

## REPORT

**DATE ISSUED:** October 24, 2025

**REPORT NO:** HDP25-023

**ATTENTION:** Chair and Members of the Board of Directors of  
Housing Development Partners of San Diego  
For the Agenda of October 30, 2025

**SUBJECT:** Acquisition of 2911 Adams Apartments

### **STAFF RECOMMENDATION**

That the Housing Development Partners (HDP) Board of Directors (Board) take the following actions:

- 1) Authorize HDP's Executive Vice President, or designee, to execute a Purchase and Sale Agreement (PSA) by and between HDP and 2911 Adams Owner LLC with a purchase price not to exceed \$31,000,000 for the property at 2911 Adams Ave., San Diego, CA 92116.
- 2) Authorize HDP to pursue and apply for tax-exempt 501(c)(3) bonds in an amount not to exceed \$28,500,000, and up to \$7,000,000 in taxable bonds to be issued by the Housing Authority of the City of San Diego toward the financing of the acquisition of the 2911 Adams Ave. property.
- 3) Authorize HDP to accept and expend up to \$6,200,000 in Community Development Block Grant (CDBG) funds, if awarded from the San Diego Housing Commission's (SDHC) CDBG Notice of Funding Availability, toward the acquisition of the 2911 Adams Ave. property.
- 4) If SDHC does not award CDBG funds to HDP, authorize HDP to expend up to \$10 million that was included in the approved HDP budget for 2025 for a property acquisition toward the acquisition of the 2911 Adams Ave. property.
- 5) Approve the project schedule and pro forma as set forth in this report.
- 6) Authorize the formation of a single-asset Limited Liability Company (LLC) with HDP as sole member for the purposes of financing and acquiring the 2911 Adams Ave. property.
- 7) Approve execution of Funding Agreement between SDHC and HDP, as project owner, pursuant to which the SDHC would agree to pay any Debt Service Shortfall with from General Revenues (as such terms are defined in the Funding Agreement).
- 8) Authorize HDP's Executive Vice President, or designee, to enter into contracts and execute necessary documents and instruments as approved by legal counsel, expend dollars within the approved Budget, and perform such acts as are necessary to implement these approvals.
- 9) Find that the foregoing transactions are just and reasonable as to HDP for purposes of California Corporations Code Section 5234.

### **SUMMARY**

The 2911 Adams Apartments property is an existing 72-unit, six-story, multi-family building with 2,202 square feet of ground floor commercial space in the North Park neighborhood of the City of San Diego in City Council District 3. Construction on the building was completed in 2024. It consists of 12 studios,

52 one-bedroom units, and eight three-bedroom units served by one elevator. Property amenities include nine parking spaces, secure bike storage, package lockers, rentable storage, and on-site laundry facilities. Unit amenities include fully equipped kitchens with quartz countertops, wood-style flooring, modern finishes, and private patios/balconies.

Currently, 64 units are renting at market rate, and eight units are restricted via a “Complete Communities Affordable Housing Floor Area Ratio Bonus and Inclusionary Ordinance Compliance Agreement Imposing Covenants, Conditions and Restrictions on Real Property” agreement as follows:

1. One studio unit and two one-bedroom units on the property shall be set aside and reserved as “Very Low-Income Affordable Units.”
2. Two one-bedroom units on the property shall be set aside and reserved as “Low-Income Affordable Units.”
3. Two one-bedroom units and one three-bedroom units on the property shall be set aside and reserved as “Moderate-Income Affordable Housing Units.”

BR	Rent				Total Units
	50% AMI	80% AMI	120% AMI	Market Rate	
Studio	1			11	12
1	2	2	2	46	52
3			1	7	8
<b>Totals</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>64</b>	<b>72</b>

*\*\*AMI” is Area Median Income.*

Post-acquisition, and if the property is awarded CDBG funds, the proposed project will restrict 15 units for residents with income up to 50% of Area Median Income (Very Low-Income households) and 56 units for residents with income up to 80% of Area Median Income (Low-Income households). There will also be one unrestricted manager’s unit:

BR	AMI			Total Units
	50%	80%	MGR	
Studio	6	6		12
1	5	46	1	52
3	4	4		8
<b>Totals</b>	<b>14</b>	<b>57</b>	<b>1</b>	<b>72</b>

BR	Rents		
	50% AMI	80% AMI	MGR
Studio	\$1,447	\$2,316	
1	\$1,550	\$2,481	\$3,139
3	\$2,150	\$3,441	

Post-acquisition, and if the property does not receive a CDBG award, the proposed project will restrict 15 units for residents with income up to 50% of Area Median Income (Very Low-Income households) and 56 units for residents with income up to 120% of Area Median Income (Moderate-Income households). There will also be one unrestricted manager’s unit:

BR	AMI			Total Units
	50%	120%	MGR	
Studio	6	6		12
1	5	46	1	52
3	4	4		8
<b>Totals</b>	<b>14</b>	<b>57</b>	<b>1</b>	<b>72</b>

BR	Rents		
	50% AMI	120% AMI	MGR
Studio	\$1,447	\$2,746	
1	\$1,550	\$3,139	\$3,139
3	\$2,150	\$3,924	

In addition to CDBG funds, if awarded, HDP intends to apply to the Housing Authority to issue 501(c)(3) bonds to support the acquisition of 2911 Adams Apartments. HDP actively vetted potential mortgage banking partners to determine the most suitable institution for this proposed bond issuance and has selected KeyBank.

Due to the completion of the original construction of 2911 Adams in 2024, HDP does not anticipate any construction-related work post-acquisition.

#### **Financing the Acquisition of the Project**

HDP has applied for \$6,200,000 in CDBG funds from SDHC. If awarded, HDP will apply the CDBG funds toward the \$31,000,000 acquisition price for the 2911 Adams Ave. property. An award announcement for CDBG funds is expected early November 2025. The remainder of the proposed acquisition will be funded with up to \$26,390,000 in 501(c)(3) tax-exempt bonds and taxable bonds in collaboration with KeyBank and any remaining funds through HDP equity. If SDHC does not award CDBG funds to HDP or awards an amount less than HDP requested, HDP intends to fund the difference with additional equity.

An appraisal of 2911 Adams was obtained by HDP from Novogradac, effective September 25, 2025, which valued the property at \$31,100,000 (Attachment 1).

#### **Deposits**

Per the proposed PSA, within five days after execution of the PSA by HDP and Seller, HDP must deposit via wire transfer the sum of \$100,000.00 in immediately available funds as a deposit with the Escrow Agent. HDP must then deposit via wire transfer an additional \$900,000.00 in immediately available funds with Escrow Agent by 5 p.m. Eastern Time / 2 p.m. Pacific Time on the last day of the Due Diligence Period, December 5, 2025. The Deposit will be fully refundable until HDP waives contingencies at the end of Due Diligence. Upon HDP's waiver of contingencies, the entire deposit (\$1,000,000) will be non-refundable, subject to a financing contingency.

**Financial Pro forma with a CDBG Award**

<b>SOURCES</b>	<b>TOTAL</b>	<b>\$ / UNIT</b>
A Bonds (Gen Rev) Priced at Discount	\$26,390,000	\$366,527
Equity from HDP	\$0	\$0
CDBG Funds	\$6,200,000	\$86,111
<b>Gross Sources</b>	<b>\$32,590,000</b>	<b>\$452,639</b>
<b>USES</b>	<b>TOTAL</b>	<b>\$ / UNIT</b>
Acquisition Cost	\$31,000,000	\$430,556
Relocation	\$250,000	\$3,472
Total Soft Costs	\$155,000	\$2,153
Capitalized Interest ( <i>Lease-Up Reserve &amp; Actual</i> )	\$500,000	\$6,944
Legal and Financial Advisor	\$200,000	\$2,778
Total Financing Costs	\$485,000	\$6,736
<b>Total Cost</b>	<b>\$32,590,000</b>	<b>\$452,639</b>

**Financial Pro forma without a CDBG Award**

<b>SOURCES</b>	<b>TOTAL</b>	<b>\$ / UNIT</b>
A Bonds (Gen Rev) Priced at Discount	\$26,390,000	\$366,527
Equity from HDP	\$6,200,000	\$86,111
<b>Gross Sources</b>	<b>\$32,590,000</b>	<b>\$452,639</b>
<b>USES</b>	<b>TOTAL</b>	<b>\$ / UNIT</b>
Acquisition Cost	\$31,000,000	\$430,556
Relocation	\$250,000	\$3,472
Total Soft Costs	\$155,000	\$2,153
Capitalized Interest ( <i>Lease-Up Reserve &amp; Actual</i> )	\$500,000	\$6,944
Legal and Financial Advisor	\$200,000	\$2,778
Total Financing Costs	\$485,000	\$6,736
<b>Total Cost</b>	<b>\$32,590,000</b>	<b>\$452,639</b>



## **Budget**

### **Pre-Development Costs**

ITEM	ESTIMATED COST
Review of Entitlements/Zoning Analysis	\$1,350.00
ALTA Survey	N/A, Seller provided
Appraisal	\$13,800.00
PNA/504/Cost Estimate	N/A, newly constructed
Phase I and as applicable Phase II or additional recommended testing	\$3,300.00
Hazardous Material Review: asbestos, microbial growth and lead based paint	\$11,725.00
Sewer Line and Plumbing Review	\$1,935.00
Initial Relocation Assessment	\$22,705.00
Pest Inspection	\$4,650.00
Elevator Assessment	\$7,000.00
Initial Civil Design	N/A, no construction needed
Initial A&E Design	N/A, no construction needed
Peer Review for the Appraisal	\$3,250.00
Third Party DD Review	\$29,500.00
Market Study	\$10,000.00
Other studies as necessary	\$20,000.00
<b>TOTAL</b>	<b>\$129,215.00</b>

## **Schedule**

EVENT	DATE
Entitlements	N/A
Letter of Intent	9/29/2025
NEPA	10/28/2025
CEQA	10/28/2025
CDBG Award Announcement	11/2025
SDHC Board Meeting	11/7/2025
Housing Authority Meeting	12/16/2025
501(c)(3) Award Issuance	2/21/2026
Acquisition closing	2/28/2026
Full Occupancy (90% upon acquisition)	3/1/2026

## **Conflict Disclosure Statement**

Two San Diego Housing Commissioners (Commissioners), Eugene “Mitch” Mitchell and Ryan Clumpner, and the San Diego Housing Commission’s (Housing Commission) President and Chief Executive Officer (President and CEO), Lisa Jones, are each directors of Housing Development Partners (HDP), a California nonprofit public benefit corporation qualified as an Internal Revenue Code Section 501(c)(3) corporation for federal purposes. Any Commissioner who is also a director of HDP as of the date of this staff report and President and CEO Jones have no conflict of interest as discussed below.

The Commissioners and President and CEO Jones receive no compensation for their service on HDP's Board of Directors and/or as officers of HDP. Pursuant to the provisions of Government Code Sections 1091.5(a)(7) and 1091.5(a)(8), the Commissioners and President and CEO Jones each have a "non-interest" as described in Government Code Section 1091.5 for purposes of their action on Housing Commission matters associated with this matter, if any. This disclosure shall be incorporated into the record of the Housing Commission.

San Diego City Councilmember and Housing Authority member, Councilmember Sean Elo-Rivera, is also a Director of HDP. Councilmember Elo-Rivera is not compensated for his service on the HDP Board or as an officer of HDP. As it relates to this matter, as a Housing Authority member, Councilmember Elo-Rivera has a noninterest under California Government Code section 1091.5(a)(9). This disclosure shall be incorporated into the record of the Housing Authority, if and when this matter is heard by the Housing Authority.

Further, because of their non-interests, the Commissioners, as members of the Housing Commission Board of Commissioners, and Councilmember Elo-Rivera, as a member of the Housing Authority, are entitled to vote on this matter and may be counted for quorum.

Further, no HDP Director or officer has a financial interest in this matter that would legally preclude their participation under the provisions of California Government Code section 87100 et. seq.

The Commissioners are not compensated for their services on the board of the Housing Commission, a public agency. Councilmember Elo-Rivera's compensation as a member of the Housing Authority, a public agency, is a non-interest under Government Code section 1091.5(a)(9). Further, Ms. Jones' compensation from a public agency, the Housing Commission, is a noninterest under the provisions of Government Code Section 1091.5(a)(9) as well as for the purposes of Government Code Section 87100 et. seq.

Finally, to the extent that HDP is a public agency for local Ethics Ordinance purposes, neither the Commissioners, Ms. Jones, nor Councilmember Elo-Rivera have any conflicts of interest under the local ethics ordinance that would preclude their actions in this matter or from being counted for quorum purposes.

These disclosures shall be and are hereby documented in the official records of the Housing Commission and Housing Authority.

**MUTUAL DIRECTORS STATEMENT:**

To the extent that Commissioners may be considered to be "directors" of the Housing Commission for purposes of California Corporations Code Section 5234 and, hence, common directors with HDP, a vote on this matter should incorporate a finding that these transactions are just and reasonable as to HDP.

Respectfully submitted,



Buddy Bohrer  
Vice President,  
Real Estate Finance and Acquisitions  
Housing Development Partners

Approved by,



Colin Miller  
Senior Vice President, Real Estate  
Housing Development Partners

Attachments: 1) Appraisal  
2) Pro forma  
3) Proposed Substantially Final PSA  
4) HDP Board Resolution

Docket materials are available on HDP's website at [www.hdpartners.org](http://www.hdpartners.org)



A MARKET VALUATION OF:  
**2911 Adams**

# A MARKET VALUATION OF:

## **2911 ADAMS**

2911 Adams Avenue  
San Diego, San Diego County, CA 92116

Inspection Date: September 16, 2025  
Effective Date: September 16, 2025  
Report Date: September 25, 2025

Prepared for:  
Steven Moreno  
Housing Development Partners of San Diego  
1122 Broadway, Suite 300  
San Diego, CA 92101

Assignment Code: 10400675

Prepared by:  
Novogradac  
4849 Greenville Avenue First floor, Bldg 2  
Dallas, Texas 75206  
(469) 329-5215





September 25, 2025

Steven Moreno  
Housing Development Partners of San Diego  
1122 Broadway, Suite 300  
San Diego, CA 92101

Re: Appraisal of 2911 Adams  
2911 Adams Avenue  
San Diego, San Diego County, CA 92116

Dear Steven Moreno:

At your request, Novogradac & Company LLP doing business under the brand name Novogradac Consulting ("Novogradac") is pleased to present our findings with respect to the value of the above-referenced property, 2911 Adams ("Subject"). The Subject is an existing 72-unit mixed-income multifamily property with an additional commercial component. This letter serves as an introduction to the attached appraisal. Thus, the value opinions expressed in this introduction letter must be taken in context with the full appraisal report. We have completed no other prior work on the Subject within the last three years. As requested, we are providing a written appraisal report that includes our estimate of the fair market value of the Subject.

Housing Development Partners of San Diego is the client in this engagement. We understand that they will use this document for CDBG funding application. Intended users include the Client, SDHC, as well as those transaction participants who are interested parties and have knowledge of affordable housing. As our client, Housing Development Partners of San Diego owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

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

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

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

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price

is not affected by undue stimulus. Implicit in this definition is the consummation of sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

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

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

The Subject's fee simple market value, as of September 16, 2025, is:

**THIRTY-ONE MILLION ONE HUNDRED THOUSAND DOLLARS**  
**(\$31,100,000)**

We requested a copy of a Physical Condition Assessment report. The status of this report is still pending. Thus, it is an extraordinary assumption that there are no necessary critical repairs that will significantly impact the value of the Subject.

We requested a copy of a Environmental Site Assessment report. The status of this report is still pending. Thus, it is an extraordinary assumption that there are no necessary environmental conditions that will significantly impact the value of the Subject.

The use of these extraordinary assumptions and/or hypothetical conditions may impact assignment results. We have included a more in depth summary of any limiting conditions in the addenda of this report.

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

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

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

Our value conclusion was based on general economic conditions as they existed on the date of the analysis and did not include an estimate of the potential impact of any sudden or sharp rise or decline in general

economic conditions from that date to the effective date of our report. Events or transactions that may have occurred subsequent to the effective date of our opinion were not considered. We are not responsible for updating or revising this report based on such subsequent events, although we would be pleased to discuss with you the need for revisions that may be occasioned as a result of changes that occur after the valuation date.

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

Respectfully submitted,  
Novogradac



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Rebecca S. Arthur, MAI  
Partner  
California State Certified General  
Appraiser: AG041010  
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913.312.4615

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**ADDENDUM B - QUALIFICATIONS OF CONSULTANTS**

**ADDENDUM C - SUBJECT PROPERTY AND NEIGHBORHOOD PHOTOS**

**ADDENDUM D - RENT ROLL**

**ADDENDUM E - FINANCIALS**

**ADDENDUM F - SURVEY/FLOOR PLANS**

**ADDENDUM G - PURCHASE AND SALE AGREEMENT, LURA, ETC. (AS APPLICABLE) (NOT AVAILABLE)**



# **I. EXECUTIVE SUMMARY**

## EXECUTIVE SUMMARY

<b>Property Appraised:</b>	2911 Adams (Subject) is an existing 72-unit mixed-income mixed-use development located on a 0.29-acre site at 2911 Adams Avenue, San Diego, California 92116. The property was originally constructed in 2024. The Subject consists of one elevator-serviced, six-story midrise structure offering a total of 72 studio, one, and three-bedroom apartments, and two ground floor commercial spaces. The Subject is comprised of eight affordable units restricted at the 50, 60, and 120 percent of Area Median Income (AMI) levels, 63 market rate units, one manager unit, as well as two ground floor commercial units.
<b>Tax Map ID:</b>	The Subject property is identified by the parcel numbers 446-024-0200 and 446-024-0300.
<b>Land Area:</b>	The Subject site is 0.29 acres or 12,632 square feet.
<b>Legal Interest Appraised:</b>	The property interest appraised is fee simple, subject to any and all encumbrances.
<b>Current Rents and Operations:</b>	The following table details the current rents and unit mix for the Subject's units according to information provided by property management.

### CURRENT RENTS

Unit Type	Unit Size (SF)	# Units	Structure	Asking Rent	Utility Allowance*	Gross Rent	2025 Maximum Allowable Gross Rent	2025 HUD Fair Market Rent
<b>@50%</b>								
OBR/1BA	345	1	Midrise	\$1,447	\$0	\$1,447	\$1,447	\$2,145
1BR/1BA	467	2	Midrise	\$1,550	\$0	\$1,550	\$1,550	\$2,328
<b>@60%</b>								
1BR/1BA	467	2	Midrise	\$1,860	\$0	\$1,860	\$1,860	\$2,328
<b>@120%</b>								
1BR/1BA	467	2	Midrise	\$2,361	\$0	\$2,361	\$3,721	\$2,328
3BR/1BA	815	1	Midrise	\$3,425	\$0	\$3,425	\$5,161	\$3,852
<b>Market</b>								
OBR/1BA	345	11	Midrise	\$2,104	-	-	-	\$2,145
1BR/1BA	467	45	Midrise	\$2,361	-	-	-	\$2,328
3BR/1BA	815	7	Midrise	\$3,444	-	-	-	\$3,852
<b>Non-Rental</b>								
1BR/1BA	467	1	Midrise	\$0	-	-	-	\$2,328
<b>Total</b>		<b>72</b>						

\*Source of Utility Allowance provided by the Client

\*\*Mgmt is currently offering \$1,000 off move-in costs on available market rate units in order to expedite lease-up

<b>Recent Operation:</b>	The Subject opened in July 2024; as such, historical vacancy and collection loss include its initial lease up period. According to the property manager, the Subject stabilized for a few months between 94 and 97 percent; however, there were move outs and the property is now offering a concession of \$1,000 off move-in costs to re-stabilize. Historical operating expenses at the Subject have range from \$8,229 to \$8,370 per unit over the last two years annualized. According to the rent roll provided by the client dated August 17, 2025, the Subject is 88.9 percent occupied. The Subject does not maintain a waiting list.
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## RENT ROLL ANALYSIS\*

Unit Type	# Units	Vacant Units	Vacancy Rate	Asking Rent	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent	2025 Maximum Allowable Gross Rent
@50%								
OBR/1BA	1	0	0%	\$1,242	\$1,242	\$1,242	\$1,242	\$1,447
@60%								
1BR/1BA	2	1	50%	\$1,416	\$1,416	\$1,416	\$1,416	\$1,860
1BR/1BA	2	0	0%	\$1,719	\$1,719	\$1,719	\$1,719	\$1,860
@120%**								
1BR/1BA	2	0	0%	N/av	N/av	N/av	N/av	\$3,721
3BR/1BA	1	0	0%	N/av	N/av	N/av	N/av	\$5,161
Market (Market)								
OBR/1BA	11	1	9%	\$2,104	\$2,045	\$2,200	\$2,104	-
1BR/1BA	45	5	11%	\$2,361	\$2,225	\$2,545	\$2,366	-
3BR/1BA	7	1	14%	\$3,444	\$3,295	\$3,545	\$3,443	-
Non-Rental								
1BR/1BA	1	0	0%	-	-	-	-	-
<b>Total</b>	<b>72</b>	<b>8</b>	<b>11.1%</b>					

\*Rent roll dated August 17, 2025

\*\*Units @120% of AMI level are not identified on the rent roll

**Commercial Component:**

The following table provides details related to the Subject's commercial space.

## COMMERCIAL SPACE – UNIT MIX

Space Type	# of units	Unit Size	Rent/SF/Year	Lease Type
Restaurant (Cold Stone Creamery)	1	1,107	\$52.53	NNN
Vacant	1	1,095	-	NNN
<b>Total</b>	<b>2</b>			

**Ownership History of the Subject:**

The Subject property is currently owned by 2911 Adams Owner LLC. There have been no sales of the Subject over the last three years. However, there is reportedly a sale being negotiated but price has not yet been determined. According to the developer, the purchase agreement is currently being negotiated at arm's length. Our value estimate is \$31,100,000.

**Highest and Best Use 'As If Vacant':**

The Subject's highest and best use "As If Vacant" is to construct a 72-unit mixed-use or multifamily rental property.

**Highest and Best Use 'As Is':**

The Subject is currently operating successfully as a mixed-income, mixed-use community. The property currently generates a positive return and is not deemed feasible to tear down to allow for alternative uses. The highest and best use "as improved" is for the continuation of the current use.

**Effective Date:**

The Subject was inspected on September 16, 2025, and this will serve as the effective date for the report.

**Capitalization Rate Reconciliation:** After reviewing the appropriate methods for developing an overall rate, the following ranges of overall capitalization rates are indicated:

**CAPITALIZATION RATE SELECTION SUMMARY**

Method	Indicated Rate
Market Extraction	4.60%
The PWC Investor Survey	4.60%
Debt Coverage Ratio	6.65%
Band of Investment	7.17%

The various approaches indicate a range from 4.60 to 7.17 percent. We reconciled a 4.60 percent capitalization rate based primarily upon the market-extracted rate.

**Operating Expense Reconciliation:** Operating expenses were estimated based upon the historical expenses, comparable expenses, and the developer's budget. In the following tables, we compared historical operating expenses, budgeted operating expenses, comparables operating expenses, and concluded expenses per unit. We have also illustrated the expenses less taxes, utilities, and reserves.

TOTAL EXPENSES PER UNIT		TOTAL EXPENSES PER UNIT LESS TUR	
Subject Expenses		Subject Expenses	
2026 (Budget)	\$5,684	2026 (Budget)	\$3,735
2025 (Six Mo. Annualized)	\$8,620	2025 (Six Mo. Annualized)	\$6,422
2024 (Five Mo. Annualized)	\$8,479	2024 (Five Mo. Annualized)	\$6,706
Comparable Properties		Comparable Properties	
Comp 1	\$11,561	Comp 1	\$7,003
Comp 2	\$5,795	Comp 2	\$2,377
Comp 3	\$14,545	Comp 3	\$6,090
Comp 4	\$15,200	Comp 4	\$11,175
Subject Conclusions		Subject Expenses	
As Is	\$10,418	As Is	\$3,509

**Third Party Reports:** We requested but were not provided with a PCNA report. Considering the Subject is new construction and based on an inspection of the Subject, we did not observe any systems in immediate need of repairs, excluding the elevator, which was not operable during our inspection.

We were not provided with a Phase I Environmental Site Assessment for the Subject property. However, during our site inspection, we walked the Subject's grounds, including the rear of the buildings and the parking lots, and did not observe any obvious indicators of environmental contamination. Nonetheless, Novogradac is not an expert in this field and further analysis is beyond the scope of this report.

## Indications of Value:

**DIRECT CAPITALIZATION ANALYSIS**

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Is	4.60%	\$1,429,179	\$31,100,000

**NOI/UNIT ANALYSIS**

Scenario	Number of Units	Value per unit	Indicated Value (Rounded)
As Is	72	\$425,000	\$30,600,000

**EGIM ANALYSIS**

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is	14.25	\$2,179,300	\$31,100,000

**Exposure Period:** 9-12 Months

## **II. FACTUAL DESCRIPTION**

## **FACTUAL DESCRIPTION**

### **Appraisal Assignment and Valuation Approach**

As requested, the appraisers provided an estimate of the fair market value of the Subject.

In determining the value estimates, the appraisers considered the cost, sales comparison, and income capitalization approaches to value. The Subject property is an existing mixed income mixed-use multifamily development.

In the cost approach to value, the value of the land is estimated. Next, the cost of the improvements as if new is estimated. Accrued depreciation is deducted from the estimated cost new to estimate the value of the Subject property in its current condition. The resultant figure indicates the value of the whole property based on cost. Generally, land value is obtained through comparable land sales. Replacement or reproduction costs, as appropriate, are taken from cost manuals, unless actual current cost figures are available.

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

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

### **Property Identification**

The Subject property is located at 2911 Adams Avenue, San Diego, CA 92116. The Subject property is identified by the San Diego County Assessor as parcel numbers 446-024-0200 and 446-024-0300.

### **Intended Use and Intended User**

Housing Development Partners of San Diego is the client in this engagement. We understand that they will use this document for CDBG funding application. Intended users include the Client, SDHC, as well as those transaction participants who are interested parties and have knowledge of affordable housing. As our client, Housing Development Partners of San Diego owns this report and permission must be granted from them before another third party can use this document. We assume that by reading this report another third party has accepted the terms of the original engagement letter including scope of work and limitations of liability. We are prepared to modify this document to meet any specific needs of the potential users under a separate agreement.

### **Property Interest Appraised**

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

### **Date of Inspection and Effective Date of Appraisal**

The Subject was inspected on September 16, 2025, and this will serve as the effective date for the report.

### **Scope of the Appraisal**

For the purposes of this appraisal, Novogradac visually inspected the Subject and comparable data. Individuals from a variety of city agencies as well as the Subject's development team were consulted (in person or by phone). Various publications, both governmental (i.e. zoning ordinances) and private (i.e. Multiple List Services publications) were consulted and considered in the course of completing this appraisal.

The scope of this appraisal is limited to the gathering, verification, analysis and reporting of the available pertinent market data. All opinions are unbiased and objective with regard to value. The appraiser made a reasonable effort to collect, screen and process the best available information relevant to the valuation assignment and has not knowingly and/or intentionally withheld pertinent data from comparative analysis. Due to data source limitations and legal constraints (disclosure laws), however, the appraiser does not certify that all data was taken into consideration. We believe the scope of work is appropriate for the problem stated.

For the purposes of this appraisal, we have developed the cost, income, and sales comparison approaches to value. We also provided an insurable value.

**Extraordinary Assumptions (EA) and Hypothetical Conditions (HC)**

We requested a copy of a Physical Condition Assessment report. The status of this report is still pending. Thus, it is an extraordinary assumption that there are no necessary critical repairs that will significantly impact the value of the Subject.

We requested a copy of an Environmental Site Assessment report. The status of this report is still pending. Thus, it is an extraordinary assumption that there are no necessary environmental conditions that will significantly impact the value of the Subject.

The use of these extraordinary assumptions and/or hypothetical conditions may impact assignment results. We have included a more in depth summary of any limiting conditions in the addenda of this report.

**Market Value Definition**

For the purposes of this assignment market value is defined as:

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

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

**Compliance and Competency Provision**

The appraiser is aware of the compliance and competency provisions of USPAP, and within our understanding of those provisions, this report complies with all mandatory requirements, and the authors of this report possess the education, knowledge, technical skills, and practical experience to complete this assignment competently, in conformance with the stated regulations. Moreover, Advisory Opinion 14 acknowledges preparation of appraisals for affordable housing requires knowledge and experience that goes beyond typical residential appraisal competency including understanding the various programs, definitions, and pertinent tax considerations involved in the particular assignment applicable to the location and development. We believe our knowledge and experience in the affordable housing industry meets these supplemental standards.

**Unavailability of Information**

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

**Furniture, Fixtures, and Equipment**

Removable fixtures such as kitchen appliances and hot water heaters are considered to be real estate fixtures that are essential to the use and operation of the complex. Supplemental income typically obtained in the operation of an apartment complex is included, and may include minor elements of personal and business property. As immaterial components, no attempt is made to segregate these items.



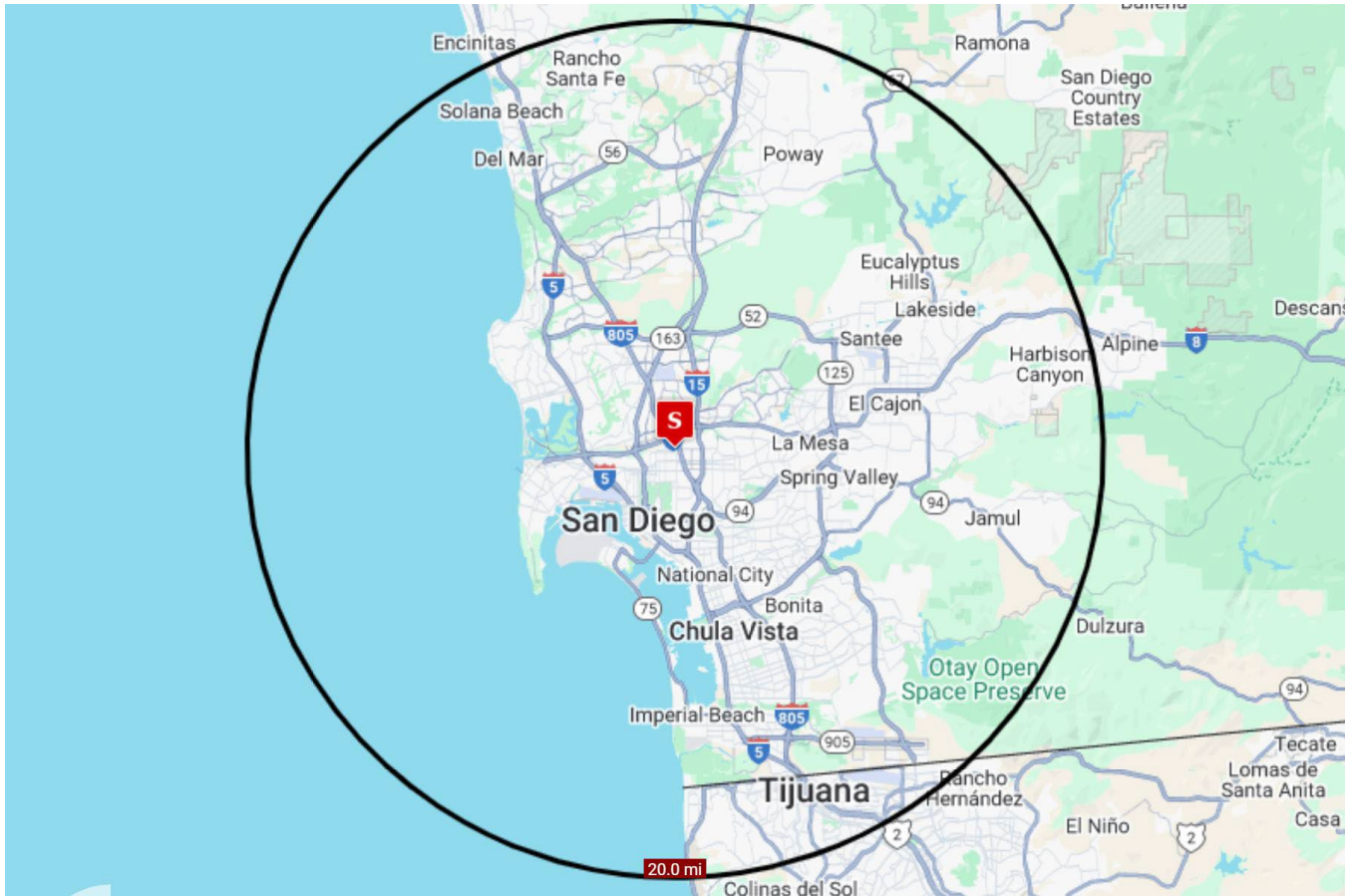
**Ownership and History of Subject**

The Subject property is currently owned by 2911 Adams Owner LLC. There have been no sales of the Subject over the last three years. However, there is reportedly a sale being negotiated but price has not yet been determined. According to the developer, the purchase agreement is currently being negotiated at arm's length. Our value estimate is \$31,100,000.

### **III. REGIONAL AND LOCAL AREA ANALYSIS**

### Regional Map

The Subject is located in San Diego, San Diego County, CA. San Diego is located in the southern portion of San Diego County. According to the 2020 U.S. Census, San Diego had a population of 515,078 individuals. San Diego is part of the San Diego-Chula Vista-Carlsbad, CA Metropolitan Statistical Area (MSA). A map of the region is provided below.



