	971	70,883	\$3,593	\$3.70	\$3,948	\$4.07	\$4,218	\$4.34	\$4,382	\$4.51	\$4,499	\$4.63	\$4,599	\$4.74	\$5,176	\$5.33
3 Bed/3 Bath	5	6.4%	1,251	6,255	\$4,341	\$3.47	\$4,771	\$3.81	\$5,096	\$4.07	\$5,294	\$4.23	\$5,436	\$4.35	\$5,557	\$4.44	\$6,254	\$5.00
Townhome	0	0.0%	0	0	\$0		\$0		\$0		\$0		\$0		\$0		\$0	
Subtotal	78	100.0%	989	77,138	\$3,641	\$3.68	\$4,001	\$4.05	\$4,274	\$4.32	\$4,440	\$4.49	\$4,559	\$4.61	\$4,660	\$4.71	\$5,245	\$5.30
Total Market Rate	466		941	438,384	\$3,446	\$3.66	\$3,787	\$4.03	\$4,045	\$4.30	\$4,202	\$4.47	\$4,315	\$4.59	\$4,411	\$4.69	\$4,964	\$5.28
Affordable Units²																		
Studio - 60% AMI	1	1.0%	535	535					\$1,134	\$2.12	\$1,168	\$2.18	\$1,203	\$2.25	\$1,239	\$2.32	\$1,395	\$2.61
1 Bed/1 Bath - 60% AMI	2	2.0%	740	1,480					\$1,305	\$1.76	\$1,344	\$1.82	\$1,384	\$1.87	\$1,426	\$1.93	\$1,605	\$2.17
2 Bed/2 Bath - 60% AMI	2	2.0%	1,068	2,136					\$1,412	\$1.32	\$1,454	\$1.36	\$1,498	\$1.40	\$1,543	\$1.44	\$1,737	\$1.63
3 Bed/2 Bath - 60% AMI	1	1.0%	1,270	1,270					\$1,475	\$1.16	\$1,519	\$1.20	\$1,565	\$1.23	\$1,612	\$1.27	\$1,814	\$1.43
Subtotal	6	6.0%	904	5,421					\$1,341	\$1.48	\$1,381	\$1.53	\$1,422	\$1.57	\$1,465	\$1.62	\$1,649	\$1.82
Studio - 80% AMI	0	0.0%	535	535					\$0		\$0		\$0		\$0		\$0	
1 Bed/1 Bath - 80% AMI ⁵	24	24.0%	740	17,760					\$1,654	\$2.24	\$1,704	\$2.30	\$1,755	\$2.37	\$1,807	\$2.44	\$2,365	\$3.20
2 Bed/2 Bath - 80% AMI ⁵	68	68.0%	1,068	72,624					\$2,070	\$1.94	\$2,132	\$2.00	\$2,196	\$2.06	\$2,262	\$2.12	\$2,805	\$2.63
3 Bed/2 Bath - 80% AMI ⁵	8	8.0%	1,270	10,160					\$2,492	\$1.96	\$2,567	\$2.02	\$2,644	\$2.08	\$2,723	\$2.14	\$3,324	\$2.62
Subtotal	100	100.0%	1,005	100,544					\$2,004	\$1.99	\$2,064	\$2.05	\$2,126	\$2.11	\$2,190	\$2.18	\$2,741	\$2.73
Studio - 120% AMI	0	0.0%	535	535					\$2,013		\$2,073		\$2,136		\$2,200		\$2,476	
1 Bed/1 Bath - 120% AMI	92	46.0%	740	68,080					\$2,309	\$3.12	\$2,378	\$3.21	\$2,450	\$3.31	\$2,523	\$3.41	\$2,840	\$3.84
2 Bed/2 Bath - 120% AMI	106	53.0%	1,068	113,208					\$2,541	\$2.38	\$2,617	\$2.45	\$2,696	\$2.52	\$2,777	\$2.60	\$3,125	\$2.93
3 Bed/2 Bath - 120% AMI	2	1.0%	1,270	2,540					\$2,731	\$2.15	\$2,813	\$2.21	\$2,897	\$2.28	\$2,984	\$2.35	\$3,359	\$2.64
Subtotal	200	100.0%	919	183,828					\$2,436	\$2.65	\$2,509	\$2.73	\$2,585	\$2.81	\$2,662	\$2.90	\$2,996	\$3.26
Total Affordable	306		929	284,372					\$2,273	\$2.45	\$2,342	\$2.52	\$2,412	\$2.60	\$2,484	\$2.67	\$2,886	\$3.11
Total	772	100.0%	936	722,756					\$3,343	\$3.57	\$3,465	\$3.70	\$3,561	\$3.80	\$3,647	\$3.90	\$4,141	\$4.42

¹ AIMCO
² KMA (including utility allowance)
³ CoStar
⁴ Green Street Advisors
⁵ Includes HAP Contract Vouchers
⁶ 80% AMI units reflect mark to market rates in 2029

Mariner's Cove - Developer Proposal
 Ocean Beach, San Diego, CA
 Market Rate Historical Rent Escalation

Market Rate Unit Rents	2020	2021	
	Q4	Q4	% Growth
San Diego County Avg. (Built 2017+)	\$2,677	\$2,942	9.9%

Source: CoStar

Affordable Rental Rates

Gross Affordable Unit Rents	2022
60% Area Median Income -	
Studio - 60% AMI	\$1,367
1 Bed - 60% AMI	\$1,562
2 Bed - 60% AMI	\$1,757
3 Bed - 60% AMI	\$1,952
80% Area Median Income -	
Studio - 80% AMI	\$1,823
1 Bed - 80% AMI	\$2,083
2 Bed - 80% AMI	\$2,343
3 Bed - 80% AMI	\$2,603
120% Area Median Income -	
Studio - 120% AMI	\$2,246
1 Bed - 120% AMI	\$2,566
2 Bed - 120% AMI	\$2,886
3 Bed - 120% AMI	\$3,208

Source: KMA

Utility Allowance 2022	Studio	1 Bed	2 Bed	3 Bed
Natural Gas - Space Heating	\$17	\$20	\$22	\$24
Electric - Space Heating	\$23	\$27	\$32	\$35
Natural Gas - Cooking	\$8	\$8	\$11	\$13
Electric - Cooking	\$10	\$12	\$18	\$28
Other Electric	\$39	\$46	\$64	\$82
Natural Gas - Water	\$9	\$11	\$16	\$21
Electric - Water	\$23	\$28	\$43	\$54
Water	\$81	\$87	\$131	\$221
Sewer	\$57	\$57	\$57	\$57
Microwave - Tenant Provided	\$5	\$5	\$5	\$5
Refrigerator - Tenant Provided	\$6	\$6	\$6	\$6
Total	\$233	\$257	\$345	\$477

Source: San Diego Housing Commission

Total Developer Returns (66 Years Remaining; 2090 Expiration) - AIMCO Proposal
 Sep 2020 v. May 2022 Studies (incl. Prevailing Wage)

	September 2020	May 2022
Unleveraged IRR	8.1%	6.7%
Leveraged IRR	9.4%	7.6%

Partitioned IRR - AIMCO Proposal
 Sep 2020 v. May 2022 Studies (incl. Prevailing Wage)

	Development Period (Yrs 10-20)	Hold Period (Yrs 21-66)	Total (Yrs 10-66)
Unleveraged IRR			
September 2020	8.1%	8.1%	8.1%
May 2022	6.3%	7.0%	6.7%
Leveraged IRR			
September 2020	10.7%	8.8%	9.4%
May 2022	7.9%	7.5%	7.6%

Mariner's Cove - Developer Proposal
 Ocean Beach, San Diego, CA
 Development Costs (incl. Prevailing Wage)

Market Rate Units	466
Affordable Units	306
Total # of Units	772
Residential Units Net S.F.	722,756
Retail Net S.F.	incl.
Net Building Area	722,756
Residential Units Gross S.F.	856,333
Retail Gross S.F.	incl.
Gross Building Area	856,333

		Total Cost	Cost Per Unit	Cost Per Gross S.F.	Cost Per Net S.F.
Land Value ¹	\$123.76 /lot SF	\$150,952,704	\$195,535	\$176.28	\$208.86
Predevelopment					
Off-Site Improvements		\$275,000	\$356	\$0.32	\$0.38
On-Site Improvements		\$22,906,000	\$29,671	\$26.75	\$31.69
Predevelopment Subtotal		\$23,181,000	\$30,027	\$27.07	\$32.07
Hard Costs					
Hard Costs		\$240,000,000	\$310,881	\$280.26	\$332.06
Hard Costs (Retail)	Incl.	\$0	\$0	\$0.00	\$0.00
TI's (Retail)	Incl.	\$0	\$0	\$0.00	\$0.00
Amenities/FF&E		\$2,800,000	\$3,627	\$3.27	\$3.87
Parking		\$50,000,000	\$64,767	\$58.39	\$69.18
Prevailing Wage	15.0%	\$43,920,000	\$56,891	\$51.29	\$60.77
Hard Cost Contingency	4.5%	\$16,195,545	\$20,979	\$18.91	\$22.41
Hard Cost Escalation ²	7.5% /year	\$74,533,874	\$96,546	\$87.04	\$103.12
Hard Costs Subtotal		\$427,449,419	\$553,691	\$499.16	\$591.42
Soft Costs					
	<u>% of Hard Costs</u>				
Architecture & Engineering	1.9%	\$8,000,000	\$10,363	\$9.34	\$11.07
Permits & Fees	4.7%	\$20,000,000	\$25,907	\$23.36	\$27.67
Entitlements	0.6%	\$2,500,000	\$3,238	\$2.92	\$3.46
Legal & Accounting	0.2%	\$750,000	\$972	\$0.88	\$1.04
Taxes & Insurance	0.0%	\$0	\$0	\$0.00	\$0.00
Developer Fees	2.3%	\$10,000,000	\$12,953	\$11.68	\$13.84
Marketing/Lease Up	0.1%	\$500,000	\$648	\$0.58	\$0.69
Soft Cost Contingency	0.2%	\$1,000,000	\$1,295	\$1.17	\$1.38
Relocation Costs	0.4%	\$1,500,000	\$1,943	\$1.75	\$2.08
Soft Cost Escalation ³	2.0% /year	\$2,245,798	\$2,909	\$2.62	\$3.11
Soft Costs Subtotal	11%	\$46,495,798	\$60,228	\$54.30	\$64.33
Finance & Other					
Operating/Lease-Up Reserves		\$10,000,000	\$12,953	\$11.68	\$13.84
Construction Loan Interest		\$69,509,586	\$90,038	\$81.17	\$96.17
Loan Fees	0.50%	\$2,364,663	\$3,063	\$2.76	\$3.27
Finance & Contingency Subtotal		\$81,874,249	\$106,055	\$95.61	\$113.28
Total Project Costs		\$729,953,169	\$945,535	\$852.42	\$1,009.96
Total Project Costs (Excl. Land)		\$579,000,465	\$750,001	\$676.14	\$801.10

¹ Value as of June 2020 plus 2.5% inflation for 4.5 years to reflect 2025 const. start

² 7.5% escalation for 2.5 years to reflect 2025 const. start

³ 2.0% escalation for 2.5 years to reflect 2025 const. start

Mariner's Cove - Developer Proposal (Total Period)
 Ocean Beach, San Diego, CA
 Cash Flow Forecast

Lease Year (Start 2015)	9	10	11	12	13	14	15
		Construction/Leasing				Stabilized	
	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	
	0	1	2	3	4	5	6
Redevelopment: Total Units Absorbed		0	0	331	530	678	772
Monthly Rent (Total Units)		\$3,647	\$3,757	\$3,869	\$3,985	\$4,141	\$4,265
Monthly Rent Per S.F. (Total Units)		\$3.90	\$4.01	\$4.13	\$4.26	\$4.42	\$4.56
Annual Increase In Rent (Total Units)			3.00%	3.00%	3.00%	3.00%	3.00%
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)			-	-	-	-	-
Existing: Gross Rental Income (Total Units)		\$13,210,583	\$8,693,642	\$6,210,009	\$1,955,003	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)		\$0	\$0	\$15,368,797	\$25,346,907	\$33,689,188	\$39,510,760
Other Income		\$818,012	\$0	\$1,152,660	\$1,901,018	\$2,526,689	\$2,963,307
Less: Vacancy & Credit Loss (Redevelopment)		(\$500,927)	\$0	(\$614,752)	(\$1,013,876)	(\$1,347,568)	(\$1,580,430)
Net Rental Income		\$13,527,668	\$8,693,642	\$22,116,714	\$28,189,052	\$34,868,310	\$40,893,636
	Per Unit (Stabilized)	% Increase					
Less: Operating Expenses	\$3,752	2.75%	(\$3,369,153)	\$0	(\$1,232,523)	(\$1,984,442)	(\$2,555,918)
Less: Insurance	\$440	3.00%		\$0	(\$144,436)	(\$232,552)	(\$299,522)
Less: Property Taxes	\$4,424	2.00%		\$0	(\$1,453,375)	(\$2,340,027)	(\$3,013,904)
Less: Capital Expenses	\$1,407	0.00%		\$0	\$0	(\$958,469)	(\$1,086,082)
Operating Expenses			(\$3,369,153)	\$0	(\$2,830,334)	(\$4,557,021)	(\$7,736,884)
Operating Expense Ratio			24.9%	0.0%	12.8%	16.2%	19.6%
Net Operating Income (before ground lease)		\$10,158,515	\$8,693,642	\$19,286,380	\$23,632,031	\$28,040,497	\$33,156,753
Less: Ground Lease Payment		(\$1,368,094)	(\$1,402,297)	(\$1,437,354)	(\$1,473,288)	(\$1,510,120)	(\$1,547,873)
Net Operating Income (after ground lease)		\$8,790,420	\$7,291,346	\$17,849,026	\$22,158,743	\$26,530,377	\$31,608,879
Less: Debt Service		\$0	\$0	\$0	\$0	\$0	(\$30,564,662)
Net Proceeds from Refinance:		\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations		\$8,790,420	\$7,291,346	\$17,849,026	\$22,158,743	\$26,530,377	\$1,044,217
Developer Project Investment							
Hard/Soft Costs		-	-	-	-	-	-
Development Fees		-	-	-	-	-	-
Total Project Costs		(\$150,952,704)	(\$202,850,487)	(\$152,137,865)	(\$101,425,243)	(\$50,712,622)	\$0
Total Cash Flow Before Taxes (Total Unleveraged)		(\$150,952,704)	(\$194,060,066)	(\$144,846,519)	(\$83,576,217)	\$26,530,377	\$31,608,879
IRR		6.7%					
Total Cash Flow Before Taxes (Total Leveraged)		(\$150,952,704)	(\$95,740,485)	\$7,291,346	\$17,849,026	\$22,158,743	\$1,044,217
IRR		7.6%					

