



EXECUTIVE SUMMARY

MEETING DATE: November 22, 2024

HCR24-056

SUBJECT: Execution of a Purchase and Sale Agreement for Property at the Southeast Corner of Nimitz and Famosa Boulevards

COUNCIL DISTRICT: 2

ORIGINATING DEPARTMENT: Real Estate

CONTACT/PHONE NUMBER: Jennifer Kreutter (619) 578-7709

REQUESTED ACTION:

Authorize the San Diego Housing Commission (Housing Commission), on behalf of the Housing Authority of the City of San Diego (Housing Authority), to enter into a Purchase and Sale Agreement (PSA) with Bridge Housing with a purchase price of \$1,340,000 for the Housing Authority-owned property at the Southeast Corner of Nimitz and Famosa Boulevards.

EXECUTIVE SUMMARY OF KEY FACTORS:

- The Housing Authority owns the approximately 5.61 acres of real property on the southeast corner of Famosa and Nimitz Boulevards.
- On July 6, 1981, the City sold the Property to the Housing Authority via resolution No. 254594, which specified the Property shall be used for the construction of approximately 78 low-income rental apartments.
- In 2017 and 2019, a consultant retained by the Housing Commission prepared two land use studies that confirmed the Property can accommodate the construction of at least 78 rental units.
- On August 29, 2019, the Housing Commission issued a Request for Proposals (RFP) for the potential development of high-quality affordable rental housing on the property.
- The Housing Commission received two responses to the RFP, one of which was from Bridge Housing.
- On November 13, 2020, and July 13, 2021, respectively, the Housing Commission Board and the Housing Authority approved entering into an Exclusive Negotiating Agreement (ENA) with Bridge Housing.
- Bridge Housing engaged a team of professionals, including an architect, civil engineer, biologist, utility consultant, and geotechnical engineer. Several key reports and studies, including conceptual design plans with elevations, updated geotechnical evaluation and biological survey, grading plans, and a boundary survey, have been completed. In December 2023, SDG&E approved the site plan, ensuring access to utility poles while minimizing the impact on the development.
- An appraisal conducted by Novogradac, dated May 3, 2024, valued the Property at \$1,340,000 as of April 2, 2024.
- Housing Commission staff and Bridge Housing have reached agreement on the terms of a proposed PSA and conveyance of the property to Bridge Housing for the proposed development of affordable rental housing.
- Bridge Housing would pay \$1,340,000 to acquire the property.
- Bridge Housing's proposed development consists of 72 rental housing units affordable for 55 years for families earning 30 percent to 80 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit.
- Closing on the sale of the property shall occur simultaneously with construction financing closing and shall be contingent upon the project receiving all necessary discretionary approvals, entitlements and environmental clearances from the City of San Diego. Construction closing is anticipated to occur around Fiscal Year 2027, with construction beginning shortly thereafter.



REPORT

DATE ISSUED: November 15, 2024

REPORT NO: HCR24-056

ATTENTION: Chair and Members of the San Diego Housing Commission Board of Commissioners
For the Agenda of November 22, 2024

SUBJECT: Execution of a Purchase and Sale Agreement for Property at the Southeast Corner
of Nimitz and Famosa Boulevards

COUNCIL DISTRICT: 2

REQUESTED ACTION

Authorize the San Diego Housing Commission (Housing Commission), on behalf of the Housing Authority of the City of San Diego (Housing Authority), to enter into a Purchase and Sale Agreement (PSA) with Bridge Housing with a purchase price of \$1,340,000 for the Housing Authority-owned property at the Southeast Corner of Nimitz and Famosa Boulevards.

STAFF RECOMMENDATION

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) recommend that the Housing Authority of the City of San Diego (Housing Authority) take the following actions:

- 1) Authorize the Housing Authority's Executive Director, or designee, to enter into a Purchase and Sale Agreement (PSA), on behalf of the Housing Authority, with Bridge Housing for a purchase price of \$1,340,000 and authorize the conveyance of the Housing Authority-owned property at the southeast corner of Nimitz and Famosa Boulevards to Bridge Housing, contingent upon satisfactory design of a project that shall consist of affordable rental housing units and an unrestricted manager's unit and upon the project receiving all necessary discretionary approvals, entitlements and environmental clearances from the City of San Diego.
- 2) Authorize the Housing Authority's Executive Director, or designee, to execute all documents and instruments that are necessary and/or appropriate to implement these approvals, in a form approved by General Counsel, and take such actions as are necessary and/or appropriate to implement these approvals. Housing Commission staff will notify the Housing Authority and the City Attorney's Office about any subsequent amendments or modifications to the documents, and other required documents, including amendments to any documents.

SUMMARY

The Housing Authority owns the approximately 5.61 acres of real property on the southeast corner of Famosa and Nimitz Boulevards in zones RM-2-5 and RM-3-7, consisting of 12 parcels, located within the Peninsula Community Planning Area (Property).

The City of San Diego (City) acquired the Property in June 1874. On April 13, 1909, the Property was designated as a park by the City via City resolution No. 3664. In June 1956, the park designation for the Property was rescinded via City resolution No. 6906, which resolution was ratified by the required two-thirds public vote approving ballot Proposition L on June 5, 1956. On July 6, 1981, the City sold the Property to the Housing Authority via resolution No. 254594, which specified the Property shall be used for the construction of approximately 78 low-income rental apartments.

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In December 2017, the Housing Commission retained a consultant to study the Property's development potential. Although that analysis identified various land use constraints, the consultant concluded the Property could accommodate multifamily housing construction. In May 2019, the same consultant conducted a second and more thorough study of the Property, including reports from various due diligence engineering disciplines. This second analysis confirmed the Property, subject to additional analysis, could reasonably be considered for the development of approximately 78 rental housing units.

Given the positive results of the preliminary feasibility studies, the Housing Commission issued a Request for Proposals (RFP) on August 29, 2019, for the potential development of high-quality, affordable rental housing on the Property. The RFP was posted on the Housing Commission's PlanetBids system, and two responses were received, one of which was for Bridge Housing. On November 13, 2020, and July 13, 2021, the Housing Commission Board and the Housing Authority, respectively, approved entering into an Exclusive Negotiating Agreement (ENA) with Bridge Housing. Since receiving approvals, Bridge Housing engaged a team of professionals, including an architect, civil engineer, biologist, utility consultant, and geotechnical engineer. Together, Bridge Housing and this team successfully completed several key reports and studies, including conceptual design plans with elevations, updated geotechnical evaluation and biological survey, grading plans, and a boundary survey. The most challenging aspect of the design effort was securing approval from SDG&E on the site plan, ensuring access to utility poles while minimizing the impact on the development. This approval occurred in December 2023.

Housing Commission staff and Bridge Housing reached agreement on the terms of a proposed PSA and conveyance of the property to Bridge Housing for the proposed development of affordable rental housing. Closing on the sale of the property shall occur simultaneously with construction financing closing and shall be contingent upon the project receiving all necessary discretionary approvals, entitlements and environmental clearances from the City of San Diego, which is set forth in the PSA. Due to timing of City of San Diego approvals as well as securing the necessary financing from the State and Local levels, construction closing is anticipated to occur around FY 2027, with construction beginning shortly thereafter. In no event shall the Housing Authority or Housing Commission take any action that would foreclose any alternatives or mitigation measures with respect to any use of the property, including the "no project" alternative.

As detailed in the PSA, Bridge Housing would pay \$1,340,000 to acquire the property, which is consistent with the value in an appraisal conducted by Novogradac dated May 3, 2024.

Proposed Development

Bridge Housing's proposed development consists of 72 affordable rental housing units for families earning 30 percent to 80 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit. The development will also include common areas, such as management and community spaces, and 101 parking stalls contained in either tuck-under garage/covered spaces or open parking spaces.

The project shall achieve sustainability and energy efficiency goals that exceed the minimum requirements of the California State Building Code and shall adhere to Green Building fundamentals, which shall be integrated into the project's design and construction, while complying with all land use and zoning requirements.

Resident Services

General resident services appropriate for families with low income will be provided by local service providers. Services will be paid for by operations and will be available to all residents. Details regarding the specific services will be refined as the project develops.

AFFORDABLE HOUSING IMPACT

The project will restrict affordability of 72 units for 55 years at the proposed AMI levels listed in the table below.

Unit Type	AMI	Units	CTCAC Gross Rents*
One Bedroom	30% (Currently \$36,400 for a two-person household)	3	\$852
One Bedroom	50% (Currently \$60,600 for a two-person household)	15	\$1,420
One Bedroom	60% (Currently \$72,720 for a two-person household)	12	\$1,704
One Bedroom	80% (Currently \$97,000 for a two-person household)	5	\$2,425
Subtotal One Bedroom Units	--	35	
Two Bedroom	30% (Currently \$40,950 for a three-person household)	3	\$1,023
Two Bedroom	50% (Currently \$68,200 for a three-person household)	4	\$1,705
Two Bedroom	60% (Currently \$81,840 for a three-person household)	5	\$2,046
Two Bedroom	80% (Currently \$109,150 for a three-person household)	6	\$2,729
Subtotal Two Bedroom Units	--	18	
Three Bedroom	30% (Currently \$45,450 for a four-person household)	2	\$1,182
Three Bedroom	50% (Currently \$75,750 for a four-person household)	4	\$1,970
Three Bedroom	60% (Currently \$90,900 for a four-person household)	7	\$2,364
Three Bedroom	80% (Currently \$121,250 for a four-person household)	6	\$3,031
Subtotal Three Bedroom Units	--	19	
Manager's two-bedroom unit	--	1	-
Total Units	--	73	-

*80% AMI levels utilize gross rents less utility allowances

EQUAL OPPORTUNITY CONTRACTING and EQUITY ASSURANCE

Bridge submitted their 2021-2024 DEI Plan that includes several actions to promote diversity, equity and inclusion both internally and externally. In addition, Bridge's 2024-2027 Strategic Plan includes a strategic priority to advance DEI for its partners, residents, staff and board.

HOUSING COMMISSION STRATEGIC PLAN

This item relates to Strategic Priority Area No. 1 in the Housing Commission Strategic Plan for Fiscal Year (FY) 2022-2024: Increasing and Preserving Housing Solutions. The Housing Commission is in the process of developing a new Strategic Plan.

FISCAL CONSIDERATIONS

Once the PSA is executed, all contingencies are satisfied and constructing financing closes, Bridge Housing will pay \$1,340,000 to purchase the property. Based on the current estimated timeline, construction financing will close in Fiscal Year 2027, with construction starting shortly thereafter. The timeline to begin construction will depend on the time necessary to complete the environmental impact report and to secure financing.

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COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

The City acquired the property in June 1874.

On April 13, 1909, the property was designated as a park by the City via City resolution No. 3664.

In June 1956, the park designation was rescinded via City resolution No. 6906, which resolution was ratified by the required two-thirds public vote approving ballot Proposition L on June 5, 1956.

On July 6, 1981, the City sold the Property to the Housing Authority via resolution No. 254594, which specified the property shall be used for the construction of approximately 78 low-income rental apartments.

On June 15, 2017, at the invitation of the Peninsula Community Planning Board (PCPB), Housing Commission staff made a presentation to the PCPB about affordable housing, and the PCPB approved a letter to then-Councilmember Lorie Zapf and the Housing Commission, signed by then Board Chair Jon Linney, supporting development of affordable workforce housing at the property at the southeast corner of Famosa and Nimitz Boulevards.

On May 17, 2018, Housing Commission staff returned to the PCPB to provide a brief summary of progress to date on the Housing Commission's studies of the feasibility of developing affordable housing at property at the southeast corner of Famosa and Nimitz Boulevards.

On June 24, 2018, Housing Commission staff returned to the PCPB for a special meeting, at which the Housing Commission provided a more formal presentation about the property at the southeast corner of Famosa and Nimitz Boulevards and affordable housing.

On June 21, 2018, the PCPB sent a letter to then-Councilmember Lorie Zapf and the Housing Commission, rescinding the PCPB's previous letter of June 15, 2017.

On July 19, 2018, the PCPB sent a letter to then-Councilmember Lorie Zapf, stating that, at this time, the PCPB takes no position in support of or opposition to development of the property at the southeast corner of Famosa and Nimitz Boulevards.

On August 28, 2019, the PCPB voted to send a letter opposing development on the property at the southeast corner of Famosa and Nimitz Boulevards.

PREVIOUS HOUSING COMMISSION BOARD and/or HOUSING AUTHORITY ACTIONS

On November 13, 2020, the Housing Commission Board approved entering into an ENA with Bridge Housing (Report No. HCR20-111).

On July 13, 2021, the Housing Authority approved entering into an ENA with Bridge Housing (Report No. HAR20-047; Resolution No. HA-1918).

KEY STAKEHOLDERS and PROJECTED IMPACTS

The project's stakeholders are residents of the Peninsula Community Planning Area, Bridge Housing Corporation, the future residents of the project, the Housing Commission, the Housing Authority, and the City of San Diego.

ENVIRONMENTAL REVIEW

Approval of the proposed Purchase and Sale Agreement between the City of San Diego and Bridge Housing Corporation for the property at Famosa Boulevard and Nimitz Boulevard does not constitute

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approval of the affordable housing project pursuant to CEQA Guidelines Section 15352(a). Approval of the affordable housing project will occur at the appropriate future time once full design details are known, and permitting and environmental review has been completed by the City's Development Services Department in accordance with CEQA Guidelines Section 15004(b)(4) and the provisions of the City's Land Development Code.

Processing under the National Environmental Policy Act is not required as no federal funds are involved in this action.

Respectfully submitted,



Jennifer Kreutter
Vice President, Multifamily Housing Finance
Real Estate Division

Approved by,



Jeff Davis
Deputy Chief Executive Officer
San Diego Housing Commission

Attachments:

- 1) Draft Purchase and Sale Agreement
- 2) Novogradac Appraisal dated May 3, 2024
- 3) Bridge Housing Proposal dated January 2024

Hard copies are available for review during business hours at the information desk in the main lobby of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101. Docket materials are available in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org.

Attachment 1

PURCHASE AND SALE AGREEMENT (Famosa Boulevard and Nimitz Boulevard-Site 428)

THIS PURCHASE AND SALE AGREEMENT (“Agreement”) is dated as of the ___ day of _____, 2024, by and between the Housing Authority of the City of San Diego (“Seller”), and BRIDGE Housing Corporation, a California nonprofit public benefit corporation (“Purchaser”).

RECITALS

A. The Seller owns the fee interest in that certain real property generally located at Famosa Boulevard and Nimitz Boulevard in San Diego, California and legally described in Exhibit A attached hereto and made a part hereof (“Real Property”).

B. Provided the various conditions to Closing (as defined below) set forth in this Agreement are timely satisfied, the Seller agrees to sell the Property (as defined below) to the Purchaser and the Purchaser agrees to purchase the Property from the Seller as set forth in this Agreement. Notwithstanding the foregoing, Purchaser acknowledges that Seller and the City of San Diego (which is the lead agency under Cal. Code Regs. Tit. 14, § 15367 and is a separate legal entity from the Seller) each retains its lawfully exercised discretion under the California Environmental Quality Act with respect to this Agreement and Seller’s and the City of San Diego’s approval of the Project hereunder. Specifically, Seller and the City of San Diego may each (i) make modifications to any entitlements, permits, or approvals as may be necessary to impose feasible measures to mitigate significant environmental impacts, (ii) consider and select any feasible mitigation measures and alternatives, including a no project alternative, (iii) balance the benefits against any significant environmental impacts prior to taking final action if such significant impacts cannot otherwise be avoided, (iv) determine not to proceed with the conveyance and approval of the Project in the event there are substantial environmental impacts that cannot be mitigated so the conveyance and Project can be approved without a statement of overriding considerations, or (v) take such other actions to approve or not approve the conveyance and Project consistent with their lawful exercise of discretion.

AGREEMENT

FOR GOOD AND VALUABLE CONSIDERATION, the receipt and adequacy of which are acknowledged, the Seller and the Purchaser hereby agree as follows:

1. Purchase and Sale. In consideration of the mutual covenants set forth in this Agreement, the Purchaser will acquire all of the Property, on the terms and conditions set forth herein, provided the various conditions to Closing set forth in this Agreement are satisfied or waived as provided herein.

(a) Sale of the Property. The Seller agrees to sell the Property to the Purchaser, and the Purchaser agrees to purchase the Property from Seller, on the terms and conditions set forth herein. At Closing, the Seller shall convey the fee interest in the Real Property to the Purchaser

by recordation of the Grant Deed (as defined below). The Escrow Agent shall issue the Title Policy (as defined below) to the Purchaser at Closing.

(b) Possession of the Property. The Seller shall deliver possession of the Property to Purchaser at Closing. Possession of the Property shall be delivered to Purchaser subject only to the Permitted Exceptions.

(c) Deadline for Completion of Construction. As partial consideration for the Seller's conveyance of the Property to the Purchaser, Purchaser has agreed to construct the Project on the Property following Purchaser's acquisition of the Property. If final inspection approval for the Project is not obtained on or before 5 years after commencement of construction/closing, then the Seller and any of its successors and assigns reserve and retain the right, at their option and at any time until such final inspection approval is obtained, to terminate the Purchaser's estate, to re-enter and take possession of the Property, and exercise the Seller's reversionary interest in the Purchaser's forfeited estate. Notwithstanding the forgoing, if the Purchaser provides reasonable evidence to Seller that the reversionary interest described in this Agreement and the form of Grant Deed will materially increase Purchaser's finance costs or make Purchaser's intended acquisition and development financing for the Property infeasible, then, Seller will subordinate its reversionary right to Purchaser's third party funding, provide the Purchaser's funders with at least 180 days' notice and cure right, and agree to other commercially reasonable investor and lender protections. In addition, if Seller exercises its reversionary rights, the Seller shall promptly use its best efforts to resell the Property. Upon sale the proceeds shall be applied as follows:

(1) First, to reimburse the Seller for any costs it incurs in managing or selling the Property (after exercising its right of reverter), including but not limited to amounts to discharge or prevent liens or encumbrances arising from any acts or omissions of the Purchaser;

(2) Second, to the Purchaser up to the sum of the purchase price Purchaser paid for the Property and the reasonable cost of the improvements the Purchaser has placed on the Property and such other reasonable costs Purchaser has incurred directly in connection with development of the Property that were not financed by the Seller; and

(3) Third, any balance to the Seller.

2. Definitions. As used in this Agreement, the following terms shall have the following meanings:

“Agreement” means this Purchase and Sale Agreement between the Seller and the Purchaser.

“Business Day” means any day other than a Saturday, Sunday or any other day on which Purchaser or Escrow Agent is not open for business. In the event any date, deadline or due date set forth in this Agreement falls on a day that is not a Business Day, then such deadline or due date shall automatically be extended to the next Business Day.

“Close” or “Closing” means the close of Escrow as provided herein, which shall be one (1) Business Day after the latest of: (i) the date all of the Conditions Precedent for the Benefit of the Seller have been satisfied; and (ii) the date all of the Conditions Precedent for the Benefit of the Purchaser have been satisfied. The Closing shall occur on or before May 1, 2029 (which date may be mutually extended by Seller and Purchaser if Purchase has obtained entitlements for the Project and gap financing commitments.)

“Closing Date” means the date on which the Closing occurs.

“Conditions Precedent for the Benefit of the Seller” shall have the meaning set forth in Section 5 of this Agreement.

“Conditions Precedent for the Benefit of the Purchaser” shall have the meaning set forth in Section 6 of this Agreement.

“Deposit” shall have the meaning set forth in Section 3 of this Agreement.

“Due Diligence Period” means the period of time commencing on _____, 20__ and ending at 5:00 p.m. Pacific time on _____, 20___. [insert 180 days]

“Escrow” means the escrow depository and disbursement services to be performed by Escrow Agent pursuant to the provisions of this Agreement.

“Escrow Agent” means Old Republic Title Company.

“Grant Deed” means a duly executed and acknowledged grant deed conveying fee simple title to the Real Property from the Seller to the Purchaser.

“Hazardous Materials” means any hazardous or toxic substance, material or waste which is or becomes regulated by any local governmental authority, the State of California or the United State Government. Provided, however, the term “Hazardous Materials” shall not include substances typically used in the ordinary course of developing, operating and maintaining apartment complexes in California or small amounts of chemicals, cleaning agents and the like commonly employed in routine household uses in a manner typical of occupants in other similar properties, provided that such substances are used in compliance with applicable laws.

“Immediately Available Funds” means a bank wire transfer or a certified bank or cashier’s check.

“Improvements” means collectively: (i) any and all buildings, structures and improvements, of any kinds whatsoever, located at or affixed to the Real Property; (ii) all rights, privileges and easements appurtenant to the Real Property, including, without limitation, all minerals, oil, gas and other hydrocarbon substances on and under the Property; (iii) all development rights, air rights, and water rights relating to the Real Property; and (iv) all easements, rights-of-way or appurtenances which run with the Real Property.

“Permitted Exceptions” means (i) the printed exceptions and exclusions in the Title Policy; (ii) the exceptions to title set forth in the Title Report (as defined in Section 4(c) below) which are approved by Purchaser in writing, as provided in Section 4(c) below; (iii) real property taxes and assessments which are a lien but not yet payable; (iv) any title exceptions caused, consented to or preapproved by Purchaser; (v) all applicable building, zoning and land use restrictions and/or regulations of any municipality, township, county or state; (vi) matters shown in the Survey obtained by Purchaser which are approved by Purchaser in writing, as provided in Section 4(d) below; [survey items are covered in (vii)]; and (viii) any reserved oil, water and/or mineral rights.

“Project” means the to-be-designed affordable housing development and related improvements which the Purchaser shall construct on the Property following Purchaser’s acquisition of the Property.

“Property” means collectively, the Real Property and the Improvements.

“Property Documents” means all documents and agreements in the Seller’s possession which relate to the ownership and operation of the Property.

“Purchase Price” shall have the meaning set forth in Section 3(a) of this Agreement.

“Purchaser” means BRIDGE Housing Corporation, a California nonprofit public benefit corporation.

“Real Property” means the real property generally located at Famosa Boulevard and Nimitz Boulevard, San Diego, California, which is legally described on Exhibit A.

“Seller” means the Housing Authority of the City of San Diego.

“Title Policy” means a CLTA Owner’s Policy of Title Insurance in the amount of the Purchase Price, insuring that title to the fee interest in the Property is vested in the Purchaser subject only to the Permitted Exceptions, which Title Policy shall be obtained through the Escrow Agent. Seller shall pay the cost of the CLTA Owner’s Policy of Title Insurance. Purchaser shall pay the cost of any endorsements it desires. Purchaser may obtain an ALTA Owner’s Policy of Title Insurance in which event Purchaser shall pay the cost difference between the cost of the ALTA Owner’s Policy of Title Insurance and the cost of a CLTA Owner’s Policy of Title Insurance.

3. Purchase Price.

(a) Total Purchase Price. The total purchase price to be paid by the Purchaser for all of the Property shall be One Million Three Hundred Forty Thousand and No/100 Dollars (\$1,340,000.00) (“Purchase Price”). Purchaser will also provide \$100 in independent consideration to Seller for this Agreement within five (5) days following execution of this Agreement. The independent consideration is nonrefundable.

(b) Deposit; Liquidated Damages.

(1) Deposit. Purchaser shall make a deposit into Escrow of Immediately Available Funds equal to the sum of Fifty Thousand and No/100 Dollars (\$50,000.00) (“Deposit”) within five (5) Business Days of the Effective Date. The Deposit shall be credited against the Purchase Price and shall be nonrefundable upon the expiration of the Due Diligence Period (except in the event Closing does not occur or this Agreement terminates due as provided in Section 6, Section 8, Section 12 or due to Seller’s breach of this Agreement). If the Purchaser elects to terminate this Agreement prior to expiration of the Due Diligence Period, as set forth in Section 4 below, then the Deposit shall also be immediately returned by Escrow Agent to the Purchaser. At Closing, the Deposit shall be released by Escrow Agent to the Seller. The Deposit, and any interest earned on the Deposit, shall be credited in favor of the Purchaser against the Purchase Price as set forth in Section 3(c), below.

(2) LIQUIDATED DAMAGES. THE DEPOSIT SHALL BE REFUNDABLE TO THE PURCHASER AS MAY BE EXPRESSLY PROVIDED FOR IN THIS AGREEMENT. IF ESCROW FAILS TO CLOSE AS A RESULT OF PURCHASER’S DEFAULT HEREUNDER, THE SOLE REMEDY OF THE SELLER SHALL BE TO TERMINATE THIS AGREEMENT BY GIVING WRITTEN NOTICE THEREOF TO PURCHASER AND ESCROW AGENT, WHEREUPON THE SELLER SHALL RETAIN THE DEPOSIT(S) ACTUALLY DEPOSITED BY PURCHASER INTO ESCROW AS LIQUIDATED DAMAGES (AND THE SELLER WAIVES ANY RIGHT TO SPECIFICALLY ENFORCE THIS AGREEMENT SET FORTH IN CALIFORNIA CIVIL CODE SECTION 1680 OR 3389). THEREAFTER, NO PARTY HERETO SHALL HAVE ANY FURTHER LIABILITY OR OBLIGATION TO ANY OTHER PARTY HERETO EXCEPT FOR: (i) THE SELLER’S RIGHT TO RECEIVE AND RETAIN SUCH LIQUIDATED DAMAGES; (ii) THE OBLIGATION OF THE PARTIES TO PAY AMOUNTS INTO ESCROW TO PAY A PORTION OF THE FEES AND COSTS OF ESCROW AS SET FORTH IN SECTIONS 5 AND 6 BELOW; (iii) THE OBLIGATIONS SET FORTH IN SECTIONS 4(a) AND 9(c), BELOW; AND (iv) ATTORNEYS’ FEE AS SET FORTH IN SECTION 16(k), BELOW. THE PARTIES HERETO ACKNOWLEDGE AND AGREE THAT THE SELLER’S ACTUAL DAMAGES IN THE EVENT OF PURCHASER’S DEFAULT HEREUNDER ARE UNCERTAIN IN AMOUNT AND DIFFICULT TO ASCERTAIN, AND THAT SUCH AMOUNT OF LIQUIDATED DAMAGES IS REASONABLE UNDER THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1671 ET SEQ., CONSIDERING ALL OF THE CIRCUMSTANCES EXISTING ON THE DATE HEREOF INCLUDING, WITHOUT LIMITATION, THE RELATIONSHIP OF SUCH AMOUNT TO THE RANGE OF POTENTIAL HARM TO THE SELLER THAT CAN REASONABLY BE ANTICIPATED AND THE ANTICIPATION THAT PROOF OF ACTUAL DAMAGES RESULTING FROM SUCH DEFAULT WOULD BE COSTLY AND INCONVENIENT. IN PLACING ITS INITIALS IN THE SPACE BELOW, EACH PARTY HERETO SPECIFICALLY CONFIRMS THE ACCURACY OF THE FOREGOING AND THE FACT THAT SUCH PARTY HAS BEEN REPRESENTED BY COUNSEL WHO EXPLAINED THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION. THE PROVISIONS OF THIS SECTION 3(b)(2) SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT.

Seller's Initials

Purchaser's Initials

(c) Delivery of Remainder of Purchase Price into Escrow. Not less than one (1) Business Day prior to the Closing Date, the Purchaser shall cause Immediately Available Funds to be delivered to the Escrow Agent in an amount equal to the Purchase Price, minus the Deposit and any interest earned on the Deposit, and plus or minus any adjustments for prorations and expenses required under this Agreement.

(d) Disbursement to the Seller. Immediately after the Closing, the Escrow Agent shall disburse to the Seller the funds that the Seller is entitled to receive under this Agreement.

4. Due Diligence Period. During the Due Diligence Period the Purchaser may determine in the Purchaser's sole and absolute discretion, whether to proceed with the purchase of the Property. During the Due Diligence Period, the Purchaser may terminate this Agreement for any reason or for no reason at all by delivering written notice of such termination to Seller and Escrow Agent. After expiration of the Due Diligence Period, the Purchaser's right to terminate this Agreement for any reason, or for no reason at all, shall expire. If this Agreement is terminated during the Due Diligence Period or pursuant to the first sentence of this Section 4, then: (i) all rights and liabilities of the Purchaser and the Seller with respect to this Agreement shall immediately terminate, except for rights and liabilities that specifically survive such termination; (ii) Escrow Agent shall return to the Purchaser all funds or other things deposited in Escrow by the Purchaser; and (iii) Escrow Agent shall return to the Seller all funds or other things deposited in Escrow by the Seller. All fees and costs charged by the Escrow Agent shall be paid by the Seller.

(a) Access to the Property and Cooperation. During the Due Diligence Period and during normal business hours, upon not less than twenty-four (24) hours advance notice to the Seller, Purchaser and its representatives, consultants and attorneys shall have access to the Property solely for the purpose of conducting visual, non-invasive inspections of the Property, provided that such inspection is completed without interfering with any of Seller's operations on the Property. Purchaser shall indemnify the Seller and shall hold the Seller, the Seller's agents and employees and the Property harmless from, any actions, losses, costs, damages, claims and/or liabilities, including but not limited to, mechanics' and materialmen's liens and attorney fees, proximately caused by the actions of Purchaser and/or its contractors or agents upon the Property. The Purchaser shall not permit any mechanic's, materialman's, contractor's, subcontractor's or other lien arising from any work done by the Purchaser or its agents pursuant to this Agreement to stand against the Property. The Purchaser's obligations under this Section 4(a) shall survive the termination or expiration of this Agreement. If Purchaser desires to do any invasive testing at the Property, the Purchaser may do so only after obtaining Seller's prior written consent to the same, which consent may be withheld or granted on conditions in Seller's sole and absolute discretion. The Purchaser shall promptly restore the Property to the condition the Property was in immediately prior to any such tests, at the Purchaser's sole cost and expense. The Purchaser shall provide the Seller with a complete set of plans, drawings and specifications ("Invasive Testing Plans") that define to the sole satisfaction of the Seller the invasive testing to be performed on the Property and the names of all environmental and other consultants, contractors and subcontractors who will be performing such invasive testing (collectively "Purchaser's Consultants"). The Purchaser shall deliver the names of the Purchaser's Consultants and the Invasive Testing Plans to the Seller

concurrently with its request to the Seller that the Purchaser desires to perform invasive testing (unless the names of Purchaser's Consultants have previously been provided to the Seller).

(b) Initial Due Diligence Deliveries. Not later than five (5) Business Days after execution and delivery of this Agreement to the Escrow Agent, the Seller shall provide, to the extent in Seller's possession or control the Purchaser with copies of the Property Documents by any of the following methods provide physical copies or digital copies (e.g. a pdf, tif or jpg file) by email or on a memory medium.

(c) Title. Purchaser's obligation to Close is contingent upon Purchaser's approval of all matters affecting title to or use of the Real Property (collectively, "Title Matters"). The intent of this Section 4(c) is to allow the parties to have certainty regarding the condition of title and the Title Matters which are acceptable to the Purchaser. The procedure set forth in this Section 4(c) shall not affect or otherwise limit the Purchaser's right to terminate this Agreement for any reason or no reason at all as set forth in Section 4, above. Seller shall use commercially reasonable efforts to cause the Title Company to deliver to Purchaser within five (5) Business Days of the Effective Date, a current preliminary title report for the Real Property and, to the extent possible, legible copies of all documents referred to therein ("Title Report"). Purchaser shall have ten (10) Business Days thereafter, to approve or object to any items disclosed by the Title Report, thereafter Purchaser shall be deemed to have disapproved the items disclosed by the Title Report. If Purchaser gives written notice to Seller of Purchaser's disapproval (or is deemed to have disapproved) of any items disclosed by the Title Report within said time period and Seller does not give written notice to Purchaser within five (5) Business Days thereafter of either: (i) Seller's elimination of or agreement to eliminate those disapproved matters prior to the close of Escrow; or (ii) Seller's agreement to provide at Seller's sole expense such title insurance endorsements relating thereto as are acceptable to Purchaser in Purchaser's sole discretion prior to the close of Escrow (each, a "Cure Notice"), then this Agreement shall terminate immediately, unless Purchaser affirmatively agrees in writing within five (5) Business Days thereafter that this Agreement will remain in full force and effect and that the previously disapproved items disclosed by the Title Report are approved by Purchaser. If the Title Company issues a supplemental title report prior to the close of Escrow showing additional exceptions to title (a "Title Supplement"), Purchaser shall have five (5) Business Days from the date of receipt of the Title Supplement and a copy of each document referred to in the Title Supplement in which to give Seller written notice of disapproval as to any additional exceptions; provided, however, Purchaser may not disapprove any exceptions that were contained in the original Title Report or are otherwise Permitted Exceptions. If Purchaser disapproves any additional exception shown in the Title Supplement within such five (5) Business Days' period, then Purchaser and Seller will have the same rights and obligations set forth above in this Section regarding Purchaser's original review and approval of the Title Report. Notwithstanding the foregoing, Seller shall cause all Title Matters which are mechanics' liens or deeds of trust to be eliminated as exceptions to title on the Title Policy at Seller's sole expense prior to the close of Escrow, and shall not record any documents against the Property from and after the Effective Date without Purchaser's prior written consent.

(d) Survey. As part of its due diligence activities, Purchaser shall obtain a survey (the "Survey") for the Property and shall notify Seller of any survey matters to which Purchase objects. If Seller does not give written notice to Purchaser within fifteen (15) Business Days thereafter of

either: (i) Seller's elimination of or agreement to eliminate those disapproved matters prior to the close of Escrow; or (ii) a Cure Notice, then this Agreement shall terminate immediately, unless Purchaser affirmatively agrees in writing within fifteen (15) Business Days thereafter that this Agreement will remain in full force and effect and that the previously disapproved items disclosed by the survey are approved by Purchaser.

5. Conditions Precedent for the Benefit of the Seller. The Seller's obligation to Close shall be conditioned upon the satisfaction or emailed or written waiver by the Seller of all of the conditions precedent ("Conditions Precedent for the Benefit of the Seller") set forth in this Section 5. Any of the Conditions Precedent, other than conditions (f) and (g), for the Benefit of the Seller may be waived by the Seller unilaterally; and if so waived, such conditions shall be of no further effect hereunder. Any such waiver shall be effective only if the same is expressly waived (i) by email from the Seller's Executive Director, or designee, to the Purchaser and Escrow Agent; or (ii) in a writing signed by the Seller's Executive Director, or designee, and delivered to the Purchaser and Escrow Agent. If the Conditions Precedent for the Benefit of the Seller are not satisfied by the deadlines set forth in this Section 5 or expressly waived, the Seller's Executive Director, or designee (provided the Seller is not in default hereunder) may provide emailed or written notice of the Seller's conditional termination of this Agreement to the Purchaser and Escrow Agent. After receipt of such notice of conditional termination, the Purchaser shall have ten (10) Business Days to cure any non-satisfaction of a condition or other default specified in the notice of conditional termination. If such matter remains unsatisfied or the default remains uncured after the expiration of such ten (10) Business Day period, then this Agreement shall terminate at the close of business on such tenth (10th) Business Day. In the event of termination of this Agreement (and by operation of law the Escrow) pursuant to this Section 5, then: (x) all rights and liabilities of the Purchaser and the Seller with respect to this Agreement shall immediately terminate except those which specifically survive such termination; (y) Escrow Agent shall deliver the Deposit and all interest thereon to the Seller (except as otherwise provided in Section 6, 8 and 12) and shall return to the Seller all funds or other things deposited in Escrow by the Seller; and (z) Escrow Agent shall return to the Purchaser all funds or other things deposited in Escrow by the Purchaser, less the Deposit and all interest thereon (except as otherwise provided in Section 6, 8 and 12). Notwithstanding clause (x) of this Section 5, in the event of termination of this Agreement pursuant to this Section 5, the Purchaser and the Seller shall cooperate with one another, execute all documents reasonably necessary and take all reasonable steps as may be required by Escrow Agent in order to accomplish the purposes of this Section 5.

(a) Purchaser making the Deposit into Escrow, as set forth in Section 3(b)(1), above.

(b) The delivery by the Purchaser into Escrow at least one (1) Business Day prior to Closing of Immediately Available Funds equal to the Purchase Price (less the Deposit and plus or minus expenses and prorations) as required by Section 3(c) above.

(c) The delivery by the Purchaser into Escrow at least one (1) Business Day prior to Closing of all other documents and instruments required by this Agreement or reasonably required by Escrow to complete the Closing.

(d) Purchaser not being in default of any of its representations or warranties under this Agreement, or any other material terms or conditions related to Purchaser, and all of the Purchaser's representations and warranties under this Agreement being true and correct as of the Closing Date.

(e) As of the Closing Date, the Purchaser has not made an assignment for the benefit of creditors, filed a bankruptcy petition, been adjudicated insolvent or bankrupt, petitioned a court for the appointment of any receiver of, or trustee for, the Purchaser, or commenced any proceeding relating to the Purchaser under any reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or later in effect.

(f) Seller's Executive Director, or designee, has approved the final plans and design documents for the Project. To avoid any doubt, none of the Seller, its Executive Director or any designee, has any right or authority to grant any rights to construct the Project or any other project at the Property, or otherwise grant the Entitlements. In addition, Seller and the City of San Diego (which is the lead agency under Cal. Code Regs. Tit. 14, § 15367 and is a separate legal entity from the Seller) each retains all rights it has to exercise its discretion under California Environmental Quality Act with respect to this Agreement and the Project, which is not waivable. None of which are being or shall be delegated to the Seller's Executive Director or any other person. For clarity, the Executive Director's approval of the final plans and design documents for the Project shall occur if and only if, and only after, a Project is approved in compliance with the California Environmental Quality Act.

(g) Purchaser shall have secured any and all land use and other entitlements, permits and approvals which may be required for completion of the Project, including without limitation all approvals required under the California Environmental Quality Act (collectively, the "Entitlements"); provided, however, Seller and the City of San Diego each retains all rights it has to exercise its discretion under California Environmental Quality Act with respect to this Agreement and the Project, which is not waivable. Acknowledging that some permits and approvals will be sought after the California Environmental Quality Act determination is obtained, only those post-California Environmental Quality Act determination permits and approvals may be waived by the Seller unilaterally.

(h) Purchaser shall have paid any and all applicable fees (including, without limitation, communities facility district fees and public facilities fees imposed by the City of San Diego or any other governmental agency having jurisdiction with respect to the same), or shall pay such fees concurrently with Closing. The execution of this Agreement does not constitute the granting of or a commitment to obtain any required land use permits, entitlements or approvals.

(i) The Seller's Executive Director, or designee, and Purchaser have agreed (or will agree prior to Closing) to the forms of the grant deed, affordable housing restrictions and all other documents reasonably necessary to complete the Closing.