Source: Google Maps, September 2025

## ECONOMIC ANALYSIS

### Major Employers

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

#### MAJOR EMPLOYERS San Diego County, CA

Employer Name	City	Industry	# Of Employees
32nd Street Naval Station	San Diego	Military	10,000+
UCSD Neural Computations	La Jolla	Education	10,000+
University of California	La Jolla	Education	10,000+
UC San Diego	La Jolla	Education	10,000+
San Diego Community College	San Diego	Education	5,000-9,999
Naval Medical Ctr San Diego	San Diego	Healthcare	5,000-9,999
MCCS MCRD	San Diego	Military	5,000-9,999
Kaiser Permanente Vandever Medical Offices	San Diego	Healthcare	5,000-9,999
General Dynamics NASSCO	San Diego	Manufacturing	1,000-4,999
Employees' Association of SDG&E	San Diego	Associations	1,000-4,999
Collin Aerospace	Chula Vista	Manufacturing	1,000-4,999
Illumina Inc.	San Diego	Biotechnology Products	1,000-4,999
Jennifer Moreno Dept-Veterans	San Diego	Healthcare	1,000-4,999
Kaiser Permanente Zion Med Ctr	San Diego	Healthcare	1,000-4,999
Merchants Building Maintenance	San Diego	Janitor Service	1,000-4,999
Page One SEO	San Diego	Healthcare	1,000-4,999
Rady Children's Hospital	San Diego	Healthcare	1,000-4,999
San Diego County Sheriff	Santee	Public Administration	1,000-4,999
Scripps Mercy Hospital San Diego	San Diego	Healthcare	1,000-4,999
Scripps Research Institute	La Jolla	Research	1,000-4,999
Seaworld San Diego	La Jolla	Entertainment	1,000-4,999
Sharp Grossmont Hospital	La Mesa	Healthcare	1,000-4,999
Sharp Grossmont Rehab Center	La Mesa	Healthcare	1,000-4,999
Sharp Mary Birch Hospital	San Diego	Healthcare	1,000-4,999
Sony Electronics	San Diego	Retail Trade	1,000-4,999

Source: CA Employment Development Department, September 2025

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

### Employment Expansions

We attempted to contact the City of San Diego Economic Development Department in order to gather information about economic expansions in the city; however, our calls have not been returned as of the date of this report. We conducted our own research into economic expansions in the area. Notable expansions include, but are not limited to, the following:

- In March 2025, Eos Energy Enterprises announced it will construct an \$8-million battery energy storage facility near Naval Base San Diego. The facility is expected to be completed in early 2026.
- In January 2025, the Chula Vista City Council approved a letter of intent with Chula Vista Entertainment Complex, or CVEC, to start the process of designing and constructing an 89,000-square foot structure that will host virtual production studios, post-production facilities, and coworking spaces. The expansion will take three years to finish, and investment will total \$85 million. The new project is expected to bring about \$544 million to the area over 10 years and create jobs that otherwise would only be found in Los Angeles. Details regarding the number of jobs created were unavailable.
- In December 2024, American Business Bank announced plans to expand the new Loan Production Office into San Diego. Details regarding timing and job creation were unavailable.
- In December 2024, Trader Joe's announced plans to open more stores in Southern California locations starting in 2025. Details regarding the number of jobs created were unavailable.
- In December 2024, San Diego County Regional Airport Authority announced plan to modernize the San Diego International Airport terminal. The project is estimated to be a \$3.4-billion investment. The

new terminal will replace 19 existing gates with 30 new gates. The first 19 gates will open in September 2025 with all 30 in operation in 2028. Details regarding the number of jobs created were unavailable.

- In September 2024, Jamul Casino announced plans to build a brand-new, 200-room luxury hotel tower. The 16-story boutique hotel will soon offer an all-new collection of guest experiences from restaurants, retail space, a rooftop pool, and a full-service spa and salon. The expansion is expected to be complete in Spring 2025. Detail regarding the number of jobs created were unavailable.
- In September 2024, the city of San Diego pushed back the deadline to finalize a deal with the development team to remake the city's 48-acre sports arena. The San Diego development firm Midway Rising was selected by the San Diego City Council in 2023 to redevelop the city's 48-acre sports arena site, with support from The Kroenke Group. The project is expected to consist of 4,250 residential units, including 2,000 income-restricted units, a new 16,000-capacity sports arena, a 200-room hotel, and 20 acres of park/plaza space. The parties have until December 2025 to negotiate a long-term ground lease.
- In July 2024, Eli Lilly and Company opened a coworking lab and accelerator space for biotech startups in San Diego. The new building accommodates up to 10 companies and more than 120 biotech and Eli Lilly employees.
- In July 2024, Major League Soccer (MLS) unveiled the name, crest, and brand identity of the San Diego Football Club. The team debuted in the 2025 season and is expected to boost the local economy.

### WARN Notices

We reviewed the Worker Adjustment and Retraining Notification Act (WARN) notices published by the California Economic Development Department for January 2023 to year-to-date 2025. The following table illustrates the companies that experienced layoffs as well as the number of affected employees.

#### WARN LISTINGS SAN DIEGO COUNTY

Month	Year	Employees Affected
May	2025	241
April	2025	823
March	2025	444
February	2025	625
January	2025	278
<i>2025 Total</i>		<i>2,258</i>
December	2024	105
November	2024	317
October	2024	62
September	2024	496
August	2024	189
July	2024	1,054
June	2024	763
May	2024	407
April	2024	1,376
March	2024	553
February	2024	362
January	2024	609
<i>2024 Total</i>		<i>6,293</i>
December	2023	3,146
November	2023	164
October	2023	243
September	2023	546
August	2023	785
July	2023	1,357
June	2023	1,642
May	2023	635
April	2023	966
March	2023	1,388
February	2023	296
January	2023	1,515
<i>2023 Total</i>		<i>12,683</i>
<b>Overall Total</b>		<b>21,387</b>

Source: State of California, Employment Development Department, July 2025

As illustrated in the previous table, there were a total of 21,387 layoffs between 2023 and May 2025. Due to the size of the San Diego area labor market, these recent WARN filings are not anticipated to substantively affect total employment in the PMA or MSA as overall job growth has far exceeded these losses.

### Employment by Industry

The following table illustrates employment by industry for the PMA and nation as of 2024.

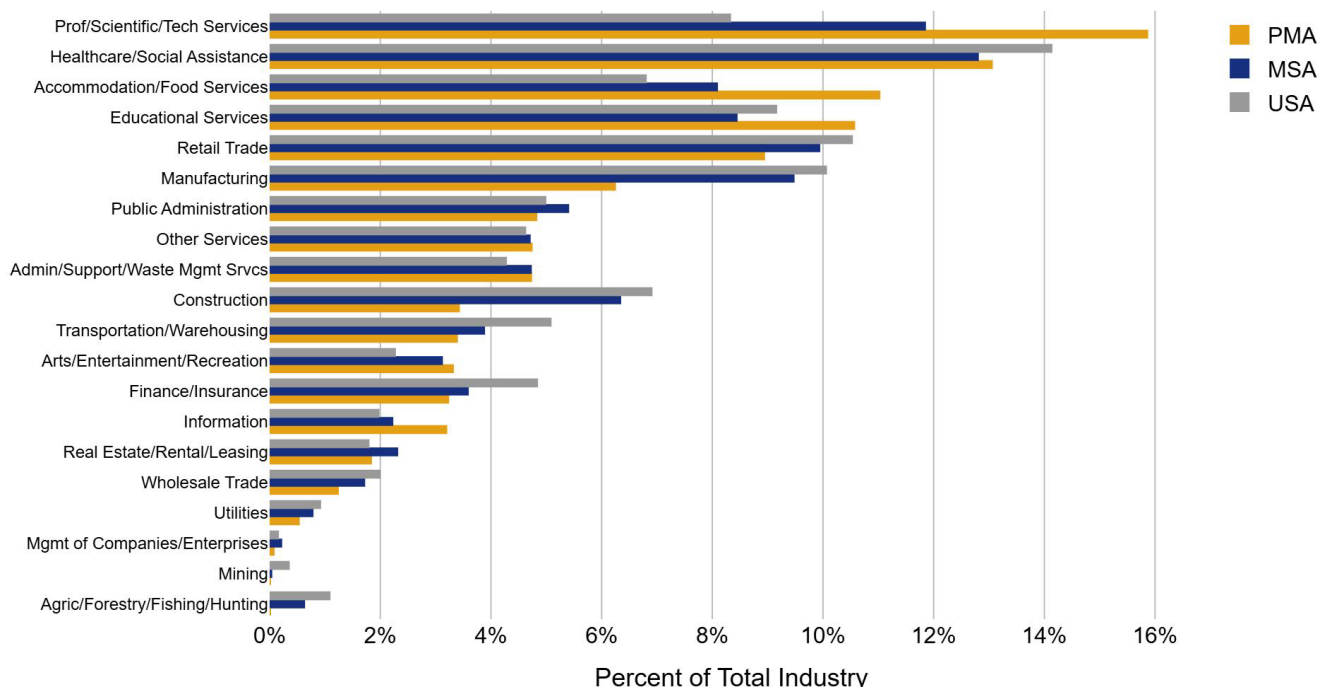
#### 2024 - EMPLOYMENT BY INDUSTRY

Industry	PMA		USA	
	Number Employed	Percent Employed	Number Employed	Percent Employed
Prof/Scientific/Tech Services	5,989	15.9%	13,808,768	8.3%
Healthcare/Social Assistance	4,928	13.0%	23,456,754	14.1%
Accommodation/Food Services	4,160	11.0%	11,278,763	6.8%
Educational Services	3,988	10.6%	15,195,042	9.1%
Retail Trade	3,373	8.9%	17,466,879	10.5%
Manufacturing	2,355	6.2%	16,689,019	10.0%
Public Administration	1,818	4.8%	8,264,977	5.0%
Other Services	1,786	4.7%	7,659,177	4.6%
Admin/Support/Waste Mgmt Svcs	1,782	4.7%	7,081,387	4.3%
Construction	1,289	3.4%	11,451,658	6.9%
Transportation/Warehousing	1,276	3.4%	8,419,689	5.1%
Arts/Entertainment/Recreation	1,248	3.3%	3,747,153	2.3%
Finance/Insurance	1,216	3.2%	8,016,602	4.8%
Information	1,203	3.2%	3,255,493	2.0%
Real Estate/Rental/Leasing	689	1.8%	2,954,339	1.8%
Wholesale Trade	463	1.2%	3,291,556	2.0%
Utilities	196	0.5%	1,502,053	0.9%
Mgmt of Companies/Enterprises	24	0.1%	237,343	0.1%
Mining	0	0.0%	561,373	0.3%
Agric/Forestry/Fishing/Hunting	0	0.0%	1,785,076	1.1%
<b>Total Employment</b>	<b>37,783</b>	<b>100.0%</b>	<b>166,123,101</b>	<b>100.0%</b>

Source: Esri Demographics 2024, Novogradac, September 2025

Employment in the PMA is concentrated in prof/scientific/tech services, healthcare/social assistance, and accommodation/food services, which collectively comprise 39.9 percent of local employment. Relative to the nation, the PMA features comparatively greater employment in the prof/scientific/tech services, accommodation/food services, and educational services industries. Conversely, the PMA is underrepresented in the manufacturing, construction, and transportation/warehousing sectors.

## Employment By Industry



## Growth by Industry

The following table illustrates the change in total employment by sector in the PMA from 2010 to 2024.

## 2010-2024 CHANGE IN EMPLOYMENT - PMA

Industry	2010		2024		2010-2024	
	Number Employed	Percent Employed	Number Employed	Percent Employed	Growth	Annualized Percent
Prof/Scientific/Tech Services	2,794	9.2%	5,989	15.9%	3,195	8.2%
Healthcare/Social Assistance	4,100	13.5%	4,928	13.0%	828	1.4%
Accommodation/Food Services	3,625	11.9%	4,160	11.0%	535	1.1%
Educational Services	3,056	10.1%	3,988	10.6%	932	2.2%
Retail Trade	3,267	10.7%	3,373	8.9%	106	0.2%
Manufacturing	1,488	4.9%	2,355	6.2%	867	4.2%
Public Administration	1,258	4.1%	1,818	4.8%	560	3.2%
Other Services	1,781	5.9%	1,786	4.7%	5	0.0%
Admin/Support/Waste Mgmt Svcs	2,044	6.7%	1,782	4.7%	-262	-0.9%
Construction	1,309	4.3%	1,289	3.4%	-20	-0.1%
Transportation/Warehousing	911	3.0%	1,276	3.4%	365	2.9%
Arts/Entertainment/Recreation	1,065	3.5%	1,248	3.3%	183	1.2%
Finance/Insurance	1,266	4.2%	1,216	3.2%	-50	-0.3%
Information	1,000	3.3%	1,203	3.2%	203	1.5%
Real Estate/Rental/Leasing	584	1.9%	689	1.8%	105	1.3%
Wholesale Trade	647	2.1%	463	1.2%	-184	-2.0%
Utilities	102	0.3%	196	0.5%	94	6.6%
Mgmt of Companies/Enterprises	60	0.2%	24	0.1%	-36	-4.3%
Agric/Forestry/Fishing/Hunting	40	0.1%	0	0.0%	-40	-7.1%
Mining	0	0.0%	0	0.0%	0	0.0%
<b>Total Employment</b>	<b>30,397</b>	<b>100.0%</b>	<b>37,783</b>	<b>100.0%</b>	<b>7,386</b>	<b>1.7%</b>

Source: Esri Demographics 2024, Novogradac, September 2025

Total employment in the PMA increased at an annualized rate of 1.7 percent between 2010 and 2024. The industries that nominally expanded most substantially during this period include professional/scientific/technical services, educational services, and manufacturing. Conversely during this same period, the administrative/support/waste management services, wholesale trade, and finance/insurance sectors experienced the least nominal growth.

## Employment and Unemployment Trends

The following table details employment and unemployment trends for the MSA from 2007 to July 2025.

### EMPLOYMENT & UNEMPLOYMENT TRENDS (NOT SEASONALLY ADJUSTED)

Year	MSA				USA			
	Total Employment	% Change	Unemployment Rate	Change	Total Employment	% Change	Unemployment Rate	Change
2007	1,461,285	-	4.5%	-	146,046,667	-	4.6%	-
2008	1,467,688	0.4%	6.0%	1.5%	145,362,500	-0.5%	5.8%	1.2%
2009	1,419,801	-3.3%	9.7%	3.7%	139,877,500	-3.8%	9.3%	3.5%
2010	1,352,021	-4.8%	10.9%	1.1%	139,063,917	-0.6%	9.6%	0.3%
2011	1,361,794	0.7%	10.3%	-0.5%	139,869,250	0.6%	9.0%	-0.7%
2012	1,395,354	2.5%	9.2%	-1.2%	142,469,083	1.9%	8.1%	-0.9%
2013	1,417,246	1.6%	7.9%	-1.3%	143,929,333	1.0%	7.4%	-0.7%
2014	1,438,867	1.5%	6.5%	-1.4%	146,305,333	1.7%	6.2%	-1.2%
2015	1,468,531	2.1%	5.2%	-1.3%	148,833,417	1.7%	5.3%	-0.9%
2016	1,519,623	3.5%	4.6%	-0.6%	151,435,833	1.7%	4.9%	-0.4%
2017	1,538,567	1.2%	4.0%	-0.7%	153,337,417	1.3%	4.3%	-0.5%
2018	1,556,105	1.1%	3.3%	-0.7%	155,761,000	1.6%	3.9%	-0.4%
2019	1,560,011	0.3%	3.2%	-0.1%	157,538,083	1.1%	3.7%	-0.2%
2020	1,425,340	-8.6%	9.2%	6.1%	147,794,750	-6.2%	8.1%	4.4%
2021	1,471,256	3.2%	6.4%	-2.9%	152,580,667	3.2%	5.4%	-2.7%
2022	1,554,722	5.7%	3.4%	-2.9%	158,291,083	3.7%	3.6%	-1.7%
2023	1,575,726	1.4%	3.7%	0.3%	161,036,583	1.7%	3.6%	-0.0%
2024	1,577,316	0.1%	4.3%	0.6%	161,345,500	0.2%	4.0%	0.4%
2025 YTD Average*	1,599,352	1.4%	4.5%	0.2%	163,350,714	1.2%	4.3%	0.3%
Jul-2024	1,578,383	-	4.8%	-	162,038,000	-	4.5%	-
Jul-2025	1,585,436	0.4%	5.2%	0.4%	163,799,000	1.1%	4.6%	0.1%

Source: U.S. Bureau of Labor Statistics, September 2025

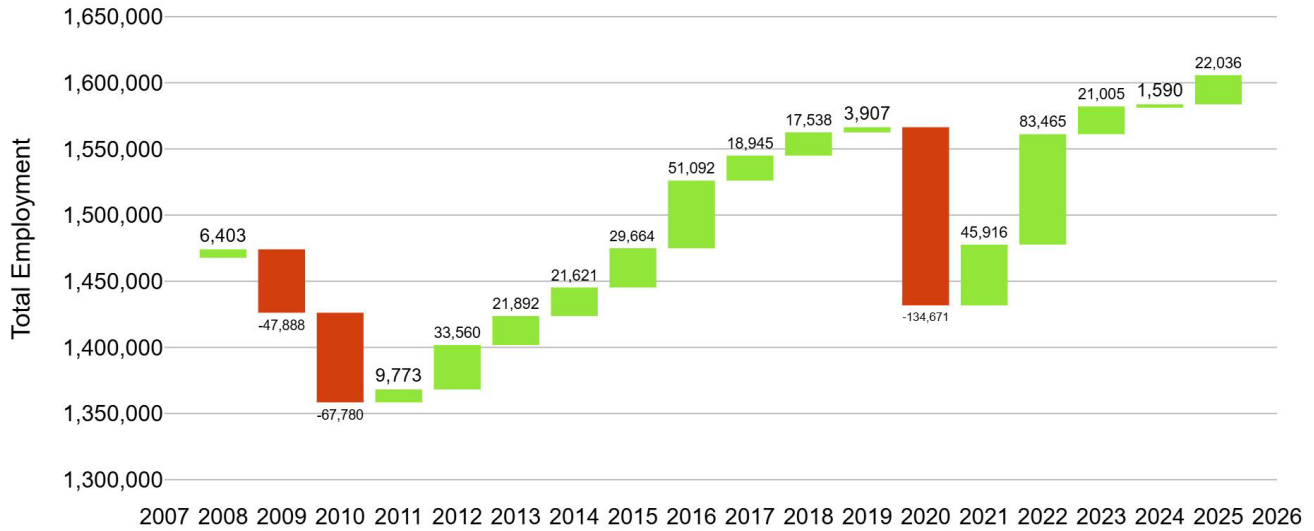
\*2025 YTD Average is through July

Employment in the MSA declined by 8.6 percent in 2020 amid the pandemic, compared to 6.2 percent across the overall nation. The MSA subsequently recovered all pandemic-related job losses, and employment levels are currently at a post-recessionary record. As of July 2025, employment in the MSA is increasing at an annualized rate of 0.4 percent, compared to 1.1 percent growth across the nation.

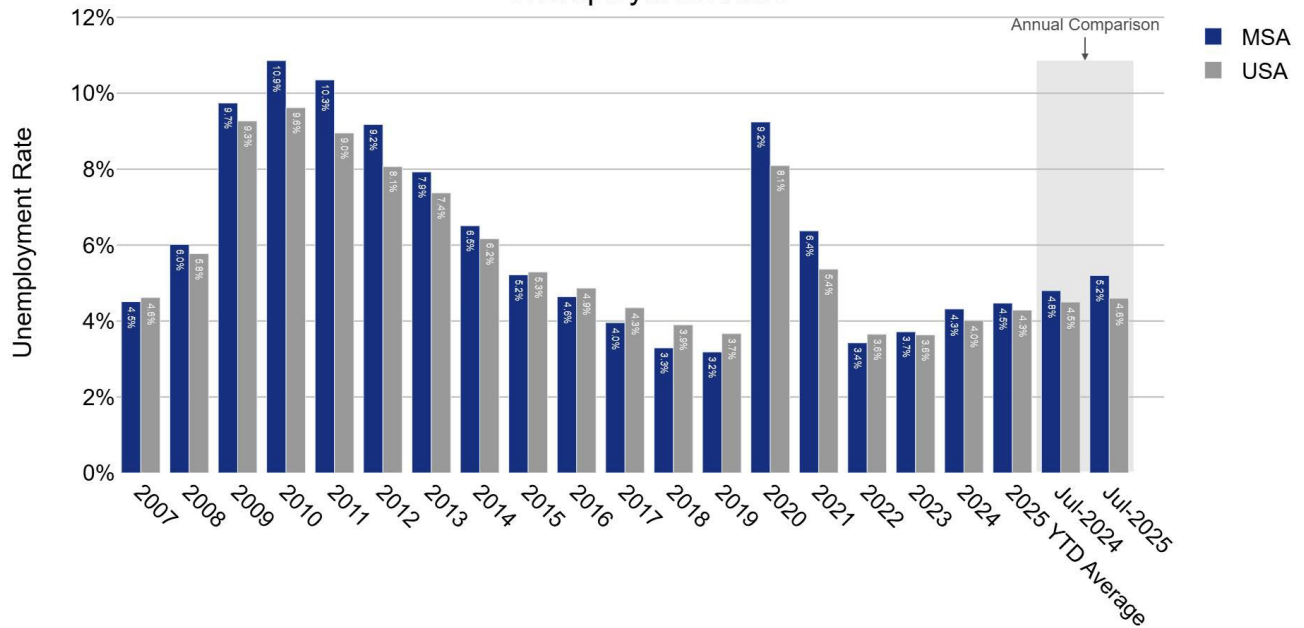
The MSA unemployment rate increased substantially by 6.1 percentage points in 2020 amid the pandemic, reaching a high of 9.2 percent. For comparison, the national unemployment rate rose by 4.4 percentage points and reached a high of 8.1 percent over the same time period. According to the latest labor statistics, dated July 2025, the current MSA unemployment rate is 5.2 percent. This is slightly above the current national unemployment rate of 4.6 percent.



### MSA Job Growth



### Unemployment Rate



## Wages by Occupation

The following table illustrates the wages by occupation for the San Diego-Carlsbad, CA.

### MSA - 2ND QTR 2024 AREA WAGE ESTIMATES

Occupation	Number of Employees	Mean Hourly Wage	Mean Annual Wage
<b>All Occupations</b>	<b>1,522,620</b>	<b>\$36.54</b>	<b>\$76,010</b>
Management	114,190	\$80.00	\$166,410
Legal	14,180	\$67.41	\$140,210
Healthcare Practitioners and Technical	81,980	\$65.28	\$135,780
Computer and Mathematical	59,340	\$60.10	\$125,010
Architecture and Engineering	39,390	\$55.53	\$115,510
Life Physical and Social Science	27,640	\$47.84	\$99,500
Business and Financial Operations	112,110	\$46.13	\$95,940
Educational Instruction and Library	86,020	\$39.22	\$81,580
Arts Design Entertainment Sports and Media	21,760	\$36.99	\$76,940
Construction and Extraction	64,130	\$34.30	\$71,340
Protective Service	36,900	\$31.66	\$65,850
Community and Social Service	32,270	\$31.35	\$65,210
Installation Maintenance and Repair	45,940	\$30.47	\$63,370
Sales and Related	123,300	\$27.13	\$56,430
Office and Administrative Support	166,920	\$25.50	\$53,030
Production	67,350	\$24.55	\$51,050
Transportation and Material Moving	99,780	\$22.28	\$46,340
Building and Grounds Cleaning and Maintenance	52,250	\$20.74	\$43,150
Personal Care and Service	38,360	\$20.68	\$43,010
Healthcare Support	80,040	\$20.00	\$41,600
Farming Fishing and Forestry	3,120	\$19.85	\$41,290
Food Preparation and Serving Related	155,650	\$19.13	\$39,790

Source: Department of Labor, Occupational Employment Statistics, May 2025, retrieved September 2025

The preceding table shows the average hourly and annual wages by occupation classification. The classification with the lowest average hourly wage is food preparation and serving related occupations at \$19.13 per hour. The highest average hourly wage, of \$80.00, is for those in management occupations.

## Commuting Patterns

The chart below shows the travel time to work for the PMA according to ESRI Demographics.

### COMMUTING PATTERNS

ACS Commuting Time to Work	Number of Commuters	Percentage
Travel Time < 5 min	519	1.7%
Travel Time 5-9 min	1,524	5.0%
Travel Time 10-14 min	5,404	17.6%
Travel Time 15-19 min	6,537	21.2%
Travel Time 20-24 min	5,838	19.0%
Travel Time 25-29 min	2,544	8.3%
Travel Time 30-34 min	3,692	12.0%
Travel Time 35-39 min	620	2.0%
Travel Time 40-44 min	914	3.0%
Travel Time 45-59 min	1,438	4.7%
Travel Time 60-89 min	1,152	3.7%
Travel Time 90+ min	582	1.9%
<b>Weighted Average</b>	<b>25 minutes</b>	

Source: Esri Demographics 2024, Novogradac, September 2025

As shown in the preceding table, the weighted average commute time in the PMA is approximately 25 minutes. More than 61 percent of PMA commuters travel under 24 minutes, indicating many households work in the local area. The average commute time across the overall nation is approximately 28 minutes.

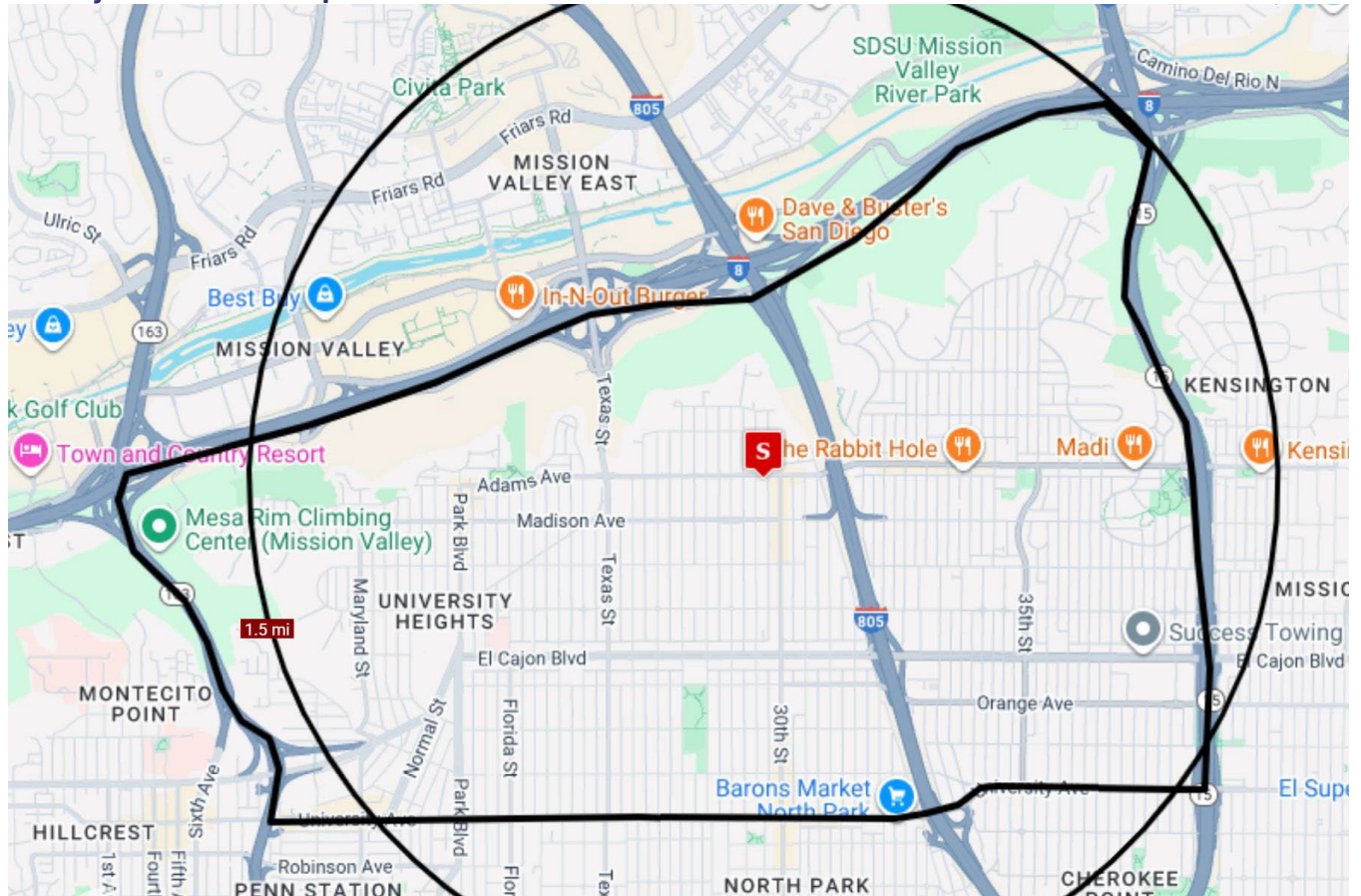
### **Conclusion**

Employment in the PMA is concentrated in prof/scientific/tech services, healthcare/social assistance, and accommodation/food services, which collectively comprise 39.9 percent of local employment. The large share of PMA employment in accommodation/food services is notable as this industry is historically volatile, and prone to contraction during economic recessions. However, the PMA also has a significant share of employment in the healthcare/social assistance industry, which typically exhibits greater stability during recessionary periods. Employment in the MSA declined by 8.6 percent in 2020 amid the pandemic, compared to 6.2 percent across the overall nation. The MSA subsequently recovered all pandemic-related job losses, and employment levels are currently at a post-recessionary record. As of July 2025, employment in the MSA is increasing at an annualized rate of 0.4 percent, compared to 1.1 percent growth across the nation.

## DEMOGRAPHIC ANALYSIS

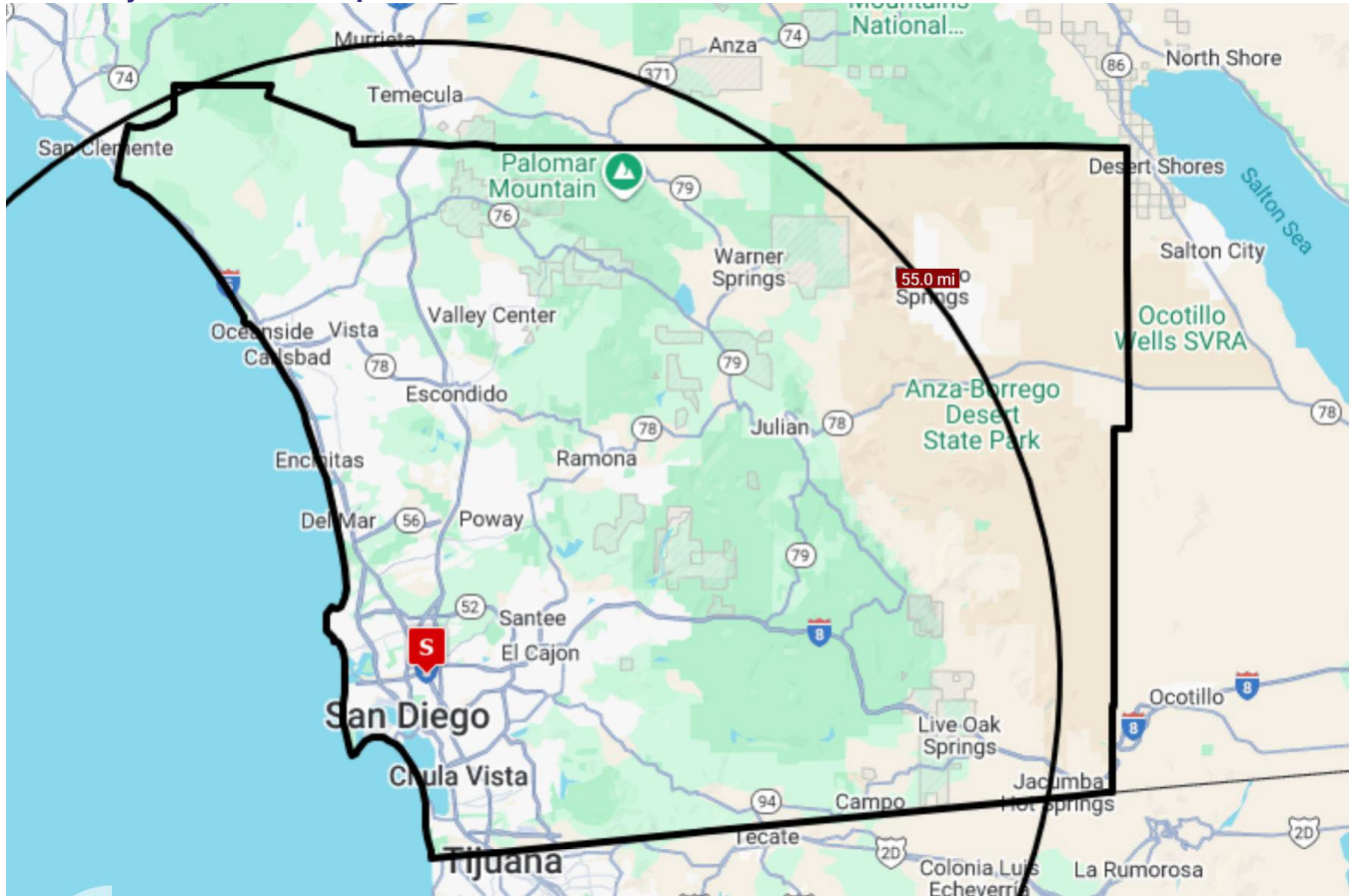
We determined the Primary Market Area (PMA) based on our conversations with local market participants including property managers, as well as our physical inspection of the market. The PMA is generally defined as a portion of the neighborhood of North Hills. The PMA boundaries are: Interstate 8 to the north, State Highway 15 to the east, University Avenue to the south, and State Highway 163. The PMA encompasses approximately four square miles. We believe that additional support will originate from areas outside of the established PMA. We estimate a leakage of 10 percent. To provide a broader economic context for the Subject, we also include a Secondary Market Area (SMA). The secondary market area (SMA) for the Subject is San Diego-Chula Vista-Carlsbad, CA Metropolitan Statistical Area (MSA), which consists of the following counties: San Diego in California. The MSA is 4,235 square miles. We include economic indicators for the MSA regarding employment and unemployment trends. In addition, our demographic analysis utilizes the MSA as an additional area of comparison for population and household trends.