Mariner's Cove - Developer Proposal (Total Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

Lease Year (Start 2015)	16	17	18	19	20	21	22		
	Year 2031	Year 2032	Year 2033	Year 2034	Year 2035	Year 2036	Year 2037		
Redevelopment: Total Units Absorbed	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$4,393	\$4,525	\$4,660	\$4,800	\$4,944	\$5,093	\$5,245		
Monthly Rent Per S.F. (Total Units)	\$4.69	\$4.83	\$4.98	\$5.13	\$5.28	\$5.44	\$5.60		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$40,696,082	\$41,916,965	\$43,174,474	\$44,469,708	\$45,803,799	\$47,177,913	\$48,593,251		
Other Income	\$3,052,206	\$3,143,772	\$3,238,086	\$3,335,228	\$3,435,285	\$3,538,343	\$3,644,494		
Less: Vacancy & Credit Loss (Redevelopment)	(\$1,627,843)	(\$1,676,679)	(\$1,726,979)	(\$1,778,788)	(\$1,832,152)	(\$1,887,117)	(\$1,943,730)		
Net Rental Income	\$42,120,445	\$43,384,059	\$44,685,580	\$46,026,148	\$47,406,932	\$48,829,140	\$50,294,014		
	Per Unit (Stabilized)	% Increase							
Less: Operating Expenses	\$3,752	2.75%	(\$2,975,865)	(\$3,057,701)	(\$3,141,788)	(\$3,228,187)	(\$3,316,962)	(\$3,408,178)	(\$3,501,903)
Less: Insurance	\$440	3.00%	(\$349,583)	(\$360,070)	(\$370,872)	(\$381,998)	(\$393,458)	(\$405,262)	(\$417,420)
Less: Property Taxes	\$4,424	2.00%	(\$3,483,486)	(\$3,553,156)	(\$3,624,219)	(\$3,696,703)	(\$3,770,637)	(\$3,846,050)	(\$3,922,971)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$7,895,015)	(\$8,057,009)	(\$8,222,961)	(\$8,392,970)	(\$8,567,140)	(\$8,745,573)	(\$8,928,376)		
Operating Expense Ratio	18.7%	18.6%	18.4%	18.2%	18.1%	17.9%	17.8%		
Net Operating Income (before ground lease)	\$34,225,430	\$35,327,050	\$36,462,620	\$37,633,177	\$38,839,793	\$40,083,568	\$41,365,638		
Less: Ground Lease Payment	(\$1,586,570)	(\$1,626,234)	(\$1,666,890)	(\$1,708,562)	(\$1,751,276)	(\$1,795,058)	(\$1,839,935)		
Net Operating Income (after ground lease)	\$32,638,860	\$33,700,816	\$34,795,729	\$35,924,615	\$37,088,516	\$38,288,509	\$39,525,703		
Less: Debt Service	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Cash Flow From Operations	\$2,074,198	\$3,136,153	\$4,231,067	\$5,359,953	\$6,523,854	\$7,723,847	\$8,961,041		
Developer Project Investment									
Hard/Soft Costs	-	-	-	-	-	-	-		
Development Fees	-	-	-	-	-	-	-		
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Cash Flow Before Taxes (Total Unleveraged)	\$32,638,860	\$33,700,816	\$34,795,729	\$35,924,615	\$37,088,516	\$38,288,509	\$39,525,703		
IRR	6.7%								
Total Cash Flow Before Taxes (Total Leveraged)	\$2,074,198	\$3,136,153	\$4,231,067	\$5,359,953	\$6,523,854	\$7,723,847	\$8,961,041		
IRR	7.6%								

Mariner's Cove - Developer Proposal (Total Period)
 Ocean Beach, San Diego, CA
 Cash Flow Forecast

Lease Year (Start 2015)	23	24	25	26	27	28	29	30		
	Year 2038	Year 2039	Year 2040	Re-Appraisal Year 2041	Year 2042	Year 2043	Year 2044	Year 2045		
Redevelopment: Total Units Absorbed	14	15	16	17	18	19	20	21		
	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$5,403	\$5,565	\$5,732	\$5,904	\$6,081	\$6,263	\$6,451	\$6,645		
Monthly Rent Per S.F. (Total Units)	\$5.77	\$5.94	\$6.12	\$6.31	\$6.50	\$6.69	\$6.89	\$7.10		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$50,051,048	\$51,552,580	\$53,099,157	\$54,692,132	\$56,332,896	\$58,022,882	\$59,763,569	\$61,556,476		
Other Income	\$3,753,829	\$3,866,443	\$3,982,437	\$4,101,910	\$4,224,967	\$4,351,716	\$4,482,268	\$4,616,736		
Less: Vacancy & Credit Loss (Redevelopment)	(\$2,002,042)	(\$2,062,103)	(\$2,123,966)	(\$2,187,685)	(\$2,253,316)	(\$2,320,915)	(\$2,390,543)	(\$2,462,259)		
Net Rental Income	\$51,802,835	\$53,356,920	\$54,957,627	\$56,606,356	\$58,304,547	\$60,053,683	\$61,855,294	\$63,710,953		
	Per Unit (Stabilized)	% Increase								
Less: Operating Expenses	\$3,752	2.75%	(\$3,598,206)	(\$3,697,156)	(\$3,798,828)	(\$3,903,296)	(\$4,010,636)	(\$4,120,929)	(\$4,234,254)	(\$4,350,696)
Less: Insurance	\$440	3.00%	(\$429,943)	(\$442,841)	(\$456,126)	(\$469,810)	(\$483,904)	(\$498,421)	(\$513,374)	(\$528,775)
Less: Property Taxes	\$4,424	2.00%	(\$4,001,431)	(\$4,081,459)	(\$4,163,088)	(\$4,246,350)	(\$4,331,277)	(\$4,417,903)	(\$4,506,261)	(\$4,596,386)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$9,115,661)	(\$9,307,538)	(\$9,504,124)	(\$9,705,538)	(\$9,911,900)	(\$10,123,335)	(\$10,339,971)	(\$10,561,939)		
Operating Expense Ratio	17.6%	17.4%	17.3%	17.1%	17.0%	16.9%	16.7%	16.6%		
Net Operating Income (before ground lease)	\$42,687,174	\$44,049,382	\$45,453,503	\$46,900,819	\$48,392,647	\$49,930,349	\$51,515,323	\$53,149,013		
Less: Ground Lease Payment	(\$1,885,933)	(\$1,933,082)	(\$1,981,409)	(\$6,807,345)	(\$6,977,529)	(\$7,151,967)	(\$7,330,766)	(\$7,514,035)		
Net Operating Income (after ground lease)	\$40,801,241	\$42,116,300	\$43,472,094	\$40,093,473	\$41,415,118	\$42,778,381	\$44,184,557	\$45,634,978		
Less: Debt Service	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Cash Flow From Operations	\$10,236,579	\$11,551,638	\$12,907,432	\$9,528,811	\$10,850,456	\$12,213,719	\$13,619,894	\$15,070,315		
Developer Project Investment										
Hard/Soft Costs	-	-	-	-	-	-	-	-		
Development Fees	-	-	-	-	-	-	-	-		
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Cash Flow Before Taxes (Total Unleveraged)	\$40,801,241	\$42,116,300	\$43,472,094	\$40,093,473	\$41,415,118	\$42,778,381	\$44,184,557	\$45,634,978		
IRR	6.7%									
Total Cash Flow Before Taxes (Total Leveraged)	\$10,236,579	\$11,551,638	\$12,907,432	\$9,528,811	\$10,850,456	\$12,213,719	\$13,619,894	\$15,070,315		
IRR	7.6%									

Mariner's Cove - Developer Proposal (Total Period)
 Ocean Beach, San Diego, CA
 Cash Flow Forecast

Lease Year (Start 2015)	55	56	57	58	59	60	61	62		
	Year 2070	Re-Appraisal Year 2071	Year 2072	Year 2073	Year 2074	Year 2075	Year 2076	Year 2077		
Redevelopment: Total Units Absorbed	46	47	48	49	50	51	52	53		
	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$13,913	\$14,330	\$14,760	\$15,203	\$15,659	\$16,128	\$16,612	\$17,111		
Monthly Rent Per S.F. (Total Units)	\$14.86	\$15.31	\$15.77	\$16.24	\$16.73	\$17.23	\$17.74	\$18.28		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$128,885,591	\$132,752,159	\$136,734,723	\$140,836,765	\$145,061,868	\$149,413,724	\$153,896,136	\$158,513,020		
Other Income	\$9,666,419	\$9,956,412	\$10,255,104	\$10,562,757	\$10,879,640	\$11,206,029	\$11,542,210	\$11,888,476		
Less: Vacancy & Credit Loss (Redevelopment)	(\$5,155,424)	(\$5,310,086)	(\$5,469,389)	(\$5,633,471)	(\$5,802,475)	(\$5,976,549)	(\$6,155,845)	(\$6,340,521)		
Net Rental Income	\$133,396,587	\$137,398,484	\$141,520,439	\$145,766,052	\$150,139,033	\$154,643,204	\$159,282,500	\$164,060,975		
	Per Unit (Stabilized)	% Increase								
Less: Operating Expenses	\$3,752	2.75%	(\$8,572,442)	(\$8,808,184)	(\$9,050,409)	(\$9,299,295)	(\$9,555,026)	(\$9,817,789)	(\$10,087,778)	(\$10,365,192)
Less: Insurance	\$440	3.00%	(\$1,107,138)	(\$1,140,352)	(\$1,174,562)	(\$1,209,799)	(\$1,246,093)	(\$1,283,476)	(\$1,321,980)	(\$1,361,640)
Less: Property Taxes	\$4,424	2.00%	(\$7,540,858)	(\$7,691,676)	(\$7,845,509)	(\$8,002,419)	(\$8,162,468)	(\$8,325,717)	(\$8,492,231)	(\$8,662,076)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$18,306,520)	(\$18,726,293)	(\$19,156,562)	(\$19,597,596)	(\$20,049,669)	(\$20,513,064)	(\$20,988,072)	(\$21,474,990)		
Operating Expense Ratio	13.7%	13.6%	13.5%	13.4%	13.4%	13.3%	13.2%	13.1%		
Net Operating Income (before ground lease)	\$115,090,067	\$118,672,191	\$122,363,876	\$126,168,456	\$130,089,365	\$134,130,140	\$138,294,429	\$142,585,986		
Less: Ground Lease Payment	(\$13,930,602)	(\$14,278,867)	(\$14,635,838)	(\$15,001,734)	(\$15,376,778)	(\$15,761,197)	(\$16,155,227)	(\$16,559,108)		
Net Operating Income (after ground lease)	\$101,159,465	\$104,393,324	\$107,728,038	\$111,166,722	\$114,712,587	\$118,368,943	\$122,139,202	\$126,026,878		
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Cash Flow From Operations	\$101,159,465	\$104,393,324	\$107,728,038	\$111,166,722	\$114,712,587	\$118,368,943	\$122,139,202	\$126,026,878		
Developer Project Investment										
Hard/Soft Costs	-	-	-	-	-	-	-	-		
Development Fees	-	-	-	-	-	-	-	-		
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Cash Flow Before Taxes (Total Unleveraged)	\$101,159,465	\$104,393,324	\$107,728,038	\$111,166,722	\$114,712,587	\$118,368,943	\$122,139,202	\$126,026,878		
IRR	6.7%									
Total Cash Flow Before Taxes (Total Leveraged)	\$101,159,465	\$104,393,324	\$107,728,038	\$111,166,722	\$114,712,587	\$118,368,943	\$122,139,202	\$126,026,878		
IRR	7.6%									

Mariner's Cove - Developer Proposal (Total Period)
 Ocean Beach, San Diego, CA
 Cash Flow Forecast