(j) All of the following shall have occurred: (i) Seller's Executive Director, or designee, shall have approved in writing the Project-budget and all of the Purchaser's proposed acquisition, construction and permanent financing for the Project; (ii) concurrently with the

Closing, the Purchaser shall have closed on all of the financing necessary to acquire the Property and construct the Project and the Seller's Executive Director, or designee, shall have approved the same; and (iii) Purchaser shall have obtained commitments for all of the Seller-approved permanent financing of the Project.

(k) The construction contract for the Project shall have been executed by the Purchaser and the general contractor who has been selected by the Purchaser to do the work. The general contractor and the construction contract for the Project shall be subject to the approval of Seller's Executive Director, or designee, which approval shall not be unreasonably withheld, conditioned or delayed.

(l) The proposed transfer of the Property to Purchaser has been definitively determined to have satisfied the requirements of the California Surplus Land Act with respect to the transfer of the Property to Purchaser. The Property is exempt surplus as defined in California Government Code Section 54221(f)(1)(F), because all of the residential units (exclusive of any manager's unit) will be restricted to persons and families of low or moderate income, with at least 75 percent of the residential units restricted to lower income households, as defined in Section 50079.5 of the Health and Safety Code, with an affordable rent, as defined in Section 50052.5 or 50053 of the Health and Safety Code, for a minimum of 55 years, and in no event shall the maximum rent level be higher than 20 percent below the median market rents for the neighborhood in which the site is located. Concurrently with Closing, the Seller and Purchaser will record a covenant consistent with the requirements of this paragraph and Section 54221(f)(1)(F).

6. Conditions Precedent for the Benefit of the Purchaser. The Purchaser's obligation to Close shall be conditioned upon the satisfaction or emailed or written waiver by the Purchaser of all of the conditions precedent ("Conditions Precedent for the Benefit of the Purchaser") set forth in this Section 6. Any of the Conditions Precedent for the Benefit of the Purchaser may be waived by the Purchaser unilaterally; and if so waived, such conditions shall be of no further effect hereunder. Any such waiver shall be effective only if the same is (i) expressly waived by email from the Purchaser to the Seller and Escrow Agent; or (ii) or in writing signed by the Purchaser and delivered to the Seller and Escrow Agent. If the Conditions Precedent for the Benefit of the Purchaser are not satisfied by the deadlines set forth in this Section 6 or expressly waived, the Purchaser (provided the Purchaser is not in default hereunder) may provide emailed or written notice of the Purchaser's conditional termination of this Agreement to the Seller and Escrow Agent. After receipt of such notice of conditional termination, the Seller shall have ten (10) Business Days to cure any non-satisfaction of a condition or other default specified in the notice of conditional termination. If such matter remains unsatisfied or the default remains uncured after the expiration of such ten (10) Business Day period, then this Agreement shall terminate at the close of business on such tenth (10th) Business Day. In the event of termination of this Agreement (and by operation of law the Escrow) pursuant to this Section 6, then: (x) the same shall be a default by the Seller (unless the termination is due to the failure of the conditions set forth in subsection (h) through (i) below); (y) Escrow Agent shall upon receipt of unilateral notice from the Purchaser, return to the Purchaser all funds or other things deposited in Escrow by the Purchaser, including without limitation, the Deposit; and (z) Escrow Agent shall return to the Seller all funds or other things deposited in Escrow by the Seller. Purchaser is not waiving any default by the Seller and nothing contained in this Section 6, including, without limitation, the immediately foregoing

sentence shall be a waiver of any right of Purchaser to recover damages from the Seller for any default by Seller hereunder. All fees and costs charged by the Escrow Agent shall be paid by the Purchaser.

(a) The deposit into Escrow by the Seller of the Grant Deed in the form attached hereto as Exhibit C, duly executed and acknowledged, conveying fee simple title to the Property to the Purchaser at least one (1) Business Day prior to Closing.

(b) The deposit by the Seller into Escrow at least one (1) Business Day prior to Closing of a duly executed affidavit in the form prescribed by federal regulations that Seller is not a foreign person and is a "United States Person" as such term is defined in Section 7761(a)(30) of the Internal Revenue Code of 1986, as amended.

(c) The deposit by the Seller into Escrow at least one (1) Business Day prior to Closing of a duly executed California Form 593(c) or other evidence that withholding of any portion of the Purchase Price is not required by the Revenue and Taxation Code of California, at least one (1) Business Day prior to Closing.

(d) The deposit by the Seller into Escrow at least one (1) Business Day prior to Closing of all additional documents and instruments as are reasonably required by the Escrow Agent to complete the Closing.

(e) As of the Closing Date, there exists no lease, tenancy or occupancy agreement affecting the Property, except for the Property Documents and the Permitted Exceptions.

(f) The Escrow Agent is prepared and obligated to issue the Title Policy in Purchaser's favor, upon the recordation of the Grant Deed and there are no exceptions to the Title Policy, except for the Permitted Exceptions.

(g) Seller not being in default of any of its representations or warranties under this Agreement, or any other material terms or conditions related to Seller, and all of Seller's representations and warranties under this Agreement being true and correct as of the Closing Date.

(h) Purchaser has obtained financing in amounts and terms acceptable to Purchaser and governmental approvals that will allow for Purchaser's intended development of the Property.

(i) Purchaser has approved the Property pursuant to Section 4;

(j) Seller's Executive Director, or designee, has approved the final plans and design documents for the Project and Purchaser has provided Seller with evidence of compliance with the California Environmental Quality Act, including any review, findings or decisions required of Seller in connection with the conveyance of the Property in accordance with this Agreement; and

(k) No material change has occurred to the physical, legal, title or economic condition of the Property.

7. Representations, Warranties and Covenants; Waivers and Releases. When making the representations and warranties set forth in this Section 7, each party making a representation and/or warranty represents that the same are true, correct and complete as of the date hereof and shall be and are true, correct and complete as of the Closing Date.

(a) Representations and Warranties Regarding Authority. The Seller and the Purchaser each hereby represents and warrants to the other that this Agreement and all documents or instruments executed by them which are to be delivered at or prior to the Closing are, or on the Closing Date will be, duly authorized, executed and delivered by the Seller or the Purchaser, as applicable.

(b) Representations and Warranties Regarding Enforceability of Agreement. The Seller and the Purchaser each hereby represents and warrants to the other that this Agreement and all documents required hereby to be executed by them shall be valid, legally binding obligations of, and enforceable against, the Seller or the Purchaser, as applicable, in accordance with their terms.

(c) Representations and Warranties Pertaining to Legal Matters.

(1) The Seller hereby represents and warrants to the Purchaser that the Seller is the sole owner of the fee title interest to the Property and Seller shall maintain the Property in substantially the same condition as exists of the date of this Agreement.

(2) The Seller hereby represents and warrants to the Purchaser that to the current actual knowledge of Seller, there is no pending or threatened proceeding in eminent domain or otherwise, which would affect the Property, or any portions thereof, nor any facts which might give rise to such action or proceeding.

(3) The Seller hereby represents and warrants to the Purchaser that the Seller has full right, power and authority to sell the Property to Purchaser as provided in this Agreement and to carry out its obligations hereunder. The Purchaser hereby represents and warrants to the Seller that the Purchaser has full right, power and authority to purchase the Property from Seller as provided in this Agreement and to carry out its obligations hereunder. The Seller and the Purchaser each hereby represents and warrants to the other that this Agreement is and all other documents and instruments to be executed and delivered by such party in connection with this Agreement shall be duly authorized, executed and delivered by such party and shall be valid, binding and enforceable obligations of such party.

(4) The Seller and the Purchaser each hereby represents and warrants to the other that neither the execution nor delivery of this Agreement or of any other documents or instruments executed and delivered, or to be executed or delivered, pursuant to this Agreement, nor the performance of any provision, condition, covenant or other term hereof or thereof, will conflict with or result in a breach of any statute, rule or regulation, or any judgment, decree or order of any court, board, commission or agency whatsoever binding on such party, or will conflict with or constitute a breach of or a default under any

agreement to which the Seller or Purchaser, as applicable, is a party, or will result in the creation or imposition of any lien upon any assets or property of such party, other than liens established pursuant hereto.

(d) Seller Representations and Warranties Pertaining to Options. As of the Effective Date, the Seller hereby represents and warrants to the Purchaser that no person has any option or right of first refusal to purchase the Property or any parts thereof.

(e) Seller Representation and Warranty Pertaining to Documents. The Seller hereby represents and warrants to the Purchaser that to the current actual knowledge of Seller, all documents required to be delivered to Purchaser are true and correct in all material respects as of the dates set forth thereon.

(f) Seller Representation and Warranty Regarding Operation. The Seller hereby represents and warrants to the Purchaser that to the current actual knowledge of Seller, the Property Documents, if any, and the Permitted Exceptions constitute all of the oral and written agreements or understandings concerning the Property. Unless otherwise agreed to by Purchaser, Seller will terminate any Property Documents that are agreements, contracts, leases, options, services or operating agreements prior to Closing and will not enter into any new Property Documents prior to Closing without the written consent of Purchaser, provided that Purchaser will not unreasonably withhold, condition or delay its consent if such documents will not be binding on the Purchase or Property following the Closing and if they will not increase Purchaser's costs or liabilities related to the acquisition (or delay the acquisition) of the Property.

(g) Seller Representations and Warranties Regarding Discovery of New Information. The Seller hereby represents and warrants to the Purchaser that if the Seller discovers any information or facts prior to Closing that would materially change any of the foregoing representations and warranties or cause any of the foregoing representations and warranties to be untrue or misleading in any respect, or if there is any material change to the Property, the Seller will promptly give the Purchaser notice of those facts and information.

(h) Current Actual Knowledge. Whenever any representation or warranty of Seller is limited to its "current actual knowledge" it shall mean the current actual knowledge of Lisa Jones, Executive Director.

(j) Survival Period. All of the foregoing representations and warranties of Seller will survive Closing for a period of six (6) months after the Closing Date (the "Survival Period"). No claim for a breach of any, representation or warranty of Seller will be actionable or payable if Purchaser does not notify Seller in writing of such breach and commence a "legal action" thereon within the Survival Period.

(k) AS IS CONDITION. PURCHASER HEREBY ACKNOWLEDGES, REPRESENTS, WARRANTS, COVENANTS AND AGREES THAT AS A MATERIAL INDUCEMENT TO SELLER TO EXECUTE AND ACCEPT THIS AGREEMENT AND IN CONSIDERATION OF THE PERFORMANCE BY SELLER OF ITS DUTIES AND OBLIGATIONS UNDER THIS AGREEMENT THAT, EXCEPT AS SPECIFICALLY

PROVIDED IN THIS AGREEMENT, AND SUBJECT TO SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 7 OF THIS AGREEMENT, THE SALE OF THE PROPERTY HEREUNDER IS AND WILL BE MADE ON AN "AS IS, WHERE IS" BASIS, SELLER HAS NOT MADE, DOES NOT MAKE AND SPECIFICALLY NEGATES AND DISCLAIMS ANY REPRESENTATIONS, WARRANTIES OR GUARANTIES OF ANY KIND OR CHARACTER WHATSOEVER, WHETHER EXPRESS OR IMPLIED, ORAL OR WRITTEN, PAST, PRESENT, FUTURE OR OTHERWISE, OF, AS TO, CONCERNING OR WITH RESPECT TO: (1) THE EXISTENCE OF HAZARDOUS MATERIALS OR MOLD UPON THE PROPERTY OR ANY PORTION THEREOF; (2) GEOLOGICAL CONDITIONS, INCLUDING, WITHOUT LIMITATION, SUBSIDENCE, SUBSURFACE CONDITIONS, WATER TABLE, UNDERGROUND WATER RESERVOIRS, LIMITATIONS REGARDING THE WITHDRAWAL OF WATER AND FAULTING; (3) WHETHER OR NOT AND TO THE EXTENT TO WHICH THE PROPERTY OR ANY PORTION THEREOF IS AFFECTED BY ANY STREAM (SURFACE OR UNDERGROUND), BODY OF WATER, FLOOD PRONE AREA, FLOOD PLAIN, FLOODWAY OR SPECIAL FLOOD HAZARD; (4) DRAINAGE; (5) SOIL CONDITIONS, INCLUDING THE EXISTENCE OF INSTABILITY, PAST SOIL REPAIRS, SOIL ADDITIONS OR CONDITIONS OF SOIL FILL, OR SUSCEPTIBILITY TO LANDSLIDES, OR THE SUFFICIENCY OF ANY UNDERSHORING; (6) USES OF ADJOINING PROPERTIES; (7) THE VALUE, COMPLIANCE WITH THE PLANS AND SPECIFICATIONS, SIZE, LOCATION, AGE, USE, DESIGN, QUALITY, DESCRIPTION, DURABILITY, STRUCTURAL INTEGRITY, OPERATION, TITLE TO, OR PHYSICAL OR FINANCIAL CONDITION OF THE PROPERTY OR ANY PORTION THEREOF, OR ANY RIGHTS OR CLAIMS ON OR AFFECTING OR PERTAINING TO THE PROPERTY OR ANY PART THEREOF, INCLUDING, WITHOUT LIMITATION, WHETHER OR NOT THE IMPROVEMENTS, IF ANY, COMPLY WITH THE REQUIREMENTS OF TITLE III OF THE AMERICANS WITH DISABILITIES ACT OF 1990, 42 U.S.C. §§ 12181-12183, 12186(B) – 12189 AND RELATED REGULATIONS; (8) THE PRESENCE OF HAZARDOUS MATERIALS IN OR ON, UNDER OR IN THE VICINITY OF THE PROPERTY; (9) THE SQUARE FOOTAGE OF THE PROPERTY OR THE IMPROVEMENTS THEREON, IF ANY; (10) IMPROVEMENTS, IF ANY, AND INFRASTRUCTURE, IF ANY; (11) DEVELOPMENT RIGHTS AND EXTRACTATIONS; (12) WATER OR WATER RIGHTS; (13) THE DEVELOPMENT POTENTIAL FOR THE PROPERTY; (14) THE ABILITY OF PURCHASER TO REZONE THE PROPERTY OR CHANGE THE USE OF THE PROPERTY; (15) THE ABILITY OF PURCHASER TO ACQUIRE ADJACENT PROPERTIES; (16) THE EXISTENCE AND POSSIBLE LOCATION OF ANY UNDERGROUND UTILITIES; (17) THE EXISTENCE AND POSSIBLE LOCATION OF ANY ENCROACHMENTS; (18) WHETHER THE IMPROVEMENTS, IF ANY, ON THE PROPERTY WERE BUILT, IN WHOLE OR IN PART, IN COMPLIANCE WITH APPLICABLE BUILDING CODES; (19) [Intentionally Blank]; (20) THE CHARACTER OF THE NEIGHBORHOOD IN WHICH THE PROPERTY IS SITUATED; (21) THE CONDITION OR USE OF THE PROPERTY OR COMPLIANCE OF THE PROPERTY WITH ANY OR ALL PAST, PRESENT OR FUTURE FEDERAL, STATE OR LOCAL ORDINANCES, RULES, REGULATIONS OR LAWS, BUILDING, FIRE OR ZONING ORDINANCES, CODES OR OTHER SIMILAR LAWS; OR (22) THE MERCHANTABILITY OF THE PROPERTY OR FITNESS OF THE PROPERTY FOR ANY PARTICULAR PURPOSE (PURCHASER AFFIRMING THAT PURCHASER HAS NOT

RELIED ON SELLER'S SKILL OR JUDGMENT TO SELECT OR FURNISH THE PROPERTY FOR ANY PARTICULAR PURPOSE, AND THAT SELLER MAKES NO WARRANTY THAT THE PROPERTY IS FIT FOR ANY PARTICULAR PURPOSE). NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT, SELLER IS NOT RELEASED FROM ANY LIABILITY TO PURCHASER FOR FRAUD OR BREACH OF ANY COVENANT, REPRESENTATION OR WARRANTY SET FORTH IN THIS AGREEMENT.

PURCHASER ACKNOWLEDGES THAT AS OF THE EXPIRATION OF THE DUE DILIGENCE PERIOD, PURCHASER SHALL HAVE COMPLETED ALL PHYSICAL AND FINANCIAL EXAMINATIONS RELATING TO THE ACQUISITION OF THE PROPERTY HEREUNDER AND WILL ACQUIRE THE SAME SOLELY ON THE BASIS OF SUCH EXAMINATIONS AND THE TITLE INSURANCE PROTECTION FOR THE PROPERTY AFFORDED BY THE TITLE POLICY, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, AND SUBJECT TO SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 7 OF THIS AGREEMENT. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT ANY INFORMATION PROVIDED OR TO BE PROVIDED WITH RESPECT TO THE PROPERTY WAS OBTAINED FROM A VARIETY OF SOURCES AND THAT THE SELLER HAS NOT MADE ANY INDEPENDENT INVESTIGATION OR VERIFICATION OF SUCH INFORMATION AND MAKES NO REPRESENTATIONS AS TO THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION, EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT, AND SUBJECT TO SELLER'S EXPRESS REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT. SELLER SHALL NOT BE LIABLE FOR ANY NEGLIGENT MISREPRESENTATION OR FAILURE TO INVESTIGATE THE PROPERTY NOR SHALL SELLER BE BOUND IN ANY MANNER BY ANY VERBAL OR WRITTEN STATEMENTS, REPRESENTATIONS, APPRAISALS, ENVIRONMENTAL ASSESSMENT REPORTS, OR OTHER INFORMATION PERTAINING TO THE PROPERTY OR THE OPERATION THEREOF, FURNISHED BY SELLER, OR ANY REAL ESTATE BROKER, AGENT, REPRESENTATIVE, EMPLOYEE, SERVANT OR OTHER PERSON ACTING ON SELLER'S BEHALF EXCEPT FOR THE REPRESENTATIONS AND WARRANTIES SET FORTH IN SECTION 7 OF THIS AGREEMENT. IT IS ACKNOWLEDGED AND AGREED THAT THE PROPERTY IS SOLD BY SELLER AND PURCHASED BY PURCHASER SUBJECT TO THE FOREGOING. NOTWITHSTANDING THE FOREGOING OR ANYTHING TO THE CONTRARY SET FORTH IN THIS AGREEMENT, SELLER IS NOT RELEASED FROM ANY LIABILITY TO PURCHASER FOR FRAUD OR BREACH OF ANY COVENANT, REPRESENTATION OR WARRANTY SET FORTH IN THIS AGREEMENT.

PURCHASER HEREBY ACKNOWLEDGES AND AGREES THAT PURCHASER IS FULLY AWARE OF THE AGE OF THE PROPERTY, THAT OVER TIME VARIOUS EVENTS MAY HAVE OCCURRED ON THE PROPERTY WHICH EVENTS MAY BE TYPICAL AND/OR ATYPICAL OF EVENTS OCCURRING TO OTHER PROPERTIES OF SIMILAR AGE TO THE PROPERTY AND SIMILARLY LOCATED IN THE CITY OF SAN DIEGO AND (OR) THE COUNTY OF SAN DIEGO, CALIFORNIA, AND THAT SUCH EVENTS MAY INCLUDE, WITHOUT LIMITATION, MOLD, SHIFTING, VIOLATIONS OF LAWS, ORDINANCES, RULES, REGULATIONS, PERMITS, APPROVALS, LICENSES

AND (OR) ORDERS OF GOVERNMENTAL AGENCIES WITH JURISDICTION OVER THE PROPERTY.

THE CLOSING OF THE PURCHASE OF THE PROPERTY BY PURCHASER HEREUNDER SHALL BE CONCLUSIVE EVIDENCE THAT: (A) PURCHASER HAS FULLY AND COMPLETELY INSPECTED (OR HAS CAUSED TO BE FULLY AND COMPLETELY INSPECTED) THE PROPERTY; AND (B) PURCHASER ACCEPTS THE PROPERTY AS BEING IN GOOD AND SATISFACTORY CONDITION AND SUITABLE FOR PURCHASER'S PURPOSES.

WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, EXCEPT FOR RELIANCE ON THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT, PURCHASER SHALL PERFORM AND RELY SOLELY UPON ITS OWN INVESTIGATION CONCERNING ITS INTENDED USE OF THE PROPERTY, AND THE PROPERTY'S FITNESS THEREFOR. PURCHASER FURTHER ACKNOWLEDGES AND AGREES THAT SELLER'S COOPERATION WITH PURCHASER WHETHER BY PROVIDING DOCUMENTS RELATING TO THE PROPERTY OR PERMITTING INSPECTION OF THE PROPERTY, SHALL NOT BE CONSTRUED AS ANY WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, OF ANY KIND WITH RESPECT TO THE PROPERTY, OR WITH RESPECT TO THE ACCURACY, COMPLETENESS, OR RELEVANCE OF THE DOCUMENTS PROVIDED TO PURCHASER BY SELLER IN RELATION TO THE PROPERTY, PROVIDED THAT THE FOREGOING SHALL NOT BE A LIMITATION OR MODIFICATION OF THE REPRESENTATIONS AND WARRANTIES SET FORTH IN THIS AGREEMENT.

SELLER'S INITIALS

PURCHASER'S INITIALS

(1) Indemnity and Release.

(1) Indemnity. For the purposes of this Section 7(1), the term "Claims" shall mean any and all claims, obligations, liabilities, causes of action, suits, debts, liens, damages, judgments, losses, demands, orders, penalties, settlements, costs and expenses (including, without limitation, attorneys' fees and costs and any and all costs and expenses related to, whether directly or indirectly, any and all clean-up, remediation, investigations, monitoring, abatement, mitigation measures, fines or removal with respect to Hazardous Materials) of any kind or nature whatsoever. The definition of "Claims" shall include, without limitation, Claims under contract law or tort law. Each and every provision of this Section 7(1) shall survive the Closing. Purchaser acknowledges that but for Purchaser's agreement to each and every provision of this Section 7(1), Seller would not have entered into the Agreement. Purchaser, on behalf of itself, its successors, assigns and successors-in-interest ("Successors"), hereby agrees to indemnify, defend and hold Seller and Seller's successors, assigns, officers, directors, shareholders, participants, partners, affiliates, employees, representatives, invitees and agents (collectively, "Seller Parties") harmless from any and all Claims resulting from, related to, or based upon, whether directly or indirectly: (i) the breach by Purchaser of any representation, warranty, covenant or obligation contained in the Agreement, or in any other agreement, document, exhibit or instrument related hereto or

referenced herein; (ii) any Claim or Claims, if the basis of such Claim or Claims arose on or after the Closing, except as noted in subparagraph (iv) below, and if the basis of such Claim or Claims arose from, is based upon, relates to or pertains to, whether directly or indirectly, the operation, management and use of the Property; (iii) any Claim or Claims which Claim or Claims (or the basis for which) arose from, is based upon, relates to or pertains to, whether directly or indirectly, any act or omission of Purchaser; and (iv) on or after Closing (A) any Claim or Claims that relate to the condition of the Property on or after the Close of Escrow, including any judgment, order or settlement under or otherwise pursuant to a lawsuit, and (B) any Claim or Claims that relate to defects in the Property (including, without limitation, patent and latent construction defects), regardless of whether said defects or the cause of the same arose either before or after the Close of Escrow, including any judgment, order or settlement under or otherwise pursuant to the lawsuit. Any defense of any or all of the Seller Parties referenced in this Section 7(l)(1), shall be at the Purchaser's sole cost and expense and by counsel selected by the Purchaser, subject to the reasonable approval of the indemnified person, which counsel may, without limiting the rights of any of the Seller Parties pursuant to the next succeeding sentence of this Section 7(l)(1), also represent the Purchaser in such investigation, action or proceeding. If any of the Seller Parties that is being indemnified determines reasonably and in good faith that its defense by the Purchaser is reasonably likely to cause a conflict of interest or is being conducted in a manner which is prejudicial to such persons interests, such indemnified person may elect to conduct its own defense through counsel of its own choosing, subject to the reasonable approval of the Purchaser, and at the expense of the Purchaser. Purchaser hereby waives any right of subrogation as to Seller or the Seller Parties. Each and every provision of this Section 7 shall survive the Closing and but for Purchaser's agreement to each and every provision of this Section 7, Seller would not have executed the Agreement.

(2) Release and §1542 Waiver. Notwithstanding the following or anything to the contrary set forth in this Agreement, the Seller is not released from any liability to the Purchaser for fraud or breach of any covenant or warranty set forth in this Agreement. Subject to the immediately preceding sentence and the Purchaser's right to rely on the Seller's representations and warranties, Purchaser for itself and on behalf of each of its successors (collectively, the "Releasers") by this general release of known and unknown claims (this "Release") hereby irrevocably and unconditionally release and forever discharge Seller and each of the Seller Parties, including the General Partner (collectively, the "Releasees") or any of them, from and against any and all Claims of any kind or nature whatsoever, **WHETHER KNOWN OR UNKNOWN**, suspected or unsuspected, fixed or contingent, liquidated or unliquidated which any of the Releasers now have, own, hold, or claim to have had, owned, or held, against any of the Releasees arising from, based upon or related to, whether directly or indirectly any facts, matters, circumstances, conditions or defects (whether patent or latent) of all or any kinds, related to, arising from, or based upon, whether directly or indirectly, the Property, including without limitation, (i) the physical condition, quality and state of repair of the Property conveyed; (ii) any latent or patent defect affecting the Property conveyed, and (iii) the presence of Hazardous Materials in, on, about or under the Property or which have migrated from adjacent lands to the Property or from the Property to adjacent lands.

Except for Claims for Seller's fraud or the breach of any covenants, representations and warranties of the Seller provided in this Agreement, Releasers hereby further agree as follows:

(i) Releasors acknowledge that there is a risk that subsequent to the execution of this Agreement, Releasors may discover, incur, or suffer from Claims which were unknown or unanticipated at the time this Release is executed, including, without limitation, unknown or unanticipated Claims which, if known by Releasors on the date this Release is being executed, may have materially affected Releasors' decision to execute this Agreement. Releasors acknowledge that Releasors are assuming the risk of such unknown and unanticipated Claims and agree that this Release applies thereto. Releasors expressly waive the benefits of Section 1542 of the California Civil Code, which reads as follows:

“A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.”

(ii) Releasors represent and warrant that Releasors have been represented by independent counsel of Releasors' own choosing in connection with the preparation and review of the Release set forth herein, that Releasors have specifically discussed with such counsel the meaning and effect of this Release and that Releasors have carefully read and understand the scope and effect of each provision contained herein. Releasors further represent and warrant that Releasors do not rely and have not relied upon any representation or statement made by any of the Releasees or any of their representatives, agents, employees, attorneys or officers with regard to the subject matter, basis or effect of this Release.

(iii) Releasors represent and warrant to Releasees that Releasors have not and shall not assign or transfer or purport to assign or transfer any Claim or Claims or any portion thereof or any interest therein, and shall indemnify, defend, and hold the Releasees harmless from and against any Claim or Claims based on or arising out of, whether directly or indirectly, any such assignment or transfer, or purported assignment or transfer.

SELLER'S INITIALS

PURCHASER'S INITIALS

It is specifically intended that each of the Seller Parties shall be third party beneficiaries of this Section 7(l). Notwithstanding anything to the contrary herein, in the event a third party brings any claim related to this Agreement or the development of the Project on the Property, the Purchaser may terminate this Agreement by providing written notice to the Seller.

8. Condemnation of the Property.

(a) Condemnation. If between the Effective Date and the Closing Date, any condemnation or eminent domain proceeding is commenced that will result in the taking of any part of the Property, Purchaser may, at Purchaser's election, either:

(1) Terminate this Agreement by giving written or emailed notice to the Seller and the Escrow Agent (in which event all remaining funds or other things deposited in Escrow by

Purchaser shall be returned to the Purchaser immediately from Escrow, together with any interest earned thereon and all fees and costs charged by the Escrow Agent shall be paid one-half (1/2) by the Purchaser and one-half (1/2) by the Seller; or

(2) Give written or emailed notice to the Seller and the Escrow Agent that Purchaser will proceed with the Closing, in which event the Seller shall assign to the Purchaser all of the Seller's rights, titles and interests to any award made for the condemnation or eminent domain action.

(b) Notice. If the Seller obtains notice of the commencement of or the threatened commencement of eminent domain or condemnation proceedings with respect to all of any portion of the Property, the Seller shall notify the Purchaser in writing.

9. Broker's Commission.

(a) Seller's Broker. The Seller hereby represents and warrants to the Purchaser that the Seller has not engaged any broker, agent or other person to represent the Seller in the transaction that is the subject of this Agreement.

(b) Purchaser's Broker. The Purchaser hereby represents and warrants to the Seller that the Purchaser has not engaged any broker, agent or other person to represent the Purchaser in the transaction that is the subject of this Agreement.

(c) Indemnity. The Purchaser and the Seller each agree that, to the extent any real estate commission, brokerage commission or finder's fee shall be earned or claimed in connection with this Agreement or the Closing, the payment of such fee or commission, and the defense of any action in connection therewith, shall be the sole and exclusive obligation of the party who requested (or is alleged to have requested) the services of the broker or finder. In the event that any claim, demand or cause of action for any such commission or finder's fee is asserted against the party to this Agreement who did not request such services (or is not alleged to have requested such services), the party through whom the broker or finder is making the claim shall indemnify, defend (with an attorney of the indemnitee's choice) and hold harmless the other from and against any and all such claims, demands and causes of action and expenses related thereto, including (without limitation) attorneys' fees and costs.

(d) Survival. The provisions of this Section 9 shall survive the Closing or termination of this Agreement.

10. Assignment. No party shall assign any of its rights or delegate any of its duties under this Agreement without the prior written consent of the other party hereto. Any attempted assignment or delegation of this Agreement by the Purchaser or the Seller in violation of this section shall be void. Notwithstanding the forgoing, Purchaser may assign this Agreement to an entity controlled by BRIDGE Housing Corporation (including a tax credit limited partnership in which the general partner is controlled by BRIDGE Housing Corporation) without the consent of the Seller, provided that Purchaser will provide prior notice of such assignment.

11. Notices. All notices under this Agreement shall be in writing and sent (a) by certified or registered mail, return receipt requested, in which case notice shall be deemed delivered three (3) Business Days after deposit, postage prepaid in the United States Mail, (b) overnight by a nationally recognized overnight courier such as UPS Overnight, or FedEx, in which case notice shall be deemed delivered one (1) Business Day after deposit with that courier, (c) by personal delivery, in which case notice shall be deemed delivered upon the actual date of delivery, or (d) by email, in which case notice shall be deemed delivered upon the actual date of delivery. All notices shall be delivered to the following addresses:

If to Purchaser:	BRIDGE Housing Corporation 600 California Street, Suite 900 San Francisco, CA 94108 Attn: General Counsel
If to Seller:	Housing Authority of the City of San Diego Attn: Lisa Jones 1122 Broadway, Suite 300 San Diego, CA 92101
Copy to:	Christensen & Spath LLP Attn: Walter F. Spath III, Esq. 401 West A Street, Suite 2250 San Diego, CA 92101 Email: wfs@candslaw.net
If to Escrow Agent:	Old Republic Title Company 555 12th St #2000 Oakland, CA 94607 Attn: Julie Massey

The addresses above may be changed by written notice to the other party given in accordance with this Section 11.

12. Risk of Loss.

(a) Subject to the provisions of this Section 12(a), the risk of loss or damage to the Property until the Closing will be borne by Seller. Upon the occurrence of any damage to or destruction of the Property, Seller shall within five (5) days after the occurrence of such damage or destruction give written notice to Purchaser (“Damage Notice”) specifying the estimated cost to repair or restore the Property and an estimate of the insurance proceeds, if any, that will be available with respect to such damage or destruction. The Closing shall be appropriately delayed to provide adequate time for Seller to give the Damage Notice and Purchaser to make its election provided for below.

(b) If prior to the Closing there is damage to or destruction of the Property that will cost in excess of One Hundred Thousand Dollars (\$100,000.00) to repair or restore, Purchaser

shall have the right by written notice given to Seller within ten (10) days of Purchaser receiving the Damage Notice, to elect to: (i) close Escrow in such damaged condition, in which event the Purchase Price shall not be reduced and Seller shall not be obligated to repair or restore the Property and all insurance proceeds shall be assigned and payable to Purchaser, and if Seller receives any such insurance proceeds, they shall be immediately remitted by Seller to Purchaser at Closing or, if received by Seller after Closing, promptly after receipt; or (ii) terminate this Agreement, and neither party shall have any further rights or obligations to the other party, except neither party shall be relieved of any obligations provided for in this Agreement which expressly survives its termination.

(c) If prior to the Closing there is damage to or destruction of the Property that will cost One Hundred Thousand Dollars (\$100,000.00), or less, to repair or restore, Purchaser shall nevertheless close Escrow with the Property in such damaged condition, the Purchase Price shall be reduced by a commensurate amount (such commensurate amount shall be reduced by the amount of any insurance proceeds received or payable with respect to the same) and Seller shall not be obligated to repair or restore the Property, and all insurance proceeds shall be assigned and payable to Purchaser, and if Seller should receive any such insurance proceeds, they shall be immediately remitted to Purchaser.

13. Prorations. Real property taxes and assessments and service and maintenance contract payments for contracts that are being assumed by the Purchaser (which assumption shall be of all service and maintenance and similar type contracts with regard to the Property to the extent same are assignable) and other expenses of operating the Property shall be prorated as of the close of Escrow. Notwithstanding anything in this Agreement to the contrary, this Section 14 shall survive the close of Escrow.

14. General Provisions.

(a) Governing Law. This Agreement shall be interpreted and construed in accordance with California law, without regard to any choice of law principles.

(b) Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

(c) Captions. The captions in this Agreement are inserted for convenience of reference and in no way define, describe or limit the scope or intent of this Agreement or any of the provisions of this Agreement.

(d) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors, heirs and permitted assigns.

(e) Modifications; Waiver. No waiver, modification, amendment, discharge or change of this Agreement shall be valid unless it is in writing and signed by the party against which the enforcement of the modification, waiver, amendment, discharge or change is sought.

(f) Entire Agreement. This Agreement contains the entire agreement between the parties relating to Purchaser's acquisition of the Property from the Seller and all prior or contemporaneous agreements, understandings, representations or statements, oral or written, are superseded.

(g) Partial Invalidity. Any provision of this Agreement which is unenforceable, invalid, or the inclusion of which would adversely affect the validity, legality, or enforcement of this Agreement shall have no effect, but all the remaining provisions of this Agreement shall remain in full effect.

(h) Survival; No Merger. This Agreement, including without limitation, all representations, warranties, covenants, agreements, indemnities and other obligations of the Purchaser and the Seller in this Agreement, shall survive the Closing of this transaction during the Survival Period and will not be merged into the Grant Deed or any other document.

(i) No Third-Party Rights. Nothing in this Agreement, express or implied, is intended to confer upon any person, other than the parties to this Agreement and their respective successors and assigns, any rights or remedies.

(j) Time Of Essence. Time is of the essence in this Agreement.

(k) Attorneys' Fees. The parties agree that the prevailing party in litigation for the breach and/or interpretation and/or enforcement of the terms of this Agreement shall be entitled to their expert witness fees, if any, as part of their costs of suit, and attorneys' fees as may be awarded by the court, pursuant to California Code of Civil Procedure ("CCP") Section 1033.5 and any other applicable provisions of California law, including, without limitation, the provisions of CCP Section 998. All claims, disputes, causes of action or controversies shall be subject solely to the jurisdiction of the San Diego Superior Court, Downtown Branch.

(l) Relationship. Nothing contained in this Agreement shall be deemed or construed by the parties or by any third person to create a relationship of principal and agent or partnership or a joint venture between the Purchaser and the Seller or between any of them and any third party.

(m) Recording. This Agreement shall not be recorded.

(n) Exhibits and Recitals Incorporated. All exhibits referred to in this Agreement are hereby incorporated in this Agreement by this reference, regardless of whether or not the exhibits are actually attached to this Agreement. The Recitals to this Agreement are hereby incorporated in this Agreement by this reference.

(o) Independent Counsel. Seller and Purchaser each acknowledge that: (a) they have been given the opportunity to be represented by independent counsel in connection with this Agreement; (b) they have executed this Agreement with the advice of such counsel, if such counsel was retained; and (c) this Agreement is the result of negotiations between the parties hereto and the advice and assistance of their respective counsel, if such counsel was retained. The fact that this Agreement was prepared or negotiated by Purchaser's or Seller's counsel as a matter of

convenience shall have no import or significance. Any uncertainty or ambiguity in this Agreement shall not be construed against either party due to the fact that Purchaser's or Seller's counsel prepared or negotiated this Agreement in its final form.

(p) Capacity and Authority. All individuals signing this Agreement for a party which is a corporation, limited liability company, partnership or other legal entity, or signing under a power of attorney, or as a trustee, guardian, conservator, or in any other legal capacity, represent and warrant to one another party that they have the necessary capacity and authority to act for, sign and bind the respective entity or principal on whose behalf they are signing.

(q) Seller Approvals. Notwithstanding anything herein to the contrary, Purchaser acknowledges that neither party is bound or commits to any definite course of action prior to compliance with the California Environmental Quality Act and Seller and the City of San Diego (which is the lead agency under Cal. Code Regs. Tit. 14, § 15367 and is a separate legal entity from the Seller) each retains its lawfully exercised discretion under the California Environmental Quality Act with respect to this Agreement and Seller's and the City of San Diego's approval of the Project hereunder. Specifically, Seller and the City of San Diego may each (i) make modifications to any entitlements, permits, or approvals as may be necessary to impose feasible measures to mitigate significant environmental impacts, (ii) consider and select any feasible mitigation measures and alternatives, including a no project alternative, (iii) balance the benefits against any significant environmental impacts prior to taking final action if such significant impacts cannot otherwise be avoided, (iv) determine not to proceed with the conveyance and approval of the Project in the event there are substantial environmental impacts that cannot be mitigated so the conveyance and Project can be approved without a statement of overriding considerations, or (v) take such other actions to approve or not approve the conveyance and Project consistent with their lawful exercise of discretion.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

PURCHASER:
BRIDGE Housing Corporation

By: _____
Print Name: Sierra Atilano
Its: Executive Vice President

[SIGNATURES CONTINUED ON FOLLOWING PAGE]

SELLER:

Housing Authority of the City of San Diego

By: _____

Richard C. Gentry
Executive Director

Approved as to Form:
Christensen & Spath LLP

By: _____

Walter F. Spath III, Esq.
Seller General Counsel

Exhibit A

Property Legal Description

Real property in the City of San Diego, County of San Diego, State of California, described as follows:

**Exhibit B
GRANT DEED**

RECORDING REQUESTED BY,
WHEN RECORDED MAIL TO, AND:
MAIL TAX STATEMENT TO:

Attention: _____

(Space Above Line for Recorder's Use Only)

The undersigned grantor(s) declare(s):

Documentary Transfer Tax is \$ _____

- Computed on full value of property conveyed, or
- Computed on full value less value of liens and encumbrances remaining at time of sale.
- Unincorporated area / City of San Diego

GRANT DEED

FOR VALUE RECEIVED, the Housing Authority of the City of San Diego ("Grantor"), grants to _____ ("Grantee"), all that certain real property situated in the City of _____, County of _____, State of California, described on Schedule 1 attached hereto and by this reference incorporated herein (the "Property").

