



EXECUTIVE SUMMARY

HOUSING COMMISSION EXECUTIVE SUMMARY SHEET

MEETING DATE: April 6, 2023

HCR23-036

SUBJECT: Loan Recommendation for Modica Apartments

COUNCIL DISTRICT: 2

ORIGINATING DEPARTMENT: Real Estate Division

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

REQUESTED ACTION:

Approve a proposed residual receipts loan in an amount not to exceed \$3,000,000 to Modica Family Apartments CIC, LP, to facilitate the new construction of the Modica Apartments at 5255 Mt. Etna Drive, in the Clairemont neighborhood of San Diego, which will consist of 93 rental housing units that will remain affordable for 55 years; for individuals and families with income of 30 percent to 60 percent of San Diego's Area Median Income; and one unrestricted manager's unit.

EXECUTIVE SUMMARY OF KEY FACTORS:

- Modica Family Apartments is a proposed 93-unit new construction affordable rental housing development on vacant land that is long-term (99 years) leased from the County of San Diego.
- It will include 42 one-bedroom units, 26 two-bedroom units, and 25 three-bedroom units affordable for families with income ranging from 30 percent to 60 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit.
- Modica Family will include 24 units to be set aside for people with a developmental disability.
- The development will be approximately 0.2 mile from the Route 27 bus stop.
- The development site is currently vacant. No relocation is necessary.
- The proposed recommendation would approve a Housing Commission residual receipts loan of up to \$3,000,000 toward this development.
- The Housing Commission's proposed loan is contingent upon the developer receiving all necessary third-party funding commitments, as described in this report.
- The developer is Chelsea Investment Corporation, an award winning, experienced, for-profit.
- In response to the Housing Commission's Fiscal Year 2022 Notice of Funding Availability, Chelsea applied for a loan for the Modica Family development.
- The total development cost is estimated at \$58,165,819 (\$618,785 per unit for 94 units).
- The Housing Commission's proposed \$3,000,000 loan subsidy would be \$31,915 per unit.
- If the Housing Commission Board approves the proposed residual receipts loan, and the developer can obtain third-party necessary funding commitments, then the estimated construction start will be in June 2023 and the estimated construction completion will be in December 2025.



REPORT

DATE ISSUED: March 30, 2023

REPORT NO: HCR23-036

ATTENTION: Chair and Members of the San Diego Housing Commission
For the Agenda of April 6, 2023

SUBJECT: Loan Recommendation for Modica Apartments

COUNCIL DISTRICT: 2

Advance notice of San Diego Housing Commission hearing of the following matter has been provided to the Housing Authority Members pursuant to the provisions of San Diego Municipal Code Section 98.0301(e)(4)(a)(b) for Staff Recommendation No. 1.

REQUESTED ACTION

Approve a proposed residual receipts loan in an amount not to exceed \$3,000,000 to Modica Family Apartments CIC, LP, to facilitate the new construction of the Modica Apartments at 5255 Mt. Etna Drive in the Clairemont neighborhood of San Diego, which will consist of 93 rental housing units that will remain affordable for 55 years for individuals and families with income of 30 percent to 60 percent of San Diego's Area Median Income and one unrestricted manager's unit.

STAFF RECOMMENDATIONS

That the San Diego Housing Commission (Housing Commission) Board of Commissioners (Board) take the following actions:

- 1) Approve a Housing Commission residual receipts loan in an amount not to exceed \$3,000,000 to Modica Family Apartments CIC LP, a California limited partnership, created to finance the proposed new construction of the Modica Apartments (Modica) at 5255 Mt Etna Drive, with 93 rental housing units that will remain affordable for 55 years for individuals and families with income of 30 percent to 60 percent of San Diego's Area Median Income (AMI) and one unrestricted manager's unit.

The Housing Commission's proposed loan will be contingent upon the developer receiving all necessary third-party funding commitments as described in this report. Such third-party funding commitments will be subject to the Housing Commission's General Counsel's approval.

- 2) Authorize the Housing Commission's President and Chief Executive Officer (President & CEO), or designee, to:
 - a. Execute all necessary documents and instruments to effectuate the transaction and implement the project, in a form approved by the General Counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement the approvals upon advice of the General Counsel, provided that a copy of the documents, signed as to form by General Counsel, is submitted to each Housing Commissioner.

- b. Adjust financing terms/conditions, as necessary, for consistency with requirements of other funding sources or to accommodate market changes that may occur, provided that the proposed \$3,000,000 maximum Housing Commission loan amount may not increase.
- c. Substitute approved funding sources with any other available funds as deemed appropriate, contingent upon budget availability, and further authorize the Interim President & CEO, or designee, to take such actions as are necessary, convenient, and/or appropriate to implement this approval and delegation of authority by the Housing Commission upon advice of the General Counsel.

SUMMARY

Table 1 - Development Details

Address	5255 Mt. Etna Drive, San Diego
Council District	2
Community Plan Area	Clairemont Community Planning Group
Developer	Chelsea Investment Corporation (Chelsea)
Development Type	New construction
Construction Type	One level of Type I subterranean parking, with five stories of Type III new construction on top
Parking Type	87 parking spaces (a mixture of on-grade and subterranean parking)
Mass Transit	Bus stop approximately 0.2 mile from the site (Route 27)
Housing Type	Multifamily affordable housing for families
Accessibility	Wheelchair accessibility in 10 percent of the units, and 4 percent of the units accessible to residents with visual and/or hearing impairment.
Lot Size	0.86 acres (37,462 square feet)
Units	94 (93 units restricted/affordable)
Density	109.30 dwelling units per acre (94 units ÷ 0.86 acres = 109.30)
Unit Mix	93 affordable rental units: 42 one-bedroom units, 26 two-bedroom units, 25 three-bedroom units, and one unrestricted two-bedroom manager’s unit.
Gross Building Area	87,773 square feet
Net Rentable Area	65,047 square feet
Affordable Units in Service by Council District	District 2 includes 1,714 affordable rental housing units currently in service, which represents 6.7 percent of the 25,446 affordable rental housing units in service citywide.

The Development

Modica is a proposed 94-unit new construction, family rental housing development. The development is a portion of the developer’s 404-unit Mt. Etna Campus new construction affordable housing. The development will be at 5255 Mt. Etna Drive in San Diego’s Clairemont neighborhood (Attachment 1 – Site Map). Modica will include 42 one-bedroom units, 26 two-bedroom units, 25 three-bedroom units, and one unrestricted manager’s unit. Unit amenities will include: a refrigerator, a stove/oven, a garbage disposal, window coverings, heating, and air conditioning. Site amenities will include: a community center, a courtyard with an outdoor barbecue area and grassy areas. The development will be five stories tall. It will include one level of subterranean parking. Modica will include 24 units (25 percent) of the total 94 housing units) set aside for residents with developmental, disabilities, such as Cerebral Palsy

or Down syndrome, using funding from the State of California's Department of Development Services Community Resource Development Plan (DDS CRDP).

Resident Services

A wide array of services will be available at no cost to Modica residents, including after-school programs, instructor-led adult education and skill-building classes that will incorporate computer literacy, art, job counseling, financial literacy and health/wellness classes. The nonprofit Serving Seniors San Diego will be Modica's Service Provider.

Developer's Request

In response to the Housing Commission's Fiscal Year 2022 Notice of Funding Availability (NOFA), Chelsea Investment Corporation (Chelsea) applied for a loan for the Modica development. On January 21, 2022, Housing Commission staff provided a preliminary recommendation of award for a residual receipts loan of up to \$3,000,000 for the Modica development, subject to Housing Commission Board approval.

The Property

The subject property, to be located at 5255 Mt. Etna Drive, is the site of the former Clairemont Hospital, which later became the Sheriff's Crime Lab property. The property is 0.86 acres owned by the County of San Diego. It is now vacant, and former structures have been demolished. No relocation is necessary. Modica will utilize a 99-year ground lease agreement between the County of San Diego and Chelsea. The County and Chelsea have entered into a Disposition and Development Agreement for Chelsea to complete a larger development containing four separate new construction developments on the 5255 Mt. Etna Drive site. The Modica development represents one of Mt. Etna's four developments. Chelsea proposes to develop it as a community where 100 percent of the homes are for lower- and moderate-income families earning up to 80 percent of AMI, with 24 units to be set aside for people with a developmental disability. On-site resident services would be provided by Chelsea's nonprofit partner, Serving Seniors San Diego. The property is near the intersection of Genesee Avenue and Balboa Avenue. The area has shopping (Target and Home Depot), restaurants, and other commercial uses. The site is accessible to public transportation, employment and medical services. Metropolitan Transit System (MTS) bus service is available within approximately one-fifth of a mile from the property.

Appraisal

A June 2022 appraisal of the subject site, conducted by Kinetic Valuation Group, valued the property at \$8,650,000.

Prevailing Wages

The proposed development is not subject to payment of federal prevailing wages as the proposed use of federal HOME Investment Partnerships Program (HOME) funds is below the 12- unit federal threshold and will not require federal prevailing wages. The development is also not subject to California state prevailing wages as the developer is not proposing to use California state financing that requires payment of such wages.

Project Sustainability

The development will comply with the California Tax Credit Allocation Committee (CTCAC) energy efficiency standards. Its features will include Energy Star-rated efficient appliances. It will be designed

to achieve a Green Point certification. Green Point is a program of Build It Green, a nonprofit organization promoting healthy, energy- and resource-efficient buildings in California. Green Point scores and rates housing in five categories, including energy and water conservation, indoor air quality, sustainable building materials, and community benefits. Water conservation will be promoted via low-water-use fixtures in kitchens and bathrooms, low-flow toilets, and low-water-use native-plants landscaping with water-efficient irrigation controls.

Accessibility

The HOME Investment Partnerships Program (HOME) will be used in the financing of the development. HOME requires wheelchair accessibility in 10 percent of the units, with 4 percent of the units accessible to residents with visual and/or hearing impairment. The same units can satisfy both of these accessibility requirements.

Relocation

The property is vacant. No relocation is necessary.

Development Team

Chelsea, an award-winning for-profit corporation, headquartered in Carlsbad, California, will lead the development team. In 2021, Affordable Housing Finance magazine ranked Chelsea as the largest California-based affordable housing developer. Since 1995, Chelsea and its affiliates have developed approximately 15,000 affordable homes in four states. Chelsea has substantial development experience in a wide range of housing developments. Along with its affiliates, Chelsea provides financial, engineering, development, asset management, construction and property management services. Chelsea has developed multiple affordable rental housing developments in San Diego using Housing Commission loan funds. Chelsea is in full compliance on its previous Housing Commission-funded loans. Based upon the developer’s past experience and performance, Housing Commission staff has determined that the developer has the capacity to successfully complete the proposed project.

Modica will be owned by Modica Family Apartments CIC, a California limited partnership (a single-asset limited partnership) (Attachment 2 – Organization Chart).

Table 2 Development Team Summary

ROLE	FIRM/CONTACT
Developer	Chelsea Investment Corporation
Owner/Borrower	Modica Family Apartments CIC LP
Managing General Partner	Southern California Housing Collaborative
Administrative General Partner	CIC Modica Family Apartments LLC
Architect	The McKinley Associates
General Contractor	Emmerson Construction
Property Management	Hyder & Company
Construction and Permanent Lender	Citibank
Tenant Services Providers	Serving Seniors

Property Management

Modica will be managed by Hyder & Company (Hyder). Since 1973, Hyder has implemented a wide range of federal and state housing programs to manage affordable communities. Hyder now manages over 131 properties, with approximately 8,643 households served. It is experienced in property management, marketing, leasing, maintenance, renovations and tax credit developments. Chelsea’s Asset Management Department will oversee Hyder.

FINANCING STRUCTURE

Modica has an estimated total development cost of \$58,165,819 (\$618,785/unit). Financing will include a combination of sources as described in Table 3. The developer’s pro forma is included as Attachment 3 and is summarized below.

Table 3 – Modica Estimated Permanent Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
CalHFA bond financed permanent loan	\$12,580,000	Land value payment	\$8,650,000	\$92,021
State of California Low Income Housing Tax Credits	5,724,600	Construction costs \$31,616,228 Contingency +1,584,535 Total construction 33,200,763	33,200,763	353,200
Acquisition value contribution	8,650,000	Financing costs	4,925,523	52,399
Housing Commission proposed loan	3,000,000	Other soft costs	2,725,263	28,992
Deferred developer’s fee	3,515,034	Permits and fees	2,333,105	24,820
DDS CRDP financing	2,800,000	Developer’s fee	5,563,106	59,182
Federal four percent tax credits equity	21,896,185	Reserves	339,816	3,615
		Contingency	428,243	4,556
Total Development Cost	\$58,165,819	Total Development Cost (TDC)	\$58,165,819	\$618,785

The Housing Commission’s proposed \$3,000,000 residual receipts loan may be partly funded with:
 a) the City of San Diego Affordable Housing Fund (Inclusionary Housing funds and the Housing Trust Fund) and U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) funds, which the Housing Commission administers. There will be 11 total HOME restricted units. The total amount of Housing Commission funding sources shall not exceed \$3,000,000. A final determination of Housing Commission funding sources will be made by the Housing Commission’s President & CEO, or designee, contingent upon budget availability. The proposed loan terms are summarized in Attachment 4.

The Housing Commission requires affordable housing developers to pursue all viable sources of funding to reduce the financing gap and amount of Housing Commission subsidy required. If other funding is secured, such proceeds will first be used to make an adjustment to reduce the Housing Commission’s loan.

Developers’ Fee

\$ 5,563,106 - Gross developer’s fee
~~- 3,515,034~~ - Minus deferred developer’s fee
 \$ 2,048,072 - Net cash developer’s fee

On April 25, 2017, the Housing Authority approved the “Request for Approval of Updated Developer Fees” (HAR17-011). That report approved certain developer fee guidelines for multifamily loans and bonds issuances. That report at its Attachment 1 states: “Developer fee for 4% tax credits: in project costs 15% of eligible basis....” For this development the developer is proposing a \$5,563,106 total

developer fee, which complies with HAR17-011. The net cash developer fee shall be \$2,048,072 provided, however, that in the event financing terms or construction costs change and result in a financing gap, the developer may defer additional developer fee. The fee proposed is consistent with the Request for Approval of Updated Developer Fees (HAR17-011) approved by the Housing Authority on April 25, 2017.

Development Cost Key Performance Indicators

Housing Commission staff has identified development cost performance indicators, which were used to evaluate the proposed development and make a funding recommendation. The key performance indicators listed in Table 4 are commonly used by real estate industry professionals and affordable housing developers.

Table 4 – Modica Key Performance Indicators

Development Cost Per Unit	\$58,165,819 ÷ 94 units =	\$618,785
Housing Commission Subsidy Per Unit	\$3,000,000 ÷ 94 units =	\$31,915
Land Cost Per Unit	\$8,650,000 ÷ 94 units =	\$92,021
Gross Building Square Foot Hard Cost	\$33,200,763 ÷ 87,773 sq. ft. =	\$378
Net Rentable Square Foot Hard Cost	\$33,200,763 ÷ 65,047 sq. ft. =	\$510

Project Comparison Chart

Multiple factors and variables influence the cost of developing multifamily affordable housing, including but not limited to project location, site conditions, environmental factors, land use approval process, community involvement, construction type, design requirements/constraints, economies of scale, City fees, developer experience and capacity, and the mission and goals of the organization developing the project. Similar construction-type developments (completed or approved) over recent years are listed in Table 5.

These developments are similar in terms of new construction, target population, and construction type and are provided as a comparison to the subject development.

Table 5 – Comparable Development Projects

New Construction Project Name	Year	Units	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Square Feet
Proposed Subject Modica	2023	94	\$58,165,819 (w/o prevailing wage)	\$618,785	\$31,915	\$378
Navajo Family	2022	45	\$25,674,369 (w/o prev. wage)	\$570,542	\$75,093	\$291
Merge 56 Affordable	2022	47	\$29,566,248 (w/o prev. wage)	\$629,069	\$0	\$271
ShoreLINE	2021	126	\$62,703,426 (with prev. wage)	\$497,646	\$0	\$310

Modica’s cost per unit is higher than is typical of multifamily rental housing because of various factors, including: this development has a subterranean parking level; o; the contributed developer fee is included in total development cost; this is a large vacant site that will generate high costs for needed site

work and to meet City of San Diego’s storm water requirements; necessary construction labor is becoming scarce; and higher inflation costs are significantly increasing the cost of construction building materials.

MUTLIFAMILY HOUSING REVENUE BONDS ISSUANCE

California Housing Finance Agency (CalHFA) will be the tax-exempt bonds issuer for Modica instead of the Housing Authority of the City of San Diego, as the project applied and was awarded recycled bonds. On October 5, 2021, the Housing Commission received authorization to enter into a Memorandum of Understanding between City of San Diego, the Housing Commission, the Housing Authority and CalHFA to participate in a tax-exempt bond recycling program. The developer applied through CalHFA as bond issuer as the project proposed recycled bonds and was ultimately awarded on November 30, 2022.

AFFORDABLE HOUSING IMPACT

Affordability

The Modica development will be subject to Housing Commission Declaration of Covenants and Restrictions which will restrict affordability of 93 units for 55 years. The rent and occupancy restrictions required by the Housing Commission will apply during the 55-year term of their applicability.

Table 6 – Modica Affordability and Monthly Estimated Rent Table

Unit Type	2023 San Diego Median Income AMI	Units	CTCAC Gross Rents
One bedroom	30% (currently \$31,250 for a two-person household)	10	\$732
One bedroom	50% (currently \$52,050 for a two-person household)	12	\$1,220
One bedroom	60% (currently \$62,460 for a two-person household)	20	\$1,464
Subtotal One Bedroom Units	--	42	--
Two bedrooms	30% (currently \$35,150 for a three-person household)	6	\$878
Two bedrooms	50% (currently \$58,550 for a three-person household)	8	\$1,463
Two bedrooms	60% (currently \$70,260 for a three-person household)	12	\$1,756
Subtotal Two Bedroom Units	--	26	--
Three bedrooms	30% (currently \$39,050 for a four-person household)	6	\$1,015
Three bedrooms	50% (currently \$65,050 for a four-person household)	7	\$1,691
Three bedrooms	60% (currently \$78,060 for a four-person household)	12	\$2,030
Subtotal Three Bedroom Units	--	25	--
Subtotal Affordable Units	--	93	--

Manager’s two bedrooms unit	unrestricted unit	1	n/a
Total Units	--	94	--

FISCAL CONSIDERATIONS

The funding sources and uses approved by this proposed action are included in the Fiscal Year (FY) 2023 Housing Commission Budget.

Estimated funding sources approved by this action will be as follows:

- Housing Commission loan funds – up to \$3,000,000
- Total Funding Sources – up to \$3,000,000

Estimated funding uses approved by this action will be as follows:

- Loans – up to \$3,000,000
- Total Funding Uses – up to \$3,000,000

Approving this action will further grant the President & CEO, or designee, the authority to substitute the above funding sources with other available funding sources so long as the total Housing Commission loan amount does not exceed the approved total loan amount, should the operational need arise or should such actions be to the benefit of the Housing Commission.

Estimated Development Schedule

The estimated development timeline is as follows:

Milestones	Estimated Dates
<ul style="list-style-type: none"> • Estimated escrow/loan closing • Estimated start of construction work • Estimated completion of construction work 	<ul style="list-style-type: none"> • June 2023 • June 2023 • December 2025

EQUAL OPPORTUNITY CONTRACTING AND EQUITY ASSURANCE

Chelsea Investment Corporation is committed to advancing equity and inclusion throughout the development and operation of the project. The Housing Commission included a requirement in the NOFA for prospective applicants to include a narrative and specific examples of activities and initiatives that support equity assurance. Chelsea demonstrates a commitment to this effort by continuing to use the Global Diversity, Equity & Inclusion Benchmarks (GDEIB) assessment checklist to assess current racial equity and inclusion efforts and ensure that REI policies, initiatives, and practices are intentionally imbedded in all that they do.

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.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

The proposed development is in the Clairemont neighborhood. The Modica development was presented as an informational item to the Clairemont Community Planning Group on December 3, 2019. The

developer reports that on August 31, 2021, updated project information was presented to the community at a virtual informational session. There was no opposition to the development at that meeting.

KEY STAKEHOLDERS & PROJECTED IMPACTS

Stakeholders include Chelsea as the developer, the Housing Commission as a proposed lender, the County of San Diego as the property's lessor, CalHFA as the bond issuer, and the Clairemont neighborhood. The Modica development is anticipated to have a positive impact on the community as it will contribute to the quality of the surrounding neighborhood, contribute to a better quality of life for the tenants, and create 93 affordable rental homes for low-income families.

STATEMENT for PUBLIC DISCLOSURE

The developer's Disclosure Statement is at Attachment 5.

ENVIRONMENTAL REVIEW

California Environmental Quality Act

On January 14, 2020, the County of San Diego, as the Lead Agency, certified EIR (SCH No. 2018091016) for the Mount Etna Community Plan Amendment and Rezone project, and adopted a Mitigation, Monitoring, and Reporting Program. Pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15096, the City, as a Responsible Agency, considered the EIR (SCH No. 2018091061). City staff determined that the plan amendments, code amendments, and rezone are covered by EIR SCH No. 2018091016 in accordance with CEQA Guidelines Section 15162 (a): 1) No substantial changes are proposed in the project which would require major revisions of the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; (2) No substantial changes have occurred with respect to the circumstances under which the project is undertaken which would require major revisions to the previous EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and (3) There is no new information of substantial importance, which was not known and could not have been known with the exercise of reasonable diligence at the time the previous EIR was certified, that shows any of the circumstances described in CEQA Guidelines 15162(3)(A) - (D). Therefore, no subsequent environmental document is required, in that no new additional impacts and/or mitigation measures are required beyond those that were analyzed in the original environmental document. All of the impacts were adequately addressed and disclosed in the previously certified EIR.

National Environmental Policy Act

Federal funds constitute a portion of the funding for this project. A final reservation of federal funds shall occur only upon satisfactory completion of the environmental review and receipt by the City of San Diego of a release of funds from HUD under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). The parties agree that the provision of any federal funds to the project is conditioned upon the City of San Diego's determination to proceed with, modify, or cancel the project based upon the results of a subsequent environmental review under NEPA. Final authorization to utilize federal funds is expected to be received from HUD prior to the June 2023 construction commencement timeline.