### Primary Market Area Map



Source: Google Maps, September 2025

## Secondary Market Area Map



Source: Google Maps, September 2025



### Population and Household Trends

The following tables illustrates population and household trends in the PMA, MSA and nation from 2010 through 2024, as well as projections through 2029.

#### POPULATION

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2010	55,993	-	3,095,313	-	308,736,218	-
2024	54,945	-0.1%	3,299,130	0.5%	338,436,229	0.7%
2029	55,726	0.3%	3,309,386	0.1%	344,868,049	0.4%

Source: Esri Demographics 2024, Novogradac, September 2025

#### HOUSEHOLDS

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2010	27,791	-	1,086,878	-	116,712,903	-
2024	28,765	0.3%	1,176,585	0.6%	130,714,038	0.9%
2029	29,928	0.8%	1,206,155	0.5%	134,926,628	0.6%

Source: ESRI Demographics 2024, HISTA Data / Ribbon Demographics 2024, Novogradac, September 2025

The PMA experienced declining population growth between 2010 and 2024 and lagged behind the surrounding MSA, which also reported positive growth over the same time period. Both geographic areas experienced growth rates below the overall nation. According to ESRI demographic projections, annualized PMA growth is expected to increase to positive 0.3 percent through 2029, which is above growth expectations for the MSA and similar to the nation.

Historical household growth in the PMA trailed the MSA between 2010 and 2024. Both geographic areas experienced growth rates below the nation during the same time period. According to ESRI demographic projections, annualized PMA growth is expected to increase 0.8 percent through 2029, which is above growth expectations for the MSA and slightly above the nation.

### Household Income Distribution

The following tables illustrate household income distribution in 2024 and 2029 in the PMA and MSA.

#### HOUSEHOLD INCOME PMA

Income Cohort	2024		2029		Annual Change 2024 to 2029	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,296	4.5%	1,179	3.9%	-23	-1.8%
\$10,000-19,999	2,017	7.0%	1,738	5.8%	-56	-2.8%
\$20,000-29,999	2,125	7.4%	1,936	6.5%	-38	-1.8%
\$30,000-39,999	2,416	8.4%	2,027	6.8%	-78	-3.2%
\$40,000-49,999	2,838	9.9%	2,393	8.0%	-89	-3.1%
\$50,000-59,999	2,649	9.2%	2,642	8.8%	-1	-0.1%
\$60,000-74,999	3,293	11.4%	3,335	11.1%	8	0.3%
\$75,000-99,999	4,040	14.0%	4,237	14.2%	39	1.0%
\$100,000-124,999	2,730	9.5%	3,131	10.5%	80	2.9%
\$125,000-149,999	1,889	6.6%	2,244	7.5%	71	3.8%
\$150,000-199,999	1,724	6.0%	2,355	7.9%	126	7.3%
\$200,000+	1,748	6.1%	2,711	9.1%	193	11.0%
<b>Total</b>	<b>28,765</b>	<b>100.0%</b>	<b>29,928</b>	<b>100.0%</b>		

Source: ESRI Demographics 2024, HISTA Data / Ribbon Demographics 2024, Novogradac, September 2025

## HOUSEHOLD INCOME MSA

Income Cohort	2024		2029		Annual Change 2024 to 2029	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	47,058	4.0%	42,791	3.5%	-853	-1.8%
\$10,000-19,999	70,597	6.0%	61,045	5.1%	-1,910	-2.7%
\$20,000-29,999	79,178	6.7%	70,068	5.8%	-1,822	-2.3%
\$30,000-39,999	82,691	7.0%	73,383	6.1%	-1,862	-2.3%
\$40,000-49,999	78,699	6.7%	74,418	6.2%	-856	-1.1%
\$50,000-59,999	74,397	6.3%	70,184	5.8%	-843	-1.1%
\$60,000-74,999	106,966	9.1%	99,482	8.2%	-1,497	-1.4%
\$75,000-99,999	150,152	12.8%	146,388	12.1%	-753	-0.5%
\$100,000-124,999	122,622	10.4%	124,321	10.3%	340	0.3%
\$125,000-149,999	94,787	8.1%	102,312	8.5%	1,505	1.6%
\$150,000-199,999	110,472	9.4%	127,912	10.6%	3,488	3.2%
\$200,000+	158,966	13.5%	213,851	17.7%	10,977	6.9%
<b>Total</b>	<b>1,176,585</b>	<b>100.0%</b>	<b>1,206,155</b>	<b>100.0%</b>		

Source: ESRI Demographics 2024, HISTA Data / Ribbon Demographics 2024, Novogradac, September 2025

## General Household Tenure

The following table illustrates the tenure patterns in the PMA for the years 2010 and 2024, as well as the projected tenure patterns for the year 2029.

## TENURE PATTERNS PMA

Year	Owner-Occupied	Percentage Owner-Occupied	Renter-Occupied	Percentage Renter-Occupied
2010	6,328	22.8%	21,463	77.2%
2024	6,449	22.4%	22,316	77.6%
2029	6,745	22.5%	23,183	77.5%

Source: ESRI Demographics 2024, HISTA Data / Ribbon Demographics 2024, Novogradac, September 2025

The number of renter households in the PMA increased between 2010 and 2024, and is estimated to be 77.6 percent of total households as of 2024. According to the ESRI demographic projections, the number of renter households in the PMA is expected to continue to increase through 2029.

## Renter Household Income Distribution

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

## RENTER HOUSEHOLD INCOME PMA

Income Cohort	2024		2029		Annual Change 2024 to 2029	
	Number	Percentage	Number	Percentage	Number	Percentage
\$0-9,999	1,102	4.9%	1,011	4.4%	-18	-1.7%
\$10,000-19,999	1,787	8.0%	1,533	6.6%	-51	-2.8%
\$20,000-29,999	1,904	8.5%	1,744	7.5%	-32	-1.7%
\$30,000-39,999	2,083	9.3%	1,765	7.6%	-64	-3.1%
\$40,000-49,999	2,544	11.4%	2,159	9.3%	-77	-3.0%
\$50,000-59,999	2,111	9.5%	2,131	9.2%	4	0.2%
\$60,000-74,999	2,678	12.0%	2,728	11.8%	10	0.4%
\$75,000-99,999	3,232	14.5%	3,463	14.9%	46	1.4%
\$100,000-124,999	1,885	8.4%	2,243	9.7%	72	3.8%
\$125,000-149,999	1,237	5.5%	1,591	6.9%	71	5.7%
\$150,000-199,999	990	4.4%	1,489	6.4%	100	10.1%
\$200,000+	763	3.4%	1,326	5.7%	113	14.8%
<b>Total</b>	<b>22,316</b>	<b>100.0%</b>	<b>23,183</b>	<b>100.0%</b>		

Source: ESRI Demographics 2024, HISTA Data / Ribbon Demographics 2024, Novogradac, September 2025

As illustrated, the income cohorts with the largest concentrations of renter households are the \$75,000-99,999, \$60,000-74,999, and \$40,000-49,999 income cohorts. As of 2024, approximately 42 percent of renter households in the PMA earn less than \$50,000 annually. The large percentage of low-income renter households is a positive indicator of demand for the Subject's low-income units.

### General Household Size Distribution

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

#### PMA HOUSEHOLD SIZE DISTRIBUTION

Household Size	2010		2024		2029	
	Total	Percent	Total	Percent	Total	Percent
1 person	12,036	43.3%	12,805	44.5%	13,394	44.8%
2 persons	9,302	33.5%	9,509	33.1%	9,832	32.9%
3 persons	3,189	11.5%	3,265	11.4%	3,379	11.3%
4 persons	1,820	6.5%	1,814	6.3%	1,874	6.3%
5+ persons	1,444	5.2%	1,372	4.8%	1,449	4.8%
<b>Total</b>	<b>27,791</b>	<b>100.0%</b>	<b>28,765</b>	<b>100.0%</b>	<b>29,928</b>	<b>100.0%</b>

Source: Esri Demographics 2024, Novogradac, September 2025

Approximately 89 percent of households in the PMA as of 2024 are comprised of households with one to three persons. The percentage of households in the PMA with one to three persons is anticipated to remain generally stable through 2029. The Subject targets family households and the units range from studio, one, and three-bedrooms, which appears reasonable considering the household size distribution.

### Median Household Income Levels

The following table illustrates median household income levels in the PMA, MSA, and nation from 2010 through 2029. Note that this is based on data for all household sizes and is independent of the calculation of AMI.

#### MEDIAN HOUSEHOLD INCOME

Year	PMA		MSA		USA	
	Amount	Annual Change	Amount	Annual Change	Amount	Annual Change
2010	\$40,534	-	\$66,375	-	\$60,686	-
2024	\$85,094	7.9%	\$104,597	4.1%	\$79,067	2.2%
2029	\$96,225	2.6%	\$118,151	2.6%	\$91,442	3.1%

Source: Esri Demographics 2024, Novogradac, September 2025

As of 2024, the median income in the PMA is below the surrounding MSA and similar to the national median household income. Median household income growth in the PMA exceeded the MSA between 2010 and 2024. In particular, median income in the PMA rose from 66.8 percent of the national median income in 2010 to 107.6 percent in 2024. The overall rise in median income levels reflects a market where lower income households may be priced out by more affluent households. It also indicates that affordable housing properties should prosper in the future as incomes and, therefore, achievable rents rise. The median household income in the PMA is projected to slow to 2.6 percent per annum through 2029, a growth rate slightly below the nation and a growth rate similar to the MSA. As of 2029, the median household income is projected to be slightly below that of the MSA and similar to that of the nation.

### Rent Overburdened Households

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

#### RENT OVERBURDENED

Year	PMA		MSA		USA	
	Amount	Percentage	Amount	Percentage	Amount	Percentage
2024	8,176	39.6%	229,446	47.2%	16,632,947	42.7%

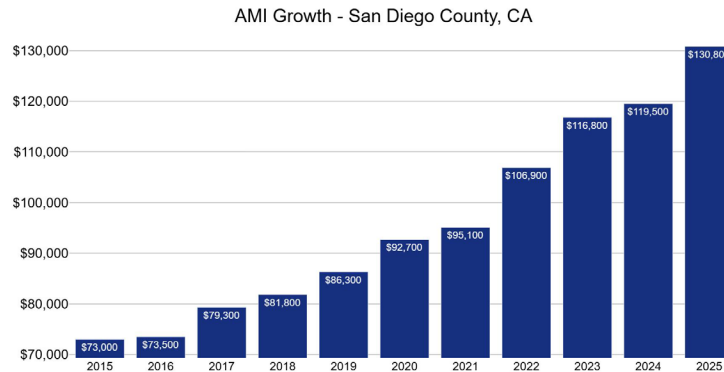
Source: US Census 2024, Novogradac, September 2025

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



### Area Median Income

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



Overall, the AMI increase at an annual rate of 7.20 percent between 2015 and 2025. Over 95.9 percent of counties in the nation experienced an increase in AMI in 2025. This was also true in San Diego County, which reached a record high AMI level in 2025. Rising AMI levels bode well for future rent growth at affordable developments, such as the Subject property.

### AMI GROWTH

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
AMI	\$75,500	\$74,900	\$75,900	\$72,300	\$72,700	\$73,000	\$73,500	\$79,300	\$81,800	\$86,300	\$92,700	\$95,100	\$106,900	\$116,800	\$119,500	\$130,800
%																
Growth	-	(0.79%)	1.34%	(4.74%)	0.55%	0.41%	0.68%	7.89%	3.15%	5.50%	7.42%	2.59%	12.41%	9.26%	2.31%	9.46%

### Conclusion

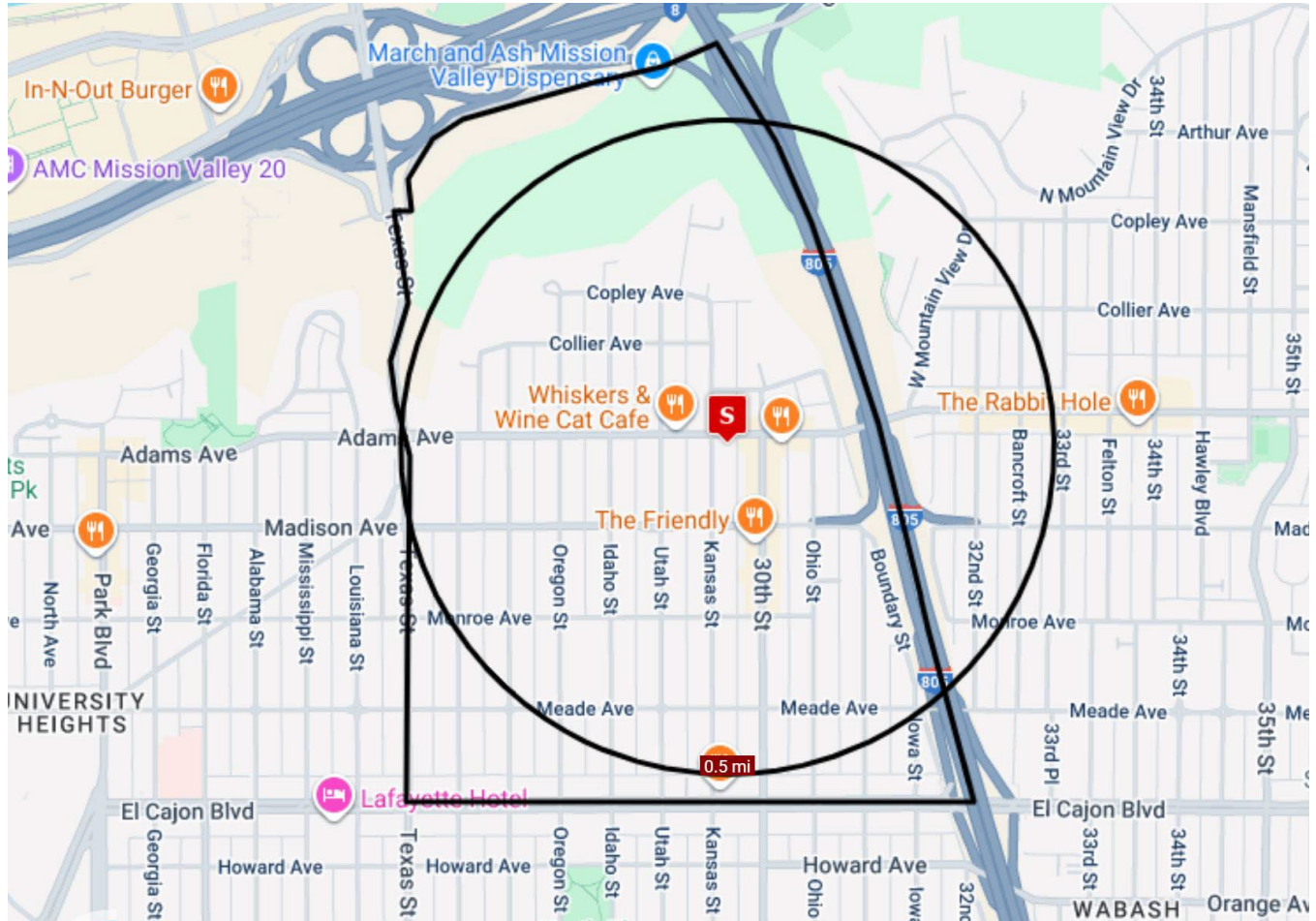
Population in the PMA decreased at an annualized rate of 0.1 percent between 2010 and 2024. Comparatively the MSA and the nation experienced an annualized growth rate of 0.7 percent. The number of renters in the PMA increased from 2010 to 2024 and is projected to continue to increase through 2029. The median income in the PMA as of 2024 is below the MSA and overall nation. According to ESRI demographic projections, population, household, renter households, and median income levels in the PMA are all expected to rise through 2029. Overall, the combination of rising population, renter households, and median household income bodes well for future demand for multifamily housing.

## NEIGHBORHOOD ANALYSIS

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

### Neighborhood Boundary

The Subject is located in the northern portion of San Diego, California in the North Hills neighborhood. The Subject's neighborhood boundaries are defined as Camino del Rio South to the north, Interstate 805 to the east, El Cajon Boulevard to the south, and Texas Street to the west. A map of the Subject's neighborhood follows.

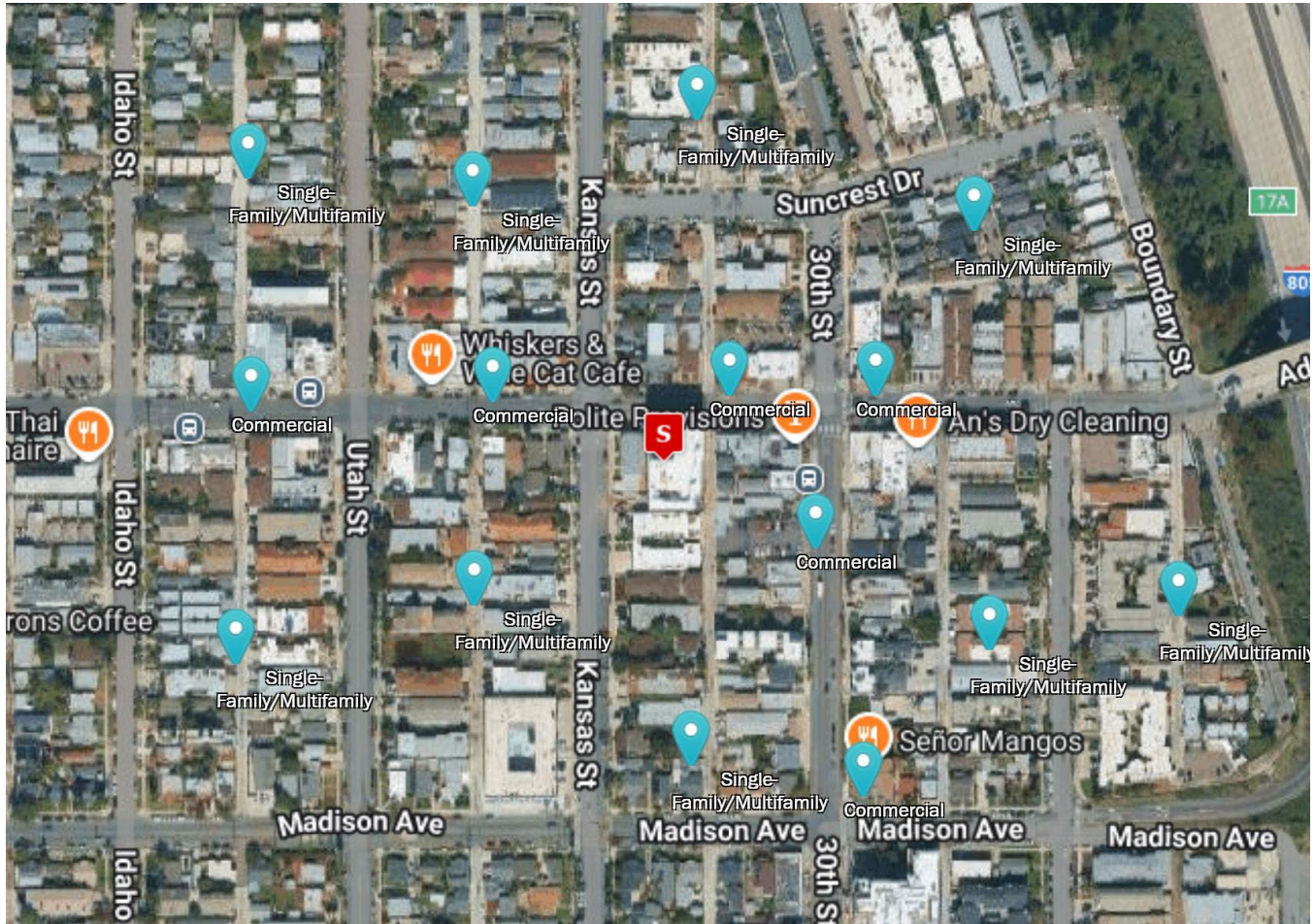


Source: Google Earth, and NeighborhoodScout.com, September 2025

### Neighborhood Land Uses

The Subject site is located in San Diego, CA approximately 0.2 miles west of Interstate 805. The immediate neighborhood consists of single-family homes, multifamily developments, and commercial uses. Residential uses in the Subject's neighborhood are generally in average to good condition. A number of retail properties are located directly east and west of the Subject site including restaurants as well as a number of local businesses. Commercial areas in the Subject's neighborhood are approximately 95 percent occupied. The Subject site is designated as "Walker's Paradise" by WalkScore with a score of 90, indicating daily errands do not require a car.

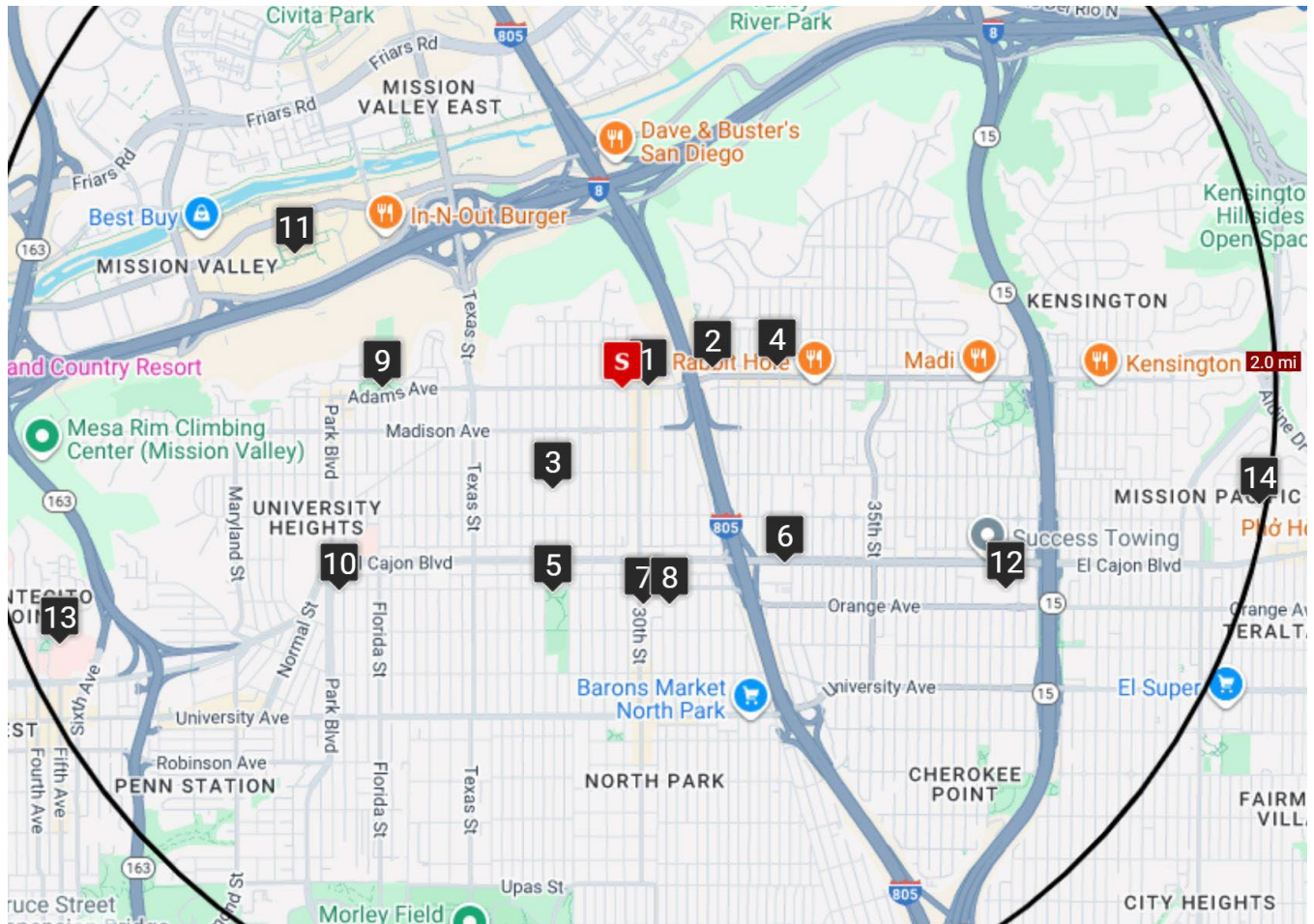
A map of land uses surrounding the Subject is depicted following.





### Locational Amenities

The following map and table illustrate the Subject's proximity to necessary services. Map numbers correspond with the *Locational Amenities Map*, presented below.



Source: Google Earth, September 2025

### LOCATIONAL AMENITIES

#	Service or Amenity	Distance to Subject	#	Service or Amenity	Distance to Subject
1	Bus Stop	Adjacent	8	Vons Pharmacy	0.7 miles
2	Shell Gas Station	0.3 miles	9	Old Trolley Barn Park	0.7 miles
3	Garfield Elementary School	0.4 miles	10	University Heights Branch Library	1.1 miles
4	Post Office	0.5 miles	11	Mission Valley Mall	1.1 miles
5	San Diego Police Department North Park	0.6 miles	12	Wilson Middle School	1.3 miles
6	Wells Fargo	0.7 miles	13	Scripps Mercy Hospital	1.9 miles
7	Vons	0.7 miles	14	Herbert Hoover High School	2.0 miles

### Public Transportation

MTS provides bus and light rail service throughout the San Diego County area. One-way fares for adults are \$2.50 and \$1.25 for seniors over the age of 65, Medicare recipients, persons with disabilities, and children ages six to 18. The nearest bus stop to the Subject is located adjacent to the Subject along Adams Avenue.

### Crime Indices

The table below illustrates crime indices in the PMA and MSA in comparison to that of the nation. A crime index below 100 is below the national average and anything over 100 is above the nation's crime index average. A crime index of 75 in a PMA would be 25 percent below the national average while a crime index of 200 would be twice that of the national average. Crime indices were provided by 2024 ESRI Demographics data.

2024 CRIME INDICES		
	PMA	MSA
<b>Total Crime*</b>	<b>156</b>	<b>98</b>
<b>Personal Crime*</b>	<b>118</b>	<b>82</b>
Murder	34	55
Rape	145	73
Robbery	118	103
Assault	116	78
<b>Property Crime*</b>	<b>162</b>	<b>101</b>
Burglary	149	94
Larceny	165	96
Motor Vehicle Theft	167	142

Source: Esri Demographics 2024, Novogradac, September 2025

\*Unweighted aggregations

Total crime indices in the PMA are modestly elevated relative to the national average and above the surrounding MSA. In particular, the category of property crime in the PMA is substantially elevated relative to both the nation and the MSA. The Subject offers intercom (buzzer), limited access, and video surveillance.

### Conclusion

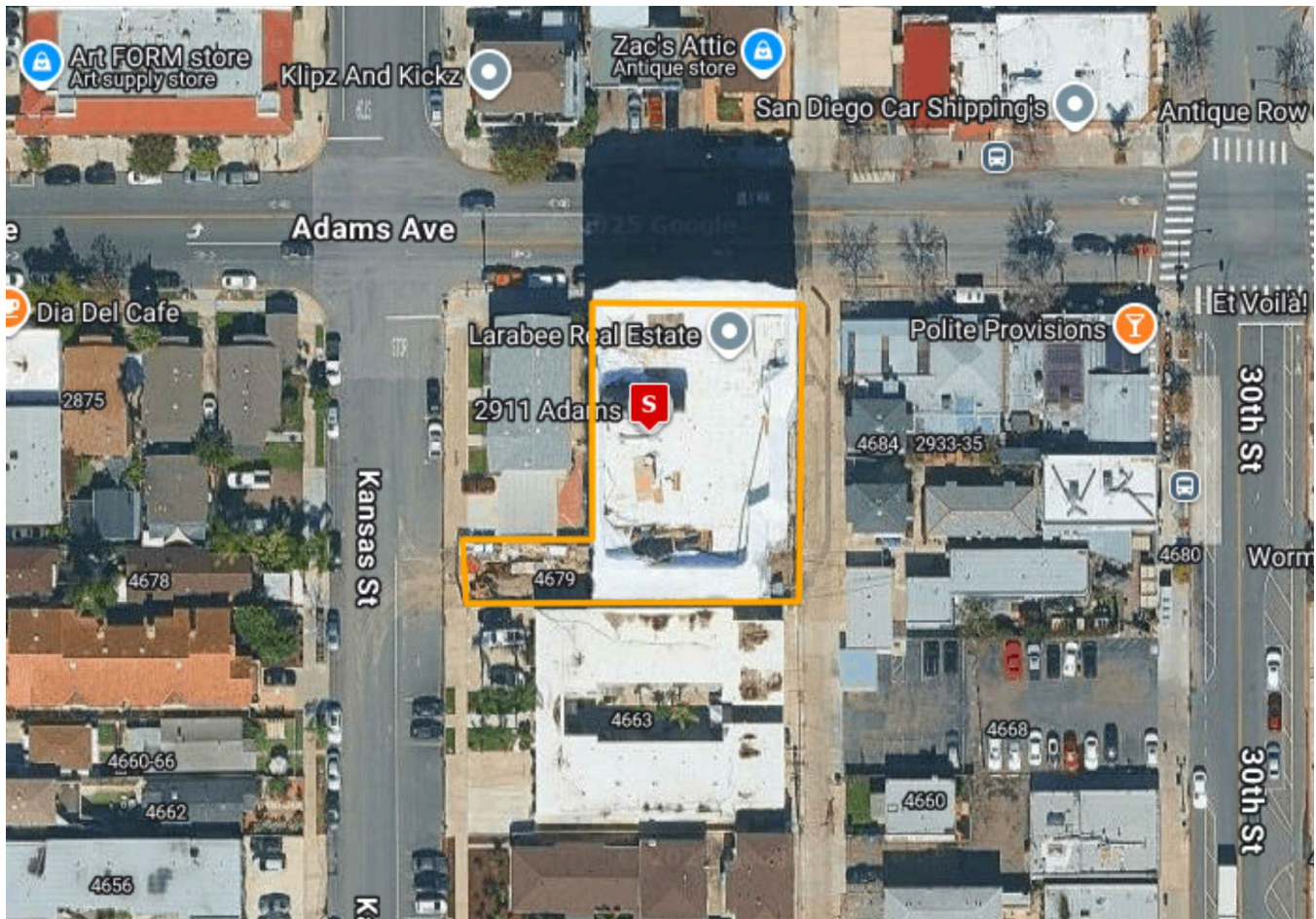
The Subject site is located in San Diego, CA approximately 0.2 miles west of Interstate 805. The immediate neighborhood consists of single-family homes, multifamily developments, and commercial uses. Residential uses in the Subject's neighborhood are generally in average to good condition. A number of retail properties are located directly east and west of the Subject site including restaurants as well as a number of local businesses. Commercial areas in the Subject's neighborhood are approximately 95 percent occupied. The Subject site is designated as "Walker's Paradise" by WalkScore with a score of 90, indicating daily errands do not require a car. The surrounding housing stock in the Subject's neighborhood consisting of single-family homes and small multifamily developments, were constructed prior to 1980 and are in average to good condition.

## **IV. ANALYSIS OF THE SUBJECT**



## DESCRIPTION OF THE SITE

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



Source: Google Maps, September 2025

<b>Address:</b>	The Subject is located at 2911 Adams Avenue, in San Diego, CA 92116.
<b>Size:</b>	The Subject site is 0.29 acres or 12,632 square feet.
<b>Shape:</b>	The Subject site is irregular in shape.
<b>Frontage:</b>	The Subject has frontage along the south side of Adams Avenue, the west side of an alley, and the east side of Kansas Street.
<b>Zoning:</b>	The Subject site is zoned CC-3-7. The upcoming Highest and Best Use section describes zoning requirements in greater detail.
<b>Topography:</b>	The Subject site exhibits level topography.
<b>Existing Improvements:</b>	The Subject site is currently improved with an existing 72-unit mixed-use multifamily development constructed in 2024. The Subject consists of one six-story elevator-serviced midrise-style residential building, which includes two ground floor retail/commercial units.