Lease Year (Start 2015)	63	64	65	66	67	68	69	70		
	Year 2078	Year 2079	Year 2080	Year 2081	Year 2082	Year 2083	Year 2084	Year 2085		
Redevelopment: Total Units Absorbed	54	55	56	57	58	59	60	61		
	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$17,624	\$18,153	\$18,697	\$19,258	\$19,836	\$20,431	\$21,044	\$21,675		
Monthly Rent Per S.F. (Total Units)	\$18.82	\$19.39	\$19.97	\$20.57	\$21.19	\$21.82	\$22.48	\$23.15		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$163,268,410	\$168,166,463	\$173,211,457	\$178,407,800	\$183,760,034	\$189,272,835	\$194,951,020	\$200,799,551		
Other Income	\$12,245,131	\$12,612,485	\$12,990,859	\$13,380,585	\$13,782,003	\$14,195,463	\$14,621,327	\$15,059,966		
Less: Vacancy & Credit Loss (Redevelopment)	(\$6,530,736)	(\$6,726,659)	(\$6,928,458)	(\$7,136,312)	(\$7,350,401)	(\$7,570,913)	(\$7,798,041)	(\$8,031,982)		
Net Rental Income	\$168,982,805	\$174,052,289	\$179,273,858	\$184,652,073	\$190,191,635	\$195,897,385	\$201,774,306	\$207,827,535		
	Per Unit (Stabilized)	% Increase								
Less: Operating Expenses	\$3,752	2.75%	(\$10,650,235)	(\$10,943,116)	(\$11,244,052)	(\$11,553,264)	(\$11,870,978)	(\$12,197,430)	(\$12,532,860)	(\$12,877,513)
Less: Insurance	\$440	3.00%	(\$1,402,489)	(\$1,444,563)	(\$1,487,900)	(\$1,532,537)	(\$1,578,513)	(\$1,625,869)	(\$1,674,645)	(\$1,724,884)
Less: Property Taxes	\$4,424	2.00%	(\$8,835,318)	(\$9,012,024)	(\$9,192,264)	(\$9,376,110)	(\$9,563,632)	(\$9,754,905)	(\$9,950,003)	(\$10,149,003)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$21,974,123)	(\$22,485,786)	(\$23,010,299)	(\$23,547,993)	(\$24,099,206)	(\$24,664,286)	(\$25,243,589)	(\$25,837,482)		
Operating Expense Ratio	13.0%	12.9%	12.8%	12.8%	12.7%	12.6%	12.5%	12.4%		
Net Operating Income (before ground lease)	\$147,008,681	\$151,566,503	\$156,263,559	\$161,104,081	\$166,092,430	\$171,233,099	\$176,530,717	\$181,990,053		
Less: Ground Lease Payment	(\$16,973,085)	(\$17,397,413)	(\$17,832,348)	(\$18,278,157)	(\$18,735,110)	(\$19,203,488)	(\$19,683,575)	(\$20,175,665)		
Net Operating Income (after ground lease)	\$130,035,596	\$134,169,091	\$138,431,211	\$142,825,924	\$147,357,319	\$152,029,611	\$156,847,142	\$161,814,388		
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Cash Flow From Operations	\$130,035,596	\$134,169,091	\$138,431,211	\$142,825,924	\$147,357,319	\$152,029,611	\$156,847,142	\$161,814,388		
Developer Project Investment										
Hard/Soft Costs	-	-	-	-	-	-	-	-		
Development Fees	-	-	-	-	-	-	-	-		
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Cash Flow Before Taxes (Total Unleveraged)	\$130,035,596	\$134,169,091	\$138,431,211	\$142,825,924	\$147,357,319	\$152,029,611	\$156,847,142	\$161,814,388		
IRR	6.7%									
Total Cash Flow Before Taxes (Total Leveraged)	\$130,035,596	\$134,169,091	\$138,431,211	\$142,825,924	\$147,357,319	\$152,029,611	\$156,847,142	\$161,814,388		
IRR	7.6%									

Mariner's Cove - Developer Proposal (Total Period)
 Ocean Beach, San Diego, CA
 Cash Flow Forecast

	Lease Year (Start 2015)	71	72	73	74	75	
	Year 2086	Year 2087	Year 2088	Year 2089	Year 2090		
Redevelopment: Total Units Absorbed	62	63	64	65	66		
	772	772	772	772	772		
Monthly Rent (Total Units)	\$22,326	\$22,995	\$23,685	\$24,396	\$25,128		
Monthly Rent Per S.F. (Total Units)	\$23.85	\$24.56	\$25.30	\$26.06	\$26.84		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$206,823,538	\$213,028,244	\$219,419,091	\$226,001,664	\$232,781,714		
Other Income	\$15,511,765	\$15,977,118	\$16,456,432	\$16,950,125	\$17,458,629		
Less: Vacancy & Credit Loss (Redevelopment)	(\$8,272,942)	(\$8,521,130)	(\$8,776,764)	(\$9,040,067)	(\$9,311,269)		
Net Rental Income	\$214,062,361	\$220,484,232	\$227,098,759	\$233,911,722	\$240,929,074		
	Per Unit (Stabilized)	% Increase					
Less: Operating Expenses	\$3,752	2.75%	(\$13,231,645)	(\$13,595,515)	(\$13,969,392)	(\$14,353,550)	(\$14,748,273)
Less: Insurance	\$440	3.00%	(\$1,776,631)	(\$1,829,930)	(\$1,884,828)	(\$1,941,372)	(\$1,999,614)
Less: Property Taxes	\$4,424	2.00%	(\$10,351,983)	(\$10,559,022)	(\$10,770,203)	(\$10,985,607)	(\$11,205,319)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$26,446,340)	(\$27,070,549)	(\$27,710,504)	(\$28,366,611)	(\$29,039,287)		
Operating Expense Ratio	12.4%	12.3%	12.2%	12.1%	12.1%		
Net Operating Income (before ground lease)	\$187,616,021	\$193,413,683	\$199,388,255	\$205,545,111	\$211,889,786		
Less: Ground Lease Payment	(\$20,680,056)	(\$21,197,058)	(\$21,726,984)	(\$22,270,159)	(\$22,826,913)		
Net Operating Income (after ground lease)	\$166,935,965	\$172,216,625	\$177,661,271	\$183,274,952	\$189,062,874		
Less: Debt Service	\$0	\$0	\$0	\$0	\$0		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0		
Cash Flow From Operations	\$166,935,965	\$172,216,625	\$177,661,271	\$183,274,952	\$189,062,874		
Developer Project Investment							
Hard/Soft Costs	-	-	-	-	-		
Development Fees	-	-	-	-	-		
Total Project Costs	\$0	\$0	\$0	\$0	\$0		
Total Cash Flow Before Taxes (Total Unleveraged)	\$166,935,965	\$172,216,625	\$177,661,271	\$183,274,952	\$189,062,874		
IRR	6.7%						
Total Cash Flow Before Taxes (Total Leveraged)	\$166,935,965	\$172,216,625	\$177,661,271	\$183,274,952	\$189,062,874		
IRR	7.6%						

Mariner's Cove - Developer Proposal (Development Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

	Lease Year (Start 2015)	9	10	11	12	13	14	15
			Construction/Leasing					Stablilized
	0	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	
		1	2	3	4	5	6	
Redevelopment: Total Units Absorbed		0	0	0	331	530	678	772
Monthly Rent (Total Units)		\$3,647	\$3,757	\$3,869	\$3,985	\$4,141	\$4,265	\$4,265
Monthly Rent Per S.F. (Total Units)		\$3.90	\$4.01	\$4.13	\$4.26	\$4.42	\$4.56	\$4.56
Annual Increase In Rent (Total Units)			3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)			-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)		\$13,210,583	\$8,693,642	\$6,210,009	\$1,955,003	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)		\$0	\$0	\$15,368,797	\$25,346,907	\$33,689,188	\$39,510,760	\$39,510,760
Other Income		\$818,012	\$0	\$1,152,660	\$1,901,018	\$2,526,689	\$2,963,307	\$2,963,307
Less: Vacancy & Credit Loss (Redevelopment)		(\$500,927)	\$0	(\$614,752)	(\$1,013,876)	(\$1,347,568)	(\$1,580,430)	(\$1,580,430)
Net Rental Income		\$13,527,668	\$8,693,642	\$22,116,714	\$28,189,052	\$34,868,310	\$40,893,636	\$40,893,636
	Per Unit (Stablilized)							
Less: Operating Expenses		\$3,752	2.75%	\$0	(\$1,232,523)	(\$1,984,442)	(\$2,555,918)	(\$2,896,218)
Less: Insurance		\$440	3.00%	\$0	(\$144,436)	(\$232,552)	(\$299,522)	(\$339,401)
Less: Property Taxes		\$4,424	2.00%	\$0	(\$1,453,375)	(\$2,340,027)	(\$3,013,904)	(\$3,415,183)
Less: Capital Expenses		\$1,407	0.00%	\$0	\$0	\$0	(\$958,469)	(\$1,086,082)
Operating Expenses		(\$3,369,153)	\$0	(\$2,830,334)	(\$4,557,021)	(\$6,827,813)	(\$7,736,884)	(\$7,736,884)
Operating Expense Ratio		24.9%	0.0%	12.8%	16.2%	19.6%	18.9%	18.9%
Net Operating Income (before ground lease)		\$10,158,515	\$8,693,642	\$19,286,380	\$23,632,031	\$28,040,497	\$33,156,753	\$33,156,753
Less: Ground Lease Payment		(\$1,368,094)	(\$1,402,297)	(\$1,437,354)	(\$1,473,288)	(\$1,510,120)	(\$1,547,873)	(\$1,547,873)
Net Operating Income (after ground lease)		\$8,790,420	\$7,291,346	\$17,849,026	\$22,158,743	\$26,530,377	\$31,608,879	\$31,608,879
Less: Debt Service		\$0	\$0	\$0	\$0	\$0	(\$30,564,662)	(\$30,564,662)
Cash Flow From Operations		\$8,790,420	\$7,291,346	\$17,849,026	\$22,158,743	\$26,530,377	\$1,044,217	\$1,044,217
Equity Contribution		(\$150,952,704)	(\$104,530,905)	\$0	\$0	\$0	\$0	\$0
Disposition								
Cap Rate								
NOI								
Asset Value								
Sale Price								
Less: Commissions & Closing Costs		2.00%						
Less: Principal Balance of Loan O/S								
Net Proceeds from Disposition								
Total Cash Flow Before Taxes (Dev. Period Leveraged)		(\$150,952,704)	(\$95,740,485)	\$7,291,346	\$17,849,026	\$22,158,743	\$26,530,377	\$1,044,217
IRR		7.9%						
Total Project Costs		(\$150,952,704)	(\$202,850,487)	(\$152,137,865)	(\$101,425,243)	(\$50,712,622)	\$0	\$0
Total Cash Flow Before Taxes (Dev. Period Unleveraged)		(\$150,952,704)	(\$194,060,066)	(\$144,846,519)	(\$83,576,217)	(\$28,553,878)	\$26,530,377	\$31,608,879
IRR		6.3%						

Mariner's Cove - Developer Proposal (Development Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

	Lease Year (Start 2015)	16	17	18	19	20
	Year 2031	Year 2032	Year 2033	Year 2034	Year 2035	
Redevelopment: Total Units Absorbed	772	772	772	772	772	772
Monthly Rent (Total Units)	\$4,393	\$4,525	\$4,660	\$4,800	\$4,944	
Monthly Rent Per S.F. (Total Units)	\$4.69	\$4.83	\$4.98	\$5.13	\$5.28	
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	
Redevelopment: Gross Rental Income (Total Units)	\$40,696,082	\$41,916,965	\$43,174,474	\$44,469,708	\$45,803,799	
Other Income	\$3,052,206	\$3,143,772	\$3,238,086	\$3,335,228	\$3,435,285	
Less: Vacancy & Credit Loss (Redevelopment)	(\$1,627,843)	(\$1,676,679)	(\$1,726,979)	(\$1,778,788)	(\$1,832,152)	
Net Rental Income	\$42,120,445	\$43,384,059	\$44,685,580	\$46,026,148	\$47,406,932	
	Per Unit (Stablized)	% Increase				
Less: Operating Expenses	\$3,752	2.75%	(\$2,975,865)	(\$3,057,701)	(\$3,141,788)	(\$3,228,187)
Less: Insurance	\$440	3.00%	(\$349,583)	(\$360,070)	(\$370,872)	(\$381,998)
Less: Property Taxes	\$4,424	2.00%	(\$3,483,486)	(\$3,553,156)	(\$3,624,219)	(\$3,696,703)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$7,895,015)		(\$8,057,009)	(\$8,222,961)	(\$8,392,970)	(\$8,567,140)
Operating Expense Ratio	18.7%		18.6%	18.4%	18.2%	18.1%
Net Operating Income (before ground lease)	\$34,225,430	\$35,327,050	\$36,462,620	\$37,633,177	\$38,839,793	
Less: Ground Lease Payment	(\$1,586,570)	(\$1,626,234)	(\$1,666,890)	(\$1,708,562)	(\$1,751,276)	
Net Operating Income (after ground lease)	\$32,638,860	\$33,700,816	\$34,795,729	\$35,924,615	\$37,088,516	
Less: Debt Service	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	
Cash Flow From Operations	\$2,074,198	\$3,136,153	\$4,231,067	\$5,359,953	\$6,523,854	
Equity Contribution	\$0	\$0	\$0	\$0	\$0	
Disposition						
Cap Rate						4.50%
NOI						\$37,088,516
Asset Value						\$824,189,247
Sale Price						\$824,189,247
Less: Commissions & Closing Costs	2.00%					(\$16,483,785)
Less: Principal Balance of Loan O/S						(\$407,345,848)
Net Proceeds from Disposition						\$400,359,614
Total Cash Flow Before Taxes (Dev. Period Leveraged)	\$2,074,198	\$3,136,153	\$4,231,067	\$5,359,953	\$6,523,854	
IRR	7.9%					
Total Project Costs	\$0	\$0	\$0	\$0	\$0	
Total Cash Flow Before Taxes (Dev. Period Unleveraged)	\$32,638,860	\$33,700,816	\$34,795,729	\$35,924,615	\$37,088,516	
IRR	6.3%					