Respectfully submitted,

Jennifer Kreutter

Jennifer Kreutter
Vice President, Multifamily Housing Finance
Real Estate Division

Approved by,

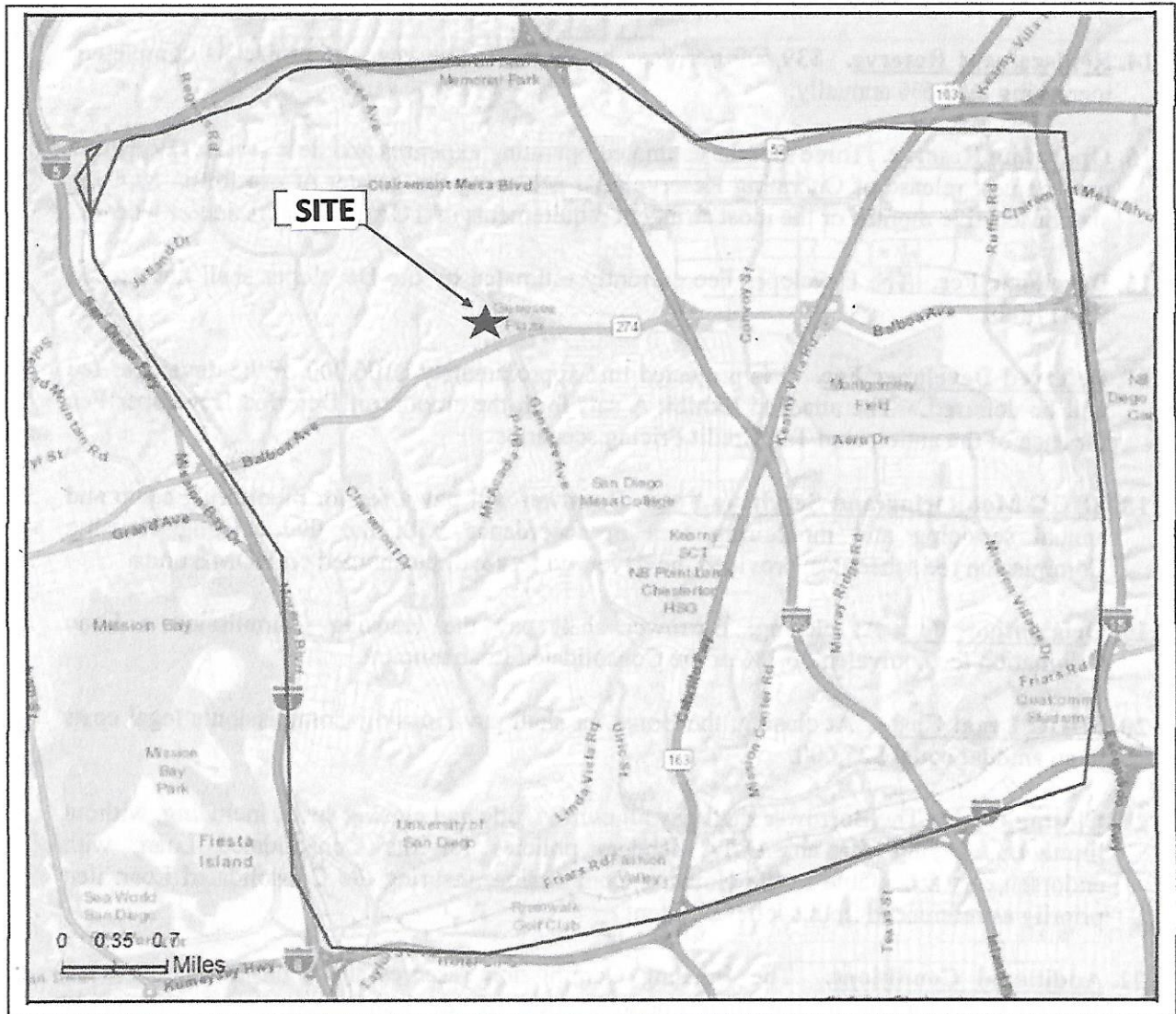
Jeff Davis

Jeff Davis
Interim President and Chief Executive Officer
San Diego Housing Commission

Attachments: 1. Site Map
2. Organization Chart
3. Developer's Project Pro Forma
4. Proposed Loan Terms
5. Developer's Disclosure Statement

Docket materials are available in the "Governance & Legislative Affairs section of the San Diego Housing Commission website at www.sdhc.org.

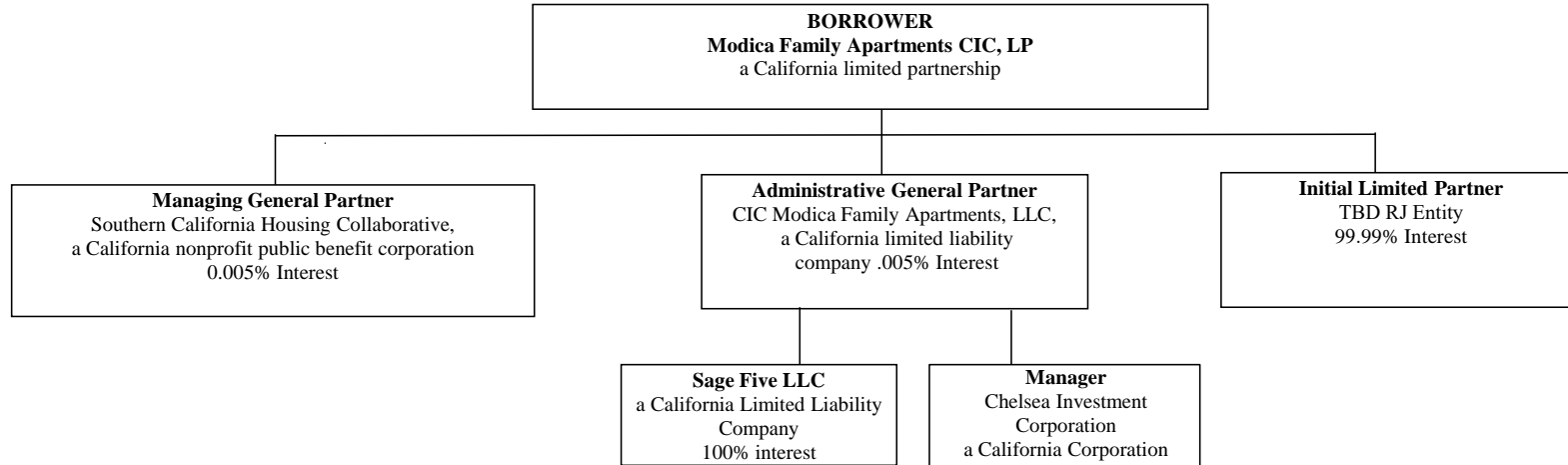
ATTACHMENT 1 – SITE MAP



ATTACHMENT 2 - ORGANIZATION CHART

MODICA FAMILY APARTMENTS CIC, LP

MT. ETNA - MODICA 94 UNIT



PROJECT SUMMARY

Modica

Revision Date: 2/6/2023

ATTACHMENT 3 - DEVELOPER'S PROJECT PRO FORMA

SOURCES AND USES SUMMARY

Development Costs		
Acquisition		
Land Value payment	\$0/unit	0
Estimated remainder Land Value	\$92,021/unit	8,650,000
Basis Eligible Acquisition Cost	\$0/unit	0
Subtotal Acquisition	\$92,021/unit	8,650,000
Hard Costs		
Design Assist	\$0/unit	0
Offsites	\$0/unit	0
Sitework	\$0/unit	0
Parking	\$48,995/unit	4,605,485
Vertical	\$238,875/unit	22,454,250
GC Contingency	\$14,393/unit	1,352,987
Overhead, Profit, General Conditions	\$34,080/unit	3,203,506
Owner Contingency	\$16,857/unit	1,584,535
Subtotal Hard Costs	\$353,200/unit	33,200,762
Soft Costs		
A&E	\$7,863/unit	739,092
Financing Fees and Interest	\$52,399/unit	4,925,523
Legal Fees	\$4,324/unit	406,500
Reserves	\$3,615/unit	339,816
Development Impact and Permit Fees	\$24,820/unit	2,333,105
Developer Fee	\$59,182/unit	5,563,106
Misc (Acctg, Marketing, Reports, Studies, Etc)	\$16,805/unit	1,579,672
Contingency	\$4,556/unit	428,243
Subtotal Soft Costs	\$173,564/unit	16,315,057
Total Development Costs	\$618,785/unit	58,165,819
Cash Developer Fee Sources		
Federal LIHTC Equity	38%	21,896,185
State LIHTC Equity	10%	5,724,600
C Bond	0%	0
Perm Loan (Tranche A)	22%	12,580,000
Acquisition Value Contribution	15%	8,650,000
Deferred Developer Fee	6%	3,515,034
Subordinate Deferred Developer fee	0%	0
SDHC	5%	3,000,000
DDS CRDP Financing	5%	2,800,000
Other	0%	0
Total Development Sources	100%	58,165,819

FINANCING ASSUMPTIONS

Equity				
	Closing	Completion	Conversion	8,609
Equity Pay In	15%	65%	19%	1%
Federal Tax Credit Price				\$ 0.8900
State Tax Credit Price				\$ 0.8700
Solar Tax Credit Price				\$ -
LIHTC Credit Rate				4.00%
LP Interest				99.99%
10 Yr Federal Tax Credits				24,604,915
3 Yr State Credits				6,580,000
Solar Credits				0
Debt				
Opr. Exp./Unit/Year				5,391
Replacement Reserves/Unit				250
Vacancy Rate				5.00%
DCR				1.15
Perm Loan Amort				40
Interest Rate - Permanent Loan (18yr Libor + 2.1 + .25% cushion)				5.79%
Interest Rate - Construction Loan (SOFR+ 175 + 125 cushion)				7.56%
Tax- Exempt Bonds - Construction/Perm				12,580,000
Tax- Exempt Bonds - Construction				16,620,000
C bond				0
Recycled bonds construction				4,413,598
Total Construction Loan				33,613,598
Total Tax Exempt Bonds				29,200,000
Tax Credit Considerations				
DDA/QCT Boost	DDA	Tract #: 85.04		yes
Rural Designation				none
50% Test/bond allocation	\$	29,200,000		52.17%
Bond Inducement amount	\$	33,440,000		59.75%
Housing Set Aside				Family
Prevailing Wage (State, Federal, Both):				none
Opportunity Map 2022				High

PRELIM DEVELOPMENT PROGRAMMING SUMMARY

City:	San Diego
MSA:	San Diego
4 Person 50% AMI:	\$60,600
Site (acres):	0.860
Construction Type:	
No. of Stories:	5
Parking Type:	TBD
No. of Stalls:	
Extraordinary Cond:	
Impact Fees per Unit:	19,714
Financing Sources:	TE bonds, federal, SDHC

PROJECT UNIT & INCOME MIX

AMI	Studio	1BR	2BR	3BR	Totals
Sq. Ft.		550	707	925	65,314
UA		\$85.00	\$114.00	\$145.00	
100%	0	0	0	0	0
80%	0	0	0	0	0
60%	0	20	12	12	44
50%	0	12	8	7	27
40%	0	0	0	0	0
30%	0	10	6	6	22
Mgr.	0	0	1	0	1
Totals	0	42	27	25	94

PROJECT TIMING

Tax Credit Allocation	11/1/22
Closing	6/1/23
Construction Complete	12/1/25
Lease Up Complete	3/1/26
Conversion/Stabilization	6/1/26
8609	12/1/26

PROJECTED SOURCES AND USES OF FUNDS

Modica
2/6/2023

		Pre-Dev	Close	Construction Period										Construction Subtotal	Completion Pay Down	Stabilization 6 months	Conversion	8609	Total
				5.0%	5.0%	10.0%	10.0%	15.0%	15.0%	15.0%	10.0%	10.0%	5.0%						
SOURCES OF FUNDS																			
1	Federal LIHTC Equity	0	3,284,428	-	-	-	-	-	-	-	-	-	-	3,284,428	14,232,520		4,129,237	250,000	21,896,185
2	State LIHTC Equity		858,690	-	-	-	-	-	-	-	-	-	-	858,690	3,720,990		1,144,920	-	5,724,600
3	Solar Equity		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
4	Solar Rebates		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
5	Construction Loan	2,028,298	1,095,288	-	-	1,072,267	3,523,217	5,230,694	4,880,246	5,641,857	3,870,407	3,943,016	2,328,306	33,613,598	(17,953,510)	794,675	(16,454,762)	-	-
6	Perm Loan (Tranche A)		-	-	-	-	-	-	-	-	-	-	-	-	-		12,580,000	-	12,580,000
7	Permanent Loan (Tranche B)		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
8	Deferred Developer Fee		-	-	-	-	-	-	-	-	-	-	-	-	-		3,515,034	-	3,515,034
9	C Bond	0	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
10	Acquisition Value Contribution		8,650,000	-	-	-	-	-	-	-	-	-	-	8,650,000	-	-	-	-	8,650,000
11	Developer fee contribution		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
12	SDHC		-	2,250,000	-	-	-	450,000	-	-	-	-	-	2,700,000	-	-	300,000	-	3,000,000
13	GAP		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
14	CRDP		-	2,800,000	-	-	-	-	-	-	-	-	-	2,800,000	-	-	-	-	2,800,000
22	Total Sources of Funds	2,028,298	13,888,406	5,050,000	-	1,072,267	3,523,217	5,230,694	5,330,246	5,641,857	3,870,407	3,943,016	2,328,306	51,906,715	-	794,675	5,214,429	250,000	58,165,819
USES OF FUNDS																			
ACQUISITION																			
27	Land Value payment		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
28	Estimated remainder Land Value	92,021	8,650,000	-	-	-	-	-	-	-	-	-	-	8,650,000	-	-	-	-	8,650,000
29	Legal & Carrying Costs		35,628	-	-	-	-	-	-	-	-	-	-	35,628	-	-	-	-	35,628
30	Demolition		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
32	Basis Eligible Acquisition Cost	0	-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
33	Other: Closing Costs		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
34	Total Land / Acquisiton	35,628	8,650,000	-	-	-	-	-	-	-	-	-	-	8,685,628	-	-	-	-	8,685,628
RELOCATION																			
48	Relocation Admin		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
50	Permanent Relocation Expense		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
51	Total Relocation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NEW CONSTRUCTION																			
58	Site Work			230,274	230,274	460,549	460,549	690,823	690,823	690,823	460,549	460,549	230,274	4,605,485	-	-	-	-	4,605,485
59	Vertical		677,209	445,504	1,122,713	2,245,425	2,245,425	3,368,138	3,368,138	3,368,138	2,245,425	2,245,425	1,122,713	22,454,250	-	-	-	-	22,454,250
60	GC Contingency		33,860	33,789	67,649	135,299	135,299	202,948	202,948	202,948	135,299	135,299	67,649	1,352,987	-	-	-	-	1,352,987
61	General Requirements		27,088	28,383	56,825	113,651	113,651	170,476	170,476	170,476	113,651	113,651	56,825	1,135,154	-	-	-	-	1,135,154
63	Contractor Profit		51,671	51,656	103,422	206,845	206,845	310,267	310,267	310,267	206,845	206,845	103,422	2,068,351	-	-	-	-	2,068,351
64	Preconstruction Services		22,145	864,292	-	-	-	-	-	-	-	-	-	886,436	-	-	-	-	886,436
65	Other:		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
66	Total New Construction	811,973	864,292	789,606	1,580,884	3,161,768	3,161,768	4,742,652	4,742,652	4,742,652	3,161,768	3,161,768	1,580,884	32,502,664	-	-	-	-	32,502,664
67																			
ARCHITECTURAL																			
69	Building		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
70	Landscape/Other		94,750	7,000	413	413	825	825	1,238	1,238	1,238	825	1,500	750	111,013	-	-	-	111,013
75	Total Architectural	94,750	7,000	413	413	825	825	1,238	1,238	1,238	825	1,500	750	111,013	-	-	-	-	111,013
SURVEY & ENGINEERING																			
78	All Civil		337,890	26,970	12,007	12,007	24,014	24,014	36,021	36,021	36,021	24,014	39,400	19,700	628,079	-	-	-	628,079
85	other		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
86	Total Survey & Engineering	337,890	26,970	12,007	12,007	24,014	24,014	36,021	36,021	36,021	24,014	39,400	19,700	628,079	-	-	-	-	628,079
CONTINGENCY COSTS																			
89	Hard Cost Contingency		43,215	39,480	79,044	158,088	158,088	237,133	237,133	237,133	158,088	158,088	79,044	1,584,535	-	-	-	-	1,584,535
90	Soft Cost Contingency		101,224	109,712	26,831	33,857	31,669	34,924	7,308	10,208	19,284	15,610	18,150	19,467	428,243	-	-	-	428,243
91	Total Contingency	101,224	152,927	66,311	112,901	189,757	193,012	244,441	247,340	256,416	173,699	176,239	98,512	2,012,778	-	-	-	-	2,012,778
CONSTRUCTION PERIOD EXPENSES																			
94	Construction Loan Interest		-	59,036	59,036	65,791	101,498	178,844	275,496	372,531	468,002	541,610	605,960	2,727,804	-	717,575	0	-	3,445,378
95	C bond	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-
96	Soft Loan Interest		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
97	Origination/Processing Fee		156,601	-	-	-	-	-	-	-	-	-	-	156,601	-	-	-	-	156,601
98	Credit Enhancement & Application Fee		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
99	Owner Paid Bonds		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
100	Lender Inspection Fees		-	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	75,000	-	-	-	-	75,000
101	Taxes During Construction		35,000	-	-	-	-	-	-	-	-	-	-	35,000	-	-	-	-	35,000
102	Other: Application fee		-	-	-	-	-	-	-	-	-	-	-	-	-		-	-	-
103	Insurance During Construction		300,000	-	-	-	-	-	-	-	-	-	-	300,000	-	-	-	-	300,000
104	Title and Recording Fees		25,000	-	-	-	-	-	-	-	-	-	-	25,000	-	-	-	-	25,000
105	SD Labor compliance		204,920	-	-	-	-	-	-	-	-	-	-	204,920	-	-	-	-	204,920
106	Predevelopment Loan Interest	0	145,224	-	-	-	-	-	-	-	-	-	-	145,224	-	-	-	-	145,224
107	Other: Lender Due Diligence	25,000	-	-	-	-	-	-	-	-	-	-	-	25,000	-	-	-	-	25,000

PROJECTED SOURCES AND USES OF FUNDS

Modica
2/6/2023

		Pre-Dev	Close	Construction Period										Construction Subtotal	Completion Pay Down	Stabilization 6 months	Conversion	8609	Total	
				5.0%	5.0%	10.0%	10.0%	15.0%	15.0%	15.0%	15.0%	10.0%	10.0%	5.0%						
108	Entitlement, Permit, Financial Application, CM fees		200,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	350,000		-	-	-	350,000
109	Total Construction Period Expense	25,000	1,066,745	81,536	81,536	88,291	123,998	201,344	297,996	395,031	490,502	564,110	628,460	4,044,548		717,575	-	-	4,762,123	
110																				
111	PERMANENT FINANCING EXPENSES																			
112	Loan Origination Fees	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	10,000
113	Junior Bond Fee + \$30k DD	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0	-	-
114	Title and Recording Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,000	-	5,000
115	Property Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
116	Insurance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
117	Other: Issuer Fee	0.050%	15,000	52,100	-	-	14,600	-	-	-	14,600	-	-	-	96,300	52,100	-	-	148,400	
118	Other:		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
119	Total Permanent Financing	15,000	52,100	-	-	-	14,600	-	-	-	14,600	-	-	-	96,300	52,100	15,000	-	163,400	
120																				
121	LEGAL FEES																			
122	Construction Lender Legal		81,500	-	-	-	-	-	-	-	-	-	-	-	81,500	-	-	-	81,500	
123	Permanent Lender Legal		-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,000	-	45,000	
124	Sponsor Legal	30,000	60,000	-	-	-	-	-	-	-	-	-	-	-	90,000	-	-	-	90,000	
125	Organizational Legal		50,000	-	-	-	-	-	-	-	-	-	-	-	50,000	-	-	-	50,000	
126	Other Legal (Issuer Legal, Bond Counsel)		50,000	-	-	-	-	-	-	-	-	-	-	-	50,000	-	-	-	50,000	
127	Other: Issuer FA		75,000	-	-	-	-	-	-	-	-	-	-	-	75,000	-	-	-	75,000	
128	Other: GP Legal		15,000	-	-	-	-	-	-	-	-	-	-	-	15,000	-	-	-	15,000	
129	Total Legal Fees	30,000	331,500	-	-	-	-	-	-	-	-	-	-	-	361,500	-	45,000	-	406,500	
130																				
131	CAPITALIZED RESERVES																			
132	Operating Reserve	3 months	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	339,816	-	339,816
133	Replacement Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
134	Rent-up Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
135	Transition Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
136	Other: Prepaid HOA		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
137	Other: Capitalized LP Fee		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
138	Total Reserves	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	339,816	-	339,816	
139																				
140	REPORTS & STUDIES																			
141	Market Study	6,500	-	-	-	-	-	-	-	-	-	-	-	-	6,500	-	-	-	6,500	
142	Relocation Plan & consulting		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
143	Appraisal	10,000	-	-	-	-	-	-	-	-	-	-	-	-	10,000	-	-	-	10,000	
144	Environmental	53,500	-	-	-	-	-	-	-	-	-	-	-	-	53,500	-	-	-	53,500	
145	Other: Lender Deposit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
146	Other: Investor Deposit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
149	Total Reports & Studies	70,000	-	-	-	-	-	-	-	-	-	-	-	-	70,000	-	-	-	70,000	
150																				
151	OTHER																			
152	TCAC App./Alloc/Monitoring Fees	51,210	-	-	-	-	-	-	-	-	-	-	-	-	51,210	-	13,525	-	64,735	
153	CDLAC/CDIAC Fees	9,873	-	-	-	-	-	-	-	-	-	-	-	-	9,873	-	-	-	9,873	
154	Local Permit Fees	\$5,106/unit	260,750	219,250	-	-	-	-	-	-	-	-	-	-	480,000	-	-	-	480,000	
155	Local Development Impact Fees	\$19,714/unit	1,853,105	-	-	-	-	-	-	-	-	-	-	-	1,853,105	-	-	-	1,853,105	
156	School Fees		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
157	Financial Consultant	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
158	Syndicator/Investor Fees & Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
159	Furnishings		-	-	-	-	-	-	100,000	-	-	-	-	-	100,000	-	-	-	100,000	
160	Final Cost Audit Expense		-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,000	-	15,000	
161	Marketing	60,000	-	5,000	-	-	-	-	-	105,500	-	-	-	-	170,500	10,000	-	-	180,500	
162	MGP Services Fee		50,000	-	-	-	-	-	-	-	-	-	-	-	50,000	-	-	-	50,000	
163	SDHC Ap, Orig, Servicing, Legal, Const Review		87,500	-	-	-	-	-	-	-	-	-	-	-	87,500	-	-	-	87,500	
164	Accounting/Finance/Admin	25,000	15,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	-	-	80,000	-	-	-	80,000		
165	Entitlement Consultant	0	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
166	Bond Performance Deposit	100,000	-	-	-	(100,000)	-	-	-	-	-	-	-	-	-	-	-	-	-	
167	Total Other Costs	506,833	2,224,855	10,000	5,000	(95,000)	5,000	5,000	5,000	210,500	5,000	-	-	2,882,188	-	25,000	13,525	-	2,920,713	
168																				
169	DEVELOPER COSTS																			
170	Developer Fee		512,018	-	-	-	-	-	-	-	-	-	-	512,018	-	-	4,801,088	250,000	5,563,106	
177	Total Developer Costs	-	512,018	-	-	-	-	-	-	-	-	-	-	512,018	-	-	4,801,088	250,000	5,563,106	
178																				
179																				
180	Total Uses of Funds	2,028,298	13,888,406	959,872	1,792,740	3,369,655	3,523,217	5,230,694	5,330,246	5,641,857	3,870,407	3,943,016	2,328,306	51,906,715	-	794,675	5,214,429	250,000	58,165,819	
181	Net Source & Use		-	4,090,128	(1,792,740)	(2,297,388)	-	-	-	-	-	-	-	-	-	-	-	-	-	
182	Distributions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
183	Balance of Funds	-	-	4,090,128	2,297,388	-	2,297,388	-	2,297,388	-	2,297,388	-	2,297,388	-	-	-	-	-	-	

OPERATING BUDGET & INCOME ANALYSIS

Modica

Year	2022
MSA	San Diego
4 Person 50% AMI	\$60,600

2023 Estimated rents SDHC 2022

Rent:	Restriction	%AMI	Units	Square Feet/Unit	Total Sq. Ft.	Gross Rents	Utility Allowance	Monthly Net Rent	Annual Rent
1BR/1BA	FMR	100%	0	550	0	\$ -	\$ 85.00	\$ -	\$ -
1BR/1BA	LIHTC	80%	0	550	0	\$ 2,098	\$ 85.00	\$ 2,013	\$ -
1BR/1BA	LIHTC	60%	20	550	11,000	\$ 1,573	\$ 85.00	\$ 1,488	\$ 357,120
1BR/1BA	LIHTC	50%	12	550	6,600	\$ 1,311	\$ 85.00	\$ 1,226	\$ 176,544
1BR/1BA	LIHTC	40%	0	550	0	\$ 1,049	\$ 85.00	\$ 964	\$ -
1BR/1BA	LIHTC	30%	10	550	5,500	\$ 787	\$ 85.00	\$ 702	\$ 84,192
2BR/1BA	FMR	100%	0	707	0	\$ -	\$ 114.00	\$ -	\$ -
2BR/1BA	LIHTC	80%	0	707	0	\$ 2,517	\$ 114.00	\$ 2,403	\$ -
2BR/1BA	LIHTC	60%	12	707	8,484	\$ 1,888	\$ 114.00	\$ 1,774	\$ 255,456
2BR/1BA	LIHTC	50%	8	707	5,656	\$ 1,573	\$ 114.00	\$ 1,459	\$ 140,064
2BR/1BA	LIHTC	40%	0	707	0	\$ 1,258	\$ 114.00	\$ 1,144	\$ -
2BR/1BA	LIHTC	30%	6	707	4,242	\$ 944	\$ 114.00	\$ 830	\$ 59,746
3BR/2BA	FMR	100%	0	925	0	\$ -	\$ 145.00	\$ -	\$ -
3BR/2BA	LIHTC	80%	0	925	0	\$ 2,907	\$ 145.00	\$ 2,762	\$ -
3BR/2BA	LIHTC	60%	12	925	11,100	\$ 2,181	\$ 145.00	\$ 2,036	\$ 293,184
3BR/2BA	LIHTC	50%	7	925	6,475	\$ 1,817	\$ 145.00	\$ 1,672	\$ 140,448
3BR/2BA	LIHTC	40%	0	925	0	\$ 1,454	\$ 145.00	\$ 1,309	\$ -
3BR/2BA	LIHTC	30%	6	925	5,550	\$ 1,090	\$ 145.00	\$ 945	\$ 68,054
2BR/1BA	LIHTC	MGR	1	733	733	\$ -	\$ -	\$ -	\$ -
					0	\$ -			