<b>Utilities:</b>	All utilities are available to the site.
<b>Surrounding Land Uses:</b>	<p>North: Land use to the north of the Subject consists of commercial uses in good condition and single-family homes and small unnamed multifamily developments in average to good condition, none of which have been utilized as comparables in this report as there is no on-site management and the properties could not be contacted.</p> <p>East: Land use to the east of the Subject consists of commercial uses in good condition and single-family homes and small unnamed multifamily developments in average to good condition, none of which have been utilized as comparables in this report as there is no on-site management and the properties could not be contacted.</p> <p>South: Land use to the south of the Subject consists of small unnamed multifamily developments in average to good condition, none of which have been utilized as comparables in this report as there is no on-site management and the properties could not be contacted and commercial uses in average to good condition.</p> <p>West: Land use to the west of the Subject consists of commercial uses in good condition and single-family homes and small unnamed multifamily developments in average to good condition, none of which have been utilized as comparables in this report as there is no on-site management and the properties could not be contacted.</p>
<b>Surrounding Visibility/Views:</b>	The Subject site has excellent visibility Adams Avenue and the alleyway and good visibility along Kansas Street. Views to the north, east, and west of the Subject consist of commercial uses in good condition, and single-family homes and small unnamed multifamily developments in average to good condition, none of which have been utilized as comparables in this report as there is no on-site management and the properties could not be contacted. Views to the south of the Subject consist of small unnamed multifamily developments in average to good condition, none of which have been utilized as comparables in this report as there is no on-site management and the properties could not be contacted. Overall, visibility is considered excellent and views are average.
<b>Access and Traffic Flow:</b>	The Subject is accessed via the south side of Adams Avenue, the west side of an alley, and the east side of Kansas Street. Adams Avenue is a heavily traveled arterial that traverses east/west and provides access to Kansas Street, adjacent to the west of the Subject and the alleyway, adjacent to the east of the Subject. Adams Avenue also provides access to Interstate 15 to the east. Kansas Street is a moderately traveled collector street that provides access to El Cajon Boulevard to the south. El Cajon Boulevard is a heavily traveled arterial that provides access to Interstate 805 to the east. Interstate 15 traverses generally north/south and provides access to Interstate 803 and State Highway 94 to the south and Escondido, Temecula, Murrieta, Wildomar, and Lake Elsinore, CA to the north. Interstate 805 is an offshoot of Interstate 5 and provides access to the United States/Mexico International border to the south and Interstate 5 to the northwest. Interstate 5 traverses generally northwest/southeast and provides access across the entire Western



United States from Canada to Mexico and also provides access to Los Angeles, CA to the northwest. Overall, access is considered good and traffic is considered moderate.

**Walkability:**

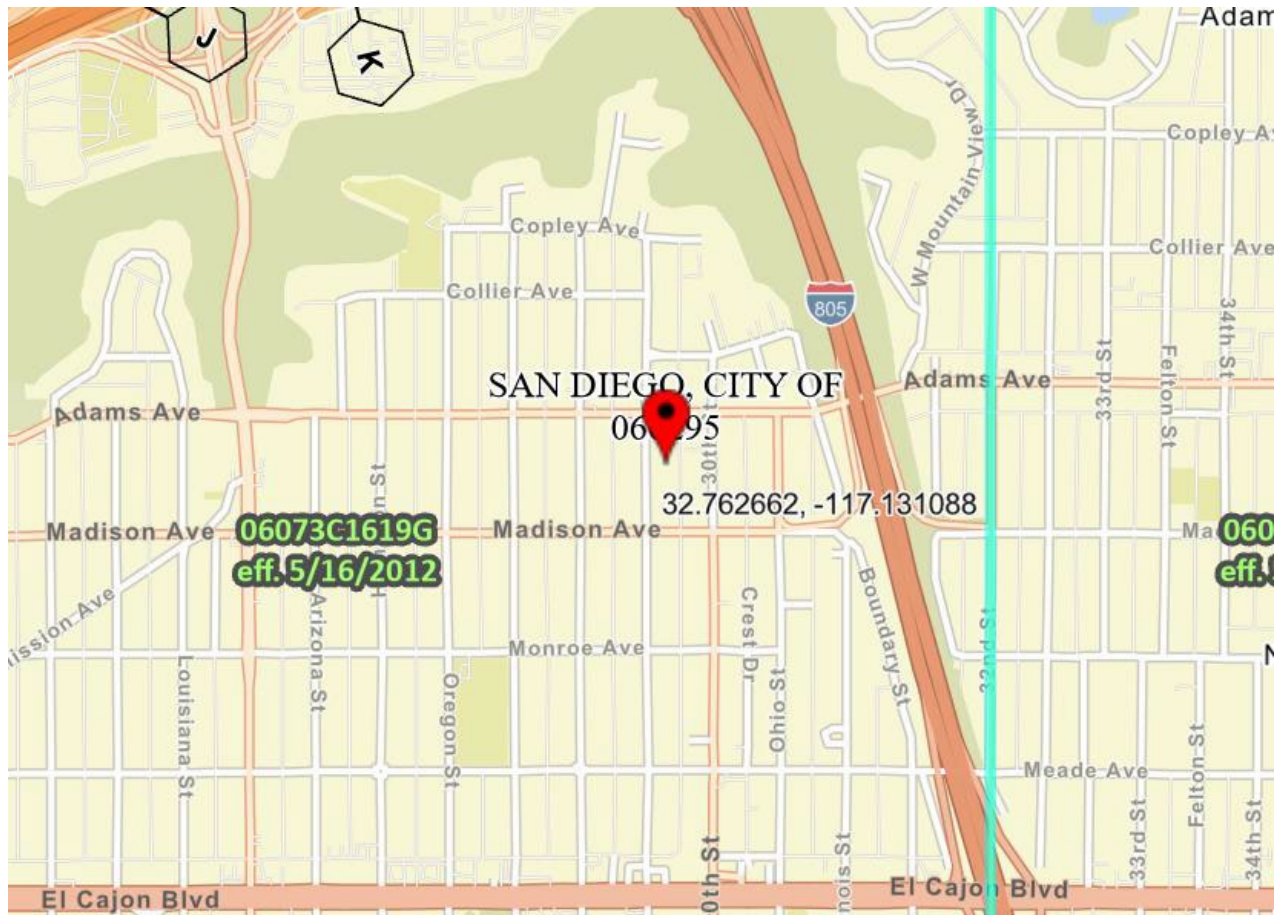
The Subject's neighborhood appears conducive to pedestrian activity. The Subject site is designated as "Walker's Paradise" by WalkScore with a score of 90, indicating daily errands do not require a car.

**Environmental, Soil and Subsoil Conditions and Drainage:**

We were not provided with a Phase I Environmental Site Assessment for the Subject property. However, during our site inspection, we walked the Subject's grounds, including the rear of the buildings and the parking lots, and did not observe any obvious indicators of environmental contamination. Nonetheless, Novogradac is not an expert in this field and further analysis is beyond the scope of this report.

**Flood Plain:**

According to Flood Insights and Flood Insurance Rate Map Community Panel Number 06073C1619G, dated May 16, 2012, the Subject site is located in Zone X. Zone X is defined as an area outside 500-year floodplain, which is determined to be outside the 0.2 percent annual chance floodplains.



Source: FEMA Flood Maps, September 2025

**Detrimental Influences:**

No detrimental influences or site nuisances were observed.

**Conclusion:**

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

## DESCRIPTION OF THE IMPROVEMENTS

Details of the Subject's improvements are summarized as follows. This information was provided by the client, and is presumed to be accurate.

### Property Improvements

2911 Adams (Subject) is an existing 72-unit mixed-income mixed-use development located on a 0.29-acre site at 2911 Adams Avenue, San Diego, California 92116. The property was originally constructed in 2024. The Subject consists of one elevator-served, six-story midrise structure offering a total of 72 studio, one, and three-bedroom apartments, and two ground floor commercial spaces. The Subject is comprised of eight affordable units restricted at the 50, 60, and 120 percent of Area Median Income (AMI) levels, 63 market rate units, one manager unit, as well as two ground floor commercial units.

### Year Built or Date of Completion

The Subject was built in 2024. No renovations are planned at this time.

### Commercial Unit Mix and Rents

The following table details the Subject's commercial space.

#### COMMERCIAL SPACE – UNIT MIX

Space Type	# of units	Unit Size	Rent/SF/Year	Lease Type
Restaurant (Cold Stone Creamery)	1	1,107	\$52.53	NNN
Vacant	1	1,095	-	NNN
<b>Total</b>	<b>2</b>			

### Multifamily Mix and Unit Rents

The following table details the rents and unit mix for the Subject's multifamily units.

#### CURRENT RENTS

Unit Type	Unit Size (SF)	# Units	Structure	Asking Rent	Utility Allowance*	Gross Rent	2025 Maximum Allowable Gross Rent	2025 HUD Fair Market Rent
<b>@50%</b>								
OBR/1BA	345	1	Midrise	\$1,447	\$0	\$1,447	\$1,447	\$2,145
1BR/1BA	467	2	Midrise	\$1,550	\$0	\$1,550	\$1,550	\$2,328
<b>@60%</b>								
1BR/1BA	467	2	Midrise	\$1,860	\$0	\$1,860	\$1,860	\$2,328
<b>@120%</b>								
1BR/1BA	467	2	Midrise	\$2,361	\$0	\$2,361	\$3,721	\$2,328
3BR/1BA	815	1	Midrise	\$3,425	\$0	\$3,425	\$5,161	\$3,852
<b>Market</b>								
OBR/1BA	345	11	Midrise	\$2,104	-	-	-	\$2,145
1BR/1BA	467	45	Midrise	\$2,361	-	-	-	\$2,328
3BR/1BA	815	7	Midrise	\$3,444	-	-	-	\$3,852
<b>Non-Rental</b>								
1BR/1BA	467	1	Midrise	\$0	-	-	-	\$2,328
<b>Total</b>		<b>72</b>						

\*Source of Utility Allowance provided by the Client

\*\*Mgmt is currently offering \$1,000 off move-in costs on available market rate units in order to expedite lease-up

The Subject is an existing, mixed-income, mixed-use multifamily property that offers a total of 72-units, of which 71 units operate as revenue-generating units and one of which operates as a non-rental employee unit.

**Current Rents and Operations** The following table summarizes the Subject's rent roll, effective August 17, 2025.

**RENT ROLL ANALYSIS\***

Unit Type	# Units	Vacant Units	Vacancy Rate	Asking Rent	Minimum Tenant Paid Rent	Maximum Tenant Paid Rent	Average Tenant Paid Rent	2025 Maximum Allowable Gross Rent
<b>@50%</b>								
OBR/1BA	1	0	0%	\$1,242	\$1,242	\$1,242	\$1,242	\$1,447
<b>@60%</b>								
1BR/1BA	2	1	50%	\$1,416	\$1,416	\$1,416	\$1,416	\$1,860
1BR/1BA	2	0	0%	\$1,719	\$1,719	\$1,719	\$1,719	\$1,860
<b>@120%**</b>								
1BR/1BA	2	0	0%	N/av	N/av	N/av	N/av	\$3,721
3BR/1BA	1	0	0%	N/av	N/av	N/av	N/av	\$5,161
<b>Market (Market)</b>								
OBR/1BA	11	1	9%	\$2,104	\$2,045	\$2,200	\$2,104	-
1BR/1BA	45	5	11%	\$2,361	\$2,225	\$2,545	\$2,366	-
3BR/1BA	7	1	14%	\$3,444	\$3,295	\$3,545	\$3,443	-
<b>Non-Rental</b>								
1BR/1BA	1	0	0%	-	-	-	-	-
<b>Total</b>	<b>72</b>	<b>8</b>	<b>11.1%</b>					

\*Rent roll dated August 17, 2025

\*\*Units @120% of AMI level are not identified on the rent roll

The Subject opened in July 2024; as such, historical vacancy and collection loss include its initial lease up period. According to the property manager, the Subject stabilized for a few months between 94 and 97 percent; however, there were move outs and the property is now offering a concession of \$1,000 off move-in costs to re-stabilize. Historical operating expenses at the Subject have range from \$8,229 to \$8,370 per unit over the last two years annualized. According to the rent roll provided by the client dated August 17, 2025, the Subject is 88.9 percent occupied. The Subject does not maintain a waiting list.

**Net Leasable Multifamily Area****UNIT MIX AND SQUARE FOOTAGE**

Unit Type	Number of Units	Unit Size (SF)	Net Leasable Area
OBR/1BA	12	345	4,140
1BR/1BA	52	467	24,284
3BR/1BA	8	815	6,520
<b>Total</b>	<b>72</b>		<b>34,944</b>

**Parking** The property offers limited garage parking spaces. Specifically, the Subject offers 9 garages parking spaces. The fee for parking ranges from \$250 to \$350 per month. The number of parking spaces appears to be adequate given street parking and relatively close proximity to public transportation.

**Property Layout** Based on an inspection of the Subject, the property offers a functional property layout and excellent curb appeal.

**Unit Layout** We inspected the Subject as well as reviewed floor plans for the Subject property and the unit sizes and layout appear functional and market-oriented.

**Unit Amenities:** The Subject's unit amenities consist of balconies/patios, central air conditioning, exterior storage, and vinyl plank flooring. The majority of the comparables offer unit amenities considered slightly superior relative to the Subject. These properties offer features such as dishwashers, none of which are offered by the Subject. Overall, we believe the Subject's unit amenities are competitive in the market in terms of unit amenities.

**Property Amenities:** The Subject's community amenities consist of bike storage and a courtyard. The majority of the comparables offer property amenities considered slightly superior relative to the Subject. These properties offer features such as , none of which are offered by the Subject. An exception is Bridgeport Apartments, which features inferior property amenities. This property lacks bike storage and a courtyard, both of which are offered by Subject. Overall, we believe the Subject's property amenities are competitive in the market.

**Utility Structure** The following table details utility allowance calculations as derived from the most recent utility allowance schedule published by the San Diego Housing Commission, effective as of April 1, 2025.

#### HOUSING AUTHORITY UTILITY ALLOWANCE

Utility and Source	Paid By	OBR	1BR	3BR
Heating	Tenant	\$23	\$28	\$36
Cooking	Tenant	\$10	\$12	\$28
Electric	Tenant	\$39	\$46	\$82
Air Conditioning	Tenant	\$0	\$0	\$0
Hot Water	Tenant	\$23	\$28	\$54
Cold Water	Tenant	\$96	\$104	\$262
Sewer	Tenant	\$64	\$64	\$64
Trash	Tenant	\$0	\$0	\$0

Source: San Diego Housing Commission, April 2025

The Subject offers electric cooking, heating, and water heating. For the 50 and 60 percent AMI units, all utilities are landlord paid. For the 120 percent AMI and market units, all in-unit utility expenses at the Subject are tenant-paid, while the landlord pays all common area utilities.

**Americans With Disabilities Act of 1990** We did not observe any obvious violations of the Americans with Disabilities Act of 1990.

**Remaining Economic Life** The Subject's actual age is one year based upon the original construction date of 2024. Based on our physical inspection, the effective age of the Subject property "as is" is estimated to be approximately one year with a remaining economic life of approximately 59 years.


**Quality of Construction** The Subject appears to have been constructed in a timely manner consistent with the information provided, using average-quality materials in a professional manner.

**Functional Utility** Based on our inspection, the Subject does not appear to suffer from functional obsolescence. We reviewed the Subject's plans and determined it to be market-oriented and functional.

**Conclusion** The Subject is an existing 72-unit mixed-income multifamily development in excellent condition. Based on our site inspection, the Subject does not

appear to suffer from functional obsolescence, and it provides good utility for its intended use.

The following table is a summary of the Subject of this report.

2911 Adams							
Location	2911 Adams Avenue San Diego, CA 92116 San Diego						
Units	72						
Type	Midrise (6-stories)						
Year Built / Renovated	2024						
Tenant Characteristics	Family						
Utilities							
A/C	not included - central		Other	not included			
Cooking	not included - electric		Water	not included			
Water Heat	not included - electric		Sewer	not included			
Heat	not included - electric		Trash	not included			
Unit Mix (Face Rent)							
Beds	Bath	Type	Units	Size (SF)	Rent	Restriction	Max Rent?
0	1	Midrise (6-stories)	1	345	\$1,447	@50%	Yes
0	1	Midrise (6-stories)	11	345	\$2,104	Market (Market)	No
1	1	Midrise (6-stories)	2	467	\$2,361	@120%	No
1	1	Midrise (6-stories)	2	467	\$1,550	@50%	Yes
1	1	Midrise (6-stories)	2	467	\$1,860	@60%	Yes
1	1	Midrise (6-stories)	45	467	\$2,361	Market (Market)	No
1	1	Midrise (6-stories)	1	467	\$0	Non-Rental	No
3	1	Midrise (6-stories)	1	815	\$3,425	@120%	No
3	1	Midrise (6-stories)	7	815	\$3,444	Market (Market)	No
Amenities							
In-Unit	Balcony Blinds Central/AC Coat Closet Exterior Storage Oven Refrigerator Vinyl Plank Flooring		Property	Elevators Garage Parking			
Security	Intercom (Buzzer) Limited Access Video Surveillance		Premium				
Services			Other	Bike Storage Courtyard			

## ASSESSED VALUE AND TAXES

The following real estate tax estimate is based upon our interviews with local assessment officials, either in person or via telephone. We do not warrant its accuracy. It is our best understanding of the current system as reported by local authorities. Currently, the assessment of affordable housing properties is a matter of intense debate and in many jurisdictions pending legal action. The issue often surrounds how the intangible value or restricted rents are represented. We cannot issue a legal opinion as to how the taxing authority will assess the Subject. We advise the client to obtain legal counsel to provide advice as to the most likely outcome of a possible reassessment.

The Subject site is located within the San Diego County real estate taxing jurisdiction. According to the San Diego County Property Assessor's Office, real estate taxes for a property located in this jurisdiction are based upon a property's assessed value. In California, all real property is assessed at 100 percent of full market value as determined by the County Assessor. Under California State Law, real property is re-appraised only when a change in ownership occurs, or upon completion of new construction. Except for these two instances, property assessments cannot be increased by more than two percent annually, based on the California Consumer Price Index. According to the Assessor's Office, the current 2025 tax rate for the Subject parcel is \$1.25114 per \$100 of assessed value. The following table illustrates the current assessments of the property; however, the current assessment includes only the land value; as such, the Subject's current improvements have not been assessed since the property was completed.

### SUBJECT CURRENT & HISTORICAL ASSESSMENT

Tax Year	Land Value	Improvements Value*	Total Market Value
2025	\$1,841,508	\$0	\$1,841,508

\*Subject has not been reassessed since completion of existing improvements

### SUBJECT CURRENT ASSESSMENT AND TAX BURDEN

Tax Year	Total Market Value	Market Value Per Unit	Assessment Ratio	Total Assessed Value	Assessed Value Per Unit	Millage Rate	Total Ad Valorem Taxes	Taxes Per Unit
2025	\$1,841,508	\$25,577	100.0%	\$1,841,508	\$25,577	12.5114	\$23,040	\$320

## Tax Recapitulation

We used the recapitulation approach to estimate real estate taxes for the Subject. According to the assessment policy in the state of California and in San Diego County, assuming a sale, the Subject would be re-assessed in line with the actual market value of the property upon transfer. As such, we used the recapitulation approach to estimate real estate taxes for the Subject. Our calculations are detailed in the following table and are based upon our estimated net operating income (NOI) and capitalization rate for the Subject as derived later in this report.

### TAX RECAPITULATION

	As Is
<b>NOI Excluding Ad Valorem Taxes</b>	<b>\$1,817,897</b>
Cap Rate	4.60%
Tax Rate*	1.25%
<b>Loaded Cap Rate</b>	<b>5.85%</b>
Indicated Market Value	\$31,069,110
Assessment Ratio	100.00%
Post-transfer Market Value	100.00%
Indicated Assessment (Overall)	\$31,069,110
Indicated Assessment (Per Unit)	\$431,515
Indicated Ad Valorem Tax (Overall)	\$388,718
Indicated Ad Valorem Tax (Per Unit)	\$5,399
Market Value With the Tax	\$31,069,110
Rounded Value	\$31,100,000

\*Tax rate calculated based on assessor millage rate of 12.5114, and is rounded to two decimals for display



## **ZONING**

### **Current Zoning**

According to the City of San Diego, the Subject site is zoned CC-3-7. According to the zoning code, the purpose of all commercial zones "is to provide for the employment, shopping, services, recreation, and lodging needs of the residents of and visitors to the City. The intent of the commercial zones is to provide distinct regulations for size, intensity, and design to reflect the variety of the desired development patterns within San Diego's communities." The "CC-3-7 is intended to accommodate development with a high intensity, pedestrian orientation and permits a maximum density of 1 dwelling unit for each 800 square feet of lot area." This equate to a maximum allowable density of 11 units per acre. The Subject appears to be a legal, non-conforming units as it is developed above the maximum allowable density. It should be noted that the Subject offers a portion of affordable units and was likely issued a density bonus; however, full zoning and development permits were not available at the time of this report.

### **Potential Zoning Changes**

We are not aware of any proposed zoning changes at this time.

## **V. COMPETITIVE RENTAL ANALYSIS**



### General Market Information

We consulted the CoStar Market Analytics Report for the San Diego (USA) - Balboa Park. Multifamily submarket to gather information on the local apartment rental market.

#### Vacancy

##### CoStar Vacancy Trends



Source: CoStar, September 2025

According to CoStar, historically, the San Diego (USA) Balboa Park submarket experienced a lower vacancy rate than that of the San Diego CA metro market. Currently, the San Diego (USA) Balboa Park submarket vacancy rate is 5.27 percent, while the San Diego CA market vacancy rate is 5.39 percent. CoStar predicts that the submarket's vacancy rate is expected to remain the same in nine years.

#### Rent

##### CoStar Rent Trends



Source: CoStar, September 2025

According to CoStar, historically the median two-bedroom rent in the San Diego (USA) Balboa Park submarket was similar to the San Diego CA metro market. Currently, the San Diego (USA) Balboa Park submarket median

rent is \$1,971, while the San Diego CA market median rent is \$2,512. CoStar projects rent to grow in San Diego (USA) Balboa Park by 26.59 percent to \$2,495 over the next nine years.

### Age of Housing Stock

The following table illustrates the age of the existing housing stock in the PMA, MSA, and nation.

HOUSING STOCK BY YEAR BUILT						
	PMA		MSA		USA	
Built 2005 or later	928	2.9%	72,228	5.9%	11,588,353	8.3%
Built 2000 to 2004	1,663	5.3%	144,909	11.8%	19,083,030	13.6%
Built 1990 to 1999	2,224	7.0%	146,312	11.9%	18,595,726	13.3%
Built 1980 to 1989	6,460	20.4%	228,835	18.7%	18,543,181	13.2%
Built 1970 to 1979	6,642	21.0%	272,489	22.2%	20,613,288	14.7%
Built 1960 to 1969	4,077	12.9%	145,363	11.9%	14,350,524	10.2%
Built 1950 to 1959	2,433	7.7%	124,821	10.2%	13,899,149	9.9%
Built 1940 to 1949	1,825	5.8%	39,885	3.3%	6,504,533	4.6%
Built 1939 or earlier	5,388	17.0%	50,760	4.1%	16,976,065	12.1%
<b>Total Housing Units</b>	<b>31,640</b>	<b>100.0%</b>	<b>1,225,602</b>	<b>100.0%</b>	<b>140,153,849</b>	<b>100.0%</b>

Source: Esri Demographics 2024, Novogradac, September 2025

As illustrated in the previous table, a majority of the housing stock in the PMA was built prior to 1979. The Subject Property was originally constructed in 2024.

### Substandard Housing

The following table illustrates the percentage of housing units that are considered substandard. According to HUD, substandard housing includes: dilapidated unit, unit lacks operable indoor plumbing, unit lacks a usable flush toilet for the exclusive use of a family, unit lacks a usable bathtub or shower for the exclusive use of the a family, unit lacks electricity or has inadequate or unsafe electrical services, unit lacks a safe or adequate source of heat, unit should, but lacks a kitchen, and unit has been declared inhabitable by an agency or government entity.

SUBSTANDARD HOUSING			
Year	PMA	MSA	USA
	Percentage	Percentage	Percentage
2024	0.97%	1.35%	1.70%

Source: Esri Demographics 2024, Novogradac, September 2025

The percentage of residents living in substandard housing in the PMA and MSA is below the nation.

## INTERVIEWS

In order to ascertain the need for housing and specifically affordable housing in the Subject's area, interviews were conducted with various local officials.

### San Diego Housing Commission

We spoke with Laura Ruelas with the San Diego Housing Commission (SDHC) in order to gather information regarding the Housing Choice Voucher program. Laura Ruelas indicated that SDHC administers approximately 16,050 vouchers, of which all are currently in use. The waiting list is open and has an estimated wait length of 15 years. Laura Ruelas reported that there is significant demand for vouchers in the County. The payment standards for studio, one, and three-bedroom units are illustrated in the proceeding table.

#### PAYMENT STANDARDS

Unit Type	Proposed Gross Rent	Gross Payment Standard	Subject Rent Differential to Payment Standard
<b>@50%</b>			
OBR	\$1,447	\$1,862	-22.3%
1BR	\$1,550	\$2,024	-23.4%
<b>@60%</b>			
1BR	\$1,860	\$2,024	-8.1%
<b>@120%</b>			
1BR	\$2,643	\$2,024	30.6%
3BR	\$3,922	\$3,449	13.7%
<b>Market (Market)</b>			
OBR	\$2,359	\$1,862	26.7%
1BR	\$2,643	\$2,024	30.6%
3BR	\$3,941	\$3,449	14.3%
<b>Non-Rental</b>			
1BR	-	\$2,024	-

Source: San Diego Housing Commission, effective April 2025

The Subject's rents restricted at the 50 and 60 percent of AMI level are below the payment standards, indicating that voucher tenants do not have to pay additional rent out of pocket. The Subject's rents restricted at the 120 percent of AMI and market rate unit rents are above the payment standards, indicating that voucher tenants must pay additional rent out of pocket.

### Survey of Comparable Properties

Comparable properties are examined on the basis of physical characteristics; i.e., building type, building age/quality, the level of common amenities, absorption rates, and similarity in rent structure. We attempted to compare the Subject to properties from the competing market, in order to provide a picture of the general economic health and available supply in the market.

### Description of Property Types Surveyed/Determination of Number of Tax Credit Units

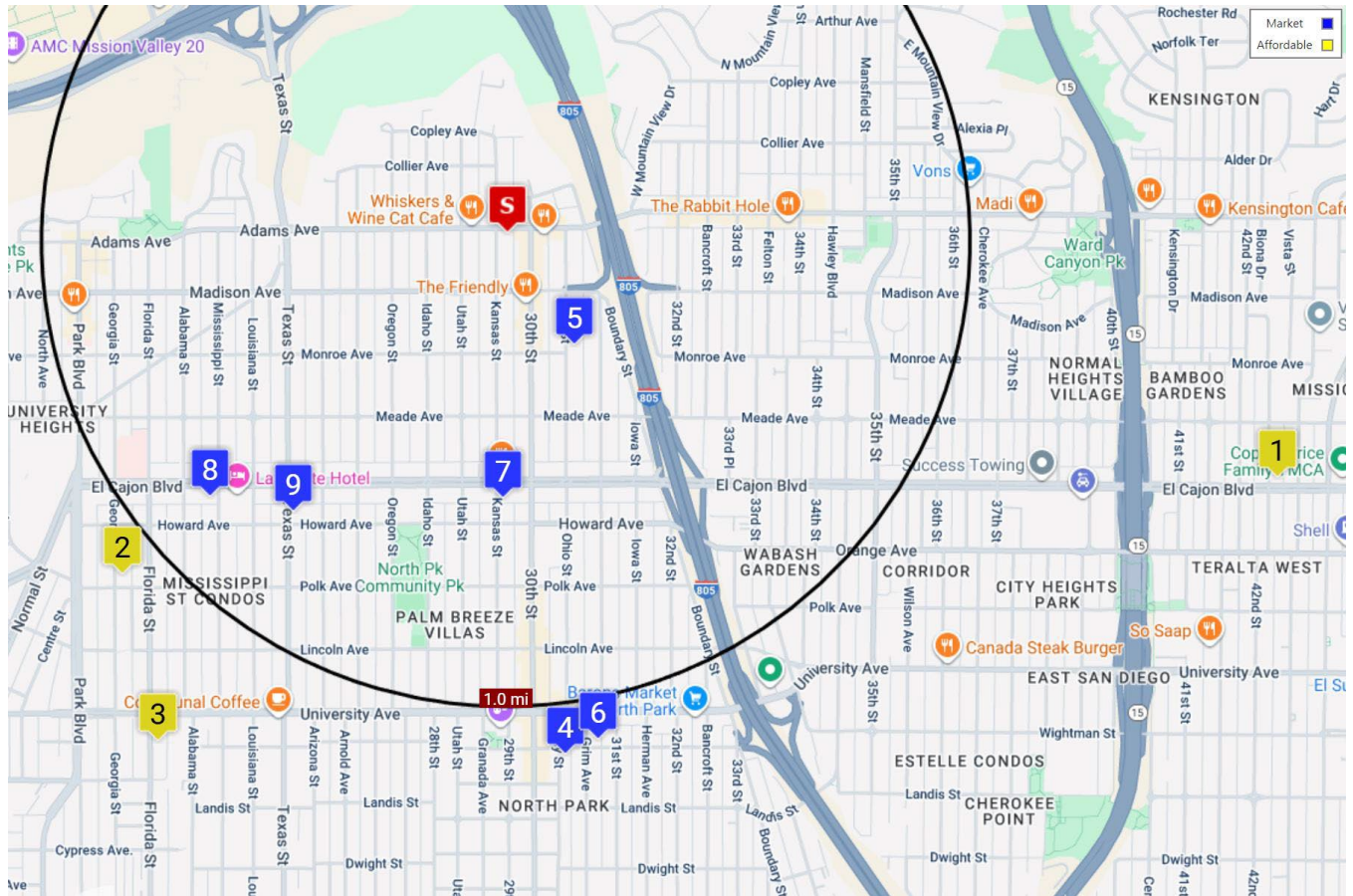
To evaluate the competitive position of the Subject, we surveyed a total of 571 units in nine rental properties. The availability of the affordable data is considered average. We included three affordable developments located between 1.1 and 1.7 miles from the Subject site, two of which are located outside the PMA (Bridgeport Apartments and Kalos). The availability of the market rate data is considered good. We included six market rate properties located between 0.3 and 1.1 miles from the Subject site, two of which are located outside the PMA (Asano North Park and Casa Verde). Overall, we believe the availability of data is adequate to support our conclusions.

#### OCCUPANCY BY PROJECT TYPE

Program	Projects Surveyed	Surveyed Units	Vacant Units	Occupancy Rate
LIHTC	3	140	1	99.3%
Market	6	431	16	96.3%
<b>Total</b>	<b>9</b>	<b>571</b>	<b>17</b>	<b>97.0%</b>

### Comparable Rental Property Map

The following map illustrates the location of the Subject in relation to the comparable properties.