Mariner's Cove - Developer Proposal (Hold Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

Lease Year (Start 2015)	9	10	11	12	13	14	15
		Construction/Leasing				Stabilized	
	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	
	0	1	2	3	4	5	6
Redevelopment: Total Units Absorbed		0	0	331	530	678	772
Monthly Rent (Total Units)		\$3,647	\$3,757	\$3,869	\$3,985	\$4,141	\$4,265
Monthly Rent Per S.F. (Total Units)		\$3.90	\$4.01	\$4.13	\$4.26	\$4.42	\$4.56
Annual Increase In Rent (Total Units)			3.00%	3.00%	3.00%	3.00%	3.00%
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)			-	-	-	-	-
Existing: Gross Rental Income (Total Units)		\$13,210,583	\$8,693,642	\$6,210,009	\$1,955,003	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)		\$0	\$0	\$15,368,797	\$25,346,907	\$33,689,188	\$39,510,760
Other Income		\$818,012	\$0	\$1,152,660	\$1,901,018	\$2,526,689	\$2,963,307
Less: Vacancy & Credit Loss (Redevelopment)		(\$500,927)	\$0	(\$614,752)	(\$1,013,876)	(\$1,347,568)	(\$1,580,430)
Net Rental Income		\$13,527,668	\$8,693,642	\$22,116,714	\$28,189,052	\$34,868,310	\$40,893,636
	Per Unit (Stabilized)	% Increase					
Less: Operating Expenses	\$3,752	2.75%	(\$3,369,153)	\$0	(\$1,232,523)	(\$1,984,442)	(\$2,896,218)
Less: Insurance	\$440	3.00%	\$0	\$0	(\$144,436)	(\$232,552)	(\$339,401)
Less: Property Taxes	\$4,424	2.00%	\$0	\$0	(\$1,453,375)	(\$2,340,027)	(\$3,415,183)
Less: Capital Expenses	\$1,407	0.00%	\$0	\$0	\$0	(\$958,469)	(\$1,086,082)
Operating Expenses			(\$3,369,153)	\$0	(\$2,830,334)	(\$4,557,021)	(\$7,736,884)
Operating Expense Ratio		24.9%	0.0%	12.8%	16.2%	19.6%	18.9%
Net Operating Income (before ground lease)		\$10,158,515	\$8,693,642	\$19,286,380	\$23,632,031	\$28,040,497	\$33,156,753
Less: Ground Lease Payment		(\$1,368,094)	(\$1,402,297)	(\$1,437,354)	(\$1,473,288)	(\$1,510,120)	(\$1,547,873)
Net Operating Income (after ground lease)		\$8,790,420	\$7,291,346	\$17,849,026	\$22,158,743	\$26,530,377	\$31,608,879
Less: Debt Service		\$0	\$0	\$0	\$0	\$0	(\$30,564,662)
Net Proceeds from Refinance:		\$0	\$0	\$0	\$0	\$0	\$0
Disposition							
Cap Rate							
NOI							
Asset Value							
Sale Price							
Less: Commissions & Closing Costs	2.00%						
Less: Principal Balance of Loan O/S							
Net Proceeds from Disposition							
Total Cash Flow Before Taxes (Hold Period Leveraged)		\$0	\$0	\$0	\$0	\$0	\$0
IRR		7.5%					
Total Cash Flow Before Taxes (Hold Period Unleveraged)		\$0	\$0	\$0	\$0	\$0	\$0
IRR		7.0%					

Mariner's Cove - Developer Proposal (Hold Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

Lease Year (Start 2015)	16	17	18	19	20	21	22	23		
	Year 2031	Year 2032	Year 2033	Year 2034	Year 2035	Year 2036	Year 2037	Year 2038		
Redevelopment: Total Units Absorbed	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$4,393	\$4,525	\$4,660	\$4,800	\$4,944	\$5,093	\$5,245	\$5,403		
Monthly Rent Per S.F. (Total Units)	\$4.69	\$4.83	\$4.98	\$5.13	\$5.28	\$5.44	\$5.60	\$5.77		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$40,696,082	\$41,916,965	\$43,174,474	\$44,469,708	\$45,803,799	\$47,177,913	\$48,593,251	\$50,051,048		
Other Income	\$3,052,206	\$3,143,772	\$3,238,086	\$3,335,228	\$3,435,285	\$3,538,343	\$3,644,494	\$3,753,829		
Less: Vacancy & Credit Loss (Redevelopment)	(\$1,627,843)	(\$1,676,679)	(\$1,726,979)	(\$1,778,788)	(\$1,832,152)	(\$1,887,117)	(\$1,943,730)	(\$2,002,042)		
Net Rental Income	\$42,120,445	\$43,384,059	\$44,685,580	\$46,026,148	\$47,406,932	\$48,829,140	\$50,294,014	\$51,802,835		
	Per Unit (Stablilized)	% Increase								
Less: Operating Expenses	\$3,752	2.75%	(\$2,975,865)	(\$3,057,701)	(\$3,141,788)	(\$3,228,187)	(\$3,316,962)	(\$3,408,178)	(\$3,501,903)	(\$3,598,206)
Less: Insurance	\$440	3.00%	(\$349,583)	(\$360,070)	(\$370,872)	(\$381,998)	(\$393,458)	(\$405,262)	(\$417,420)	(\$429,943)
Less: Property Taxes	\$4,424	2.00%	(\$3,483,486)	(\$3,553,156)	(\$3,624,219)	(\$3,696,703)	(\$3,770,637)	(\$3,846,050)	(\$3,922,971)	(\$4,001,431)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$7,895,015)	(\$8,057,009)	(\$8,222,961)	(\$8,392,970)	(\$8,567,140)	(\$8,745,573)	(\$8,928,376)	(\$9,115,661)		
Operating Expense Ratio	18.7%	18.6%	18.4%	18.2%	18.1%	17.9%	17.8%	17.6%		
Net Operating Income (before ground lease)	\$34,225,430	\$35,327,050	\$36,462,620	\$37,633,177	\$38,839,793	\$40,083,568	\$41,365,638	\$42,687,174		
Less: Ground Lease Payment	(\$1,586,570)	(\$1,626,234)	(\$1,666,890)	(\$1,708,562)	(\$1,751,276)	(\$1,795,058)	(\$1,839,935)	(\$1,885,933)		
Net Operating Income (after ground lease)	\$32,638,860	\$33,700,816	\$34,795,729	\$35,924,615	\$37,088,516	\$38,288,509	\$39,525,703	\$40,801,241		
Less: Debt Service	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)	(\$30,564,662)		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Disposition										
Cap Rate						4.50%				
NOI						\$37,088,516				
Asset Value						\$824,189,247				
Sale Price						\$824,189,247				
Less: Commissions & Closing Costs	2.00%					(\$16,483,785)				
Less: Principal Balance of Loan O/S						(\$407,345,848)				
Net Proceeds from Disposition						\$400,359,614				
Total Cash Flow Before Taxes (Hold Period Leveraged)	\$0	\$0	\$0	\$0	(\$400,359,614)	\$7,723,847	\$8,961,041	\$10,236,579		
IRR	7.5%									
Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$0	\$0	\$0	\$0	(\$807,705,462)	\$38,288,509	\$39,525,703	\$40,801,241		
IRR	7.0%									

Mariner's Cove - Developer Proposal (Hold Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

	Lease Year (Start 2015)	69	70	71	72	73	74	75
	Year 2084	Year 2085	Year 2086	Year 2087	Year 2088	Year 2089	Year 2090	Year 2090
Redevelopment: Total Units Absorbed	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)	\$21,044	\$21,675	\$22,326	\$22,995	\$23,685	\$24,396	\$25,128	
Monthly Rent Per S.F. (Total Units)	\$22.48	\$23.15	\$23.85	\$24.56	\$25.30	\$26.06	\$26.84	
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)	\$194,951,020	\$200,799,551	\$206,823,538	\$213,028,244	\$219,419,091	\$226,001,664	\$232,781,714	
Other Income	\$14,621,327	\$15,059,966	\$15,511,765	\$15,977,118	\$16,456,432	\$16,950,125	\$17,458,629	
Less: Vacancy & Credit Loss (Redevelopment)	(\$7,798,041)	(\$8,031,982)	(\$8,272,942)	(\$8,521,130)	(\$8,776,764)	(\$9,040,067)	(\$9,311,269)	
Net Rental Income	\$201,774,306	\$207,827,535	\$214,062,361	\$220,484,232	\$227,098,759	\$233,911,722	\$240,929,074	
	Per Unit (Stablized)	% Increase						
Less: Operating Expenses	\$3,752	2.75%	(\$12,532,860)	(\$12,877,513)	(\$13,231,645)	(\$13,595,515)	(\$13,969,392)	(\$14,353,550)
Less: Insurance	\$440	3.00%	(\$1,674,645)	(\$1,724,884)	(\$1,776,631)	(\$1,829,930)	(\$1,884,828)	(\$1,941,372)
Less: Property Taxes	\$4,424	2.00%	(\$9,950,003)	(\$10,149,003)	(\$10,351,983)	(\$10,559,022)	(\$10,770,203)	(\$10,985,607)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$25,243,589)	(\$25,837,482)	(\$26,446,340)	(\$27,070,549)	(\$27,710,504)	(\$28,366,611)	(\$29,039,287)	
Operating Expense Ratio	12.5%	12.4%	12.4%	12.3%	12.2%	12.1%	12.1%	
Net Operating Income (before ground lease)	\$176,530,717	\$181,990,053	\$187,616,021	\$193,413,683	\$199,388,255	\$205,545,111	\$211,889,786	
Less: Ground Lease Payment	(\$19,683,575)	(\$20,175,665)	(\$20,680,056)	(\$21,197,058)	(\$21,726,984)	(\$22,270,159)	(\$22,826,913)	
Net Operating Income (after ground lease)	\$156,847,142	\$161,814,388	\$166,935,965	\$172,216,625	\$177,661,271	\$183,274,952	\$189,062,874	
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Disposition								
Cap Rate								
NOI								
Asset Value								
Sale Price								
Less: Commissions & Closing Costs	2.00%							
Less: Principal Balance of Loan O/S								
Net Proceeds from Disposition								
Total Cash Flow Before Taxes (Hold Period Leveraged)	\$156,847,142	\$161,814,388	\$166,935,965	\$172,216,625	\$177,661,271	\$183,274,952	\$189,062,874	
IRR	7.5%							
Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$156,847,142	\$161,814,388	\$166,935,965	\$172,216,625	\$177,661,271	\$183,274,952	\$189,062,874	
IRR	7.0%							

Total Developer Returns (66 Years Remaining; 2090 Expiration) - AIMCO Proposal
 Sep 2020 v. May 2022 Studies

	September 2020	May 2022
Unleveraged IRR	8.1%	7.1%
Leveraged IRR	9.4%	8.3%

Partitioned IRR - AIMCO Proposal
 Sep 2020 v. May 2022 Studies

	Development Period (Yrs 10-20)	Hold Period (Yrs 21-66)	Total (Yrs 10-66)
Unleveraged IRR			
September 2020	8.1%	8.1%	8.1%
May 2022	7.4%	7.0%	7.1%
Leveraged IRR			
September 2020	10.7%	8.8%	9.4%
May 2022	10.1%	7.4%	8.3%

Mariner's Cove - Developer Proposal
 Ocean Beach, San Diego, CA
 Development Costs

Market Rate Units	466
Affordable Units	306
Total # of Units	772
Residential Units Net S.F.	722,756
Retail Net S.F.	incl.
Net Building Area	722,756
Residential Units Gross S.F.	856,333
Retail Gross S.F.	incl.
Gross Building Area	856,333