Total Rents	94	65,340	1,574,808
Community Room/Office		1,400	
% Loss to Efficiency	15%	11,778	
Construction Square Feet		78,518	

Income from Operations		PUPM	
Laundry	\$ 10.00		11,280
Other Income (App. Fees, Late, etc.)	\$ 10.00		11,280
Sub-Total	\$ 20.00		1,597,368
Less: Vacancies @	5%		79,868
Total Income			1,517,500

Operating Expenses		PUPA		Notes
Admin	\$ 325		30,570	
Management Fee	\$ 624		58,656	
Utilities	\$ 1,912		179,728	
Payroll	\$ 1,510		141,976	
Repair & Maintenance	\$ 638		59,969	
Insurance	\$ 302		28,364	
Taxes (HOA, CFD)	\$ 80		7,500	
Additional amenity expense	\$ -		0	
Total Expenses	\$ 5,391		506,763	

Net Operating Income 1,010,737

Reserves	\$250.00/unit	23,500
Services	\$266/unit	25,000
SDHC Issuer and Monitoring Fee	0.050% plus \$150 per unit	20,390
Other	0.000%	0

Net Income Available for Debt Service 941,847

1.16477

Loan Sizing	Tranche A
Loan Amount	12,580,000
Interest	5.79%
Term	15
Amortization	40
Debt Service Coverage	1.15
Monthly Payment	67,384
Annual Payment	808,611
Cash Flow After D/S	133,236

OPERATIONAL CASH FLOW

Modica

			2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
			1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Gross Revenue	Inflation @	2.00%	1,597,368	1,629,315	1,661,902	1,695,140	1,729,042	1,763,623	1,798,896	1,834,874	1,871,571	1,909,003	1,947,183	1,986,126	2,025,849	2,066,366	2,107,693
Vacancy		5%	(79,868)	(81,466)	(83,095)	(84,757)	(86,452)	(88,181)	(89,945)	(91,744)	(93,579)	(95,450)	(97,359)	(99,306)	(101,292)	(103,318)	(105,385)
Net Revenue			1,517,500	1,547,850	1,578,807	1,610,383	1,642,590	1,675,442	1,708,951	1,743,130	1,777,993	1,813,552	1,849,824	1,886,820	1,924,556	1,963,048	2,002,308
Operating Expenses	Inflation @	3.00%	506,763	521,966	537,625	553,753	570,366	587,477	605,101	623,254	641,952	661,210	681,047	701,478	722,522	744,198	766,524
Net Operating Income			1,010,737	1,025,884	1,041,182	1,056,629	1,072,225	1,087,965	1,103,850	1,119,876	1,136,041	1,152,342	1,168,777	1,185,342	1,202,034	1,218,849	1,235,784
Replacement Reserves		3.00%	23,500	23,500	24,931	25,679	26,449	27,243	28,060	28,902	29,769	30,662	31,582	32,529	33,505	34,511	35,546
Services	Inflation @	3.00%	25,000	25,750	26,523	27,318	28,138	28,982	29,851	30,747	31,669	32,619	33,598	34,606	35,644	36,713	37,815
Cash Available to Debt Service			962,237	976,634	989,728	1,003,632	1,017,637	1,031,741	1,045,938	1,060,227	1,074,603	1,089,061	1,103,597	1,118,207	1,132,885	1,147,626	1,162,424
Principal and Interest		12,580,000	5.79%	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611
SDHC Issuer and Monitoring Fee			0.00%	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390
Other			1.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Managing GP Fee		5,000	3.00%	5,000	5,150	5,305	5,464	5,628	5,796	5,970	6,149	6,334	6,524	6,720	6,921	7,129	7,343
Net Project Cash Flow			128,236	142,483	155,423	169,167	183,009	196,943	210,967	225,076	239,267	253,536	267,876	282,284	296,755	311,282	325,860
TCAC Gross Revenue Test	no more than 2% in year 15 if DSCR > 125% or 8	DSCR	1.16	1.18	1.20	1.22	1.23	1.25	1.27	1.29	1.30	1.32	1.34	1.36	1.38	1.39	1.41
TCAC Debt Service Test		8%	8.34%	9.06%	9.67%	10.30%	10.91%	11.50%	12.06%	12.60%	13.12%	13.62%	14.10%	14.56%	15.00%	15.42%	15.82%
UMR Operating Expense Test	<= 1.20 DSCR or 12% cash flow to expense ratio	125%	25.30%	27.30%	28.91%	30.55%	32.09%	33.52%	34.86%	36.11%	37.27%	38.34%	39.33%	40.24%	41.07%	41.83%	42.51%
Distributions:																	
County admin fee		10,000	3.00%	10,000	10,300	10,609	10,927	11,255	11,593	11,941	12,299	12,668	13,048	13,439	13,842	14,258	14,685
LP Fee		7,000	3.00%	7,000	7,210	7,426	7,649	7,879	8,666	8,926	9,194	9,470	9,754	10,730	11,051	11,383	11,724
Deferred Dev Fee		100% of Avail Cashflow	1.00%	111,236	124,973	137,387	150,591	163,875	176,684	190,100	203,583	217,130	230,734	243,707	257,390	271,114	284,872
Cash Available After Deferred Fee Payment			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Available For Soft Loans			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
County Carryback Note		59.9% of Avail Cashflow	3.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
SDHC		20.8% of Avail Cashflow	3.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0
CRDP		19.4% of Avail Cashflow	3.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0

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100.0% of Avail Cashflow

OPERATIONAL CASH FLOW

Modica

			2040														
			16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Gross Revenue	Inflation @	2.00%	2,149,847	2,192,844	2,236,701	2,281,435	2,327,064	2,373,605	2,421,077	2,469,498	2,518,888	2,569,266	2,620,652	2,673,065	2,726,526	2,781,056	2,836,677
Vacancy	5%		(107,492)	(109,642)	(111,835)	(114,072)	(116,353)	(118,680)	(121,054)	(123,475)	(125,944)	(128,463)	(131,033)	(133,653)	(136,326)	(139,053)	(141,834)
Net Revenue			2,042,355	2,083,202	2,124,866	2,167,363	2,210,710	2,254,925	2,300,023	2,346,024	2,392,944	2,440,803	2,489,619	2,539,411	2,590,200	2,642,004	2,694,844
Operating Expenses	Inflation @	3.00%	789,520	813,205	837,601	862,730	888,611	915,270	942,728	971,010	1,000,140	1,030,144	1,061,048	1,092,880	1,125,666	1,159,436	1,194,219
Net Operating Income			1,252,835	1,269,996	1,287,264	1,304,634	1,322,099	1,339,655	1,357,295	1,375,014	1,392,804	1,410,659	1,428,570	1,446,531	1,464,533	1,482,567	1,500,624
Replacement Reserves		3.00%	36,612	37,711	38,842	40,007	41,207	42,444	43,717	45,028	46,379	47,771	49,204	50,680	52,200	53,766	55,379
Services	Inflation @	3.00%	38,949	40,118	41,321	42,561	43,838	45,153	46,507	47,903	49,340	50,820	52,344	53,915	55,532	57,198	58,914
Cash Available to Debt Service			1,177,274	1,192,168	1,207,101	1,222,066	1,237,054	1,252,058	1,267,071	1,282,083	1,297,085	1,312,068	1,327,022	1,341,937	1,356,801	1,371,603	1,386,331
Principal and Interest	12,580,000	5.79%	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611
SDHC Issuer and Monitoring Fee		0.00%	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390
Other		1.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Managing GP Fee	5,000	3.00%	7,790		0	0	0	0	0	0	0	0	0	0	0	0	0
Net Project Cash Flow			340,482	363,167	378,100	393,064	408,053	423,057	438,070	453,082	468,084	483,067	498,021	512,935	527,799	542,602	557,330
TCAC Gross Revenue Test	no more than 2% in year 15 if DSCR > 125% or 8	DSCR	1.43	1.45	1.47	1.49	1.50	1.52	1.54	1.56	1.58	1.60	1.62	1.63	1.65	1.67	1.69
TCAC Debt Service Test		8%	16.20%	16.56%	16.90%	17.23%	17.54%	17.82%	18.09%	18.35%	18.58%	18.80%	19.00%	19.19%	19.36%	19.51%	19.65%
UMR Operating Expense Test	<= 1.20 DSCR or 12% cash flow to expense ratio	125%	43.13%	44.66%	45.14%	45.56%	45.92%	46.22%	46.47%	46.66%	46.80%	46.89%	46.94%	46.93%	46.89%	46.80%	46.67%
Distributions:																	
County admin fee		3.00%	15,580	16,047	16,528	17,024	17,535	18,061	18,603	19,161	19,736	20,328	20,938	21,566	22,213	22,879	23,566
LP Fee		3.00%	12,438														
Deferred Dev Fee		1.00%	312,464	347,120	190,789	0	0	0	0	0	0	0	0	0	0	0	0
Cash Available After Deferred Fee Payment			0	0	170,782	376,040	390,518	404,996	419,467	433,921	448,348	462,739	477,083	491,370	505,587	519,722	533,764
Cash Available For Soft Loans			0	0	85,391	188,020	195,259	202,498	209,733	216,960	224,174	231,370	238,542	245,685	252,793	259,861	266,882
County Carryback Note		3.00%	0	0	51,117	112,552	116,885	121,219	125,550	129,876	134,194	138,501	142,795	147,071	151,326	155,557	159,760
SDHC		3.00%	0	0	17,728	39,035	40,538	42,041	43,543	45,044	46,541	48,035	49,524	51,007	52,483	53,950	55,408
CRDP		3.00%	0	0	16,546	36,433	37,836	39,238	40,640	42,041	43,439	44,833	46,223	47,607	48,984	50,354	51,714

Check 100.0% of Avail Cashflow

OPERATIONAL CASH FLOW

Modica

			31	32	33	34	35	36	37	38	39	40	41	42	43	44	45
Gross Revenue	Inflation @	2.00%	2,893,411	2,951,279	3,010,305	3,070,511	3,131,921	3,194,560	3,258,451	3,323,620	3,390,092	3,457,894	3,527,052	3,597,593	3,669,545	3,742,936	3,817,794
Vacancy	5%		(144,671)	(147,564)	(150,515)	(153,526)	(156,596)	(159,728)	(162,923)	(166,181)	(169,505)	(172,895)	(176,353)	(179,880)	(183,477)	(187,147)	(190,890)
Net Revenue			2,748,740	2,803,715	2,859,790	2,916,985	2,975,325	3,034,832	3,095,528	3,157,439	3,220,588	3,284,999	3,350,699	3,417,713	3,486,068	3,555,789	3,626,905
Operating Expenses	Inflation @	3.00%	1,230,046	1,266,947	1,304,956	1,344,104	1,384,428	1,425,960	1,468,739	1,512,801	1,558,185	1,604,931	1,653,079	1,702,671	1,753,751	1,806,364	1,860,555
Net Operating Income			1,518,694	1,536,768	1,554,834	1,572,881	1,590,897	1,608,871	1,626,789	1,644,637	1,662,402	1,680,068	1,697,620	1,715,042	1,732,316	1,749,425	1,766,350
Replacement Reserves		3.00%	57,041	58,752	60,514	62,330	64,200	66,126	68,110	70,153	72,257	74,425	76,658	78,958	81,326	83,766	86,279
Services	Inflation @	3.00%	60,682	62,502	64,377	66,308	68,298	70,347	72,457	74,631	76,870	79,176	81,551	83,997	86,517	89,113	91,786
Cash Available to Debt Service			1,400,972	1,415,514	1,429,942	1,444,243	1,458,400	1,472,399	1,486,222	1,499,854	1,513,275	1,526,467	1,539,412	1,552,087	1,564,472	1,576,546	1,588,284
Principal and Interest	12,580,000	5.79%	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	808,611	40,018	0	0	0
SDHC Issuer and Monitoring Fee		0.00%	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390
Other		1.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Managing GP Fee	5,000	3.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net Project Cash Flow			571,971	586,513	600,941	615,241	629,399	643,398	657,221	670,853	684,274	697,466	710,410	1,491,679	1,544,082	1,556,156	1,567,894
TCAC Gross Revenue Test	no more than 2% in year 15 if DSCR > 125% or 8	DSCR	1.71	1.73	1.74	1.76	1.78	1.80	1.81	1.83	1.85	1.86	1.88	38.28	#DIV/0!	#DIV/0!	#DIV/0!
TCAC Debt Service Test		8%	19.77%	19.87%	19.96%	20.04%	20.10%	20.14%	20.17%	20.18%	20.18%	20.17%	20.14%	41.46%	42.08%	41.58%	41.07%
UMR Operating Expense Test	<= 1.20 DSCR or 12% cash flow to expense ratio	125%	46.50%	46.29%	46.05%	45.77%	45.46%	45.12%	44.75%	44.35%	43.91%	43.46%	42.97%	87.61%	88.04%	86.15%	84.27%
Distributions:																	
County admin fee		3.00%	24,273	25,001	25,751	26,523	27,319	28,139	28,983	29,852	30,748	31,670	32,620	33,599	34,607	35,645	36,715
LP Fee		3.00%	7,000														
Deferred Dev Fee		1.00%	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cash Available After Deferred Fee Payment			547,698	561,512	575,190	588,718	602,080	615,259	628,238	641,000	653,526	665,796	677,790	1,458,080	1,509,475	1,520,511	1,531,180
Cash Available For Soft Loans			273,849	280,756	287,595	294,359	301,040	307,629	314,119	320,500	326,763	332,898	338,895	729,040	754,738	760,255	765,590
County Carryback Note		3.00%	163,930	168,065	172,159	176,208	180,207	184,152	188,037	191,857	195,606	199,278	202,868	436,415	451,798	455,101	458,294
SDHC		3.00%	56,855	58,288	59,708	61,113	62,500	63,868	65,215	66,540	67,840	69,114	70,359	151,358	156,693	157,838	158,946
CRDP		3.00%	53,064	54,403	55,728	57,038	58,333	59,610	60,867	62,104	63,317	64,506	65,668	141,267	146,247	147,316	148,350

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100.0% of Avail Cashflow

OPERATIONAL CASH FLOW

Modica

			46	47	48	49	50	51	52	53	54	55
Gross Revenue	Inflation @	2.00%	3,894,150	3,972,033	4,051,474	4,132,503	4,215,154	4,299,457	4,385,446	4,473,155	4,562,618	4,653,870
Vacancy	5%		(194,708)	(198,602)	(202,574)	(206,625)	(210,758)	(214,973)	(219,272)	(223,658)	(228,131)	(232,694)
Net Revenue			3,699,443	3,773,432	3,848,900	3,925,878	4,004,396	4,084,484	4,166,173	4,249,497	4,334,487	4,421,177
Operating Expenses	Inflation @	3.00%	1,916,372	1,973,863	2,033,079	2,094,071	2,156,893	2,221,600	2,288,248	2,356,895	2,427,602	2,500,430
Net Operating Income			1,783,071	1,799,569	1,815,822	1,831,807	1,847,503	1,862,884	1,877,926	1,892,602	1,906,885	1,920,746
Replacement Reserves		3.00%	88,868	91,534	94,280	97,108	100,021	103,022	106,112	109,296	112,575	115,952
Services	Inflation @	3.00%	94,540	97,376	100,297	103,306	106,405	109,598	112,886	116,272	119,760	123,353
Cash Available to Debt Service			1,599,664	1,610,659	1,621,245	1,631,393	1,641,076	1,650,264	1,658,928	1,667,034	1,674,550	1,681,441
Principal and Interest	12,580,000	5.79%	0	0	0	0	0	0	0	0	0	0
SDHC Issuer and Monitoring Fee		0.00%	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390	20,390
Other		1.00%	0	0	0	0	0	0	0	0	0	0
Managing GP Fee	5,000	3.00%	0	0	0	0	0	0	0	0	0	0
Net Project Cash Flow			1,579,274	1,590,269	1,600,855	1,611,003	1,620,686	1,629,874	1,638,538	1,646,644	1,654,160	1,661,051
TCAC Gross Revenue Test	no more than 2% in year 15 if DSCR > 125% or 8	DSCR	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
TCAC Debt Service Test		8%	40.56%	40.04%	39.51%	38.98%	38.45%	37.91%	37.36%	36.81%	36.25%	35.69%
UMR Operating Expense Test	<= 1.20 DSCR or 12% cash flow to expense ratio	125%	82.41%	80.57%	78.74%	76.93%	75.14%	73.36%	71.61%	69.86%	68.14%	66.43%
Distributions:												
County admin fee	10,000	3.00%	37,816	38,950	40,119	41,323	42,562	43,839	45,154	46,509	47,904	49,341
LP Fee	7,000	3.00%										
Deferred Dev Fee	100% of Avail Cashflow	1.00%	0	0	0	0	0	0	0	0	0	0
Cash Available After Deferred Fee Payment			1,541,458	1,551,319	1,560,736	1,569,681	1,578,124	1,586,035	1,593,383	1,600,135	1,606,256	1,611,710
Cash Available For Soft Loans			770,729	775,659	780,368	784,840	789,062	793,018	796,692	800,067	803,128	805,855
County Carryback Note	59.9% of Avail Cashflow	3.00%	461,371	464,322	467,141	469,818	472,345	474,713	476,912	478,933	480,765	482,398
SDHC	20.8% of Avail Cashflow	3.00%	160,013	161,037	162,014	162,943	163,819	164,640	165,403	166,104	166,739	167,306
CRDP	19.4% of Avail Cashflow	3.00%	149,345	150,301	151,213	152,080	152,898	153,664	154,376	155,030	155,623	156,152

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100.0% of Avail Cashflow

ATTACHMENT 4
PROPOSED LOAN NON-BINDING COMMITMENT TERMS
SUMMARY

Modica (Project)
5255 Mt Etna Drive
March 7, 2023

The San Diego Housing Commission (“Housing Commission”) is pleased to submit this non-binding commitment terms summary. This commitment terms summary is not a binding contract and is subject to the approval by the San Diego Housing Commission Board of Commissioners (“Board of Commissioners”) and, if necessary, the Housing Authority of the City of San Diego. The purpose of this commitment terms summary is to set forth the general terms and conditions under which the Housing Commission is interested in making a loan (“Housing Commission Loan”) to Modica Family Apartments LP, a California limited partnership (“Borrower”), with respect to the proposed new construction and permanent financing of a 94-unit development (with 93 affordable units and one unrestricted manager’s unit) to be located at 5255 Mt Etna Drive, San Diego. Closing must occur within twenty-four (24) months from receipt of NOFA award letter, unless an extension is granted by the President & CEO of the Housing Commission (or by designee) in their sole discretion.

In the event of a conflict between any term or provision (or absence of any term or provision) of this commitment terms summary and any term or provision of any approval of any applicable board or governing body, the term or provision of such board or governing body shall apply and shall prevail. Provided that the Housing Commission loan is approved by the Board of Commissioners, and if necessary by Housing Authority of the City of San Diego, the following terms shall apply to the Housing Commission Loan. In addition, Exhibit A includes the Borrower’s pro forma which models financial projections of the Project.

The terms of the Housing Commission’s proposed financing shall be as follows:

1. **Maximum loan amount (not to exceed)** - Up to \$3,000,000 as a residual receipts loan. Loan funds to be used for the construction and permanent financing of the Project.
2. **Interest Rate**- 4 percent simple interest.
3. **Loan Term** - The loan will be due, and payable in full, in 55 years from completion of the Project.
4. **Loan Payments** - Annual payments on the loan shall equal 50 percent of the Project’s residual receipts. In addition to the 50 percent residual receipts payment the Borrower shall also pay a fixed \$10,000 annual payment to the Housing Commission. Provided, however, if the Housing Commission approves other lenders whose loans will be paid from residual receipts, then beginning the first year after construction completion, the Housing Commission and such other approved lenders shall share 50 percent of the project’s residual receipts, in proportion to the original principal balances of their respective loans. The following items, in addition to other operating expenses, shall be payable by the Borrower prior to the calculation of residual receipts:

- (i) The year 1 “Limited Partnership Fees” shall be capped at \$25,000. “Limited Partnership Fees” shall be defined to include any and all partnership-related fees including but not limited to: Investor Partnership fees, Asset Management fees, Other Limited Partnership oversight fees, and General Partner Fees. Partnership fee increases will be capped at three (3) percent annually. Unpaid partnership fees shall not accrue and the Housing Commission will require the Limited Partnership Agreement to explicitly state that requirement.
- (ii) Eligible deferred developer fee, and
- (iii) Repayment of eligible development deficit and operating deficit loans. The Housing Commission Loan will be due and payable in full in 55 years.

5. Affordability-

- a. Restricted units must remain affordable for 55 years. At escrow closing the Borrower and the Housing Commission shall cause a Declaration of Covenants, Conditions, and Restrictions (CC&R), restricting the rent and occupancy of the affordable units for 55 years, to be recorded against the Project. Such CC&R shall be in a form and format acceptable to the Housing Commission and its General Counsel in their sole discretions.
- b. The affordability shall be as follows:

Unit Type	AMI	Units
One bedrooms	30% AMI	10
One bedrooms	50% AMI	12
One bedrooms	60% AMI	20
Subtotal One Bedroom Units	--	42
Two bedrooms	30% AMI	6
Two bedrooms	50% AMI	8
Two bedrooms	60% AMI	12
Subtotal Two Bedroom Units	--	26
Three bedrooms	30% AMI	6
Three bedrooms	50% AMI	7
Three bedrooms	60% AMI	12
Subtotal Three Bedroom Units		25
Manager’s Unit (Two Bedrooms)	--	1
TOTAL UNITS	--	94

- 6. **Purchase Option** – Borrower has received additional points in the Notice of Funding Availability application for committing to provide the Housing Commission with the option to purchase the property at the end of the 15-year tax-credit compliance period.
- 7. **Alternate Funding-** Borrower shall also seek alternative funding, including but not limited to the State of California Department of Housing and Community Development, County of San Diego, Federal Home Loan Bank, the State of California’s Department of Development Services Community Resource Development Plan. Housing Commission legal counsel will determine if subsequent approvals for alternative financing structures are required by the San Diego Housing Commission Board of Commissioners and the Housing Authority of the City of San Diego.

8. **Site Value** – There is a 99-year ground lease, between the County of San Diego and the Borrower. In the event that the Borrower or its affiliate, acquires the land prior to Housing Commission Loan closing, 100% of any net sales proceeds resulting from a subsequent sale to the tax credit limited partnership shall be structured as a subordinate Seller Carryback Loan. Borrower will submit an updated appraisal report with an effective date that is not more than 90 days prior to Housing Commission Loan closing. In lieu of providing the updated appraisal: 1) the developer must submit the third-party lender's Letter of Intent for the Housing Commission's review and approval, and 2) the Borrower's financing must not have a seller carryback loan.
9. **Closing Costs** - The Borrower shall pay all escrow, title and closing costs, including, without limitation, paying for an American Land Title Association (ALTA) Lenders Policy for the Housing Commission Loan with endorsements, as acceptable to the Housing Commission's legal counsel.
10. **Construction Costs Third-Party Review** -Prior to Housing Commission Loan closing a costs review may be obtained by the Housing Commission from a third-party consultant. Borrower will reimburse the Housing Commission at escrow closing for all reasonable third-party review costs.
11. **Contractor** – Emmerson Construction is the proposed General Contractor. The General Contractor shall competitively bid the construction work of the Project to at least three qualified and responsible subcontractors for each Major Trade Subcontractor involved in the construction of the Project. Contracts shall be awarded to the lowest qualified and responsible bidder. Evidence of the three bids shall be provided to the Housing Commission at its request. Major Trade Subcontractors shall mean, any Trade Contractor, having a responsibility for the design or construction, that is awarded a subcontract that equals or exceeds 10 percent of the value of the project's total Construction Contract under which the Subcontract is awarded, including but not limited to Subcontractors in:
 - Plumbing; Heating and/or Air-Conditioning; Painting; Electrical Work; Tile Setting and/or Drywall/Plastering; Carpentry; Floor Work; Roofing and/or Siding; Sheet Metal Work; Concrete Work; Special Trade Contractors Structural Iron and Steel Workers; Cement Masons; Pipefitters and Steamfitters; and Stonemasons.
 - a. Borrower upon SDHC request will submit copies of three qualified bids received from the Major Trade Subcontractors.
 - b. Construction Agreement - Borrower shall submit the proposed Construction Agreement to the Housing Commission for its review and prior approval. The Housing Commission shall have a minimum of two weeks for its review of the proposed Construction agreement.
 - c. Subcontractors - the Borrower shall require the General Contractor to solicit and obtain competitive bids from at least three qualified subcontractors for each Major Trade Subcontractor involved in the construction of the Project. Those bids will be reviewed by the Borrower. The Borrower and General Contractor shall submit the Major Trade Subcontractors' competitive bids to the Housing Commission for review and approval upon request.
 - d. Change orders at or in excess of \$100,000 shall have Housing Commission prior written approval. For proposed change orders over \$100,000, the Borrower and General Contractor shall submit to the Housing Commission a detailed

explanation of why the change order work is necessary, why the issue was not included in the original scope of work, and why the change is not being charged against the General Contractor's contingency.