As partial consideration for the conveyance of the Property from the Grantor to the Grantee, Grantee has agreed to construct _____ on the Property. If final inspection approval for such project is not obtained on or before _____, 20__, then Grantor and any of its successors and assigns reserve and retain the right, at their option and at any time until final inspection approval is obtained, to terminate Grantee's estate herein created, to re-enter and take possession of the Property, and exercise Grantor's reversionary interest in Grantee's forfeited estate. In such an event, no use or interest in the Property shall be deemed to have been acquired so as to divert or render ineffective the power of termination and reversionary interest hereby retained by Grantor. Grantee acknowledges that Grantor is a public entity that holds said power of termination and reversionary interest in trust for the benefit of the citizens of the City of San Diego, and that any failure by Grantor to discover a breach or take prompt action to enforce any of its rights under this Grant Deed, or at law or in equity, shall not result in an equitable estoppel, but Grantor shall at all times have the legal right to enforce such rights. Notwithstanding the foregoing, the right of reverter set forth in this Grant Deed may be subordinated pursuant to a written, executed, notarized subordination agreement recorded against the Property as set forth in the [Purchase Agreement].

20__ IN WITNESS WHEREOF, the Grantor has executed this instrument as of _____,

By: _____

(Print Name and Title)

A MARKET VALUATION OF:

Nimitz And Famosa Development Site

A MARKET VALUATION OF: NIMITZ AND FAMOSA DEVELOPMENT SITE

Located at the southeastern intersection of Nimitz Boulevard and Famosa Boulevard
San Diego, San Diego County, CA 92107

Inspection Date: April 2, 2024
Effective Date: April 2, 2024
Report Date: May 3, 2024

Prepared for:
Jennifer Kreutter
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, CA 92101

Prepared by:
Novogradac
Energy Square, 4849 Greenville Avenue, First Floor, Building 2
Dallas, Texas 75206
469-329-5215





May 3, 2024

Jennifer Kreutter
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, CA 92101

Re: Appraisal of Nimitz And Famosa Development Site
Located at the southeastern intersection of Nimitz Boulevard and Famosa Boulevard
San Diego, San Diego County, CA 92107

Dear Jennifer Kreutter:

At your request, Novogradac & Company LLP doing business under the brand name Novogradac Consulting ("Novogradac") is pleased to present our findings with respect to the value of the above-referenced property, Nimitz And Famosa Development Site ("Subject"). The Subject is approximately 5.61 gross acres and currently consists of vacant, undeveloped land. It should be noted that the site consists of a 2.13-acre wetland that is not developable, and the developable acreage of the site is 3.48 acres. This letter serves as an introduction to the attached appraisal. Thus, the value opinions expressed in this introduction letter must be taken in context with the full appraisal report. We have completed no other prior work on the Subject within the last three years. As requested, we provided our opinion of the fee simple as is market value of the Subject.

Please refer to the assumptions and limiting conditions contained in the Addenda of this report.

San Diego Housing Commission is the client in this engagement. We understand that they will use this document in order to determine the fair market value of the site in preparation of a sale. Intended users are San Diego Housing Commission and those transaction participants who are interested parties. These could include CTCAC/CDLAC, equity investors, construction and permanent lenders. As our client, San Diego Housing Commission owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

The Stated Purpose of this assignment is to assist with underwriting. You agree not to use the Report other than for the Stated Purpose, and you agree to indemnify us for any claims, damages or losses that we may incur as the result of your use of the Report for other than the Stated Purpose. Without limiting the general applicability of this paragraph, under no circumstances may the Report be used in advertisements, solicitations and/or any form of securities offering.

Our valuation report is for use by the client their successors and assigns for rendering a decision on financing. Neither this report nor any portion thereof may be used for any other purpose or distributed to third parties without the express written consent of Novogradac ("Novogradac").

This valuation engagement was conducted in accordance with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, which standards incorporate the Uniform Standards of Professional Appraisal Practice (USPAP). In accordance with these standards, we have reported our findings herein in an appraisal report, as defined by USPAP. For the purposes of this assignment, market value is defined as:

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This report complies with the current edition of the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board of the Appraisal Foundation and FIRREA Title XI, 12 CFR Part 323(FDIC), and 12 CFR Part 34 (RTC), and the Code of Ethics & of Professional Practice of the Appraisal Institute. It also complies with Appraisal Institute guidelines.

As a result of our analysis, the value of the underlying land as is, in the fee simple interest, as of April 2, 2024, is:

**ONE MILLION THREE HUNDRED FORTY THOUSAND DOLLARS
(\$1,340,000)**

We requested, but were not provided with a Phase I Environmental Site Assessment (ESA) for the Subject site. As such, it is an extraordinary assumption of this report that there are no Recognized Environmental Conditions that will impact the value of the Subject site. The use of extraordinary assumptions may impact assignment results.

Please refer to the assumptions and limiting conditions contained in the Addenda of this report.

If appropriate, the scope of our work includes an analysis of current and historical operating information provided by management. This unaudited data was not reviewed or compiled in accordance with the American Institute of Certificate Public Accountants (AICPA), and we assume no responsibility for such unaudited statements.

We also used certain forecasted data in our valuation and applied generally accepted valuation procedures based upon economic and market factors to such data and assumptions. We did not examine the forecasted data or the assumptions underlying such data in accordance with the standards prescribed by the AICPA and, accordingly, do not express an opinion or any other form of assurance on the forecasted data and related assumptions. The financial analyses contained in this report are used in the sense contemplated by the USPAP. Furthermore, there will usually be differences between forecasted and actual results because events and circumstances frequently do not occur as expected, and these differences may be material.

Our value conclusion was based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion were not considered. We are not responsible for updating or revising this report based on such subsequent events, although we would be pleased to discuss

with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.

We appreciate this opportunity to be of service. Please contact us if you have any comments or questions.

Respectfully submitted,
Novogradac

A handwritten signature in cursive script, appearing to read "Rebecca S. Arthur".

Rebecca S. Arthur, MAI
Rebecca.Arthur@novoco.com
913.312.4615
California Certified General Real Estate Appraiser
Appraiser Identification No.: AG041010
Expiration Date: 06/30/2024

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I. INTRODUCTION

INTRODUCTION

Property Identification

The Subject is located at the southeast corner of the intersection of Nimitz Boulevard and Famosa Boulevard in San Diego, San Diego County, California 92107. The Subject site is 5.61 gross acres, or 244,372 square feet. It should be noted that the site consists of a 2.13-acre wetland that is not developable, and the developable acreage of the site is 3.48 acres. The Subject site is identified by the San Diego Assessor's Office as assessor parcel numbers 4491101000, 4492703400, 4492610100, 4492610200, 4492610300, 4492610400, 4492610500, 4492620100, 4492620200, 4492620300, 4492620400, 4492620500. The Subject site currently consists of vacant, undeveloped land.

Legal Description

According to the San Diego Assessor, the legal description for the Subjects parcels are as follows: APN 4492703400: BLK 8*LOT 11*LOTS 1&2&(EX HWY)LOTS 3-5 BLK 7&(EX ST)LOTS 9 THRU\, APN 4491101000: LOT 206*1.86 AC M/L IN\, APN 4492610100: BLK 1*LOT 1*, APN 4492610200: BLK 1*LOT 2*, APN 4492610300: BLK 1*LOT 3*, APN 4492610400: BLK 1*LOT 4*, APN 4492610500: BLK 1*LOT 5*, APN 4492620100: BLK 1A*LOT 1*, APN 4492620200: BLK 1A*LOT 2*, APN 4492620300: BLK 1A*LOT 3*, APN 4492620400: BLK 1A*LOT 4*, and APN 4492620500: BLK 1A*LOT 5*/EXC FRWY OP/*.

Ownership History

According to information provided by the client, the Housing Authority of San Diego purchased the Subject site from the City of San Diego via a resolution on July 6, 1981, for a purchase price of \$236,500. There are no other known transfers of ownership of the Subject over the past three years, and the site is not currently listed for sale; however, this appraisal will be used as support to determine the fair market value of the site.

Intended Use and User of the Appraisal

San Diego Housing Commission is the client in this engagement. We understand that they will use this document in order to determine the fair market value of the site in preparation of a sale. Intended users are San Diego Housing Commission and those transaction participants who are interested parties. These could include CTCAC/CDLAC, equity investors, construction and permanent lenders. As our client, San Diego Housing Commission owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

Property Interest Appraised

The property interest appraised is fee simple estate subject to any and all encumbrances

Effective Date of Appraisal

The Subject was inspected on April 2, 2024 and this will serve as the effective date for the report.

Scope of Appraisal

As part of this appraisal, we have completed the following steps to gather, confirm, and analyze the data:

- Physically inspected the Subject site and the surrounding neighborhood.
- Analyze and detail comparable land sales as appropriate.
- Consider and develop the sales comparison approach.
- Analyze collected data and synthesize information into appropriate value estimates.
- Prepare and complete narrative appraisal in summary report format of the fee simple interest. The report will conform to the generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (USPAP) as promulgated by the Appraisal Standards Board (ASB) and the Appraisal Foundation, as well as the Appraisal Institute.

This report involves a complete appraisal of the subject and conforms to the requirements of the *Uniform Standards of Professional Appraisal Practice* (USPAP) and the Appraisal Institute. The sales comparison approach to value has been considered in this appraisal.

Definition of Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised and acting in what they consider their best interest;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and,
5. The price represents normal considerations for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Compliance and Competency Provision

The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations.

Novogradac has completed numerous appraisals in San Diego, California within the past three years.

Unavailability of Information

In general, all information necessary to develop an estimate of value of the Subject property was available to the appraisers.

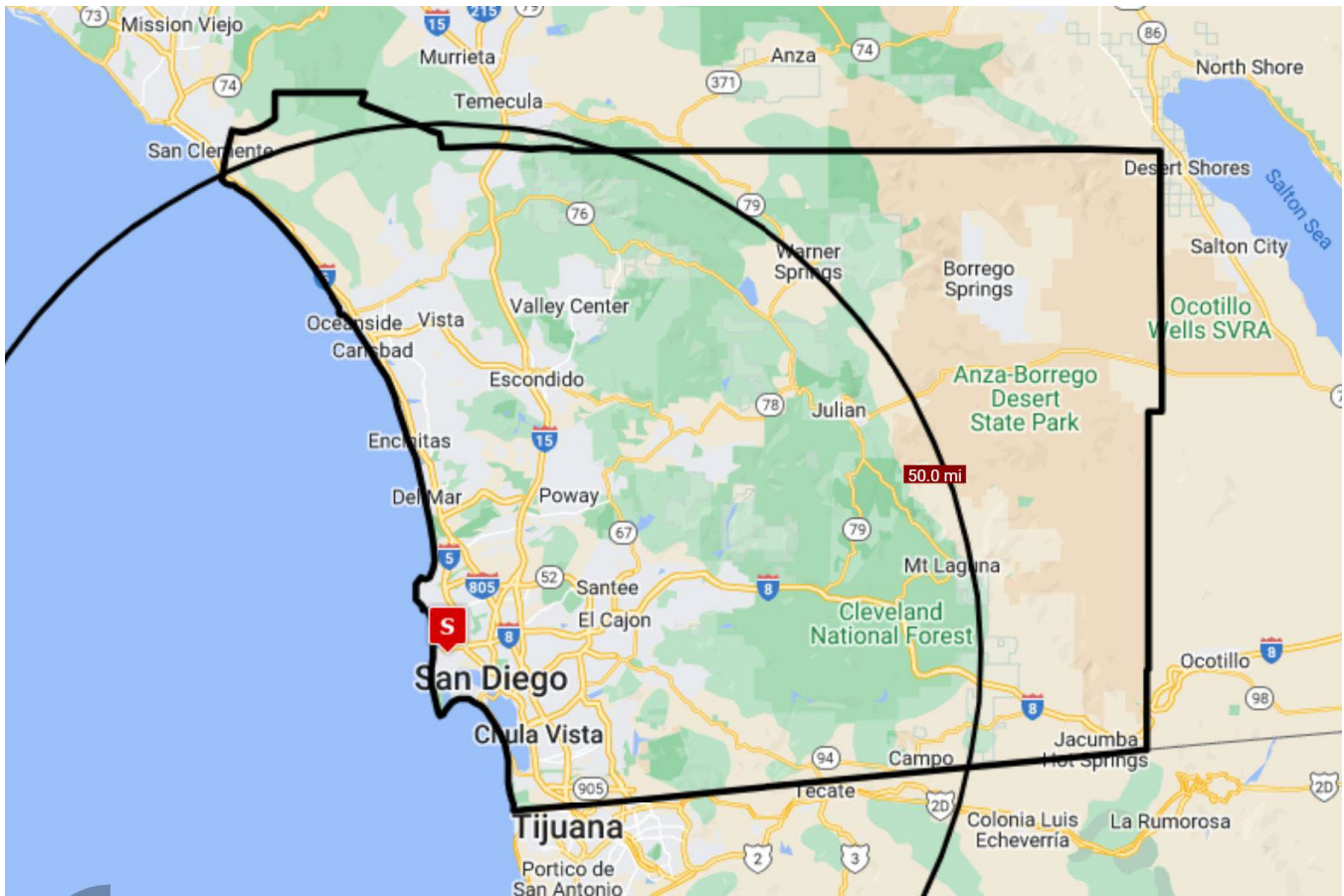
Extraordinary Assumptions and Hypothetical Conditions

We requested, but were not provided with a Phase I Environmental Site Assessment (ESA) for the Subject site. As such, it is an extraordinary assumption of this report that there are no Recognized Environmental Conditions that will impact the value of the Subject site. The use of extraordinary assumptions may impact assignment results. No other hypothetical conditions or extraordinary assumptions were necessary to complete this assignment.

II. AREA DESCRIPTION AND ANALYSIS

AREA DESCRIPTION AND ANALYSIS

The Subject site is located in the city of San Diego, San Diego County, California. The secondary market area (SMA) for the Subject is San Diego-Chula Vista-Carlsbad, CA Metropolitan Statistical Area (MSA), which consists of San Diego County in California. The MSA is 4,235 square miles. A map of the MSA is shown following.



Source: Google Earth, April 2024

ECONOMIC ANALYSIS

Employment by Industry

The following table illustrates employment by industry for the PMA and nation as of 2023.

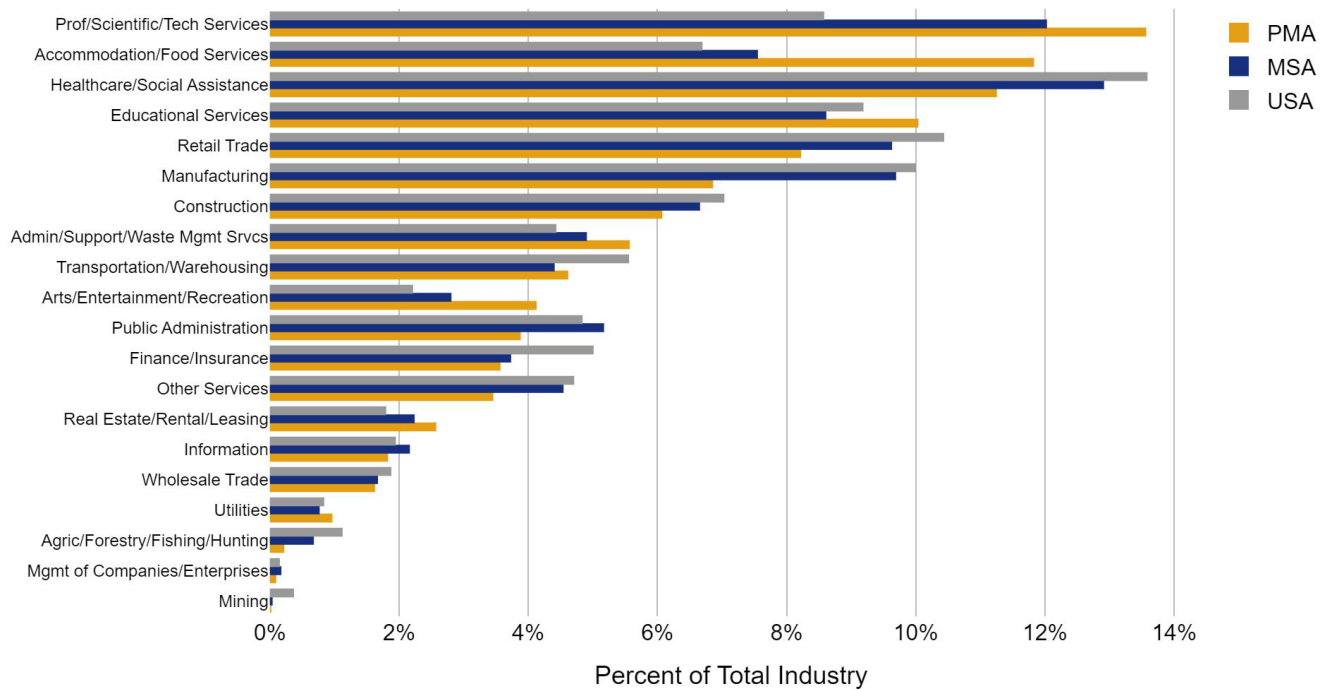
2023 - EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Prof/Scientific/Tech Services	3,034	13.5%	13,955,403	8.6%
Accommodation/Food Services	2,645	11.8%	10,883,169	6.7%
Healthcare/Social Assistance	2,516	11.2%	22,115,876	13.6%
Educational Services	2,244	10.0%	14,946,247	9.2%
Retail Trade	1,837	8.2%	16,983,329	10.4%
Manufacturing	1,532	6.8%	16,269,811	10.0%
Construction	1,356	6.1%	11,436,301	7.0%
Admin/Support/Waste Mgmt Svcs	1,243	5.5%	7,195,078	4.4%
Transportation/Warehousing	1,030	4.6%	9,030,239	5.5%
Arts/Entertainment/Recreation	920	4.1%	3,578,110	2.2%
Public Administration	865	3.9%	7,857,180	4.8%
Finance/Insurance	795	3.5%	8,135,144	5.0%
Other Services	770	3.4%	7,645,568	4.7%
Real Estate/Rental/Leasing	572	2.6%	2,901,274	1.8%
Information	405	1.8%	3,143,826	1.9%
Wholesale Trade	360	1.6%	3,029,965	1.9%
Utilities	212	0.9%	1,335,595	0.8%
Agric/Forestry/Fishing/Hunting	45	0.2%	1,800,335	1.1%
Mgmt of Companies/Enterprises	17	0.1%	216,588	0.1%
Mining	0	0.0%	572,355	0.4%
Total Employment	22,398	100.0%	163,031,393	100.0%

Source: Esri Demographics 2023, Novogradac, April 2024

Employment in the PMA is concentrated in professional/scientific/technical services, accommodation/food services, and healthcare/social assistance, which collectively comprise 36.6 percent of local employment. The large share of PMA employment in accommodation/food services is notable as this industry is historically volatile, and prone to contraction during economic recessions. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during economic recessions. Relative to the nation, the PMA features comparatively greater employment in the accommodation/food services, professional/scientific/technical services, and arts/entertainment/recreation industries. Conversely, the PMA is underrepresented in the manufacturing, healthcare/social assistance, and retail trade sectors.

Employment By Industry



Major Employers

The following table details major employers in San Diego County, California.

MAJOR EMPLOYERS SAN DIEGO COUNTY

Employer Name	Location	Industry	# Of Employees
32nd St Naval Station	San Diego	Federal Government-National Security	10,000+
MCCS MCRD SN DIEGO-MRNE CORPS	San Diego	Military Bases	10,000+
Ucsd-Neural Computation	La Jolla	University-College Dept/Facility/Office	10,000+
University of California	La Jolla	University-College Dept/Facility/Office	10,000+
University-California Sn Diego	La Jolla	Schools-Universities & Colleges	10,000+
Kaiser Permanente Vandever Med	San Diego	Physicians & Surgeons	5,000-9,999
Naval Medical Ctr San Diego	San Diego	Hospitals	5,000-9,999
San Diego Community College	San Diego	Junior-Community College-Tech Institutes	5,000-9,999
Collins Aerospace	Chula Vista	Aircraft Components-Manufacturers	1,000-4,999
General Dynamics Nassco	San Diego	Ship Builders & Repairers (mfrs)	1,000-4,999
Illumina Inc	San Diego	Biotechnology Products & Services	1,000-4,999
Merchants Building Maintenance	San Diego	Janitor Service	1,000-4,999
Page One Seo	San Diego	Mental Health Services	1,000-4,999
Rady Children's Hospital	San Diego	Hospitals	1,000-4,999
San Diego County Sheriff	Santee	Police Departments	1,000-4,999
Scripps Mercy Hosp Sn Diego	San Diego	Hospitals	1,000-4,999
Scripps Research Institute	La Jolla	Laboratories-Research & Development	1,000-4,999
SDG & E	San Diego	Gas Companies	1,000-4,999
Seaworld San Diego	San Diego	Amusement & Theme Parks	1,000-4,999
Sharp Grossmont Hospital	La Mesa	Hospitals	1,000-4,999
Sharp Grossmont Rehab Ctr	La Mesa	Vocational Rehabilitation Services	1,000-4,999
Sharp Mary Birch Hosp	San Diego	Hospitals	1,000-4,999
Sharp Memorial Hospital	San Diego	Hospitals	1,000-4,999
Sony Electronics Inc	San Diego	Electronic Equipment & Supplies-Retail	1,000-4,999
VA San Diego Healthcare System	San Diego	Hospitals	1,000-4,999

Source: California Employment Development Department, April 2024

San Diego County’s major employers are primarily concentrated within the government, education, and healthcare sectors. We believe the diverse mix of industries in typically stable sectors bodes well for the local area economy.

Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2007 to February 2024.

EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

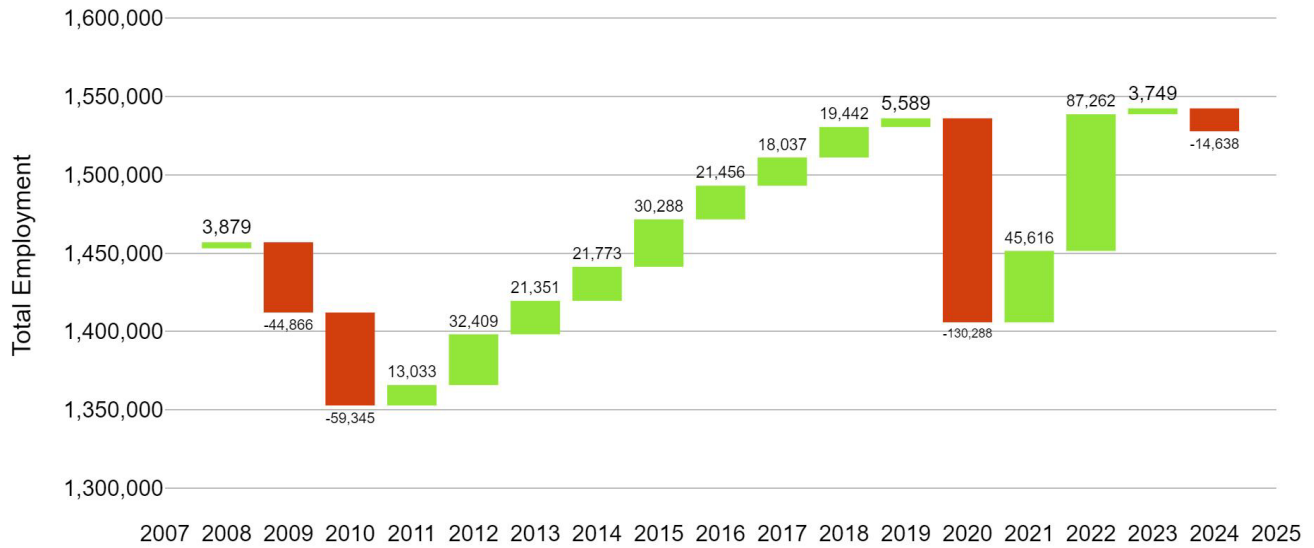
Year	MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2007	1,449,165	-	4.5%	-	146,046,667	-	4.6%	-
2008	1,453,044	0.3%	6.0%	1.6%	145,362,500	-0.5%	5.8%	1.2%
2009	1,408,178	-3.1%	9.8%	3.8%	139,877,500	-3.8%	9.3%	3.5%
2010	1,348,833	-4.2%	11.0%	1.2%	139,063,917	-0.6%	9.6%	0.3%
2011	1,361,865	1.0%	10.5%	-0.5%	139,869,250	0.6%	9.0%	-0.7%
2012	1,394,274	2.4%	9.3%	-1.2%	142,469,083	1.9%	8.1%	-0.9%
2013	1,415,625	1.5%	7.9%	-1.3%	143,929,333	1.0%	7.4%	-0.7%
2014	1,437,398	1.5%	6.5%	-1.4%	146,305,333	1.7%	6.2%	-1.2%
2015	1,467,686	2.1%	5.2%	-1.3%	148,833,417	1.7%	5.3%	-0.9%
2016	1,489,143	1.5%	4.7%	-0.5%	151,435,833	1.7%	4.9%	-0.4%
2017	1,507,180	1.2%	4.1%	-0.7%	153,337,417	1.3%	4.3%	-0.5%
2018	1,526,622	1.3%	3.4%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
2019	1,532,211	0.4%	3.2%	-0.1%	157,538,083	1.1%	3.7%	-0.2%
2020	1,401,923	-8.5%	9.4%	6.2%	147,794,750	-6.2%	8.1%	4.4%
2021	1,447,539	3.3%	6.5%	-3.0%	152,580,667	3.2%	5.4%	-2.7%
2022	1,534,802	6.0%	3.4%	-3.0%	158,291,083	3.7%	3.6%	-1.7%
2023	1,538,551	0.2%	3.9%	0.5%	161,036,583	1.7%	3.6%	-0.0%
2024 YTD Average*	1,523,913	-1.0%	4.7%	0.8%	159,982,500	-0.7%	4.2%	0.5%
Feb-2023	1,551,477	-	3.7%	-	159,713,000	-	3.9%	-
Feb-2024	1,526,081	-1.6%	4.7%	1.0%	160,315,000	0.4%	4.2%	0.3%

Source: U.S. Bureau of Labor Statistics, April 2024
 *2024 YTD Average is through February

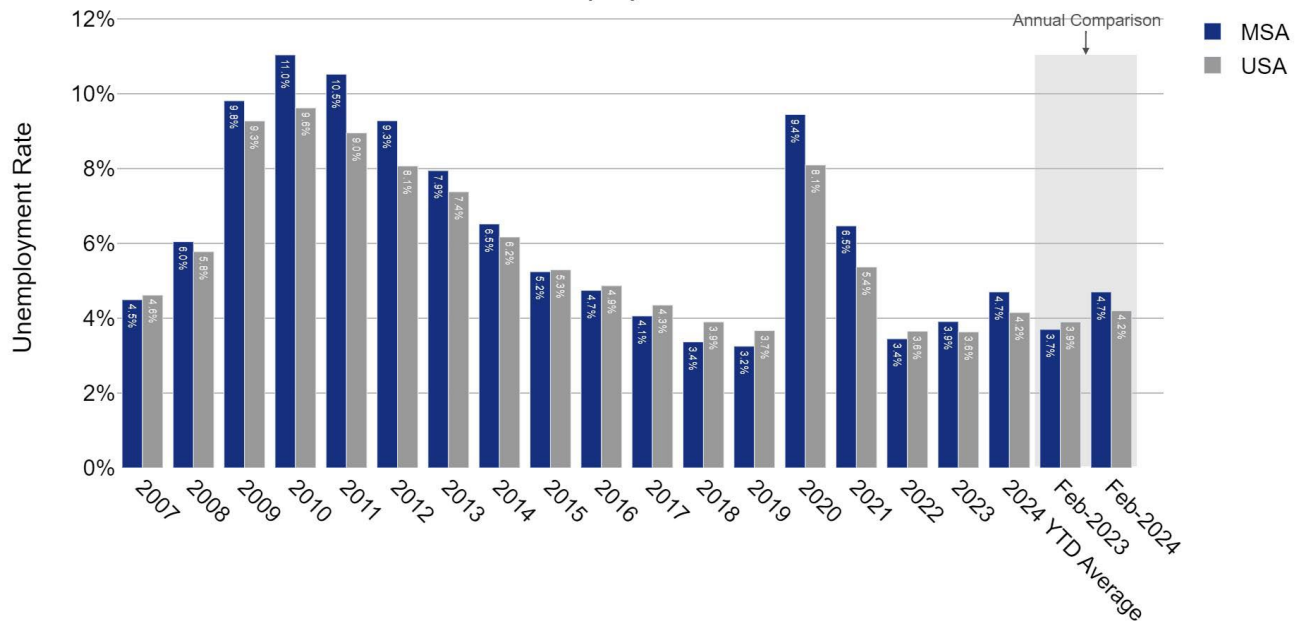
The effects of the previous national recession (2007 - 2010) were exaggerated in the MSA, which experienced a 7.0 percent contraction in employment, compared to a 4.8 percent decline across the nation. Employment in the MSA recovered and surpassed pre-recessionary levels in 2015, a year after the overall nation. Between 2012 and 2019, job growth in the MSA was generally similar to the nation. Employment in the MSA declined by 8.5 percent in 2020 amid the pandemic, compared to 6.2 percent across the overall nation. Total employment in the MSA currently remains similar to the pre-COVID level reached in 2019. As of February 2024, employment in the MSA is declining at an annualized rate of 1.6 percent, compared to positive 0.4 percent growth across the nation.

Measured by the unemployment rate, the MSA labor market demonstrated relative weakness during the housing recession (2007 - 2010). The local unemployment rate increased by 6.5 percentage points, compared to only 5.0 percentage points across the nation. During the period preceding the onset of COVID-19 (2012 - 2019), the MSA generally experienced a similar unemployment rate relative to the nation. The MSA unemployment rate increased substantially by 6.2 percentage points in 2020 amid the pandemic, reaching a high of 9.4 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated February 2024, the current MSA unemployment rate is 4.7 percent. This is slightly above the current national unemployment rate of 4.2 percent.

MSA Job Growth



Unemployment Rate



Conclusion

Employment in the PMA is concentrated in professional/scientific/technical services, accommodation/food services, and healthcare/social assistance, which collectively comprise 36.6 percent of local employment. The large share of PMA employment in accommodation/food services is notable as this industry is historically volatile, and prone to contraction during economic recessions. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during recessionary periods. Relative to the nation, the PMA features comparatively greater employment in the accommodation/food services, professional/scientific/technical services, and arts/entertainment/recreation industries. Conversely, the PMA is underrepresented in the manufacturing, healthcare/social assistance, and retail trade sectors. Employment in the MSA declined by 8.5 percent in 2020 amid the pandemic, compared to 6.2 percent across the overall nation. Total employment in the MSA currently remains similar to the pre-COVID level reached in 2019. As of February 2024, employment in the MSA is declining at an annualized rate of 1.6 percent, compared to positive 0.4 percent growth across the nation.

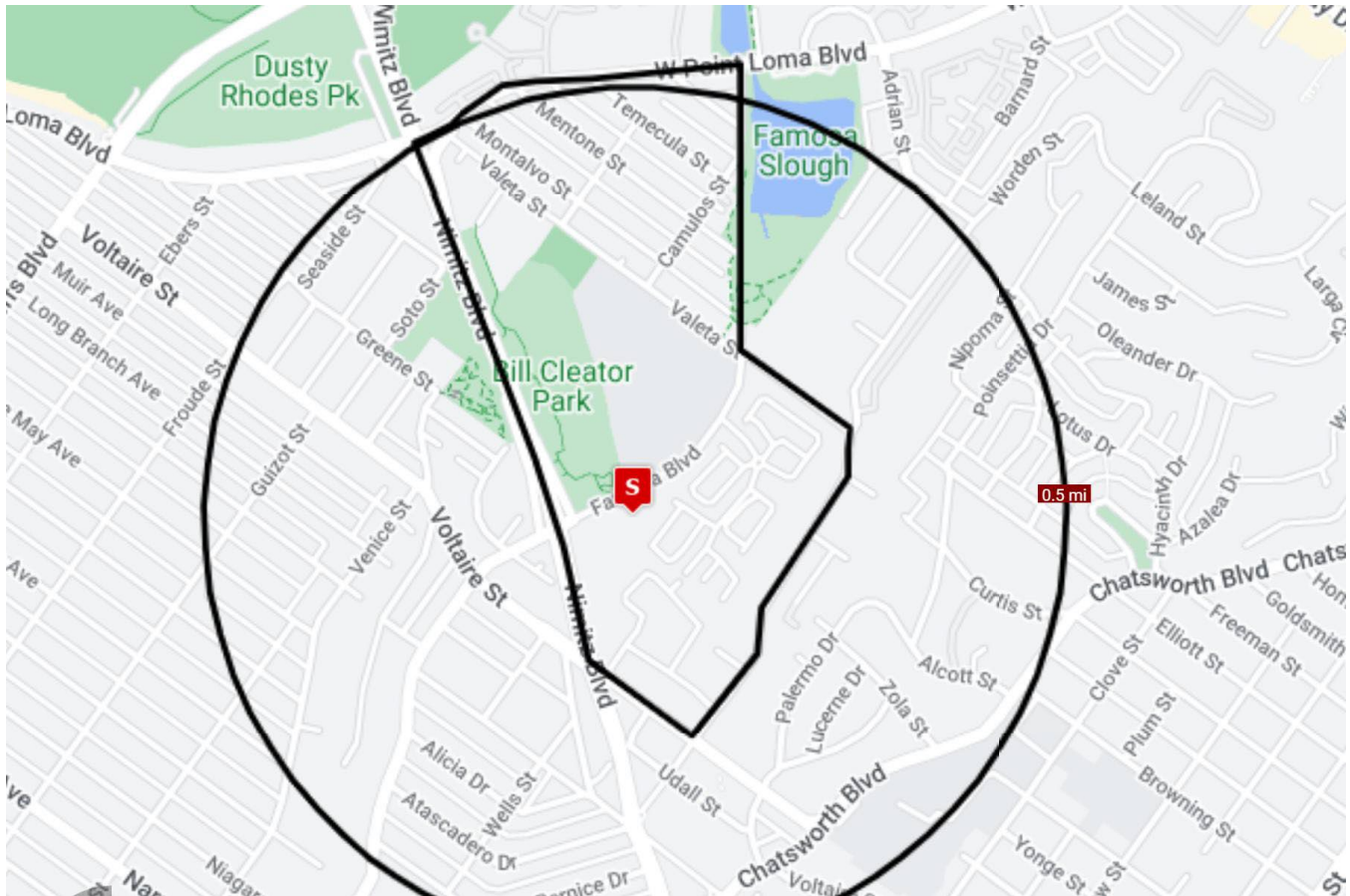
NEIGHBORHOOD DESCRIPTION AND ANALYSIS

Introduction

The neighborhood surrounding an apartment property often affects the property's status, image, class, and style of operation, and sometimes its ability to attract and properly serve a particular market segment. This section investigates the property's neighborhood and evaluates any pertinent location factors that could affect its rent, its occupancy, and overall profitability.

Neighborhood Identification and Boundaries

The Subject is located in the western portion of San Diego, California. The Subject's neighborhood boundaries are defined as West Point Loma Boulevard to the north, Famosa Boulevard, Valeta Street, and Worden Street, to the east, Worden Street and Voltaire Street to the south, and Nimitz Boulevard to the west. A map of the Subject's neighborhood follows.



Public Transportation

Bus: The Metropolitan Transit System (MTS) provides fixed-route bus and trolley transportation for the urbanized areas of San Diego County as well as the rural parts of the county. Bus and Trolley fares are \$2.50 for a one-way trip and reduced fares are \$1.25 for seniors 65 and older, youth aged 6 to 18, and people with disabilities. The nearest bus stop is the Voltaire and San Clemente Bus Stop, located 0.2 miles southwest of the Subject site.

Rail: The San Diego Metropolitan Transit System offers light rail transit throughout the San Diego area. General fares range from \$2.50 for a single-trip, to \$6.00 for a day pass, and \$72.00 for a monthly pass. Seniors and those on Medicare receive a 50 percent discount on general fares as well as children aged six to 18 with a school ID or documentation. The nearest train stop to the Subject site is the Old Town Transit Center, located two miles northeast of the Subject site.