Source: Google Maps, September 2025

### COMPARABLE PROPERTIES

#	Property Name	City	Rent Structure	Tenancy	Distance to Subject
S	2911 Adams	San Diego	@120%, @50%, @60%, Market (Market), Non-Rental	Family	-
1	Bridgeport Apartments*	San Diego	@60%	Family	1.7 miles
2	City Scene Apartments	San Diego	@50%, @60%, Non-Rental	Family	1.1 miles
3	Kalos*	San Diego	@50%, @60%, Non-Rental	Family	1.3 miles
4	Asano North Park*	San Diego	Market	Family	1.1 miles
5	AZUL North Park	San Diego	Market	Family	0.3 mile
6	Casa Verde*	San Diego	Market	Family	1.1 miles
7	North Park Nest	San Diego	Market	Family	0.5 mile
8	The Evelyn	San Diego	Market	Family	0.8 mile
9	Vida North Park	San Diego	Market	Family	0.7 mile

\*Located outside PMA

## SUMMARY MATRIX

#	Property Name	Distance	Type/Built/ Renovated	AMI	Unit Type	#	%	SF	Restriction	Rent (Adj)	Max Rent?	Waiting List	Vacant Units	Vacancy Rate			
S	2911 Adams 2911 Adams Avenue San Diego, CA San Diego County		Midrise 6-stories 2024 Family	@50%, @60%, @120%, Market (Market)	OBR/1BA	1	1.4%	345	@50%	\$1,447	Yes	N/A	N/A	N/A			
					OBR/1BA	11	15.3%	345	Market (Market)	\$2,104	No	N/A	N/A	N/A			
					1BR/1BA	2	2.8%	467	@120%	\$2,361	No	N/A	N/A	N/A			
					1BR/1BA	2	2.8%	467	@50%	\$1,550	Yes	N/A	N/A	N/A			
					1BR/1BA	2	2.8%	467	@60%	\$1,860	Yes	N/A	N/A	N/A			
					1BR/1BA	45	62.5%	467	Market (Market)	\$2,361	No	N/A	N/A	N/A			
					1BR/1BA	1	1.4%	467	Non-Rental	N/A	No	N/A	N/A	N/A			
					3BR/1BA	1	1.4%	815	@120%	\$3,425	No	N/A	N/A	N/A			
					3BR/1BA	7	9.7%	815	Market (Market)	\$3,444	No	N/A	N/A	N/A			
						72											
1	Bridgeport Apartments 4238 El Cajon Boulevard San Diego, CA San Diego County	1.7 miles	Lowrise 3-stories 1979 Family	@60%	1BR/1BA	7	26.9%	600	@60%	\$1,257	Yes	No	1	14.3%			
					2BR/1BA	13	50.0%	875	@60%	\$1,626	Yes	No	0	0%			
					3BR/2BA	6	23.1%	950	@60%	\$1,824	Yes	No	0	0%			
											26					1	3.8%
2	City Scene Apartments 4105 Georgia Street San Diego, CA San Diego County	1.1 miles	Midrise 4-stories 2012 Family	@50% @60%	1BR/1BA	1	3.2%	568	@50%	\$1,168	No	Yes	0	0%			
					1BR/1BA	1	3.2%	568	@60%	\$1,452	No	Yes	0	0%			
					2BR/1BA	2	6.5%	726	@50%	\$1,370	No	Yes	0	0%			
					2BR/1BA	2	6.5%	726	@60%	\$1,711	No	Yes	0	0%			
					2BR/1BA	1	3.2%	726	Non-Rental	N/A	No	N/A	N/A	0%			
					3BR/2BA	10	32.3%	934	@50%	\$1,509	No	Yes	0	0%			
					3BR/2BA	14	45.2%	934	@60%	\$1,893	No	Yes	0	0%			
											31					0	0.0%
3	Kalos 3795 Florida Street San Diego, CA San Diego County	1.3 miles	Lowrise 3-stories 2013 Family	@50% @60%	1BR/1BA	3	3.6%	621	@50%	\$1,382	Yes	Yes	0	0%			
					1BR/1BA	21	25.3%	621	@60%	\$1,692	Yes	Yes	0	0%			
					2BR/1BA	3	3.6%	955	@50%	\$1,637	Yes	Yes	0	0%			
					2BR/1BA	29	34.9%	955	@60%	\$2,009	Yes	Yes	0	0%			
					2BR/1BA	1	1.2%	955	Non-Rental	N/A	No	N/A	0	0%			
					3BR/2BA	3	3.6%	1,196	@50%	\$1,824	Yes	Yes	0	0%			
					3BR/2BA	23	27.7%	1,196	@60%	\$2,254	Yes	Yes	0	0%			
											83					0	0.0%
4	Asano North Park 3779 Ray Street San Diego, CA San Diego County	1.1 miles	Midrise 5-stories 2020 Family	Market	2BR/2BA	N/A	N/A	1,215	Market	\$4,495	No	No	1	N/A			
					3BR/2BA	N/A	N/A	1,314	Market	\$4,995	No	No	0	N/A			
											19					1	5.3%
5	AZUL North Park 4499 Ohio Street San Diego, CA San Diego County	0.3 mile	Midrise 5-stories 2022 Family	Market	OBR/1BA	47	31.3%	579	Market	\$2,441	No	No	3	6.4%			
					1BR/1BA	56	37.3%	693	Market	\$3,482	No	No	0	0%			
					2BR/2BA	24	16.0%	1,035	Market	\$4,487	No	No	0	0%			
					2BR/2BA	23	15.3%	1,070	Market	\$3,902	No	No	0	0%			
											150					3	2.0%
6	Casa Verde 3066 North Park Way San Diego, CA San Diego County	1.1 miles	Highrise 7-stories 2023 Family	Market	OBR/1BA	38	40.4%	436	Market	\$1,995	No	No	2	5.3%			
					OBR/1BA	N/A	N/A	436	Market	\$2,450	No	No	1	N/A			
					OBR/1BA	19	20.2%	586	Market	\$2,595	No	No	0	0%			
					1BR/1BA	37	39.4%	617	Market	\$2,995	No	No	1	2.7%			
					1BR/1BA	N/A	N/A	659	Market	N/A	No	No	0	N/A			
					1BR/1BA	N/A	N/A	700	Market	\$3,050	No	No	0	N/A			
											94					4	4.3%
7	North Park Nest 4233 Kansas Street San Diego, CA San Diego County	0.5 mile	Midrise 4-stories 2024 Family	Market	OBR/1BA	N/A	N/A	445	Market	\$2,195	No	No	1	N/A			
					OBR/1BA	N/A	N/A	445	Market	\$1,989	No	No	1	N/A			
					1BR/1BA	N/A	N/A	650	Market	\$2,895	No	No	1	N/A			
											39					3	7.7%
8	The Evelyn 2129 El Cajon Boulevard San Diego, CA San Diego County	0.8 mile	Garden 3-stories 2018 Family	Market	1BR/2BA	1	8.3%	1,049	Market	\$2,495	No	No	0	0%			
					2BR/2BA	1	8.3%	1,613	Market	\$4,725	No	No	0	0%			
					3BR/2BA	6	50.0%	1,389	Market	\$4,599	No	No	0	0%			
					3BR/2BA	2	16.7%	1,556	Market	\$4,599	No	No	0	0%			
					3BR/2BA	1	8.3%	1,660	Market	\$4,995	No	No	0	0%			
					3BR/2BA	1	8.3%	1,669	Market	\$4,548	No	No	0	0%			
											12					0	0.0%
					9	Vida North Park 4223 Texas Street San Diego, CA San Diego County	0.7 mile	Midrise 6-stories 2018 Family	Market	OBR/1BA	29	24.8%	567	Market	N/A	No	No
OBR/1BA	29	24.8%	573	Market						N/A	No	No	0	0%			
1BR/1BA	3	2.6%	676	Market						N/A	No	No	0	0%			
1BR/1BA	3	2.6%	743	Market						\$3,407	No	No	1	33.3%			
1BR/1BA	3	2.6%	754	Market						\$3,277	No	No	1	33.3%			
1BR/1BA	3	2.6%	754	Market						N/A	No	No	0	0%			
1BR/1BA	2	1.7%	793	Market						\$3,432	No	No	1	50.0%			
1BR/1BA	3	2.6%	882	Market						N/A	No	No	0	0%			
2BR/2BA	10	8.5%	1,152	Market						\$4,454	No	No	1	10.0%			
2BR/2BA	10	8.5%	1,153	Market						\$4,319	No	No	1	10.0%			
2BR/1.5BA	11	9.4%	1,170	Market						N/A	No	No	0	0%			
2BR/2BA	11	9.4%	1,180	Market						\$4,929	No	No	0	0%			
										117					5	4.3%	



RENT AND SQUARE FOOTAGE RANKING – All rents adjusted for utilities and concessions extracted from the market.						
	Units Surveyed	571	Weighted Occupancy	97.0%		
	Market Rate	431	Market Rate	96.3%		
	Tax Credit	140	Tax Credit	99.3%		
0.0 Bed x 1.0 Bath			1.0 Bed x 1.0 Bath		3.0 Bed x 1.0 Bath	
RENT	Casa Verde (Market)	\$2,595	AZUL North Park (Market)	\$3,482	Asano North Park (Market)(2.0BA)	\$4,995
	Casa Verde (Market)	\$2,450	Vida North Park (Market)	\$3,432	The Evelyn (Market)(2.0BA)	\$4,995
	AZUL North Park (Market)	\$2,441	Vida North Park (Market)	\$3,407	The Evelyn (Market)(2.0BA)	\$4,599
	North Park Nest (Market)	\$2,195	Vida North Park (Market)	\$3,277	The Evelyn (Market)(2.0BA)	\$4,599
	2911 Adams (Market)	\$2,104	Casa Verde (Market)	\$3,050	The Evelyn (Market)(2.0BA)	\$4,548
	2911 Adams (AMR)	\$2,100	Casa Verde (Market)	\$2,995	2911 Adams (@120%) (ALR)	\$3,445
	Casa Verde (Market)	\$1,995	North Park Nest (Market)	\$2,895	2911 Adams (AMR)	\$3,445
	North Park Nest (Market)	\$1,989	The Evelyn (Market)(2.0BA)	\$2,495	2911 Adams (Market)	\$3,444
	2911 Adams (@50%)	\$1,447	2911 Adams (@120%) (ALR)	\$2,365	2911 Adams (@120%)	\$3,425
	2911 Adams (@50%) (ALR)	\$1,447	2911 Adams (AMR)	\$2,365	Kalos (@60%)(2.0BA)	\$2,254
			2911 Adams (@120%)	\$2,361	City Scene Apartments (@60%)(2.0BA)	\$1,893
			2911 Adams (Market)	\$2,361	Bridgeport Apartments (@60%)(2.0BA)	\$1,824
			2911 Adams (@60%)	\$1,860	Kalos (@50%)(2.0BA)	\$1,824
			2911 Adams (@60%) (ALR)	\$1,860	City Scene Apartments (@50%)(2.0BA)	\$1,509
			Kalos (@60%)	\$1,692		
			2911 Adams (@50%)	\$1,550		
			2911 Adams (@50%) (ALR)	\$1,550		
			City Scene Apartments (@60%)	\$1,452		
			Kalos (@50%)	\$1,382		
			Bridgeport Apartments (@60%)	\$1,257		
			City Scene Apartments (@50%)	\$1,168		
SQUARE FOOTAGE	Casa Verde (Market)	586	The Evelyn (Market)(2.0BA)	1,049	The Evelyn (Market)(2.0BA)	1,669
	AZUL North Park (Market)	579	Vida North Park (Market)	793	The Evelyn (Market)(2.0BA)	1,660
	North Park Nest (Market)	445	Vida North Park (Market)	754	The Evelyn (Market)(2.0BA)	1,556
	North Park Nest (Market)	445	Vida North Park (Market)	743	The Evelyn (Market)(2.0BA)	1,389
	Casa Verde (Market)	436	Casa Verde (Market)	700	Asano North Park (Market)(2.0BA)	1,314
	Casa Verde (Market)	436	AZUL North Park (Market)	693	Kalos (@50%)(2.0BA)	1,196
	2911 Adams (@50%)	345	North Park Nest (Market)	650	Kalos (@60%)(2.0BA)	1,196
	2911 Adams (Market)	345	Kalos (@50%)	621	Bridgeport Apartments (@60%)(2.0BA)	950
			Kalos (@60%)	621	City Scene Apartments (@50%)(2.0BA)	934
			Casa Verde (Market)	617	City Scene Apartments (@60%)(2.0BA)	934
			Bridgeport Apartments (@60%)	600	2911 Adams (@120%)	815
			City Scene Apartments (@50%)	568	2911 Adams (Market)	815
			City Scene Apartments (@60%)	568		
			2911 Adams (@120%)	467		
			2911 Adams (@50%)	467		
			2911 Adams (@60%)	467		
			2911 Adams (Market)	467		
			2911 Adams (Non-Rental)	467		

0.0 Bed x 1.0 Bath			1.0 Bed x 1.0 Bath		3.0 Bed x 1.0 Bath	
RENT PER SQUARE FOOT	2911 Adams (Market)	\$6.10	2911 Adams (@120%) (ALR)	\$5.06	2911 Adams (@120%) (ALR)	\$4.23
	2911 Adams (AMR)	\$6.09	2911 Adams (AMR)	\$5.06	2911 Adams (AMR)	\$4.23
	Casa Verde (Market)	\$5.62	2911 Adams (@120%)	\$5.06	2911 Adams (Market)	\$4.23
	North Park Nest (Market)	\$4.93	2911 Adams (Market)	\$5.06	2911 Adams (@120%)	\$4.20
	Casa Verde (Market)	\$4.58	AZUL North Park (Market)	\$5.02	Asano North Park (Market)(2.0BA)	\$3.80
	North Park Nest (Market)	\$4.47	Casa Verde (Market)	\$4.85	The Evelyn (Market)(2.0BA)	\$3.31
	Casa Verde (Market)	\$4.43	Vida North Park (Market)	\$4.59	The Evelyn (Market)(2.0BA)	\$3.01
	AZUL North Park (Market)	\$4.22	North Park Nest (Market)	\$4.45	The Evelyn (Market)(2.0BA)	\$2.96
	2911 Adams (@50%)	\$4.19	Casa Verde (Market)	\$4.36	The Evelyn (Market)(2.0BA)	\$2.72
	2911 Adams (@50%) (ALR)	\$4.19	Vida North Park (Market)	\$4.35	City Scene Apartments (@60%)(2.0BA)	\$2.03
			Vida North Park (Market)	\$4.33	Bridgeport Apartments (@60%)(2.0BA)	\$1.92
			2911 Adams (@60%)	\$3.98	Kalos (@60%)(2.0BA)	\$1.88
			2911 Adams (@60%) (ALR)	\$3.98	City Scene Apartments (@50%)(2.0BA)	\$1.62
			2911 Adams (@50%)	\$3.32	Kalos (@50%)(2.0BA)	\$1.53
			2911 Adams (@50%) (ALR)	\$3.32		
			Kalos (@60%)	\$2.72		
			City Scene Apartments (@60%)	\$2.56		
			The Evelyn (Market)(2.0BA)	\$2.38		
			Kalos (@50%)	\$2.23		
			Bridgeport Apartments (@60%)	\$2.10		
			City Scene Apartments (@50%)	\$2.06		



# PROPERTY PROFILE REPORT

## Bridgeport Apartments

**Effective Rent Date** 8/15/2025  
**Location** 4238 El Cajon Boulevard  
 San Diego, CA 92105  
 San Diego  
**Distance** 1.7 miles  
**Units** 26  
**Vacant Units** 1  
**Vacancy Rate** 3.8%  
**Type** Lowrise (3 stories)  
**Year Built/Renovated** 1979 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None identified  
**Tenant Characteristics** Mixed tenancy, many families  
**Contact Name** Yolanda  
**Phone** 619-229-8944



### Market Information

**Program** @60%  
**Annual Turnover Rate** 15%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 25%  
**Leasing Pace** Within one week  
**Annual Chg. In Rent** Increased to 2025 max  
**Concession** None  
**Waiting List** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** included  
**Sewer** included  
**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	7	600	\$1,425	\$0	@60%	No	1	14.3%	yes	None
2	1	Lowrise (3 stories)	13	875	\$1,850	\$0	@60%	No	0	0.0%	yes	None
3	2	Lowrise (3 stories)	6	950	\$2,150	\$0	@60%	No	0	0.0%	yes	None

Bridgeport Apartments, continued

Unit Mix

@60%	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
1BR / 1BA	\$1,425	\$0	\$1,425	\$-168	\$1,257
2BR / 1BA	\$1,850	\$0	\$1,850	\$-224	\$1,626
3BR / 2BA	\$2,150	\$0	\$2,150	\$-326	\$1,824

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Dishwasher	Oven		
Refrigerator	Vinyl Plank Flooring		
Washer/Dryer Hookup			
Property		Premium	Other
Garage	Central Laundry	None	None
Off-Street Parking			

Comments

The contact stated that garage parking is included in the rent. The contact reported that only three-bedroom units include washer/dryer hookups.

## Bridgeport Apartments, continued

### Trend Report: Vacancy Rates

3Q21	4Q21	3Q22	3Q25
0.0%	0.0%	0.0%	3.8%

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$1,140	\$0	\$1,140	\$1,140
2021	4	0.0%	\$1,140	\$0	\$1,140	\$1,140
2022	3	0.0%	\$1,250	\$0	\$1,250	\$1,250
2025	3	14.3%	\$1,425	\$0	\$1,425	\$1,425

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$1,475	\$0	\$1,475	\$1,475
2021	4	0.0%	\$1,475	\$0	\$1,475	\$1,475
2022	3	0.0%	\$1,575	\$0	\$1,575	\$1,575
2025	3	0.0%	\$1,850	\$0	\$1,850	\$1,850

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2021	3	0.0%	\$1,675	\$0	\$1,675	\$1,675
2021	4	0.0%	\$1,675	\$0	\$1,675	\$1,675
2022	3	0.0%	\$1,799	\$0	\$1,799	\$1,799
2025	3	0.0%	\$2,150	\$0	\$2,150	\$2,150

### Trend: Comments

<b>3Q21</b>	The contact was unable to provide a unit breakdown. The contact reported the rents are kept below the 2021 maximum allowable; she noted management is not planning on increasing the rents in the near future. The contact was unable to provide the number of tenants utilizing Housing Choice Vouchers. She reported the property has been minimally impacted by COVID-19. The property does not use a waiting list.
<b>4Q21</b>	The contact reported the rents are kept below the 2021 maximum allowable; she was unsure when management is planning on increasing to the maximum allowable. The contact was unable to provide the number of tenants utilizing Housing Choice Vouchers. She reported the property has been minimally impacted by COVID-19. The property does not use a waiting list; however, units are pre-leased.
<b>3Q22</b>	The contact reported the rents are kept below the 2022 maximum allowable; she was unsure when management is planning on increasing to the maximum allowable. The contact was unable to provide the number of tenants utilizing Housing Choice Vouchers.
<b>3Q25</b>	The contact stated that garage parking is included in the rent. The contact reported that only three-bedroom units include washer/dryer hookups. The information in this profile was obtained during an interview with property management. Information regarding the physical condition of the property was obtained during our inspection of the property.

## Bridgeport Apartments, continued

### Photos



# PROPERTY PROFILE REPORT

## City Scene Apartments

**Effective Rent Date** 8/14/2025  
**Location** 4105 Georgia Street  
 San Diego, CA 92103  
 San Diego  
**Distance** 1.1 miles  
**Units** 31  
**Vacant Units** 0  
**Vacancy Rate** 0%  
**Type** Midrise (4 stories)  
**Year Built/Renovated** 2012 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None identified  
**Tenant Characteristics** Mixed tenancy  
**Contact Name** Ruby  
**Phone** 619-296-4333



### Market Information

**Program** @50%, @60%, Non-Rental  
**Annual Turnover Rate** 6%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 19%  
**Leasing Pace** Within one month  
**Annual Chg. In Rent** Kept at 2024 max  
**Concession** None  
**Waiting List** Yes; four to seven years in length

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** included  
**Sewer** included  
**Trash Collection** included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Midrise (4 stories)	1	568	\$1,336	\$0	@50%	Yes	0	0.0%	no	None
1	1	Midrise (4 stories)	1	568	\$1,620	\$0	@60%	Yes	0	0.0%	no	None
2	1	Midrise (4 stories)	2	726	\$1,594	\$0	@50%	Yes	0	0.0%	no	None
2	1	Midrise (4 stories)	2	726	\$1,935	\$0	@60%	Yes	0	0.0%	no	None
2	1	Midrise (4 stories)	1	726	N/A	\$0	Non-Rental	N/A	N/A	N/A	N/A	None
3	2	Midrise (4 stories)	10	934	\$1,835	\$0	@50%	Yes	0	0.0%	no	None
3	2	Midrise (4 stories)	14	934	\$2,219	\$0	@60%	Yes	0	0.0%	no	None

City Scene Apartments, continued

Unit Mix					
@50%	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
1BR / 1BA	\$1,336	\$0	\$1,336	\$-168	\$1,168
2BR / 1BA	\$1,594	\$0	\$1,594	\$-224	\$1,370
3BR / 2BA	\$1,835	\$0	\$1,835	\$-326	\$1,509
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
1BR / 1BA	\$1,620	\$0	\$1,620	\$-168	\$1,452
2BR / 1BA	\$1,935	\$0	\$1,935	\$-224	\$1,711
3BR / 2BA	\$2,219	\$0	\$2,219	\$-326	\$1,893
Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
2BR / 1BA	\$0	\$0	N/A	\$-224	N/A

Amenities			
In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Phone)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vinyl Plank Flooring		
Property		Premium	Other
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None	None
Courtyard	Elevators		
Garage	Central Laundry		
Off-Street Parking	On-Site Management		
Picnic Area	Playground		

**Comments**  
Underground garage parking is included in the rent. The contact stated that the property closed its waiting list due to its extensive length and low turnover at the property. The contact reported that the property has plans to increase the rents to the 2025 maximum allowable levels; however, the contact was unable to provide when the increase will take effect.

## City Scene Apartments, continued

### Trend Report: Vacancy Rates

3Q20	1Q21	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$947	\$0	\$947	\$947
2021	1	0.0%	\$947	\$0	\$947	\$947
2022	4	0.0%	\$1,015	\$0	\$1,015	\$1,015
2023	1	0.0%	\$1,015	\$0	\$1,015	\$1,015
2023	2	0.0%	\$1,015	\$0	\$1,015	\$1,015
2023	3	0.0%	\$1,162	\$0	\$1,162	\$1,162
2023	4	0.0%	\$1,162	\$0	\$1,162	\$1,162
2024	1	0.0%	\$1,135	\$0	\$1,135	\$1,135
2024	2	0.0%	\$1,135	\$0	\$1,135	\$1,135
2024	3	0.0%	\$1,336	\$0	\$1,336	\$1,336
2024	4	0.0%	\$1,336	\$0	\$1,336	\$1,336
2025	1	0.0%	\$1,336	\$0	\$1,336	\$1,336
2025	2	0.0%	\$1,336	\$0	\$1,336	\$1,336
2025	3	0.0%	\$1,336	\$0	\$1,336	\$1,336

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$1,128	\$0	\$1,128	\$1,128
2021	1	0.0%	\$1,128	\$0	\$1,128	\$1,128
2022	4	0.0%	\$1,288	\$0	\$1,288	\$1,288
2023	1	0.0%	\$1,288	\$0	\$1,288	\$1,288
2023	2	0.0%	\$1,288	\$0	\$1,288	\$1,288
2023	3	0.0%	\$1,370	\$0	\$1,370	\$1,370
2023	4	0.0%	\$1,370	\$0	\$1,370	\$1,370
2024	1	0.0%	\$1,349	\$0	\$1,349	\$1,349
2024	2	0.0%	\$1,349	\$0	\$1,349	\$1,349
2024	3	0.0%	\$1,594	\$0	\$1,594	\$1,594
2024	4	0.0%	\$1,594	\$0	\$1,594	\$1,594
2025	1	0.0%	\$1,594	\$0	\$1,594	\$1,594
2025	2	0.0%	\$1,594	\$0	\$1,594	\$1,594
2025	3	0.0%	\$1,594	\$0	\$1,594	\$1,594

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$1,239	\$0	\$1,239	\$1,239
2021	1	0.0%	\$1,239	\$0	\$1,239	\$1,239
2022	4	0.0%	\$1,439	\$0	\$1,439	\$1,439
2023	1	0.0%	\$1,439	\$0	\$1,439	\$1,439
2023	2	0.0%	\$1,439	\$0	\$1,439	\$1,439
2023	3	0.0%	\$1,561	\$0	\$1,561	\$1,561
2023	4	0.0%	\$1,561	\$0	\$1,561	\$1,561
2024	1	0.0%	\$1,481	\$0	\$1,481	\$1,481
2024	2	0.0%	\$1,481	\$0	\$1,481	\$1,481
2024	3	0.0%	\$1,835	\$0	\$1,835	\$1,835
2024	4	0.0%	\$1,835	\$0	\$1,835	\$1,835
2025	1	0.0%	\$1,835	\$0	\$1,835	\$1,835
2025	2	0.0%	\$1,835	\$0	\$1,835	\$1,835
2025	3	0.0%	\$1,835	\$0	\$1,835	\$1,835

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$1,147	\$0	\$1,147	\$1,147
2021	1	0.0%	\$1,147	\$0	\$1,147	\$1,147
2022	4	0.0%	\$1,147	\$0	\$1,147	\$1,147
2023	1	0.0%	\$1,147	\$0	\$1,147	\$1,147
2023	2	0.0%	\$1,147	\$0	\$1,147	\$1,147
2023	3	0.0%	\$1,421	\$0	\$1,421	\$1,421
2023	4	0.0%	\$1,421	\$0	\$1,421	\$1,421
2024	1	0.0%	\$1,379	\$0	\$1,379	\$1,379
2024	2	0.0%	\$1,379	\$0	\$1,379	\$1,379
2024	3	0.0%	\$1,620	\$0	\$1,620	\$1,620
2024	4	0.0%	\$1,620	\$0	\$1,620	\$1,620
2025	1	0.0%	\$1,620	\$0	\$1,620	\$1,620
2025	2	0.0%	\$1,620	\$0	\$1,620	\$1,620
2025	3	0.0%	\$1,620	\$0	\$1,620	\$1,620

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$1,369	\$0	\$1,369	\$1,369

2021	1	0.0%	\$1,369	\$0	\$1,369	\$1,369
2022	4	0.0%	\$1,581	\$0	\$1,581	\$1,581
2023	1	0.0%	\$1,581	\$0	\$1,581	\$1,581
2023	2	0.0%	\$1,581	\$0	\$1,581	\$1,581
2023	3	0.0%	\$1,680	\$0	\$1,680	\$1,680
2023	4	0.0%	\$1,680	\$0	\$1,680	\$1,680
2024	1	0.0%	\$1,642	\$0	\$1,642	\$1,642
2024	2	0.0%	\$1,642	\$0	\$1,642	\$1,642
2024	3	0.0%	\$1,935	\$0	\$1,935	\$1,935
2024	4	0.0%	\$1,935	\$0	\$1,935	\$1,935
2025	1	0.0%	\$1,935	\$0	\$1,935	\$1,935
2025	2	0.0%	\$1,935	\$0	\$1,935	\$1,935
2025	3	0.0%	\$1,935	\$0	\$1,935	\$1,935

### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$1,506	\$0	\$1,506	\$1,506
2021	1	0.0%	\$1,506	\$0	\$1,506	\$1,506
2022	4	0.0%	\$1,767	\$0	\$1,767	\$1,767
2023	1	0.0%	\$1,767	\$0	\$1,767	\$1,767
2023	2	0.0%	\$1,767	\$0	\$1,767	\$1,767
2023	3	0.0%	\$1,920	\$0	\$1,920	\$1,920
2023	4	0.0%	\$1,920	\$0	\$1,920	\$1,920
2024	1	0.0%	\$1,807	\$0	\$1,807	\$1,807
2024	2	0.0%	\$1,807	\$0	\$1,807	\$1,807
2024	3	0.0%	\$2,219	\$0	\$2,219	\$2,219
2024	4	0.0%	\$2,219	\$0	\$2,219	\$2,219
2025	1	0.0%	\$2,219	\$0	\$2,219	\$2,219
2025	2	0.0%	\$2,219	\$0	\$2,219	\$2,219
2025	3	0.0%	\$2,219	\$0	\$2,219	\$2,219

### Trend: Non-Rental

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$0	\$0	\$0	\$0
2021	1	0.0%	\$0	\$0	\$0	\$0
2022	4	0.0%	\$0	\$0	\$0	\$0
2023	1	0.0%	\$0	\$0	\$0	\$0
2023	2	0.0%	\$0	\$0	\$0	\$0
2023	3	0.0%	\$0	\$0	\$0	\$0
2023	4	0.0%	\$0	\$0	\$0	\$0
2024	1	0.0%	\$0	\$0	\$0	\$0
2024	2	0.0%	\$0	\$0	\$0	\$0
2024	3	0.0%	\$0	\$0	\$0	\$0
2024	4	0.0%	\$0	\$0	\$0	\$0
2025	1	0.0%	\$0	\$0	\$0	\$0
2025	2	0.0%	\$0	\$0	\$0	\$0
2025	3	0.0%	\$0	\$0	\$0	\$0

### Trend: Comments

**3Q20** The rents in the profile reflect the 2019 maximum allowable rents as the property did not increase rents during the COVID-19 pandemic. The property is planning to raise the rents to the 2020 maximum allowable level in the future. The contact did not report any additional challenges or an increase in bad debt associated with the ongoing COVID-19 pandemic. Garage parking is included in the rent. The information in this profile was obtained through a telephone interview with the property manager. The information regarding the physical condition of the property was obtained during our physical inspection of the property.

**1Q21** N/A

**4Q22** The contact noted rents were increased to 2022 maximum allowable during August and September. The property contact noted it did not increase rents during the COVID-19 pandemic. The contact did not report any additional challenges or an increase in bad debt associated with the ongoing COVID-19 pandemic. Garage parking is included in the rent. The information in this profile was obtained through a telephone interview with the property manager. The information regarding the physical condition of the property was obtained during our physical inspection of the property.

**1Q23** Underground garage parking is included in the rent. The contact provided no additional information. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.

**2Q23** Underground garage parking is included in the rent. The contact stated that the rents are set at the 2022 maximum allowable levels and was unsure when the property will increase rents to 2023 maximum allowable levels. Through an interview with the property manager we were able to gather information about the property. This information was supported by a physical site inspection that helped us to assess the property's current condition.

**3Q23** Underground garage parking is included in the rent. The contact stated that the rents are set at the 2023 maximum allowable levels. The waiting list is currently closed, and has been for two years.

**4Q23** Underground garage parking is included in the rent. The contact stated that the rents are set at the 2023 maximum allowable levels. The property has closed its waiting list due to its length and low turnover at the property.



- 1Q24** The contact stated that underground garage parking is included in the rent. The property has closed its waiting list due to its length and low turnover. Through an interview with the property manager we were able to gather information about the property. This information was supported by a physical site inspection that helped us to assess the property's current condition.
- 2Q24** The contact stated that underground garage parking is included in the rent. The property has closed its waiting list due to its length and low turnover at the property. Through an interview with the property manager we were able to gather information about the property. This information was supported by a physical site inspection that helped us to assess the property's current condition.
- 3Q24** N/A
- 4Q24** The contact stated that underground garage parking is included in the rent. The property closed its waiting list due to its length and low turnover at the property.
- 1Q25** N/A
- 2Q25** The contact reported that underground garage parking is included in the monthly rent. The property closed its waiting list due to its length and low turnover at the property. The information in this profile was obtained during an interview with property management. Information regarding the physical condition of the property was obtained during our inspection of the property.
- 3Q25** Underground garage parking is included in the rent. The contact stated that the property closed its waiting list due to its extensive length and low turnover at the property. The contact reported that the property has plans to increase the rents to the 2025 maximum allowable levels; however, the contact was unable to provide when the increase will take effect. The information in this profile was obtained during an interview with property management. Information regarding the physical condition of the property was obtained during our inspection of the property.

## City Scene Apartments, continued

### Photos



# PROPERTY PROFILE REPORT

## Kalos

**Effective Rent Date** 8/04/2025  
**Location** 3795 Florida Street  
 San Diego, CA 92104  
 San Diego  
**Distance** 1.3 miles  
**Units** 83  
**Vacant Units** 0  
**Vacancy Rate** 0%  
**Type** Lowrise (3 stories)  
**Year Built/Renovated** 2013 / N/A  
**Marketing Began** N/A  
**Leasing Began** 12/01/2012  
**Last Unit Leased** 5/01/2013  
**Major Competitors** None identified  
**Tenant Characteristics** Mixed tenancy  
**Contact Name** Sharlene  
**Phone** 619-362-4888



## Market Information

**Program** @50%, @60%, Non-Rental  
**Annual Turnover Rate** 1%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 12%  
**Leasing Pace** Within two weeks  
**Annual Chg. In Rent** Increased to 2025 max  
**Concession** None  
**Waiting List** Yes; six years in length

## Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** included  
**Sewer** included  
**Trash Collection** included

## Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	1	Lowrise (3 stories)	3	621	\$1,550	\$0	@50%	Yes	0	0.0%	yes	None
1	1	Lowrise (3 stories)	21	621	\$1,860	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	3	955	\$1,861	\$0	@50%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	29	955	\$2,233	\$0	@60%	Yes	0	0.0%	yes	None
2	1	Lowrise (3 stories)	1	955	N/A	\$0	Non-Rental	N/A	0	0.0%	N/A	None
3	2	Lowrise (3 stories)	3	1,196	\$2,150	\$0	@50%	Yes	0	0.0%	yes	None
3	2	Lowrise (3 stories)	23	1,196	\$2,580	\$0	@60%	Yes	0	0.0%	yes	None

Kalos, continued

Unit Mix

@50%	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
1BR / 1BA	\$1,550	\$0	\$1,550	\$-168	\$1,382
2BR / 1BA	\$1,861	\$0	\$1,861	\$-224	\$1,637
3BR / 2BA	\$2,150	\$0	\$2,150	\$-326	\$1,824
@60%	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
1BR / 1BA	\$1,860	\$0	\$1,860	\$-168	\$1,692
2BR / 1BA	\$2,233	\$0	\$2,233	\$-224	\$2,009
3BR / 2BA	\$2,580	\$0	\$2,580	\$-326	\$2,254
Non-Rental	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
2BR / 1BA	\$0	\$0	N/A	\$-224	N/A

Amenities

<b>In-Unit</b>		<b>Security</b>		<b>Services</b>
Balcony/Patio	Blinds	Intercom (Buzzer)		Adult Education
Carpeting	Central A/C	Limited Access		After School Program
Coat Closet	Dishwasher	Perimeter Fencing		Computer Tutoring
Exterior Storage	Ceiling Fan	Video Surveillance		Tutoring
Garbage Disposal	Oven			
Refrigerator	Walk-In Closet			
<b>Property</b>		<b>Premium</b>		<b>Other</b>
Business Center/Computer Lab	Clubhouse/Meeting Room/Community	None		None
Courtyard	Elevators			
Garage	Central Laundry			
Off-Street Parking	On-Site Management			
Picnic Area	Playground			
Recreation Areas	Service Coordination			

Comments

The contact stated that garage parking and exterior storage are offered for no additional monthly fees.