- e. Agreement Changes - a Construction Agreement with a Guaranteed Maximum Price (GMP) may not be revised to a Lump Sum or other form of Construction Agreement without the prior written approval of the Housing Commission.
 - f. Insurance - Prior to close of escrow, evidence of the General Contractor's insurance acceptable to the Housing Commission's legal counsel shall be provided. The Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego, shall be named as additional insureds on the General Contractor's insurance policies.
12. **Tax Credit Equity-** Borrower will provide the Letter Of Intent with equity pricing from the low-income housing tax credit (LIHTC) investor within 90 days of closing.
13. **First Mortgage-** Borrower will provide the term sheet from the first mortgage provider that was used at time of application as well as an update within 90 days of closing.
14. **Cost Certification -** The Borrower shall submit the final tax credit cost certification to the Housing Commission for its review and approval before the cost certification is completed/finalized.
15. **Cost Savings and/or Additional Proceeds at Escrow Closing-** In the event that the Borrower obtains funds in excess of those shown as sources in Exhibit A Proforma, then upon the construction loan closing, the excess funds shall be used as follows:
- a. First, such excess funds shall be used to fund development cost overruns reasonably approved by the Housing Commission.
 - b. Second, upon Construction Loan Closing and subject to lender and investor approval, any excess funds shall be used to pay the Housing Commission Loan as set forth in Section 16 below.
 - c. Other Public Lenders - If the Project financing includes other public lenders who may require cost savings sharing then the cost savings shall be split proportionately based upon the public lenders loan amounts and in conformance with the other public lenders' agreements.
 - d. Excess funds will be applied first to pay down the accrued interest, and the remaining amount shall pay down the principal.
16. **Cost Savings and/or Additional Proceeds at Conversion to Permanent Financing-** In the event that the Borrower obtains funds in excess of those shown as sources in Exhibit A Proforma, (including but not limited to cost savings, improved debt, improved tax credit equity pricing, deferred developer fee if any, and any other sources), then upon conversion to permanent loan, the excess funds shall be used as follows :
- a. First, to pay for development cost overruns reasonably approved by the Housing Commission.
 - b. Second, used to make any necessary adjustment to the total tax credit allocation as may be required by CTCAC.

- c. Third, payment towards the Borrower's deferred developer fee. A deferred developer fee is currently modeled in the attached pro forma (Attachment A). Fourth, excess funds shall be shared fifty percent (50%) to the Borrower and the other fifty percent (50%) will be paid to the Housing Commission and other softlenders in proportion to the original principal balance of their loans.
- d. Excess funds will be applied first to pay down the accrued interest, and the remaining amount shall pay down the principal.

17. Developer Fee-

The Developer Fee is estimated at \$5,563,106. It is estimated that \$2,048,072 of such amount shall be paid from the project's Development Sources; provided, however, in no case will the maximum payable developer fee exceed the CTCAC limit of \$2,500,000. Any portion of such amount which is deferred (except for any fee deferral as a result of changes to conventional debt and equity terms that reduce financing proceeds or amounts resulting from negative tax credit adjusters) and the remaining portion of the Developer Fee, which is currently projected to be \$3,515,034, shall be treated as an operating expense for purposes of calculating residual receipts, i.e., such deferred amounts shall be given priority over Housing Commission residual receipt payments.

- a. Additional developer fee provisions:
 - a. Any Deferred Developer Fee amount must be calculated as per TCAC and SDHC guidelines.
 - b. Deferred Developer Fee compliant with TCAC and SDHC guidelines shall be given priority over Housing Commission residual receipt payments.
- 2. The Deferred Developer Fee shall be repaid during the 15-year tax credit compliance period. Amounts outstanding after the expiration of the 15-year tax credit compliance period shall be contributed to the Project in the form of a capital contribution.
- b. Developer fee payments shall be paid out incrementally. Because the Project is a tax credit project, the developer fee payments shall be in accordance with lender and investor requirements.

18. **Due Diligence** - The Borrower, at Borrower's expense, shall provide the following: a current appraisal, and an environmental review.

19. **Environmental Requirements** - Currently HOME funds are planned for this project. Notwithstanding any provision of this Letter, the parties agree and acknowledge that this Letter constitutes a conditional reservation and does not represent a final commitment of HOME funds or site approval under 24 CFR Part 58 of the National Environmental Policy Act (NEPA). HOME funds constitute a portion of the funding for the Project, and a final reservation of HOME funds shall occur only upon satisfactory completion of environmental review and receipt by the City of San Diego of a Release Of Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58 of NEPA.

The parties agree that the provision of any HOME funds to the Project is conditioned on the City of San Diego's determination to proceed with, modify or cancel the Project based on the results of subsequent environmental review under NEPA.

By execution of this commitment terms summary, you acknowledge no legal claim to any amount of HOME funds to be used for the Project or site unless and until the site has received environmental clearance under NEPA. You are also prohibited from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, clearance, rehabilitation, conversion, repair or construction prior to environmental clearance under NEPA. Violation of this provision may result in denial of any HOME funds for this Project.

20. **Fees/Payments to Housing Commission** - Borrower will pay to the Housing Commission:
- a) **Underwriting Fee** - a flat underwriting fee in the amount of **\$60,000** will be charged as reimbursement of Housing Commission costs related to underwriting and issuing the loan. This amount must be included in the total development cost of the Project and is to be paid at close of escrow.
 - b) **Legal Fee**- the Housing Commission charges a legal costs fee for document preparation and review that must be included in the total development cost. Current Housing Commission legal fees are **\$25,000** and are to be paid at the close of escrow.
 - c) **Compliance Affordability Monitoring Fee** - compliance monitoring fees must be incorporated into the operating proforma. Borrower will pay the fee in accordance with the then-existing Housing Commission fee schedule. Current annual affordability monitoring are as follows: \$157.50 X 93 (Project units to be affordability monitored) = **\$14,647.50** per year. Additional training and assistance is currently \$100 per hour.
 - d) **Asset Management Fee**- the Housing Commission charges a 15-year capitalized asset management fee of **\$15,000** and is paid at close of escrow.
 - e) **Environmental Noticing Fee**- Publishing/filing costs are to be paid at close of escrow.
21. **Fees for Asset Management** (amounts not to exceed)-
- a. As detailed in paragraph 4 (above), the year 1 "Limited Partnership Fees" shall be capped at \$25,000 per year and shall not increase more than 3.0% annually. "Limited Partnership Fees" include Asset management fees related to the investor and general partner's management of the Project.
 - b. Unpaid General Partner fees shall not accrue for the purpose of calculating the Project's residual receipts.
 - c. Any changes to the asset management partnership fees will require the prior written approval of the Housing Commission's President and CEO or designee.
22. **Financing: Gap** - The Borrower will cover any financing gap that arises after Housing Commission underwriting, with its equity, its developer fee, and/or other non-Housing Commission sources, all of which shall be subject to the approval of the Housing Commission in its sole discretion and will not be unreasonably withheld. **No additional Housing Commission funds, beyond this Letter of Intent's \$3,000,000, will be provided for the Project in any Housing Commission future Notices of Funds Available.**

23. **Funding Sources** - The Housing Commission may fund the Housing Commission Loan from various sources including local, State, and/or federal funds including HOME Investment Partnership Program funds. The Housing Commission reserves the right to allocate available program funds in the best interest of the Housing Commission. In the event that the Housing Commission ultimately determines to fund (all or any part) of the Housing Commission Loan using any HOME funds, then Borrower shall comply with the HOME program's rules and regulations, Federal Davis Bacon law and Section 3.
24. **HOME Investment Partnerships (HOME) Funds** - HOME funds may be utilized for this project. In the event that HOME funds are utilized, it is estimated that the project would have up to 11 HOME restricted units, including three units at Low HOME rents.
- a. HOME program regulations will be applicable.
 - b. HOME funds may not be used to fund any of the following:
 - i) Any reserves are not eligible for HOME funds (including but not limited to operating reserves).
 - ii) Offsite improvements are not eligible for funding with HOME funds.
 - iii) Furnishings costs are not eligible for funding with HOME funds.
 - iv) Commercial space improvements are not eligible for funding with HOME funds.
 - c. The HOME IDIS funding system requires at least one HOME draw in a 12 month period and at least a small portion of the HOME funds must remain in the IDIS system until the project is ready for occupancy.
25. **Insurance** - Borrower shall at all times during the term of the Housing Commission rent and occupancy restrictions maintain General Liability and Property Insurance (fire and extended coverage), workers compensation, builder's completed value risk insurance against "all risks of physical loss" (during construction) and, if required by the Housing Commission, flood and earthquake insurance, in forms acceptable to the Housing Commission and approved by the Housing Commission's General Counsel. The San Diego Housing Commission, the Housing Authority of the City of San Diego, and the City of San Diego shall be listed as additional insureds: for General Liability Insurance, for Property Insurance, and in the General Contractor's Insurance policy. The San Diego Housing Commission shall be endorsed as a loss payee of the insurance policies. Evidence of borrower's insurance coverage shall be provided to the Housing Commission prior to close of escrow.
26. **Loan Disbursement Schedule** - Upon submittal and approval of eligible costs, the Housing Commission Loan (up to **\$3,000,000**) will be disbursed as follows:
- Up to 75 percent (**\$2,250,000**) at escrow closing.
 - Up to 10 percent (**\$300,000**) to be distributed at 50 percent construction completion.
 - Up to 10 percent (**\$300,000**) to be withheld until the issuance of a Certificate of Occupancy and all unconditional lien releases are forwarded to the Housing Commission.
 - Up to 5 percent (**\$150,000**) upon conversion to permanent financing.
- a. The Housing Commission's President and Chief Executive Officer, or designee, is authorized to modify the Housing Commission Loan disbursement schedule in their sole reasonable discretion.

- b. In the event that the Housing Commission funds (all or any part) of the Housing Commission Loan using any HOME funds, then a portion of the HOME program funds shall be withheld until final inspection approval and all unconditional lien releases are forwarded to the Housing Commission.
- c. Loan proceeds shall be disbursed for work completed upon Housing Commission approval of payment requests in a form approved by the Housing Commission. Verifiable documentation of expenses must be submitted with all payment requests.

27. Management of the Development -

- a. Management Plan - Prior to occupancy the Borrower shall submit a Management Plan to the Housing Commission for its review and approval. The Management Plan shall be subject to initial and periodic approval by the Housing Commission, at its reasonable discretion.
- b. Approval of Management Fee - The proposed property manager's fee must be approved in advance by the Housing Commission.
- c. The Housing Commission reserves the right to declare Borrower in default of the Housing Commission Loan after an uncured ninety (90) day written notice of malfeasance and/or misfeasance in management of the Project.
- d. Manager's Units - Experienced on-site property management is required. There shall be one manager's unit.
- e. Marketing Plan - In the event the Housing Commission funds (all or part) of the Housing Commission Loan using any HOME funds, then to ensure compliance with HOME regulations and with federal fair housing requirements prior to occupancy the Borrower shall submit a proposed marketing plan for review and approval by the Housing Commission's Civil Rights Analyst in the Procurement and Compliance Division.

28. Maximum Resident Service Expenses & Case Management-

For the calculation of Housing Commission's residual receipts the attached pro forma's operating expense budget models an annual \$25,000 Resident Services expenditure with a 3 percent annual escalator). Increasing this amount will require prior Housing Commission written approval.

29. **Annual Budget Submittal** - Three months prior to the end of each calendar year, the Borrower shall submit an annual budget for Housing Commission review and prior approval.
30. **Project Based Vouchers** – The Project will not receive federal Project Based Vouchers (PBV) from the Housing Commission.
31. **Prevailing Wage**- It is anticipated that the Project will not be subject to Federal Davis-Bacon prevailing wage rates because the Project will have fewer than 12 HOME restricted and no federal Project Based Vouchers are being utilized for this Project.
32. **Recourse** - The Housing Commission’s loan will be recourse until the timely completion of the construction, after which it will become non-recourse.
33. **Reserves**: Replacement reserves and operating reserves must be consistent with lender and equity investor requirements. The Housing Commission reserves the right to require higher operating or replacement reserves.
 - a. **Transition Reserve** – The attached pro forma models a capitalized transition reserve amount of \$0.
 - b. **Operating Reserve** - The attached proforma models a three month operating reserve at **\$339,816** at conversion to permanent financing. The operating reserve is to be maintained for the entire term of the Housing Commission’s Loan.
 - c. **Replacement Reserve** -The attached proforma models an annual replacement reserve at **\$23,500 (\$250 per unit per year)**.
 - d. **Disbursements from Reserves**: Housing Commission prior written approval shall be required for any and all disbursements from either the Project’s operating reserve funds and/or from the Project’s replacement reserve funds.
34. **Section 3**- In the event that the Housing Commission funds (all or part) of the Housing Commission Loan using any HOME funds, then Section 3 of the HUD Act of 1968 will be applicable and Borrower should be familiar with, and remain in compliance with, all Section 3 requirements.
35. **Security** -The Housing Commission Loan will be secured by a Declaration of Covenants, Conditions and Restrictions (CC&R) and a Deed of Trust which will be senior to the deeds of trust and security instruments securing all other sources of funds secured by the Property, except that the Housing Commission’s CC&R and Deed of Trust shall be subordinated to:
 - a) The deed of trust and security instruments securing the construction and permanent loan.
 - b) **Lien position** - The lien positions will be approved by the Housing Commission’s President and CEO and the Housing Commission’s General Counsel. It is intended that the lien positions will be conformance with the public lenders’ program requirements, and the requirements of private lenders which may require Housing Commission subordination.

c) **Cure Rights** - The Housing Commission shall have the right, but not the obligation, to cure all senior encumbrances in all subordinating agreements that it executes. All subordination agreements shall be subject to the sole approval of the Housing Commission's President and Chief Executive Officer and General Counsel.

36. **Tenant Service Delivery Plan** - Borrower shall submit a draft tenant service delivery plan 90-days prior to occupancy for Housing Commission staff review and comment. Borrower shall submit a revised draft incorporating Housing Commission comment prior to occupancy of the first tenant. A final tenant service delivery plan shall be subject to the approval of the Housing Commission in its reasonable discretion and will not be unreasonably withheld prior to project lease up.
37. **Title (ALTA Lender's Policy)** - The Borrower shall acquire, at its sole cost and expense, an ALTA Lender's Policy for the Housing Commission Loan with endorsements acceptable to the Housing Commission.
38. **Miscellaneous Additional Conditions** - The Housing Commission reserves the right to impose such additional conditions in the final documentation of the transaction as are reasonably necessary to protect the interests of the Housing Commission and fulfill the intent of this letter.

Exhibit A - Proforma - is attached hereto and is hereby incorporated.

If the Borrower is willing to proceed on the terms and conditions referenced herein, please execute this letter of intent and return it to the undersigned by **Friday March 3, 2023**, so that this letter of intent may be attached to the Housing Commission Board report.

The Remainder of this page intentionally left blank

ACKNOWLEDGED AND AGREED TO BY:

Chelsea Investment Corporation

By: DocuSigned by:
Cheri Hoffman
ACE0AC199B3646C...

Print Name: Cheri Hoffman

Title: President, Chelsea Investment Corp.

San Diego Housing Commission

By: DocuSigned by:
Emily Jacobs
73FCC317B0464E3...

Print Name: Emily Jacobs

Title: EVP

Loan Terms Attachment: Pro forma

ATTACHMENT 5 - DEVELOPER'S DISCLOSURE STATEMENT

DEVELOPERS/CONSULTANTS/SELLERS/CONTRACTORS/ ENTITY SEEKING GRANT/BORROWERS (Collectively referred to as "CONTRACTOR" herein) Statement for Public Disclosure

1. Name of CONTRACTOR: Chelsea Investment Corporation
2. Address and Zip Code: 6339 Paseo del Lago, Carlsbad CA, 92009
3. Telephone Number: 760-456-6000
4. Name of Principal Contact for CONTRACTOR: Cheri Hoffman, President
5. Federal Identification Number or Social Security Number of CONTRACTOR: 90-0151442
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

- A corporation (Attach Articles of Incorporation)
- A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status)
- A partnership known as: _____
(Name)

Check one:

- General Partnership (Attach statement of General Partnership)
- Limited Partnership (Attach Certificate of Limited Partnership)
- A business association or a joint venture known as: _____
(Attach joint venture or business association agreement)
- A Federal, State or local government or instrumentality thereof.
- Other (explain)
7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:
Original Formation Date: July 30, 1986, Restructure Date: February 23, 2004
 8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
 - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
 - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

- c. If the CONTRACTOR is a partnership, each partner, whether a general or limited, and either the percent of interest or a description of the character and extent of interest.
- d. If the CONTRACTOR is a business association or a joint venture, each participant and either the percent of interest or a description of the character and extent of interest.
- e. If the CONTRACTOR is some other entity, the officers, the members of the governing body, and each person having an interest of more than 10%.(Attach extra sheet if necessary)

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: The Schmid Family Trust	
Address: 6339 Paseo del Lago	
Carlsbad, CA 92011	
Name: James J. Schmid	
Address: 6339 Paseo del Lago	
Carlsbad, CA 92011	
Name: Lynn Harrington Schmid	
Address: 6339 Paseo del Lago	
Carlsbad, CA 92011	

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail.
No.
10. Is it *anticipated* that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.
No.
11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR):

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: James J. Schmid	Sole Director/CEO/Treasurer/Co-Trustee of Schmid Family Trust, Sole Shareholder
Address: 6339 Paseo del Lago	
Carlsbad, CA 92011	
Name: Cheri Hoffman	President
Address: 6339 Paseo del Lago	
Carlsbad, CA 92011	
Name: Charles S. Schmid	Vice President (son of James J. Schmid)
Address: 6339 Paseo del Lago	
Carlsbad, CA 92011	

12. Names, addresses and telephone numbers (if not given above) of officers and directors or trustees of any corporation or firm listed under Item 8 or Item 11 above:

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Lynn Harrington Schmid	Secretary (Wife of James J. Schmid and Co-Trustee of the Schmid Family Trust, Sole Shareholder)
Address: 6339 Paseo del Lago Carlsbad, CA 92011	
Name:	
Address:	
Name:	
Address:	

13. Is the CONTRACTOR a subsidiary of or affiliated with any other corporation or corporations, any other firm or any other business entity or entities of whatever nature? If yes, list each such corporation, firm or business entity by name and address, specify its relationship to the CONTRACTOR, and identify the officers and directors or trustees common to the CONTRACTOR and such other corporation, firm or business entity.

Name and Address	Relationship to CONTRACTOR
Name: Emmerson Construction, Inc.	General Contractor / Construction Management
Address: 6339 Paseo del Lago Carlsbad, CA 92011	
Name: CIC Management	Property Management
Address: 6339 Paseo del Lago Carlsbad, CA 92011	
Name:	
Address:	

14. Provide the financial condition of the CONTRACTOR as of the date of the statement and for a period of twenty-four (24) months prior to the date of its statement as reflected in the attached financial statements, including, but not necessarily limited to, profit and loss statements and statements of financial position.
CIC will send financial documents directly, via email.
15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:

Sources

Federal LIHTC Equity	38%	21,896,185
State LIHTC Equity	10%	5,724,600
C Bond	0%	0
Perm Loan (Tranche A)	22%	12,580,000
Acquisition Value Contribution	15%	8,650,000
Deferred Developer Fee	6%	3,515,034
Subordinate Deferred Developer fee	0%	0
SDHC	5%	3,000,000
DDS CRDP Financing	5%	2,800,000
Other	0%	0
Total Development Sources	100%	<u>58,165,819</u>

16. Provide sources and amount of cash available to CONTRACTOR to meet equity requirements of the proposed undertaking:

a. In banks/savings and loans: **equity will be provided by tax credit investor**

Name: **Raymond James**

Address: **200 Central Avenue, 24th Floor, St. Petersburg, FL 33701**

Amount: **\$21,620,785 (Federal + State LIHTC Equity)**

b. By loans from affiliated or associated corporations or firms:

Name:

Address:

Amount: \$

c. By sale of readily salable assets/including marketable securities:

Description	Market Value (\$)	Mortgages or Liens (\$)
N/A		

17. Names and addresses of bank references, and name of contact at each reference:

Name and Address	Contact Name
Name: Citi Community Capital	Sonia Rahm, Director
Address: 444 South Flower St., 29 th Floor	
Los Angeles, CA 90071	
Name: Banner Bank	Waheed Karim, Vice President
Address: 5901 Priestly Drive, Suite 160	
Carlsbad, CA 92008	
Name:	
Address:	

18. Has the CONTRACTOR or any of the CONTRACTOR's officers or principal members, shareholders or investors, or other interested parties been adjudged bankrupt, either voluntary or involuntary, within the past 10 years?

Yes No

If yes, give date, place, and under what name.

19. Has the CONTRACTOR or anyone referred to above as "principals of the CONTRACTOR" been convicted of any felony within the past 10 years?

Yes No

If yes, give for each case (1) date, (2) charge, (3) place, (4) court, and (5) action taken. Attach any explanation deemed necessary.

20. List undertakings (including, but not limited to, bid bonds, performance bonds, payment bonds and/or improvement bonds) comparable to size of the proposed project which have been completed by the CONTRACTOR including identification and brief description of each project, date of completion, and amount of bond, whether any legal action has been taken on the bond: **None.**

Type of Bond	Project Description	Date of Completion	Amount of Bond	Action on Bond

21. If the CONTRACTOR, or a parent corporation, a subsidiary, an affiliate, or a principal of the CONTRACTOR is to participate in the development as a construction contractor or builder, provide the following information:

- a. Name and addresses of such contractor or builder:

Name and Address	Affiliation
Name: Emmerson Construction, Inc.	Affiliate
Address: 6339 Paseo del Lago Carlsbad, CA 92011	
Name:	
Address:	
Name:	
Address:	

- b. Has such contractor or builder within the last 10 years ever failed to qualify as a responsible bidder, refused to enter into a contract after an award has been made, or failed to complete a construction or development contract?

Yes No

If yes, please explain, in detail, each such instance:

- c. Total amount of construction or development work performed by such contractor or builder during the last three (3) years: **Approximately \$188M**

General description of such work: **Construction of multifamily affordable housing projects, serving seniors, families, and special needs populations.**

List each project, including location, nature of work performed, name, address of the owner of the project, bonding companies involved, amount of contract, date of commencement of project, date of completion, state whether any change orders were sought, amount of change orders, was litigation commenced concerning the project, including a designation of where, when and the outcome of the litigation. (Attach extra sheet if necessary)

Project Name	See attached Resumes & List of Projects	
Project Owner Contact Information		
	Name	Address
Project Location		
Project Details		
Bonding Company Involved		
	Name	Amount of Contract
Change Order Details		
Change Order Cost		
Litigation Details		
	Location/Date	Outcome Details

d. Construction contracts or developments now being performed by such contractor or builder:

Identification of Contract or Development	Location	Amount	Date to be Completed

e. Outstanding construction-contract bids of such contractor or builder:

Awarding Agency	Amount	Date Opened

22. Provide a detailed and complete statement regarding equipment, experience, financial capacity, and other resources available to such contractor or builder for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment, and the general experience of the contractor:

Please see attached ECI Resume and Lists of Projects

23. Does any member of the governing body of the San Diego Housing Commission ("SDHC"), Housing Authority of the City of San Diego ("AUTHORITY") or City of San Diego ("CITY"), to which the accompanying proposal is being made or any officer or employee of the SDHC, the AUTHORITY or the CITY who exercises any functions or responsibilities in connection with the carrying out of the project covered by the CONTRACTOR's proposal, have any direct or indirect personal financial interest in the CONTRACTOR or in the proposed contractor?