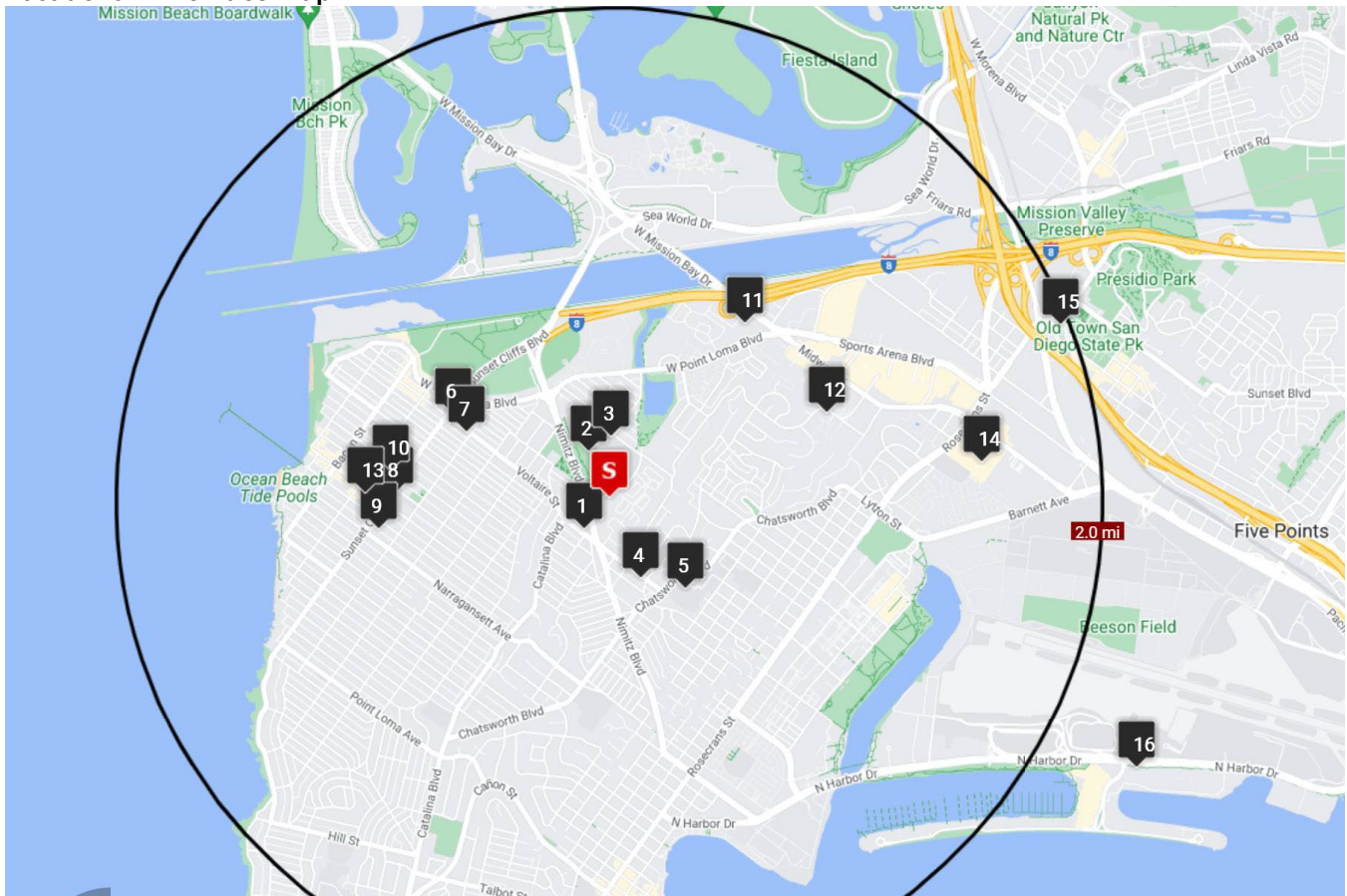
Healthcare

Sharp Health Care is located one mile northeast of the Subject site. The 656-bed facility offers a range of services including cancer treatment, emergency services, heart valve surgery, infusion services, orthopedics, stroke services, and wound care, amongst others.

Locational Amenities and Distances from the Site

As illustrated, the Subject site is located within a reasonable proximity to many locational amenities and services. The following map and table illustrate the surrounding locational amenities and their proximity to the Subject site.

Locational Amenities Map



LOCATIONAL AMENITIES

#	Service or Amenity	Distance to Subject	#	Service or Amenity	Distance to Subject
1	Viltaire and San Clemente Bus Stop	0.2 miles	9	Chase Bank	0.9 miles
2	Bill Cleator Park	0.2 miles	10	United States Postal Service	0.9 miles
3	Correia Middle School	0.3 miles	11	CVS Pharmacy	0.9 miles
4	Point Loma/Hervey Branch Library	0.3 miles	12	Sharp Health Care	1.0 miles
5	Point Loma High School	0.5 miles	13	Target Grocery	1.0 miles
6	Shell Gas Station	0.7 miles	14	Dollar Tree	1.5 miles
7	San Diego Fire Station 15	0.7 miles	15	Old Town Transit Center	2.0 miles
8	Ocean Beach Elementary School	0.9 miles	16	San Diego Harbor Police Department	2.4 miles

Adequacy/Availability of Utilities

All utilities are available in the surrounding neighborhood.

Neighborhood Description

The Subject site is located in San Diego, California approximately 0.5 miles southeast of the intersection of Nimitz Boulevard and West Point Loma Boulevard. The immediate neighborhood consists of single-family homes, multifamily uses, commercial/retail uses, and educational facilities. Residential uses in the Subject’s neighborhood are generally in average condition. A number of retail properties are located just west of the Subject site including restaurants, a gas station, a barber shop, and a number of local businesses. Commercial areas in the area are approximately 90 percent occupied. The Subject site is designated as “Very Walkable” by WalkScore with a score of 76, indicating most errands can be accomplished on foot.

Access and Traffic Flow

The Subject site is accessed via the south side of Famosa Boulevard and the east side of Nimitz Boulevard. Famosa Boulevard is a lightly traveled two-lane roadway that generally traverses northeast/southwest throughout the Subject's neighborhood. Nimitz Boulevard is a moderately traveled four-lane roadway that traverses north/south throughout the western portion of San Diego and provides access to Interstate 8 approximately 0.7 miles northwest of the Subject site. Interstate 8 is a heavily traveled eight-lane roadway that traverses east/west throughout the northern portion of San Diego, and provides access to Interstate 5 and El Cajon approximately 2.0 and 16.1 miles northeast of the Subject site, respectively. Interstate 5 is a heavily traveled eight-lane roadway that traverses northwest/southeast throughout southern California and provides access to downtown San Diego approximately five miles southeast of the Subject site and Los Angeles approximately 107 miles northwest of the Subject site. Overall, access is considered good while traffic flow is considered moderate to heavy.

Crime Indices

The table below illustrates crime indices in the PMA and MSA in comparison to that of the nation. A crime index below 100 is below the national average and anything over 100 is above the nation’s crime index average. A crime index of 75 in a PMA would be 25 percent below the national average while a crime index of 200 would be twice that of the national average. Crime indices were provided by 2023 ESRI Demographics data.

2023 CRIME INDICES

	PMA	MSA
Total Crime*	108	98
Personal Crime*	70	82
Murder	26	55
Rape	82	73
Robbery	107	103
Assault	56	78
Property Crime*	115	101
Burglary	116	94
Larceny	116	96
Motor Vehicle Theft	107	142

Source: Esri Demographics 2023, Novogradac, April 2024

*Unweighted aggregations

Total crime indices in the PMA are similar to the national average as well as the surrounding MSA.

Summary

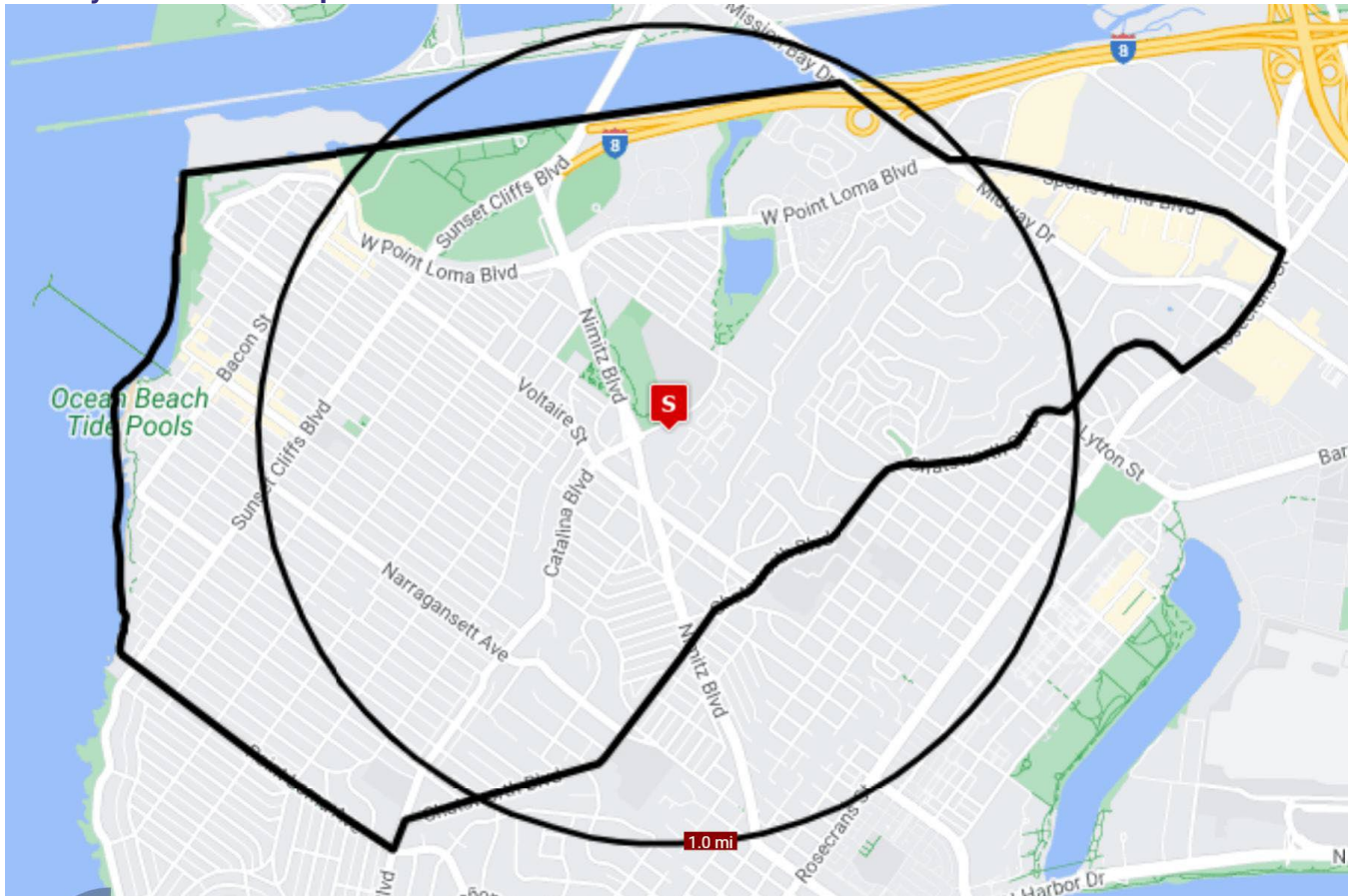
The Subject site is located in San Diego, California approximately 0.5 miles southeast of the intersection of Nimitz Boulevard and West Point Loma Boulevard. The immediate neighborhood consists of single-family homes, multifamily uses, commercial/retail uses, and educational facilities. Residential uses in the Subject's neighborhood are generally in average condition. A number of retail properties are located just west of the Subject site including restaurants, a gas station, a barber shop, and a number of local businesses. Commercial areas in the area are approximately 90 percent occupied. The Subject site is designated as "Very Walkable" by WalkScore with a score of 76, indicating most errands can be accomplished on foot. The surrounding housing stock in the Subject's neighborhood consisting of single-family homes, were constructed prior to 1980 and are in average to good condition. According to Zillow, the current average home value in the Subject's zip code is approximately \$1,500,000.

III. DEMOGRAPHIC ANALYSIS

DEMOGRAPHIC ANALYSIS

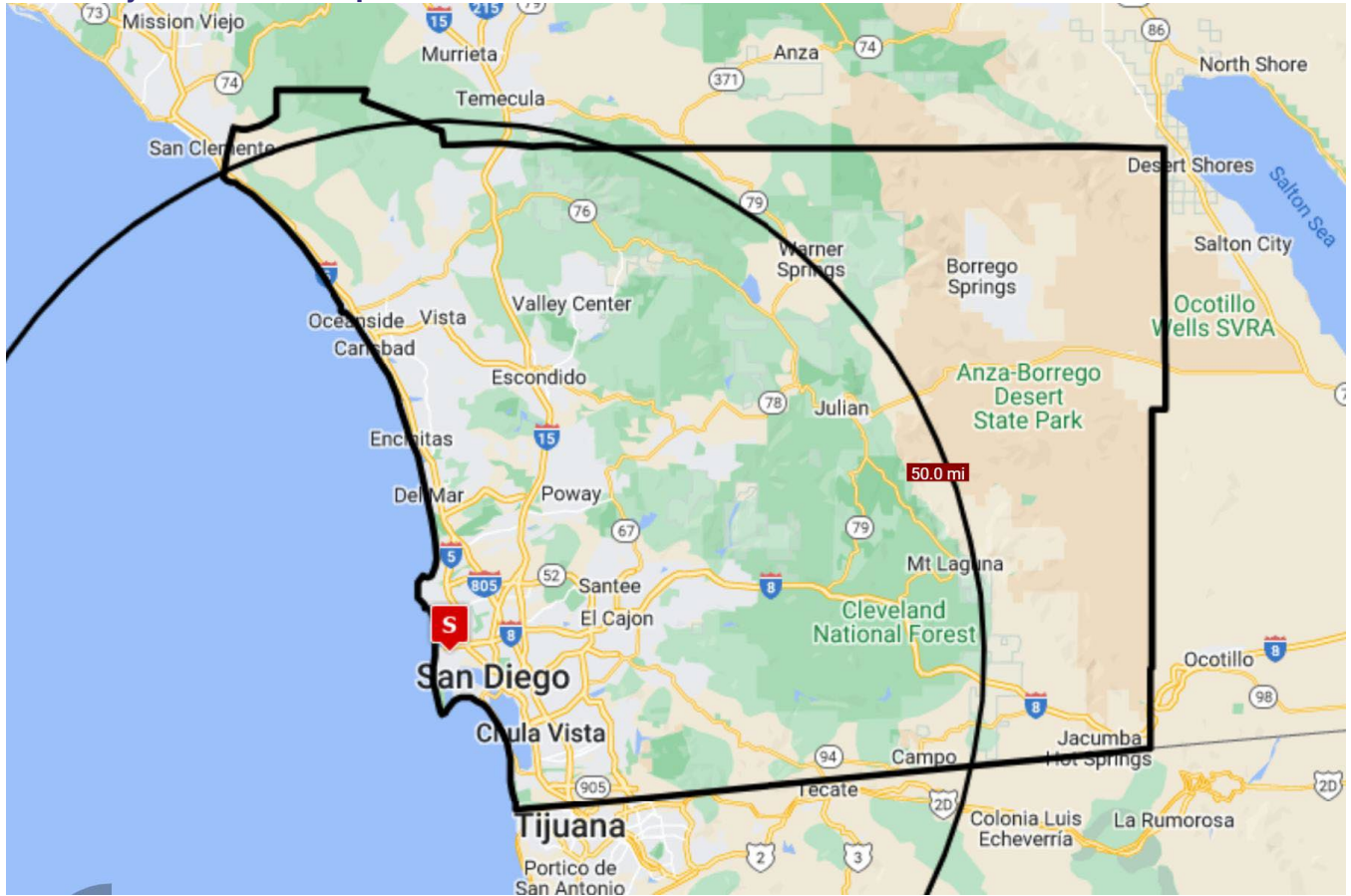
We determined the Primary Market Area (PMA) based on our conversations with local market participants including property managers, as well as our physical inspection of the market. The PMA is generally defined as the western portion of San Diego. The PMA boundaries are Sports Arena Boulevard and Smiley Lagoon to the north, Rosecrans Street and Chatsworth Boulevard to the east, Chatsworth Boulevard to the south, and Point Loma Avenue and the Pacific Ocean to the west. The PMA encompasses approximately three square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 10 percent. To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The secondary market area (SMA) for the Subject is San Diego-Chula Vista-Carlsbad, CA Metropolitan Statistical Area (MSA), which consists of the following counties: San Diego in California. The MSA is 4,235 square miles. We include economic indicators for the SMA regarding employment and unemployment trends. In addition, our demographic analysis utilizes the SMA as an additional area of comparison for population and household trends.

Primary Market Area Map



Source: Google Maps, April 2024

Secondary Market Area Map



Source: Google Maps, April 2024

Population and Household Trends

The following tables illustrates population and household trends in the PMA, MSA and nation from 2010 through 2023, as well as projections through 2028.

POPULATION

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2010	33,080	-	3,095,313	-	308,730,056	-
2023	34,194	0.3%	3,325,723	0.6%	337,460,311	0.7%
2028	33,621	-0.3%	3,352,134	0.2%	342,629,524	0.3%

Source: Esri Demographics 2023, Novogradac, April 2024

HOUSEHOLDS

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2010	16,265	-	1,086,878	-	116,709,667	-
2023	16,256	-0.0%	1,172,252	0.6%	129,912,564	0.9%
2028	16,035	-0.3%	1,187,604	0.3%	133,092,836	0.5%

Source: Esri Demographics 2023, Novogradac, April 2024

Historical population growth in the PMA trailed the MSA between 2010 and 2023. Both geographic areas experienced growth rates below the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to decline to negative 0.3 percent through 2028, which is well below the MSA and nation.

The PMA experienced stagnant household growth between 2010 and 2023 and lagged behind the surrounding MSA, which reported positive growth over the same time period. Both geographic areas experienced growth rates below the overall nation. According to ESRI demographic projections, annualized PMA growth is expected to decline to negative 0.3 percent through 2028, which is well below the MSA and nation.

Household Income Distribution

The following tables illustrate household income distribution in 2023 and 2028 in the PMA and MSA.

HOUSEHOLD INCOME PMA

Income Cohort	2023		2028		Annual Change 2023 to 2028	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	564	3.5%	482	3.0%	-16	-2.9%
\$10,000-19,999	973	6.0%	804	5.0%	-34	-3.5%
\$20,000-29,999	1,081	6.6%	907	5.7%	-35	-3.2%
\$30,000-39,999	709	4.4%	697	4.3%	-2	-0.3%
\$40,000-49,999	1,058	6.5%	777	4.8%	-56	-5.3%
\$50,000-59,999	1,068	6.6%	949	5.9%	-24	-2.2%
\$60,000-74,999	1,517	9.3%	1,352	8.4%	-33	-2.2%
\$75,000-99,999	2,239	13.8%	2,039	12.7%	-40	-1.8%
\$100,000-124,999	1,833	11.3%	1,792	11.2%	-8	-0.4%
\$125,000-149,999	1,546	9.5%	1,530	9.5%	-3	-0.2%
\$150,000-199,999	1,599	9.8%	1,914	11.9%	63	3.9%
\$200,000+	2,069	12.7%	2,792	17.4%	145	7.0%
Total	16,256	100.0%	16,035	100.0%		

Source: HISTA Data / Ribbon Demographics 2023, Novogradac, April 2024

HOUSEHOLD INCOME MSA

Income Cohort	2023		2028		Annual Change 2023 to 2028	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	46,471	4.0%	41,710	3.5%	-952	-2.0%
\$10,000-19,999	69,658	5.9%	59,468	5.0%	-2,038	-2.9%
\$20,000-29,999	78,247	6.7%	68,370	5.8%	-1,975	-2.5%
\$30,000-39,999	81,716	7.0%	71,603	6.0%	-2,023	-2.5%
\$40,000-49,999	77,963	6.7%	72,794	6.1%	-1,034	-1.3%
\$50,000-59,999	73,737	6.3%	68,663	5.8%	-1,015	-1.4%
\$60,000-74,999	106,198	9.1%	97,492	8.2%	-1,741	-1.6%
\$75,000-99,999	149,559	12.8%	143,880	12.1%	-1,136	-0.8%
\$100,000-124,999	122,522	10.5%	122,584	10.3%	12	0.0%
\$125,000-149,999	94,955	8.1%	101,171	8.5%	1,243	1.3%
\$150,000-199,999	110,966	9.5%	126,855	10.7%	3,178	2.9%
\$200,000+	160,260	13.7%	213,014	17.9%	10,551	6.6%
Total	1,172,252	100.0%	1,187,604	100.0%		

Source: HISTA Data / Ribbon Demographics 2023, Novogradac, April 2024

General Household Tenure

The following table illustrates the tenure patterns in the PMA for the years 2010 and 2023, as well as the projected tenure patterns for the year 2028.

TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage Owner-Occupied	Renter-Occupied	Percentage Renter-Occupied
2010	5,355	32.9%	10,910	67.1%
2023	6,046	37.2%	10,210	62.8%
2028	6,084	37.9%	9,951	62.1%

Source: HISTA Data / Ribbon Demographics 2023, Novogradac, April 2024

The percentage of renter households in the PMA declined between 2010 and 2023, and is estimated to be 62.8 percent as of 2023. In nominal terms, the absolute number of renter households in the PMA still declined during this time period. The current percentage of renter households in the PMA is substantially above the estimated 35 percent of renter households across the overall nation. According to the ESRI demographic projections, the percentage of renter households in the PMA is expected to decline further through 2028.

Renter Household Income Distribution

The following table illustrates renter household income distribution in the PMA.

RENTER HOUSEHOLD INCOME PMA

Income Cohort	2023		2028		Annual Change 2023 to 2028	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	426	4.2%	380	3.8%	-9	-2.2%
\$10,000-19,999	771	7.6%	632	6.4%	-28	-3.6%
\$20,000-29,999	760	7.4%	632	6.4%	-26	-3.4%
\$30,000-39,999	536	5.2%	521	5.2%	-3	-0.6%
\$40,000-49,999	799	7.8%	585	5.9%	-43	-5.4%
\$50,000-59,999	815	8.0%	729	7.3%	-17	-2.1%
\$60,000-74,999	1,149	11.3%	1,028	10.3%	-24	-2.1%
\$75,000-99,999	1,608	15.7%	1,508	15.2%	-20	-1.2%
\$100,000-124,999	1,214	11.9%	1,187	11.9%	-5	-0.4%
\$125,000-149,999	822	8.1%	892	9.0%	14	1.7%
\$150,000-199,999	675	6.6%	875	8.8%	40	5.9%
\$200,000+	635	6.2%	982	9.9%	69	10.9%
Total	10,210	100.0%	9,951	100.0%		

Source: HISTA Data / Ribbon Demographics 2023, Novogradac, April 2024

As illustrated, the income cohorts with the largest concentrations of renter households are concentrated in the \$75,000-99,999, \$100,000-124,999, and \$60,000-74,999 income cohorts. As of 2023, approximately 32 percent of renter households in the PMA earn less than \$50,000 annually.

General Household Size Distribution

The following table is a summary of the household size distribution in the PMA.

PMA HOUSEHOLD SIZE DISTRIBUTION

Household Size	2010		2023		2028	
	Total	Percent	Total	Percent	Total	Percent
1 person	6,054	37.2%	6,150	37.8%	6,106	38.1%
2 persons	6,353	39.1%	6,264	38.5%	6,152	38.4%
3 persons	2,146	13.2%	2,116	13.0%	2,077	13.0%
4 persons	1,201	7.4%	1,209	7.4%	1,188	7.4%
5+ persons	511	3.1%	517	3.2%	512	3.2%
Total	16,265	100.0%	16,256	100.0%	16,035	100.0%

Source: Esri Demographics 2023, Novogradac, April 2024

Approximately 76.3 percent of households in the PMA as of 2023 are comprised of households with one to two persons. The percentage of households in the PMA with one to two persons is anticipated to increase slightly through 2028.

Median Household Income Levels

The following table illustrates median household income levels in the PMA, MSA, and nation from 2010 through 2028. Note that this is based on data for all household sizes and is independent of the calculation of AMI.

MEDIAN HOUSEHOLD INCOME

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2010	\$59,329	-	\$64,203	-	\$55,535	-
2023	\$96,070	4.8%	\$95,879	3.8%	\$72,604	2.4%
2028	\$106,454	2.2%	\$108,246	2.6%	\$82,410	2.7%

Source: Esri Demographics 2023, Novogradac, April 2024

As of 2023, the median income in the PMA is similar to the surrounding MSA. Median household income growth in the PMA exceeded the MSA between 2010 and 2023. Growth in both geographic areas exceeded the nation during the same time period. In particular, median income in the PMA rose from 106.8 percent of the national median income in 2010 to 132.3 percent in 2023. The overall rise in median income levels reflects a market where lower income households may be priced out by more affluent households. It also indicates that affordable housing properties should prosper in the future as incomes and, therefore, achievable rents rise. According to ESRI demographic projections, annualized PMA growth is expected to slow to 2.2 percent through 2028, which is slightly below projected growth in the surrounding MSA and below the overall nation.

Rent Overburdened Households

The following table illustrates the percentage of all households paying greater than 35 percent of their income towards housing in the PMA, MSA, and nation.

RENT OVERBURDENED

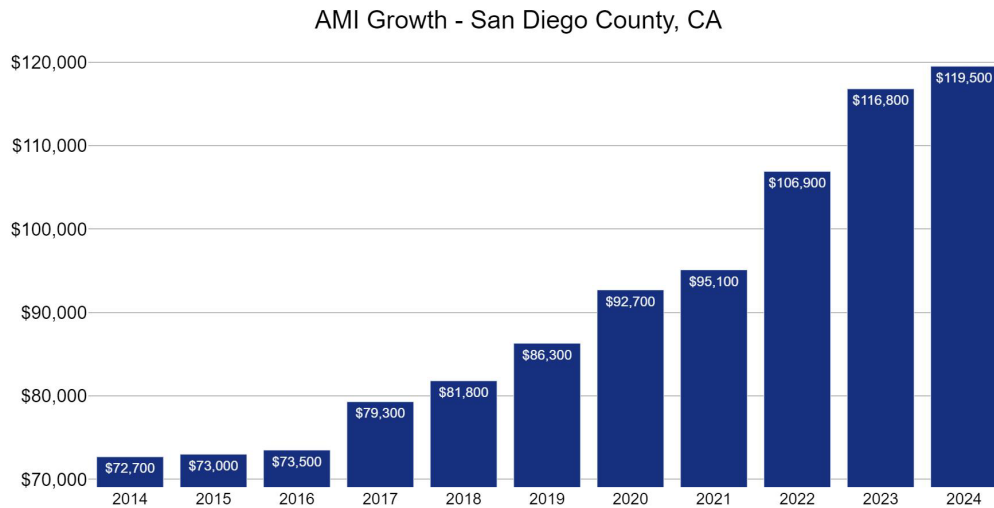
Year	PMA		MSA		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2023	4,358	38.5%	235,679	46.9%	16,448,785	40.3%

Source: US Census 2023, Novogradac, April 2024

The percentage of rent-overburdened households in the PMA is well below the MSA and below the nation.

Area Median Income

For Section 42 LIHTC rent determination purposes, HUD begins with the Area Median Income (AMI). The following chart illustrates the HUD-published area median income in San Diego County, CA. San Diego County is part of the San Diego-Carlsbad, CA MSA.



Overall, the AMI increased at an annual rate of 5.85 percent between 2014 and 2024. Over 89.3 percent of counties in the nation experienced an increase in AMI in 2024. This was also true in San Diego County, which reached a record high AMI level in 2024. Rising AMI levels bode well for future rent growth at affordable developments.

AMI GROWTH

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
AMI	\$75,500	\$74,900	\$75,900	\$72,300	\$72,700	\$73,000	\$73,500	\$79,300	\$81,800	\$86,300	\$92,700	\$95,100	\$106,900	\$116,800	\$119,500
% Growth	-	(0.79%)	1.34%	(4.74%)	0.55%	0.41%	0.68%	7.89%	3.15%	5.50%	7.42%	2.59%	12.41%	9.26%	2.31%

Conclusion

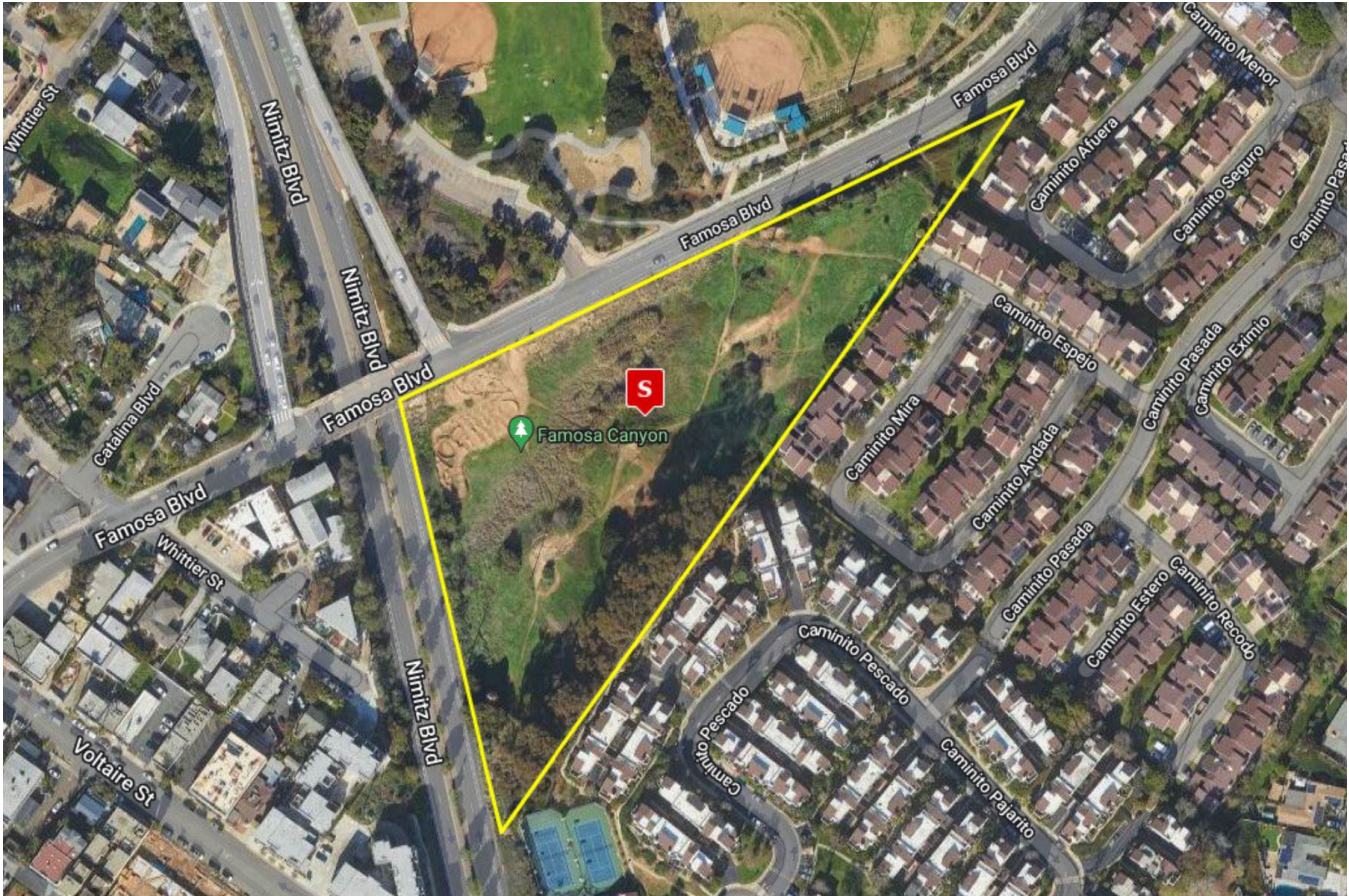
Population in the PMA increased at an annualized rate of 0.3 percent between 2010 and 2023, compared to growth of 0.6 percent in the MSA and 0.7 percent across the nation. The percentage of renter households in the PMA declined between 2010 and 2023 and is estimated to be 62.8 percent as of 2023. This is more than the estimated 33 percent renter households across the overall nation. The median income in the PMA as of 2023 is similar to the MSA and overall nation. According to ESRI demographic projections, median income levels are expected to rise through 2028; however, population and household levels are anticipated to decline. We have considered local demographic trends in our determination of achievable rents.

IV. PROPERTY DESCRIPTION

PROPERTY DESCRIPTION

DESCRIPTION OF THE SITE

The location of a multifamily property can have a substantial negative or positive impact upon the performance, safety and appeal of the project. The site description will discuss the physical features of the site, as well as layout, access issues, and traffic flow.



Source: Google Maps, April 2024

- Address:** The Subject is located at Located at the southeastern intersection of Nimitz Boulevard and Famosa Boulevard, in San Diego, CA 92107.
- Size:** The Subject site is 5.61 gross acres, or 244,372 square feet. It should be noted that the site consists of a 2.13-acre wetland that is not developable, and the developable acreage of the site is 3.48 acres.
- Shape:** The Subject site is irregular in shape.
- Frontage:** The Subject has frontage along the south side of Famosa Boulevard, and the east side of Nimitz Boulevard.
- Zoning:** The Subject site is zoned RM-2-5 and RM-3-7. The upcoming Highest and Best Use section describes zoning requirements in greater detail.
- Topography:** The Subject site exhibits hilly topography.
- Existing Improvements:** The Subject site is currently consists of vacant, undeveloped land.

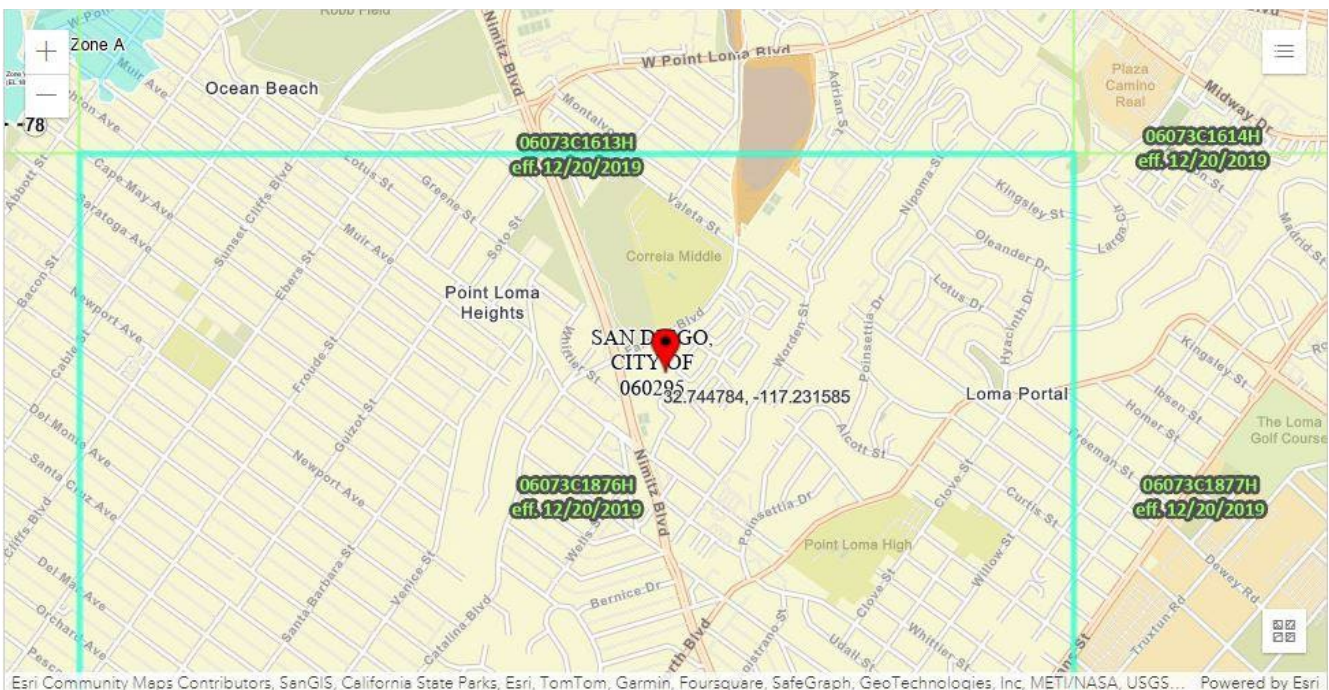
- Utilities:** All utilities are available to the site.
- Surrounding Land Uses:** Land use to the north of the Subject site consists of Bill Cleator Park and Correia Middle School Sportsplex in average condition. Land use further north of the Subject site consists of Correia Middle School in average condition.
- Land use to the east of the Subject site consists Park Point Loma Townhomes, a residential duplex-style development in average condition. Land use further east of the Subject site consists of single-family homes in average condition.
- Land use to the south of the Subject site consists of Sea Colony Point Loma, a duplex-style residential development in average condition. Land use further south of the Subject site consists of Nimitz Crossing, a 36-unit multifamily development in excellent condition, and single-family homes in average condition.
- Land use to the west of the Subject site consists of single-family homes in average condition. Land use further west of the Subject site consists of commercial/retail uses in average condition including 7-Eleven, Catalina Lounge, and Con Tommy's Mexican Food.
- Surrounding Visibility/Views:** The Subject site has excellent visibility along Nimitz Boulevard and Famosa Boulevard. Views to the north of the Subject site consist of Bill Cleator Park and Correia Middle School Sportsplex. Views to the east and south of the Subject site consist of duplex-style homes in average condition. Views to the west of the Subject site consist of single-family homes in average condition. Overall, visibility is considered good while views are considered average.
- Access and Traffic Flow:** The Subject site is accessed via the south side of Famosa Boulevard and the east side of Nimitz Boulevard. Famosa Boulevard is a lightly traveled two-lane roadway that generally traverses northeast/southwest throughout the Subject's neighborhood. Nimitz Boulevard is a moderately traveled four-lane roadway that traverses north/south throughout the western portion of San Diego and provides access to Interstate 8 approximately 0.7 miles northwest of the Subject site. Interstate 8 is a heavily traveled eight-lane roadway that traverses east/west throughout the northern portion of San Diego, and provides access to Interstate 5 and El Cajon approximately 2.0 and 16.1 miles northeast of the Subject site, respectively. Interstate 5 is a heavily traveled eight-lane roadway that traverses northwest/southeast throughout southern California and provides access to downtown San Diego approximately five miles southeast of the Subject site and Los Angeles approximately 107 miles northwest of the Subject site. Overall, access is considered good while traffic flow is considered moderate to heavy.
- Walkability:** The Subject's neighborhood appears conducive to pedestrian activity. It is designated as "Very Walkable" by WalkScore with a score of 76, indicating that most errands can be accomplished on foot.

Environmental, Soil and Subsoil Conditions and Drainage:

We were not provided with an Environmental Site Assessment for the Subject property. During our site inspection, we walked the Subject's grounds and did not observe any obvious indicators of environmental contamination. Nonetheless, Novogradac are not experts in this field and further analysis is beyond the scope of this report. It is an extraordinary assumption of this report that there are no environmental concerns which would impact the value of the property. The use of this extraordinary assumption may impact assignment results.

Flood Plain:

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 06073C1876H, dated December 20, 2019, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the 0.2 percent annual chance floodplains. Further analysis by Novogradac is beyond the scope of this report.



Source: FEMA Flood Maps, April 2024

Detrimental Influences:

No detrimental influences or site nuisances were observed.

Conclusion:

The Subject is physically capable of supporting a variety of legally permissible uses and is considered a desirable site.

V. HIGHEST AND BEST USE

HIGHEST AND BEST USE

According to the Appraisal Institute, The Dictionary of Real Estate Appraisal, Seventh Edition. (Chicago: Appraisal Institute, 2022), the Highest and Best Use is defined as: "The reasonably probable and legal use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity."