## Kalos, continued

### Trend Report: Vacancy Rates

3Q20	1Q21	3Q22	4Q22	1Q23	2Q23	3Q23	4Q23	3Q24	1Q25	2Q25	3Q25
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.2%	0.0%	0.0%	0.0%	0.0%

### Trend: @50%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$829	\$0	\$829	\$829
2021	1	0.0%	\$829	\$0	\$829	\$829
2022	3	0.0%	\$1,011	\$0	\$1,011	\$1,011
2022	4	0.0%	\$1,011	\$0	\$1,011	\$1,011
2023	1	0.0%	\$1,011	\$0	\$1,011	\$1,011
2023	2	0.0%	\$1,007	\$0	\$1,007	\$1,007
2023	3	0.0%	\$1,140	\$0	\$1,140	\$1,140
2023	4	0.0%	\$1,140	\$0	\$1,140	\$1,140
2024	3	0.0%	\$1,225	\$0	\$1,225	\$1,225
2025	1	0.0%	\$1,307	\$0	\$1,307	\$1,307
2025	2	0.0%	\$1,550	\$0	\$1,550	\$1,550
2025	3	0.0%	\$1,550	\$0	\$1,550	\$1,550

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$922	\$0	\$922	\$922
2021	1	0.0%	\$922	\$0	\$922	\$922
2022	3	0.0%	\$1,121	\$0	\$1,121	\$1,121
2022	4	0.0%	\$1,121	\$0	\$1,121	\$1,121
2023	1	0.0%	\$1,121	\$0	\$1,121	\$1,121
2023	2	0.0%	\$1,115	\$0	\$1,115	\$1,115
2023	3	0.0%	\$1,348	\$0	\$1,348	\$1,348
2023	4	0.0%	\$1,348	\$0	\$1,348	\$1,348
2024	3	0.0%	\$1,456	\$0	\$1,456	\$1,456
2025	1	0.0%	\$1,549	\$0	\$1,549	\$1,549
2025	2	0.0%	\$1,861	\$0	\$1,861	\$1,861
2025	3	0.0%	\$1,861	\$0	\$1,861	\$1,861

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$1,009	\$0	\$1,009	\$1,009
2021	1	0.0%	\$1,009	\$0	\$1,009	\$1,009
2022	3	0.0%	\$1,226	\$0	\$1,226	\$1,226
2022	4	0.0%	\$1,226	\$0	\$1,226	\$1,226
2023	1	0.0%	\$1,226	\$0	\$1,226	\$1,226
2023	2	0.0%	\$1,219	\$0	\$1,219	\$1,219
2023	3	0.0%	\$1,539	\$0	\$1,539	\$1,539
2023	4	0.0%	\$1,539	\$0	\$1,539	\$1,539
2024	3	0.0%	\$1,663	\$0	\$1,663	\$1,663
2025	1	0.0%	\$1,769	\$0	\$1,769	\$1,769
2025	2	0.0%	\$2,150	\$0	\$2,150	\$2,150
2025	3	0.0%	\$2,150	\$0	\$2,150	\$2,150

### Trend: @60%

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$1,002	\$0	\$1,002	\$1,002
2021	1	0.0%	\$1,002	\$0	\$1,002	\$1,002
2022	3	0.0%	\$1,225	\$0	\$1,225	\$1,225
2022	4	0.0%	\$1,225	\$0	\$1,225	\$1,225
2023	1	0.0%	\$1,225	\$0	\$1,225	\$1,225
2023	2	0.0%	\$1,221	\$0	\$1,221	\$1,221
2023	3	0.0%	\$1,399	\$0	\$1,399	\$1,399
2023	4	0.0%	\$1,399	\$0	\$1,399	\$1,399
2024	3	0.0%	\$1,484	\$0	\$1,484	\$1,484
2025	1	0.0%	\$1,591	\$0	\$1,591	\$1,591
2025	2	0.0%	\$1,860	\$0	\$1,860	\$1,860
2025	3	0.0%	\$1,860	\$0	\$1,860	\$1,860

#### 2BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$1,116	\$0	\$1,116	\$1,116
2021	1	0.0%	\$1,116	\$0	\$1,116	\$1,116
2022	3	0.0%	\$1,361	\$0	\$1,361	\$1,361
2022	4	0.0%	\$1,361	\$0	\$1,361	\$1,361
2023	1	0.0%	\$1,361	\$0	\$1,361	\$1,361
2023	2	0.0%	\$1,355	\$0	\$1,355	\$1,355
2023	3	0.0%	\$1,658	\$0	\$1,658	\$1,658
2023	4	3.4%	\$1,658	\$0	\$1,658	\$1,658
2024	3	0.0%	\$1,861	\$0	\$1,861	\$1,861

2025	1	0.0%	\$1,890	\$0	\$1,890	\$1,890
2025	2	0.0%	\$2,233	\$0	\$2,233	\$2,233
2025	3	0.0%	\$2,233	\$0	\$2,233	\$2,233
<b>3BR / 2BA</b>						
<b>Year</b>	<b>QT</b>	<b>Vac.</b>	<b>Face Rent</b>	<b>Conc.</b>	<b>Concd. Rent</b>	<b>Adj. Rent</b>
2020	3	0.0%	\$1,225	\$0	\$1,225	\$1,225
2021	1	0.0%	\$1,225	\$0	\$1,225	\$1,225
2022	3	0.0%	\$1,494	\$0	\$1,494	\$1,494
2022	4	0.0%	\$1,494	\$0	\$1,494	\$1,494
2023	1	0.0%	\$1,494	\$0	\$1,494	\$1,494
2023	2	0.0%	\$1,487	\$0	\$1,487	\$1,487
2023	3	0.0%	\$1,898	\$0	\$1,898	\$1,898
2023	4	0.0%	\$1,898	\$0	\$1,898	\$1,898
2024	3	0.0%	\$2,022	\$0	\$2,022	\$2,022
2025	1	0.0%	\$2,163	\$0	\$2,163	\$2,163
2025	2	0.0%	\$2,580	\$0	\$2,580	\$2,580
2025	3	0.0%	\$2,580	\$0	\$2,580	\$2,580

### Trend: Non-Rental

#### 2BR / 1BA

<b>Year</b>	<b>QT</b>	<b>Vac.</b>	<b>Face Rent</b>	<b>Conc.</b>	<b>Concd. Rent</b>	<b>Adj. Rent</b>
2020	3	0.0%	\$0	\$0	\$0	\$0
2021	1	0.0%	\$0	\$0	\$0	\$0
2022	3	0.0%	\$0	\$0	\$0	\$0
2022	4	0.0%	\$0	\$0	\$0	\$0
2023	1	0.0%	\$0	\$0	\$0	\$0
2023	2	0.0%	\$0	\$0	\$0	\$0
2023	3	0.0%	\$0	\$0	\$0	\$0
2023	4	0.0%	\$0	\$0	\$0	\$0
2024	3	0.0%	\$0	\$0	\$0	\$0
2025	1	0.0%	\$0	\$0	\$0	\$0
2025	2	0.0%	\$0	\$0	\$0	\$0
2025	3	0.0%	\$0	\$0	\$0	\$0

### Trend: Comments

<b>3Q20</b>	The rents in the profile reflect the 2019 maximum allowable rents as the property did not increase rents during the COVID-19 pandemic. The contact noted that tenants have been affected by job losses and furloughs due to the ongoing COVID-19 pandemic. The property is waving late fees and offering payment plans for residents having difficulty paying rent. The contact indicated the property sets aside three two-bedroom units restricted to 60 percent of AMI under the Home Start program, and four units for residents with physical disabilities. Further, five units are ADA certified. The property operates using energy efficient solar panels. Garage parking is included in the rent. The information in this profile was obtained through a telephone interview with the property manager. The information regarding the physical condition of the property was obtained during our physical inspection of the property.
<b>1Q21</b>	N/A
<b>3Q22</b>	The contact indicated the property sets aside three two-bedroom units restricted to 60 percent of AMI under the Home Start program, and four units for residents with physical disabilities. Further, five units are ADA certified. The property operates using energy efficient solar panels. Garage parking is included in the rent.
<b>4Q22</b>	The contact indicated the property sets aside three two-bedroom units restricted to 60 percent of AMI under the Home Start program, and four units for residents with physical disabilities. Further, five units are ADA certified. The property operates using energy efficient solar panels. Garage parking is included in the rent. The waiting list is currently closed.
<b>1Q23</b>	The contact indicated the property sets aside three two-bedroom units restricted to 60 percent of AMI under the Home Start program, and four units for residents with physical disabilities. Garage parking is included in the rent. The waiting list is currently closed. The information regarding the current condition of the property was obtained through our physical property inspection and through information provided by the manager.
<b>2Q23</b>	The contact indicated the property sets aside three two-bedroom units restricted to 60 percent of AMI under the Home Start program, and four units for residents with physical disabilities. Garage parking is included in the rent. The waiting list is currently closed. The contact indicated rents would increase in July; however, the contact was unable to specify the percentage increase expected, or whether the rents will be increased to the maximum allowable levels. Through an interview with the property manager we were able to gather information about the property. This information was supported by a physical site inspection that helped us to assess the property's current condition.
<b>3Q23</b>	The contact indicated the property sets aside three two-bedroom units restricted to 60 percent of AMI under the Home Start program, and four units for residents with physical disabilities. Garage parking is included in the rent. The waiting list is currently closed. The contact indicated rents were increased to 2023 maximum allowable levels in July 2023.
<b>4Q23</b>	The vacant two-bedroom unit has been pre-leased off of the waiting list. According to the contact, rents are currently at the 2023 maximum allowable levels. The waiting list is currently closed due to its length and low turnover at the property. The contact indicated the property sets aside three two-bedroom units restricted to 60 percent of AMI under the Home Start program, and four units for residents with physical disabilities. Garage parking is included in the rent.

- 3Q24** The contact reported no vacancies and low turnover. The contact stated that rents are below the maximum allowable levels, but indicated higher rents are likely achievable.
- 1Q25** The contact reported no vacancies and low turnover.
- 2Q25** The contact stated that garage parking and exterior storage are offered for no additional monthly fee. The information in this profile was obtained during an interview with property management. Information regarding the physical condition of the property was obtained during our inspection of the property.
- 3Q25** The contact stated that garage parking and exterior storage are offered for no additional monthly fees. The information in this profile was obtained during an interview with property management. Information regarding the physical condition of the property was obtained during our inspection of the property.





# PROPERTY PROFILE REPORT

## Asano North Park

**Effective Rent Date** 9/18/2025  
**Location** 3779 Ray Street  
 San Diego, CA 92104  
 San Diego  
**Distance** 1.1 miles  
**Units** 19  
**Vacant Units** 1  
**Vacancy Rate** 5.2%  
**Type** Midrise (5 stories)  
**Year Built/Renovated** 2020 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None Reported  
**Tenant Characteristics** Mixed Tenancy  
**Contact Name** Mark  
**Phone** 619-797-6733



### Market Information

**Program** Market  
**Annual Turnover Rate** 5%  
**Units/Month Absorbed** N/A  
**HCV Tenants** 0%  
**Leasing Pace** Within one month  
**Annual Chg. In Rent** Not Disclosed  
**Concession** None  
**Waiting List** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** not included  
**Sewer** not included  
**Trash Collection** not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
2	2	Midrise (5 stories)	N/A	1,215	\$4,495	\$0	Market	No	1	N/A	N/A	None
3	2	Midrise (5 stories)	N/A	1,314	\$4,995	\$0	Market	No	0	N/A	N/A	None

Asano North Park, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
2BR / 2BA	\$4,495	\$0	\$4,495	\$0	\$4,495
3BR / 2BA	\$4,995	\$0	\$4,995	\$0	\$4,995

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Intercom (Phone)	None
Central A/C	Coat Closet	Limited Access	
Dishwasher	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vinyl Plank Flooring	Walk-In Closet		
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Elevators	Exercise Facility	None	Pet Washing Station
Garage (\$175)			

Comments

The contact could only provide rents for units that are currently vacant or on notice. Garage parking is available for \$175 per month. The property accepts Housing Choice Vouchers; however, none are currently being utilized.

Asano North Park, continued

Trend Report: Vacancy Rates

3Q25  
5.3%

Trend: Market

2BR / 2BA						
Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2025	3	0.0%	\$4,495	\$0	\$4,495	\$4,495
3BR / 2BA						
Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2025	3	0.0%	\$4,995	\$0	\$4,995	\$4,995

Trend: Comments

3Q25    The contact could only provide rents for units that are currently vacant or on notice. Garage parking is available for \$175 per month. The property accepts Housing Choice Vouchers; however, none are currently being utilized.



## Asano North Park, continued

### Photos



# PROPERTY PROFILE REPORT

## AZUL North Park

**Effective Rent Date** 9/17/2025  
**Location** 4499 Ohio Street  
 San Diego, CA 92116  
 San Diego  
**Distance** 0.3 miles  
**Units** 150  
**Vacant Units** 3  
**Vacancy Rate** 2.0%  
**Type** Midrise (5 stories)  
**Year Built/Renovated** 2022 / N/A  
**Marketing Began** N/A  
**Leasing Began** 3/01/2022  
**Last Unit Leased** 6/01/2024  
**Major Competitors** Winslow Apartments  
**Tenant Characteristics** Mixed tenancy  
**Contact Name** David  
**Phone** 855-964-3857



### Market Information

**Program** Market  
**Annual Turnover Rate** 22%  
**Units/Month Absorbed** 34  
**HCV Tenants** N/A  
**Leasing Pace** Within five days  
**Annual Chg. In Rent** Changes daily  
**Concession** One month free on studios  
**Waiting List** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- gas  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** not included  
**Sewer** not included  
**Trash Collection** not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (5 stories)	47	579	\$2,663	\$222	Market	No	3	6.4%	N/A	None
1	1	Midrise (5 stories)	56	693	\$3,482	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (5 stories)	24	1,035	\$4,487	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (5 stories)	23	1,070	\$3,902	\$0	Market	No	0	0.0%	N/A	None

AZUL North Park, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
Studio / 1BA	\$2,663	\$222	\$2,441	\$0	\$2,441
1BR / 1BA	\$3,482	\$0	\$3,482	\$0	\$3,482
2BR / 2BA	\$3,902 - \$4,487	\$0	\$3,902 - \$4,487	\$0	\$3,902 - \$4,487

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Limited Access	None
Central A/C	Coat Closet	Video Surveillance	
Dishwasher	Exterior Storage (\$65.00)		
Fireplace	Garbage Disposal		
Microwave	Oven		
Refrigerator	Vaulted Ceilings		
Vinyl Plank Flooring	Walk-In Closet		
Washer/Dryer			
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Bike Storage	Business Center/Computer Lab	None	None
Clubhouse/Meeting Room/Community	Community Garden		
Courtyard	Elevators		
EV Charging Station	Exercise Facility		
Garage (\$25.00)	Jacuzzi		
On-Site Management	Recreation Areas		

Comments

The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number in use. Underground garage parking is available for an additional monthly fee of \$25 for unreserved parking, \$75 for a reserved electric vehicle space, \$100 for a reserved standard vehicle space, and \$125 for a tandem space. Exterior storage is available for an additional monthly fee ranging from \$65 to \$100, depending on the size of the unit. The information in this profile was obtained during an interview with property management. Information regarding the physical condition of the property was obtained during our inspection of the property.



## AZUL North Park, continued

### Trend Report: Vacancy Rates

4Q23	1Q24	2Q24	3Q24	1Q25	2Q25	3Q25
4.9%	2.9%	0.7%	3.3%	3.3%	4.7%	2.0%

### Trend: Market

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2023	4	8.5%	\$2,470	\$83	\$2,387	\$2,387
2024	1	2.1%	\$3,493	\$0	\$3,493	\$3,493
2024	2	0.0%	\$2,770	\$0	\$2,770	\$2,770
2024	3	4.3%	\$2,659	\$0	\$2,659	\$2,659
2025	1	4.3%	\$2,784	\$0	\$2,784	\$2,784
2025	2	4.3%	\$2,749	\$0	\$2,749	\$2,749
2025	3	6.4%	\$2,663	\$222	\$2,441	\$2,441

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2023	4	1.9%	\$2,969	\$0	\$2,969	\$2,969
2024	1	1.9%	\$3,358	\$0	\$3,358	\$3,358
2024	2	0.0%	\$3,457	\$0	\$3,457	\$3,457
2024	3	3.6%	\$3,540	\$0	\$3,540	\$3,540
2025	1	0.0%	\$3,279	\$0	\$3,279	\$3,279
2025	2	3.6%	\$3,206	\$0	\$3,206	\$3,206
2025	3	0.0%	\$3,482	\$0	\$3,482	\$3,482

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2023	4	0.0%	\$4,276	\$0	\$4,276	\$4,276
2024	1	25.0%	\$4,097	\$0	\$4,097	\$4,097
2024	2	2.1%	\$4,094	\$0	\$4,094	\$4,094
2024	3	2.1%	\$4,453	\$0	\$4,453	\$4,453
2025	1	6.4%	\$4,222	\$0	\$4,222	\$4,222
2025	2	0.0%	\$3,930 - \$4,222	\$0	\$3,930 - \$4,222	\$3,930 - \$4,222
2025	3	0.0%	\$3,902 - \$4,487	\$0	\$3,902 - \$4,487	\$3,902 - \$4,487

### Trend: Comments

<b>4Q23</b>	This property began leasing in March 2022. The property reached 95 percent occupancy by June 2022. The property is currently offering up to \$1,000 off in concessions for all vacant studio units. Parking is \$25 for one space and an additional \$100 for each space after the first.
<b>1Q24</b>	This property began leasing in March 2022 and reached 95 percent occupancy in June 2022. The contact stated that garage parking is offered for an additional monthly fee of \$25 for one space and an additional space is \$100 per month. The contact noted that exterior storage is available for an additional monthly fee of \$75. The contact stated that the property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of tenants currently utilizing them. Through an interview with the property manager we were able to gather information about the property. This information was supported by a physical site inspection that helped us to assess the property's current condition.
<b>2Q24</b>	N/A
<b>3Q24</b>	This property began leasing in March 2022 and reached 95 percent occupancy in June 2022. The contact stated that garage parking is offered for an additional monthly fee of \$25 for one space and an additional space is \$100 per month. The contact noted that exterior storage is available for an additional monthly fee of \$75. The contact stated that the property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of tenants currently utilizing them.
<b>1Q25</b>	The contact stated that garage parking is offered for an additional monthly fee of \$25 for one space and an additional space is \$100 per month. The contact noted that exterior storage is available for an additional monthly fee of \$75. The contact stated that the property accepts Housing Choice Vouchers; however, the contact was unable to provide the number in use.
<b>2Q25</b>	No additional comments.
<b>3Q25</b>	The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number in use. Underground garage parking is available for an additional monthly fee of \$25 for unreserved parking, \$75 for a reserved electric vehicle space, \$100 for a reserved standard vehicle space, and \$125 for a tandem space. Exterior storage is available for an additional monthly fee ranging from \$65 to \$100, depending on the size of the unit. The information in this profile was obtained during an interview with property management. Information regarding the physical condition of the property was obtained during our inspection of the property.

## AZUL North Park, continued

### Photos



# PROPERTY PROFILE REPORT

## Casa Verde

**Effective Rent Date** 9/17/2025  
**Location** 3066 North Park Way  
 San Diego, CA 92104  
 San Diego  
**Distance** 1.1 miles  
**Units** 94  
**Vacant Units** 4  
**Vacancy Rate** 4.2%  
**Type** Highrise (7 stories)  
**Year Built/Renovated** 2023 / N/A  
**Marketing Began** N/A  
**Leasing Began** 10/01/2023  
**Last Unit Leased** 1/24/2024  
**Major Competitors** None identified  
**Tenant Characteristics** Mixed tenancy  
**Contact Name** Phoebe  
**Phone** 619-797-6733



## Market Information

**Program** Market  
**Annual Turnover Rate** 12%  
**Units/Month Absorbed** 11  
**HCV Tenants** N/A  
**Leasing Pace** Within two weeks  
**Annual Chg. In Rent** Changes daily  
**Concession** None  
**Waiting List** None

## Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** not included  
**Sewer** not included  
**Trash Collection** not included

## Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Highrise (7 stories)	19	586	\$2,595	\$0	Market	No	0	0.0%	N/A	None
0	1	Highrise (7 stories)	38	436	\$1,995	\$0	Market	No	2	5.3%	N/A	None
0	1	Highrise (7 stories)	N/A	436	\$2,450	\$0	Market	No	1	N/A	N/A	HIGH*
1	1	Highrise (7 stories)	N/A	659	N/A	\$0	Market	No	0	N/A	N/A	None
1	1	Highrise (7 stories)	37	617	\$2,995	\$0	Market	No	1	2.7%	N/A	None
1	1	Highrise (7 stories)	N/A	700	\$3,050	\$0	Market	No	0	N/A	N/A	None

## Casa Verde, continued

## Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
Studio / 1BA	\$1,995 - \$2,595	\$0	\$1,995 - \$2,595	\$0	\$1,995 - \$2,595
1BR / 1BA	\$2,995 - \$3,050	\$0	\$2,995 - \$3,050	\$0	\$2,995 - \$3,050

## Amenities

In-Unit	Security	Services
Balcony/Patio	Limited Access	None
Central A/C		
Dishwasher		
Ceiling Fan		
Garbage Disposal		
Oven		
Vaulted Ceilings		
Washer/Dryer		
<b>Property</b>	<b>Premium</b>	<b>Other</b>
Bike Storage	None	Game Room
Commercial/Retail		
Elevators		
Garage (\$200.00)		
On-Site Management		
Recreation Areas		
Service Coordination		

## Comments

The contact was only able to provide rents for units that are vacant or on notice. The high rent range for the 436-square-foot studio units reflects units that are furnished. The contact stated that garage and surface parking are available for additional monthly fees of \$200 and \$150, respectively. There is no extra fee for storage units. The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number in use.

## Casa Verde, continued

### Trend Report: Vacancy Rates

1Q24	2Q24	3Q24	1Q25	2Q25	3Q25
57.4%	7.4%	7.4%	7.4%	7.4%	4.3%

### Trend: Market

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2024	1	0.0%	\$2,300 - \$2,775	\$0	\$2,300 - \$2,775	\$2,300 - \$2,775
2024	2	0.0% - 5.3%	\$2,300 - \$2,750	\$0	\$2,300 - \$2,750	\$2,300 - \$2,750
2024	3	0.0% - 15.8%	\$2,250 - \$2,745	\$0	\$2,250 - \$2,745	\$2,250 - \$2,745
2025	1	0.0% - 2.6%	\$2,195 - \$2,595	\$0	\$2,195 - \$2,595	\$2,195 - \$2,595
2025	2	0.0% - 2.6%	\$2,195 - \$2,595	\$0	\$2,195 - \$2,595	\$2,195 - \$2,595
2025	3	0.0% - 5.3%	\$1,995 - \$2,595	\$0	\$1,995 - \$2,595	\$1,995 - \$2,595

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2024	1	0.0%	\$3,150 - \$3,400	\$0	\$3,150 - \$3,400	\$3,150 - \$3,400
2024	2	0.0%	\$3,000 - \$3,150	\$0	\$3,000 - \$3,150	\$3,000 - \$3,150
2024	3	0.0%	\$2,900 - \$3,150	\$0	\$2,900 - \$3,150	\$2,900 - \$3,150
2025	1	0.0%	\$3,050	\$0	\$3,050	\$3,050
2025	2	0.0%	\$3,050	\$0	\$3,050	\$3,050
2025	3	0.0% - 2.7%	\$2,995 - \$3,050	\$0	\$2,995 - \$3,050	\$2,995 - \$3,050

### Trend: Comments

<b>1Q24</b>	The contact reported that the property is under the initial lease-up phase. The contact reported that the price range is due to the floor level. The contact stated that garage and surface parking are available for additional monthly fees of \$200 and \$150, respectively. There is no extra fee for storage units. The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of vouchers in use. Through an interview with the property manager we were able to gather information about the property. This information was supported by a physical site inspection that helped us to assess the property's current condition.
<b>2Q24</b>	The contact reported that the price range is due to the floor level. The contact stated that garage and surface parking are available for additional monthly fees of \$200 and \$150, respectively. There is no extra fee for storage units. The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of vouchers in use.
<b>3Q24</b>	The property contact reported that the price range is due to the floor level. The contact stated that garage and surface parking are available for additional monthly fees of \$200 and \$150, respectively. There is no extra fee for storage units. The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of vouchers in use.
<b>1Q25</b>	The contact was only able to provide rents for units that are vacant or on notice. The contact stated that garage and surface parking are available for additional monthly fees of \$200 and \$150, respectively. There is no extra fee for storage units. The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of vouchers in use.
<b>2Q25</b>	The contact was only able to provide rents for units that are vacant or on notice. The contact stated that garage and surface parking are available for additional monthly fees of \$200 and \$150, respectively. There is no extra fee for storage units. The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number of vouchers in use. The information in this profile was obtained during an interview with property management. Information regarding the physical condition of the property was obtained during our inspection of the property.
<b>3Q25</b>	The contact was only able to provide rents for units that are vacant or on notice. The high rent range for the 436-square-foot studio units reflects units that are furnished. The contact stated that garage and surface parking are available for additional monthly fees of \$200 and \$150, respectively. There is no extra fee for storage units. The property accepts Housing Choice Vouchers; however, the contact was unable to provide the number in use. The information in this profile was obtained during an interview with property management. Information regarding the physical condition of the property was obtained during our inspection of the property.



Photos



# PROPERTY PROFILE REPORT

## North Park Nest

**Effective Rent Date** 9/18/2025  
**Location** 4233 Kansas Street  
San Diego, CA 92104  
San Diego  
**Distance** 0.5 miles  
**Units** 39  
**Vacant Units** 3  
**Vacancy Rate** 7.6%  
**Type** Midrise (4 stories)  
**Year Built/Renovated** 2024 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None Reported  
**Tenant Characteristics** Mixed Tenancy  
**Contact Name** Mark  
**Phone** 619-797-6733



### Market Information

**Program** Market  
**Annual Turnover Rate** 13%  
**Units/Month Absorbed** N/A  
**HCV Tenants** N/A  
**Leasing Pace** Within one month  
**Annual Chg. In Rent** Not Disclosed  
**Concession** None  
**Waiting List** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- electric  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** not included  
**Sewer** not included  
**Trash Collection** not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (4 stories)	N/A	445	\$2,195	\$0	Market	No	1	N/A	N/A	None
0	1	Midrise (4 stories)	N/A	445	\$1,989	\$0	Market	No	1	N/A	N/A	None
1	1	Midrise (4 stories)	N/A	650	\$2,895	\$0	Market	No	1	N/A	N/A	None



North Park Nest, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
Studio / 1BA	\$1,989 - \$2,195	\$0	\$1,989 - \$2,195	\$0	\$1,989 - \$2,195
1BR / 1BA	\$2,895	\$0	\$2,895	\$0	\$2,895

Amenities

In-Unit		Security	Services
Blinds	Central A/C	Intercom (Buzzer)	None
Coat Closet	Dishwasher	Limited Access	
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vinyl Plank Flooring	Walk-In Closet		
Washer/Dryer			
Property		Premium	Other
Elevators	Picnic Area	None	None
Rooftop Deck			

Comments

The contact was only able to provide the current rents and vacancies. There is no parking on the property. The property accepts Housing Choice Vouchers; however, the contact did not know how many are currently being utilized.

North Park Nest, continued

Trend Report: Vacancy Rates

3Q25  
7.7%

Trend: Market

Studio / 1BA						
Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2025	3	0.0%	\$1,989 - \$2,195	\$0	\$1,989 - \$2,195	\$1,989 - \$2,195
1BR / 1BA						
Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2025	3	0.0%	\$2,895	\$0	\$2,895	\$2,895

Trend: Comments

3Q25    The contact was only able to provide the current rents and vacancies. There is no parking on the property. The property accepts Housing Choice Vouchers; however, the contact did not know how many are currently being utilized.

## North Park Nest, continued

### Photos



# PROPERTY PROFILE REPORT

## The Evelyn

**Effective Rent Date** 9/19/2025  
**Location** 2129 El Cajon Boulevard  
 San Diego, CA 92104  
 San Diego  
**Distance** 0.8 miles  
**Units** 12  
**Vacant Units** 0  
**Vacancy Rate** 0%  
**Type** Garden (3 stories)  
**Year Built/Renovated** 2018 / N/A  
**Marketing Began** N/A  
**Leasing Began** N/A  
**Last Unit Leased** N/A  
**Major Competitors** None identified  
**Tenant Characteristics** Mixed tenancy  
**Contact Name** Not Disclosed  
**Phone** 619-541-1484



### Market Information

**Program** Market  
**Annual Turnover Rate** 33%  
**Units/Month Absorbed** 6  
**HCV Tenants** 0%  
**Leasing Pace** Within one month  
**Annual Chg. In Rent** None Reported since 1Q2025  
**Concession** None  
**Waiting List** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- gas  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** not included  
**Sewer** not included  
**Trash Collection** not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
1	2	Garden (3 stories)	1	1,049	\$2,495	\$0	Market	No	0	0.0%	no	None
2	2	Garden (3 stories)	1	1,613	\$4,725	\$0	Market	No	0	0.0%	no	None
3	2	Garden (3 stories)	6	1,389	\$4,599	\$0	Market	No	0	0.0%	no	None
3	2	Garden (3 stories)	2	1,556	\$4,599	\$0	Market	No	0	0.0%	no	None
3	2	Garden (3 stories)	1	1,660	\$4,995	\$0	Market	No	0	0.0%	no	None
3	2	Garden (3 stories)	1	1,669	\$4,548	\$0	Market	No	0	0.0%	no	None

The Evelyn, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
1BR / 2BA	\$2,495	\$0	\$2,495	\$0	\$2,495
2BR / 2BA	\$4,725	\$0	\$4,725	\$0	\$4,725
3BR / 2BA	\$4,548 - \$4,995	\$0	\$4,548 - \$4,995	\$0	\$4,548 - \$4,995

Amenities

<b>In-Unit</b>		<b>Security</b>	<b>Services</b>
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher	Perimeter Fencing	
Exterior Storage (\$50.00)	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Vinyl Plank Flooring		
Walk-In Closet	Washer/Dryer		
<b>Property</b>		<b>Premium</b>	<b>Other</b>
Garage	Off-Street Parking	None	None
Rooftop Deck			

Comments

The contact was only able to provide rents for units that are currently vacant or on notice. Exterior storage is available for \$50 per month. Garage parking is included in the rent. The property accepts Housing Choice Vouchers; however, none are currently being utilized.

## The Evelyn, continued

### Trend Report: Vacancy Rates

3Q20	1Q21	3Q24	1Q25	3Q25
8.3%	8.3%	0.0%	8.3%	0.0%

### Trend: Market

#### 1BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0% - 25.0%	\$2,495 - \$2,595	\$0	\$2,495 - \$2,595	\$2,495 - \$2,595
2021	1	0.0% - 25.0%	\$2,495 - \$2,595	\$0	\$2,495 - \$2,595	\$2,495 - \$2,595
2025	1	0.0%	\$2,495	\$0	\$2,495	\$2,495
2025	3	0.0%	\$2,495	\$0	\$2,495	\$2,495

#### 1.5BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$3,745 - \$3,945	\$0	\$3,745 - \$3,945	\$3,745 - \$3,945
2021	1	0.0%	\$3,745 - \$3,945	\$0	\$3,745 - \$3,945	\$3,745 - \$3,945

#### 3BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0%	\$3,545 - \$4,068	\$0	\$3,545 - \$4,068	\$3,545 - \$4,068
2021	1	0.0%	\$3,545 - \$4,068	\$0	\$3,545 - \$4,068	\$3,545 - \$4,068
2024	3	0.0%	\$4,745 - \$5,095	\$0	\$4,745 - \$5,095	\$4,745 - \$5,095
2025	1	0.0%	\$4,548 - \$4,999	\$0	\$4,548 - \$4,999	\$4,548 - \$4,999
2025	3	0.0%	\$4,548 - \$4,995	\$0	\$4,548 - \$4,995	\$4,548 - \$4,995

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2025	1	100.0%	\$4,725	\$0	\$4,725	\$4,725
2025	3	0.0%	\$4,725	\$0	\$4,725	\$4,725

### Trend: Comments

3Q20	The larger one-bedroom unit is a three-story loft with a den, upstairs living room, and rooftop terrace, hence the higher rents charged for this unit type. The rents range based on location on the property. The contact did not note any additional challenges or an increase in bad debt associated with the ongoing COVID-19 pandemic. Exterior storage is available for \$50 per month. Garage parking is included in the rent. The contact reported that the property accepts Housing Choice Vouchers; however, none are currently being utilized. The information in this profile was obtained through a telephone interview with the property manager. The information regarding the physical condition of the property was obtained during our physical inspection of the property.
1Q21	N/A
3Q24	Exterior storage is available for \$50 per month. Garage parking is included in the rent. The contact reported that the property accepts Housing Choice Vouchers; however, none are currently being utilized. The information in this profile was obtained through a telephone interview with the property manager. The information regarding the physical condition of the property was obtained during our physical inspection of the property.
1Q25	Exterior storage is available for \$50 per month. Garage parking is included in the rent. The contact reported that the property accepts Housing Choice Vouchers; however, none are currently being utilized.
3Q25	The contact was only able to provide rents for units that are currently vacant or on notice. Exterior storage is available for \$50 per month. Garage parking is included in the rent. The property accepts Housing Choice Vouchers; however, none are currently being utilized.



## The Evelyn, continued

### Photos





# PROPERTY PROFILE REPORT

## Vida North Park

**Effective Rent Date** 9/18/2025  
**Location** 4223 Texas Street  
 San Diego, CA 92104  
 San Diego  
**Distance** 0.7 miles  
**Units** 117  
**Vacant Units** 5  
**Vacancy Rate** 4.2%  
**Type** Midrise (6 stories)  
**Year Built/Renovated** 2018 / N/A  
**Marketing Began** N/A  
**Leasing Began** 8/01/2018  
**Last Unit Leased** N/A  
**Major Competitors** None identified  
**Tenant Characteristics** Mixed tenancy  
**Contact Name** Robert  
**Phone** 833-697-4484



### Market Information

**Program** Market  
**Annual Turnover Rate** 31%  
**Units/Month Absorbed** 10  
**HCV Tenants** 0%  
**Leasing Pace** Within one month  
**Annual Chg. In Rent** Changes daily  
**Concession** None  
**Waiting List** None

### Utilities

**A/C** not included -- central  
**Cooking** not included -- gas  
**Water Heat** not included -- electric  
**Heat** not included -- electric  
**Other Electric** not included  
**Water** not included  
**Sewer** not included  
**Trash Collection** not included

### Unit Mix (face rent)

Beds	Baths	Type	Units	Size (SF)	Rent	Concession (monthly)	Restriction	Waiting List	Vacant	Vacancy Rate	Max Rent?	Range
0	1	Midrise (6 stories)	29	567	N/A	\$0	Market	No	0	0.0%	N/A	None
0	1	Midrise (6 stories)	29	573	N/A	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (6 stories)	3	676	N/A	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (6 stories)	3	743	\$3,407	\$0	Market	No	1	33.3%	N/A	None
1	1	Midrise (6 stories)	3	882	N/A	\$0	Market	No	0	0.0%	N/A	None
1	1	Midrise (6 stories)	3	754	\$3,277	\$0	Market	No	1	33.3%	N/A	None
1	1	Midrise (6 stories)	2	793	\$3,432	\$0	Market	No	1	50.0%	N/A	None
1	1	Midrise (6 stories)	3	754	N/A	\$0	Market	No	0	0.0%	N/A	None
2	1.5	Midrise (6 stories)	11	1,170	N/A	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (6 stories)	10	1,153	\$4,319	\$0	Market	No	1	10.0%	N/A	None
2	2	Midrise (6 stories)	11	1,180	\$4,929	\$0	Market	No	0	0.0%	N/A	None
2	2	Midrise (6 stories)	10	1,152	\$4,454	\$0	Market	No	1	10.0%	N/A	None

Vida North Park, continued

Unit Mix

Market	Face Rent	Conc.	Concd. Rent	Util. Adj	Adj. Rent
Studio / 1BA	N/A	\$0	\$0	\$0	\$0
1BR / 1BA	\$3,277 - \$3,432	\$0	\$3,277 - \$3,432	\$0	\$3,277 - \$3,432
2BR / 1.5BA	\$0	\$0	N/A	\$0	N/A
2BR / 2BA	\$4,319 - \$4,929	\$0	\$4,319 - \$4,929	\$0	\$4,319 - \$4,929

Amenities

In-Unit		Security	Services
Balcony/Patio	Blinds	Intercom (Buzzer)	None
Carpeting	Central A/C	Limited Access	
Coat Closet	Dishwasher		
Exterior Storage (\$35.00)	Ceiling Fan		
Garbage Disposal	Microwave		
Oven	Refrigerator		
Vaulted Ceilings	Vinyl Plank Flooring		
Walk-In Closet	Washer/Dryer		
Property		Premium	Other
Bike Storage	Business Center/Computer Lab	View	None
Clubhouse/Meeting Room/Community	Courtyard		
Elevators	EV Charging Station		
Exercise Facility	Garage (\$50)		
Jacuzzi	Off-Street Parking		
On-Site Management	Picnic Area		
Recreation Areas	Rooftop Deck		

Comments

The contact could only provide rents for units that are vacant or on notice. Garage parking is available for \$50 per month for a single space or \$100 per month for a tandem space. Exterior storage is offered for an additional monthly fee of \$35. The property utilizes pricing software, and rents change daily.