Yes No

If yes, explain:

24. Statements and other evidence of the CONTRACTOR's qualifications and financial responsibility (other than the financial statement referred to in Item 8) are attached hereto and hereby made a part hereof as follows:

25. Is the proposed CONTRACTOR, and/or are any of the proposed subcontractors, currently involved in any construction-related litigation?

Yes No

If yes, explain:

26. State the name, address and telephone numbers of CONTRACTOR's insurance agent(s) and/or companies for the following coverage's: List the amount of coverage (limits) currently existing in each category:

The project will have insurance coverage at rates required by lenders and investors, at commencement of construction. Broker is Cavignac & Associates, 450 B Street, Suite 1800, San Diego, CA 92101.

- a. General Liability, including Bodily Injury and Property Damage Insurance [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

Check coverage(s) carried:

- Comprehensive Form
- Premises - Operations
- Explosion and Collapse Hazard
- Underground Hazard
- Products/Completed Operations Hazard
- Contractual Insurance
- Broad Form Property Damage
- Independent Contractors
- Personal Injury

- b. Automobile Public Liability/Property Damage [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

Check coverage(s) carried:

- Comprehensive Form
 Owned
 Hired
 Non-Owned

- c. Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)]
- d. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)]
- e. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]
- f. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

27. CONTRACTOR warrants and certifies that it will not during the term of the PROJECT, GRANT, LOAN, CONTRACT, DEVELOPMENT and/or RENDITIONS OF SERVICES discriminate against any employee, person, or applicant for employment because of race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, age, sexual orientation, marital status, color, religion, sex, handicap, or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the SDHC setting forth the provisions of this nondiscrimination clause.
28. The CONTRACTOR warrants and certifies that it will not without prior written consent of the SDHC, engage in any business pursuits that are adverse, hostile or take incompatible positions to the interests of the SDHC, during the term of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT and/or RENDITION OF SERVICES.
29. CONTRACTOR warrants and certifies that no member, commissioner, councilperson, officer, or employee of the SDHC, the AUTHORITY and/or the CITY, no member of the governing body of the locality in which the PROJECT is situated, no member of the government body in which the SDHC was activated, and no other public official of such locality or localities who exercises any functions or responsibilities with respect to the assignment of work, has during his or her tenure, or will for one (1) year thereafter, have any interest, direct or indirect, in this PROJECT or the proceeds thereof.

30. List all citations, orders to cease and desist, stop work orders, complaints, judgments, fines, and penalties received by or imposed upon CONTRACTOR for safety violations from any and all government entities including but not limited to, the City of San Diego, County of San Diego, the State of California, the United States of America and any and all divisions and departments of said government entities for a period of five (5) years prior to the date of this statement. If none, please state:

Government Complaint	Entity Making	Date	Resolution
N/A			

31. Has the CONTRACTOR ever been disqualified, removed from or otherwise prevented from bidding on or completing a federal, state, or local government project because of a violation of law or a safety regulation?

Yes No

If yes, please explain, in detail,

32. Please list all licenses obtained by the CONTRACTOR through the State of California and/or the United States of America which are required and/or will be utilized by the CONTRACTOR and/or are convenient to the performance of the PROJECT, DEVELOPMENT, LOAN, GRANT, CONTRACT, or RENDITION OF SERVICES. State the name of the governmental agency granting the license, type of license, date of grant, and the status of the license, together with a statement as to whether the License has ever been revoked:

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)
State License Board	Contractor's License for Emmerson Construction, Inc.	775773	3/2/2000	Current	No

33. Describe in detail any and all other facts, factors or conditions that may adversely affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, SALES of Real Property to, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the SDHC.
None.

34. Describe in detail, any and all other facts, factors or conditions that may favorably affect CONTRACTOR's ability to perform or complete, in a timely manner, or at all, the PROJECT, CONTRACT, DEVELOPMENT, repayment of the LOAN, adherence to the conditions of the GRANT, or performance of consulting or other services under CONTRACT with the SDHC.

None.

35. List all CONTRACTS with, DEVELOPMENTS for or with, LOANS with, PROJECTS with, GRANTS from, SALES of Real Property to, the SDHC, AUTHORITY and/or the CITY within the last five (5) years:

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
2018	San Ysidro/Paseo La Paz	Current	\$925,000
2019	14 th & Commercial	Current	\$11,500,000

36. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, been the subject of a complaint filed with the Contractor's State License Board (CSLB)?

Yes No

If yes, explain:

37. Within the last five years, has the proposed CONTRACTOR, and/or have any of the proposed subcontractors, had a revocation or suspension of a CONTRACTOR's License?

Yes No

If yes, explain:

38. List three local references that would be familiar with your previous construction project:

1. Name: Robert Laing, PSCDC
Address: 16935 W Bernardo Drive, Suite 238, San Diego, CA 92127
Phone: 858-675-0506
Project Name and Description: Columba, 200-unit multi-family project in Chula Vista

2. Name: Paul Downey, Serving Seniors
Address: 1525 Fourth Avenue, San Diego, CA 92101
Phone: 619-487-0650
Project Name and Description: East Block, 195-unit multi-family Seniors project in San Diego

3. Name: Paul Barnes, Shea Homes
Address: 9990 Mesa Rim Road, San Diego, CA 92121

Phone: 858-526-6500

Project Name and Description: Estrella del Mercado, 92-unit multi-family project in San Diego

39. Give a brief statement regarding equipment, experience, financial capacity and other resources available to the Contractor for the performance of the work involved in the proposed project, specifying particularly the qualifications of the personnel, the nature of the equipment and the general experience of the Contractor.

40. Give the name and experience of the proposed Construction Superintendent.

Name	Experience
Robert Campbell	Formerly with JPIP, Ledcor, Swinerton, and Roel, Robert has over 36 years of experience in high-rise, mid-rise, multi-family residential, hotel, and commercial construction. Having gained his experience on large projects in the San Diego and Los Angeles areas, he is responsible for the day-to-day operations to ensure projects are completed on time and within budget, and that site safety, environmental standards, quality of materials, and workmanship meet or exceed standards.

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

By providing the "Personal Information", (if any) as defined in Section 1798.3(a) of the Civil Code of the State of California (to the extent that it is applicable, if at all), requested herein and by seeking a loan from, a grant from, a contract with, the sale of real estate to, the right to develop from, and/or any and all other entitlements from the SAN DIEGO HOUSING COMMISSION ("SDHC"), the HOUSING AUTHORITY OF THE CITY OF SAN DIEGO ("AUTHORITY") and/or the CITY OF SAN DIEGO ("CITY"), the CONTRACTOR consents to the disclosure of any and all "Personal Information" and of any and all other information contained in this Public Disclosure Statement. CONTRACTOR specifically, knowingly and intentionally waives any and all privileges and rights that may exist under State and/or Federal Law relating to the public disclosure of the information contained herein. With respect to "Personal Information", if any, contained herein, the CONTRACTOR, by executing this disclosure statement and providing the information requested, consents to its disclosure pursuant to the provisions of the Information Practices Act of 1977, Civil Code Section 1798.24(b). CONTRACTOR is aware that a disclosure of information contained herein will be made at a public meeting or meetings of the SDHC, the AUTHORITY, and/or the CITY at such times as the meetings may be scheduled. CONTRACTOR hereby consents to the disclosure of said "Personal Information", if any, more than thirty (30) days from the date of this statement at the duly scheduled meeting(s) of the SDHC, the AUTHORITY and/or the CITY. CONTRACTOR acknowledges that public disclosure of the information contained herein may be made pursuant to the provisions of Civil Code Section 1798.24(d).

CONTRACTOR represents and warrants to the SDHC, the AUTHORITY and the CITY that by providing the information requested herein and waiving any and all privileges available under the Evidence Code of the State of California, State and Federal Law, (to the extent of this disclosure that the information being submitted herein), the information constitutes a "Public Record" subject to disclosure to members of the public in accordance with the provisions of California Government Section 6250 et seq.

CONTRACTOR specifically waives, by the production of the information disclosed herein, any and all rights that CONTRACTOR may have with respect to the information under the provisions of Government Code Section 6254 including its applicable subparagraphs, to the extent of the disclosure herein, as well as all rights of privacy, if any, under the State and Federal Law.

Executed this 23 day of February 2023, at San Diego, California.

CONTRACTOR

By: _____

Signature

Title

CALIFORNIA JURAT

GOVERNMENT CODE § 8202

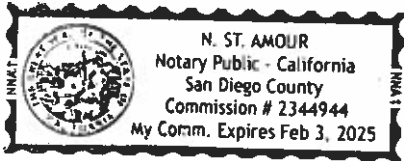


A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of San Diego

Subscribed and sworn to (or affirmed) before me on this 23 day of February, 2023, by
Date Month Year



(1) Cheri Hoffman

(and (2) _____),
Name(s) of Signer(s)

proved to me on the basis of satisfactory evidence to be the person(s) who appeared before me.

Signature [Signature]
Signature of Notary Public

Place Notary Seal and/or Stamp Above

OPTIONAL

Completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____



FILED
in the office of the Secretary of State
of the State of California

FEB 23 2004

Kevin Shelley
KEVIN SHELLEY, Secretary of State

**ARTICLES OF INCORPORATION
OF
CHELSEA SERVICE CORPORATION**

I

The name of this corporation is Chelsea Service Corporation.

II

The purpose of the corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

The name and address in the State of California of this corporation's initial agent for service of process is James J. Schmid, 215 South Highway 101, Suite 200, Solana Beach, California 92075.

IV

This corporation is authorized to issue only one class of shares of stock; and the total number of shares this corporation is authorized to issue is 1,000.

Dated: February 18, 2004


James J. Schmid, Incorporator

2578911

10638595

FILED
in the office of the Secretary of State
of the State of California

**CERTIFICATE OF RESTATED AND AMENDED
ARTICLES OF INCORPORATION
OF CHELSEA SERVICE CORPORATION**

JAN 1 2006

James J. Schmid and Lynn Harrington- Schmid certify that:

1. They are the President and the Secretary, respectively, of Chelsea Service Corporation, a California corporation.
2. The articles of incorporation of the corporation are amended and restated to read in their entirety as follows:

I

The name of this corporation is Chelsea Investment Corporation.

II

The purpose of this corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of California other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code.

III

This corporation is authorized to issue only one class of shares of stock; and the total number of shares which this corporation is authorized to issue, is 1,000.

IV


The Corporation is authorized to provide indemnification of agents (as the word "agents" is defined in Section 317 of the California Corporations Code) through bylaw provisions, agreements with the agents, vote of shareholders or disinterested directors, or otherwise, in excess of the indemnification otherwise permitted by Section 317 of the California Corporations Code, subject only to the limits set forth in Section 204 of the California Corporations Code with respect to actions for breach of duty to the Corporation or its shareholders.

3. This Certificate, restating and amending the articles of incorporation, has been approved by the Board of Directors.
4. The amendment was approved by the required vote of the shareholders in accordance with Section 902 of the Corporations Code. The corporation has only one class of shares and the number of outstanding shares is 100. The number of shares

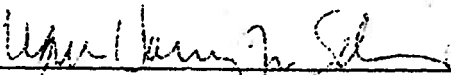
voting in favor of the amendment equaled or exceeded the vote required. The percentage vote required was more than 50%.

We declare under penalty of perjury under the laws of the State of California that the statements set forth in this certificate are true and correct of our own knowledge and that this declaration was executed on December 27, 2005 at San Diego, California.

Dated: December 27, 2005



James J. Schmid, President



Lynn Harrington-Schmid, Secretary



**BYLAWS
OF
CHELSEA SERVICE CORPORATION
a California corporation**

**ARTICLE I
OFFICES**

Section 1. Principal Executive or Business Offices.

The board of directors will fix the location of the principal executive office of the corporation at any place within or outside the State of California. If the principal executive office is located outside California and the corporation has one or more business offices in California, the board will fix and designate a principal business office in California.

Section 2. Other Offices.

Branch or subordinate offices may be established at any time and at any place by the board of directors.

ARTICLE II

MEETINGS OF SHAREHOLDERS

Section 1. Place of Meetings.

Meetings of shareholders will be held at any place within or outside the State of California designated by the board of directors. In the absence of a designation by the board, shareholders' meetings will be held at the corporation's principal executive office.

Section 2. Annual Meeting.

The annual meeting of shareholders will be held each year on a date and at a time designated by the board of directors. At each annual meeting, directors will be elected and any other proper business within the power of the shareholders may be transacted.

Section 3. Special Meeting.

A special meeting of the shareholders may be called at any time by the board of directors, by the chair of the board, by the president or vice president, or by one or more shareholders holding shares that in the aggregate are entitled to cast ten percent (10%) or more of the votes at that meeting.

If a special meeting is called by anyone other than the board of directors, the person or persons calling the meeting will make a request in writing, delivered personally or sent by registered mail, telegram, facsimile transmission, or electronic mail message, to the chair of the board or the president, vice president, or secretary, specifying the time and date of the meeting (which is not less than thirty-five (35) nor more than sixty (60) days after receipt of the request) and the general nature of the business proposed to be transacted. Within twenty (20) days after receipt, the officer receiving the request will cause notice to be given to the shareholders entitled to vote, in accordance with Sections 4 and 5 of this Article II, stating that a meeting will be held at the time requested by the person(s) calling the meeting, and stating the general nature of the business proposed to be transacted. If notice is not given within twenty (20) days after receipt of the request, the person or persons requesting the meeting may give the notice. Nothing in this paragraph will be construed as limiting, fixing, or affecting the time when a meeting of shareholders called by action of the board may be held.

Section 4. Notice of Shareholders' Meetings.

All notices of meetings of shareholders will be sent or otherwise given in accordance with Section 5 of this Article II not fewer than ten (10) nor more than sixty (60) days before the date of the meeting. Shareholders entitled to notice will be determined in accordance with Section 11 of this Article II. The notice will specify the place, date, and hour of the meeting, and (i) in the case of a special meeting, the general nature of the business to be transacted, or (ii) in the case of the annual meeting, those matters that the board of directors, at the time of giving the notice, intends to present for action by the shareholders. If directors are to be elected, the notice will include the names of all nominees whom the board intends, at the time of the notice, to present for election.

The notice will also state the general nature of any proposed action to be taken at the meeting to approve any of the following matters:

- (i) A transaction in which a director has a financial interest, within the meaning of California Corporations Code §310;
- (ii) An amendment of the articles of incorporation under Corporations Code §902;
- (iii) A conversion under Corporations Code §1152;
- (iv) A reorganization under Corporations Code §1201;
- (v) A voluntary dissolution under Corporations Code §1900; or
- (vi) A distribution in dissolution that requires approval of the outstanding shares under Corporations Code §2007.

Section 5. Manner of Giving Notice; Affidavit of Notice.

Notice of any shareholders' meeting will be given either personally or by first-class mail or other written communication (including facsimile, telegram, or electronic mail message), charges prepaid, addressed to the shareholder at the physical or electronic address appearing on the corporation's books or given by the shareholder to the corporation for purposes of notice. If no address appears on the corporation's books or has been given as specified above, notice will be either (1) sent by first-class mail addressed to the shareholder at the corporation's principal executive office, or (2) published at least once in a newspaper of general circulation in the county where the corporation's principal executive office is located. Notice is deemed to have been given at the time when delivered personally or deposited in the mail or sent by other means of written communication.

If any notice or report mailed to a shareholder at the address appearing on the corporation's books is returned marked to indicate that the United States Postal Service is unable to deliver the document to the shareholder at that address, all future notices or reports will be deemed to have been duly given without further mailing if the corporation holds the document available for the shareholder on written demand at the corporation's principal executive office for a period of one year after the date the notice or report was given to all other shareholders.

An affidavit of the mailing, or other authorized means of transmitting, of any notice of shareholders' meeting, report, or other document sent to shareholders, may be executed by the corporation's secretary, assistant secretary, or transfer agent and, if executed, will be filed and maintained in the minute book of the corporation.

Section 6. Quorum.

The presence in person or by proxy of the holders of a majority of the shares entitled to vote at any meeting of the shareholders will constitute a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave fewer than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum, unless the General Corporation Law requires the vote of a greater number of shareholders or a vote by classes.

Section 7. Adjourned Meeting; Notice.

Any shareholders' meeting, annual or special, whether or not a quorum is present, may be adjourned from time to time by the vote of the majority of the shares represented at that meeting, either in person or by proxy, but in the absence of a quorum, no other business may be transacted at that meeting, except as provided in Section 6 of this Article II.

When any meeting of shareholders, either annual or special, is adjourned to another time or place, notice of the adjourned meeting need not be given if the time and place are announced at the meeting at which the adjournment is taken, unless a new record date for the adjourned meeting is fixed, or unless the adjournment is for more than forty-five (45) days after the date set for the original meeting, in which case the board of directors will set a new record date. Notice of any such adjourned meeting, if required, will be given to each shareholder of record entitled to vote at the adjourned meeting, in accordance with Sections 4 and 5 of this Article II. At any adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting.

Section 8. Voting.

The shareholders entitled to vote at any meeting of shareholders will be determined in accordance with Section 11 of this Article II, subject to the provisions of the California Corporations Code §§702-704 relating to voting shares held by a fiduciary, in the name of a corporation, or in joint ownership. The shareholders' vote may be by voice vote or by ballot, provided, however, that any election for directors must be by ballot if demanded by any shareholder before the voting has begun. On any matter other than the election of directors, any shareholder may vote part of the shares the shareholder is to vote in favor of the proposal and refrain from voting the remaining shares or vote them against the proposal, but, if the shareholder fails to specify the number of shares that the shareholder is voting affirmatively, it will be conclusively presumed that the shareholder's approving vote is with respect to all shares that the shareholder is entitled to vote. If a quorum is present (or if a quorum has been present earlier at the meeting but some shareholders have withdrawn), the affirmative vote of a majority of the shares represented and voting, provided such shares voting affirmatively also comprise a majority of the number of shares required for a quorum, will constitute an act of the shareholders unless the vote of a greater number or a vote by classes is required by law or by the articles of incorporation.

At a shareholders' meeting at which directors are to be elected, no shareholder will be entitled to cumulate votes (i.e., cast for any candidate a number of votes greater than the number of votes which that shareholder normally would be entitled to cast), unless the candidates' names have been placed in nomination before commencement of the voting and a shareholder has given notice at the meeting, before the voting has begun, of the shareholder's intention to cumulate votes. If any shareholder has given such a notice, then all shareholders entitled to vote may cumulate their votes for candidates in nomination. Thus each such shareholder may give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which that shareholder's shares are normally entitled, or may distribute the shareholder's votes on the same principle among any or all of the candidates. The candidates receiving the highest number of votes, up to the number of positions to be filled, will be elected.

Section 9. Waiver of Notice or Consent by Absent Shareholders.

The transactions of any meeting of shareholders, either annual or special, however called and noticed and wherever held, will be as valid as though they were had at a meeting duly held after regular call and notice, if a quorum is present either in person or by proxy, and if each person entitled to vote who was not present in person or by proxy, either before or after the meeting, signs a written waiver of notice or a consent to holding the meeting or an approval of the minutes of the meeting. The waiver of notice or consent need not specify either the business to be transacted or the purpose of any annual or special meeting of the shareholders, except that, if action is taken or proposed to be taken for approval of any of those matters specified in the California Corporations Code §601(f), i.e.:

- (i) A transaction in which a director has a financial interest, within the meaning of Corporations Code §310;
- (ii) An amendment of the articles of incorporation under Corporations Code §902;
- (iii) A conversion under Corporations Code §1152;
- (iv) A reorganization under Corporations Code §1201;
- (v) A voluntary dissolution under Corporations Code §1900; or
- (vi) A distribution in dissolution that requires approval of the outstanding shares under Corporations Code §2007.

The waiver of notice or consent is required to state the general nature of the action or proposed action. All waivers, consents, and approvals will be filed with the corporate records or made a part of the minutes of the meeting.

A shareholder's attendance at a meeting also constitutes a waiver of notice of that meeting, unless the shareholder at the beginning of the meeting objects to the transaction of any business on the ground that the meeting was not lawfully called or convened. In addition, attendance at a meeting does not constitute a waiver of any right to object to consideration of matters required by law to be included in the notice of the meeting which were not so included, if that objection is expressly made at the meeting.

Section 10. Shareholder Action by Written Consent Without a Meeting.

Any action that could be taken at an annual or special meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, is signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize

or take that action at a meeting at which all shares entitled to vote on that action were present and voted.

Directors may be elected by written consent of the shareholders without a meeting only if the written consents of all outstanding shares entitled to vote are obtained, except that vacancies on the board (other than vacancies created by removal) not filled by the board may be filled by the written consent of the holders of a majority of the outstanding shares entitled to vote.

All consents will be filed with the secretary of the corporation and will be maintained in the corporate records. Any shareholder or other authorized person who has given a written consent may revoke it by a writing received by the secretary of the corporation before written consents of the number of shares required to authorize the proposed action have been filed with the secretary.

Unless the consents of all shareholders entitled to vote have been solicited in writing, prompt notice will be given of any corporate action approved by shareholders without a meeting by less than unanimous consent, to those shareholders entitled to vote who have not consented in writing. As to approvals required by California Corporations Code §310 (transactions in which a director has a financial interest), §317 (indemnification of corporate agents), §1152 (corporate conversion), §1201 (corporate reorganization), or §2007 (certain distributions on dissolution), notice of the approval will be given at least ten days before the consummation of any action authorized by the approval. Notice will be given in the manner specified in Section 5 of this Article II.

Section 11. Record Date for Shareholder Notice of Meeting, Voting, and Giving Consent.

(a) For purposes of determining the shareholders entitled to receive notice of and vote at a shareholders' meeting or give written consent to corporate action without a meeting, the board may fix in advance a record date that is not more than sixty (60) nor less than ten (10) days before the date of a shareholders' meeting, or not more than sixty (60) days before any other action.

(b) If no record date is fixed:

- (i) The record date for determining shareholders entitled to receive notice of and vote at a shareholders' meeting will be the business day next preceding the day on which notice is given, or, if notice is waived as provided in Section 9 of this Article II, the business day next preceding the day on which the meeting is held.
- (ii) The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting, if no

prior action has been taken by the board, will be the day on which the first written consent is given.

- (iii) The record date for determining shareholders for any other purpose will be as set forth in Section 1 of Article VIII of these bylaws.

(c) A determination of shareholders of record entitled to receive notice of and vote at a shareholders' meeting will apply to any adjournment of the meeting unless the board fixes a new record date for the adjourned meeting. However, the board will fix a new record date if the adjournment is to a date more than forty-five (45) days after the date set for the original meeting.

(d) Only shareholders of record on the corporation's books at the close of business on the record date will be entitled to any of the notice and voting rights listed in subsection (a) of this section, notwithstanding any transfer of shares on the corporation's books after the record date, except as otherwise required by law.

Section 12. Proxies.

Every person entitled to vote for directors or on any other matter will have the right to do so either in person or by one or more agents authorized by a written proxy signed by the person and filed with the secretary of the corporation. A proxy will be deemed signed if the shareholder's name is placed on the proxy (whether by manual signature, typewriting, telegraphic transmission, or otherwise) by the shareholder or the shareholder's attorney in fact. A validly executed proxy that does not state that it is irrevocable will continue in full force and effect unless (i) revoked by the person executing it, before the vote pursuant to that proxy, by a writing delivered to the corporation stating that the proxy is revoked, or by attendance at the meeting and voting in person by the person executing the proxy or by a subsequent proxy executed by the same person and presented at the meeting; or (ii) written notice of the death or incapacity of the maker of that proxy is received by the corporation before the vote pursuant to that proxy is counted; provided, however, that no proxy will be valid after the expiration of eleven (11) months from the date of the proxy, unless otherwise provided in the proxy. The revocability of a proxy that states on its face that it is irrevocable will be governed by the provisions of the California Corporations Code §§705(e) and 705(f).

Section 13. Inspectors of Election.