Investors continually attempt to maximize profits on invested capital. The observations of investor activities in the area are an indication of that use which can be expected to produce the highest value. The principle of conformity holds, in part, that conformity in use is usually a highly desirable adjunct of real property, since it generally helps create and/or maintains maximum value.

It is to be recognized that in cases where a site has existing improvements on it, the highest and best use may be determined to be different from the existing use. The existing use will continue, however, unless and until land value in its highest and best use exceeds the total value of the property in its existing use. Implied in this definition is that the determination of highest and best use takes into account the contribution of a specific use to the community and community development goals as well as the benefits of that use to individual property owners. The principle of Highest and Best Use may be applied to the site if vacant and to the site as it is improved.

The Highest and Best Use determination is a function of neighborhood land use trends, property size, shape, zoning, and other physical factors, as well as the market environment in which the property must compete. Four tests are typically used to determine the highest and best use of a particular property. Thus, the following areas are addressed.

- 1. Physically Possible:** The uses to which it is physically possible to put on the site in question.
- 2. Legally Permissible:** The uses that are permitted by zoning and deed restrictions on the site in question.
- 3. Feasible Use:** The possible and permissible uses that will produce any net return to the owner of the site.
- 4. Maximally Productive:** Among the feasible uses, the use that will produce the highest net return or the highest present worth.

HIGHEST AND BEST USE 'As Is'

Physically Possible

According to the San Diego County Assessor's Office, the size of the Subject site is approximately 5.61 gross acres, or 244,372 square feet. It should be noted that the site consists of a 2.13-acre wetland that is not developable, and the developable acreage of the site is 3.48 acres, or 151,588 square feet. The site is generally hilly and irregular in shape. Further, it has good accessibility and visibility, and does not appear to be located within a flood plain. The site is considered adequate for a variety of legally permissible uses.

Legally Permissible

According to the City of San Diego Zoning Department, the Subject site is zoned RM 2-5 and RM 3-7. Parcel number 449-110-10 is zoned RM-2-5 while parcels 449-261-01 through 05 and 449-262-01 through 05 are zoned RM-3-7. Parcel number 449-270-34 has a split zoning with the northern portion zoned RM-2-5 and the southern portion zoned RM-3-7. The RM-2-5 zone permits medium density multiple dwelling units at a maximum allowable density of one dwelling unit per 1,500 square feet, or 29 units per acre. The RM-3-7 zone permits medium density multiple dwelling units with limited commercial uses at a maximum allowable density of one dwelling unit per 1,000 square feet, or 43.6 units per acre. It should be noted that according to the City of San Diego City Resolution number 254594, the Subject site is required to be developed with a minimum of approximately 78 affordable units.

The following table illustrates comparable densities of multifamily properties in the Subject's immediate neighborhood.

NEARBY MULTIFAMILY DENSITIES

Name	Type	Year Built / Renovated	Total Units	Acres	Density
Bevel Apartments	Market	2023	405	11.59	34.9
The Seaton Apartments	Market	2021/2023	150	6.0	25.0
Camden Hillcrest	Market	2021	132	8.24	16.0
Union Apartments	Market	2022	170	4.7	36.2
Average			214	7.6	28.0

Given the physical characteristics of the site, the surrounding land uses, and the zoning of the site, the most likely use is for multifamily housing. We have evaluated recently completed, proposed, or under construction multifamily developments in San Diego to evaluate the development potential of the site. As indicated in the previous table, the most recent multifamily developments sites in the area have been or are being developed to densities ranging from 16.0 to 36.2 units per acre, with the most recent development, at 34.9 units per acre. According to information provided by the developer, approximately 59,709 square feet, or 1.37 acres fall within the RM-3-7 zoning district (maximum allowable density of 44 units per acre) and 91,721 square feet, or 2.11 acres fall within the RM-2-5 zoning district (maximum allowable density of 29 units per acre). As such, the developer could build approximately 60 units at a density of 44 units per acre, and 61 units at a density of 29 units per acre. However, the zoning requirements also limit the improvements to a building height of 30 feet, and the Subject site currently has SDG&E power lines and an accompanying utility easement running through the site. Taking this into consideration, along ensuring an adequate number of parking spaces are able to be offered, we do not believe it would be feasible to develop the site to the maximum allowable density. As such, we believe that the site could support 73 affordable units, which equates to a density of approximately 21 units per acre, which is within the range of the most recently constructed developments.

Financially Feasible

The cost of the land limits those uses that are financially feasible for the site. Any uses of the Subject site that provide a financial return to the land in excess of the cost of the land are those uses that are financially feasible.

The Subject's feasible uses are restricted to those that are allowed by zoning classifications, and are physically possible. As noted in the zoning section, the Subject site could support multifamily development. Based on the Subject's surrounding land uses, the site's physical attributes, and the recent development patterns in the

area, affordable multifamily residential development is most likely. Affordable multifamily development is financially feasible with the use of gap funding such as tax credits.

Maximally Productive

Based upon our analysis of multifamily properties in the area, new construction of a multifamily rental housing is financially feasible, either as a market rate property or with tax credits or other subsidy. Therefore, the maximally productive use of this site would be to construct a 73-unit mixed-income multifamily development utilizing tax credits, or other gap funding.

Conclusion

Highest and Best Use 'As Is'

The highest and best use for the property, as is, would be to construct a 73-unit mixed-income multifamily development utilizing tax credit equity, favorable financing, or other gap subsidies.

VI. APPRAISAL METHODOLOGY

APPRAISAL METHODOLOGY

Contemporary appraisers usually gather and process data according to the discipline of the three approaches to value.

The cost approach consists of a summation of land value and the cost to reproduce or replace the improvements, less appropriate deductions for depreciation. Reproduction cost is the cost to construct a replica of the Subject improvements. Replacement cost is the cost to construct improvements having equal utility.

The sales comparison approach involves a comparison of the appraised property with similar properties that have sold recently. When properties are not directly comparable, sale prices may be broken down into units of comparison, which are then applied to the Subject for an indication of its likely selling price.

The income capitalization approach involves an analysis of the investment characteristics of the property under valuation. The earnings' potential of the property is carefully estimated and converted into an estimate of the property's market value.

Applicability to the Subject Property

The scope of work for this appraisal is limited to providing an opinion of the fair market value of the Subject site as is; therefore, the only applicable approach is the sales comparison approach.

VII. SALES COMPARISON APPROACH

LAND VALUATION

To arrive at an estimated land value for the Subject site, the appraisers have analyzed actual sales of comparable properties in the competitive area.

No two parcels of land are alike; therefore, these sales have been adjusted for various factors including location, size, shape, topography, utility, and marketability. The adjustments made are the result of a careful analysis of market data, as well as interviews with various informed buyers, sellers, real estate brokers, builders and lending institutions. The following pages outline our findings.

The sales comparison approach typically reflects the actions of buyers and sellers in the marketplace and serves as an excellent benchmark as to what a potential buyer would be willing to pay for the Subject property. We researched the subject's market area for recent sales of comparable vacant land. From our research, we selected transactions that represent the most recent competitive alternative sales in the marketplace.

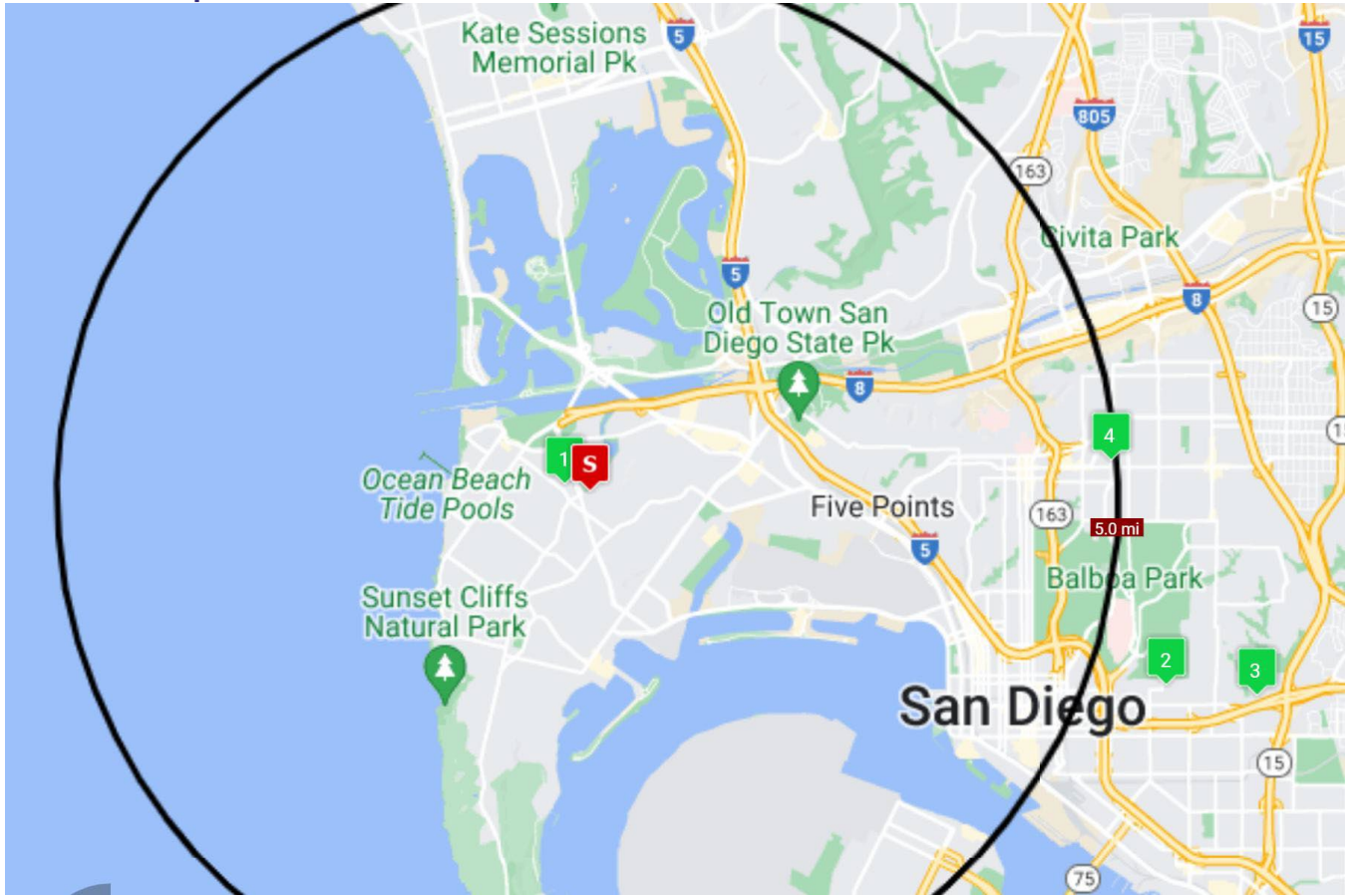
The previous highest and best use analysis concluded multifamily was the most likely type of development. The comparable land sales represent proposed multifamily developments ranging from 11 to 61 units. We attempted to locate additional multifamily land sales for developments of more similar size to the Subject, but none were available. The presented following represent the best and most comparable land sales for which we were able to obtain data.

COMPARABLE LAND SALES

#	Address	Location	Sale Date	Sale Price	Land Acres	# Units	Price Per Unit
1	4264 Whittier	San Diego, CA	2024-01-25	\$1,370,000	0.22	11	\$124,545
2	2630 B Street	San Diego, CA	2023-06-02	\$1,500,000	0.16	20	\$75,000
3	3325-3329 C Street	San Diego, CA	2022-11-07	\$1,855,000	0.5	36	\$51,528
4	3922-3932 Park Blvd	San Diego, CA	2022-09-21	\$3,650,000	0.35	61	\$59,836

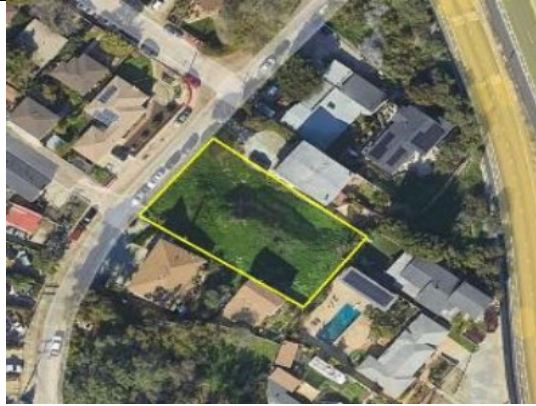
Throughout our conversations with market participants and buyers and sellers of the comparable sales, the respondents indicated that the purchase price is typically based upon a price per unit. This is typical of the local multifamily market and will be used as a basis for analysis. A location map is shown following.

Land Sales Map



Google Maps, April 2024

4264 Whittier



Transaction

Address	4264 Whittier	Sale Date	Jan/2024
City	San Diego	Sale Price	\$1,370,000
State	CA	Sale Status	Closed
Zip	92107	Sale Conditions	Cash/financing
County	San Diego	Rights Conveyed	Fee Simple
Buyer	Whittier Street Development, LLC	Verification	CoStar, Public Record
Seller	SkinnyHomes LLC		

Site

Land Acres	0.22	Topography	Sloped
Land Sq Ft	9,583	Zoning	RM-2-5
Shape	Rectangular	Corner	False

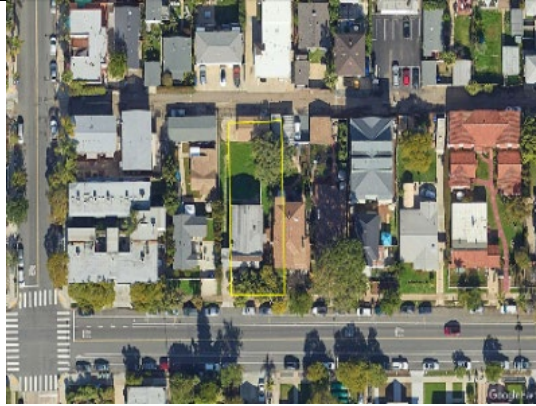
Improvements and Ratios

Proposed Units	11	Price \$/Proposed Unit	\$124,545
		Price \$/SF	\$142.96

Remarks

The property was purchased for the development of an 11-unit multifamily complex.

2630 B Street



Transaction

Address	2630 B Street	Sale Date	Jun/2023
City	San Diego	Sale Price	\$1,500,000
State	CA	Sale Status	Closed
Zip	92102	Sale Conditions	Cash
County	San Diego	Rights Conveyed	Fee Simple
Buyer	Donald Roger Henely	Verification	Broker
Seller	Norman Eugene Chambers		

Site

Land Acres	0.16	Topography	Level
Land Sq Ft	6,970	Zoning	RM-2-5
Shape	Rectangular	Corner	False

Improvements and Ratios

Proposed Units	20	Price \$/Proposed Unit	\$75,000
		Price \$/SF	\$215.21

Remarks

The site is proposed for the development of a 20-unit market rate for-rent development. The existing improvements include a single-family home estimated at 1,427 square feet, which will be demolished prior to construction. A construction timeline was unavailable.

3325-3329 C Street



Transaction

Address	3325-3329 C Street	Sale Date	Nov/2022
City	San Diego	Sale Price	\$1,855,000
State	CA	Sale Status	Closed
Zip	92102	Sale Conditions	None
County	San Diego	Rights Conveyed	Fee Simple
Buyer	3329 C Owner LLC	Verification	CoStar, Buyer
Seller	Scott Darnell		

Site

Land Acres	0.5	Topography	level
Land Sq Ft	21,780	Zoning	RM-1
Shape	Rectangular	Corner	False

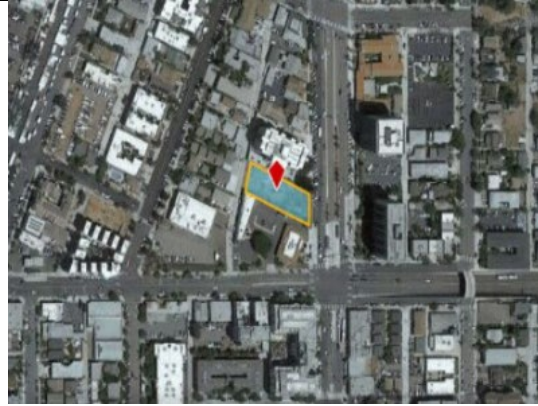
Improvements and Ratios

Proposed Units	36	Price \$/Proposed Unit	\$51,528
		Price \$/SF	\$85.17

Remarks

The site is planned to be developed with a 36-unit market rate/affordable housing development. At the time of sale, the property was improved with two single-family homes; demolition costs were estimated at \$20,000. Construction details were unavailable.

Onyx On Park



Transaction

Address	3922-3932 Park Blvd	Sale Date	Sep/2022
City	San Diego	Sale Price	\$3,650,000
State	CA	Sale Status	Closed
Zip	92103	Sale Conditions	Typical
County	San Diego	Rights Conveyed	Fee Simple
Buyer	Onyx on Park LLC	Verification	Costar, Public Record, MultiHousing News
Seller	Diversyfund Park Blvd LLC		

Site

Land Acres	0.35	Topography	Level
Land Sq Ft	15,246	Zoning	Multifamily
Shape	Rectangular	Corner	False

Improvements and Ratios

Proposed Units	61	Price \$/Proposed Unit	\$59,836
		Price \$/SF	\$239.41

Remarks

The site was purchased for the development of Onyx on Park, a 61-unit market rate multifamily development. A construction timeline was unavailable.

EXPLANATION OF ADJUSTMENTS

We have analyzed the sales on a per unit basis. In determining which adjustments are appropriate to make to the comparable sales, property rights conveyed, financing terms, conditions of sale, and market conditions are considered first. After these adjustments are made, other criteria, such as location, zoning, topography, shape, and size are taken into consideration.

As illustrated, adjustments have been made based on price differences created by the following factors:

- Property Rights
- Financing
- Conditions of Sale
- Expenditures Immediately After Purchase
- Market Conditions
- Location
- Zoning/Density
- Shape
- Site Characteristics
- Size/Number of Units

Property Rights

All sales were of fee simple interest; therefore no adjustments are necessary.

Financing

The sales were cash (or equivalent) transactions; therefore, no adjustments are necessary.

Conditions of Sale

This adjustment is used if there are any unusual circumstances surrounding the transactions such as foreclosures, bulk sales, related parties, assemblages, etc. All of the comparable sales are considered to be market-oriented, arms-length transactions. Accordingly, no adjustment is necessary.

Post-Sale Expenditures

Sale 2 was improved with an existing single-family home totaling 1,427 square feet at the time of sale. Novogradac has estimated the demolition costs at \$5.00 per square foot, or \$7,135. Sale 3 was improved with two existing single-family homes totaling approximately 4,000 square feet at the time of sale. Novogradac has estimated the demolition costs at \$5.00 per square foot, or \$20,000. Appropriate adjustments have been applied to Sales 2 and 3.

Market Conditions

Real estate values vary over time due to changes in market conditions. The rate of this change fluctuates due to investor's perceptions and responses to prevailing market conditions. This adjustment category reflects market differences occurring between the effective date of the appraisal and the sale date of the comparables, when values have appreciated or depreciated.

PwC Real Estate Investor Survey - National Apartment Market					
Overall Capitalization Rate					
Quarter	Cap Rate	Change (pp)	Quarter	Cap Rate	Change (pp)
2Q19	5.14	-	4Q21	4.42	-0.17
3Q19	5.1	-0.04	1Q22	4.4	-0.02
4Q19	5.15	0.05	2Q22	4.45	0.05
1Q20	5.14	-0.01	3Q22	4.75	0.30
2Q20	5.19	0.05	4Q22	4.89	0.14
3Q20	5.22	0.03	1Q23	5.01	0.12
4Q20	5.22	0.00	2Q23	5.25	0.24
1Q21	5.04	-0.18	3Q23	5.28	0.03
2Q21	4.96	-0.08	4Q23	5.59	0.31
3Q21	4.59	-0.37	1Q24	5.42	-0.17

Source: PwC Real Estate Investor Survey, 1Q 2024

The comparable sales occurred between September 2022 and January 2024. Capitalization rates were increasing at the time of Sale 4 (September 2022), when the average rate was 4.75, and increasing since. Sales 3 and 2 occurred in November 2022 and June 2023, when the average rates were 4.89 and 5.25 percent, respectively. In the third quarter of 2022, capitalization rates increased significantly by 0.3 percentage points, the second largest quarter-over-quarter increase in the survey's history, and increased in the subsequent five quarters. In the fourth quarter of 2023, capitalization rates increased by 0.31 percentage points, marking the largest quarter-over-quarter increase in the survey's history. Sale 1 occurred in the first quarter of 2024, when rates were 5.42 percent, marking the first quarter over quarter decrease in capitalization rates since the first quarter of 2022. Given the most recent trends and forecasts of national capitalization rates, as well as conversations with local brokers, the Subject is considered to offer slightly inferior market conditions relative to Sales 3 and 4. As such, we have applied downward adjustments of five percent to Sales 3 and 4. No adjustments are necessary for Sales 1 or 2.

Location

Location encompasses a number of issues, including location within different market areas with different supply/demand pressures, the character/condition of surrounding development, access, and visibility. It is important to assess which factors truly impact value for different types of real estate. We have addressed this issue (as well as the remaining elements of comparison) on a comparable-by-comparable basis. The following table illustrates the median household income, median rent, and median home value of the Subject's neighborhood (measured as the zip code) relative to that of the locations of the sales.

LAND SALES - LOCATION COMPARISON

#	Property Name	City	Zip Code	Walk Score	Median Income	Median Rent	Median Home Value	Walk Score Differential	Income Differential	Rent Differential	Home Value Differential	Average Delta
Subject	Nimitz And Famosa Development Site	San Diego	92107	76	\$101,564	\$2,570	\$1,134,815	-	-	-	-	-
1	4264 Whittier	San Diego	92107	83	\$101,564	\$2,570	\$1,134,815	-8.4%	0.0%	0.0%	0.0%	-2.1%
2	2630 B Street	San Diego	92102	87	\$61,828	\$2,184	\$683,348	-12.6%	64.3%	17.7%	66.1%	33.8%
3	3325-3329 C Street	San Diego	92102	60	\$61,828	\$2,184	\$683,348	26.7%	64.3%	17.7%	66.1%	43.7%
4	Onyx On Park	San Diego	92103	94	\$96,972	\$2,404	\$1,020,562	-19.1%	4.7%	6.9%	11.2%	0.9%

As shown in the preceding table, the Subject's location is slightly inferior to slightly superior to the comparables in terms of location. Sale 1 is located in an area with a similar WalkScore, median household income, median rent, and median home value relative to the Subject. Sale 2 is located in an area with a slightly higher WalkScore, and lower median household income, median rents, and median home values relative to the Subject. Sale 3 is located in an area that offers a lower WalkScore, lower median household income, median

rents, and median home values relative to the Subject. Sale 4 is located in an area that offers a higher WalkScore, similar median household income, and slightly lower median rents and median home values relative to the Subject. Additionally, Sales 2, 3, and 4 are located within close proximity to downtown San Diego and a variety of employment and entertainment options. As such, we have applied upward adjustments of 20 percent to sale 3, and 15 percent to Sales 2, and 4. No adjustments are warranted for Sale 1.

Zoning

The zoning designations of all of the sales allow for multifamily development, similar to the Subject; however, according to the City of San Diego City Resolution number 254594, the Subject site is restricted to affordable housing development, while none of the comparable Sales are restricted to affordable housing. As such, we have adjusted each Sale downward by 25 percent based on differences in Potential Gross Income (PGI) between comparable LIHTC and market rents in the area.

Topography

The land sales vary in topography, but are generally similar and appear to be functional. As such, no adjustments are warranted.

Shape

Site characteristics such as access, frontage, visibility, and shape can affect the marketability of sites, making them more or less attractive to investors. All of the sales offer generally functional shapes and accessibility, similar to the Subject. As such, no adjustments are warranted.

Size (Number of Units)

With respect to size, the general convention is that larger properties tend to sell for less on a per-unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. As detailed in the previous Highest and Best Use section of this report, we believe the Subject site could support 73 units. Sales 1 and 2 are significantly smaller, and have received downward adjustments of 15 percent. Sale 1 is smaller, and has received a downward adjustment of five percent. No adjustment is necessary for Sale 4.

Land Value Estimate

The land sales grid is presented following:

LAND SALES DATA ADJUSTMENT GRID						
	Subject	1	2	3	4	
Property Name	Nimitz And Famosa Development Site	4264 Whittier	2630 B Street	3325-3329 C Street	Onyx On Park	
Address	2306 Caminito Mira	4264 Whittier	2630 B Street	3325-3329 C Street	3922-3932 Park Blvd	
City	San Diego	San Diego	San Diego	San Diego	San Diego	
Parcel Data						
Zoning	RM-2-5	RM-2-5	RM-2-5	RM-1	Multifamily	
Topography	Hilly	Sloped	Level	level	Level	
Shape	Irregular	Rectangular	Rectangular	Rectangular	Rectangular	
Size (SF)	151,589	9,583	6,970	21,780	15,246	
Size (Acres)	3.48	0.22	0.16	0.50	0.35	
Units	73	11	20	36	61	
Units Per Acre	20.98	50.00	125.00	72.00	174.29	
Sales Data						
Date		2024-01-25	2023-06-02	2022-11-07	2022-09-21	
Interest		Fee Simple	Fee Simple	Fee Simple	Fee Simple	
Price		\$1,370,000	\$1,500,000	\$1,855,000	\$3,650,000	
Price (Per Unit)		\$124,545	\$75,000	\$51,528	\$59,836	
Adjustments						
Property Rights Adjustment		Fee Simple \$0	Fee Simple \$0	Fee Simple \$0	Fee Simple \$0	
Financing Terms Adjustment		Cash/financing \$0	Cash \$0	None \$0	Typical \$0	
Conditions of Sale Adjustment		Cash/financing \$0	Cash \$0	None \$0	Typical \$0	
Expenditures After Purchase Adjustment		None \$0	Demolition \$7,135	Demo costs \$20,000	None \$0	
Market Conditions		\$1,370,000 1.0	\$1,507,135 1.0	\$1,875,000 0.95	\$3,650,000 0.95	
Adjusted Sales Price		\$1,370,000	\$1,507,135	\$1,781,250	\$3,467,500	
Adjusted Price (Per Unit)		\$124,545	\$75,357	\$49,479	\$56,844	
Adjustments						
Location		0.0%	15.0%	20.0%	15.0%	
Zoning/Use		-25.0%	-25.0%	-25.0%	-25.0%	
Topography		0.0%	0.0%	0.0%	0.0%	
Shape		0.0%	0.0%	0.0%	0.0%	
Size		-15.0%	-15.0%	-5.0%	0.0%	
Overall Adjustment		-40.0%	-25.0%	-10.0%	-10.0%	
Adjusted Price (Per Unit)		\$74,727	\$56,518	\$44,531	\$51,160	

ADJUSTED SALES (PER UNIT)

Minimum	\$44,531
Maximum	\$74,727
Mean	\$56,734
Median	\$53,839

The sales indicate an adjusted price per unit per unit range of \$44,531 to \$74,727, with a mean of \$56,734 and a median of \$53,839 per unit. We placed the greatest weight on Sale 4, as it is the most similar to the Subject in terms of size, and received the least net adjustments. As such, we believe a value per unit of \$55,000 per unit is reasonable.

Extraordinary Development Costs

According to the client, the development of the Subject site will require extraordinary development costs of approximately \$2,675,000. These include a Habitat Mitigation Fee totaling \$150,000, a Wetland Maintenance Endowment of approximately \$275,000, EIR Consulting of \$350,000, and construction of permanent shored retaining walls, which are projected to cost approximately \$1,900,000. As such, we have deducted these extraordinary costs from our land value, as vacant.

LAND VALUE

Scenario	No. of Units	Value/Unit	Indicated Value (Unrounded)	Discount of Extraordinary Development Costs (Rounded)	Indicated Value (Unrounded)	Indicated Value (Rounded)
Subject	73	\$55,000	\$4,015,000	(\$2,675,000)	\$1,340,000	\$1,340,000

As a result of our analysis, the value of the underlying land as is, in the fee simple interest, as of April 2, 2024, is:

**ONE MILLION THREE HUNDRED FORTY THOUSAND DOLLARS
(\$1,340,000)**

We requested, but were not provided with a Phase I Environmental Site Assessment (ESA) for the Subject site. As such, it is an extraordinary assumption of this report that there are no Recognized Environmental Conditions that will impact the value of the Subject site. The use of extraordinary assumptions may impact assignment results.

Please refer to the complete Assumptions and Limiting Conditions in the Addenda of this report.

Reasonable Exposure Time:

Advisory Opinion 35 (AO-35), Appraisal Standards to USPAP notes that reasonable exposure time is one of a series of conditions in most market value definitions. Exposure time is always presumed to precede the effective date of the appraisal.

It is defined as “an opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.” Based on our read of the market, historical information provided by the PwC Investor Survey and recent sales of similar product, an exposure time of nine to 12 months appears reasonable.

**ADDENDUM A - ASSUMPTIONS AND LIMITING CONDITIONS,
CERTIFICATION**

ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the appraiser has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be True, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the appraiser did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other appraisal or study and are invalid if so used.
11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is non-static and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication

without the prior written consent and approval of the appraiser. Nor shall the appraiser, firm, or professional organizations of which the appraiser is a member be identified without written consent of the appraiser.

13. Disclosure of the contents of this report is governed by the Bylaws and Regulations of the professional organization with which the appraiser is affiliated: specifically, the Appraisal Institute.
14. The author of this report is not required to give testimony or attendance in legal or other proceedings relative to this report or to the Subject property Unless satisfactory additional arrangements are made prior to the need for such services.
15. The opinions contained in this report are those of the author and no responsibility is accepted by the author for the results of actions taken by others based on information contained herein.
16. Opinions of value contained herein are estimates. There is no guarantee, written or implied, that the Subject property will sell or lease for the indicated amounts.
17. All applicable zoning and use regulations and restrictions are assumed to have been complied with, unless nonconformity has been stated, defined, and considered in the appraisal report.
18. It is assumed that all required licenses, permits, covenants or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
19. On all appraisals, subject to satisfactory completion, repairs, or alterations, the appraisal report and value conclusions are contingent upon completion of the improvements in a workmanlike manner and in a reasonable period of time. A final inspection and value estimate upon the completion of said improvements should be required.
20. All general codes, ordinances, regulations or statutes affecting the property have been and will be enforced and the property is not Subject to flood plain or utility restrictions or moratoriums, except as reported to the consultant and contained in this report.
21. The party for whom this report is prepared has reported to the appraiser there are no original existing condition or development plans that would subject this property to the regulations of the Securities and Exchange Commission or similar agencies on the state or local level.
22. Unless stated otherwise, no percolation tests have been performed on this property. In making the appraisal, it has been assumed the property is capable of passing such tests so as to be developable to its highest and best use, as detailed in this report.
23. No in-depth inspection was made of existing plumbing (including well and septic), electrical, or heating systems. The appraiser does not warrant the condition or adequacy of such systems.
24. No in-depth inspection of existing insulation was made. It is specifically assumed no Urea Formaldehyde Foam Insulation (UFFI), or any other product banned or discouraged by the Consumer Product Safety Commission has been introduced into the appraised property. The appraiser reserves the right to review and/or modify this appraisal if said insulation exists on the Subject property.
25. Acceptance of and/or use of this report constitute acceptance of all assumptions and the above conditions. Estimates presented in this report are not valid for syndication purposes.

CERTIFICATION

The undersigned hereby certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
- Neither the appraiser nor the appraisal group have completed any prior engagements on the property that is the Subject of this report within the three-year period immediately preceding the acceptance of this assignment;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice;
- Rachel Adcock has made a personal inspection of the property that is the subject of this report and comparable market data incorporated in this report and is competent to perform such analyses. Rebecca S. Arthur has not made an inspection of the Subject site.
- No one provided significant real property appraisal assistance to the persons signing this certification, aside from Ryan Browder, Zach Barry, and Rachel Adcock. Ryan Browder and Zach Barry have provided significant professional assistance to the appraiser in the form of data collection and analysis.
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- As of the date of this report, Rebecca S. Arthur, MAI, has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

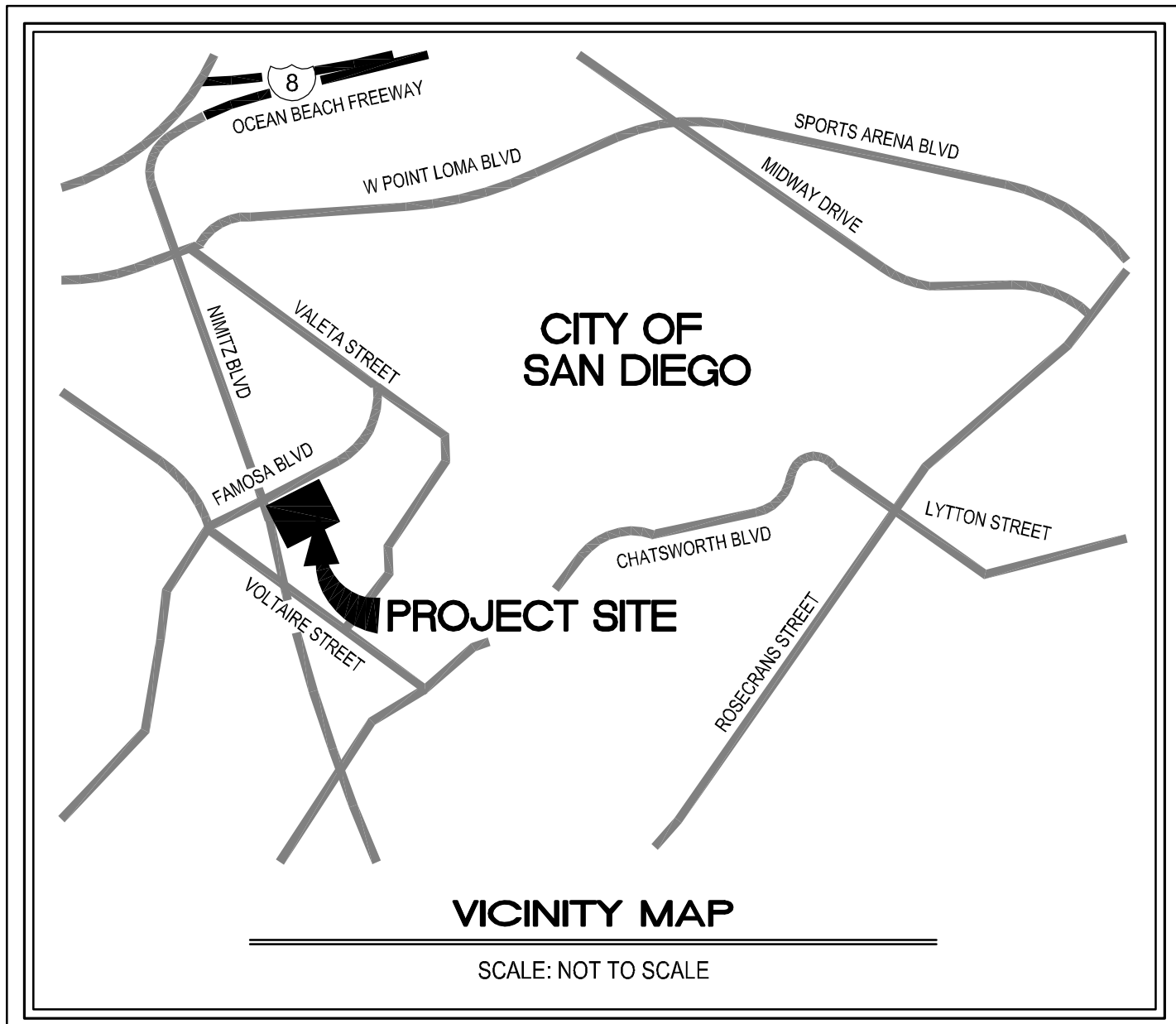


Rebecca S. Arthur, MAI
Rebecca.Arthur@novoco.com
913.312.4615
California Certified General Real Estate Appraiser
Appraiser Identification No.: AG041010
Expiration Date: 06/30/2024

ADDENDUM B - SITE SURVEY

ALTA/ACSM LAND TITLE SURVEY

THAT PORTION OF PUEBLO LOT 206 (FORMERLY KNOWN AS COLLIER PARK) OF THE PUEBLO LANDS OF SAN DIEGO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MISCELLANEOUS MAP NO. 36, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY



LEGAL DESCRIPTION TITLE REPORT ORDER NO: 930024140-U50

PARCEL 1:
THAT PORTION OF PUEBLO LOT 206 (FORMERLY KNOWN AS COLLIER PARK) OF THE PUEBLO LANDS OF SAN DIEGO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MISCELLANEOUS MAP NO. 36, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, NOVEMBER 14, 1921, DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST NORTHERLY CORNER OF LOT 229 OF LOMA PORTAL COMMUNITY UNIT NO. 1, ACCORDING TO MAP THEREOF NO. 7189, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY, JANUARY 26, 1972; THENCE ALONG THE NORTHWESTERLY LINE OF SAID LOT 229 SOUTH 36°03'35" WEST, 223.21 FEET TO A POINT ON THE ARC OF A 594.00 FOOT RADIUS CURVE, CONCAVE WESTERLY IN THE EASTERLY BOUNDARY OF FAMOSA BOULEVARD AS LOCATED ON JANUARY 2, 1980; THENCE EASTERLY ALONG THE ARC OF SAID CURVE TO THE BEGINNING OF A REVERSE 20.00 FOOT RADIUS CURVE, WHICH IS TANGENT TO THE NORTHWESTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID LOT 229; THENCE EASTERLY ALONG THE ARC OF SAID REVERSE CURVE TO THE POINT OF TANGENCY IN THE NORTHWESTERLY PROLONGATION OF THE NORTHEASTERLY LINE OF SAID LOT 229; THENCE ALONG SAID PROLONGATION, ALSO, BEING ALONG THE SOUTHWESTERLY LINE OF VALETA STREET AS LOCATED ON JANUARY 2, 1980, SOUTH 53°55'03" EAST TO THE POINT OF BEGINNING.

SCHEDULE B - SECTION II EXCEPTIONS

NOTE:
THE INFORMATION SHOWN HEREON IS PER TITLE REPORT ORDER NO. 930024140-U50 DATED OCTOBER 22, 2012 BY CHICAGO TITLE COMPANY. NO RESPONSIBILITY OF COMPLETENESS OR ACCURACY OF SAID PRELIMINARY TITLE REPORT IS ASSUMED BY THIS MAP OR THE SURVEYOR.