## Vida North Park, continued

### Trend Report: Vacancy Rates

3Q20	1Q21	3Q21	4Q21	3Q22	4Q22	2Q23	4Q23	1Q24	3Q24	1Q25	2Q25	3Q25
5.9%	5.9%	5.9%	5.9%	8.5%	4.2%	9.3%	2.5%	5.1%	3.4%	4.3%	11.1%	4.3%

### Trend: Market

#### Studio / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0% - 6.9%	\$2,110 - \$2,372	\$114 - \$187	\$1,934 - \$2,258	\$1,934 - \$2,258
2021	1	0.0% - 6.9%	\$2,110 - \$2,372	\$114 - \$187	\$1,934 - \$2,258	\$1,934 - \$2,258
2021	3	0.0% - 1.7%	\$2,110 - \$2,626	\$0	\$2,110 - \$2,626	\$2,110 - \$2,626
2021	4	0.0%	\$2,300 - \$2,550	\$0	\$2,300 - \$2,550	\$2,300 - \$2,550
2022	3	0.0% - 1.7%	\$3,060 - \$3,350	\$0	\$3,060 - \$3,350	\$3,060 - \$3,350
2022	4	1.7%	\$2,855	\$0	\$2,855	\$2,855
2023	2	0.0% - 1.7%	\$2,491 - \$2,778	\$0	\$2,491 - \$2,778	\$2,491 - \$2,778
2023	4	0.0%	\$2,753 - \$3,068	\$0	\$2,753 - \$3,068	\$2,753 - \$3,068
2024	1	3.4% - 6.9%	\$2,892 - \$3,008	\$0	\$2,892 - \$3,008	\$2,892 - \$3,008
2024	3	6.9%	\$2,558	\$0	\$2,558	\$2,558
2025	1	3.4%	\$2,780	\$0	\$2,780	\$2,780
2025	2	0.0%	\$2,535 - \$2,967	\$0	\$2,535 - \$2,967	\$2,535 - \$2,967
2025	3	0.0%	\$0	\$0	\$0	\$0

#### 1BR / 1BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0% - 5.6%	\$2,633 - \$2,752	\$439 - \$459	\$2,194 - \$2,293	\$2,194 - \$2,293
2021	1	0.0% - 5.6%	\$2,633 - \$2,752	\$439 - \$459	\$2,194 - \$2,293	\$2,194 - \$2,293
2021	3	0.0% - 5.6%	\$2,633 - \$3,210	\$0	\$2,633 - \$3,210	\$2,633 - \$3,210
2021	4	0.0%	\$2,800 - \$3,100	\$0	\$2,800 - \$3,100	\$2,800 - \$3,100
2022	3	0.0% - 11.1%	\$3,185 - \$3,310	\$0	\$3,185 - \$3,310	\$3,185 - \$3,310
2022	4	0.0% - 5.6%	\$2,985 - \$3,597	\$0	\$2,985 - \$3,597	\$2,985 - \$3,597
2023	2	0.0% - 29.4%	\$2,911 - \$3,673	\$0	\$2,911 - \$3,673	\$2,911 - \$3,673
2023	4	0.0%	\$2,954 - \$3,588	\$0	\$2,954 - \$3,588	\$2,954 - \$3,588
2024	1	0.0% - 11.1%	\$3,018	\$0	\$3,018	\$3,018
2024	3	0.0%	\$3,006 - \$3,635	\$0	\$3,006 - \$3,635	\$3,006 - \$3,635
2025	1	0.0%	\$2,900 - \$3,600	\$0	\$2,900 - \$3,600	\$2,900 - \$3,600
2025	2	0.0%	\$3,097 - \$3,422	\$0	\$3,097 - \$3,422	\$3,097 - \$3,422
2025	3	0.0% - 50.0%	\$0 - \$3,432	\$0	\$0 - \$3,432	\$0 - \$3,432

#### 2BR / 2BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2020	3	0.0% - 9.5%	\$3,449 - \$3,745	\$287 - \$312	\$3,162 - \$3,433	\$3,162 - \$3,433
2021	1	0.0% - 9.5%	\$3,449 - \$3,745	\$287 - \$312	\$3,162 - \$3,433	\$3,162 - \$3,433
2021	3	0.0% - 9.5%	\$3,449 - \$4,218	\$0	\$3,449 - \$4,218	\$3,449 - \$4,218
2021	4	0.0% - 4.8%	\$3,514 - \$4,200	\$0	\$3,514 - \$4,200	\$3,514 - \$4,200
2022	3	0.0% - 4.8%	\$4,038 - \$4,468	\$0	\$4,038 - \$4,468	\$4,038 - \$4,468
2022	4	0.0%	N/A	\$0	N/A	N/A
2023	2	0.0% - 10.5%	\$3,652 - \$4,571	\$0	\$3,652 - \$4,571	\$3,652 - \$4,571
2023	4	0.0%	\$4,098	\$0	\$4,098	\$4,098
2024	3	0.0%	\$4,477 - \$5,393	\$0	\$4,477 - \$5,393	\$4,477 - \$5,393
2025	1	0.0%	\$3,800 - \$4,500	\$0	\$3,800 - \$4,500	\$3,800 - \$4,500
2025	2	0.0%	\$5,180	\$0	\$5,180	\$5,180
2025	3	0.0% - 10.0%	\$4,319 - \$4,929	\$0	\$4,319 - \$4,929	\$4,319 - \$4,929

#### 2BR / 1.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2022	3	4.8%	\$4,543	\$0	\$4,543	\$4,543
2022	4	4.8%	\$5,159	\$0	\$5,159	\$5,159
2023	2	0.0% - 100.0%	\$3,719 - \$4,188	\$0	\$3,719 - \$4,188	\$3,719 - \$4,188
2023	4	0.0%	\$3,797 - \$4,152	\$0	\$3,797 - \$4,152	\$3,797 - \$4,152
2024	1	9.1%	\$4,144 - \$4,294	\$0	\$4,144 - \$4,294	\$4,144 - \$4,294
2024	3	0.0%	\$4,466	\$0	\$4,466	\$4,466
2025	1	27.3%	\$3,764	\$0	\$3,764	\$3,764
2025	2	0.0%	\$3,764	\$0	\$3,764	\$3,764
2025	3	0.0%	\$0	\$0	\$0	\$0

#### 2BR / 2.5BA

Year	QT	Vac.	Face Rent	Conc.	Concd. Rent	Adj. Rent
2023	2	0.0%	N/A	\$0	N/A	N/A
2023	4	0.0%	N/A	\$0	N/A	N/A
2024	1	0.0%	N/A	\$0	N/A	N/A

### Trend: Comments

**3Q20** The rents range based on the unit location on the property and the supply available. The 1,168-square foot two-bedroom units are townhome style units. The rents were not available for the conventional two-bedroom units as none are currently vacant or are on notice to be vacant. The rents for the 1,153 to 1,233-square foot two-bedroom units are from the February 2020 survey. The contact noted that tenants have been affected by job losses and furloughs due to the ongoing COVID-19 pandemic. The property had previously offered to defer payments; however, the rental deferment program ended September 1, 2020. The property is now offering payment plans to residents having difficulty paying rent. The property is offering a

concession of two months free for one-bedroom units and one month free for all other units. Garage parking is included in the rent. Additional garage parking spaces are \$50 per month. Exterior storage is available for \$50 per month. The information in this profile was obtained through a telephone interview with the property manager. The information regarding the physical condition of the property was obtained during our physical inspection of the property.

- 1Q21** N/A
- 3Q21** The rents range based on the unit location on the property and the supply available. The 1,168-square foot two-bedroom units are townhome style units. The rents were not available for the townhouse two-bedroom units as none are currently vacant or are on notice to be vacant; the rents are from the February 2020 survey. The contact noted that tenants have been affected by job losses and furloughs due to the ongoing COVID-19 pandemic. The property had previously offered to defer payments; however, the rental deferment program ended September 1, 2020. The property is now offering payment plans to residents having difficulty paying rent. Garage parking is included in the rent. Additional garage parking spaces are \$50 per month. The information in this profile was obtained through a telephone interview with the property manager. The information regarding the physical condition of the property was obtained during our physical inspection of the property.
- 4Q21** The rents range based on the unit location on the property and the supply available. The 1,168-square foot two-bedroom units are townhome style units. The rents for the studio and one bedroom units are the typical rent ranges, as there were none available or on-notice. The contact noted that tenants have been affected by job losses and furloughs due to the ongoing COVID-19 pandemic. The property had previously offered to defer payments; however, the rental deferment program ended September 1, 2020. The property is now offering payment plans to residents having difficulty paying rent. Garage parking is included in the rent. Additional garage parking spaces are \$50 per month. The information in this profile was obtained through a telephone interview with the property manager. The information regarding the physical condition of the property was obtained during our physical inspection of the property.
- 3Q22** N/A
- 4Q22** The rents range based on the unit location on the property and the supply available. The 1,168-square foot two-bedroom units are townhome style units. The rents for the studio and one bedroom units are the typical rent ranges, as there were none available or on-notice. The contact noted that tenants have been affected by job losses and furloughs due to the ongoing COVID-19 pandemic. The property had previously offered to defer payments; however, the rental deferment program ended September 1, 2020. The property is now offering payment plans to residents having difficulty paying rent. Garage parking is included in the rent. Additional garage parking spaces are \$50 per month.
- 2Q23** The rents range based on the unit location on the property and the supply available. Garage parking is included in the rent. Additional garage parking spaces are \$50 per month. The property utilizes pricing software, and rents change daily. The contact was unable to provide rents for the two-bedroom 2.5 bathroom units.
- 4Q23** N/A
- 1Q24** The contact provided base rents for the available units. The contact was unable to provide the rent prices for units that are not currently available. The contact stated that garage parking is included in the rent and exterior storage is offered for an additional monthly fee of \$50. The property utilizes pricing software, and rents change daily. Through an interview with the property manager we were able to gather information about the property. This information was supported by a physical site inspection that helped us to assess the property's current condition.
- 3Q24** The contact provided base rents for the available units. The contact was unable to provide the rents for units that are not currently available. The contact stated that garage parking is included in the rent and exterior storage is offered for an additional monthly fee of \$50. The property utilizes pricing software, and rents change daily.
- 1Q25** The contact provided base rents for the available units. The contact was unable to provide the rents for units that are not currently available. The contact stated that garage parking is included in the rent, and exterior storage is offered for an additional monthly fee of \$50. The property utilizes pricing software, and rents change daily.
- 2Q25** The contact reported that garage parking is included in the rent, and exterior storage is offered for an additional monthly fee of \$50. The property utilizes pricing software, and rents change daily.
- 3Q25** The contact could only provide rents for units that are vacant or on notice. Garage parking is available for \$50 per month for a single space or \$100 per month for a tandem space. Exterior storage is offered for an additional monthly fee of \$35. The property utilizes pricing software, and rents change daily.

## Vida North Park, continued

### Photos





## PROPERTY CHARACTERISTICS

Following are relevant characteristics of the comparable properties surveyed:

### Location

The following table compares the Subject's location to the comparable locations.

**LOCATIONAL COMPARISON SUMMARY**

#	Property Name	Tenancy	Program	Distance Subject	Household Income	Median Home Value	Median Rent	Crime Index	Walk Score	Vacant Housing	% Renter HH
S	2911 Adams	Family	LIHTC/Market		\$91,506	\$1,013,623	\$1,870	151	90	5.2%	75.1%
1	Bridgeport Apartments*	Family	LIHTC	1.7 miles	\$84,243	\$648,551	\$1,655	128	93	4.3%	80.3%
2	City Scene Apartments	Family	LIHTC	1.1 miles	\$93,495	\$1,181,082	\$2,204	136	94	8.2%	73.5%
3	Kalos*	Family	LIHTC	1.3 miles	\$92,458	\$928,609	\$1,944	150	92	6.6%	72.8%
4	Asano North Park*		Market	1.1 miles	\$86,853	\$928,609	\$1,944	129	99	6.9%	68.1%
5	AZUL North Park	Family	Market	0.3 mile	\$88,116	\$1,013,623	\$1,870	144	94	5.3%	76.0%
6	Casa Verde*	Family	Market	1.1 miles	\$86,853	\$928,609	\$1,944	129	98	6.8%	69.0%
7	North Park Nest		Market	0.5 mile	\$87,898	\$928,609	\$1,944	143	98	6.8%	76.3%
8	The Evelyn	Family	Market	0.8 mile	\$91,894	\$928,609	\$1,944	134	94	9.4%	74.6%
9	Vida North Park	Family	Market	0.7 mile	\$88,099	\$928,609	\$1,944	138	93	9.0%	75.1%

\*Located outside PMA

The Subject is located in the southern portion of San Diego County. Surrounding uses consist of single-family commercial/retails uses, restaurants, single-family homes all generally exhibiting average to good condition. The Subject's location is designated a Walker's Paradise by Walk Score with a score of 90, indicating daily errands do not require a car.

The affordable properties are located between 1.1 and 1.7 miles from the Subject site. The neighborhoods surrounding the LIHTC comparables vary significantly, ranging from slightly inferior to superior relative to the Subject's location. The location of City Scene Apartments features lower crime indices and is considered superior to the Subject's neighborhood. Further, we believe the neighborhood surrounding Kalos is similar to the Subject's location.

The market rate developments are located between 0.3 and 1.1 miles from the Subject site. The market rate comparables are generally in neighborhoods ranging from slightly inferior to slightly superior relative to the Subject's location.

### Age and Condition

The following table illustrates the Subject's design and condition in comparison to the comparable properties.

	2911 Adams	Bridgeport Apartments	City Scene Apartments	Kalos	Asano North Park	AZUL North Park	Casa Verde	North Park Nest	The Evelyn	Vida North Park
Program	LIHTC/ Market	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family		Family	Family		Family	Family
Building										
Property Type	Midrise	Lowrise	Midrise	Lowrise	Midrise	Midrise	Highrise	Midrise	Garden	Midrise
# Stories	6	3	4	3	5	5	7	4	3	6
Year Built	2024	1979	2012	2013	2020	2022	2023	2024	2018	2018
Year Renovated	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Commercial	no	no	no	no	no	no	yes	no	no	no
Elevators	yes	no	yes	yes	yes	yes	yes	yes	no	yes

The Subject was constructed in 2024 and exhibits excellent overall condition. The affordable comparables were constructed or renovated between 1979 and 2013, while the market rate comparables were constructed between 2018 and 2024. All of the affordable comparables exhibit generally inferior condition relative to the Subject, while all of the market rate comparables exhibit excellent overall condition, similar to the Subject.

The Subject offers a midrise, elevator-serviced design. This is similar to the other elevator-serviced lowrise, midrise, and highrise designs offered. However, one affordable comparable property and one market rate property offer multi-story designs without elevators and are inferior to the Subject's design.

### Unit Size

The following table summarizes unit sizes in the market area, and provides a comparison of the Subject's unit size relative to the surveyed average unit sizes in the market.

UNIT SIZE COMPARISON			
Bedroom Type	0BR	1BR	3BR
<b>Subject</b>	<b>345</b>	<b>467</b>	<b>815</b>
Average	508	703	1,280
Min	436	568	934
Max	586	1,049	1,669
<b>Advantage/Disadvantage</b>	<b>-32.1%</b>	<b>-33.6%</b>	<b>-36.3%</b>

The Subject's studio units, one-bedroom units, and three-bedroom units are significantly below the range of the surveyed comparable unit sizes. The Subject's studio units, one-bedroom units, and three-bedroom units are below the comparables average square footage. We have considered the Subject's unit sizes in our determination of achievable rents.

SQUARE FOOT RANKING					
0.0BR x 1.0BA		1.0BR x 1.0BA		3.0BR x 1.0BA	
Property Name	Square Feet	Property Name	Square Feet	Property Name	Square Feet
Casa Verde (Market)	586	The Evelyn (Market)(2.0BA)	1,049	The Evelyn (Market)(2.0BA)	1,669
AZUL North Park (Market)	579	Vida North Park (Market)	882	The Evelyn (Market)(2.0BA)	1,660
Vida North Park (Market)	573	Vida North Park (Market)	793	The Evelyn (Market)(2.0BA)	1,556
Vida North Park (Market)	567	Vida North Park (Market)	754	The Evelyn (Market)(2.0BA)	1,389
North Park Nest (Market)	445	Vida North Park (Market)	754	Asano North Park (Market)(2.0BA)	1,314
North Park Nest (Market)	445	Vida North Park (Market)	743	Kalos (@50%)(2.0BA)	1,196
Casa Verde (Market)	436	Casa Verde (Market)	700	Kalos (@60%)(2.0BA)	1,196
Casa Verde (Market)	436	AZUL North Park (Market)	693	Bridgeport Apartments (@60%)(2.0BA)	950
<b>2911 Adams (@50%)</b>	<b>345</b>	Vida North Park (Market)	676	City Scene Apartments (@50%)(2.0BA)	934
<b>2911 Adams (Market)</b>	<b>345</b>	Casa Verde (Market)	659	City Scene Apartments (@60%)(2.0BA)	934
		North Park Nest (Market)	650	<b>2911 Adams (@120%)</b>	<b>815</b>
		Kalos (@50%)	621	<b>2911 Adams (Market)</b>	<b>815</b>
		Kalos (@60%)	621		
		Casa Verde (Market)	617		
		Bridgeport Apartments (@60%)	600		
		City Scene Apartments (@50%)	568		
		City Scene Apartments (@60%)	568		
		<b>2911 Adams (@120%)</b>	<b>467</b>		
		<b>2911 Adams (@50%)</b>	<b>467</b>		
		<b>2911 Adams (@60%)</b>	<b>467</b>		
		<b>2911 Adams (Market)</b>	<b>467</b>		
		<b>2911 Adams (Non-Rental)</b>	<b>467</b>		



### Utility Structure

The following table details the Subject's utility structure in comparison to the comparable properties. The utility conventions differ at the comparable properties; therefore, we have adjusted "base" or "asking" rents of the comparable properties to "net" rents, reflecting the Subject's utility convention.

	2911 Adams	Bridgeport Apartments	City Scene Apartments	Kalos	Asano North Park	AZUL North Park	Casa Verde	North Park Nest	The Evelyn	Vida North Park
Program	LIHTC/Market	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family		Family	Family		Family	Family
<b>Utility Structure</b>										
Heat	no	no	no	no	no	no	no	no	no	no
Cooking	no	no	no	no	no	no	no	no	no	no
Other Electric	no	no	no	no	no	no	no	no	no	no
Air Conditioning	no	no	no	no	no	no	no	no	no	no
Water Heat	no	no	no	no	no	no	no	no	no	no
Water	no	yes	yes	yes	no	no	no	no	no	no
Sewer	no	yes	yes	yes	no	no	no	no	no	no
Trash	no	yes	yes	yes	no	no	no	no	no	no

### In-Unit Amenities

The following table compares the Subject's in-unit amenities with comparable properties.

	2911 Adams	Bridgeport Apartments	City Scene Apartments	Kalos	Asano North Park	AZUL North Park	Casa Verde	North Park Nest	The Evelyn	Vida North Park
Program	LIHTC/Market	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family		Family	Family		Family	Family
<b>Unit</b>										
Balcony	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Blinds	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Carpeting	no	yes	no	yes	no	no	no	no	yes	yes
Ceiling Fan	no	no	no	yes	yes	no	yes	no	yes	yes
Central/AC	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Coat Closet	yes	no	yes	yes	yes	yes	yes	yes	yes	yes
Exterior Storage	yes	no	no	yes	no	yes	yes	no	yes	yes
Fireplace	no	no	no	no	no	yes	no	no	no	no
Furnishing	no	no	no	no	no	no	yes	no	no	no
Vaulted Ceilings	no	no	no	no	no	yes	yes	no	yes	yes
Vinyl Plank Flooring	yes	yes	yes	no	yes	yes	yes	yes	yes	yes
Walk-In-Closet	no	no	no	yes	yes	yes	no	yes	yes	yes
Washer / Dryer	no	no	no	no	no	yes	yes	yes	yes	yes
W/D Hookups	no	yes	no	no	no	no	no	no	no	no
<b>Kitchen</b>										
Dishwasher	no	yes	yes	yes	yes	yes	yes	yes	yes	yes
Disposal	no	no	yes	yes	yes	yes	yes	yes	yes	yes
Microwave	no	no	yes	no	yes	yes	yes	yes	yes	yes
Oven	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Refrigerator	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes

The Subject's unit amenities consist of balconies/patios, central air conditioning, exterior storage, and vinyl plank flooring. The majority of the comparables offer unit amenities considered slightly superior relative to the Subject. These properties offer features such as dishwashers, none of which are offered by the Subject. Overall, we believe the Subject's unit amenities are competitive in the market.

## Property Amenities

The following table compares the Subject's property amenities with the comparable properties.

	2911 Adams	Bridgeport Apartments	City Scene Apartments	Kalos	Asano North Park	AZUL North Park	Casa Verde	North Park Nest	The Evelyn	Vida North Park
Program	LIHTC/ Market	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family		Family	Family		Family	Family
<b>Community</b>										
Bike Storage	yes	no	no	no	no	yes	yes	no	no	yes
Business Center	no	no	yes	yes	no	yes	no	no	no	yes
Central Laundry	no	yes	yes	yes	no	no	no	no	no	no
Clubhouse	no	no	yes	yes	no	yes	yes	no	no	yes
Community Garden	no	no	no	no	no	yes	no	no	no	no
Courtyard	yes	no	yes	yes	no	yes	yes	no	no	yes
EV Charging Station	no	no	no	no	no	yes	yes	no	no	yes
On-Site Mgmt	no	no	yes	yes	no	yes	yes	no	no	yes
Rooftop Deck	no	no	no	no	no	no	yes	yes	yes	yes
WiFi	no	no	no	no	no	yes	no	no	no	yes
<b>Recreation</b>										
Exercise Facility	no	no	no	no	yes	yes	no	no	no	yes
Hot Tub	no	no	no	no	no	yes	no	no	no	yes
Picnic Area	no	no	yes	yes	no	no	yes	yes	no	yes
Playground	no	no	yes	yes	no	no	no	no	no	no
Recreational Area	no	no	no	yes	no	yes	yes	no	no	yes
Swimming Pool	no	no	no	no	no	yes	no	no	no	yes
<b>Services</b>										
Adult Education	no	no	no	yes	no	no	no	no	no	no
Afterschool Program	no	no	no	yes	no	no	no	no	no	no
Computer Tutoring	no	no	no	yes	no	no	no	no	no	no
Service Coordination	no	no	no	yes	no	no	yes	no	no	no
Tutoring	no	no	no	yes	no	no	no	no	no	no

The Subject's community amenities consist of bike storage and a courtyard. The majority of the comparables offer property amenities considered slightly superior relative to the Subject. These properties offer features such as business centers, clubhouse, playground, exercise facilities, and recreational areas, none of which are offered by the Subject. An exception is Bridgeport Apartments, which features inferior property amenities. This property lacks bike storage and a courtyard, both of which are offered by Subject. Overall, we believe the Subject's property amenities are competitive in the market.

## Security Features

The following table compares the Subject's security features with comparable properties.

	2911 Adams	Bridgeport Apartments	City Scene Apartments	Kalos	Asano North Park	AZUL North Park	Casa Verde	North Park Nest	The Evelyn	Vida North Park
Program	LIHTC/ Market	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family		Family	Family		Family	Family
Crime Index	151	128	136	150	129	144	129	143	134	138
<b>Security</b>										
Intercom (Buzzer)	yes	yes	no	yes	no	no	no	yes	yes	yes
Intercom (Phone)	no	no	yes	no	yes	no	no	no	no	no
Limited Access	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Perimeter Fencing	no	no	no	yes	no	no	no	no	yes	no
Video Surveillance	yes	no	no	yes	no	yes	no	no	no	no

According to ESRI Demographic data, crime indices in the Subject's location are elevated relative to the national average. The Subject's security features include intercom (buzzer), limited access, and video surveillance. All of the comparables offer some form of security amenities. Overall, the comparables security features range from similar to slightly inferior compared to the Subject. As such, we believe the Subject's security amenities are market oriented.

## Parking

The following table compares the Subject's parking amenities with comparable properties.

	2911 Adams	Bridgeport Apartments	City Scene Apartments	Kalos	Asano North Park	AZUL North Park	Casa Verde	North Park Nest	The Evelyn	Vida North Park
Program	LIHTC/ Market	LIHTC	LIHTC	LIHTC	Market	Market	Market	Market	Market	Market
Tenancy	Family	Family	Family	Family		Family	Family		Family	Family
Walk Score	90	93	94	92	99	94	98	98	94	93
Transit Score	0	0	0	0	0	0	0	0	0	0
Parking Ratio	0.13	-0.08	-0.06	-0.04	-0.16	-0.01	0.05	n/a	n/a	-0.01
<b>Parking</b>										
Garage	yes	yes	yes	yes	yes	yes	yes	no	yes	yes
Garage Fee	n/a	\$0	\$0	\$0	n/a	\$25	\$200	n/a	\$0	\$0
Surface	no	yes	yes	yes	no	no	yes	no	yes	yes
Surface Fee	n/a	\$0	\$0	\$0	n/a	\$0	\$150	n/a	\$0	\$0

The property offers nine garage parking spaces, or 0.13 spaces per unit. The fee for parking ranges from \$250 to \$350 per month. Given the Subject's close proximity to public transit, the number of parking spaces appears to be adequate. All but four of the comparable properties offer off-street parking included in the cost of rent, while two offer no surface parking and one offers surface parking for an additional monthly fee of \$150. Two properties offer garage parking for monthly fees of up to \$200. Overall, the Subject is generally slightly inferior to inferior to the comparables due to the limited availability of parking spaces.

## MARKET CHARACTERISTICS

Following are relevant market characteristics for the comparable properties surveyed.

### Tenant Voucher Usage

The following table details voucher usage reported by the comparable properties.

#### TENANTS WITH VOUCHERS

Property Name	Program	Housing Choice Voucher %
Bridgeport Apartments*	LIHTC	25%
City Scene Apartments	LIHTC	19%
Kalos*	LIHTC	12%
Asano North Park*	Market	0%
AZUL North Park	Market	N/A
Casa Verde*	Market	N/A
North Park Nest	Market	N/A
The Evelyn	Market	0%
Vida North Park	Market	0%

\*Located outside PMA

The comparable properties reported voucher usage ranging between zero and 25 percent. Three of the market rate properties reported voucher usage. The affordable comparables reported average voucher utilization of 18.7 percent. Based on the performance of the affordable and market rate comparables, we expect the Subject will operate with voucher usage of approximately five percent or less.

### Turnover

The following table illustrates reported turnover for the comparable properties.

#### TURNOVER

Property Name	Program	Tenancy	Annual Turnover
Bridgeport Apartments*	LIHTC	Family	15%
City Scene Apartments	LIHTC	Family	6%
Kalos*	LIHTC	Family	1%
Asano North Park*	Market	Family	5%
AZUL North Park	Market	Family	22%
Casa Verde*	Market	Family	12%
North Park Nest	Market	Family	13%
The Evelyn	Market	Family	33%
Vida North Park	Market	Family	31%
<b>Average Turnover</b>			<b>15%</b>

\*Located outside PMA

The comparable properties reported turnover ranging between one and 33 percent, with an overall average of 15 percent. The affordable comparables operate with an average turnover rate of seven percent, which is well below the 19 percent average reported by the market rate properties. Based on the performance of the affordable and market comparables, we expect the Subject will operate with a turnover rate of approximately 25 percent.

## Vacancy

The following table summarizes overall weighted vacancy levels at the surveyed properties.

### OVERALL VACANCY

Property Name	Program	Tenancy	Total Units	Vacant Units	Vacancy %
Bridgeport Apartments*	LIHTC	Family	26	1	3.8%
City Scene Apartments	LIHTC	Family	31	0	0.0%
Kalos*	LIHTC	Family	83	0	0.0%
Asano North Park*	Market	Family	19	1	5.3%
AZUL North Park	Market	Family	150	3	2.0%
Casa Verde*	Market	Family	94	4	4.3%
North Park Nest	Market	Family	39	3	7.7%
The Evelyn	Market	Family	12	0	0.0%
Vida North Park	Market	Family	117	5	4.3%
<b>LIHTC Total</b>			<b>140</b>	<b>1</b>	<b>0.7%</b>
<b>Market Total</b>			<b>431</b>	<b>16</b>	<b>3.7%</b>
<b>Overall Total</b>			<b>571</b>	<b>17</b>	<b>3.0%</b>

\*Located outside PMA

The comparable properties reported vacancy rates ranging from zero to 7.7 percent, with an overall weighted average of three percent. Managers at two of the three affordable properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.7 percent, well below the 3.7 percent weighted average reported by the market rate properties. All of the market rate properties reported vacancy rates of 7.7 percent or less. The average affordable vacancy rate of 0.7 percent is considered exceptionally low, and indicative of supply-constrained conditions.

The Subject currently operates as primarily a market rate multifamily housing development with limited affordable units. The Subject is 88.9 percent occupied based on the rent roll dated August 17, 2025. The Subject opened in July 2024; as such, historical vacancy and collection loss include its initial lease up period. According to the property manager, the Subject stabilized for a few months between 94 and 97 percent; however, there were move outs and the property is now offering a concession of \$1,000 off move-in costs to re-stabilize. Based on the performance of the comparables, we expect the Subject would operate with vacancy and collection losses of approximately five percent, assuming rents are appropriately positioned.

## Concessions

The following table details rental concessions offered by the comparables.

### CONCESSIONS

Property Name	Program	Tenancy	Concessions
Bridgeport Apartments*	LIHTC	Family	None
City Scene Apartments	LIHTC	Family	None
Kalos*	LIHTC	Family	None
Asano North Park*	Market	Family	None
AZUL North Park	Market	Family	One month free on studios
Casa Verde*	Market	Family	None
North Park Nest	Market	Family	None
The Evelyn	Market	Family	None
Vida North Park	Market	Family	None

\*Located outside PMA

One of the comparable properties, AZUL North Park reported offering concessions of one month free on studio units. Given the lack of concessions offered in the market, we do not anticipate that the Subject will need regularly offer concessions to maintain a stabilized occupancy rate given rents are appropriately positioned; however, according to property management, the Subject experienced elevated move outs during renewal period and is offering \$1,000 off move-in costs to re-stabilize.

### Waiting Lists

In markets with high housing costs and a limited supply of affordable housing, waiting lists are common. A waiting list indicates a strong market with high occupancy and unmet demand. Properties that carry a waiting list typically enjoy easy lease-up upon turnover. The following table details the waiting list information at comparable multifamily properties.

#### WAITING LISTS

Property Name	Program	Tenancy	Waiting List Length
Bridgeport Apartments*	LIHTC	Family	None
City Scene Apartments	LIHTC	Family	Yes; four to seven years in length
Kalos*	LIHTC	Family	Yes; six years in length
Asano North Park*	Market	Family	None
AZUL North Park	Market	Family	None
Casa Verde*	Market	Family	None
North Park Nest	Market	Family	None
The Evelyn	Market	Family	None
Vida North Park	Market	Family	None

\*Located outside PMA

Two of the affordable properties maintain waiting lists. These waiting lists are extensive at some of the affordable developments. The Subject does not currently maintain a waiting list. We expect the Subject to continue to maintain a waiting list.

### Absorption

The following table details the absorption comparables we were able to identify.