Before any meeting of shareholders, the board of directors may appoint any persons other than nominees for office to act as inspectors of election at the meeting or its adjournment. If no inspectors of election are so appointed, the chair of the meeting may, and on the request of any shareholder or a shareholder's proxy will, appoint inspectors of election at the meeting. The number of inspectors will be either one or three. If inspectors are appointed at a meeting on the request of one or more shareholders or proxies, the holders of a majority of shares or their proxies present at

the meeting will determine whether one or three inspectors are to be appointed. If any person appointed as inspector fails to appear or fails or refuses to act, the chair of the meeting may, and upon the request of any shareholder or a shareholder's proxy will, appoint a person to fill that vacancy.

These inspectors will: (a) determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, and the authenticity, validity, and effect of proxies; (b) receive votes, ballots, or consents; (c) hear and determine all challenges and questions in any way arising in connection with the right to vote; (d) count and tabulate all votes or consents; (e) determine when the polls will close; (f) determine the result; and (g) do any other acts that may be proper to conduct the election or vote with fairness to all shareholders.

ARTICLE III

DIRECTORS

Section 1. Powers.

Subject to the provisions of the California General Corporation Law and any limitations in the articles of incorporation and these bylaws relating to action required to be approved by the shareholders or by the outstanding shares, the business and affairs of the corporation will be managed and all corporate powers will be exercised by or under the direction of the board of directors.

Without prejudice to these general powers, and subject to the same limitations, the board of directors will have the power to:

(a) Select and remove all officers, agents, and employees of the corporation; prescribe any powers and duties for them that are consistent with law, with the articles of incorporation, and with these bylaws; fix their compensation; and require from them security for faithful service.

(b) Change the principal executive office or the principal business office in the State of California from one location to another; cause the corporation to be qualified to do business in any other state, territory, dependency, or country and conduct business within or outside the State of California; and designate any place within or outside the State of California for holding any shareholders' meeting or meetings, including annual meetings.

(c) Adopt, make, and use a corporate seal; prescribe the forms of certificates of stock; and alter the form of the seal and certificates.

(d) Authorize the issuance of shares of stock of the corporation on any lawful terms, in consideration of money paid, labor done, services actually rendered, debts or securities canceled, or tangible or intangible property actually received.

(e) Borrow money and incur indebtedness on behalf of the corporation, and cause to be executed and delivered for the corporation's purposes, in the corporate name, promissory notes, bonds, debentures, deeds of trust, mortgages, pledges, hypothecations, and other evidences of debt and securities.

Section 2. Number of Directors.

The authorized number of directors will be one (1) until changed by a duly adopted amendment to the articles of incorporation or by amendment to this bylaw adopted by the vote or written consent of a majority of the outstanding shares entitled to vote.

Section 3. Election and Term of Office of Directors.

Directors will be elected at each annual meeting of the shareholders to hold office until the next annual meeting. Each director, including a director elected to fill a vacancy, will hold office until the expiration of the term for which elected and until a successor has been elected and qualified.

No reduction of the authorized number of directors will have the effect of removing any director before that director's term of office expires.

Section 4. Vacancies.

A vacancy in the board of directors will be deemed to exist (1) if a director dies, resigns, or is removed by the shareholders or an appropriate court, as provided in the California Corporations Code §303 or §304; (2) if the board of directors declares vacant the office of a director who has been convicted of a felony or declared of unsound mind by an order of court; (3) if the authorized number of directors is increased; or (4) if at any shareholders' meeting at which one or more directors are elected the shareholders fail to elect the full authorized number of directors to be voted for at that meeting.

Any director may resign effective on giving written notice to the chair of the board, the president, the secretary, or the board of directors, unless the notice specifies a later effective date. If the resignation is effective at a future time, the board may elect a successor to take office when the resignation becomes effective.

Except for a vacancy caused by the removal of a director, vacancies on the board may be filled by approval of the board or, if the number of directors then in office is less than a quorum, by (1) the unanimous written consent of the directors then in office, (2) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with Corporations Code §307, or (3) a sole remaining director.

A vacancy on the board caused by the removal of a director may be filled only by the shareholders, except that a vacancy created when the board declares the office of a director vacant as provided in clause (2) of the first paragraph of this section of the bylaws may be filled by the board of directors.

The shareholders may elect a director at any time to fill a vacancy not filled by the board of directors.

The term of office of a director elected to fill a vacancy will run until the next annual meeting of the shareholders, and such a director will hold office until a successor is elected and qualified.

Section 5. Place of Meetings: Telephone Meetings.

Regular meetings of the board of directors may be held at any place within or outside the State of California as designated from time to time by the board. In the absence of a designation, regular meetings will be held at the principal executive office of the corporation. Special meetings of the board will be held at any place within or outside the State of California designated in the notice of the meeting, or if the notice does not state a place, or if there is no notice, at the principal executive office of the corporation. Any meeting, regular or special, may be held by conference telephone, electronic video screen communication, or similar communication equipment, provided that all directors participating can hear one another.

Section 6. Annual Directors' Meeting.

Immediately after each annual shareholders' meeting, the board of directors will hold a regular meeting at the same place, or at any other place that has been designated by the board of directors, to consider matters of organization, election of officers, and other business as desired. Notice of this meeting will not be required unless some place other than the place of the annual shareholders' meeting has been designated.

Section 7. Other Regular Meetings.

Other regular meetings of the board of directors will be held without call at times to be fixed by the board of directors from time to time. Such regular meetings may be held without notice.

Section 8. Special Meetings.

Special meetings of the board of directors may be called for any purpose or purposes at any time by the chair of the board, the president, any vice president, the secretary, or any two directors.

Special meetings will be held on four (4) days' notice by mail or forty-eight hours' notice delivered personally or by telephone (including a voice messaging system or other system or technology designed to record and communicate messages), telegraph, facsimile, electronic mail, or other electronic means. Oral notice given personally or by telephone, or written notice given by electronic mail or facsimile, may be transmitted either to the director or to a person at the director's office who can reasonably be expected to communicate it promptly to the director. Written notice, if used, will be addressed to each director at the address shown on the corporation's records. The notice need not specify the purpose of the meeting, nor need it specify the place if the meeting is to be held at the principal executive office of the corporation.

Section 9. Quorum.

A majority of the authorized number of directors will constitute a quorum for the transaction of business, except to adjourn as provided in Section 11 of this Article III. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present will be regarded as the act of the board of directors, subject to the provisions of Corporations Code §310 (concerning approval of contracts or transactions in which a director has a direct or indirect material financial interest), §311 (concerning appointment of committees), and §317(e) (concerning indemnification of directors). A meeting at which a quorum is initially present may continue to transact business, despite a withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for that meeting.

Even though a quorum is initially present, if the number of directors present at a meeting is reduced to less than a quorum by withdrawal of directors, no further business except adjournment from time to time may be transacted at the meeting until a quorum is present.

Section 10. Waiver of Notice.

Notice of a meeting, although otherwise required, need not be given to any director who (1) either before or after the meeting signs a waiver of notice or a consent to holding the meeting without being given notice, (2) signs an approval of the minutes of the meeting, or (3) attends the meeting without protesting the lack of notice before or at the beginning of the meeting. Waivers of notice or consents need not specify the purpose of the meeting. All waivers, consents, and approvals of the minutes will be filed with the corporate records or made a part of the minutes of the meeting.

Section 11. Adjournment to Another Time or Place.

Whether or not a quorum is present, a majority of the directors present may adjourn any meeting to another time or place.

Section 12. Notice of Adjourned Meeting.

Notice of the time and place of resuming a meeting that has been adjourned need not be given unless the adjournment is for more than twenty-four (24) hours, in which case notice will be given, before the time set for resuming the adjourned meeting, to the directors who were not present at the time of the adjournment. Notice need not be given in any case to directors who were present at the time of adjournment.

Section 13. Action Without a Meeting.

Any action required or permitted to be taken by the board of directors may be taken without a meeting, if all members of the board of directors individually or collectively consent in writing to that action. Any action by written consent will have the same force and effect as a unanimous vote of the board of directors. All written consents will be filed with the minutes of the proceedings of the board of directors.

Section 14. Fees and Compensation of Directors.

Directors and members of committees of the board may be compensated for their services, and will be reimbursed for expenses, as fixed or determined by resolution of the board of directors. This section will not be construed to preclude any director from serving the corporation in any other capacity, as an officer, agent, employee, or otherwise, or from receiving compensation for those services.

ARTICLE IV

COMMITTEES

Section 1. Committees of the Board.

The board of directors may, by resolution adopted by a majority of the authorized number of directors, designate one or more committees, each consisting of two or more directors. The board may designate one or more directors as alternate members of any committee, to replace any absent member at a committee meeting. The appointment of committee members or alternate members requires the vote of a majority of the authorized number of directors. A committee may be granted any or all of the powers and authority of the board, to the extent provided in the resolution of the board of directors establishing the committee, except with respect to:

- (a) Approving any action for which the California Corporations Code also requires the approval of the shareholders or of the outstanding shares;
- (b) Filling vacancies on the board of directors or any committee of the board;

- (c) Fixing directors' compensation for serving on the board or a committee of the board;
- (d) Adopting, amending, or repealing bylaws;
- (e) Amending or repealing any resolution of the board of directors that by its express terms is not so amendable or repealable;
- (f) Making distributions to shareholders, except at a rate or in a periodic amount or within a price range determined by the board of directors; or
- (g) Appointing other committees of the board or their members.

Section 2. Meetings and Action of Committees.

Meetings and action of committees will be governed by, and held and taken in accordance with, bylaw provisions applicable to meetings and actions of the board of directors, as provided in Section 5 and Sections 7 through 13 of Article III of these bylaws, in regard to the following matters: place of meetings, Section 5; regular meetings, Section 7; special meetings and notice, Section 8; quorum, Section 9; waiver of notice, Section 10; adjournment, Section 11; notice of adjournment, Section 12; and action without meeting, Section 13, with such changes in the context of those bylaws as are necessary to substitute the committee and its members for the board of directors and its members, except that (1) the time of regular meetings of committees may be determined either by resolution of the board of directors or by resolution of the committee; (2) special meetings of committees may also be called by resolution of the board of directors; and (3) notice of special meetings of committees will also be given to all alternative members who will have the right to attend all meetings of the committee. The board of directors may adopt rules for the governance of any committee not inconsistent with these bylaws.

ARTICLE V

OFFICERS

Section 1. Officers.

The officers of the corporation will be a president, a secretary, and a chief financial officer (who may also be called a treasurer). The corporation may also have, at the discretion of the board of directors, a chair of the board, one or more vice presidents, one or more assistant secretaries, one or more assistant treasurers, and such other officers as may be appointed in accordance with Section 3 of this Article V. Any number of offices may be held by the same person.

Section 2. Appointment of Officers.

The officers of the corporation, except for subordinate officers appointed in accordance with Section 3 of this Article V, will be appointed annually by the board of directors, and will serve at the pleasure of the board of directors.

Section 3. Subordinate Officers.

The board of directors may appoint, and may empower the president to appoint, other officers as required by the business of the corporation, whose duties will be as provided in the bylaws, or as determined from time to time by the board of directors or the president.

Section 4. Removal and Resignation of Officers.

Any officer chosen by the board of directors may be removed at any time, with or without cause or notice, by the board of directors. Subordinate officers appointed by persons other than the board under Section 3 of this Article V may be removed at any time, with or without cause or notice, by the board of directors or by the officer by whom appointed. Officers may be employed for a specified term under a contract of employment if authorized by the board of directors; such officers may be removed from office at any time under this section, and will have no claim against the corporation or individual officers or board members because of the removal except any right to monetary compensation to which the officer may be entitled under the contract of employment.

Any officer may resign at any time by giving written notice to the corporation. Resignations will take effect on the date of receipt of the notice, unless a later time is specified in the notice. Unless otherwise specified in the notice, acceptance of the resignation is not necessary to make it effective. Any resignation is without prejudice to the rights, if any, of the corporation to monetary damages under any contract of employment to which the officer is a party.

Section 5. Vacancies in Offices.

A vacancy in any office resulting from an officer's death, resignation, removal, or disqualification, or from any other cause, will be filled in the manner prescribed in these bylaws for regular election or appointment to that office.

Section 6. Chair of the Board.

The board of directors may elect a chair, who will preside, if present, at board meetings and will exercise and perform such other powers and duties as may be assigned from time to time by the board of directors. If there is no president, the chair of the board will in addition be the chief executive officer of the corporation, and will have the powers and duties as set forth in Section 7 of this Article V.

Section 7. President.

Except to the extent that the bylaws or the board of directors assign specific powers and duties to the chair of the board (if any), the president will be the corporation's general manager and chief executive officer and, subject to the control of the board of directors, will have general supervision, direction, and control over the corporation's business and its officers. The managerial powers and duties of the president will include, but are not limited to, all the general powers and duties of management usually vested in the office of president of a corporation, and the president will have other powers and duties as prescribed by the board of directors or the bylaws. The president will preside at all meetings of the shareholders and, in the absence of the chair of the board or if there is no chair of the board, will also preside at meetings of the board of directors.

Section 8. Vice Presidents.

If desired, one or more vice presidents may be chosen by the board of directors in accordance with the provisions for electing officers set forth in Section 2 of this Article V. In the absence or disability of the president, the president's duties and responsibilities will be carried out by the highest ranking available vice president if vice presidents are ranked or, if not, by a vice president designated by the board of directors. When so acting, a vice president will have all the powers of and be subject to all the restrictions on the president. Vice presidents of the corporation will have such other powers and perform such other duties as prescribed from time to time by the board of directors, the bylaws, or the president (or chair of the board if there is no president).

Section 9. Secretary.

(a) **Minutes.** The secretary will keep, or cause to be kept, minutes of all of the shareholders' meetings and of all other board meetings. If the secretary is unable to be present, the secretary or the presiding officer of the meeting will designate another person to take the minutes of the meeting.

The secretary will keep, or cause to be kept, at the principal executive office or such other place as designated by the board of directors, a book of minutes of all meetings and actions of the shareholders, of the board of directors, and of committees of the board. The minutes of each meeting will state the time and place the meeting was held; whether it was regular or special; if special, how it was called or authorized; the names of directors present at board or committee meetings; the number of shares present or represented at shareholders' meetings; an accurate account of the proceedings; and when it was adjourned.

(b) **Record of Shareholders.** The secretary will keep, or cause to be kept, at the principal executive office or at the office of the transfer agent or registrar, a record or duplicate record of shareholders. This record will show the names of all

shareholders and their addresses, the number and classes of shares held by each, the number and date of share certificates issued to each shareholder, and the number and date of cancellation of any certificates surrendered for cancellation.

(c) Notice of Meetings. The secretary will give notice, or cause notice to be given, of all shareholders' meetings, board meetings, and meetings of committees of the board for which notice is required by statute or by the bylaws. If the secretary or other person authorized by the secretary to give notice fails to act, notice of any meeting may be given by any other officer of the corporation.

(d) Other Duties. The secretary will keep the seal of the corporation, if any, in safe custody. The secretary will have such other powers and perform other duties as prescribed by the board of directors or by the bylaws.

Section 10. Chief Financial Officer.

The chief financial officer will keep, or cause to be kept, adequate and correct books and records of accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital, retained earnings, and shares. The books of account will at all reasonable times be open to inspection by any director.

The chief financial officer will (1) deposit corporate funds and other valuables in the corporation's name and to its credit with depositaries designated by the board of directors; (2) make disbursements of corporate funds as authorized by the board; (3) render a statement of the corporation's financial condition and an account of all transactions conducted as chief financial officer whenever requested by the president or the board of directors; and (4) have other powers and perform other duties as prescribed by the board of directors or the bylaws.

Unless the board of directors has elected a separate treasurer, the chief financial officer will be deemed to be the treasurer for purposes of giving any reports or executing any certificates or other documents.

ARTICLE VI

INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND OTHER AGENTS

The corporation will, to the maximum extent permitted by the California General Corporation Law, have power to indemnify each of its agents against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding arising by reason of the fact that any such person is or was an agent of the corporation, and will have power to advance to each such agent expenses incurred in defending any such proceeding to the maximum extent permitted by that law. For purposes of this Article, an "agent" of the corporation includes any

person who is or was a director, officer, employee, or other agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise, or was a director, officer, employee, or agent of a corporation that was a predecessor corporation of the corporation or of another enterprise serving at the request of such predecessor corporation.

ARTICLE VII

RECORDS AND REPORTS

Section 1. Maintenance of Shareholder Record and Inspection by Shareholders.

The corporation will keep at its principal executive office or at the office of its transfer agent or registrar, as determined by resolution of the board of directors, a record of the names and addresses of all shareholders and the number and class of shares held by each shareholder.

A shareholder or shareholders holding at least 5 percent in the aggregate of the outstanding voting shares of the corporation have the right to do either or both of the following:

(a) Inspect and copy the record of shareholders' names and addresses and shareholdings during usual business hours, on five days' prior written demand on the corporation, or

(b) Obtain from the corporation's transfer agent, on written demand and tender of the transfer agent's usual charges for this service, a list of the names and addresses of shareholders who are entitled to vote for the election of directors, and their shareholdings, as of the most recent record date for which a list has been compiled or as of a specified date later than the date of demand. This list will be made available within 5 days after (i) the date of demand or (ii) the specified later date as of which the list is to be compiled.

The record of shareholders will also be open to inspection on the written demand of any shareholder or holder of a voting trust certificate, at any time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or holder of a voting trust certificate. Any inspection and copying under this section may be made in person or by an agent or attorney of the shareholder or holder of a voting trust certificate making the demand

Section 2. Maintenance and Inspection of Bylaws.

The corporation will keep at its principal executive office, or if its principal executive office is not in the State of California, at its principal business office in this state, the original or a copy of the bylaws as amended to date, which will be open to

inspection by the shareholders at all reasonable times during office hours. If the principal executive office of the corporation is outside the State of California and the corporation has no principal business office in this state, the secretary will, on the written request of any shareholder, furnish to that shareholder a copy of the bylaws as amended to date.

Section 3. Maintenance and Inspection of Minutes and Accounting Records.

The minutes of proceedings of the shareholders, board of directors, and committees of the board, and the accounting books and records, will be kept at the principal executive office of the corporation, or at such other place or places as designated by the board of directors. The minutes will be kept in written form, and the accounting books and records will be kept either in written form or in a form capable of being converted into written form. The minutes and accounting books and records will be open to inspection on the written demand of any shareholder or holder of a voting trust certificate at any reasonable time during usual business hours, for a purpose reasonably related to the holder's interests as a shareholder or holder of a voting trust certificate. The inspection may be made in person or by an agent or attorney, and will include the right to copy and make extracts. These rights of inspection will extend to the records of each subsidiary of the corporation.

Section 4. Inspection By Directors.

Every director will have the absolute right at any reasonable time to inspect all books, records, and documents of every kind and the physical properties of the corporation and each of its subsidiary corporations. This inspection by a director may be made in person or by an agent or attorney, and the right of inspection includes the right to copy and make extracts of documents.

Section 5. Annual Report to Shareholders.

Inasmuch as, and for as long as, there are fewer than one hundred (100) shareholders, the requirement of an annual report to shareholders referred to in California Corporations Code §1501 is expressly waived. However, nothing in this provision will be interpreted as prohibiting the board of directors from issuing annual or other periodic reports to the shareholders, as the board considers appropriate.

If at any time the number of shareholders will exceed 100, the first paragraph of Section 5 will be repealed, and the following provisions will be substituted:

The board of directors will cause an annual report to be sent to the shareholders not later than one hundred twenty (120) days after the close of the fiscal year adopted by the corporation. This report will be sent at least fifteen (15) days (if third-class mail is used, thirty-five (35) days) before the annual meeting of shareholders to be held during the next fiscal year and in the manner specified for giving notice to shareholders in Section 5 of Article II of these bylaws. The annual report will contain a

balance sheet as of the end of the fiscal year and an income statement and a statement of changes in financial position for the fiscal year that are (1) prepared in accordance with generally accepted accounting principles applied on a consistent basis and (2) accompanied by any report of independent accountants, or, if there is no such report, the certificate of an authorized officer of the corporation that the statements were prepared from the corporation's books and records without audit.

Section 6. Financial Statements.

The corporation will keep a copy of each annual financial statement, quarterly or other periodic income statement, and accompanying balance sheets prepared by the corporation on file in the corporation's principal executive office for twelve (12) months; these documents will be exhibited at all reasonable times, or copies provided, to any shareholder on demand.

If no annual report for the last fiscal year has been sent to shareholders, on written request of any shareholder made more than one hundred twenty (120) days after the close of the fiscal year, the corporation will deliver or mail to the shareholder, within thirty (30) days after receipt of the request, a balance sheet as of the end of that fiscal year and an income statement and statement of changes in financial position for that fiscal year.

A shareholder or shareholders holding five percent (5%) or more of the outstanding shares of any class of stock of the corporation may request in writing an income statement for the most recent three-month, six-month, or nine-month period (ending more than thirty (30) days before the date of the request) of the current fiscal year, and a balance sheet of the corporation as of the end of that period. If such documents are not already prepared, the chief financial officer will cause them to be prepared and will deliver the documents personally or mail them to the requesting shareholders within thirty (30) days after receipt of the request. A balance sheet, income statement, and statement of changes in financial position for the last fiscal year will also be included, unless the corporation has sent the shareholders an annual report for the last fiscal year.

Quarterly income statements and balance sheets referred to in this section will be accompanied by the report, if any, of independent accountants engaged by the corporation or the certificate of an authorized corporate officer stating that the financial statements were prepared from the corporation's books and records without audit.

Section 7. Annual Statement of General Information.

(a) Annually, during the calendar month in which the original articles of incorporation were filed with the California Secretary of State, or during the preceding five calendar months, the corporation will file a statement with the Secretary of State on the prescribed form, setting forth the authorized number of directors; the names and complete business or residence addresses of all incumbent directors; the names and

complete business or residence addresses of the chief executive officer, the secretary, and the chief financial officer; the street address of the corporation's principal executive office or principal business office in this state; a statement of the general type of business constituting the principal business activity of the corporation; and a designation of the agent of the corporation for the purpose of service of process, all in compliance with California Corporations Code §1502.

(b) Despite the provisions of paragraph (a) of this section, if there has been no change in the information in the corporation's last statement on file in the Secretary of State's office, the corporation may, in lieu of filing the statement described in paragraph (a) of this section, advise the Secretary of State, on the appropriate form, that no changes in the required information have occurred during the applicable period.

ARTICLE VIII

GENERAL CORPORATE MATTERS

Section 1. Record Date for Purposes other than Notice and Voting.

For purposes of determining the shareholders entitled to receive payment of dividends or other distributions or allotment of rights, or entitled to exercise any rights in respect of any other lawful action (other than voting at and receiving notice of shareholders' meetings and giving written consent of the shareholders without a meeting), the board of directors may fix in advance a record date, which will be not more than sixty (60) nor less than ten (10) days before the date of the dividend payment, distribution, allotment, or other action. If a record date is so fixed, only shareholders of record at the close of business on that date will be entitled to receive the dividend, distribution, or allotment of rights, or to exercise the other rights, as the case may be, despite any transfer of shares on the corporation's books after the record date, except as otherwise provided by statute.

If the board of directors does not so fix a record date in advance, the record date will be at the close of business on the later of (1) the day on which the board of directors adopts the applicable resolution or (2) the sixtieth (60th) day before the date of the dividend payment, distribution, allotment of rights, or other action.

Section 2. Authorized Signatories for Checks.

All checks, drafts, other orders for payment of money, notes, or other evidences of indebtedness issued in the name of or payable to the corporation will be signed or endorsed by the person or persons in the manner authorized from time to time by resolution of the board of directors.

Section 3. Executing Corporate Contracts and Instruments.

Except as otherwise provided in the articles or in these bylaws, the board of directors by resolution may authorize any officer, officers, agent, or agents to enter into any contract or to execute any instrument in the name of and on behalf of the corporation. This authority may be general or it may be confined to one or more specific matters. No officer, agent, employee, or other person purporting to act on behalf of the corporation will have any power or authority to bind the corporation in any way, to pledge the corporation's credit, or to render the corporation liable for any purpose or in any amount, unless that person was acting with authority granted by the board of directors as provided in these bylaws, or unless an unauthorized act was later ratified by the corporation.

Section 4. Certificates for Shares.

A certificate or certificates for shares of the capital stock of the corporation will be issued to each shareholder when any of the shares are fully paid.