		Total Cost	Cost Per Unit	Cost Per Gross S.F.	Cost Per Net S.F.
Land Value ¹	\$123.76 /lot SF	\$150,952,704	\$195,535	\$176.28	\$208.86
Predevelopment					
Off-Site Improvements		\$275,000	\$356	\$0.32	\$0.38
On-Site Improvements		\$22,906,000	\$29,671	\$26.75	\$31.69
Predevelopment Subtotal		\$23,181,000	\$30,027	\$27.07	\$32.07
Hard Costs					
Hard Costs		\$240,000,000	\$310,881	\$280.26	\$332.06
Hard Costs (Retail)	Incl.	\$0	\$0	\$0.00	\$0.00
TI's (Retail)	Incl.	\$0	\$0	\$0.00	\$0.00
Amenities/FF&E		\$2,800,000	\$3,627	\$3.27	\$3.87
Parking		\$50,000,000	\$64,767	\$58.39	\$69.18
Prevailing Wage	0.0%	\$0	\$0	\$0.00	\$0.00
Hard Cost Contingency	4.5%	\$14,219,145	\$18,419	\$16.60	\$19.67
Hard Cost Escalation ²	7.5% /year	\$65,438,240	\$84,765	\$76.42	\$90.54
Hard Costs Subtotal		\$372,457,385	\$482,458	\$434.94	\$515.33
Soft Costs					
	<u>% of Hard Costs</u>				
Architecture & Engineering	2.1%	\$8,000,000	\$10,363	\$9.34	\$11.07
Permits & Fees	5.4%	\$20,000,000	\$25,907	\$23.36	\$27.67
Entitlements	0.7%	\$2,500,000	\$3,238	\$2.92	\$3.46
Legal & Accounting	0.2%	\$750,000	\$972	\$0.88	\$1.04
Taxes & Insurance	0.0%	\$0	\$0	\$0.00	\$0.00
Developer Fees	2.7%	\$10,000,000	\$12,953	\$11.68	\$13.84
Marketing/Lease Up	0.1%	\$500,000	\$648	\$0.58	\$0.69
Soft Cost Contingency	0.3%	\$1,000,000	\$1,295	\$1.17	\$1.38
Relocation Costs	0.4%	\$1,500,000	\$1,943	\$1.75	\$2.08
Soft Cost Escalation ³	2.0% /year	\$2,245,798	\$2,909	\$2.62	\$3.11
Soft Costs Subtotal	12%	\$46,495,798	\$60,228	\$54.30	\$64.33
Finance & Other					
Operating/Lease-Up Reserves		\$10,000,000	\$12,953	\$11.68	\$13.84
Construction Loan Interest		\$63,701,052	\$82,514	\$74.39	\$88.14
Loan Fees	0.50%	\$2,167,061	\$2,807	\$2.53	\$3.00
Finance & Contingency Subtotal		\$75,868,113	\$98,275	\$88.60	\$104.97
Total Project Costs		\$668,955,000	\$866,522	\$781.19	\$925.56
Total Project Costs (Excl. Land)		\$518,002,296	\$670,987	\$604.91	\$716.70

¹ Value as of June 2020 plus 2.5% inflation for 4.5 years to reflect 2025 const. start

² 7.5% escalation for 2.5 years to reflect 2025 const. start

³ 2.0% escalation for 2.5 years to reflect 2025 const. start

Mariner's Cove - Developer Proposal (Total Period)
 Ocean Beach, San Diego, CA
 Cash Flow Forecast

Lease Year (Start 2015)	9	10	11	12	13	14	15	16
	Construction/Leasing					Stabilized		
	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	Year 2031	
	0	1	2	3	4	5	6	7
Redevelopment: Total Units Absorbed		0	0	331	530	678	772	772
Monthly Rent (Total Units)		\$3,647	\$3,757	\$3,869	\$3,985	\$4,141	\$4,265	\$4,393
Monthly Rent Per S.F. (Total Units)		\$3.90	\$4.01	\$4.13	\$4.26	\$4.42	\$4.56	\$4.69
Annual Increase In Rent (Total Units)			3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)			-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)		\$13,210,583	\$8,693,642	\$6,210,009	\$1,955,003	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)		\$0	\$0	\$15,368,797	\$25,346,907	\$33,689,188	\$39,510,760	\$40,696,082
Other Income		\$818,012	\$0	\$1,152,660	\$1,901,018	\$2,526,689	\$2,963,307	\$3,052,206
Less: Vacancy & Credit Loss (Redevelopment)		(\$500,927)	\$0	(\$614,752)	(\$1,013,876)	(\$1,347,568)	(\$1,580,430)	(\$1,627,843)
Net Rental Income		\$13,527,668	\$8,693,642	\$22,116,714	\$28,189,052	\$34,868,310	\$40,893,636	\$42,120,445
	Per Unit (Stabilized)	% Increase						
Less: Operating Expenses	\$3,752	2.75%	(\$3,369,153)	\$0	(\$1,232,523)	(\$1,984,442)	(\$2,555,918)	(\$2,896,218)
Less: Insurance	\$440	3.00%	\$0	\$0	(\$144,436)	(\$232,552)	(\$299,522)	(\$339,401)
Less: Property Taxes	\$4,424	2.00%	\$0	\$0	(\$1,453,375)	(\$2,340,027)	(\$3,013,904)	(\$3,415,183)
Less: Capital Expenses	\$1,407	0.00%	\$0	\$0	\$0	(\$958,469)	(\$1,086,082)	(\$1,086,082)
Operating Expenses			(\$3,369,153)	\$0	(\$2,830,334)	(\$4,557,021)	(\$6,827,813)	(\$7,736,884)
Operating Expense Ratio			24.9%	0.0%	12.8%	16.2%	19.6%	18.9%
Net Operating Income (before ground lease)			\$10,158,515	\$8,693,642	\$19,286,380	\$23,632,031	\$28,040,497	\$33,156,753
Less: Ground Lease Payment		(\$1,368,094)	(\$1,402,297)	(\$1,437,354)	(\$1,473,288)	(\$1,510,120)	(\$1,547,873)	(\$1,586,570)
Net Operating Income (after ground lease)		\$8,790,420	\$7,291,346	\$17,849,026	\$22,158,743	\$26,530,377	\$31,608,879	\$32,638,860
Less: Debt Service		\$0	\$0	\$0	\$0	\$0	(\$28,010,542)	(\$28,010,542)
Net Proceeds from Refinance:		\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations		\$8,790,420	\$7,291,346	\$17,849,026	\$22,158,743	\$26,530,377	\$3,598,338	\$4,628,318
Developer Project Investment								
Hard/Soft Costs		-	-	-	-	-	-	-
Development Fees		-	-	-	-	-	-	-
Total Project Costs		(\$150,952,704)	(\$180,853,673)	(\$135,640,255)	(\$90,426,837)	(\$45,213,418)	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)		(\$150,952,704)	(\$172,063,253)	(\$128,348,909)	(\$72,577,810)	(\$23,054,675)	\$26,530,377	\$31,608,879
IRR		7.1%						
Total Cash Flow Before Taxes (Total Leveraged)		(\$150,952,704)	(\$74,391,126)	\$7,291,346	\$17,849,026	\$22,158,743	\$3,598,338	\$4,628,318
IRR		8.3%						

Mariner's Cove - Developer Proposal (Total Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

Lease Year (Start 2015)	17	18	19	20	21	22	23	
	Year 2032	Year 2033	Year 2034	Year 2035	Year 2036	Year 2037	Year 2038	
Redevelopment: Total Units Absorbed	8	9	10	11	12	13	14	
	772	772	772	772	772	772	772	
Monthly Rent (Total Units)	\$4,525	\$4,660	\$4,800	\$4,944	\$5,093	\$5,245	\$5,403	
Monthly Rent Per S.F. (Total Units)	\$4.83	\$4.98	\$5.13	\$5.28	\$5.44	\$5.60	\$5.77	
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Total Units)	\$41,916,965	\$43,174,474	\$44,469,708	\$45,803,799	\$47,177,913	\$48,593,251	\$50,051,048	
Other Income	\$3,143,772	\$3,238,086	\$3,335,228	\$3,435,285	\$3,538,343	\$3,644,494	\$3,753,829	
Less: Vacancy & Credit Loss (Redevelopment)	(\$1,676,679)	(\$1,726,979)	(\$1,778,788)	(\$1,832,152)	(\$1,887,117)	(\$1,943,730)	(\$2,002,042)	
Net Rental Income	\$43,384,059	\$44,685,580	\$46,026,148	\$47,406,932	\$48,829,140	\$50,294,014	\$51,802,835	
	Per Unit (Stabilized)	% Increase						
Less: Operating Expenses	\$3,752	2.75%	(\$3,057,701)	(\$3,141,788)	(\$3,228,187)	(\$3,316,962)	(\$3,408,178)	(\$3,501,903)
Less: Insurance	\$440	3.00%	(\$360,070)	(\$370,872)	(\$381,998)	(\$393,458)	(\$405,262)	(\$417,420)
Less: Property Taxes	\$4,424	2.00%	(\$3,553,156)	(\$3,624,219)	(\$3,696,703)	(\$3,770,637)	(\$3,846,050)	(\$3,922,971)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$8,057,009)	(\$8,222,961)	(\$8,392,970)	(\$8,567,140)	(\$8,745,573)	(\$8,928,376)	(\$9,115,661)	
Operating Expense Ratio	18.6%	18.4%	18.2%	18.1%	17.9%	17.8%	17.6%	
Net Operating Income (before ground lease)	\$35,327,050	\$36,462,620	\$37,633,177	\$38,839,793	\$40,083,568	\$41,365,638	\$42,687,174	
Less: Ground Lease Payment	(\$1,626,234)	(\$1,666,890)	(\$1,708,562)	(\$1,751,276)	(\$1,795,058)	(\$1,839,935)	(\$1,885,933)	
Net Operating Income (after ground lease)	\$33,700,816	\$34,795,729	\$35,924,615	\$37,088,516	\$38,288,509	\$39,525,703	\$40,801,241	
Less: Debt Service	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cash Flow From Operations	\$5,690,274	\$6,785,188	\$7,914,073	\$9,077,974	\$10,277,968	\$11,515,162	\$12,790,699	
Developer Project Investment								
Hard/Soft Costs	-	-	-	-	-	-	-	
Development Fees	-	-	-	-	-	-	-	
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Cash Flow Before Taxes (Total Unleveraged)	\$33,700,816	\$34,795,729	\$35,924,615	\$37,088,516	\$38,288,509	\$39,525,703	\$40,801,241	
IRR	7.1%							
Total Cash Flow Before Taxes (Total Leveraged)	\$5,690,274	\$6,785,188	\$7,914,073	\$9,077,974	\$10,277,968	\$11,515,162	\$12,790,699	
IRR	8.3%							

Mariner's Cove - Developer Proposal (Total Period)
 Ocean Beach, San Diego, CA
 Cash Flow Forecast

Lease Year (Start 2015)	24	25	26	27	28	29	30	31	
	Year 2039	Year 2040	Re-Appraisal Year 2041	Year 2042	Year 2043	Year 2044	Year 2045	Year 2046	
Redevelopment: Total Units Absorbed	15	16	17	18	19	20	21	22	
	772	772	772	772	772	772	772	772	
Monthly Rent (Total Units)	\$5,565	\$5,732	\$5,904	\$6,081	\$6,263	\$6,451	\$6,645	\$6,844	
Monthly Rent Per S.F. (Total Units)	\$5.94	\$6.12	\$6.31	\$6.50	\$6.69	\$6.89	\$7.10	\$7.31	
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Total Units)	\$51,552,580	\$53,099,157	\$54,692,132	\$56,332,896	\$58,022,882	\$59,763,569	\$61,556,476	\$63,403,170	
Other Income	\$3,866,443	\$3,982,437	\$4,101,910	\$4,224,967	\$4,351,716	\$4,482,268	\$4,616,736	\$4,755,238	
Less: Vacancy & Credit Loss (Redevelopment)	(\$2,062,103)	(\$2,123,966)	(\$2,187,685)	(\$2,253,316)	(\$2,320,915)	(\$2,390,543)	(\$2,462,259)	(\$2,536,127)	
Net Rental Income	\$53,356,920	\$54,957,627	\$56,606,356	\$58,304,547	\$60,053,683	\$61,855,294	\$63,710,953	\$65,622,281	
	Per Unit (Stabilized)	% Increase							
Less: Operating Expenses	\$3,752	2.75%	(\$3,697,156)	(\$3,798,828)	(\$3,903,296)	(\$4,010,636)	(\$4,120,929)	(\$4,234,254)	(\$4,350,696)
Less: Insurance	\$440	3.00%	(\$442,841)	(\$456,126)	(\$469,810)	(\$483,904)	(\$498,421)	(\$513,374)	(\$528,775)
Less: Property Taxes	\$4,424	2.00%	(\$4,081,459)	(\$4,163,088)	(\$4,246,350)	(\$4,331,277)	(\$4,417,903)	(\$4,506,261)	(\$4,596,386)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$9,307,538)	(\$9,504,124)	(\$9,705,538)	(\$9,911,900)	(\$10,123,335)	(\$10,339,971)	(\$10,561,939)	(\$10,789,375)	
Operating Expense Ratio	17.4%	17.3%	17.1%	17.0%	16.9%	16.7%	16.6%	16.4%	
Net Operating Income (before ground lease)	\$44,049,382	\$45,453,503	\$46,900,819	\$48,392,647	\$49,930,349	\$51,515,323	\$53,149,013	\$54,832,907	
Less: Ground Lease Payment	(\$1,933,082)	(\$1,981,409)	(\$6,807,345)	(\$6,977,529)	(\$7,151,967)	(\$7,330,766)	(\$7,514,035)	(\$7,701,886)	
Net Operating Income (after ground lease)	\$42,116,300	\$43,472,094	\$40,093,473	\$41,415,118	\$42,778,381	\$44,184,557	\$45,634,978	\$47,131,020	
Less: Debt Service	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cash Flow From Operations	\$14,105,758	\$15,461,553	\$12,082,932	\$13,404,577	\$14,767,840	\$16,174,015	\$17,624,436	\$19,120,479	
Developer Project Investment									
Hard/Soft Costs	-	-	-	-	-	-	-	-	
Development Fees	-	-	-	-	-	-	-	-	
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Cash Flow Before Taxes (Total Unleveraged)	\$42,116,300	\$43,472,094	\$40,093,473	\$41,415,118	\$42,778,381	\$44,184,557	\$45,634,978	\$47,131,020	
IRR	7.1%								
Total Cash Flow Before Taxes (Total Leveraged)	\$14,105,758	\$15,461,553	\$12,082,932	\$13,404,577	\$14,767,840	\$16,174,015	\$17,624,436	\$19,120,479	
IRR	8.3%								