CIRCLED INDEX NUMBERS SHOWN BELOW INDICATE SCHEDULE B ITEMS WHICH BOTH AFFECT THE PROPERTY, AND HAVE SUFFICIENT MATHEMATICAL DATA TO BE SHOWN GRAPHICALLY. THESE ITEMS ARE SHOWN ON SHEET 2. ITEMS SHOWN WITHOUT CIRCLES ARE DEEMED TO BE "NOT PLOTTABLE" DUE TO THE LACK OF SUFFICIENT MATHEMATICAL DATA, OR THEY DO NOT DIRECTLY AFFECT THE SUBJECT PROPERTY.

AT THE DATE HEREOF, ITEMS TO BE CONSIDERED AND EXCEPTIONS TO COVERAGE IN ADDITION TO THE PRINTED EXCEPTIONS AND EXCLUSIONS IN SAID POLICY FORM WOULD BE AS FOLLOWS:

- TAXES EXEMPT. **(NOT A SURVEY MATTER)**
- THE LIEN OF SUPPLEMENTAL TAXES, IF ANY, ASSESSED PURSUANT TO THE PROVISIONS OF CHAPTER 3.5 (COMMENCING WITH SECTION 75) OF THE REVENUE AND TAXATION CODE OF THE STATE OF CALIFORNIA. **(NOT A SURVEY MATTER)**
- AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT.

GRANTED TO: HOLSTEIN PALM SPRINGS PROPERTIES
PURPOSE: EARTH EMBANKMENT SLOPES
RECORDED: IN BOOK 6927, PAGE 491, OFFICIAL RECORDS
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT. **(AFFECTS PARCEL, NOT PLOTTABLE, LACK OF SUFFICIENT MATHEMATICAL DATA)**

- THE FACT THAT THE OWNERSHIP OF SAID LAND DOES NOT INCLUDE RIGHTS OF ACCESS TO OR FROM THE STREET, HIGHWAY, OR FREEWAY ABUTTING SAID LAND, SUCH RIGHTS HAVING BEEN SEVERED FROM SAID LAND BY THE DOCUMENT.

RECORDED: JANUARY 19, 1959 IN BOOK 7452, PAGE 105, OFFICIAL RECORDS
AFFECTS: SAID LAND ABUTTING FAMOSA BOULEVARD **(AFFECTS PARCEL, PLOTTABLE, AS SHOWN)**

- AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT.

GRANTED TO: THE CITY OF SAN DIEGO
PURPOSE: SLOPES
RECORDED: JANUARY 19, 1959 IN BOOK 7452, PAGE 105, OFFICIAL RECORDS
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT. **(AFFECTS PARCEL, PLOTTABLE, AS SHOWN)**

- AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT.

GRANTED TO: THE CITY OF SAN DIEGO
PURPOSE: STORM DRAINS
RECORDED: OCTOBER 8, 1969 AS FILE NO. 184929, OFFICIAL RECORDS.
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT. **(AFFECTS PARCEL, PLOTTABLE, AS SHOWN)**

- THE FOLLOWING RECITAL AS CONTAINED IN THE DEED FROM THE CITY OF SAN DIEGO, A MUNICIPAL CORPORATION TO THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO, A PUBLIC BODY CORPORATE AND POLITIC RECORDED JUNE 23, 1981 AS FILE NO. 81-195781, OFFICIAL RECORDS WHICH STATES IN PART:

FOR THE PURPOSE OF UTILIZING SAID PROPERTY FOR THE DEVELOPMENT AND OPERATION OF RENTAL HOUSING UNITS WHICH ARE TO BE AVAILABLE TO PERSONS AND FAMILIES OF LOW-INCOME.

- A DOCUMENT ENTITLED "REGULATORY - NUMBER 80-RHC-002 RENTAL HOUSING CONSTRUCTION PROGRAM", DATED, JULY 28, 1981, EXECUTED BY CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT AND SAN DIEGO HOUSING COMMISSION, A CALIFORNIA HOUSING AUTHORITY, SUBJECT TO ALL THE TERMS, PROVISIONS AND CONDITIONS THEREIN CONTAINED, RECORDED AUGUST 13, 1981 AS INSTRUMENT NO. 81-257541 OF OFFICIAL RECORDS.

- A DEED OF TRUST TO SECURE AN INDEBTEDNESS IN THE ORIGINAL AMOUNT SHOWN BELOW.

AMOUNT: \$1,404,934.00
DATED: JULY 28, 1981
TRUSTOR: SAN DIEGO HOUSING COMMISSION
TRUSTEE: CALIFORNIA LAND TITLE INSURANCE COMPANY
BENEFICIARY: THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
RECORDED: AUGUST 13, 1981, AS FILE NO. 81-257542 OF OFFICIAL RECORDS
AFFECTS: THE HEREIN DESCRIBED LAND AND OTHER LAND.

AN AGREEMENT TO MODIFY THE TERMS AND PROVISIONS OF SAID DEED OF TRUST AS THEREIN PROVIDED.

EXECUTED BY: THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO AND THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
RECORDED: JUNE 21, 1982 AS FILE NO. 82-190461 OF OFFICIAL RECORDS

- AN EASEMENT FOR THE PURPOSE SHOWN BELOW AND RIGHTS INCIDENTAL THERETO AS SET FORTH IN A DOCUMENT.

GRANTED TO: SAN DIEGO GAS AND ELECTRIC COMPANY
PURPOSE: PUBLIC UTILITIES, INGRESS, EGRESS
RECORDED: FEBRUARY 14, 1985 AS FILE NO. 85-050502, OFFICIAL RECORDS
AFFECTS: THE ROUTE THEREOF AFFECTS A PORTION OF SAID LAND AND IS MORE FULLY DESCRIBED IN SAID DOCUMENT. **(NOT PLOTTABLE, LACK OF SUFFICIENT MATHEMATICAL DATA)**

- A DOCUMENT SUBJECT TO ALL THE TERMS, PROVISIONS AND CONDITIONS THEREIN CONTAINED.

ENTITLED: A RESOLUTION ESTABLISHING AN UNDERGROUND UTILITY DISTRICT TO BE KNOWN AND DENOMINATED AS THE NIMITZ BOULEVARD (NORTH HARBOR DRIVE TO WEST POINT LOMA BOULEVARD) UNDERGROUND UTILITY DISTRICT
RECORDED: DECEMBER 31, 1986 AS INSTRUMENT NO. 86-631137, OF OFFICIAL RECORDS

REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

SCHEDULE B - SECTION II CONTINUED

- THE FACT THAT SAID LAND IS INCLUDED WITHIN A PROJECT AREA OF THE REDEVELOPMENT AGENCY SHOWN BELOW, AND THAT PROCEEDINGS FOR THE REDEVELOPMENT OF SAID PROJECT HAVE BEEN INSTITUTED UNDER THE REDEVELOPMENT LAW (SUCH REDEVELOPMENT TO PROCEED ONLY AFTER THE ADOPTION OF THE REDEVELOPMENT PLAN) AS DISCLOSED BY A DOCUMENT.

REDEVELOPMENT AGENCY: NORTH BAY REDEVELOPMENT PROJECT AREA AND STATEMENT THAT REDEVELOPMENT PROCEEDINGS HAVE BEEN INSTITUTED
RECORDED: JUNE 3, 1998 AS INSTRUMENT NO. 1998-0330956, OF OFFICIAL RECORDS

AND AMENDED DESCRIPTION OF LAND WITHIN THE NORTH BAY REDEVELOPMENT PROJECT AREA, RECORDED SEPTEMBER 17, 1998 AS INSTRUMENT NO. 1998-0592287, OF OFFICIAL RECORDS.

- A DOCUMENT ENTITLED "MEMORANDUM OF AGREEMENT CREATING CABLE ACCESS EASEMENT", DATED, DECEMBER 22, 1991, EXECUTED BY COX CABLE SAN DIEGO, INC. AND THE HOUSING AUTHORITY OF THE CITY OF SAN DIEGO, SUBJECT TO ALL THE TERMS, PROVISIONS AND CONDITIONS THEREIN CONTAINED, RECORDED MAY 27, 1994, AS INSTRUMENT NO. 1994-030615 OF OFFICIAL RECORDS.

- A DOCUMENT SUBJECT TO ALL THE TERMS, PROVISIONS AND CONDITIONS THEREIN CONTAINED.

ENTITLED: REGULATORY AGREEMENT - NUMBER 80-RHC-002
RECORDED: DECEMBER 22, 1994 AS INSTRUMENT NO. 94-0725882 OF OFFICIAL RECORDS

REFERENCE IS HEREBY MADE TO SAID DOCUMENT FOR FULL PARTICULARS.

- MATTERS WHICH MAY BE DISCLOSED BY AN INSPECTION AND/OR BY A CORRECT ALTA/ACSM LAND TITLE SURVEY OF SAID LAND THAT IS SATISFACTORY TO THIS COMPANY, AND/OR BY INQUIRY OF THE PARTIES IN POSSESSION THEREOF.

THIS OFFICE MUST BE NOTIFIED AT LEAST 7 BUSINESS DAYS PRIOR TO THE SCHEDULED CLOSING IN ORDER TO ARRANGE FOR AN INSPECTION OF THE LAND. UPON COMPLETION OF THIS INSPECTION YOU WILL BE NOTIFIED OF THE REMOVAL OF SPECIFIC COVERAGE EXCEPTIONS AND/OR ADDITIONAL EXCEPTIONS TO COVERAGE.

- ANY RIGHTS OF PARTIES IN POSSESSION OF SAID LAND, BASED ON ANY UNRECORDED LEASE, OR LEASES.

THIS COMPANY WILL REQUIRE A FULL COPY OF ANY UNRECORDED LEASE, TOGETHER WITH ALL SUPPLEMENTS, ASSIGNMENTS, AND AMENDMENTS FOR REVIEW.

BASIS OF BEARING

THE CENTERLINE OF FAMOSA BOULEVARD PER PARCEL MAP 18351, RECORDED AS FILE NO. 2004-0665331, A BEARING OF N63°30'00"E.

BASIS OF ELEVATION

ELEVATIONS SHOWN HEREON ARE BASED ON AN ASSUMED DATUM. THE LOCAL BENCHMARK IS A FOUND SPIKE IN CONCRETE CURB AT THE NORTHWEST CURB RETURN OF FAMOSA BOULEVARD AND VALETA STREET, ELEVATION = 18.55' SEE SHEET 3.

SETBACKS

FRONT: 15 FEET
REAR: 15 FEET
SIDES: 5 FEET
SIDES WITH STREET: 10 FEET
MAX BUILDING HEIGHT: 40 FEET
MAX BUILDING SITE COVERAGE: NONE
MAX FLOOR AREA RATIO: 1.35 %
ZONE: ZONING: RM-2.5 (RESIDENTIAL - MULTIPLE UNIT ZONE)

SETBACK INFORMATION WAS PROVIDED BY THE CITY OF SAN DIEGO PLANNING DEPARTMENT WEBSITE <HTTP://WWW.SANDIEGO.GOV/DEVELOPMENT-SERVICES>. ANY QUESTIONS OR DISCREPANCIES SHOULD BE DIRECTED TO THE CITY AT PHONE NUMBER (619)446-5000, OR AT THE COUNTER AT 1222 FIRST AVENUE, MS 301, SAN DIEGO CA, 92101.

SETBACKS SHOWN GRAPHICALLY ON SUBSEQUENT SHEETS

FLOOD DESIGNATION

PER FLOOD INSURANCE RATE MAP NO. 06073C1880G PROJECT SITE LIES IN FLOOD ZONE "X".

FLOOD "X" DESIGNATION IS DEFINED AS: "AREAS DETERMINED TO BE OUTSIDE THE 0.2 % ANNUAL CHANCE FLOODPLAIN" PER THE FEMA WEB SITE. MORE INFORMATION CAN BE GATHERED AT WWW.FEMA.GOV.

SURVEY NOTES

- THIS SURVEY WAS PERFORMED ON JUNE 12, 2012.
- UNDERGROUND UTILITIES SHOWN HEREON ARE BASED ON SURFACE EVIDENCE. NO INDICATIONS OF SURFACE UTILITIES BEYOND WHAT IS SHOWN WERE FOUND WITHIN 25 FEET OF THE PROPERTY. NO GUARANTEE CAN BE MADE AS TO THE ACCURACY OF THEIR PLACEMENT ON THIS SURVEY, AS SHOWN.
- A DILIGENT INQUIRY WAS MADE WITH THE PUBLIC WORKS DEPARTMENT OF THE CITY OF SAN DIEGO REGARDING THE DEPTHS AND POSITIONS OF EXISTING ON-SITE UNDERGROUND UTILITIES. NO RECORDS WERE AVAILABLE.
- A DILIGENT INQUIRY WAS MADE WITH THE GAS PROVIDER REGARDING THE DEPTHS OF EXISTING NATURAL GAS LINES. NO RECORDS WERE AVAILABLE REGARDING THIS DEPTH.
- THERE ARE NO SPRINGS, STREAMS, RIVERS, PONDS OR LAKES BORDERING ON OR RUNNING THROUGH THE PROPERTY.
- THERE WAS NO EVIDENCE OF CEMETERIES OR FAMILY BURIAL GROUNDS LOCATED ON PROPERTY. HOWEVER, THIS SURVEY WILL NOT OVERWRITE ANY PAST ARCHEOLOGICAL REPORTS, OR SUFFICE IN LIEU OF AN ARCHEOLOGICAL REPORT IN THE FUTURE.
- AT THE TIME OF WHICH THE SURVEY WAS PERFORMED THERE WAS NO EVIDENCE THAT A STREET WIDENING WAS IN PROCESS.
- AT THE TIME OF WHICH THE SURVEY WAS PERFORMED ALL BLOCK WALLS WITHIN 5 FEET OF PROPERTY WERE PLUMB.
- THERE WAS NO EVIDENCE OF THE PROPERTY USED AS A SOLID WASTE DUMP, SLUMP OR SANITARY LANDFILL. HOWEVER, THIS SURVEY WILL NOT OVERWRITE ANY PAST SOILS REPORTS OR SUFFICE IN LIEU OF AN SOILS REPORT IN THE FUTURE.
- ENCROACHMENTS ARE SHOWN GRAPHICALLY ON SHEETS 3 & 4 (IF ANY).
- PARCEL 1 CONTAINS 4 STANDARD PARKING STALLS
CONTAINS 2 HANDICAP STALLS
CONTAINS 0 MOTORCYCLE STALLS

SHEET INDEX

SHEET 1: PROPERTY INFORMATION
SHEET 2: PROPERTY BOUNDARY
SHEET 3: TOPOGRAPHY
SHEET 4: TOPOGRAPHY

OWNERS

PARCEL 1
THE HOUSING AUTHORITY OF THE CITY OF SOUTH,
A PUBLIC BODY CORPORATE AND POLITIC

SURVEYOR'S CERTIFICATE

TO THE HOUSING AUTHORITY OF THE CITY OF SOUTH, A PUBLIC BODY CORPORATE AND POLITIC, AND CHICAGO TITLE COMPANY:

THIS IS TO CERTIFY THAT THIS MAP OR PLAT AND THE SURVEY ON WHICH IT IS BASED WERE MADE IN ACCORDANCE WITH THE 2011 MINIMUM STANDARD DETAIL REQUIREMENTS FOR ALTA/ACSM LAND TITLE SURVEYS, JOINTLY ESTABLISHED AND ADOPTED BY ALTA AND NSPS, AND INCLUDES ITEMS 1 THROUGH 7 (A, B, C), 8, 9, 10(A, B) 11a, AND 13, 14, 16, 17, 18, 19, AND 21 OF TABLE A THEREOF. THE FIELD WORK WAS COMPLETED ON MAY 24, 2012.

DATE OF PLAT OR MAP: _____



THE CONTRACTOR SHALL VERIFY AND BE RESPONSIBLE FOR ALL DIMENSIONS. DO NOT SCALE THE DRAWING - ANY ERRORS OR OMISSIONS SHALL BE REPORTED TO LATITUDE 33 WITHOUT DELAY. THE COPYRIGHTS TO ALL DESIGNS AND DRAWINGS ARE THE PROPERTY OF LATITUDE 33. REPRODUCTION OR USE FOR ANY PURPOSE OTHER THAN THAT AUTHORIZED BY LATITUDE 33 IS FORBIDDEN.

PROJECT NUMBER: 12-055 SDHC VALETA ALTA	
DESIGNED BY: JOE A.	
DATE: 07.30.12	
CHECKED BY: JOHN B.	
DATE: 07.31.12	
REVISION	SHEET
2	1 OF 4

ALTA / ACSM LAND TITLE SURVEY
4095 VALETA STREET
CITY OF SAN DIEGO
SAN DIEGO COUNTY

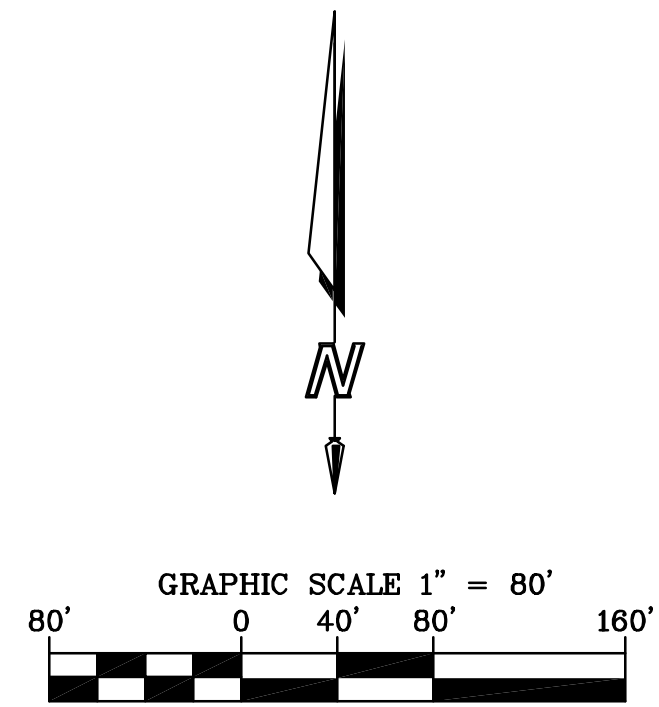
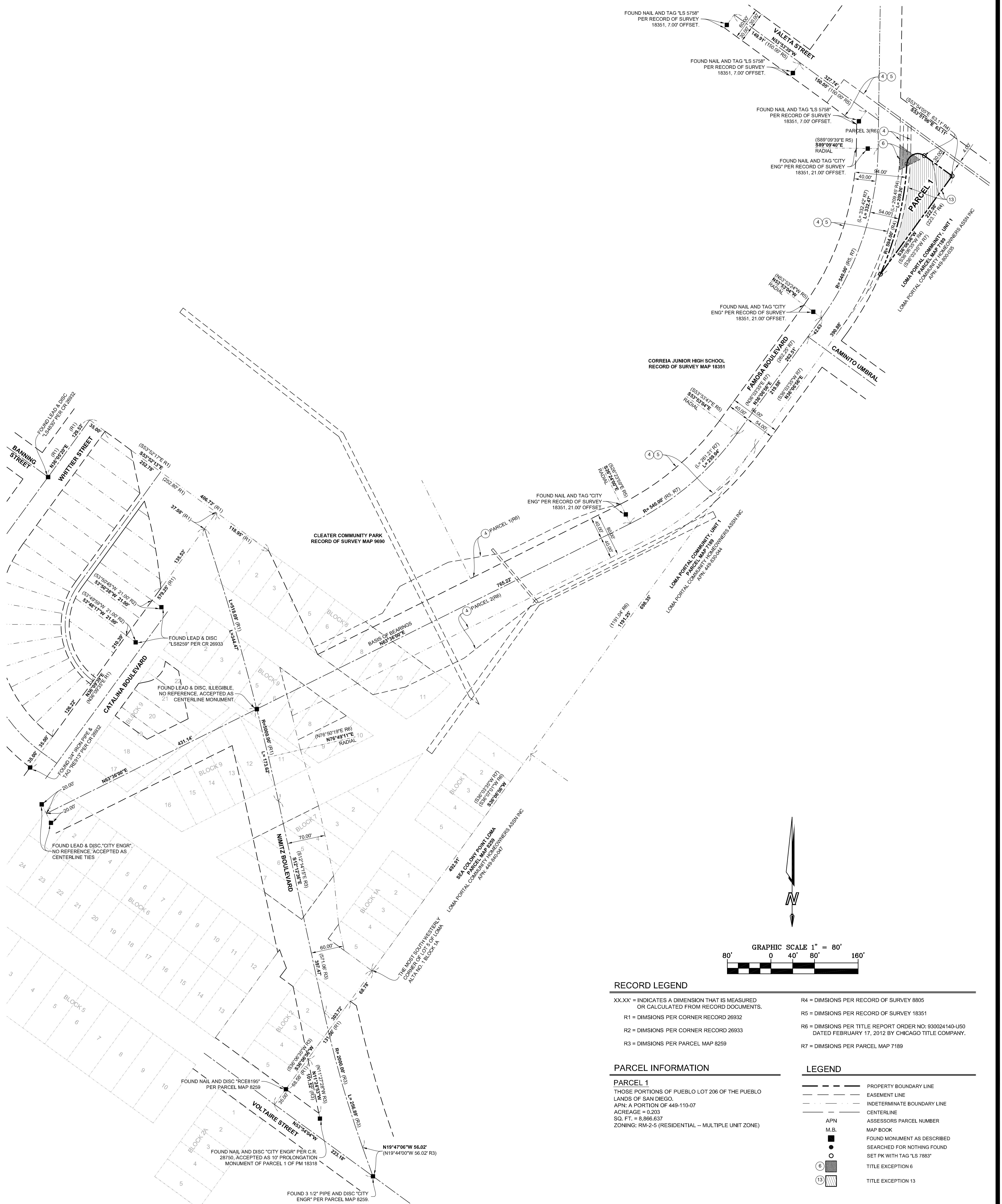
DATE	REVISIONS	BY
11.29.2012	REVISED PER AMENDED TITLE REPORT	JOE
12.04.2012	CHANGED DATE OF TITLE UNDER "SCHEDULE B"	JOE
12.06.2012	CLIENT / TITLE COMPANY REVISIONS	JOE
01.08.2013	CLIENT / TITLE COMPANY REVISIONS	JOE



LATITUDE 33
PLANNING AND ENGINEERING
5325 MIRA BARRANTE PLACE, SUITE 650
SAN DIEGO, CA 92121
TEL: 858.751.0633
FAX: 858.751.0634

ALTA/ACSM LAND TITLE SURVEY

THAT PORTION OF PUEBLO LOT 206 (FORMERLY KNOWN AS COLLIER PARK) OF THE PUEBLO LANDS OF SAN DIEGO, IN THE CITY OF SAN DIEGO, COUNTY OF SAN DIEGO, STATE OF CALIFORNIA, ACCORDING TO MISCELLANEOUS MAP NO. 36, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN DIEGO COUNTY



RECORD LEGEND

- XX.XX' = INDICATES A DIMENSION THAT IS MEASURED OR CALCULATED FROM RECORD DOCUMENTS.
- R1 = DIMENSIONS PER CORNER RECORD 26932
- R2 = DIMENSIONS PER CORNER RECORD 26933
- R3 = DIMENSIONS PER PARCEL MAP 8259
- R4 = DIMENSIONS PER RECORD OF SURVEY 8805
- R5 = DIMENSIONS PER RECORD OF SURVEY 18351
- R6 = DIMENSIONS PER TITLE REPORT ORDER NO: 930024140-U50 DATED FEBRUARY 17, 2012 BY CHICAGO TITLE COMPANY.
- R7 = DIMENSIONS PER PARCEL MAP 7169

PARCEL INFORMATION

PARCEL 1
 THOSE PORTIONS OF PUEBLO LOT 206 OF THE PUEBLO LANDS OF SAN DIEGO.
 APN: A PORTION OF 449-110-07
 ACREAGE = 0.203
 SQ. FT. = 8,895,637
 ZONING: RM-2-5 (RESIDENTIAL - MULTIPLE UNIT ZONE)

LEGEND

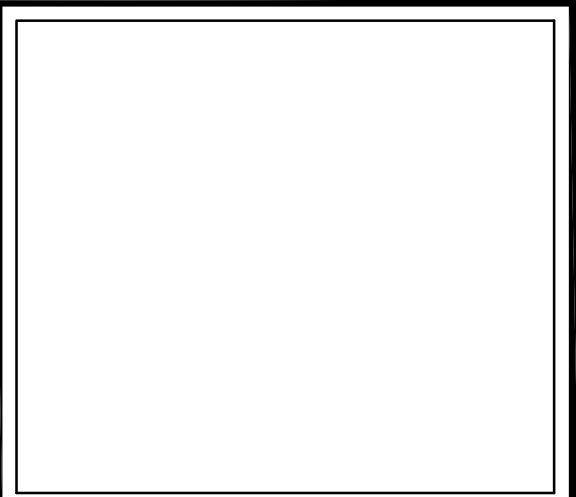
- PROPERTY BOUNDARY LINE
- - - EASEMENT LINE
- · - · - · INDETERMINATE BOUNDARY LINE
- CENTERLINE
- APN
- M.B.
- FOUND MONUMENT AS DESCRIBED
- SEARCHED FOR NOTHING FOUND
- SET PK WITH TAG 'LS 7883'
- TITLE EXCEPTION 6
- TITLE EXCEPTION 13

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PROJECT NUMBER: 12-055 SDHC VALETA ALTA
DESIGNED BY: JOE A.
DATE: 07.30.12
CHECKED BY: JOHN B.
DATE: 07.31.12
REVISION SHEET 2 OF 4

ALTA / ACSM LAND TITLE SURVEY
 4095 VALETA STREET
 CITY OF SAN DIEGO
 SAN DIEGO COUNTY

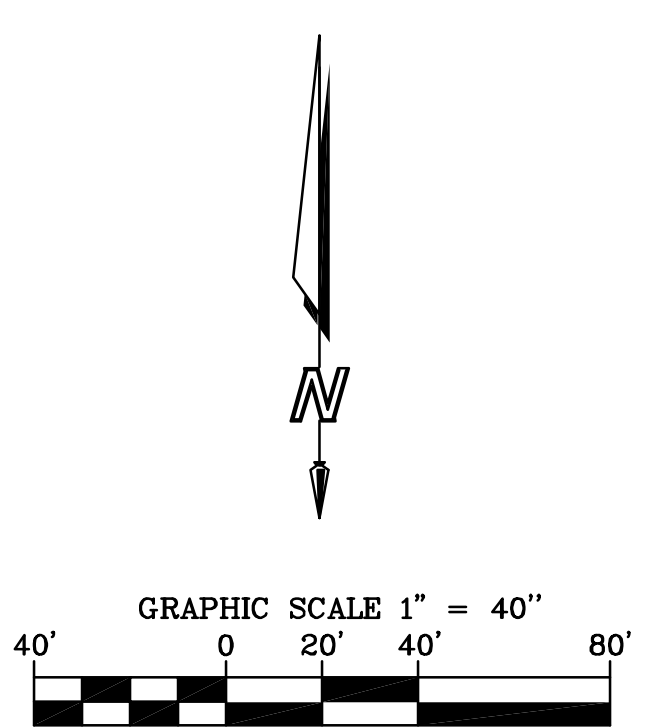
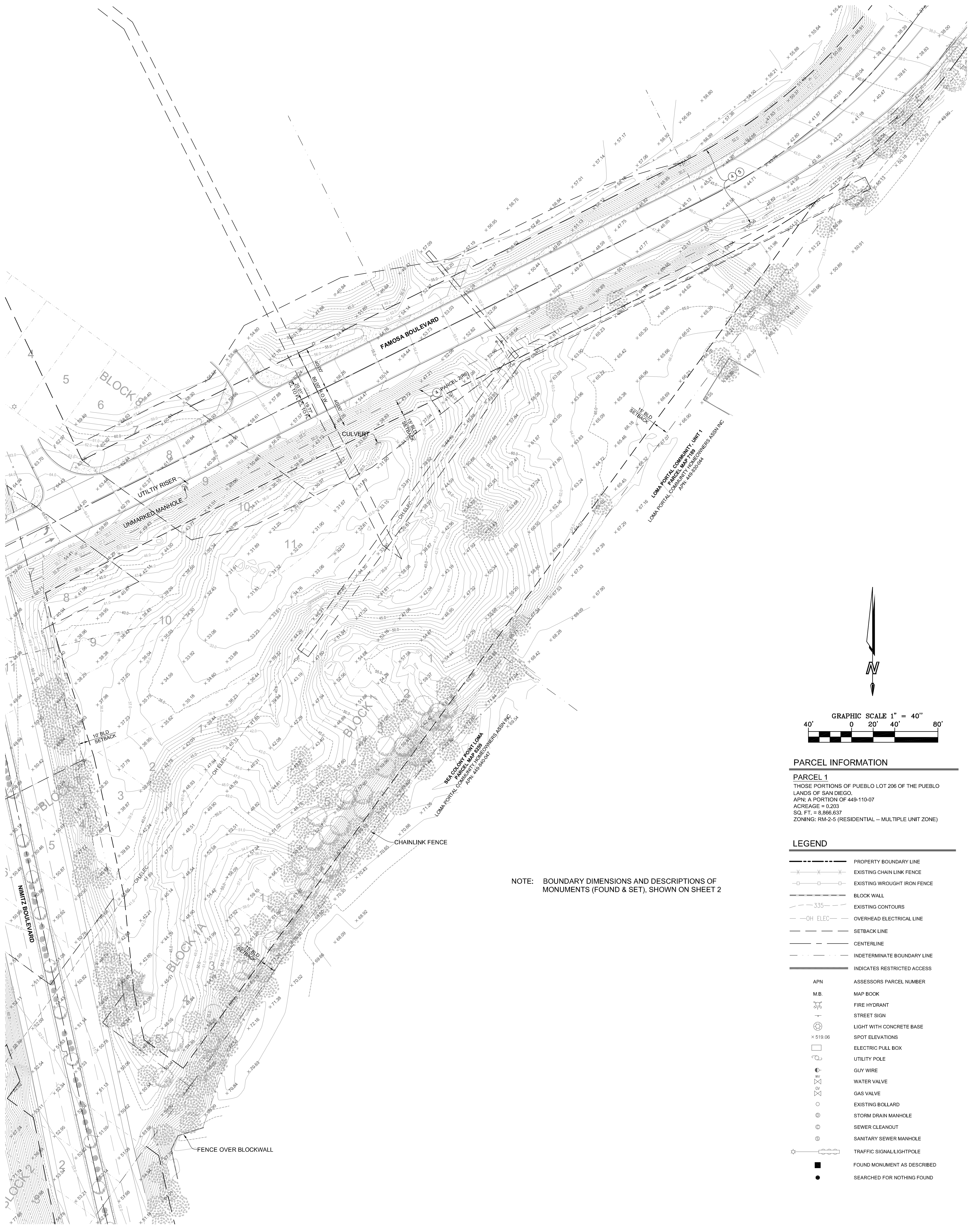
DATE	REVISIONS	BY



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PARCEL INFORMATION

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 SQ. FT. = 8,866,637
 ZONING: RM-2-5 (RESIDENTIAL - MULTIPLE UNIT ZONE)

LEGEND

	PROPERTY BOUNDARY LINE
	EXISTING CHAIN LINK FENCE
	EXISTING WROUGHT IRON FENCE
	BLOCK WALL
	EXISTING CONTOURS
	OVERHEAD ELECTRICAL LINE
	SETBACK LINE
	CENTERLINE
	INDETERMINATE BOUNDARY LINE
	INDICATES RESTRICTED ACCESS
	ASSESSORS PARCEL NUMBER
	MAP BOOK
	FIRE HYDRANT
	STREET SIGN
	LIGHT WITH CONCRETE BASE
	SPOT ELEVATIONS
	ELECTRIC PULL BOX
	UTILITY POLE
	GUY WIRE
	WATER VALVE
	GAS VALVE
	EXISTING BOLLARD
	STORM DRAIN MANHOLE
	SEWER CLEANOUT
	SANITARY SEWER MANHOLE
	TRAFFIC SIGNAL/LIGHTPOLE
	FOUND MONUMENT AS DESCRIBED
	SEARCHED FOR NOTHING FOUND

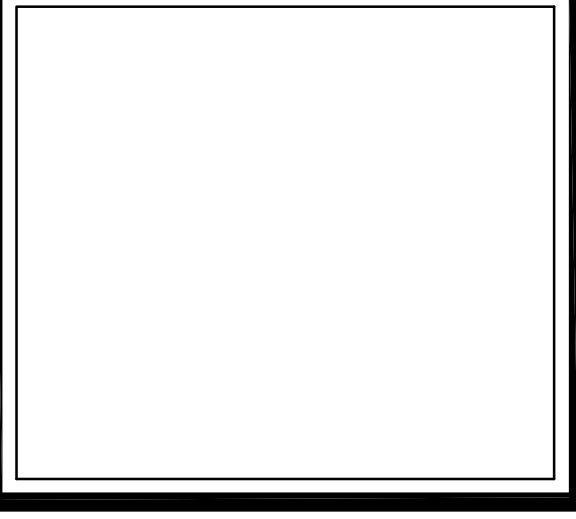
NOTE: BOUNDARY DIMENSIONS AND DESCRIPTIONS OF MONUMENTS (FOUND & SET), SHOWN ON SHEET 2

THE CONTRACTOR SHALL VERIFY AND BE RESPONSIBLE FOR ALL DIMENSIONS. DO NOT SCALE THE DRAWING - ANY ERRORS OR OMISSIONS SHALL BE REPORTED TO LATITUDE 33 WITHOUT DELAY. THE COPYRIGHTS TO ALL DESIGNS AND DRAWINGS ARE THE PROPERTY OF LATITUDE 33. REPRODUCTION OR USE FOR ANY PURPOSE OTHER THAN THAT AUTHORIZED BY LATITUDE 33 IS FORBIDDEN.