In addition to certificates for fully paid shares, the board of directors may authorize the issuance of certificates for shares that are partly paid and subject to call for the remainder of the purchase price, provided that the certificates representing partly paid shares will state the total amount of the consideration to be paid for the shares and the amount actually paid.

All certificates will certify the number of shares and the class or series of shares represented by the certificate. All certificates will be signed in the name of the corporation by (1) either the president or any vice president, and (2) either the chief financial officer, any assistant treasurer, the secretary, or any assistant secretary.

None of the signatures on the certificate may be facsimile. If any officer, transfer agent, or registrar who has signed a certificate will have ceased to be that officer, transfer agent, or registrar before that certificate is issued, the certificate may be issued by the corporation with the same effect as if that person were an officer, transfer agent, or registrar at the date of issue.

Section 5. Lost Certificates.

Except as provided in this Section 5, no new certificates for shares will be issued to replace old certificates unless the old certificate is surrendered to the corporation for cancellation at the same time. If share certificates or certificates for any other security have been lost, stolen, or destroyed, the board of directors may authorize the issuance of replacement certificates on terms and conditions as required by the board, which may include a requirement that the owner give the corporation a bond (or other adequate security) sufficient to indemnify the corporation against any claim that may be made against it (including any expense or liability) on account of the alleged

loss, theft, or destruction of the old certificate or the issuance of the replacement certificate.

Section 6. Shares of Other Corporations: How Voted.

Shares of other corporations standing in the name of this corporation will be voted by one of the following persons, listed in order of preference: (1) president, or person designated by the president; (2) first vice president, or person designated by the first vice president; (3) other person designated by the board of directors. The authority to vote shares granted by this section includes the authority to execute a proxy in the name of the corporation for purposes of voting the shares.

Section 7. Reimbursement of Corporation if Payment not Tax Deductible.

If all or part of the compensation, including expenses, paid by the corporation to a director, officer, employee, or agent is finally determined not to be allowable to the corporation as a federal or state income tax deduction, the director, officer, employee, or agent to whom the payment was made will repay to the corporation the amount disallowed. The board of directors will enforce repayment of each such amount disallowed by the taxing authorities.

Section 8. Construction and Definitions.

Unless the context requires otherwise, the general provisions, rules of construction, and definitions in the California Corporations Code §§100-195 govern the construction of these bylaws. Without limiting the generality of this provision, the singular number includes the plural, the plural number includes the singular, and the term "person" includes both a corporation and a natural person.

ARTICLE IX

AMENDMENTS

Section 1. Amendment by Board of Directors or Shareholders.

Except as otherwise required by law or by the articles of incorporation, these bylaws may be amended or repealed, and new bylaws may be adopted, by the board of directors or by the holders of a majority of the outstanding shares entitled to vote.


CERTIFICATE

I, Lynn Harrington-Schmid, certify that:

I am the Secretary of Chelsea Service Corporation; and

The foregoing Bylaws, consisting of twenty-two (22) pages, are a true and correct copy of the Bylaws of the corporation as duly adopted by the written consent of the sole director of the corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the corporation this 23rd day of February, 2004.



Lynn Harrington-Schmid, Secretary

AMENDED AND RESTATED BYLAWS

OF

**CHELSEA INVESTMENT CORPORATION,
a California corporation (the "Corporation")**

These Amended and Restated Bylaws amend and restate in their entirety those certain Bylaws of the Corporation (formerly known as Chelsea Service Corporation), adopted February 23, 2004.

ARTICLE I - OFFICES

Section 1. The principal executive office of the Corporation shall be at such place inside or outside the State of California as the Board of Directors may determine from time to time.

Section 2. The Corporation may also have offices at such other places as the Board of Directors may from time to time designate, or as the business of the Corporation may require.

ARTICLE II - SHAREHOLDERS' MEETINGS

Section 1. Annual Meetings. The annual meeting of the shareholders of the Corporation for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting shall be held at such place and at such time as may be fixed from time to time by the Board of Directors and stated in the notice of the meeting. If the annual meeting of the shareholders be not held as herein prescribed, the election of directors may be held at any meeting thereafter called pursuant to these Bylaws.

Section 2. Special Meetings. Special meetings of the shareholders, for any purpose whatsoever, unless otherwise prescribed by statute, may be called at any time by the Chairman of the Board, the President, or by the Board of Directors, or by one or more shareholders holding not less than ten percent (10%) of the voting power of the Corporation.

Section 3. Place. All meetings of the shareholders shall be at any place within or without the State of California designated by the Board of Directors or by written consent of all the persons entitled to vote thereat, given either before or after the meeting. In the absence of any such designation, shareholders' meetings shall be held at the principal executive office of the Corporation. Subject to the provisions of Section 600(e) of the California Corporations Code, meetings of the shareholders may be conducted, in whole or in part, by electronic transmission by and to the Corporation or by electronic video screen communication.

Section 4. Notice. Notice of meetings of the shareholders of the Corporation shall be given in writing to each shareholder entitled to vote, either personally, by first-class mail (unless the Corporation has 500 or more shareholders determined as provided by the California Corporations Code on the record date for the meeting, in which case notice may be sent by third-class mail), by electronic transmission by the corporation, or other means of written communication, charges prepaid, addressed to the shareholder at his address appearing on the books of the Corporation or given by the shareholder to the Corporation for the purpose of notice. Notice of any such meeting of shareholders shall be sent to each shareholder entitled thereto not less than ten (10) (or, if sent by third-class mail, thirty (30)) nor more than sixty (60) days before the meeting. Said notice shall state the place, date and hour of the meeting, the means of electronic transmission by and to the corporation or electronic video screen communication, if any, by which shareholders may participate in that meeting, and, (1) in the case of special meetings, the general nature of the business to be transacted, and no other business may be transacted, or (2) in the case of annual meetings, those matters which the Board of Directors, at the time of the mailing of the notice, intends to present for action by the shareholders, but subject to Section 601(f) of the California Corporations Code any proper matter may be presented at the meeting for shareholder action, and (3) in the case of any meeting at which directors are to be elected, the names of the nominees intended at the time of the mailing of the notice to be presented by management for election.

Section 5. Adjourned Meetings. Any shareholders' meeting may be adjourned from time to time by the vote of the holders of a majority of the voting shares present at the meeting either in person or by proxy. Notice of any adjourned meeting need not be given unless a meeting is adjourned for forty-five (45) days or more from the date set for the original meeting.

Section 6. Quorum. The presence in person or by proxy of the persons entitled to vote a majority of the shares entitled to vote at any meeting constitutes a quorum for the transaction of business. The shareholders present at a duly called or held meeting at which a quorum is present may continue to do business until adjournment, notwithstanding the withdrawal of enough shareholders to leave less than a quorum, if any action taken (other than adjournment) is approved by at least a majority of the shares required to constitute a quorum.

In the absence of a quorum, any meeting of shareholders may be adjourned from time to time by the vote of a majority of the shares, the holders of which are either present in person or represented by proxy thereat, but no other business may be transacted, except as provided above.

Section 7. Shareholder Action by Written Consent. Any action which may be taken at any meeting of shareholders may be taken without a meeting and without prior notice, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted; provided, however, that (1) unless the consents of all

shareholders entitled to vote have been solicited in writing, notice of any shareholder approval without a meeting by less than unanimous written consent shall be given as required by the California Corporations Code, and (2) directors may not be elected by written consent except by unanimous written consent of all shares entitled to vote for the election of directors.

Any written consent may be revoked by a writing received by the Secretary of the Corporation prior to the time that written consents of the number of shares required to authorize the proposed action have been filed with the Secretary.

Section 8. Waiver of Notice. The transactions of any meeting of shareholders, however called and noticed, and whenever held, shall be as valid as though had at a meeting duly held after regular call and notice, if a quorum be present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of the meeting, or an approval of the minutes thereof. All such waivers, consents, or approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 9. Voting. The voting at all meetings of shareholders need not be by ballot, but any qualified shareholder before the voting begins may demand a stock vote whereupon such stock vote shall be taken by ballot, each of which shall state the name of the shareholder voting and the number of shares voted by such shareholder, and if such ballot be cast by a proxy, it shall also state the name of such proxy.

At any meeting of the shareholders, every shareholder having the right to vote shall be entitled to vote in person, or by proxy appointed in a writing subscribed by such shareholder and bearing a date not more than eleven months prior to said meeting, unless the writing states that it is irrevocable and satisfies Section 705(e) of the California Corporations Code, in which event it is irrevocable for the period specified in said writing and said Section 705(e).

Section 10. Record Dates. In the event the Board of Directors fixes a day for the determination of shareholders of record entitled to vote as provided in Section 1 of Article V of these Bylaws, then, subject to the provisions of the General Corporation Law of the State of California, only persons in whose name shares entitled to vote stand on the stock records of the Corporation at the close of business on such day shall be entitled to vote.

If no record date is fixed:

The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the business day next preceding the day notice is given or, if notice is waived, at the close of business on the business day next preceding the day on which the meeting is held;

The record date for determining shareholders entitled to give consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the day on which the first written consent is given; and

The record date for determining shareholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto, or the 60th day prior to the date of such other action, whichever is later.

A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting unless the Board of Directors fixes a new record date for the adjourned meeting, but the Board of Directors shall fix a new record date if the meeting is adjourned for more than forty-five (45) days.

Section 11. Cumulative Voting for Election of Directors. Provided the candidate's name has been placed in nomination prior to the voting and one or more shareholders has given notice at the meeting prior to the voting of the shareholder's intent to cumulate the shareholder's votes, every shareholder entitled to vote at any election for directors shall have the right to cumulate such shareholder's votes and give one candidate a number of votes equal to the number of directors to be elected multiplied by the number of votes to which the shareholder's shares are normally entitled, or distribute the shareholder's votes on the same principle among as many candidates as the shareholder shall think fit. The candidates receiving the highest number of votes of the shares entitled to be voted for them up to the number of directors to be elected by such shares are elected.

ARTICLE III - BOARD OF DIRECTORS

Section 1. Powers. Subject to any limitations in the Articles of Incorporation or these Bylaws and to any provision of the California Corporations Code requiring shareholder authorization or approval for a particular action, the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised by, or under the direction of, the Board of Directors. The Board of Directors may delegate the management of the day-to-day operation of the business of the Corporation to a management company or other person provided that the business and affairs of the Corporation shall be managed and all corporate powers shall be exercised, under the ultimate direction of the Board of Directors.

Section 2. Number, Tenure and Qualifications. Except as set forth herein, the authorized number of directors of the Corporation shall be one (1). The number of directors of the Corporation may be changed from time to time by a resolution duly adopted by the Board of Directors. No reduction of the authorized number of directors shall have the effect of removing any director before his or her term of office expires.

Directors shall hold office until the next annual meeting of shareholders and until their respective successors are elected. If any such annual meeting is not held, or the

directors are not elected thereat, the directors may be elected at any special meeting of shareholders held for that purpose.

Section 3. Regular Meetings. A regular annual meeting of the Board of Directors shall be held without other notice than this Bylaw immediately after, and at the same place as, the annual meeting of shareholders. The Board of Directors may provide for other regular meetings from time to time by resolution.

Section 4. Special Meetings. Special meetings of the Board of Directors may be called at any time by the Chairman of the Board, or the President or any Vice President, or the Secretary or any two directors. Written notice of the time and place of all special meetings of the Board of Directors shall be delivered personally or by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, telegraph, facsimile, electronic mail or other electronic means to each director at least forty-eight (48) hours before the meeting, or sent to each director by first-class mail, postage prepaid, at least four (4) days before the meeting. Such notice need not specify the purpose of the meeting. Notice of any meeting of the Board of Directors need not be given to any director who signs a waiver of notice, whether before or after the meeting, or who attends the meeting without protesting prior thereto or at its commencement, the lack of notice to such director.

Section 5. Place of Meetings. Meetings of the Board of Directors may be held at any place within or without the State of California, which has been designated in the notice, or if not stated in the notice or there is no notice, the principal executive office of the Corporation or as designated by the resolution duly adopted by the Board of Directors.

Section 6. Participation by Telephone. Members of the Board of Directors may participate in a meeting through use of conference telephone, electronic video screen communication, or other communications equipment. Participation in a meeting through use of conference telephone constitutes presence in person at the meeting as long as all members participating in such meeting can hear one another. Participation in a meeting through the use of electronic video screen communication or other communications equipment (other than conference telephone) constitutes presence in person at that meeting if all of the following apply: (a) each member participating in the meeting can communicate with all of the other members concurrently, (b) each member is provided the means of participating in all matters before the Board of Directors, including, without limitation, the capacity to propose, or to interpose an objection to, a specific action to be taken by the Corporation, and (c) the Corporation adopts and implements some means of verifying that (i) a person participating in the meeting is a director or other person entitled to participate in the Board of Directors meeting, and (ii) all actions of, or votes by, the Board of Directors are taken or cast only by the directors and not be persons who are not directors.

Section 7. Quorum. A majority of the Board of Directors shall constitute a quorum at all meetings. In the absence of a quorum a majority of the directors present may adjourn any meeting to another time and place. If a meeting is adjourned for more than 24

hours, notice of any adjournment to another time or place shall be given prior to the time of the reconvened meeting to the directors who were not present at the time of adjournment.

Section 8. Action at Meeting. Every act or decision done or made by a majority of the directors present at a meeting duly held at which a quorum is present is the act of the Board of Directors. A meeting at which a quorum is initially present may continue to transact business notwithstanding the withdrawal of directors, if any action taken is approved by at least a majority of the required quorum for such meeting.

Section 9. Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, are as valid as though had at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each of the directors not present signs a written waiver of notice, a consent to holding the meeting, or an approval of the minutes thereof. All such waivers, consents and approvals shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 10. Action Without Meeting. Any action required or permitted to be taken by the Board of Directors may be taken without a meeting, if all members of the Board of Directors individually or collectively consent in writing to such action. Such written consent or consents shall be filed with the minutes of the proceedings of the Board of Directors. Such action by written consent shall have the same force and effect as a unanimous vote of such directors.

Section 11. Removal. The Board of Directors may declare vacant the office of a director who has been declared of unsound mind by an order of court or who has been convicted of a felony.

The entire Board of Directors or any individual director may be removed from office without cause by a vote of shareholders holding a majority of the outstanding shares entitled to vote at an election of directors; provided, however, that unless the entire Board of Directors is removed, no individual director may be removed when the votes cast against removal, or not consenting in writing to such removal, would be sufficient to elect such director if voted cumulatively at an election at which the same total number of votes cast were cast (or, if such action is taken by written consent, all shares entitled to vote were voted) and the entire number of directors authorized at the time of the director's most recent election were then being elected.

In the event an office of a director is so declared vacant or in case the Board of Directors or any one or more directors be so removed, new directors may be elected at the same meeting.

Section 12. Resignations. Any director may resign effective upon giving written notice to the Chairman of the Board, the President, the Secretary or the Board of Directors of the Corporation, unless the notice specifies a later time for the effectiveness of

such resignation. If the resignation is effective at a future time, a successor may be elected to take office when the resignation becomes effective.

Section 13. Vacancies. Except for a vacancy created by the removal of a director, all vacancies in the Board of Directors, whether caused by resignation, death or otherwise, may be filled by a majority of the remaining directors or, if the number of directors then in office is less than a quorum, by (a) the unanimous written consent of the directors then in office, (b) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice complying with California Corporations Code Section 307, or (c) a sole remaining director, and each director so elected shall hold office until his successor is elected at an annual, regular or special meeting of the shareholders. Vacancies created by the removal of a director may be filled only by approval of the shareholders. The shareholders may elect a director at any time to fill any vacancy not filled by the directors. Any such election by written consent requires the consent of a majority of the outstanding shares entitled to vote.

Section 14. Compensation. No stated salary shall be paid directors, as such, for their services, but, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of such Board; provided that nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 15. Committees. The Board of Directors may, by resolution adopted by a majority of the authorized number of directors, designate one or more committees, each consisting of two or more directors, to serve at the pleasure of the Board of Directors. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent member at any meeting of the committee. The appointment of members or alternate members of a committee requires the vote of a majority of the authorized number of directors. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have all the authority of the Board of Directors in the management of the business and affairs of the Corporation, except with respect to (a) the approval of any action requiring shareholders' approval or approval of the outstanding shares, (b) the filling of vacancies on the Board of Directors or any committee, (c) the fixing of compensation of directors for serving on the Board of Directors or any committee, (d) the adoption, amendment or repeal of Bylaws, (e) the amendment or repeal of any resolution of the Board of Directors which by its express terms is not so amendable or repealable, (f) a distribution to shareholders, except at a rate or in a periodic amount or within a price range determined by the Board of Directors, and (g) the appointment of other committees of the Board of Directors or the members thereof.

ARTICLE IV - OFFICERS

Section 1. Number and Term. The officers of the Corporation shall be a Chairman of the Board (alternatively titled Chief Executive Officer), a President, a Secretary and a Chief Financial Officer (alternatively titled Treasurer), all of which shall be chosen by the Board of Directors. In addition, the Board of Directors may appoint such other officers as may be deemed expedient for the proper conduct of the business of the Corporation, each of whom shall have such authority and perform such duties as the Board of Directors may from time to time determine. The officers to be appointed by the Board of Directors shall be chosen annually at the regular meeting of the Board of Directors held after the annual meeting of shareholders and shall serve at the pleasure of the Board of Directors. If officers are not chosen at such meeting of the Board of Directors, they shall be chosen as soon thereafter as shall be convenient. Each officer shall hold office until his successor shall have been duly chosen or until his removal or resignation.

Section 2. Inability to Act. In the case of absence or inability to act of any officer of the Corporation and of any person herein authorized to act in his place, the Board of Directors may from time to time delegate the powers or duties of such officer to any other officer, or any director or other person whom it may select.

Section 3. Removal and Resignation. Any officer chosen by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of all the members of the Board of Directors.

Any officer chosen by the Board of Directors may resign at any time by giving written notice of said resignation to the Corporation. Unless a different time is specified therein, such resignation shall be effective upon its receipt by the Chairman of the Board, the President, the Secretary or the Board of Directors.

Section 4. Vacancies. A vacancy in any office because of any cause may be filled by the Board of Directors for the unexpired portion of the term.

Section 5. Chairman of the Board/Chief Executive Officer. The Chairman of the Board may also be designated by the alternate title of Chief Executive Officer. The Board of Directors may appoint one of its members to be the Chairman to serve at the pleasure of the Board of Directors. If appointed, the Chairman shall preside at all meetings of the Board of Directors.

Section 6. President. The President shall be the general manager and chief executive officer of the Corporation, subject to the control of the Board of Directors, and as such shall preside at all meetings of shareholders, shall have general supervision of the affairs of the Corporation, shall sign or countersign or authorize another officer to sign all certificates, contracts and other instruments of the Corporation as authorized by the Board of Directors, shall make reports to the Board of Directors and shareholders, and shall perform all such other duties as are incident to such office or are properly required by the Board of Directors.

Section 7. Vice President. In the absence of the President, or in the event of such officer's death, disability or refusal to act, the Vice President, or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their selection, or in the absence of such designation, then in the order of their selection, shall perform the duties of President, and when so acting, shall have all the powers and be subject to all restrictions upon the President. Each Vice President shall have such powers and discharge such duties as may be assigned from time to time by the President or by the Board of Directors.

Section 8. Secretary. The Secretary shall see that notices for all meetings are given in accordance with the provisions of these Bylaws and as required by law, shall keep minutes of all meetings, shall have charge of the seal and the corporate books, and shall make such reports and perform such other duties as are incident to such office, or as are properly required by the President or by the Board of Directors.

The Assistant Secretary or the Assistant Secretaries, in the order of their seniority, shall, in the absence or disability of the Secretary, or in the event of such officer's refusal to act, perform the duties and exercise the powers and discharge such duties as may be assigned from time to time by the President or by the Board of Directors.

Section 9. Chief Financial Officer/Treasurer. The Chief Financial Officer may also be designated by the alternate title of Treasurer. The Chief Financial Officer shall have the custody of all moneys and securities of the Corporation and shall keep regular books of account. Such officer shall disburse funds of the Corporation in payment of the just demands against the Corporation, or as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the Board of Directors from time to time as may be required of such officer, an account of all transactions as Chief Financial Officer and of the financial condition of the Corporation. Such officer shall perform all duties incident to such office or that are properly required by the President or by the Board of Directors. If required by the Board of Directors, the Chief Financial Officer shall give the corporation a bond (which shall be renewed every six years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the corporation.

The Assistant Treasurer or the Assistant Treasurers, in the order of their seniority, shall, in the absence or disability of the Chief Financial Officer, or in the event of such officer's refusal to act, perform the duties and exercise the powers of the Chief Financial Officer, and shall have such powers and discharge such duties as may be assigned from time to time by the President or by the Board of Directors.

Section 10. Officers Holding More Than One Office. Any two or more offices may be held by the same person.

ARTICLE V - MISCELLANEOUS

Section 1. Record Date and Closing of Stock Books. The Board of Directors may fix a time in the future as a record date for the determination of the shareholders entitled to notice of and to vote at any meeting of shareholders or entitled to receive payment of any dividend or distribution, or any allotment of rights, or to exercise rights in respect to any other lawful action. The record date so fixed shall not be more than sixty nor less than ten days prior to the date of the meeting or event for the purposes of which it is fixed. When a record date is so fixed, only shareholders of record at the close of business on that date are entitled to notice of and to vote at the meeting or to receive the dividend, distribution, or allotment of rights, or to exercise the rights, as the case may be, notwithstanding any transfer of any shares on the books of the Corporation after the record date.

The Board of Directors may close the books of the Corporation against transfers of shares during the whole or any part of a period of not more than sixty days prior to the date of a shareholders' meeting, the date when the right to any dividend, distribution, or allotment of rights vests, or the effective date of any change, conversion or exchange of shares.

Section 2. Stock Certificates. Certificates of stock shall be issued in numerical order and each shareholder shall be entitled to a certificate signed in the name of the Corporation by the Chairman of the Board or the President or a Vice President, and the Chief Financial Officer or the Secretary or an Assistant Secretary, certifying to the number of shares owned by such shareholder. Any or all of the signatures on the certificate may be facsimile. Prior to the due presentment for registration of transfer in the stock transfer book of the Corporation, the registered owner shall be treated as the person exclusively entitled to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner, except as expressly provided otherwise by the laws of the State of California.

Section 3. Representation of Shares in Other Corporations. Shares of other corporations standing in the name of this Corporation may be voted or represented and all incidents thereto may be exercised on behalf of the Corporation by the Chairman of the Board, President or the Vice President and the Chief Financial Officer or the Secretary or an Assistant Secretary.

Section 4. Fiscal Year. The fiscal year of the Corporation shall end on December 31 of each year.

Section 5. Annual Reports. The Annual Report to shareholders, described in the California Corporations Code, is expressly waived and dispensed with.

Section 6. Amendments. Bylaws may be adopted, amended, or repealed by the vote or the written consent of shareholders entitled to exercise a majority of the voting power of the Corporation. Subject to the right of shareholders to adopt, amend, or repeal Bylaws, Bylaws may be adopted, amended, or repealed by the Board of Directors, except

that a Bylaw amendment thereof changing the authorized number of directors may be adopted by the Board of Directors only if these Bylaws permit an indefinite number of directors and the Bylaw or amendment thereof adopted by the Board of Directors changes the authorized number of directors within the limits specified in these Bylaws.

Section 7. Indemnification of Directors and Officers. The Corporation shall, to the maximum extent and in the manner permitted by the California Corporations Code, indemnify each of its directors and officers against expenses (as defined in Section 317(a) of the California Corporations Code), judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding (as defined in Section 317(a) of the California Corporations Code), arising by reason of the fact that such person is or was an agent of the Corporation. For purposes of this Article V, a "director" or "officer" of the Corporation includes any person (i) who is or was a director or officer of the Corporation, (ii) who is or was serving at the request of the Corporation as a director or officer of another Corporation, partnership, joint venture, trust or other enterprise, or (iii) who was a director or officer of a Corporation which was a predecessor Corporation of the Corporation or of another enterprise at the request of such predecessor Corporation.