Mariner's Cove - Developer Proposal (Total Period)
 Ocean Beach, San Diego, CA
 Cash Flow Forecast

Lease Year (Start 2015)	64	65	66	67	68	69	70	71		
	Year 2079	Year 2080	Year 2081	Year 2082	Year 2083	Year 2084	Year 2085	Year 2086		
Redevelopment: Total Units Absorbed	55	56	57	58	59	60	61	62		
	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$18,153	\$18,697	\$19,258	\$19,836	\$20,431	\$21,044	\$21,675	\$22,326		
Monthly Rent Per S.F. (Total Units)	\$19.39	\$19.97	\$20.57	\$21.19	\$21.82	\$22.48	\$23.15	\$23.85		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$168,166,463	\$173,211,457	\$178,407,800	\$183,760,034	\$189,272,835	\$194,951,020	\$200,799,551	\$206,823,538		
Other Income	\$12,612,485	\$12,990,859	\$13,380,585	\$13,782,003	\$14,195,463	\$14,621,327	\$15,059,966	\$15,511,765		
Less: Vacancy & Credit Loss (Redevelopment)	(\$6,726,659)	(\$6,928,458)	(\$7,136,312)	(\$7,350,401)	(\$7,570,913)	(\$7,798,041)	(\$8,031,982)	(\$8,272,942)		
Net Rental Income	\$174,052,289	\$179,273,858	\$184,652,073	\$190,191,635	\$195,897,385	\$201,774,306	\$207,827,535	\$214,062,361		
	Per Unit (Stabilized)	% Increase								
Less: Operating Expenses	\$3,752	2.75%	(\$10,943,116)	(\$11,244,052)	(\$11,553,264)	(\$11,870,978)	(\$12,197,430)	(\$12,532,860)	(\$12,877,513)	(\$13,231,645)
Less: Insurance	\$440	3.00%	(\$1,444,563)	(\$1,487,900)	(\$1,532,537)	(\$1,578,513)	(\$1,625,869)	(\$1,674,645)	(\$1,724,884)	(\$1,776,631)
Less: Property Taxes	\$4,424	2.00%	(\$9,012,024)	(\$9,192,264)	(\$9,376,110)	(\$9,563,632)	(\$9,754,905)	(\$9,950,003)	(\$10,149,003)	(\$10,351,983)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$22,485,786)	(\$23,010,299)	(\$23,547,993)	(\$24,099,206)	(\$24,664,286)	(\$25,243,589)	(\$25,837,482)	(\$26,446,340)		
Operating Expense Ratio	12.9%	12.8%	12.8%	12.7%	12.6%	12.5%	12.4%	12.4%		
Net Operating Income (before ground lease)	\$151,566,503	\$156,263,559	\$161,104,081	\$166,092,430	\$171,233,099	\$176,530,717	\$181,990,053	\$187,616,021		
Less: Ground Lease Payment	(\$17,397,413)	(\$17,832,348)	(\$18,278,157)	(\$18,735,110)	(\$19,203,488)	(\$19,683,575)	(\$20,175,665)	(\$20,680,056)		
Net Operating Income (after ground lease)	\$134,169,091	\$138,431,211	\$142,825,924	\$147,357,319	\$152,029,611	\$156,847,142	\$161,814,388	\$166,935,965		
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Cash Flow From Operations	\$134,169,091	\$138,431,211	\$142,825,924	\$147,357,319	\$152,029,611	\$156,847,142	\$161,814,388	\$166,935,965		
Developer Project Investment										
Hard/Soft Costs	-	-	-	-	-	-	-	-		
Development Fees	-	-	-	-	-	-	-	-		
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Cash Flow Before Taxes (Total Unleveraged)	\$134,169,091	\$138,431,211	\$142,825,924	\$147,357,319	\$152,029,611	\$156,847,142	\$161,814,388	\$166,935,965		
IRR	7.1%									
Total Cash Flow Before Taxes (Total Leveraged)	\$134,169,091	\$138,431,211	\$142,825,924	\$147,357,319	\$152,029,611	\$156,847,142	\$161,814,388	\$166,935,965		
IRR	8.3%									

Mariner's Cove - Developer Proposal (Total Period)
 Ocean Beach, San Diego, CA
 Cash Flow Forecast

	Lease Year (Start 2015)	72	73	74	75	
	Year 2087	Year 2088	Year 2089	Year 2090		
Redevelopment: Total Units Absorbed	63	64	65	66		
	772	772	772	772		
Monthly Rent (Total Units)	\$22,995	\$23,685	\$24,396	\$25,128		
Monthly Rent Per S.F. (Total Units)	\$24.56	\$25.30	\$26.06	\$26.84		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$213,028,244	\$219,419,091	\$226,001,664	\$232,781,714		
Other Income	\$15,977,118	\$16,456,432	\$16,950,125	\$17,458,629		
Less: Vacancy & Credit Loss (Redevelopment)	(\$8,521,130)	(\$8,776,764)	(\$9,040,067)	(\$9,311,269)		
Net Rental Income	\$220,484,232	\$227,098,759	\$233,911,722	\$240,929,074		
	Per Unit (Stabilized)	% Increase				
Less: Operating Expenses	\$3,752	2.75%	(\$13,595,515)	(\$13,969,392)	(\$14,353,550)	(\$14,748,273)
Less: Insurance	\$440	3.00%	(\$1,829,930)	(\$1,884,828)	(\$1,941,372)	(\$1,999,614)
Less: Property Taxes	\$4,424	2.00%	(\$10,559,022)	(\$10,770,203)	(\$10,985,607)	(\$11,205,319)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$27,070,549)		(\$27,710,504)	(\$28,366,611)	(\$29,039,287)	
Operating Expense Ratio	12.3%		12.2%	12.1%	12.1%	
Net Operating Income (before ground lease)	\$193,413,683		\$199,388,255	\$205,545,111	\$211,889,786	
Less: Ground Lease Payment	(\$21,197,058)		(\$21,726,984)	(\$22,270,159)	(\$22,826,913)	
Net Operating Income (after ground lease)	\$172,216,625		\$177,661,271	\$183,274,952	\$189,062,874	
Less: Debt Service	\$0		\$0	\$0	\$0	
Net Proceeds from Refinance:	\$0		\$0	\$0	\$0	
Cash Flow From Operations	\$172,216,625		\$177,661,271	\$183,274,952	\$189,062,874	
Developer Project Investment						
Hard/Soft Costs	-		-	-	-	
Development Fees	-		-	-	-	
Total Project Costs	\$0		\$0	\$0	\$0	
Total Cash Flow Before Taxes (Total Unleveraged)	\$172,216,625		\$177,661,271	\$183,274,952	\$189,062,874	
IRR	7.1%					
Total Cash Flow Before Taxes (Total Leveraged)	\$172,216,625		\$177,661,271	\$183,274,952	\$189,062,874	
IRR	8.3%					

Mariner's Cove - Developer Proposal (Development Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

Lease Year (Start 2015)	9	10	11	12	13	14	15	16	
	Construction/Leasing					Stabilized			
	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	Year 2031		
	1	2	3	4	5	6	7		
Redevelopment: Total Units Absorbed	0	0	331	530	678	772	772		
Monthly Rent (Total Units)	\$3,647	\$3,757	\$3,869	\$3,985	\$4,141	\$4,265	\$4,393		
Monthly Rent Per S.F. (Total Units)	\$3.90	\$4.01	\$4.13	\$4.26	\$4.42	\$4.56	\$4.69		
Annual Increase In Rent (Total Units)		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)		-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$13,210,583	\$8,693,642	\$6,210,009	\$1,955,003	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)		-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$0	\$0	\$15,368,797	\$25,346,907	\$33,689,188	\$39,510,760	\$40,696,082		
Other Income	\$818,012	\$0	\$1,152,660	\$1,901,018	\$2,526,689	\$2,963,307	\$3,052,206		
Less: Vacancy & Credit Loss (Redevelopment)	(\$500,927)	\$0	(\$614,752)	(\$1,013,876)	(\$1,347,568)	(\$1,580,430)	(\$1,627,843)		
Net Rental Income	\$13,527,668	\$8,693,642	\$22,116,714	\$28,189,052	\$34,868,310	\$40,893,636	\$42,120,445		
	Per Unit (Stabilized)	% Increase							
Less: Operating Expenses	\$3,752	2.75%	(\$3,369,153)	\$0	(\$1,232,523)	(\$1,984,442)	(\$2,555,918)	(\$2,896,218)	(\$2,975,865)
Less: Insurance	\$440	3.00%	\$0	\$0	(\$144,436)	(\$232,552)	(\$299,522)	(\$339,401)	(\$349,583)
Less: Property Taxes	\$4,424	2.00%	\$0	\$0	(\$1,453,375)	(\$2,340,027)	(\$3,013,904)	(\$3,415,183)	(\$3,483,486)
Less: Capital Expenses	\$1,407	0.00%	\$0	\$0	\$0	\$0	(\$958,469)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$3,369,153)	\$0	(\$2,830,334)	(\$4,557,021)	(\$6,827,813)	(\$7,736,884)	(\$7,895,015)		
Operating Expense Ratio	24.9%	0.0%	12.8%	16.2%	19.6%	18.9%	18.7%		
Net Operating Income (before ground lease)	\$10,158,515	\$8,693,642	\$19,286,380	\$23,632,031	\$28,040,497	\$33,156,753	\$34,225,430		
Less: Ground Lease Payment	(\$1,368,094)	(\$1,402,297)	(\$1,437,354)	(\$1,473,288)	(\$1,510,120)	(\$1,547,873)	(\$1,586,570)		
Net Operating Income (after ground lease)	\$8,790,420	\$7,291,346	\$17,849,026	\$22,158,743	\$26,530,377	\$31,608,879	\$32,638,860		
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	(\$28,010,542)	(\$28,010,542)		
Cash Flow From Operations	\$8,790,420	\$7,291,346	\$17,849,026	\$22,158,743	\$26,530,377	\$3,598,338	\$4,628,318		
Equity Contribution	(\$150,952,704)	(\$83,181,546)	\$0	\$0	\$0	\$0	\$0	\$0	
Disposition									
Cap Rate									
NOI									
Asset Value									
Sale Price									
Less: Commissions & Closing Costs	2.00%								
Less: Principal Balance of Loan O/S									
Net Proceeds from Disposition									
Total Cash Flow Before Taxes (Dev. Period Leveraged)	(\$150,952,704)	(\$74,391,126)	\$7,291,346	\$17,849,026	\$22,158,743	\$26,530,377	\$3,598,338	\$4,628,318	
IRR	10.1%								
Total Project Costs	(\$150,952,704)	(\$180,853,673)	(\$135,640,255)	(\$90,426,837)	(\$45,213,418)	\$0	\$0	\$0	
Total Cash Flow Before Taxes (Dev. Period Unleveraged)	(\$150,952,704)	(\$172,063,253)	(\$128,348,909)	(\$72,577,810)	(\$23,054,675)	\$26,530,377	\$31,608,879	\$32,638,860	
IRR	7.4%								

Mariner's Cove - Developer Proposal (Development Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

	Lease Year (Start 2015)	17	18	19	20	
	Year 2032	Year 2033	Year 2034	Year 2035		
	8	9	10	11		
Redevelopment: Total Units Absorbed	772	772	772	772		
Monthly Rent (Total Units)	\$4,525	\$4,660	\$4,800	\$4,944		
Monthly Rent Per S.F. (Total Units)	\$4.83	\$4.98	\$5.13	\$5.28		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$41,916,965	\$43,174,474	\$44,469,708	\$45,803,799		
Other Income	\$3,143,772	\$3,238,086	\$3,335,228	\$3,435,285		
Less: Vacancy & Credit Loss (Redevelopment)	(\$1,676,679)	(\$1,726,979)	(\$1,778,788)	(\$1,832,152)		
Net Rental Income	\$43,384,059	\$44,685,580	\$46,026,148	\$47,406,932		
	Per Unit (Stabilized)	% Increase				
Less: Operating Expenses	\$3,752	2.75%	(\$3,057,701)	(\$3,141,788)	(\$3,228,187)	(\$3,316,962)
Less: Insurance	\$440	3.00%	(\$360,070)	(\$370,872)	(\$381,998)	(\$393,458)
Less: Property Taxes	\$4,424	2.00%	(\$3,553,156)	(\$3,624,219)	(\$3,696,703)	(\$3,770,637)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses			(\$8,057,009)	(\$8,222,961)	(\$8,392,970)	(\$8,567,140)
Operating Expense Ratio			18.6%	18.4%	18.2%	18.1%
Net Operating Income (before ground lease)			\$35,327,050	\$36,462,620	\$37,633,177	\$38,839,793
Less: Ground Lease Payment			(\$1,626,234)	(\$1,666,890)	(\$1,708,562)	(\$1,751,276)
Net Operating Income (after ground lease)			\$33,700,816	\$34,795,729	\$35,924,615	\$37,088,516
Less: Debt Service			(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)
Cash Flow From Operations			\$5,690,274	\$6,785,188	\$7,914,073	\$9,077,974
Equity Contribution			\$0	\$0	\$0	\$0
Disposition						
Cap Rate						4.50%
NOI						\$37,088,516
Asset Value						\$824,189,247
Sale Price						\$824,189,247
Less: Commissions & Closing Costs	2.00%					(\$16,483,785)
Less: Principal Balance of Loan O/S						(\$373,306,197)
Net Proceeds from Disposition						\$434,399,265
Total Cash Flow Before Taxes (Dev. Period Leveraged)			\$5,690,274	\$6,785,188	\$7,914,073	\$443,477,239
IRR	10.1%					
Total Project Costs			\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (Dev. Period Unleveraged)			\$33,700,816	\$34,795,729	\$35,924,615	\$844,793,978
IRR	7.4%					