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REVISION	SHEET
2	3 OF 4

ALTA / ACSM LAND TITLE SURVEY
 4095 VALETA STREET
 CITY OF SAN DIEGO
 SAN DIEGO COUNTY

DATE	REVISIONS	BY

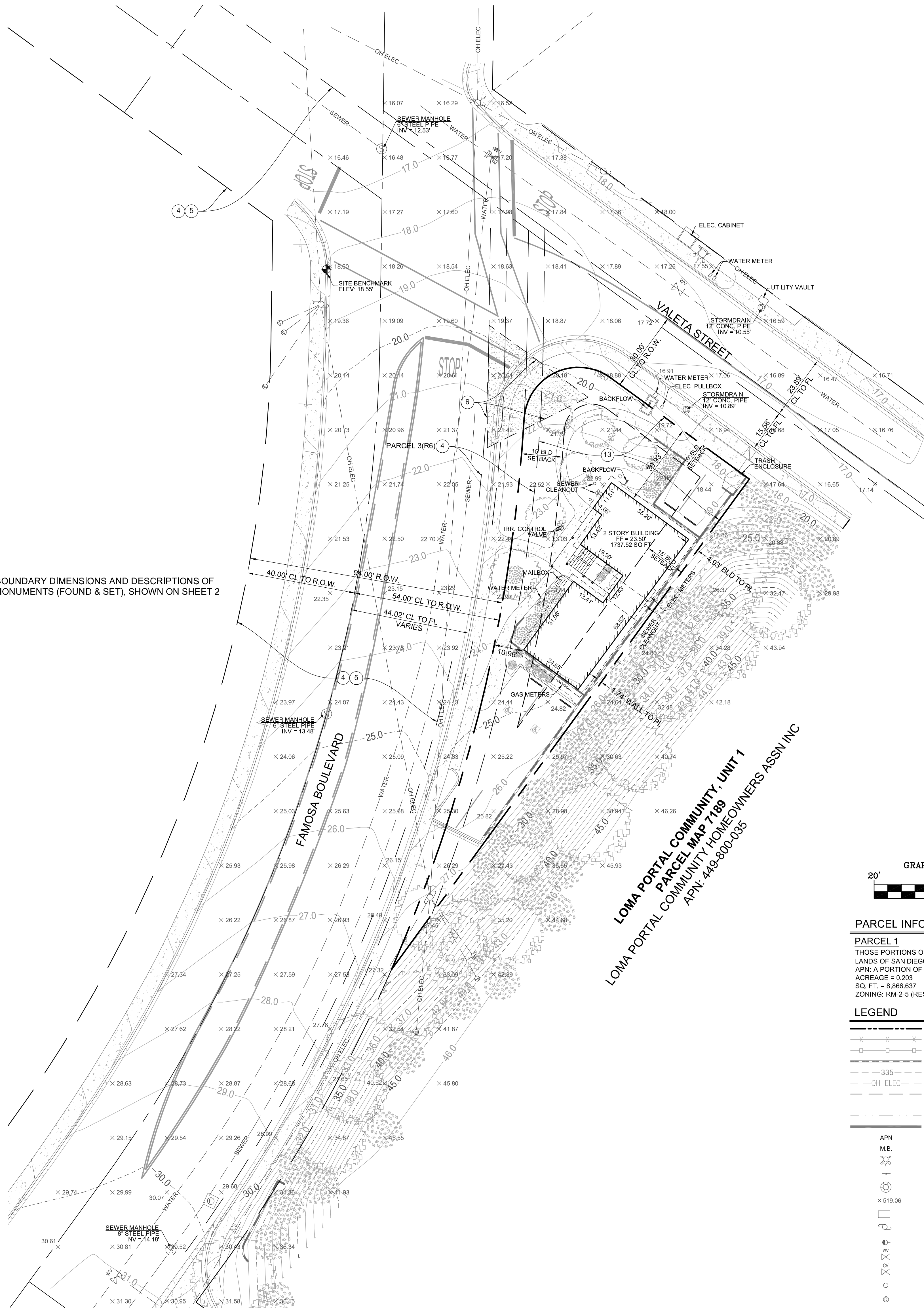


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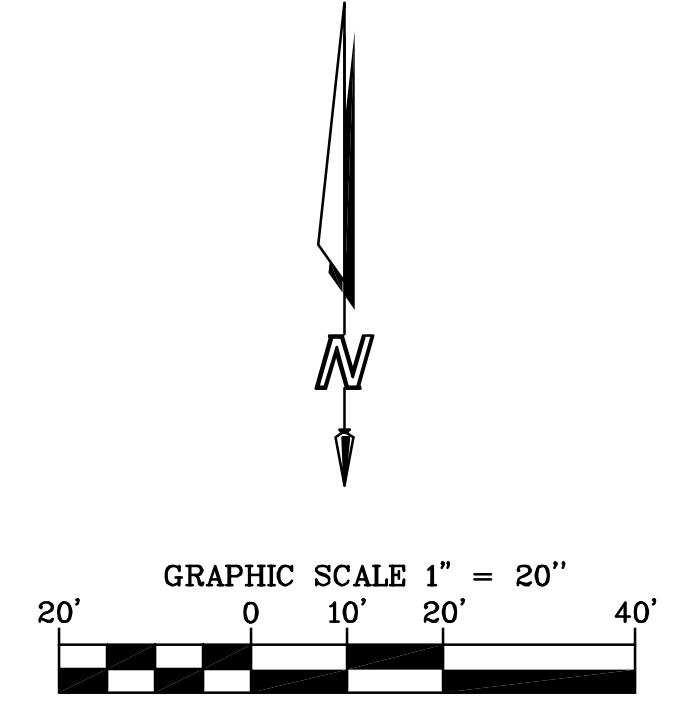
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NOTE: BOUNDARY DIMENSIONS AND DESCRIPTIONS OF MONUMENTS (FOUND & SET), SHOWN ON SHEET 2



LOMA PORTAL COMMUNITY, UNIT 1
PARCEL MAP 7189
 APN: 449-800-035



PARCEL INFORMATION

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LEGEND

- PROPERTY BOUNDARY LINE
- x-x-x- EXISTING CHAIN LINK FENCE
- o-o-o- EXISTING WROUGHT IRON FENCE
- - - BLOCK WALL
- - - 335- EXISTING CONTOURS
- OH ELEC- OVERHEAD ELECTRICAL LINE
- - - SETBACK LINE
- - - CENTERLINE
- - - INDETERMINATE BOUNDARY LINE
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- WATER VALVE
- GAS VALVE
- EXISTING BOLLARD
- STORM DRAIN MANHOLE
- SEWER CLEANOUT
- SANITARY SEWER MANHOLE
- TRAFFIC SIGNAL/LIGHTPOLE
- FOUND MONUMENT AS DESCRIBED
- SEARCHED FOR NOTHING FOUND
- BUILDING WITH OVERHANG
- TITLE EXCEPTION 6

<p>PROJECT NUMBER: 12-055 SDHC VALETA ALTA</p> <p>DESIGNED BY: JOE A.</p> <p>DATE: 07.30.12</p> <p>CHECKED BY: JOHN B.</p> <p>DATE: 07.31.12</p>	<p>ALTA / ACSM LAND TITLE SURVEY</p> <p>4095 VALETA STREET CITY OF SAN DIEGO SAN DIEGO COUNTY</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>DATE</th> <th>REVISIONS</th> <th>BY</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>	DATE	REVISIONS	BY																<p>LATITUDE 33 PLANNING AND ENGINEERING 5325 MIRA BARRONTO PLACE, SUITE 650 SAN DIEGO, CA 92121 TEL: 858.751.0633 FAX: 858.751.0634</p>
DATE	REVISIONS	BY																			
<p>REVISION SHEET 2 4 OF 4</p>																					

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ADDENDUM C - PURCHASE AGREEMENT (N/A)

ADDENDUM D - SITE INSPECTION PHOTOS

Photographs of Subject Site and Neighborhood:



View of Subject site facing south



View of Subject site facing southeast



View of Subject site facing south



View from Subject site facing southeast



View from Subject site facing south



View from Subject site facing south



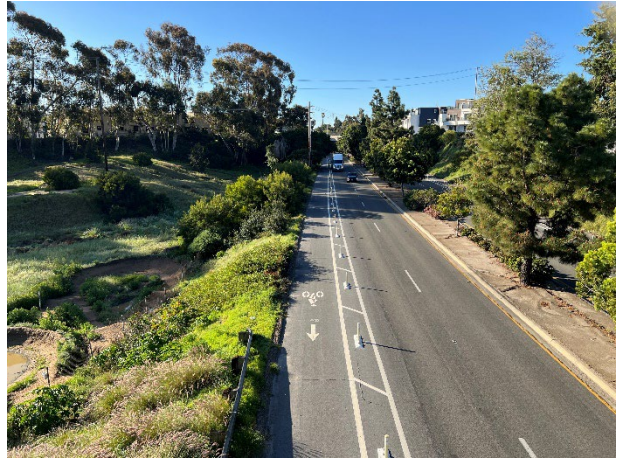
View of Famosa Boulevard facing southwest



View of Famosa Boulevard facing northeast



View of Nimitz Boulevard on ramp facing northwest



View of Nimitz Boulevard facing southeast



Commercial/retail uses south of Subject site



Commercial/retail uses south of Subject site



Commercial/retail uses south of Subject site



Commercial/retail uses west of Subject site



Commercial/retail uses west of Subject site



Multifamily development west of Subject site



Commercial/retail uses west of Subject site



Single-family home east of Subject site



Single-family home east of Subject site



Single-family home north of Subject site



Single-family home north of Subject site



Multifamily development north of Subject site

ADDENDUM E - QUALIFICATIONS

STATEMENT OF PROFESSIONAL QUALIFICATIONS
REBECCA S. ARTHUR, MAI

I. Education

University of Nebraska, Lincoln, Nebraska
Bachelor of Science in Business Administration – Finance

Appraisal Institute
Designated Member (MAI)

II. Licensing and Professional Affiliation

Member of Kansas Housing Association
Board of Directors; 2017 – Present
Vice President - Board of Directors; 2017 - 2021
Designated Member of the Appraisal Institute (MAI)
Kansas City Chapter of the Appraisal Institute Board of Directors: 2013 – 2014
National Council of Housing Market Analysts (NCHMA) – Member in Good Standing
Member of Texas Association of Affordable Housing Providers
Member of Women’s Affordable Housing Network (WAHN)

State of Arkansas Certified General Real Estate Appraiser No. CG2682
State of Arizona Certified General Real Estate Appraiser No. 31992
State of California Certified General Real Estate Appraiser No. AG041010
State of Connecticut Certified General Real Estate Appraiser No. RCG.0001770
State of Delaware Certified General Real Estate Appraiser No. X1-0010790
State of Georgia Certified General Real Estate Appraiser No. CG416465
State of Hawaii Certified General Real Estate Appraiser No. CGA-1047
State of Iowa Certified General Real Estate Appraiser No. CG03200
State of Indiana Certified General Real Estate Appraiser No. CG41300037
State of Kansas Certified General Real Estate Appraiser No. G-2153
State of Louisiana Certified General Real Estate Appraiser No. 4018
State of Massachusetts Certified General Real Estate Appraiser No. 1000327-RA-CG
State of Maryland Certified General Real Estate Appraiser No. 35109
State of Michigan Certified General Real Estate Appraiser No. 1205074011
State of Minnesota Certified General Real Estate Appraiser No. 40219655
State of Missouri Certified General Real Estate Appraiser No. 2004035401
State of New Jersey Certified General Real Estate Appraiser No. 42RG00289900
State of New York Certified General Real Estate Appraiser No. 46000053039
State of North Carolina Certified General Real Estate Appraiser No. A8713
State of Oklahoma Certified General Real Estate Appraiser No. 13563CGA
State of Rhode Island Certified General Real Estate Appraiser No. CGA.0020164
State of South Carolina Certified General Real Estate Appraiser No. 8417
State of Tennessee Certified General Real Estate Appraiser No. 6399
State of Texas Certified General Real Estate Appraiser No. TX-1338818-G
State of Virginia Certified General Real Estate Appraiser No. 4001018566
State of Washington Certified General Real Estate Appraiser No. 23001712

III. Professional Experience

Partner, Novogradac & Company LLP
Principal, Novogradac & Company LLP
Manager, Novogradac & Company LLP
Real Estate Analyst, Novogradac & Company LLP
Corporate Financial Analyst, Deloitte LLP

IV. Professional Training

RAD and HUD related seminars
Various Continuing Education Classes as required by appraisal licensing, ongoing
NCHMA Seminars
Uniform Standards of Professional Appraisal Practice
Forecasting Revenue
Discounted Cash Flow Model
Business Practices and Ethics
Biases in Appraising
HUD MAP Training – Ongoing
The Appraiser as an Expert Witness: Preparation & Testimony
How to Analyze and Value Income Properties
Appraising Apartments – The Basics
HUD MAP Third Party Tune-Up Workshop
HUD MAP Third Party Valuation Training
HUD LEAN Third Party Training
National Uniform Standards of Professional Appraisal Practice
MAI Comprehensive Four Part Exam
Report Writing & Valuation Analysis
Advanced Applications
Highest and Best Use and Market Analysis
HUD MAP – Valuation Advance MAP Training
Advanced Sales Comparison and Cost Approaches
Advanced Income Capitalization
Basic Income Capitalization
Appraisal Procedures
Appraisal Principals

IV. Real Estate Assignments

A representative sample of Valuation or Consulting Engagements includes:

- In general, have managed and conducted numerous market analyses and appraisals for various types of commercial real estate since 2001, with an emphasis on multifamily housing and land.
- Have managed and conducted numerous market and feasibility studies for multifamily housing. Properties types include Section 42 Low Income Housing Tax Credit (LIHTC) Properties, Public Housing for RAD conversion, Section 18 disposition, Section 8, USDA and/or conventional. Local housing authorities, developers, syndicators, HUD and lenders have used these studies to assist in the financial underwriting and design of multifamily properties. Analysis typically includes; unit mix determination, demand projections, rental rate analysis, competitive property surveying, and overall market analysis. The Subjects include both new construction and rehabilitation properties in both rural and metro regions throughout the United States and its territories.
- Have managed and conducted numerous appraisals of multifamily housing. Appraisal assignments typically involved determining the as is, as if complete and the as if complete and stabilized values. Additionally, encumbered LIHTC and unencumbered values were typically derived. The three traditional approaches to value are developed with special methodologies included to value tax credit equity, below market financing and PILOT agreements.
- Completed numerous appraisals of public housing properties for RAD conversion, Section 18 disposition, and/or LIHTC application of housing authority owned properties.

- Performed market studies and appraisals of proposed new construction and existing properties under the HUD Multifamily Accelerated Processing (MAP) program. These reports meet the requirements outlined in HUD Handbook 4465.1 and Chapter 7 of the HUD MAP Guide for 221(d)(4) and 223(f) programs, as well as the LIHTC PILOT Program.
- Performed numerous market study/appraisals assignments for USDA RD properties in several states in conjunction with acquisition rehabilitation redevelopments. Documents are used by states, FannieMae, USDA, and the developer in the underwriting process. Market studies are compliant to State, FannieMae, and USDA requirements. Appraisals are compliant to FannieMae and USDA HB-1-3560 Chapter 7 and Attachments.
- Completed numerous FannieMae and FreddieMac appraisals of affordable and market rate multi-family properties for DUS Lenders.
- Managed and completed numerous Section 8 Rent Comparability Studies in accordance with HUD's Section 8 Renewal Policy and Chapter 9 for various property owners and local housing authorities.
- Managed and conducted various City and County-wide Housing Needs Assessments in order to determine the characteristics of existing housing, as well as determine the need for additional housing within designated areas.
- Performed numerous valuations of the General and/or Limited Partnership Interest in a real estate transaction, as well as LIHTC Year 15 valuation analysis.
- Performs valuations of solar panels, wind turbines and other renewable energy installations in connection with financing and structuring analyses performed by various clients.

V. Speaking Engagements

A representative sample of industry speaking engagements follows:

- Novogradac & Company LLP: RAD Conferences, LIHTC, Developer and Bond Conferences
- Institute for Professional Education and Development (IPED): LIHTC and Year 15 Seminars
- Institute for Responsible Housing Preservation (IRHP): Annual Meetings
- Western FHA Mortgage Lenders Conference: Annual Meetings
- Midwest FHA Mortgage Lenders Conference: Annual Meetings
- Southwest FHA Mortgage Association Lenders Conference: Annual Meetings
- National Council of Housing Market Analysts (NCHMA): Seminars and Workshops
- National Council of State Housing Agencies: Housing Credit Connect Conferences
- National Leased Housing Association: Annual Meeting
- Nebraska's County Assessors: Annual Meeting
- AHF Live! Affordable Housing Finance Magazine Annual Conference
- Missouri Workforce Housing (MOWHA) Annual Conference
- Ohio Housing Council Symposium
- Kansas Housing Conference
- California Council for Affordable Housing (CCAH) Meetings

VI. Industry Engagements

- Novogradac & Company LLP – Chairperson of Annual RAD Conference
- Novogradac & Company LLP – Chairperson of Annual Affordable Housing LIHTC and Bond Developer and Investor Conference



BUILDING SUSTAINING LEADING

BRIDGE HOUSING
CORPORATION

BRIDGE PROPERTY
MANAGEMENT COMPANY

BRIDGE ECONOMIC
DEVELOPMENT CORPORATION

January 24, 2024

Jennifer Kreutter
Vice President, Multifamily Housing Finance
Real Estate Division | Real Estate Finance and Property Management
San Diego Housing Commission
1122 Broadway, Suite 300
San Diego, CA 92101

RE: Nimitz/Famosa Project – Point Loma
Proposal for Development

Jennifer,

As you are aware, BRIDGE Housing has been working with an architect, civil engineer, and other consultants to evaluate a potential affordable housing development at the Nimitz/Famosa site. This work has been conducted in accordance with the Exclusive Negotiating Agreement ("ENA") between the San Diego Housing Commission and BRIDGE Housing dated March 21, 2022 and amended on August 25, 2023.

BRIDGE and its consultants have reviewed the various existing conditions and constraints at the site. Based on this input, the site plan BRIDGE proposed during the RFP process was further refined. After extensive discussions with SDG&E and several site plan iterations, BRIDGE received preliminary SDG&E approval of the site plan in late December 2023.

In accordance with Section 3 of the ENA, BRIDGE provides this letter and the following documents to satisfy the requirement for submittal of "a proposal for development of the Property and the Project, with supporting documents."

- Proposed architectural site plan, renderings, and sections

Prior to ENA expiration, BRIDGE will submit additional information, including a construction cost estimate, project schedule, more detailed proforma with 55-year cash flow, and information about the proposed architect and general contractor.

Proposed Development

BRIDGE is pleased to propose an affordable housing community of 73 Family units (1BR, 2BR, and 3BR) including one employee unit, as well as common areas including management and community spaces, and 101 parking stalls contained in tuck under garages and open parking spaces. As seen on the attached site

600 CALIFORNIA STREET, SUITE 900, SAN FRANCISCO, CA 94108 TEL: 415.989.1111 FAX: 415.495.4898 BRIDGEHOUSING.COM

4142 ADAMS AVENUE, SUITE 103-627, SAN DIEGO, CA 92116 TEL: 619.231.6300 FAX: 619.231.6301

15260 VENTURA BOULEVARD, SUITE 1080, SHERMAN OAKS, CA 91403 TEL: 424.419.5100

1631 NE BROADWAY PMB #153, PORTLAND, OR 97232 TEL: 503.360.1828

1000 SECOND AVENUE, SUITE 1610, SEATTLE, WA 98104 TEL: 206.456-6100

BRIDGE HOUSING IS A NOT-FOR-PROFIT, PUBLIC-BENEFIT CORPORATION

plan, development will be limited to the southern and eastern areas of the site. The northwestern area of the site will remain undeveloped to preserve the existing wetland/drainage and habitat.

Population and AMI Levels

The project will serve family households with incomes between 30% AMI and 80% AMI. BRIDGE believes the project can support 80% AMI units due to the strong local rental market. To confirm demand and potential financing concerns, a market study will be obtained and we will seek input from our financial advisor and potential equity investors to refine the most appropriate number of 80% AMI units.

The project should attract rent-burdened families in the local Point Loma community and surrounding areas. The wide range of AMI levels will provide affordable housing opportunities to families working in lower-wage jobs such as the service industry, transportation, and clerical positions (30% AMI to 60% AMI), as well as low-moderate wage jobs such as teaching and other young professionals (80% AMI).

Proposed Unit Mix

The proposed units mix is as follows:

AMI Level	1BR	2BR	3BR	Totals
30% AMI	3	3	2	8
50% AMI	15	4	4	23
60% AMI	12	5	7	24
80% AMI	5	6	6	17
Staff unit		1		1
Total	35	19	19	73

*NOTE: project-based vouchers are assumed for 8 units at 30% AMI

Resident Services

General resident services appropriate for low-income family households will be provided by local service providers. Services will be paid for by operations and available to all residents. Details regarding the specific services will be refined as the project develops.

Site Conditions

BRIDGE engaged an architect, civil engineer, biologist, utility consultant, and geotechnical engineer to perform due diligence studies and refine the proposed site plan. The primary site constraints are (1) the wetlands and biology/habitat, (2) SDG&E power lines/poles, and (3) existing site grades.

Due to the presence of wetlands and other conditions, an EIR will be prepared to satisfy CEQA requirements and provide a thorough evaluation of the impacts of the proposed development. Based on feedback from our consultants, all potential impacts can be mitigated appropriately. The EIR process is expected to take 12-18 months, after which design and financing applications can move forward.

Jennifer Kreutter
January 24, 2024
p. 3 of 3

Proposed Financing

The proposed financing includes 4% tax credits (federal and state) with funding from SDHC, County of San Diego, and CalHFA MIP, plus eight project-based vouchers from SDHC and a conventional permanent loan. This financing plan will be regularly updated during the predevelopment period to respond to changes in available financing programs.

Proposed Development Timeline

The entitlement and CEQA process/approvals is expected to take 12-18 months. With entitlements in place in mid/late 2025, BRIDGE would apply for local SDHC and County funds. After securing local funding, application for CalHFA MIP funds would be made. Applications for 4% credits and bonds would be submitted in early- to mid-2026. Design and permitting would start in early 2026 with a construction start targeted for late 2026 and completion in mid-2028.

BRIDGE will submit additional project information prior to expiration of the ENA. We will also be working closely with you and your counsel over the next several weeks to finalize the Purchase and Sale Agreement.

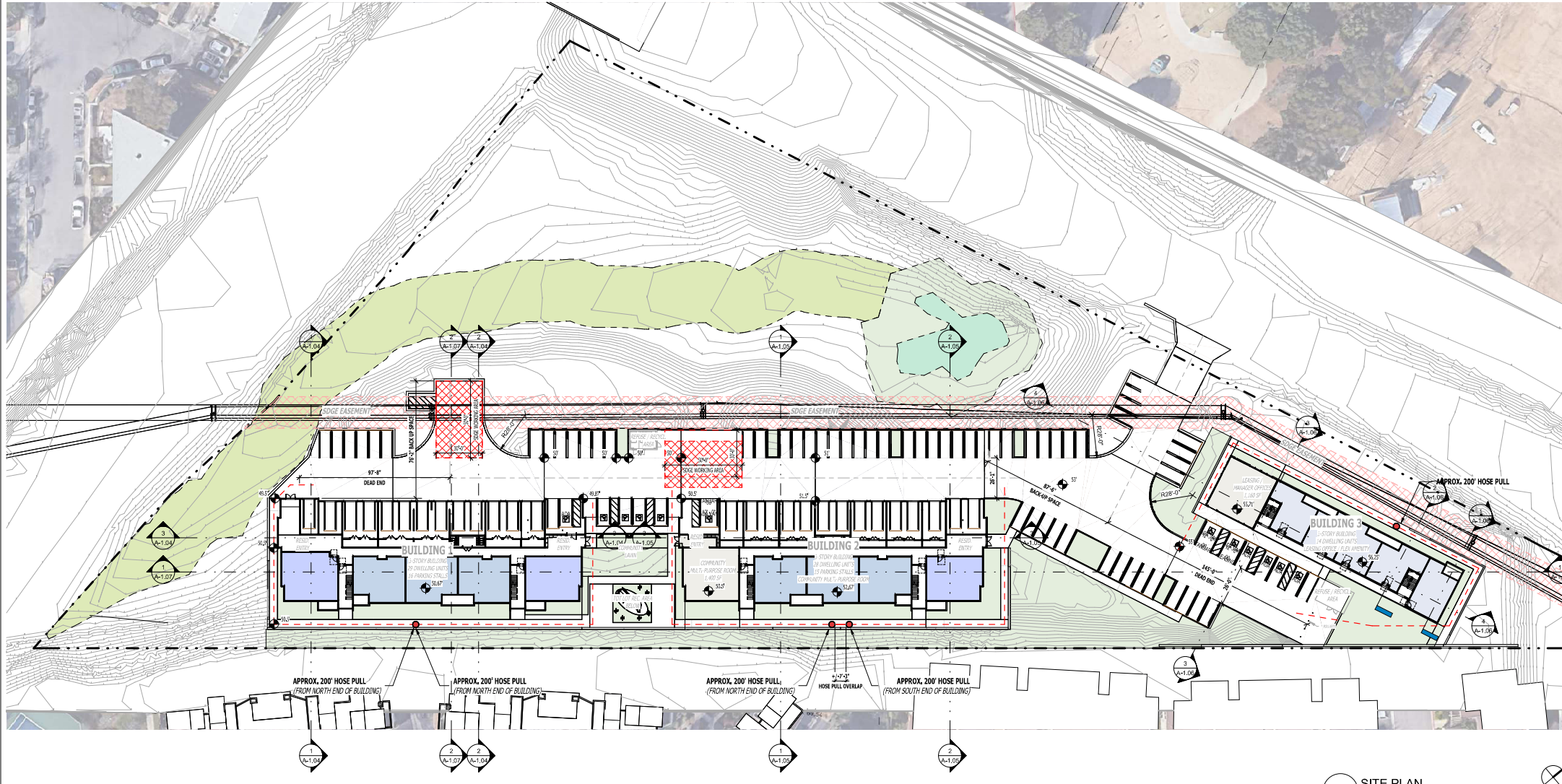
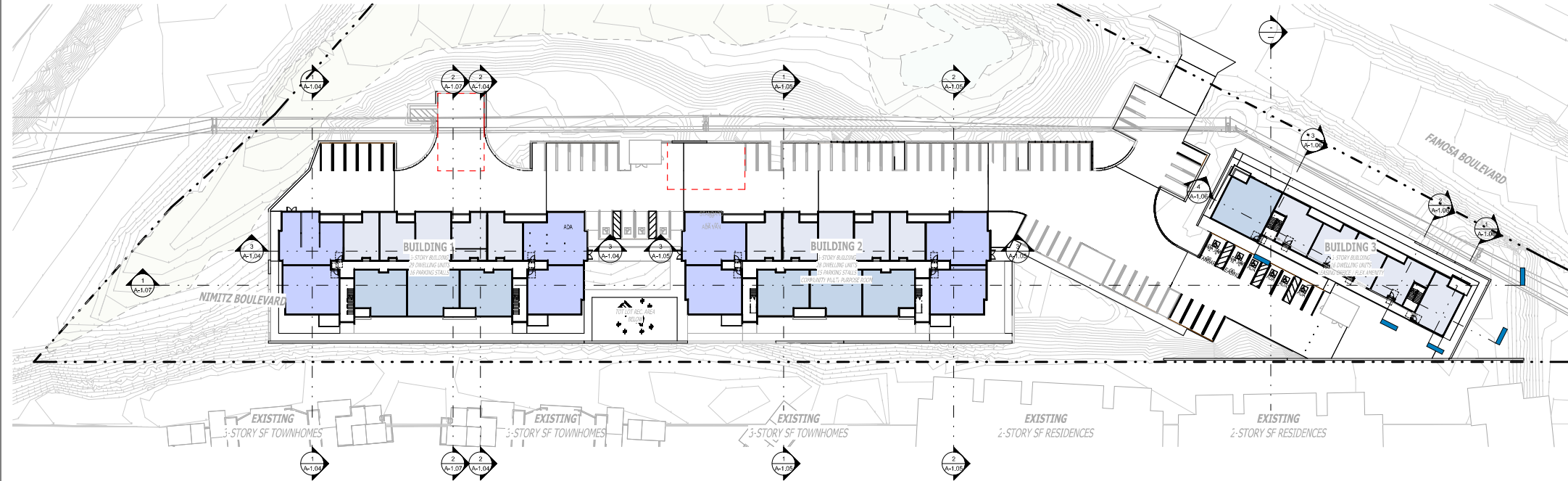
Please let me know if you have any questions regarding this proposal and the attached information. We look forward to working with you and the San Diego Housing Commission on this exciting project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jeff Williams", with a long horizontal flourish extending to the right.

Jeff Williams
Director of Development – Southern California
BRIDGE Housing Corporation

Site Plan, Renderings, and Sections



UNIT TOTALS			
BLDG.	UNIT TYPE	QUANTITY	NET RENTABLE
BLDG. 1	1 BEDROOM UNIT	10	6228 SF
BLDG. 1	2 BEDROOM UNIT	8	7345 SF
BLDG. 1	2 BEDROOM UNIT - MOBILITY	1	919 SF
BLDG. 1	3 BEDROOM UNIT	8	9219 SF
BLDG. 1	3 BEDROOM UNIT - MOBILITY	2	2095 SF
		29	25807 SF
BLDG. 2	1 BEDROOM UNIT	10	6228 SF
BLDG. 2	2 BEDROOM UNIT	7	6477 SF
BLDG. 2	2 BEDROOM UNIT - MOBILITY	2	1837 SF
BLDG. 2	3 BEDROOM UNIT	8	9131 SF
BLDG. 2	3 BEDROOM UNIT - MOBILITY	1	1003 SF
		28	24677 SF
BLDG. 3	1 BEDROOM UNIT	10	6630 SF
BLDG. 3	1 BEDROOM UNIT - MOBILITY	5	3315 SF
BLDG. 3	2 BEDROOM UNIT	1	1115 SF
		16	11060 SF
		73	64493 SF

- NSF IS A POINT TO POINT MEASUREMENT
- GSF IS EXTERIOR FACE OF EXTERIOR WALL TO CENTERLINE OF DEMISING WALL (ASSUMING 6" WALLS)

BRIDGE Housing
BRIDGE HOUSING

4142 ADAMS AVENUE
SUITE 103-627
SAN DIEGO, CALIFORNIA 92116

PARKING TOTALS			
BLDG.	Type	Count	
BLDG. 1	8'-0" x 19' - GARAGE	14	
BLDG. 1	9'-0" x 18' - RESIDENT - ADA	1	
		15	
BLDG. 2	8'-0" x 19' - GARAGE	14	
BLDG. 2	12'-0" x 18' - RESIDENT - ADA VAN	1	
		15	
SURFACE	8'-0" x 18' - STANDARD	61	
SURFACE	9'-0" x 18' - RESIDENT - ADA	8	
SURFACE	12'-0" x 18' - NON-RESIDENT - ADA VAN	1	
SURFACE	12'-0" x 18' - RESIDENT - ADA VAN	1	
		71	

FAMOSA CANYON APARTMENTS

FAMOSA CANYON
SAN DIEGO, CALIFORNIA 92107

Date Issued For

FAMOSA CANYON APARTMENTS, SAN DIEGO, CA 92107

Project Description: 100% ARCHITECTURAL AND ENGINEERING DESIGN FOR CONSTRUCTION PERMITS AND PERMITS FOR THE PROJECT. THE PROJECT IS A 100% ARCHITECTURAL AND ENGINEERING DESIGN FOR CONSTRUCTION PERMITS AND PERMITS FOR THE PROJECT. THE PROJECT IS A 100% ARCHITECTURAL AND ENGINEERING DESIGN FOR CONSTRUCTION PERMITS AND PERMITS FOR THE PROJECT.

DATE: 11/26/2023 2:20:45 PM

DESIGNER: BRIDGE HOUSING

PROJECT NO: 19-05291-000

PROJECT NAME: FAMOSA CANYON APARTMENTS

PROJECT ADDRESS: 4142 ADAMS AVENUE, SAN DIEGO, CA 92116

PROJECT CONTACT: BRIDGE HOUSING

PROJECT PHONE: (619) 594-1100

PROJECT FAX: (619) 594-1100

PROJECT EMAIL: info@bridgehousing.com

PROJECT WEBSITE: www.bridgehousing.com

PROJECT STATUS: 100% ARCHITECTURAL AND ENGINEERING DESIGN FOR CONSTRUCTION PERMITS AND PERMITS FOR THE PROJECT.

PROJECT PHASE: 100% ARCHITECTURAL AND ENGINEERING DESIGN FOR CONSTRUCTION PERMITS AND PERMITS FOR THE PROJECT.

PROJECT DESCRIPTION: 100% ARCHITECTURAL AND ENGINEERING DESIGN FOR CONSTRUCTION PERMITS AND PERMITS FOR THE PROJECT.

PROJECT LOCATION: 4142 ADAMS AVENUE, SAN DIEGO, CA 92116

PROJECT AREA: 100% ARCHITECTURAL AND ENGINEERING DESIGN FOR CONSTRUCTION PERMITS AND PERMITS FOR THE PROJECT.

PROJECT SCALE: 1" = 30'-0"

PROJECT DATE: 11/26/2023 2:20:45 PM

PROJECT DRAWN BY: [Name]

PROJECT CHECKED BY: [Name]

PROJECT APPROVED BY: [Name]

PROJECT TITLE: 100% ARCHITECTURAL AND ENGINEERING DESIGN FOR CONSTRUCTION PERMITS AND PERMITS FOR THE PROJECT.

PROJECT SHEET NO: 100% ARCHITECTURAL AND ENGINEERING DESIGN FOR CONSTRUCTION PERMITS AND PERMITS FOR THE PROJECT.

PROJECT TOTAL SHEETS: 100% ARCHITECTURAL AND ENGINEERING DESIGN FOR CONSTRUCTION PERMITS AND PERMITS FOR THE PROJECT.

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PROJECT TOTAL SHEETS: 100% ARCHITECTURAL AND ENGINEERING DESIGN FOR CONSTRUCTION PERMITS AND PERMITS FOR THE PROJECT.

UNIT MIX					
Unit Type	Program	No. of Units	Mix per Product	Building Area (SF)	Net Area (SF)
1 BEDROOM	APARTMENT	10	35%	6228	6228
2 BEDROOM	APARTMENT	15	40%	10000	10000
3 BEDROOM	APARTMENT	8	25%	8000	8000
		73	100%	24228	24228

STATE DENSITY BONUS LAW - CAL GOV CODE 65915

MAXIMUM REQUIREMENT FOR STATE DENSITY BONUS LAW

INCENTIVE #1 - HEIGHT INCREASE TO 10 FEET

INCENTIVE #2 - HEIGHT OF SUPPLEMENTAL PROVISIONS (SP) IS LIMITED TO 10 FEET

INCENTIVE #3 - HEIGHT OF SUPPLEMENTAL PROVISIONS (SP) IS LIMITED TO 10 FEET

FLOOR AREA - PROVIDED

NON-RESIDENTIAL - LEVEL 1 FLOOR AREA

RESIDENTIAL - LEVEL 1 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 2 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 3 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 4 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 5 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 6 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 7 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 8 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 9 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 10 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 11 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 12 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 13 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 14 FLOOR AREA FROM A CONSTRUCTION

RESIDENTIAL - LEVEL 15 FLOOR AREA FROM A CONSTRUCTION

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Los Angeles, California
90071 USA

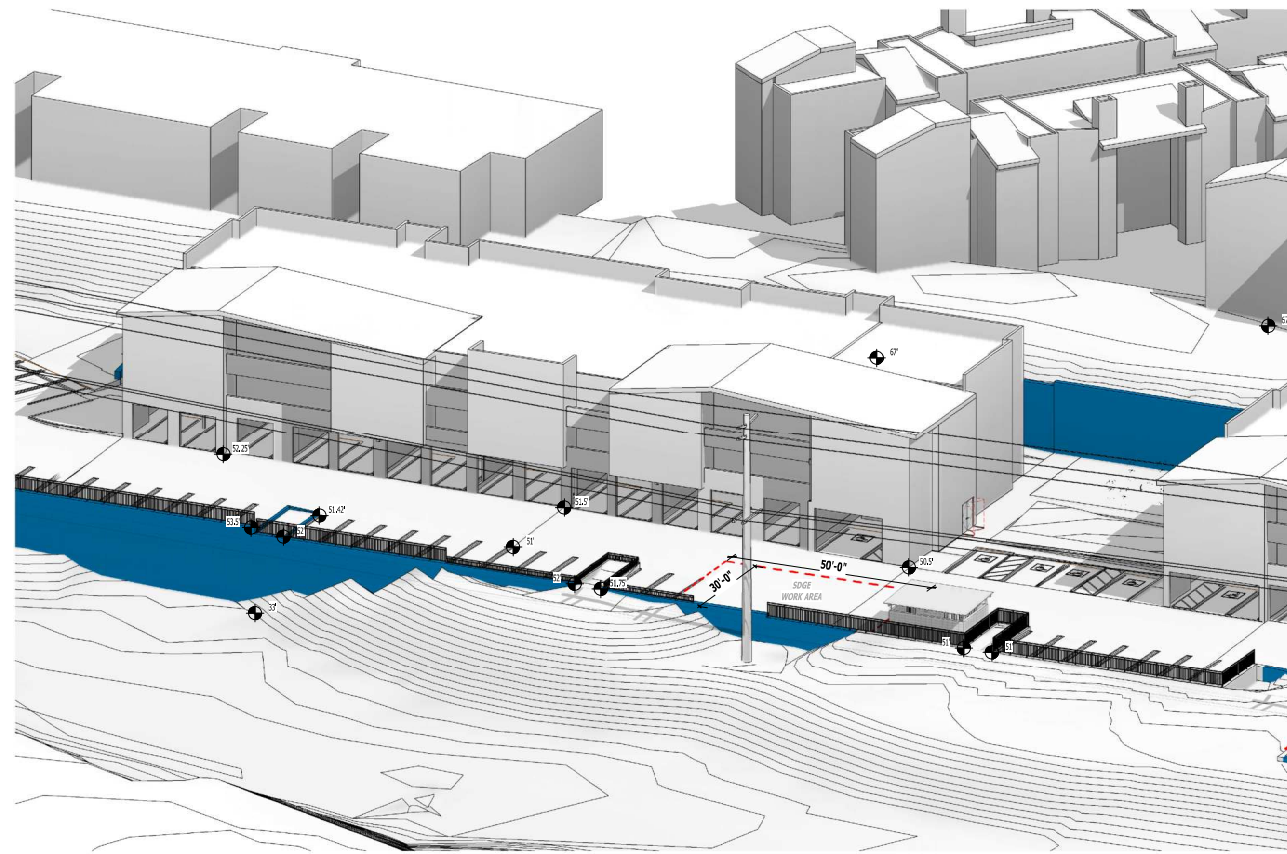
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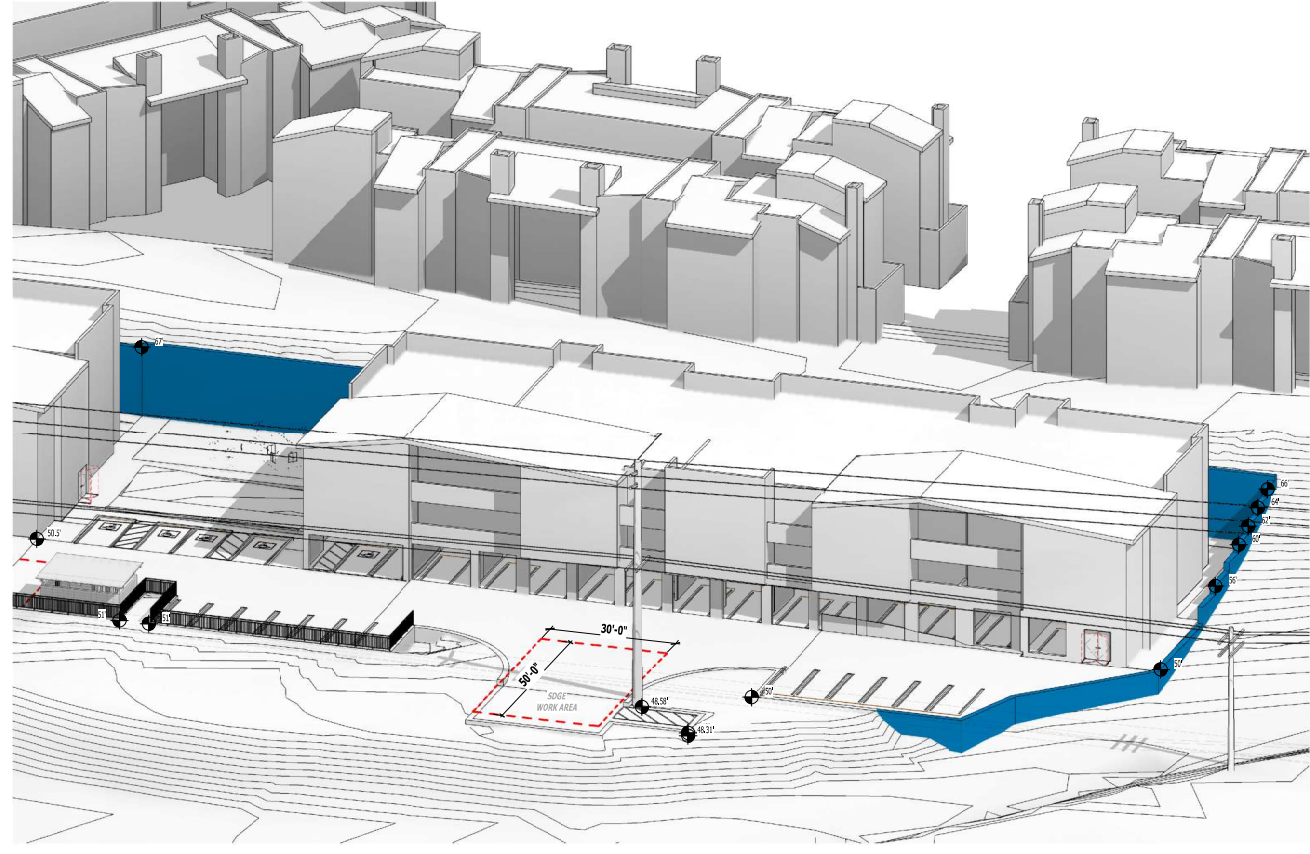
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SITE PLAN