Section 8. Indemnification of Others. The Corporation shall have the power, to the extent and in the manner permitted by the California Corporations Code, to indemnify each of its employees and agents (other than directors and officers) against expenses (as defined in Section 317(a) of the California Corporations Code), judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with any proceeding (as defined in Section 317(a) of the California Corporations Code), arising by reason of the fact that such person is or was an agent of the Corporation. For purposes of this Article V, an "employee" or "agent" of the Corporation (other than a director or officer) includes any person (i) who is or was an employee or agent of the Corporation, (ii) who is or was serving at the request of the Corporation as an employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, or (iii) who was an employee or agent of a Corporation which was a predecessor Corporation of the Corporation or of another enterprise at the request of such predecessor Corporation.

CERTIFICATE OF SECRETARY OF
CHELSEA INVESTMENT CORPORATION

I, the undersigned, certify that:

1. I am the duly elected and acting Secretary of Chelsea Investment Corporation, a California corporation (the "Corporation"), and

2. The foregoing document is a true and complete copy of the Amended and Restated Bylaws of the Corporation as duly adopted by the written consent of the sole director of the Corporation as in effect on the date hereof.

IN WITNESS WHEREOF, I have executed this certificate as of this 29th day of June, 2017.



Lynn Harrington Schmid, Secretary



6339 PASEO DEL LAGO

CARLSBAD, CA 92011

PHONE: (760) 456-6020

www.emmersonconstruction.com

HISTORY

Emmerson Construction, Inc. (ECI) was formed in 2000 to construct residential and mixed-use projects and specializes in affordable multifamily housing. ECI has delivered more than 7,000 quality apartments in 92 communities—all on schedule and within budget.

AREAS OF EXPERTISE

ECI offers general contracting and construction management services. Its team of experienced professionals collaborate with clients to provide enhanced value, consistent quality, efficient scheduling, and risk mitigation. Projects built or managed by ECI include one- to 14-story buildings using Type I, Type III, and Type IV construction and many of them are LEED or Green Point rated.

TEAM MEMBERS

PRESIDENT - Charles Schmid

Charles began his career in multifamily housing development in 1986 and applies experience with real estate finance and management in his role as President of Emmerson. As a licensed general contractor and seasoned developer, he has a thorough understanding of the life cycle of apartment development, from feasibility analysis through lease-up and completed operations. Recent projects range from rural development of 80 units to urban and suburban projects of more than 400 units.

DIRECTOR OF CONSTRUCTION, MID- & HIGH-RISE DIVISION - Rob Campbell

Formerly with JPI, Ledcor, Swinerton, and Roel, Rob has over 36 years of experience in high rise, mid-rise, multifamily residential, hotel and commercial construction. Having gained his experience on large projects in the San Diego and Los Angeles areas, including multifamily developments with as many as 1,000 units, he is responsible for the day-to-day operations to ensure projects are completed on time and within budget, and that site safety, environmental standards, quality of materials and workmanship meet or exceed standards.

DIRECTOR OF CONSTRUCTION - Allen Eads

Allen has over 23 years of San Diego construction experience, specializing in multifamily residential the last 10 years. Formerly served as Vice President at Pacific Scene Homes and The Dinerstein Companies and has successfully delivered over 1500 multifamily units. Past San Diego projects include Liberty Station, Old Police Headquarters, Town and Country Apartments, Millennium Mission Valley, and Sea World.

DIRECTOR OF CONSTRUCTION - Martin Apicella

Martin joined the Emmerson team after working ten years as Project Manager at KBS, a top construction firm in Virginia. A veteran of the US Army, Martin holds a BS degree in Construction Management and Real Estate from Virginia Tech and studied Architecture at Technical University of Darmstadt in

(CONTINUED) ►

Germany. His wide-ranging experience includes construction of a 400-unit luxury residential building, transformation of a historic naval industrial facility into 45,000 SF mixed-use complex, and the adaptive reuse of a Lucky Strike tobacco factory into 131 luxury apartments. In his role at Emmerson, Martin supervises construction of developments comprised of hundreds of units, with some as large as 750,000 SF. Martin is a LEED AP BD+C.

ESTIMATOR - Donald Dickson

Donald has been in the multifamily construction industry for more than 20 years, including both affordable and market rate developments. His experience encompasses project management, preconstruction, and estimating for garden apartments, mid-rise, and high-rise developments throughout the western United States. Prior to joining Emmerson, Donald worked on the lender side as a Construction Manager, and prior to that, as Director of Preconstruction with Trammell Crow Residential.

SENIOR PROJECT MANAGER - Felix Lee

Felix Lee has worked on the design and construction of market-rate, high-rise developments in Southern California for over 15 years. Prior to joining Emmerson, Felix worked for various design firms, general contractors, and real estate developers, including The Related Companies, to deliver many projects over 100 units and as large as 500,000 SF. Felix holds a Master of Construction Management and a Bachelor of Architecture from the University of Southern California.

PROJECT MANAGER - Tim Hines

Tim has worked in the construction industry for over 20 years, including affordable multifamily new construction and renovation, master-planned community construction, and public works projects. Since joining Emmerson, Tim has delivered over 1,100 apartments. He studied construction management at San Diego State University and architecture at Mesa College.

PROJECT MANAGER - Jesse Gardiner

Jesse Gardiner has been in the multi-family construction industry for over 15 years. Prior to joining Emmerson, Jesse worked for a Market-Rate multi-family developer/contractor as a Design PM and a general contractor who specialized in building affordable multi-family projects. His focus was on podium style projects and has delivered over 1,000 market-rate and affordable apartment homes.

PROJECT MANAGER - Eddie Yopez

Eddie has worked in the construction industry for over 30 years, with experience ranging from single family, multi-family to Master Planned and public works developments. Eddie has drawn on his extensive experience to deliver 9 quality affordable communities for Emmerson comprised of more than 500 units during his tenure since 2014. Prior to joining Emmerson, Eddie worked for a prominent market rate builder, McMillin Homes, as General Superintendent overseeing multiple projects focused in Imperial County California consisting of 1,500 units in a span of 5 years.

Emmerson Construction, Inc.

Project List

2/17/2023

	Project Name	City	State	Work	Resident Profile	Mixed Use	Ground-up / Renovation	Status	Start Date	Completion Date	Units	Contract Value	Architect	GC / CMAR / CM
1	Villa Lara	Imperial	CA	Slab on grade	Family	No	Ground-up	Completed	Mar-2002	Dec-2002	80	6,525,658	Hedenkamp	GC
2	Brawley Family Apartments	Brawley	CA	Slab on grade	Family	No	Ground-up	Completed	Feb-2002	Jan-2003	81	6,452,208	Hedenkamp	GC
3	Calexico Family Apartments	Calexico	CA	Slab on grade	Family	No	Ground-up	Completed	Feb-2002	Jan-2003	80	5,561,540	Hedenkamp	GC
4	Holtville Gardens	Holtville	CA	Slab on grade	Senior	No	Ground-up	Completed	Oct-2003	Sep-2004	80	6,215,752	Hedenkamp	GC
5	Countryside Family	El Centro	CA	Slab on grade	Family	No	Ground-up	Completed	Oct-2003	Oct-2004	80	7,155,000	Hedenkamp	GC
6	Imperial Garden Senior	Imperial	CA	Slab on grade	Senior	No	Ground-up	Completed	Oct-2003	Nov-2004	80	6,443,020	Hedenkamp	GC
7	Westmorland Family	Westmorland	CA	Slab on grade	Family	No	Ground-up	Completed	Jan-2004	Nov-2004	64	6,900,000	Hedenkamp	GC
8	Rancho Del Norte	San Diego	CA	Slab on grade	Family	No	Ground-up	Completed	Dec-2003	Apr-2005	120	13,706,694	Hedenkamp	GC
9	Brawley Elks Senior	Brawley	CA	Slab on grade	Senior	No	Ground-up	Completed	Aug-2004	May-2005	80	6,994,322	Hedenkamp	GC
10	Brawley Gardens	Brawley	CA	Slab on grade	Family	No	Ground-up	Completed	Aug-2004	Jul-2005	81	9,191,326	Hedenkamp	GC
11	Heber Woods	Heber	CA	Slab on grade	Family	No	Ground-up	Completed	Oct-2004	Jul-2005	81	9,417,954	Hedenkamp	GC
12	Rancho Buena Vista	Chula Vista	CA	Slab on grade	Family	No	Ground-up	Completed	Nov-2003	Aug-2005	150	16,200,000	Hedenkamp	GC
13	Meadow Village Road	Calexico	CA	Off-site work	Commercial	No	Ground-up	Completed	Feb-2005	Feb-2006	N/A	724,153	N/A	GC
14	Fairbanks Ridge	San Diego	CA	Slab on grade	Family	No	Ground-up	Completed	Aug-2005	Jul-2006	204	29,254,314	Hedenkamp	GC
15	DDE HQ - Office Building	El Centro	CA	Slab on grade	Commercial	No	Ground-up	Completed	Jan-2007	Jul-2007	N/A	1,130,219	Sanders	GC
16	Villa Dorado	Calexico	CA	Slab on grade	Family	No	Ground-up	Completed	Oct-2006	Jul-2007	80	10,080,426	Hedenkamp	GC
17	City Heights Square	San Diego	CA	Slab on grade	Senior	No	Ground-up	Completed	Feb-2006	Sep-2007	150	21,468,768	Dominy	CM
18	Villa Paloma	Heber	CA	Slab on grade	Family	No	Ground-up	Completed	Dec-2006	Sep-2007	72	9,864,435	Hedenkamp	GC
19	Hunter's Pointe	Carlsbad	CA	Slab on grade	Family	No	Ground-up	Completed	May-2006	Jan-2008	166	30,389,918	Hedenkamp	GC
20	Villa Esperanza	Calipatria	CA	Slab on grade	Family	No	Ground-up	Completed	Jun-2007	Jul-2008	74	10,318,586	Hedenkamp	GC
21	Beachwind Court	Imperial Beach	CA	Slab on grade	Family	No	Renovation	Completed	Sep-2008	Dec-2008	16	891,747	Hedenkamp	GC

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22	Tierra del Cielo	Somerton	AZ	Slab on grade	Family	No	Ground-up	Completed	Jul-2008	May-2009	34	3,913,810	Hedenkamp	GC
23	Courtyard Terrace	San Diego	CA	Podium	Senior	No	Ground-up	Completed	Nov-2008	Mar-2010	88	17,700,000	Hedenkamp	GC
24	St. Regis Park	Chula Vista	CA	Slab on grade	Family	No	Renovation	Completed	Sep-2009	Aug-2010	119	400,000	N/A	GC
25	Cedar Creek	Santee	CA	Slab on grade	Family	No	Ground-up	Completed	Oct-2009	Oct-2010	48	7,332,286	Hedenkamp	GC
26	Silver Sage	Lakeside	CA	Slab on grade	Family	No	Ground-up	Completed	Aug-2009	Oct-2010	80	12,794,227	Hedenkamp	GC
27	Oakridge Apartments	Oakdale	CA	Slab on grade	Family	No	Ground-up	Completed	Jul-2010	Dec-2010	41	1,200,000	Basis	GC
28	De Anza Hotel	Calexico	CA	Post & beam	Senior	No	Renovation	Completed	Apr-2010	Feb-2011	94	598,402	Hedenkamp	GC
29	Verbena	San Ysidro	CA	Slab on grade	Family	No	Ground-up	Completed	Mar-2010	Jun-2011	80	13,296,599	Hedenkamp	GC
30	Villa Del Sol	San Diego	CA	Slab on grade	Farmworker	No	Ground-up	Completed	Dec-2010	Sep-2011	52	5,600,000	Hedenkamp	GC
31	Villa Fortuna	Brawley	CA	Slab on grade	Farmworker	No	Ground-up	Completed	Jan-2011	Sep-2011	76	8,900,000	Hedenkamp	GC
32	The Landings Phase II	Chula Vista	CA	Slab on grade	Family	No	Ground-up	Completed	Jul-2010	Oct-2011	143	23,610,280	McKinley	CM
33	CityPlace	Bakersfield	CA	Slab on grade	Family	No	Ground-up	Completed	Sep-2010	Dec-2011	72	10,546,289	Hedenkamp	GC
34	Las Brisas	El Centro	CA	Slab on grade	Family	No	Ground-up	Completed	Jan-2012	Aug-2012	71	10,151,577	Hedenkamp	GC
35	Park Terramar	San Diego	CA	Landscape	Family	No	Renovation	Completed	Feb-2012	Aug-2012	21	342,631	N/A	GC
36	Estrella Del Mercado	San Diego	CA	Podium	Family	Yes	Ground-up	Completed	Feb-2011	Oct-2012	95	14,485,997	Safdie Rabines	GC
37	El Quintero	Calexico	CA	Slab on grade	Senior	No	Ground-up	Completed	Jan-2012	Nov-2012	54	4,669,035	Hedenkamp	GC
38	St. Regis	Chula Vista	CA	Energy upgrades	Family	No	Renovation	Completed	Aug-2012	Jan-2013	119	263,844	N/A	GC
39	Emperor Estates	Dinuba	CA	Slab on grade	Senior	No	Ground-up	Completed	Feb-2012	Feb-2013	62	8,862,257	Hedenkamp	GC
40	Iris Apartments	Encinitas	CA	Landscape	Family	No	Ground-up	Completed	Apr-2012	Feb-2013	20	3,185,728	McKinley	GC
41	CL Dellums Apartments	Oakland	CA	Slab on grade	Homeless	No	Renovation	Completed	Mar-2013	May-2013	76	4,354,469	John Stewart	CM
42	Vista Terrace	Vista	CA	Landscape	Homeless / Family	No	Renovation	Completed	Jul-2012	Jul-2013	48	3,218,327	Hedenkamp	GC

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43	Park Place	Hobbs	NM	Slab on grade	Family	No	Renovation	Completed	Dec-2012	Jan-2014	88	7,055,677	Jeebs & Zuzu	CM
44	Cesar Chavez Villas	Coachella	CA	Slab on grade	Farmworker	No	Ground-up	Completed	Mar-2013	Mar-2014	56	8,204,753	Hedenkamp	GC
45	Fairbanks Commons	San Diego	CA	Slab on grade	Family	No	Ground-up	Completed	Nov-2013	Nov-2014	165	20,432,196	McKinley	GC
46	Fairbanks Square	San Diego	CA	Slab on grade	Senior	No	Ground-up	Completed	Nov-2013	Nov-2014	100	9,200,000	McKinley	GC
47	Versa at Civita	San Diego	CA	Slab on grade	Senior	No	Ground-up	Completed	Nov-2013	May-2015	150	17,109,905	McKinley	GC
48	Independence Point	San Diego	CA	Tuck under	Family / Disabled	No	Ground-up	Completed	Aug-2014	Jul-2015	32	7,380,985	OBR	GC
49	Mill Creek Courtyard	Bakersfield	CA	Slab on grade	Family	No	Ground-up	Completed	Jul-2014	Jul-2015	62	6,600,950	Hedenkamp	GC
50	Villa Primavera	Calexico	CA	Slab on grade	Family / Disabled	No	Ground-up	Completed	Oct-2014	Jul-2015	48	8,097,520	Hedenkamp	GC
51	Alpha Square	San Diego	CA	Podium	Homeless	Yes	Ground-up	Completed	Apr-2014	Sep-2015	203	27,147,147	JWDA	GC
52	Westminster Manor	San Diego	CA	Slab on grade	Senior	No	Renovation	Completed	Aug-2014	Nov-2015	156	12,570,976	Basis	GC
53	Las Palmeras	Imperial	CA	Slab on grade	Farmworker	No	Ground-up	Completed	Nov-2014	Dec-2015	56	8,719,000	Hedenkamp	GC
54	Rancho Del Sol	San Diego	CA	Slab on grade w/ garage	Family	No	Ground-up	Completed	Jan-2015	Feb-2016	94	11,967,088	Humphreys	GC
55	Nelms Community Garden	Oceanside	CA	Community garden	Commercial	No	Ground-up	Completed	Dec-2015	Mar-2016	N/A	117,364	N/A	GC
56	Trolley Park Terrace	San Diego	CA	Podium	Family	No	Ground-up	Completed	Apr-2015	Sep-2016	52	13,568,298	McKinley	GC
57	Mill Creek Village	Bakersfield	CA	Wrap	Family	No	Ground-up	Completed	Nov-2015	Oct-2016	63	12,444,783	Hedenkamp	GC
58	Torrey Vale	San Diego	CA	Slab on grade w/ garage	Family	No	Ground-up	Completed	Jan-2016	Oct-2016	28	4,985,553	Bassenian Lagoni	GC
59	Fairbanks Terrace	San Diego	CA	Slab on grade	Senior	No	Ground-up	Completed	Apr-2016	Mar-2017	83	10,228,891	McKinley	GC
60	Ouchi Courtyards	San Diego	CA	Podium	Family / Disabled	Yes	Ground-up	Completed	Nov-2015	May-2017	45	11,616,272	Hedenkamp	GC
61	Duetta at Millenia	Chula Vista	CA	Wrap	Family	No	Ground-up	Completed	Mar-2016	Oct-2017	87	14,452,135	JWDA	GC
62	Pedestrian Corridors Millenia	Chula Vista	CA	Off-site work	Commercial	No	Ground-up	Completed	Jun-2017	Oct-2017	N/A	537,028	JWDA	GC
63	Volta at Millenia	Chula Vista	CA	Wrap	Senior	No	Ground-up	Completed	Mar-2016	Oct-2017	123	18,772,332	JWDA	GC

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64	Juniper at The Preserve	Carlsbad	CA	Slab on grade	Family	No	Ground-up	Completed	Nov-2016	Nov-2017	64	10,312,118	McKinley	GC
65	Parkside Terrace	Hobbs	NM	Slab on grade	Family	No	Ground-up	Completed	Jun-2016	Nov-2017	65	9,860,000	Jeebs & Zuzu / JV De Sousa	CM
66	Roselawn Manor	Artesia	NM	Slab on grade	Family	No	Ground-up	Completed	Jun-2016	Nov-2017	63	10,250,000	Autotroph	CM
67	Villa Storia	Oceanside	CA	Slab on grade	Family	No	Ground-up	Completed	Mar-2017	Dec-2017	38	5,630,056	SummA	GC
68	Mesa Verde	San Diego	CA	Podium	Family	No	Ground-up	Completed	Apr-2016	Apr-2018	90	17,174,144	McKinley	GC
69	Cesar Chavez Villas Phase II	Coachella	CA	Slab on grade	Farmworker	No	Ground-up	Completed	Jun-2017	Jun-2018	80	13,244,171	Hedenkamp	GC
70	North Coast Terrace	Oceanside	CA	Podium	Homeless / Family	No	Ground-up	Completed	Apr-2017	Aug-2018	32	10,386,340	Hedenkamp	GC
71	Town & Country Village	San Diego	CA	Slab on grade	Family	No	Renovation	Completed	Dec-2017	Oct-2018	145	12,230,429	Basis	GC
72	Alpha Lofts	El Cajon	CA	Slab on grade	Homeless / Veteran	Yes	Ground-up	Completed	Jan-2018	Mar-2019	53	10,999,708	McKinley	GC
73	Schmale Family Senior Residence	Ramona	CA	Slab on grade	Senior	No	Ground-up	Completed	Mar-2018	May-2019	62	12,337,933	Hedenkamp	GC
74	Pacifica at Playa Del Sol	San Diego	CA	Podium	Family / Disabled	No	Ground-up	Completed	Aug-2018	Sep-2019	42	9,317,486	Bassenian Lagoni	GC
75	Mission La Posada	Carlsbad	NM	Slab on grade	Family	No	Renovation	Completed	Jul-2019	Oct-2019	80	5,859,110	Basis	CM
76	Regency Centre	San Diego	CA	Slab on grade	Family	No	Renovation	Completed	Sep-2018	Oct-2019	100	9,780,000	Basis	GC
77	Paseo La Paz	San Ysidro	CA	Slab on grade	Family	No	Ground-up	Completed	May-2018	Nov-2019	139	22,412,161	JWDA	GC
78	St. Regis Park	San Diego	CA	Slab on grade	Family	No	Renovation	Completed	Sep-2018	Dec-2019	129	10,550,000	Basis	GC
79	Regency Pool	San Diego	CA	Ammenities	Family	No	Renovation	Completed	Dec-2019	Mar-2020	1	239,851	Basis	GC
80	Serenita	Brawley	CA	Slab on grade	Family / Disabled	No	Ground-up	Completed	Apr-2019	Mar-2020	60	10,931,851	Hedenkamp	GC
81	Las Praderas	Calexico	CA	Slab on grade	Family	No	Ground-up	Completed	May-2019	Apr-2020	60	11,201,116	Hedenkamp	GC
82	Benson Place	San Diego	CA	Renovation	Homeless	yes	Renovation	Completed	Jan-2020	Aug-2020	83	8,238,173	Ground Floor Design	GC
83	Civita Retail	San Diego	CA	Podium	Commercial	No	Ground-up	Completed	Apr-2018	Nov-2020	N/A	6,804,177	KTGY	GC
84	Siena at Civita	San Diego	CA	Podium	Senior	Yes	Ground-up	Completed	Apr-2018	Dec-2020	103	17,497,995	KTGY	GC
85	Stylus at Civita	San Diego	CA	Podium	Family	Yes	Ground-up	Completed	Apr-2018	Dec-2020	203	67,377,138	KTGY	GC

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86	Salerno	Irvine	CA	Tuck under	Family	Yes	Ground-up	Completed	Jun-2019	Dec-2020	80	25,892,131	Architects Orange	GC
87	Sun Ray & Lobo Canyon	Grants	NM	Renovation	Family	No	Renovation	Completed	May-2020	Jul-2021	128	9,826,302	Jeebs & Zuzu	CM
88	Civita Plant	San Diego	CA	Podium	Commercial	No	Ground-up	Completed	Apr-2018	Jul-2021	N/A	2,857,463	KTGY	GC
89	Girasol	El Centro	CA	Slab on grade	Family	No	Ground-up	Completed	Nov-2020	Nov-2021	56	13,133,884	Hedenkamp	GC
90	Fairbanks Terrace II	San Diego	CA	Slab on grade	Senior	No	Ground-up	Completed	Oct-2020	Nov-2021	31	5,516,900	McKinley	GC
91	Apollo	Poway	CA	Slab on grade	Senior	No	Ground-up	Completed	Nov-2020	Dec-2021	44	9,300,000	McKinley	GC
92	St. Teresa of Calcutta Villa	San Diego	CA	High-rise	Homeless	Yes	Ground-up	Completed	Jan-2020	Jan-2022	418	106,125,009	JWDA	CM
93	Pueblo Viejo Villas	Coachella	CA	3-story on grade	Family	Yes	Ground-up	Completed	Nov-2020	Apr-2022	105	27,060,745	McKinley	GC
94	Palomino	Brawley	CA	2-story on grade	Family	No	Ground-up	Completed	Apr-2021	Apr-2022	60	12,199,266	Hedenkamp	GC
95	Mid-City Family/Senior	San Diego	CA	Podium	Family / Senior	yes	Ground-up	Completed	Mar-2020	Aug-2022	195	51,876,065	Quigley / Studio E	GC
96	Encantada	Los Lunas	NM	Renovation	Family	No	Renovation	Completed	May-2021	Apr-2023	48	3,327,488	Jeebs & Zuzu	CM
96	Total Completed										7,860	1,161,269,861		
1	Weingart Tower I	Los Angeles	CA	High-rise	Homeless	No	Ground-up	In progress	Sep-2021	Aug-2024	278	120,315,281	JWDA	CMAR
2	3 Roots	San Diego	CA	Concrete parking on grade 4-story above	Family	No	Ground-up	In progress	Dec-2021	Nov-2023	180	52,379,187	Bassenian Lagoni	GC
3	Columba Apts. (Millenia II)	Chula Vista	CA	4-story on Grade parking garage	Family	No	Ground-up	In progress	Dec-2021	Nov-2023	200	51,150,143	JWDA	GC
4	Carolita	Porterville	CA	2-story on grade	Family	No	Ground-up	In progress	Apr-2022	Jun-2023	68	13,958,267	RPM	GC
5	Sagewood	Bakersfield	CA	2-story on grade	Family	No	Ground-up	In progress	Apr-2022	Jun-2023	60	16,020,438	McKinley	GC
6	Vista Del Robles	Woodland	CA	2-story on grade	Family	No	Ground-up	In progress	Apr-2022	Aug-2023	72	19,907,779	McKinley	GC
7	Cielo Grande	Calexico	CA	2-story on grade	Family	No	Ground-up	In progress	Aug-2022	Aug-2023	60	14,250,999	Hedenkamp	GC
7	Total In progress										9,344	287,982,094		
103	Grand Total										17,204	1,449,251,955		