Mariner's Cove - Developer Proposal (Hold Period)
 Ocean Beach, San Diego, CA
 Cash Flow Forecast

Lease Year (Start 2015)	9	10	11	12	13	14	15	16
		Construction/Leasing				Stabilized		
	Year 2025	Year 2026	Year 2027	Year 2028	Year 2029	Year 2030	Year 2031	
	1	2	3	4	5	6	7	
Redevelopment: Total Units Absorbed	0	0	331	530	678	772	772	
Monthly Rent (Total Units)	\$3,647	\$3,757	\$3,869	\$3,985	\$4,141	\$4,265	\$4,393	
Monthly Rent Per S.F. (Total Units)	\$3.90	\$4.01	\$4.13	\$4.26	\$4.42	\$4.56	\$4.69	
Annual Increase In Rent (Total Units)		3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	
Existing: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	
Existing: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	
Existing: Gross Rental Income (Total Units)	\$13,210,583	\$8,693,642	\$6,210,009	\$1,955,003	\$0	\$0	\$0	
Redevelopment: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Total Units)	\$0	\$0	\$15,368,797	\$25,346,907	\$33,689,188	\$39,510,760	\$40,696,082	
Other Income	\$818,012	\$0	\$1,152,660	\$1,901,018	\$2,526,689	\$2,963,307	\$3,052,206	
Less: Vacancy & Credit Loss (Redevelopment)	(\$500,927)	\$0	(\$614,752)	(\$1,013,876)	(\$1,347,568)	(\$1,580,430)	(\$1,627,843)	
Net Rental Income	\$13,527,668	\$8,693,642	\$22,116,714	\$28,189,052	\$34,868,310	\$40,893,636	\$42,120,445	
	Per Unit (Stabilized)	% Increase						
Less: Operating Expenses	\$3,752	2.75%	(\$3,369,153)	\$0	(\$1,232,523)	(\$1,984,442)	(\$2,555,918)	(\$2,896,218)
Less: Insurance	\$440	3.00%	\$0	\$0	(\$144,436)	(\$232,552)	(\$299,522)	(\$339,401)
Less: Property Taxes	\$4,424	2.00%	\$0	\$0	(\$1,453,375)	(\$2,340,027)	(\$3,013,904)	(\$3,415,183)
Less: Capital Expenses	\$1,407	0.00%	\$0	\$0	\$0	(\$958,469)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$3,369,153)	\$0	(\$2,830,334)	(\$4,557,021)	(\$6,827,813)	(\$7,736,884)	(\$7,895,015)	
Operating Expense Ratio	24.9%	0.0%	12.8%	16.2%	19.6%	18.9%	18.7%	
Net Operating Income (before ground lease)	\$10,158,515	\$8,693,642	\$19,286,380	\$23,632,031	\$28,040,497	\$33,156,753	\$34,225,430	
Less: Ground Lease Payment	(\$1,368,094)	(\$1,402,297)	(\$1,437,354)	(\$1,473,288)	(\$1,510,120)	(\$1,547,873)	(\$1,586,570)	
Net Operating Income (after ground lease)	\$8,790,420	\$7,291,346	\$17,849,026	\$22,158,743	\$26,530,377	\$31,608,879	\$32,638,860	
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	(\$28,010,542)	(\$28,010,542)	
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Disposition								
Cap Rate								
NOI								
Asset Value								
Sale Price								
Less: Commissions & Closing Costs	2.00%							
Less: Principal Balance of Loan O/S								
Net Proceeds from Disposition								
Total Cash Flow Before Taxes (Hold Period Leveraged)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
IRR	7.4%							
Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
IRR	7.0%							

Mariner's Cove - Developer Proposal (Hold Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

Lease Year (Start 2015)	17	18	19	20	21	22	23	24		
	Year 2032	Year 2033	Year 2034	Year 2035	Year 2036	Year 2037	Year 2038	Year 2039		
	8	9	10	11	12	13	14	15		
Redevelopment: Total Units Absorbed	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$4,525	\$4,660	\$4,800	\$4,944	\$5,093	\$5,245	\$5,403	\$5,565		
Monthly Rent Per S.F. (Total Units)	\$4.83	\$4.98	\$5.13	\$5.28	\$5.44	\$5.60	\$5.77	\$5.94		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$41,916,965	\$43,174,474	\$44,469,708	\$45,803,799	\$47,177,913	\$48,593,251	\$50,051,048	\$51,552,580		
Other Income	\$3,143,772	\$3,238,086	\$3,335,228	\$3,435,285	\$3,538,343	\$3,644,494	\$3,753,829	\$3,866,443		
Less: Vacancy & Credit Loss (Redevelopment)	(\$1,676,679)	(\$1,726,979)	(\$1,778,788)	(\$1,832,152)	(\$1,887,117)	(\$1,943,730)	(\$2,002,042)	(\$2,062,103)		
Net Rental Income	\$43,384,059	\$44,685,580	\$46,026,148	\$47,406,932	\$48,829,140	\$50,294,014	\$51,802,835	\$53,356,920		
	Per Unit (Stablilzed)	% Increase								
Less: Operating Expenses	\$3,752	2.75%	(\$3,057,701)	(\$3,141,788)	(\$3,228,187)	(\$3,316,962)	(\$3,408,178)	(\$3,501,903)	(\$3,598,206)	(\$3,697,156)
Less: Insurance	\$440	3.00%	(\$360,070)	(\$370,872)	(\$381,998)	(\$393,458)	(\$405,262)	(\$417,420)	(\$429,943)	(\$442,841)
Less: Property Taxes	\$4,424	2.00%	(\$3,553,156)	(\$3,624,219)	(\$3,696,703)	(\$3,770,637)	(\$3,846,050)	(\$3,922,971)	(\$4,001,431)	(\$4,081,459)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$8,057,009)	(\$8,222,961)	(\$8,392,970)	(\$8,567,140)	(\$8,745,573)	(\$8,928,376)	(\$9,115,661)	(\$9,307,538)		
Operating Expense Ratio	18.6%	18.4%	18.2%	18.1%	17.9%	17.8%	17.6%	17.4%		
Net Operating Income (before ground lease)	\$35,327,050	\$36,462,620	\$37,633,177	\$38,839,793	\$40,083,568	\$41,365,638	\$42,687,174	\$44,049,382		
Less: Ground Lease Payment	(\$1,626,234)	(\$1,666,890)	(\$1,708,562)	(\$1,751,276)	(\$1,795,058)	(\$1,839,935)	(\$1,885,933)	(\$1,933,082)		
Net Operating Income (after ground lease)	\$33,700,816	\$34,795,729	\$35,924,615	\$37,088,516	\$38,288,509	\$39,525,703	\$40,801,241	\$42,116,300		
Less: Debt Service	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Disposition										
Cap Rate					4.50%					
NOI					\$37,088,516					
Asset Value					\$824,189,247					
Sale Price					\$824,189,247					
Less: Commissions & Closing Costs	2.00%				(\$16,483,785)					
Less: Principal Balance of Loan O/S					(\$373,306,197)					
Net Proceeds from Disposition					\$434,399,265					
Total Cash Flow Before Taxes (Hold Period Leveraged)	\$0	\$0	\$0	(\$434,399,265)	\$10,277,968	\$11,515,162	\$12,790,699	\$14,105,758		
IRR	7.4%									
Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$0	\$0	\$0	(\$807,705,462)	\$38,288,509	\$39,525,703	\$40,801,241	\$42,116,300		
IRR	7.0%									

Mariner's Cove - Developer Proposal (Hold Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

Lease Year (Start 2015)	25	26	27	28	29	30	31	32		
	Year 2040	Re-Appraisal Year 2041	Year 2042	Year 2043	Year 2044	Year 2045	Year 2046	Year 2047		
	16	17	18	19	20	21	22	23		
Redevelopment: Total Units Absorbed	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$5,732	\$5,904	\$6,081	\$6,263	\$6,451	\$6,645	\$6,844	\$7,049		
Monthly Rent Per S.F. (Total Units)	\$6.12	\$6.31	\$6.50	\$6.69	\$6.89	\$7.10	\$7.31	\$7.53		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$53,099,157	\$54,692,132	\$56,332,896	\$58,022,882	\$59,763,569	\$61,556,476	\$63,403,170	\$65,305,265		
Other Income	\$3,982,437	\$4,101,910	\$4,224,967	\$4,351,716	\$4,482,268	\$4,616,736	\$4,755,238	\$4,897,895		
Less: Vacancy & Credit Loss (Redevelopment)	(\$2,123,966)	(\$2,187,685)	(\$2,253,316)	(\$2,320,915)	(\$2,390,543)	(\$2,462,259)	(\$2,536,127)	(\$2,612,211)		
Net Rental Income	\$54,957,627	\$56,606,356	\$58,304,547	\$60,053,683	\$61,855,294	\$63,710,953	\$65,622,281	\$67,590,950		
	Per Unit (Stablized)	% Increase								
Less: Operating Expenses	\$3,752	2.75%	(\$3,798,828)	(\$3,903,296)	(\$4,010,636)	(\$4,120,929)	(\$4,234,254)	(\$4,350,696)	(\$4,470,341)	(\$4,593,275)
Less: Insurance	\$440	3.00%	(\$456,126)	(\$469,810)	(\$483,904)	(\$498,421)	(\$513,374)	(\$528,775)	(\$544,638)	(\$560,977)
Less: Property Taxes	\$4,424	2.00%	(\$4,163,088)	(\$4,246,350)	(\$4,331,277)	(\$4,417,903)	(\$4,506,261)	(\$4,596,386)	(\$4,688,314)	(\$4,782,080)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$9,504,124)	(\$9,705,538)	(\$9,911,900)	(\$10,123,335)	(\$10,339,971)	(\$10,561,939)	(\$10,789,375)	(\$11,022,414)		
Operating Expense Ratio	17.3%	17.1%	17.0%	16.9%	16.7%	16.6%	16.4%	16.3%		
Net Operating Income (before ground lease)	\$45,453,503	\$46,900,819	\$48,392,647	\$49,930,349	\$51,515,323	\$53,149,013	\$54,832,907	\$56,568,535		
Less: Ground Lease Payment	(\$1,981,409)	(\$6,807,345)	(\$6,977,529)	(\$7,151,967)	(\$7,330,766)	(\$7,514,035)	(\$7,701,886)	(\$7,894,433)		
Net Operating Income (after ground lease)	\$43,472,094	\$40,093,473	\$41,415,118	\$42,778,381	\$44,184,557	\$45,634,978	\$47,131,020	\$48,674,102		
Less: Debt Service	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Disposition										
Cap Rate										
NOI										
Asset Value										
Sale Price										
Less: Commissions & Closing Costs	2.00%									
Less: Principal Balance of Loan O/S										
Net Proceeds from Disposition										
Total Cash Flow Before Taxes (Hold Period Leveraged)	\$15,461,553	\$12,082,932	\$13,404,577	\$14,767,840	\$16,174,015	\$17,624,436	\$19,120,479	\$20,663,560		
IRR	7.4%									
Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$43,472,094	\$40,093,473	\$41,415,118	\$42,778,381	\$44,184,557	\$45,634,978	\$47,131,020	\$48,674,102		
IRR	7.0%									

Mariner's Cove - Developer Proposal (Hold Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