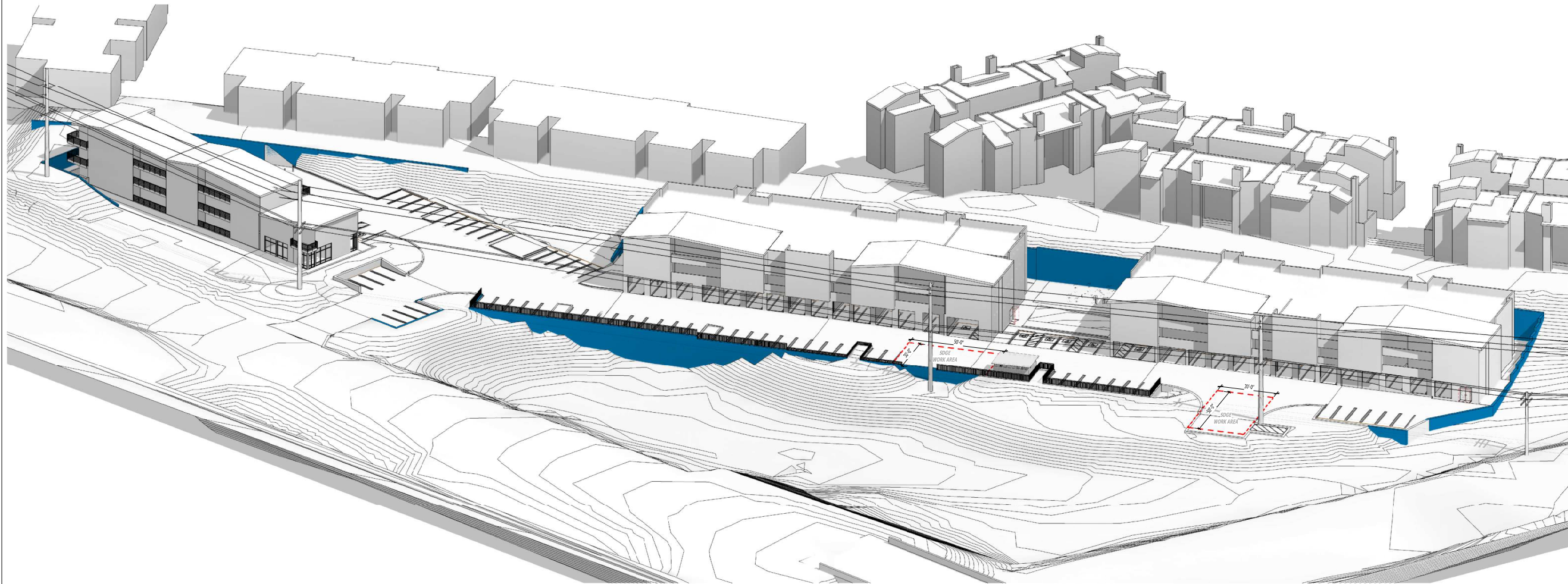
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3 SITE AERIAL VIEW - BUILDING 2



2 SITE AERIAL VIEW - BUILDING 1



1 SITE AERIAL VIEW - OVERALL

BRIDGE HOUSING

4142 ADAMS AVENUE
SUITE 103427
SAN DIEGO, CALIFORNIA 92116

FAMOSA CANYON APARTMENTS

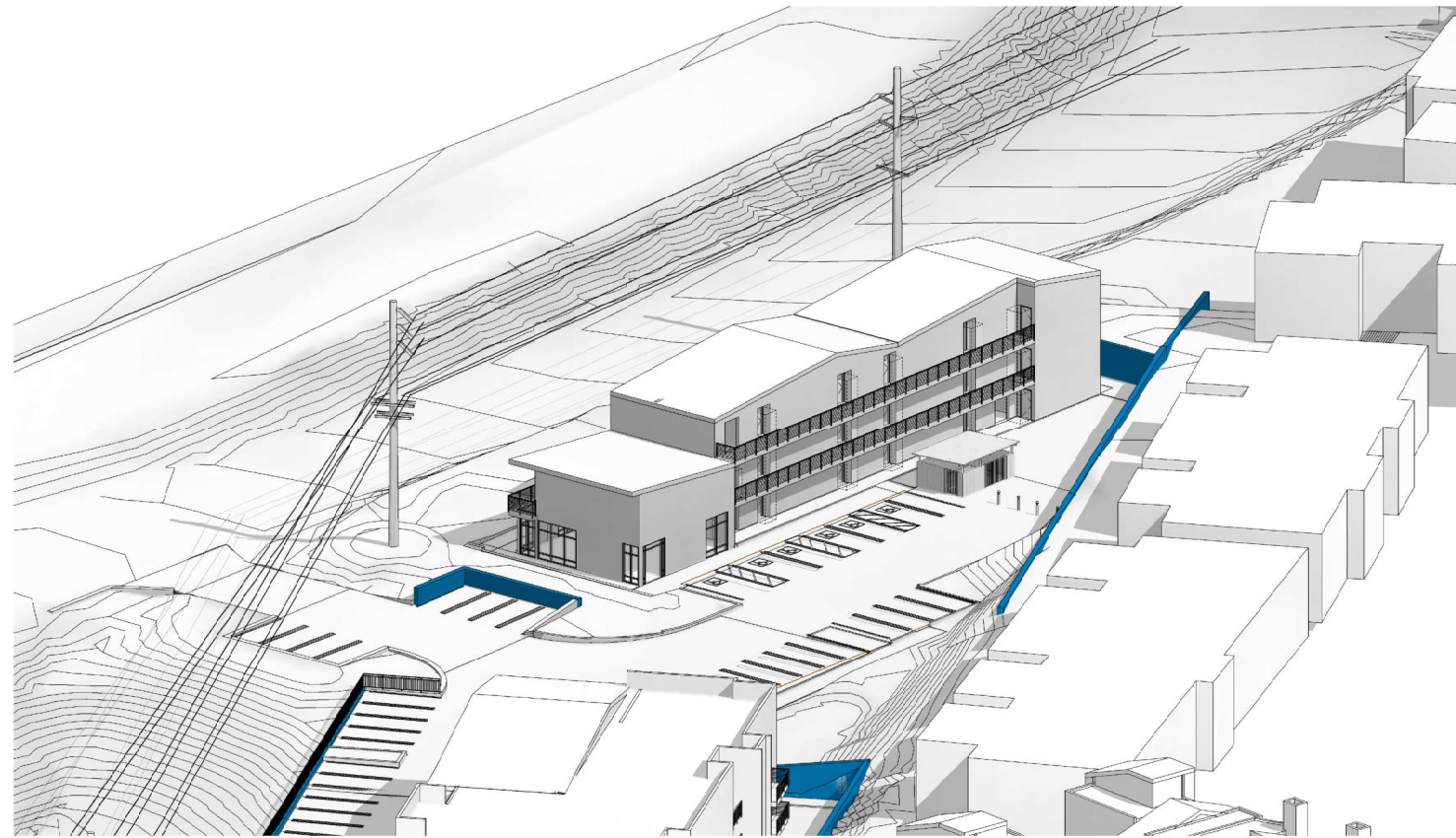
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2 SITE AERIAL VIEW - BUILDING 3 - SOUTH

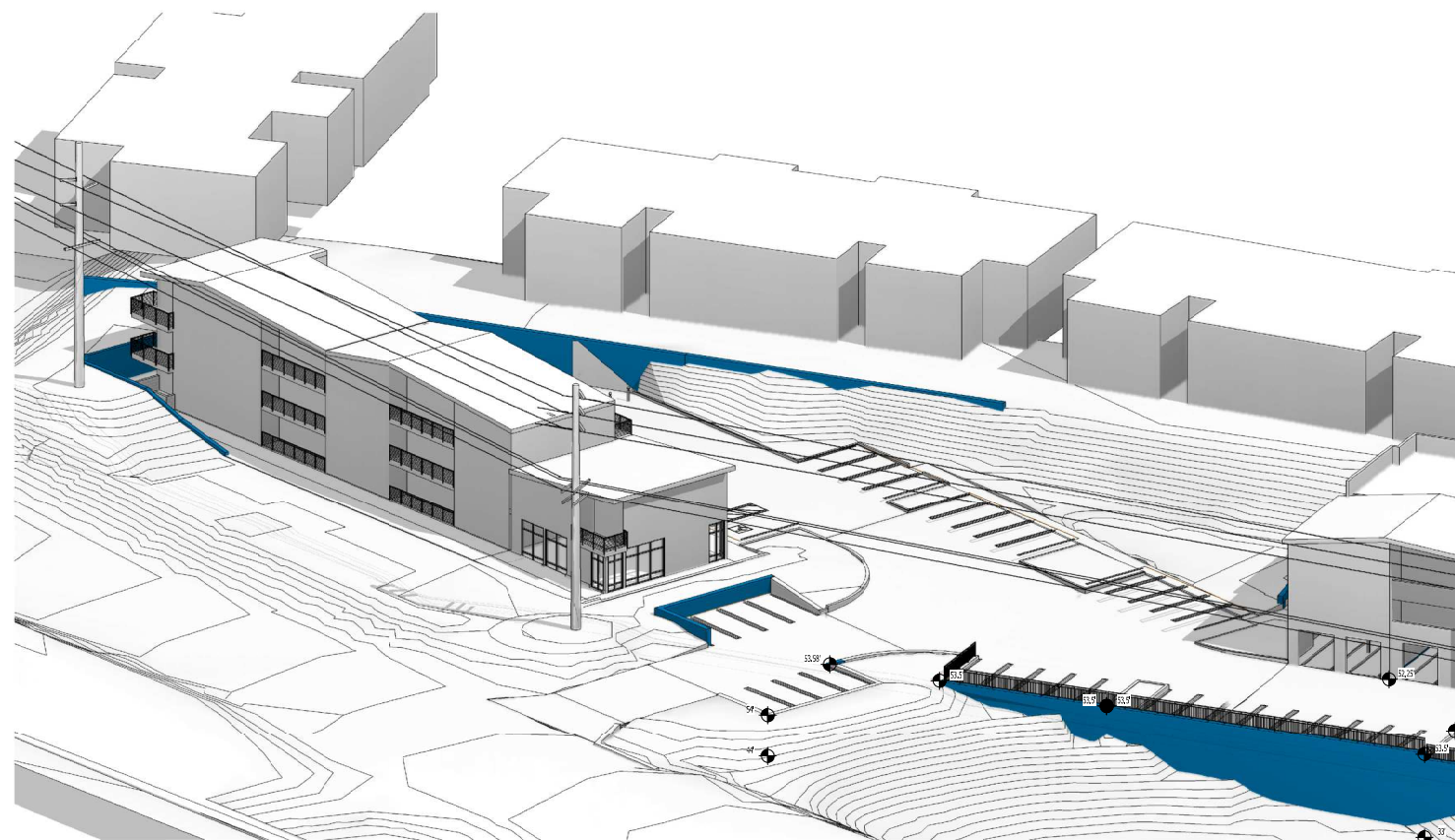
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SAN DIEGO, CALIFORNIA 92107

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1 SITE AERIAL VIEW - BUILDING 3

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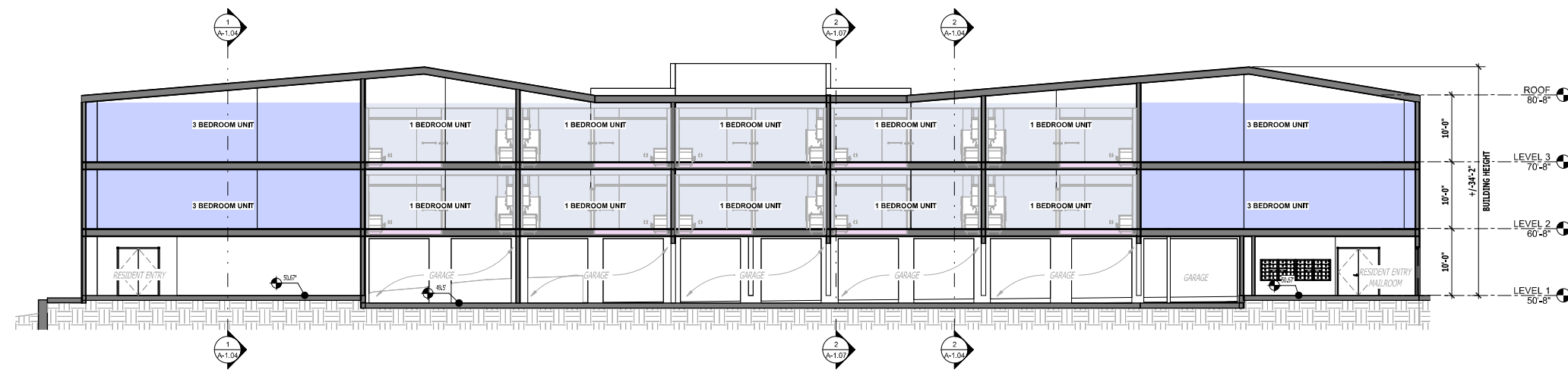
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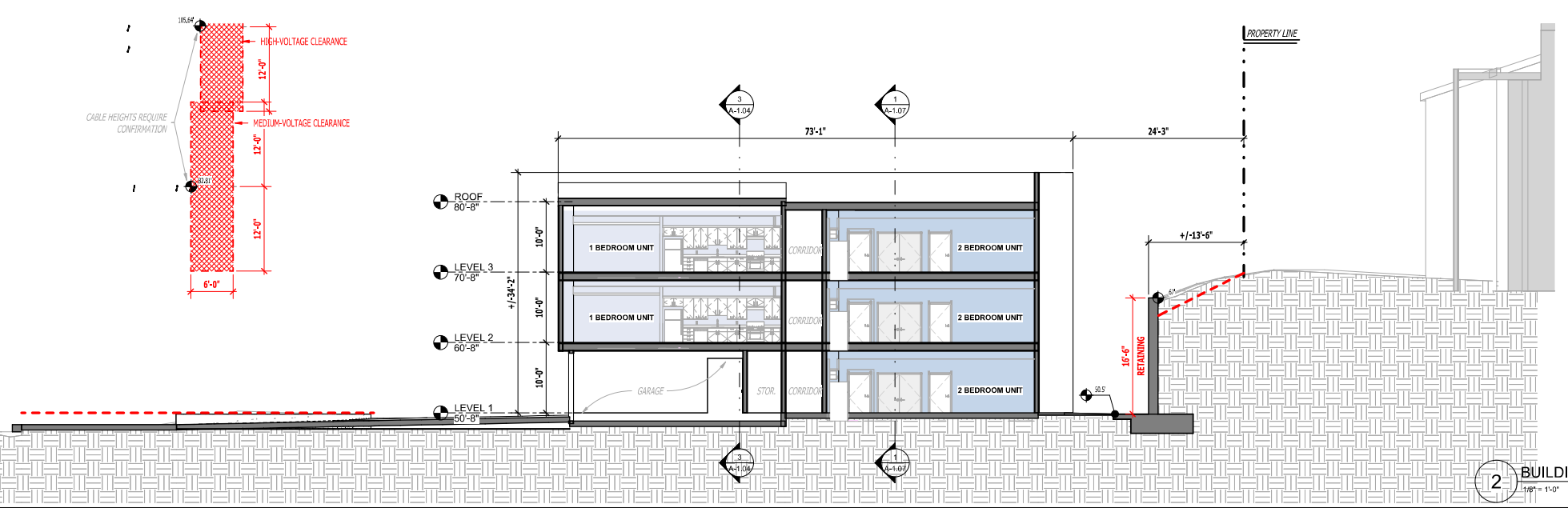
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SITE AERIALS

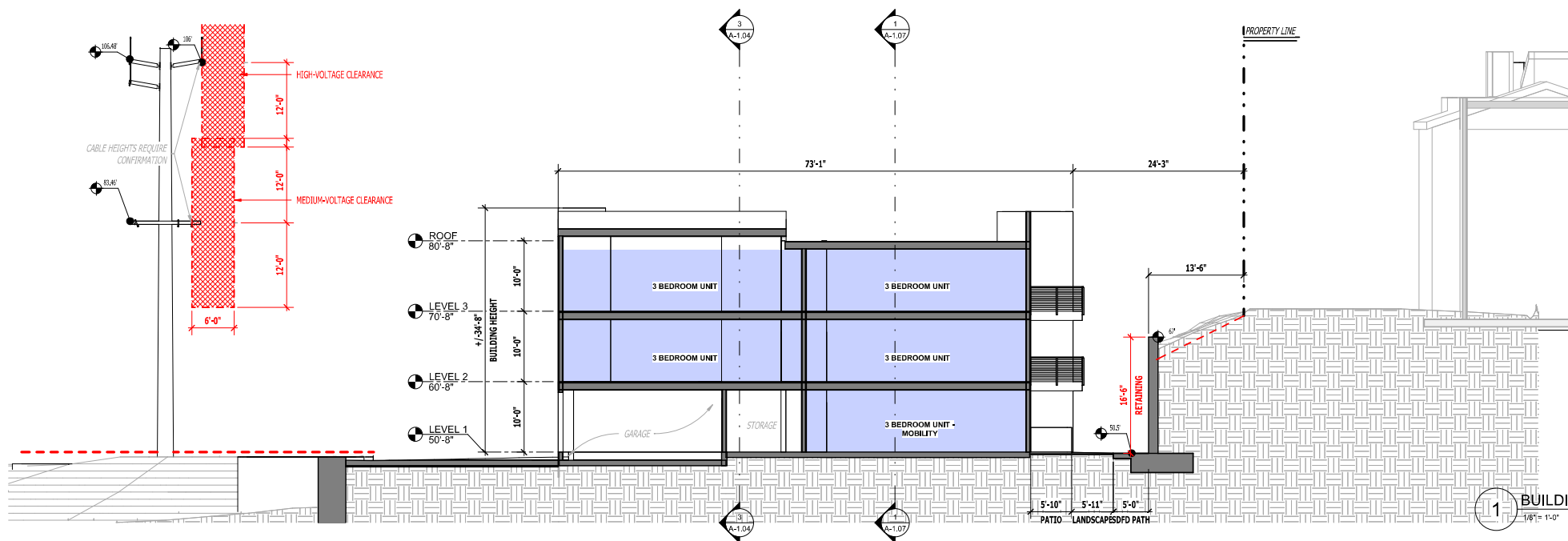
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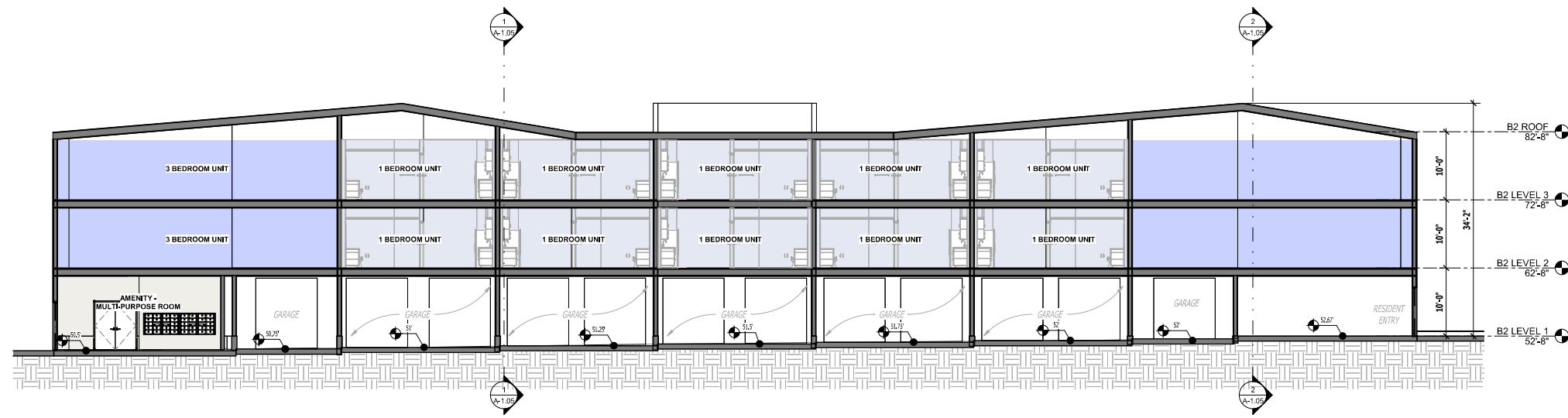
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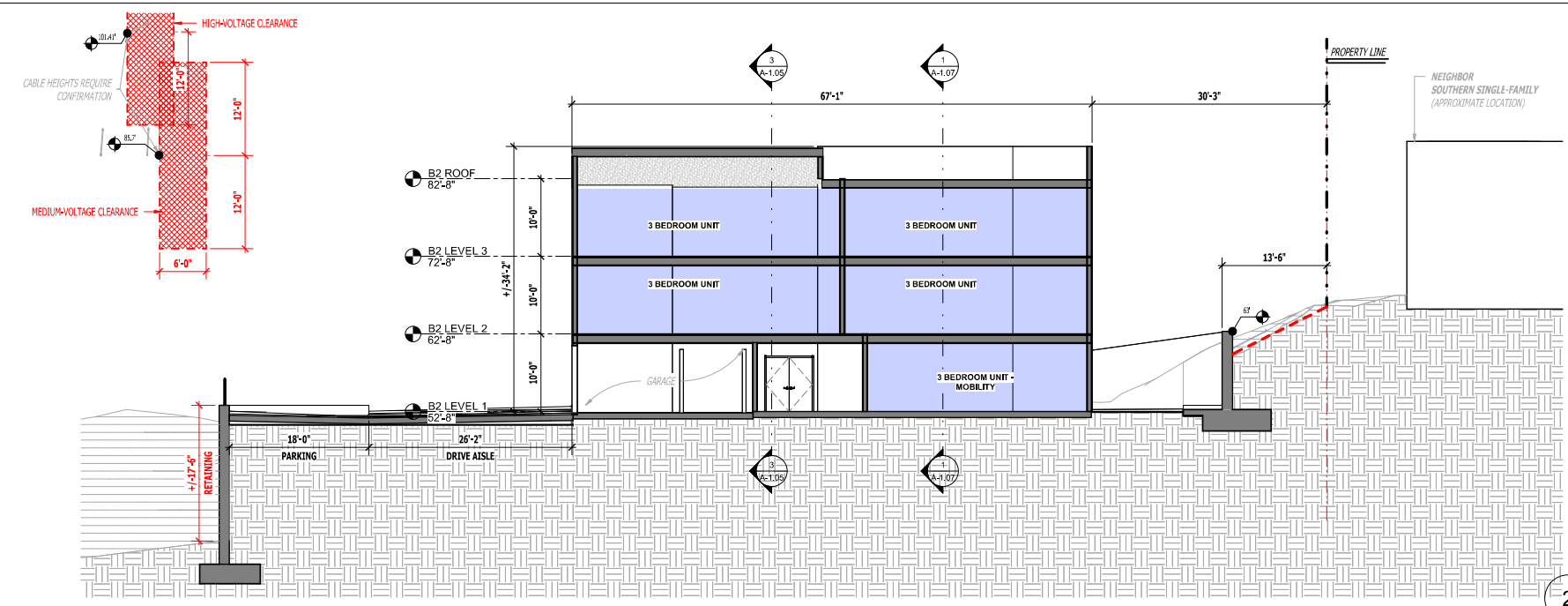
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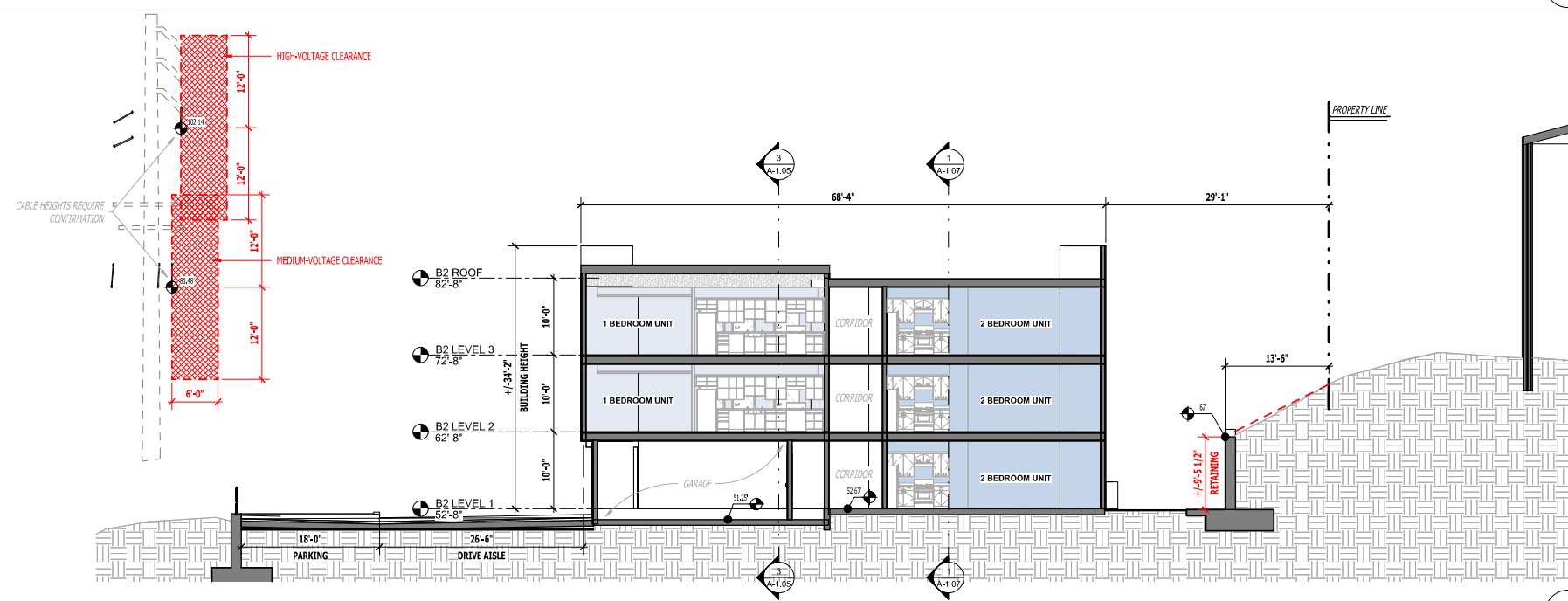
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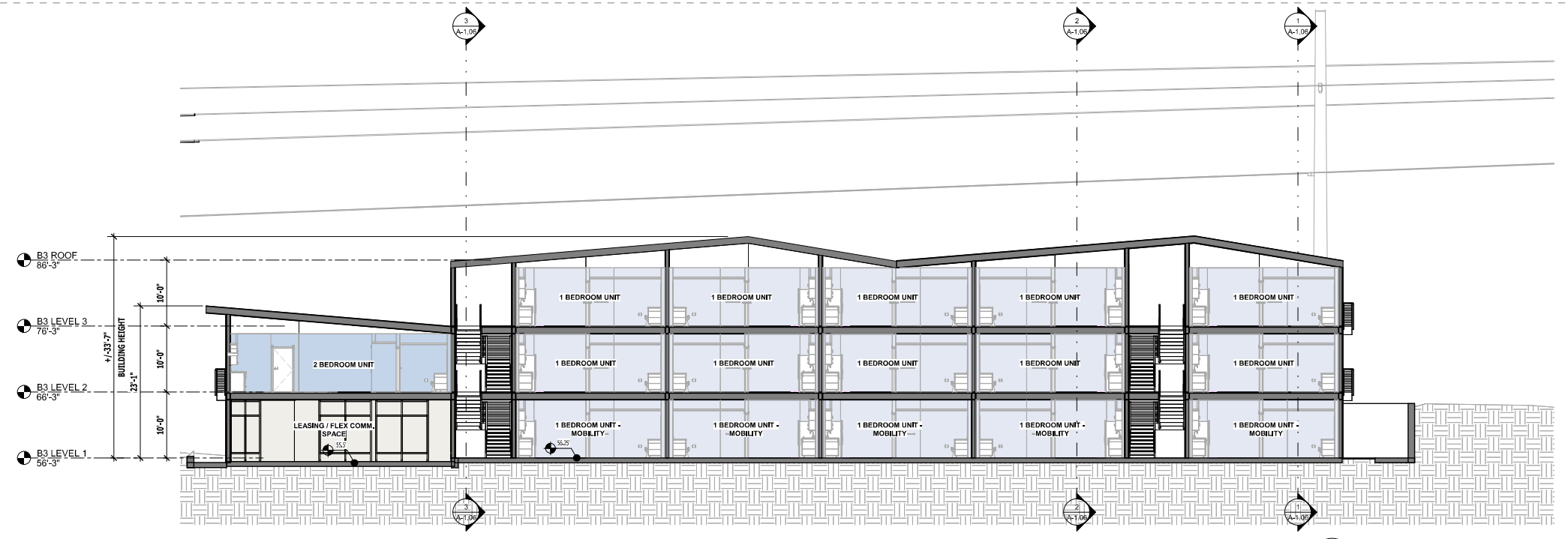
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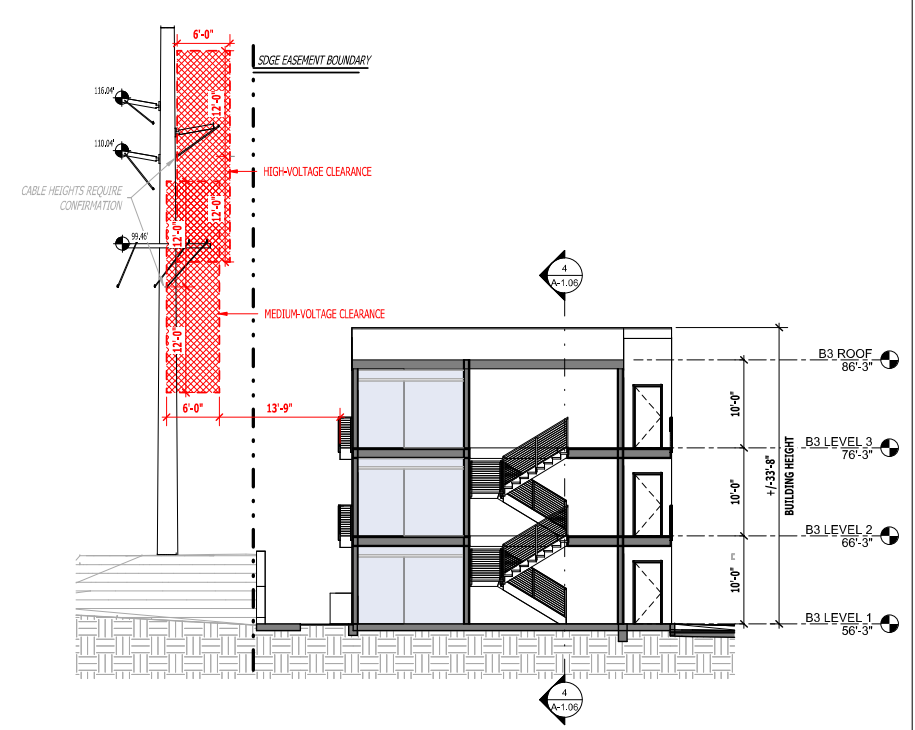
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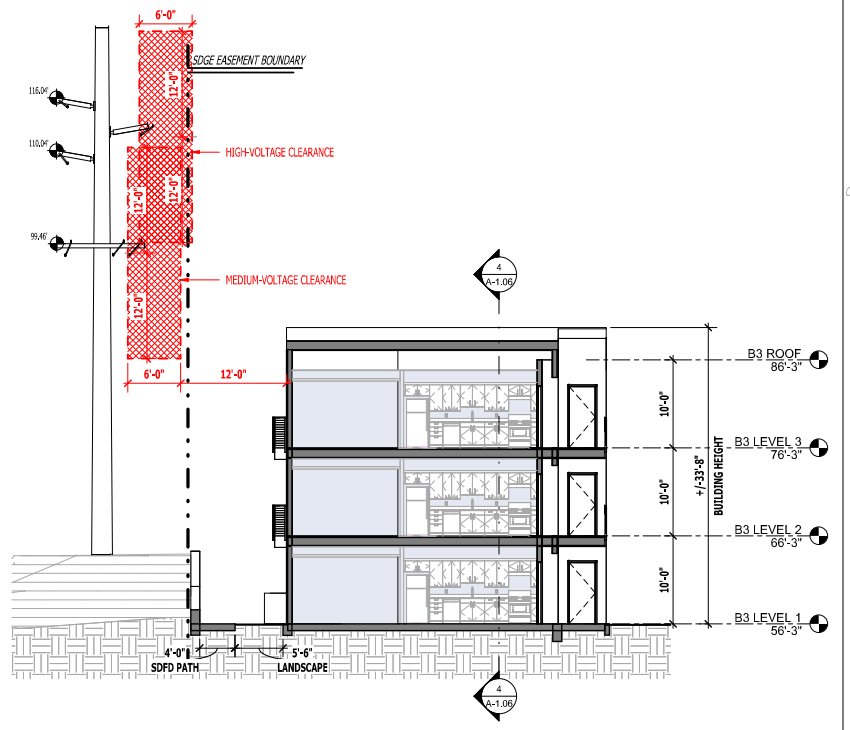
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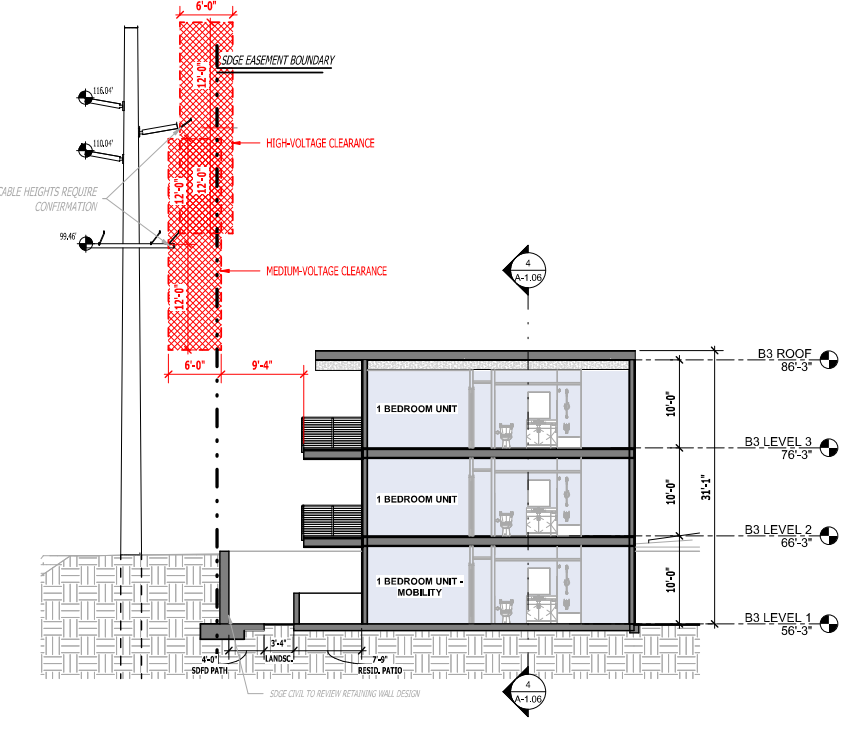
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3 BUILDING 3 - CROSS SECTION @
GRADED AREA
1/8" = 1'-0"



2 BUILDING 3 - CROSS SECTION -
MID-BUILDING
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1 BUILDING 3 - CROSS SECTION @ POLE
1/8" = 1'-0"

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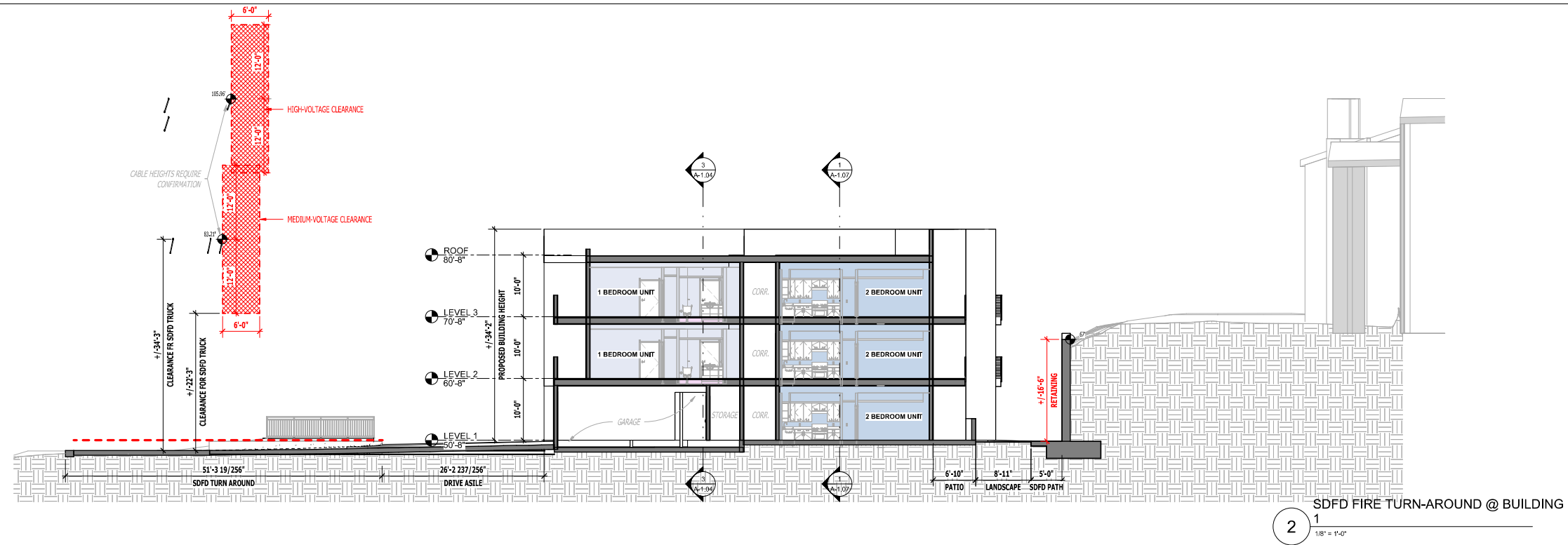
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SUITE 103427
SAN DIEGO, CALIFORNIA 92116

FAMOSA CANYON APARTMENTS

FAMOSA CANYON
SAN DIEGO, CALIFORNIA 92107

Date Issued For

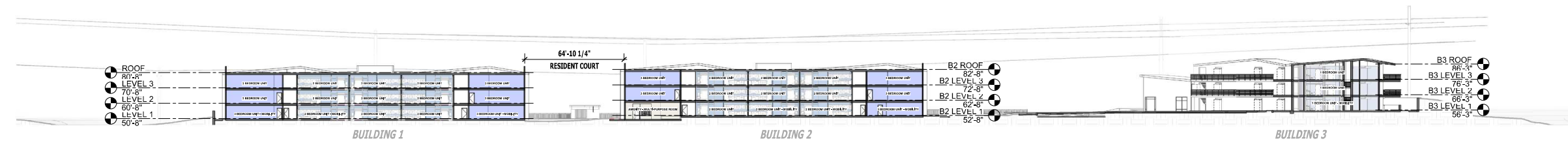


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1 SITE SECTION
1" = 30'-0"