Lease Year (Start 2015)	41	42	43	44	45	46	47	48		
	Year 2056	Year 2057	Year 2058	Year 2059	Year 2060	Year 2061	Year 2062	Year 2063		
Redevelopment: Total Units Absorbed	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$9,198	\$9,474	\$9,758	\$10,051	\$10,352	\$10,663	\$10,983	\$11,312		
Monthly Rent Per S.F. (Total Units)	\$9.82	\$10.12	\$10.42	\$10.74	\$11.06	\$11.39	\$11.73	\$12.08		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$85,208,559	\$87,764,816	\$90,397,760	\$93,109,693	\$95,902,984	\$98,780,073	\$101,743,476	\$104,795,780		
Other Income	\$6,390,642	\$6,582,361	\$6,779,832	\$6,983,227	\$7,192,724	\$7,408,506	\$7,630,761	\$7,859,683		
Less: Vacancy & Credit Loss (Redevelopment)	(\$3,408,342)	(\$3,510,593)	(\$3,615,910)	(\$3,724,388)	(\$3,836,119)	(\$3,951,203)	(\$4,069,739)	(\$4,191,831)		
Net Rental Income	\$88,190,859	\$90,836,584	\$93,561,682	\$96,368,532	\$99,259,588	\$102,237,376	\$105,304,497	\$108,463,632		
	Per Unit (Stablilzed)	% Increase								
Less: Operating Expenses	\$3,752	2.75%	(\$5,863,527)	(\$6,024,774)	(\$6,190,455)	(\$6,360,693)	(\$6,535,612)	(\$6,715,341)	(\$6,900,013)	(\$7,089,763)
Less: Insurance	\$440	3.00%	(\$731,948)	(\$753,907)	(\$776,524)	(\$799,820)	(\$823,814)	(\$848,529)	(\$873,985)	(\$900,204)
Less: Property Taxes	\$4,424	2.00%	(\$5,715,028)	(\$5,829,329)	(\$5,945,915)	(\$6,064,834)	(\$6,186,130)	(\$6,309,853)	(\$6,436,050)	(\$6,564,771)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$13,396,585)	(\$13,694,091)	(\$13,998,977)	(\$14,311,428)	(\$14,631,638)	(\$14,959,805)	(\$15,296,130)	(\$15,640,820)		
Operating Expense Ratio	15.2%	15.1%	15.0%	14.9%	14.7%	14.6%	14.5%	14.4%		
Net Operating Income (before ground lease)	\$74,794,273	\$77,142,493	\$79,562,705	\$82,057,104	\$84,627,950	\$87,277,571	\$90,008,368	\$92,822,812		
Less: Ground Lease Payment	(\$9,859,066)	(\$10,105,542)	(\$10,358,181)	(\$10,617,135)	(\$10,882,564)	(\$11,154,628)	(\$11,433,494)	(\$11,719,331)		
Net Operating Income (after ground lease)	\$64,935,207	\$67,036,951	\$69,204,525	\$71,439,969	\$73,745,386	\$76,122,943	\$78,574,874	\$81,103,481		
Less: Debt Service	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	(\$28,010,542)	\$0	\$0	\$0	\$0		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Disposition										
Cap Rate										
NOI										
Asset Value										
Sale Price										
Less: Commissions & Closing Costs	2.00%									
Less: Principal Balance of Loan O/S										
Net Proceeds from Disposition										
Total Cash Flow Before Taxes (Hold Period Leveraged)	\$36,924,666	\$39,026,409	\$41,193,983	\$43,429,427	\$73,745,386	\$76,122,943	\$78,574,874	\$81,103,481		
IRR	7.4%									
Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$64,935,207	\$67,036,951	\$69,204,525	\$71,439,969	\$73,745,386	\$76,122,943	\$78,574,874	\$81,103,481		
IRR	7.0%									

Mariner's Cove - Developer Proposal (Hold Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

Lease Year (Start 2015)	49	50	51	52	53	54	55	56		
	Year 2064	Year 2065	Year 2066	Year 2067	Year 2068	Year 2069	Year 2070	Re-Appraisal Year 2071		
Redevelopment: Total Units Absorbed	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$11,652	\$12,001	\$12,361	\$12,732	\$13,114	\$13,507	\$13,913	\$14,330		
Monthly Rent Per S.F. (Total Units)	\$12.45	\$12.82	\$13.20	\$13.60	\$14.01	\$14.43	\$14.86	\$15.31		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$107,939,653	\$111,177,843	\$114,513,178	\$117,948,573	\$121,487,031	\$125,131,642	\$128,885,591	\$132,752,159		
Other Income	\$8,095,474	\$8,338,338	\$8,588,488	\$8,846,143	\$9,111,527	\$9,384,873	\$9,666,419	\$9,956,412		
Less: Vacancy & Credit Loss (Redevelopment)	(\$4,317,586)	(\$4,447,114)	(\$4,580,527)	(\$4,717,943)	(\$4,859,481)	(\$5,005,266)	(\$5,155,424)	(\$5,310,086)		
Net Rental Income	\$111,717,541	\$115,069,067	\$118,521,139	\$122,076,774	\$125,739,077	\$129,511,249	\$133,396,587	\$137,398,484		
	Per Unit (Stablilzed)	% Increase								
Less: Operating Expenses	\$3,752	2.75%	(\$7,284,732)	(\$7,485,062)	(\$7,690,901)	(\$7,902,401)	(\$8,119,717)	(\$8,343,009)	(\$8,572,442)	(\$8,808,184)
Less: Insurance	\$440	3.00%	(\$927,210)	(\$955,027)	(\$983,677)	(\$1,013,188)	(\$1,043,583)	(\$1,074,891)	(\$1,107,138)	(\$1,140,352)
Less: Property Taxes	\$4,424	2.00%	(\$6,696,067)	(\$6,829,988)	(\$6,966,588)	(\$7,105,919)	(\$7,248,038)	(\$7,392,999)	(\$7,540,858)	(\$7,691,676)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$15,994,090)	(\$16,356,158)	(\$16,727,248)	(\$17,107,590)	(\$17,497,420)	(\$17,896,980)	(\$18,306,520)	(\$18,726,293)		
Operating Expense Ratio	14.3%	14.2%	14.1%	14.0%	13.9%	13.8%	13.7%	13.6%		
Net Operating Income (before ground lease)	\$95,723,451	\$98,712,909	\$101,793,891	\$104,969,184	\$108,241,657	\$111,614,269	\$115,090,067	\$118,672,191		
Less: Ground Lease Payment	(\$12,012,314)	(\$12,312,622)	(\$12,620,438)	(\$12,935,948)	(\$13,259,347)	(\$13,590,831)	(\$13,930,602)	(\$14,278,867)		
Net Operating Income (after ground lease)	\$83,711,136	\$86,400,287	\$89,173,454	\$92,033,235	\$94,982,310	\$98,023,438	\$101,159,465	\$104,393,324		
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Disposition										
Cap Rate										
NOI										
Asset Value										
Sale Price										
Less: Commissions & Closing Costs	2.00%									
Less: Principal Balance of Loan O/S										
Net Proceeds from Disposition										
Total Cash Flow Before Taxes (Hold Period Leveraged)	\$83,711,136	\$86,400,287	\$89,173,454	\$92,033,235	\$94,982,310	\$98,023,438	\$101,159,465	\$104,393,324		
IRR	7.4%									
Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$83,711,136	\$86,400,287	\$89,173,454	\$92,033,235	\$94,982,310	\$98,023,438	\$101,159,465	\$104,393,324		
IRR	7.0%									

Mariner's Cove - Developer Proposal (Hold Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

Lease Year (Start 2015)	65	66	67	68	69	70	71	72		
	Year 2080	Year 2081	Year 2082	Year 2083	Year 2084	Year 2085	Year 2086	Year 2087		
Redevelopment: Total Units Absorbed	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$18,697	\$19,258	\$19,836	\$20,431	\$21,044	\$21,675	\$22,326	\$22,995		
Monthly Rent Per S.F. (Total Units)	\$19.97	\$20.57	\$21.19	\$21.82	\$22.48	\$23.15	\$23.85	\$24.56		
Annual Increase In Rent (Total Units)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$173,211,457	\$178,407,800	\$183,760,034	\$189,272,835	\$194,951,020	\$200,799,551	\$206,823,538	\$213,028,244		
Other Income	\$12,990,859	\$13,380,585	\$13,782,003	\$14,195,463	\$14,621,327	\$15,059,966	\$15,511,765	\$15,977,118		
Less: Vacancy & Credit Loss (Redevelopment)	(\$6,928,458)	(\$7,136,312)	(\$7,350,401)	(\$7,570,913)	(\$7,798,041)	(\$8,031,982)	(\$8,272,942)	(\$8,521,130)		
Net Rental Income	\$179,273,858	\$184,652,073	\$190,191,635	\$195,897,385	\$201,774,306	\$207,827,535	\$214,062,361	\$220,484,232		
	Per Unit (Stablilzed)	% Increase								
Less: Operating Expenses	\$3,752	2.75%	(\$11,244,052)	(\$11,553,264)	(\$11,870,978)	(\$12,197,430)	(\$12,532,860)	(\$12,877,513)	(\$13,231,645)	(\$13,595,515)
Less: Insurance	\$440	3.00%	(\$1,487,900)	(\$1,532,537)	(\$1,578,513)	(\$1,625,869)	(\$1,674,645)	(\$1,724,884)	(\$1,776,631)	(\$1,829,930)
Less: Property Taxes	\$4,424	2.00%	(\$9,192,264)	(\$9,376,110)	(\$9,563,632)	(\$9,754,905)	(\$9,950,003)	(\$10,149,003)	(\$10,351,983)	(\$10,559,022)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)	(\$1,086,082)
Operating Expenses	(\$23,010,299)	(\$23,547,993)	(\$24,099,206)	(\$24,664,286)	(\$25,243,589)	(\$25,837,482)	(\$26,446,340)	(\$27,070,549)		
Operating Expense Ratio	12.8%	12.8%	12.7%	12.6%	12.5%	12.4%	12.4%	12.3%		
Net Operating Income (before ground lease)	\$156,263,559	\$161,104,081	\$166,092,430	\$171,233,099	\$176,530,717	\$181,990,053	\$187,616,021	\$193,413,683		
Less: Ground Lease Payment	(\$17,832,348)	(\$18,278,157)	(\$18,735,110)	(\$19,203,488)	(\$19,683,575)	(\$20,175,665)	(\$20,680,056)	(\$21,197,058)		
Net Operating Income (after ground lease)	\$138,431,211	\$142,825,924	\$147,357,319	\$152,029,611	\$156,847,142	\$161,814,388	\$166,935,965	\$172,216,625		
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Disposition										
Cap Rate										
NOI										
Asset Value										
Sale Price										
Less: Commissions & Closing Costs	2.00%									
Less: Principal Balance of Loan O/S										
Net Proceeds from Disposition										
Total Cash Flow Before Taxes (Hold Period Leveraged)	\$138,431,211	\$142,825,924	\$147,357,319	\$152,029,611	\$156,847,142	\$161,814,388	\$166,935,965	\$172,216,625		
IRR	7.4%									
Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$138,431,211	\$142,825,924	\$147,357,319	\$152,029,611	\$156,847,142	\$161,814,388	\$166,935,965	\$172,216,625		
IRR	7.0%									

Mariner's Cove - Developer Proposal (Hold Period)

Ocean Beach, San Diego, CA

Cash Flow Forecast

	Lease Year (Start 2015)	73	74	75
		Year 2088	Year 2089	Year 2090
Redevelopment: Total Units Absorbed		64	65	66
		772	772	772
Monthly Rent (Total Units)		\$23,685	\$24,396	\$25,128
Monthly Rent Per S.F. (Total Units)		\$25.30	\$26.06	\$26.84
Annual Increase In Rent (Total Units)		3.00%	3.00%	3.00%
Existing: Gross Rental Income (Market Rate Units)		-	-	-
Existing: Gross Rental Income (Affordable Units)		-	-	-
Existing: Gross Rental Income (Total Units)		\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)		-	-	-
Redevelopment: Gross Rental Income (Affordable Units)		-	-	-
Redevelopment: Gross Rental Income (Total Units)		\$219,419,091	\$226,001,664	\$232,781,714
Other Income		\$16,456,432	\$16,950,125	\$17,458,629
Less: Vacancy & Credit Loss (Redevelopment)		(\$8,776,764)	(\$9,040,067)	(\$9,311,269)
Net Rental Income		\$227,098,759	\$233,911,722	\$240,929,074
	Per Unit (Stablized)	% Increase		
Less: Operating Expenses	\$3,752	2.75%	(\$13,969,392)	(\$14,353,550)
Less: Insurance	\$440	3.00%	(\$1,884,828)	(\$1,941,372)
Less: Property Taxes	\$4,424	2.00%	(\$10,770,203)	(\$10,985,607)
Less: Capital Expenses	\$1,407	0.00%	(\$1,086,082)	(\$1,086,082)
Operating Expenses			(\$27,710,504)	(\$28,366,611)
Operating Expense Ratio		12.2%	12.1%	12.1%
Net Operating Income (before ground lease)		\$199,388,255	\$205,545,111	\$211,889,786
Less: Ground Lease Payment		(\$21,726,984)	(\$22,270,159)	(\$22,826,913)
Net Operating Income (after ground lease)		\$177,661,271	\$183,274,952	\$189,062,874
Less: Debt Service		\$0	\$0	\$0
Net Proceeds from Refinance:		\$0	\$0	\$0
Disposition				
Cap Rate				
NOI				
Asset Value				
Sale Price				
Less: Commissions & Closing Costs	2.00%			
Less: Principal Balance of Loan O/S				
Net Proceeds from Disposition				
Total Cash Flow Before Taxes (Hold Period Leveraged)		\$177,661,271	\$183,274,952	\$189,062,874
IRR		7.4%		
Total Cash Flow Before Taxes (Hold Period Unleveraged)		\$177,661,271	\$183,274,952	\$189,062,874
IRR		7.0%		