#### ABSORPTION

Property Name	Program	Tenancy	City	Year	Total Units	Absorption (units/month)	Distance to Subject
Denizen	Market	Family	San Diego	2024	151	18	2.0 miles
City Heights Square Apartments	LIHTC	Family	San Diego	2023	60	46	2.0 miles
City Heights Plaza Del Sol	LIHTC	Family	San Diego	2023	75	75	2.0 miles
Winslow	Market	Family	San Diego	2023	379	74	1.0 miles
Casa Verde*	Market	Family	San Diego	2023	94	11	1.1 miles
The Abington	Market	Family	San Diego	2023	48	5	1.0 miles
The Parkline	Market	Family	San Diego	2023	94	9	0.6 miles
ONE Mississippi	LIHTC	Family	San Diego	2022	61	20	0.8 miles
AZUL North Park*	Market	Family	San Diego	2022	150	34	0.3 miles
Siena Senior Apartments	LIHTC	Senior	San Diego	2021	103	103	1.3 miles
<b>Average Affordable</b>					<b>75</b>	<b>61</b>	
<b>Average Market</b>					<b>153</b>	<b>25</b>	
<b>Overall Average</b>					<b>122</b>	<b>40</b>	

\*Comparable Property

Note the Subject is an existing property, that is currently 88.9 percent occupied and only needs to lease four units to stabilize at 95 percent. We obtained absorption data from ten properties, located between 0.3 and 2.0 miles from the Subject. These properties reported absorption rates ranging from five to 103 units per month, with an overall average of 40 units per month. Overall, we expect the Subject will experience an absorption rate of 15 units per month. Based upon the current occupancy rate, we expect the Subject to stabilize within one month, provided that rents are appropriately positioned.



## Rent Growth

We were able to obtain the most recent rent growth data from the following comparable properties, which are illustrated in the following table.

RENT GROWTH			
Property Name	Program	Tenancy	Rent Growth
Bridgeport Apartments*	LIHTC	Family	Increased to 2025 max
City Scene Apartments	LIHTC	Family	Kept at 2024 max
Kalos*	LIHTC	Family	Increased to 2025 max
Asano North Park*	Market	Family	Not Disclosed
AZUL North Park	Market	Family	Changes daily
Casa Verde*	Market	Family	Changes daily
North Park Nest	Market	Family	Not Disclosed
The Evelyn	Market	Family	None Reported since 1Q2025
Vida North Park	Market	Family	Changes daily

\*Located outside PMA

Two of the comparable affordable properties reported achieving maximum allowable rents. The market rate properties generally reported daily rent changes. We anticipate that the Subject will be able to achieve moderate rent growth in the future as a mixed income property.

## Reasonability of Rents

The following is a discussion about the Subject's and comparable properties' rents. 'Net rents' are rents adjusted for the cost of utilities (adjusted to the Subject's convention) and are used to compensate for the differing utility structures of the Subject and the comparable properties. Net rents represent the actual costs of residing at a property, and help to provide an 'apples-to-apples' comparison of rents. It is important to note that we compared conceded rent levels at the Subject to the comparable properties. Additionally, slight differences in maximum allowable rent are likely due to difference in individual utility allowances.

The following table illustrates the Subject's current rents.

CURRENT RENTS								
Unit Type	Unit Size (SF)	# Units	Structure	Asking Rent	Utility Allowance*	Gross Rent	2025 Maximum Allowable Gross Rent	2025 HUD Fair Market Rent
<b>@50%</b>								
OBR/1BA	345	1	Midrise	\$1,447	\$0	\$1,447	\$1,447	\$2,145
1BR/1BA	467	2	Midrise	\$1,550	\$0	\$1,550	\$1,550	\$2,328
<b>@60%</b>								
1BR/1BA	467	2	Midrise	\$1,860	\$0	\$1,860	\$1,860	\$2,328
<b>@120%</b>								
1BR/1BA	467	2	Midrise	\$2,361	\$0	\$2,361	\$3,721	\$2,328
3BR/1BA	815	1	Midrise	\$3,425	\$0	\$3,425	\$5,161	\$3,852
<b>Market</b>								
OBR/1BA	345	11	Midrise	\$2,104	-	-	-	\$2,145
1BR/1BA	467	45	Midrise	\$2,361	-	-	-	\$2,328
3BR/1BA	815	7	Midrise	\$3,444	-	-	-	\$3,852
<b>Non-Rental</b>								
1BR/1BA	467	1	Midrise	\$0	-	-	-	\$2,328
<b>Total</b>		<b>72</b>						

\*Source of Utility Allowance provided by the Client

\*\*Mgmt is currently offering \$1,000 off move-in costs on available market rate units in order to expedite lease-up

**Achievable Affordable Rents**

The Subject offers units targeting households earning 50, 60, and 120 percent of AMI, or less. The following table details the Subject's rents in comparison to rents at the comparables.

**60 and 50 Percent AMI****AFFORDABLE RENT COMPARISON @60% AND @50%**

Property Name	County	1BR	Max Rent?
2911 Adams (@60%)	San Diego	\$1,578	Yes
2911 Adams (@50%)	San Diego	\$1,268	Yes
Maximum Rent (Net) (@60%)	San Diego	\$1,578	-
Maximum Rent (Net) (@50%)	San Diego	\$1,268	-
Bridgeport Apartments	San Diego	\$1,257	Yes
City Scene Apartments	San Diego	\$1,452	No
Kalos	San Diego	\$1,692	Yes
City Scene Apartments (@50%)	San Diego	\$1,168	Yes
Kalos (@50%)	San Diego	\$1,382	Yes
Average (@60%)	-	\$1,467	-
Average (@50%)	-	\$1,275	-
Achievable Rent (@60%)		\$1,578	Yes
Achievable Rent (@50%)		\$1,268	Yes

As illustrated in the previous table, the Subject's rents at 50 and 60 percent of AMI are set at the 2025 maximum allowable levels. Two of the affordable comparable properties are achieving the 2025 maximum allowable rent levels.

The comparables exhibit inferior to similar condition relative to the Subject, upon completion. In addition, the comparables offer similar to superior in-unit amenities, superior community amenities, and superior unit sizes. Two of affordable comparables maintain waiting lists and all exhibit low vacancy rates. Further, as evidenced by low vacancy rates at the comparable properties, these rents appear to have been accepted by the market. The Subject is in excellent condition. Overall, we believe that rents at the maximum allowable level for the 50 and 60 percent AMI units are achievable, all of which provide a substantial discount to achievable market rents.

**120 Percent AMI****AFFORDABLE RENT COMPARISON @120% AND MARKET**

Property Name	County	1BR	3BR	Max Rent?
2911 Adams	San Diego	\$2,361	\$3,425	No
Maximum Rent (Net)	San Diego	\$3,439	\$4,664	-
Asano North Park (Market)	San Diego	-	\$4,995	No
AZUL North Park (Market)	San Diego	\$3,482	-	No
Casa Verde (Market)	San Diego	\$2,995	-	No
		\$3,050	-	No
North Park Nest (Market)	San Diego	\$2,895	-	No
		\$2,495	\$4,548	No
The Evelyn (Market)	San Diego	-	\$4,599	No
		-	\$4,995	No
		\$3,277	-	No
Vida North Park (Market)	San Diego	\$3,407	-	No
		\$3,432	-	No
Average (@120%)	-	-	-	-
Average (Market)	-	\$3,129	\$4,784	-
Achievable Rent (@120%)		\$2,365	\$3,445	No

The most similar market rate comparables relative to the Subject are Asano North Park, AZUL North Park, and North Park Nest. These properties have generally slightly superior in-unit and property amenity packages offered by Subject. Overall, we believe the Subject is a similar product relative to Asano North Park, AZUL North

Park, and North Park Nest. The proposed Subject offers generally smaller unit sizes and a similar location. Based on the strong performance of recently constructed market rate comparables and low vacancy rates among all comparables in within the primary market area, we believe the Subject is competitive with market rate properties and we believe the current rents that are in line with the unrestricted units at the Subject are achievable.

### Achievable Market Rents

Based on the quality of the surveyed comparable properties and the quality of the Subject, we conclude that the Subject's achievable affordable rental rates are in line or below the achievable market rates for the Subject's area. The following table shows both market rent comparisons and achievable market rents.

**SUBJECT COMPARISON TO MARKET RENTS**

Unit Type	Rent Level	Square Feet	Pro Forma Rent	Surveyed Min	Surveyed Max	Surveyed Average	Achievable Market Rent	Subject Rent Advantage
OBR/1BA	@50%	345	\$1,192	\$1,989	\$2,595	\$2,278	\$2,100	43%
OBR/1BA	Market	345	\$2,104	\$1,989	\$2,595	\$2,278	\$2,100	0%
1BR/1BA	@120%	467	\$2,361	\$2,495	\$3,482	\$3,129	\$2,365	0%
1BR/1BA	@50%	467	\$1,268	\$2,495	\$3,482	\$3,129	\$2,365	46%
1BR/1BA	@60%	467	\$1,578	\$2,495	\$3,482	\$3,129	\$2,365	33%
1BR/1BA	Market	467	\$2,361	\$2,495	\$3,482	\$3,129	\$2,365	0%
3BR/1BA	@120%	815	\$3,425	\$4,548	\$4,995	\$4,784	\$3,445	1%
3BR/1BA	Market	815	\$3,444	\$4,548	\$4,995	\$4,784	\$3,445	0%

The Subject's current rents are in line with our estimate of the achievable market rents. The Subject's achievable affordable rents (50 and 60% AMI level) represent a rent advantage of 33 to 46 percent over the achievable market rents. We believe that the Subject's units are most similar to North Park Nest, AZUL North Park, and Asano North Park.

North Park Nest is a 39-unit property located 0.5 mile south of the Subject, in a neighborhood considered slightly superior relative to the Subject's location. This property was constructed in 2024. We consider the condition of this property similar relative to the Subject, which was built in 2024. The manager at North Park Nest reported a modest vacancy rate of 7.7 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with North Park Nest.

**SUBJECT COMPARISON TO NORTH PARK NEST**

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Comparable Rent	Square Feet	Comparable RPSF
OBR/1BA	\$2,100	345	\$6.09	\$2,195	445	\$4.93
1BR/1BA	\$2,365	467	\$5.06	\$2,895	650	\$4.45
3BR/1BA	\$3,200	815	\$3.93	-	-	-

North Park Nest offers dishwashers, disposals, microwaves, picnic areas, a rooftop deck, walk-in closets, and washer/dryers, all of which the Subject lacks. However, the Subject offers balconies/patios, bike storage, a courtyard, and exterior storage, none of which are provided by North Park Nest. The in-unit and property amenity packages offered by North Park Nest are both considered superior relative to the Subject. This property also offers significantly larger unit sizes. Overall, we believe the Subject is a slightly inferior product relative to North Park Nest. As such, concluded achievable market rents below the rents reported by North Park Nest.

AZUL North Park is a 150-unit property located 0.3 mile southeast of the Subject, in a neighborhood considered similar relative to the Subject's location. This property was constructed in 2022. We consider the condition of this property similar relative to the Subject, which was built in 2024. The manager at AZUL North Park reported a low vacancy rate of 2.0 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with AZUL North Park.

**SUBJECT COMPARISON TO AZUL NORTH PARK**

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Comparable Rent	Square Feet	Comparable RPSF
OBR/1BA	\$2,100	345	\$6.09	\$2,441	579	\$4.22
1BR/1BA	\$2,365	467	\$5.06	\$3,482	693	\$5.02
3BR/1BA	\$3,200	815	\$3.93	-	-	-

AZUL North Park offers a business center, a clubhouse, a community garden, dishwashers, disposals, electric vehicle charging stations, a fitness center, fireplaces, hot tub, microwaves, on-site management, recreational areas, a swimming pool, vaulted ceilings, walk-in closets, washer/dryers, and common area WiFi, all of which the Subject lacks. The Subject offers no notable amenities not already provided by AZUL North Park. The in-unit and property amenity packages offered by AZUL North Park are both considered superior relative to the Subject. This property also offers larger unit sizes. Overall, we believe the Subject is a slightly inferior product relative to AZUL North Park. Accordingly, our concluded achievable market rents are below the rents reported by AZUL North Park given the Subject's relatively small units sizes.

Asano North Park is a 19-unit property located 1.1 miles south of the Subject, in a neighborhood considered slightly superior relative to the Subject's location. This property was constructed in 2020. We consider the condition of this property similar relative to the Subject, which was built in 2024. The manager at Asano North Park reported a modest vacancy rate of 5.3 percent, indicating the current rents are well accepted in the market. The following table compares the Subject with Asano North Park.

**SUBJECT COMPARISON TO ASANO NORTH PARK**

Unit Type	Subject Achievable Market Rent	Square Feet	Subject RPSF	Comparable Rent	Square Feet	Comparable RPSF
OBR/1BA	\$2,100	345	\$6.09	-	-	-
1BR/1BA	\$2,365	467	\$5.06	-	-	-
3BR/1BA	\$3,200	815	\$3.93	\$4,995	1,314	\$3.80

Asano North Park offers ceiling fans, dishwashers, disposals, a fitness center, microwaves, and walk-in closets, all of which the Subject lacks. However, the Subject offers bike storage, a courtyard, and exterior storage, none of which are provided by Asano North Park. The in-unit and property amenity packages offered by Asano North Park are both considered superior relative to the Subject. Overall, we believe the Subject is a slightly inferior product relative to Asano North Park. Accordingly, our concluded achievable market rents are below the rents reported by Asano North Park given the Subject's relatively small units sizes.

**Summary**

The comparable properties reported vacancy rates ranging from zero to 7.7 percent, with an overall weighted average of three percent. Managers at two of the three affordable properties reported being fully occupied. The average vacancy rate reported by the affordable comparables was 0.7 percent, well below the 3.7 percent weighted average reported by the market rate properties.

The Subject is currently in excellent condition, offering competitive amenities. Given the instance of vacancies among the comparables, we believe that the Subject will be able to maintain a vacancy of seven percent or less. Additionally, we believe the Subject will continue to operate with a waiting list. We have concluded to achievable rents at the 2025 maximum allowable levels for the Subject's 50 and 60 percent AMI units and rents of \$2,100, \$2,365, and \$3,445 for the Subject's studio, one, and three-bedroom units, respectively, at the 120 percent of AMI level and market rate units, which are generally in line with the current asking rents. We believe these rents are appropriate based on the Subject's proposed condition, unit and property amenities, unit sizes, and location.

## **VI. HIGHEST AND BEST USE**

## HIGHEST AND BEST USE

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

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

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

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

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



## HIGHEST AND BEST USE 'AS IF VACANT'

### Physically Possible

The size of the Subject site is approximately 0.29-acres, or 12,632 square feet, according to the San Diego County Assessor. The site is generally level and rectangular in shape. Further, it has good accessibility and visibility, and is not located within a flood plain. The site is considered adequate for a variety of legally permissible uses.

### Legally Permissible

According to the City of San Diego, the Subject site is zoned CC-3-7. According to the zoning code, the purpose of all commercial zones "is to provide for the employment, shopping, services, recreation, and lodging needs of the residents of and visitors to the City. The intent of the commercial zones is to provide distinct regulations for size, intensity, and design to reflect the variety of the desired development patterns within San Diego's communities." The "CC-3-7 is intended to accommodate development with a high intensity, pedestrian orientation and permits a maximum density of 1 dwelling unit for each 800 square feet of lot area." This equates to a maximum allowable density of 16 units per acre without the use of density bonuses, which are frequently awarded for developments offering all or a portion of affordable units. Given the physical characteristics of the site and the surrounding land uses, as well as the zoning, the most likely use of the site is for multifamily or mixed-use development.

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

**NEARBY MULTIFAMILY DENSITIES**

Name	Type	Year Built	Total Units	Acres	Density
Chelsea East Block	LIHTC	2022	195	1.73	113
City Heights Plaza Del Sol	LIHTC	2023	75	0.98	77
City Heights Square Apartments	LIHTC	2023	60	0.84	71
ONE Mississippi	LIHTC	2022	60	0.24	250
St Lukes	LIHTC	2026*	78	0.20	390
The Abington	Market	2023	48	0.32	150
The Parkline	Market	2023	90	0.37	243
AZUL North Park**	Market	2022	150	1.20	125
Casa Verde**	Market	2023	94	0.50	188
LIHTC Average			94	0.80	180
Market Average			96	0.60	177
<b>Average</b>			<b>60</b>	<b>0.50</b>	<b>178</b>

\*Proposed development

\*\*Comparable property

As indicated in the previous table, four affordable developments were developed to densities ranging from 71 to 250 units per acre, and one affordable development located 0.7 miles from the Subject site is proposed to be developed at 390 units per acre. ONE Mississippi and St Luke are the most similarly-sized affordable developments relative to the Subject and were developed or are proposed to be developed to densities of 250 and 390 units per acre, respectively. Market rate developments were developed to densities ranging from 125 to 243 units per acre. We believe the Subject site could be developed to a density within and toward the high end of the comparable range, given the zoning of the site and density bonuses available. As such, we believe the site could be developed with a multifamily development at a density of 248 units per acre or approximately 72 total units.

### **Financially Feasible**

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

The Subject's feasible uses are restricted to those that are allowed by zoning classifications, and are physically possible. As noted in the zoning section, the Subject site could support multifamily development. Based on the Subject's surrounding land uses, the site's physical attributes, and the recent development patterns in the area, multifamily or mixed-use residential development is most likely and is financially feasible as supported by the large number of recently constructed and proposed multifamily developments in the area.

### **Maximally Productive**

Based upon our analysis, the maximally productive use of this site as if vacant would be to construct a multifamily development.

### **Conclusion**

#### **Highest and Best Use 'As If Vacant'**

The Subject's highest and best use "As If Vacant" is to construct a 72-unit mixed-use or multifamily rental property.

#### **HIGHEST AND BEST USE 'AS IMPROVED'**

The Subject is currently operating successfully as a mixed-income apartment community. The property currently generates a positive return and is not deemed feasible to tear down to allow for alternative uses. The highest and best use "as improved" is for the continuation of the current use.

## **VII. APPRAISAL METHODOLOGY**

## **APPRAISAL METHODOLOGY**

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

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

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

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

### **Applicability to the Subject Property**

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

In the sales comparison approach, we estimate the value of a property by comparing it with similar, recently sold properties in surrounding or competing areas. Inherent in this approach is the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution. There is adequate information to use the sales comparison approach and a sales price per unit analysis in valuing the Subject property.

The income capitalization approach requires estimation of the anticipated economic benefits of ownership, gross and net incomes, and capitalization of these estimates into an indication of value using investor yield or return requirements. Yield requirements reflect the expectations of investors in terms of property performance, risk and alternative investment possibilities. The Subject will be an income producing property and this is considered to be the best method of valuation.

## **VIII. COST APPROACH**

## **COST APPROACH**

The employment of the Cost Approach in the valuation process is based on the principle of substitution. As discussed, this valuation technique was not undertaken since we do not believe the approach would yield a reliable indication of value for the Subject property. This is primarily attributable to the age and condition of the improvements, and the fact that the market data does not support a credible indication of depreciation. Additionally, the financial infeasibility of the Subject is an additional factor for excluding this approach. Moreover, apartment purchasers in the local market do not typically use cost principles in pricing for older properties like the Subject. For these reasons, the Cost Approach has not been presented in this report.

The employment of the Cost Approach in the valuation process is based on the principle of substitution. Investors in the marketplace do not typically rely upon the cost approach. As a result, the cost approach is considered to have only limited use in the valuation of the subject property. Nonetheless, the cost approach provides the reader with a measure of the economic status within the marketplace. However, an indication of land value is not part of this engagement but has been developed for purpose of the following analysis.

The principle may be stated as follows:

"No one is justified in paying more for a property than that amount by which he can obtain, by purchase of a site and construction of a building, without undue delay, a property of equal desirability and utility. In the case of a building that is new, the disadvantages or deficiencies of the existing building are compared with a new building that must be evaluated."

The Cost Approach normally consists of four steps:

1. The estimate of the land's value As Is.
2. The estimate of the current cost of replacing the existing improvements.
3. The estimate and deduction of depreciation from all causes if applicable.
4. The addition to the value of the land and the depreciated value of the improvements.

Replacement cost is defined as the cost of creating a similar building or improvement on the basis of current price using modern materials.



## LAND VALUATION

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

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

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

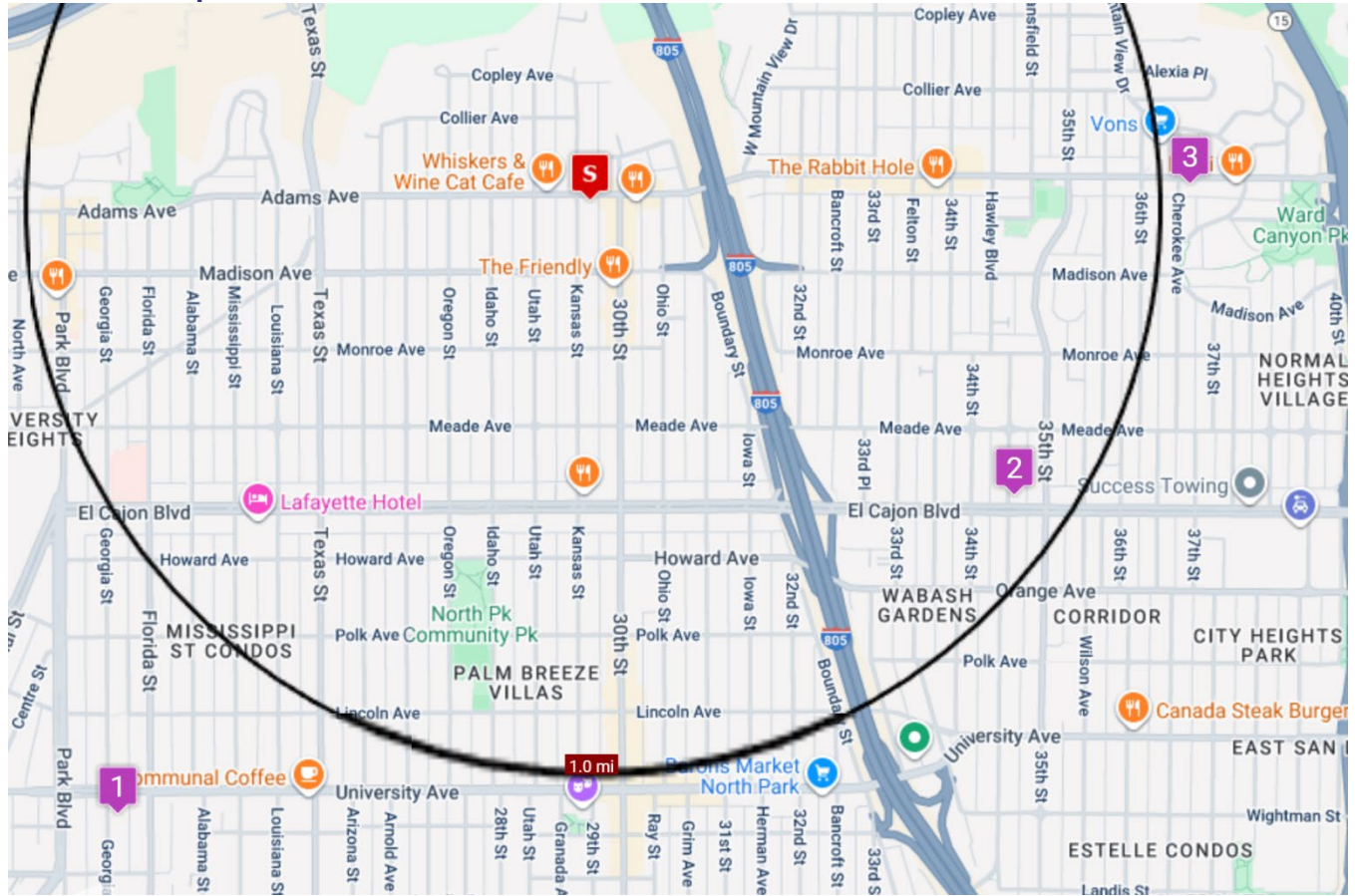
The previous highest and best use analysis concluded multifamily was the most likely type of development. The comparable land sales represent proposed multifamily developments ranging from 22 to 27 units. The following table details the land sale comparables used in our analysis.

**COMPARABLE LAND SALES**

#	Address	Location	Sale Date	Sale Price	Land Acres	# Units	Price Per Unit
1	3819 Georgia Street	San Diego, CA	2024-12-13	\$1,550,000	0.17	22	\$70,455
2	3450 El Cajon Boulevard	San Diego, CA	2024-06-21	\$1,820,000	0.1	27	\$67,407
3	3659 Adams Avenue	San Diego, CA	2024-06-04	\$1,500,000	0.16	24	\$62,500

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

## Land Sales Map

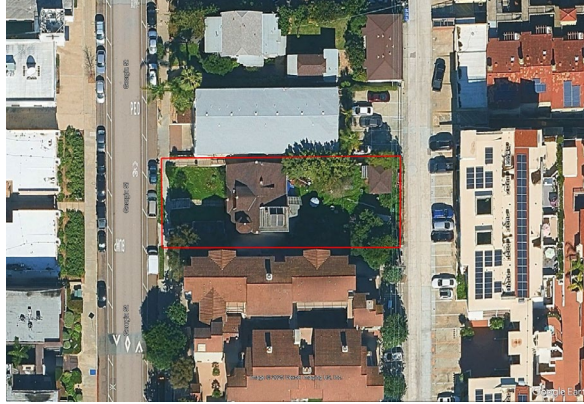


Google Maps, September 2025

## COMPARABLE LAND SALES

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2	3450 El Cajon Boulevard	San Diego, CA	2024-06-21	\$1,820,000	0.1	27	\$67,407
3	3659 Adams Avenue	San Diego, CA	2024-06-04	\$1,500,000	0.16	24	\$62,500

# 3819 Georgia Street



## Transaction

Address	3819 Georgia Street	Sale Date	Dec/2024
City	San Diego	Sale Price	\$1,550,000
State	CA	Sale Status	Closed
Zip	92103	Sale Conditions	Typical
County	San Diego	Rights Conveyed	Fee Simple
Buyer	Joel Maldonado Barajas	Verification	CoStar, Broker
Seller	Ann Del Amo And Mary Ann Kelley Trust		

## Site

Land Acres	0.17	Topography	Level
Land Sq Ft	7,405	Zoning	RM-3-9
Shape	Rectangular	Corner	False

## Improvements and Ratios

Proposed Units	22	Price \$/Proposed Unit	\$70,455
		Price \$/SF	\$209.32

## Remarks

The site sold with an existing single-family home, which totals approximately 2,446 square feet and will be razed prior to development. Novogradac estimated demolition costs at \$8.00 per square foot. The site was purchased for the development of a 22-unit multifamily development. A construction timeline was unavailable.

# 3450 El Cajon Blvd



## Transaction

<b>Address</b>	3450 El Cajon Boulevard	<b>Sale Date</b>	Jun/2024
<b>City</b>	San Diego	<b>Sale Price</b>	\$1,820,000
<b>State</b>	CA	<b>Sale Status</b>	Closed
<b>Zip</b>	92104	<b>Sale Conditions</b>	Typical
<b>County</b>	San Diego	<b>Rights Conveyed</b>	Fee Simple
<b>Buyer</b>	Elda Developments	<b>Verification</b>	CoStar, Public Records
<b>Seller</b>	Jonathan M Schoen		

## Site

<b>Land Acres</b>	0.1	<b>Topography</b>	Level
<b>Land Sq Ft</b>	4,356	<b>Zoning</b>	CU-2-3
<b>Shape</b>	Rectangular	<b>Corner</b>	False

## Improvements and Ratios

<b>Proposed Units</b>	27	<b>Price \$/Proposed Unit</b>	\$67,407
		<b>Price \$/SF</b>	\$417.81

## Remarks

The site sold with an existing restaurant and parking lot, which totaled approximately 2,093 square foot. Novogradac estimates demolition costs at \$8.00 per square foot. The proposed use is to develop 27 multifamily apartments and one ground floor commercial unit. A construction timeline was not available at the time of this report.

# 3659 Adams Avenue



## Transaction

<b>Address</b>	3659 Adams Avenue	<b>Sale Date</b>	Jun/2024
<b>City</b>	San Diego	<b>Sale Price</b>	\$1,500,000
<b>State</b>	CA	<b>Sale Status</b>	Closed
<b>Zip</b>	92116	<b>Sale Conditions</b>	Typical
<b>County</b>	San Diego	<b>Rights Conveyed</b>	Fee Simple
<b>Buyer</b>	Jonathan Belloso	<b>Verification</b>	CoStar, Public Records
<b>Seller</b>	Shannon Kelly		

## Site

<b>Land Acres</b>	0.16	<b>Topography</b>	Level
<b>Land Sq Ft</b>	6,970	<b>Zoning</b>	C
<b>Shape</b>	Rectangular	<b>Corner</b>	False

## Improvements and Ratios

<b>Proposed Units</b>	24	<b>Price \$/Proposed Unit</b>	\$62,500
		<b>Price \$/SF</b>	\$215.21

## Remarks

The site sold with a single-family residence, office space, two storage garages, and a billboard. Total existing structures total approximately 2,500 square foot. Novogradac estimates demolition costs at \$8.00 per square foot. The proposed use is to develop 24 multifamily units. A construction timeline was not available at the time of this report.



## EXPLANATION OF ADJUSTMENTS

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

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

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

### Property Rights

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

### Financing

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

### Conditions of Sale

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

### Post-Sale Expenditures

All of the comparables required expenditures after the sale; therefore, necessary demolition costs have been accounted for by adding costs to overall value of each comparable.

### Market Conditions

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

### Location

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

We have analyzed sale/resale data of tracts, and considered the changes in market conditions of comparable properties. The comparable sales occurred between June and December 2024 during relatively similar market conditions for land and multifamily developments; as such, we have not applied an adjustment to the sales.

## LAND SALES - LOCATION COMPARISON

#	Property Name	City	Zip Code	Walk Score	Median Income	Median Rent	Median Home Value	Income Differential	Rent Differential	Home Value Differential	Average Delta
Subject	2911 Adams	San Diego	92116	90	\$91,506	\$1,870	\$1,013,623	-	-	-	-
1	3819 Georgia Street	San Diego	92103	92	\$104,836	\$2,204	\$1,181,082	-12.7%	-15.2%	-14.2%	-14.0%
2	3450 El Cajon Blvd	San Diego	92104	90	\$88,326	\$1,944	\$928,609	3.6%	-3.8%	9.2%	3.0%
3	3659 Adams Avenue	San Diego	92116	92	\$97,311	\$1,870	\$1,013,623	-6.0%	0.0%	0.0%	-2.0%

As illustrated in the preceding table, the Subject's location is inferior to Sale 1, as this sale is located in an area with superior median home value, median income, and median rent. As such, we applied an downward adjustment of 10 percent to Sale 1. Sale 2 is located in a generally slightly superior location with slightly superior median rents; however, slightly inferior median home value and median income, and generally similar walkability as the Subject with similar proximity to locational amenities and educational facilities. As such, we applied a downward adjustment of five percent to Sale 2. Sale 3 is located in a similar location as the Subject with similar demographic data and generally similar walkability. As such, we applied no adjustment to Sale 3.

**Zoning**

All sales have zoning designations that permit multifamily development, similar to the Subject site. Therefore, no adjustments are warranted.

**Topography**

All sales exhibit level topography. Therefore, no adjustments are warranted.

**Site Characteristics**

All sales exhibit generally functional site shapes. Therefore, no adjustments are warranted.

**Size (Number of Units)**

With respect to size, the general convention is that larger properties tend to sell for less on a per-unit basis than smaller properties. Conversely, smaller properties typically sell for more per unit than larger properties. The pool of potential purchasers decreases as property size (and purchase price) increases, effectively reducing competition. The pricing relationship is not linear and certain property sizes, while different, may not receive differing prices based on the grouping within levels. The Subject's highest and best use is to develop a mixed-income mixed-use multifamily property consisting of 72 units, which is superior/larger than all the sales. As such, downward adjustments of 10 percent are applied.



**Land Value Estimate**

The land sales grid is presented following:

LAND SALES DATA ADJUSTMENT GRID				
Property Name	Subject	1	2	3
Address	2911 Adams	3819 Georgia Street	3450 El Cajon Blvd	3659 Adams Avenue
City	San Diego	San Diego	San Diego	San Diego
<b>Parcel Data</b>				
Zoning	CC-3-7	RM-3-9	CU-2-3	C
Topography	Level	Level	Level	Level
Site Characteristics	Irregular	Rectangular	Rectangular	Rectangular
Size (SF)	12,632	7,405	4,356	6,970
Size (Acres)	0.29	0.17	0.10	0.16
Units	72	22	27	24
Units Per Acre	248.28	129.41	270.00	150.00
<b>Sales Data</b>				
Date		2024-12-13	2024-06-21	2024-06-04
Interest		n/a	Fee Simple	Fee Simple
Price		\$1,550,000	\$1,820,000	\$1,500,000
Price (Per Unit)		\$70,455	\$67,407	\$62,500
<b>Adjustments</b>				
Property Rights		n/a	Fee Simple	Fee Simple
Adjustment		\$0	\$0	\$0
		\$1,550,000	\$1,820,000	\$1,500,000
Financing Terms		Typical	Typical	Typical
Adjustment		\$0	\$0	\$0
		\$1,550,000	\$1,820,000	\$1,500,000
Conditions of Sale		Typical	Typical	Typical
Adjustment		\$0	\$0	\$0
		\$1,550,000	\$1,820,000	\$1,500,000
Expenditures After Purchase		Demolition	Demolition of restaurant	Demolition of existing
Adjustment		\$19,568	\$16,744	\$20,000
		\$1,569,568	\$1,836,744	\$1,520,000
Market Conditions		1.0	1.0	1.0
Adjusted Sales Price		\$1,569,568	\$1,836,744	\$1,520,000
Adjusted Price (Per Unit)		\$71,344	\$68,028	\$63,333
<b>Adjustments</b>				
Location		-10.0%	-5.0%	0.0%
Zoning/Use		0.0%	0.0%	0.0%
Topography		0.0%	0.0%	0.0%
Site Characteristics		0.0%	0.0%	0.0%
Size		-10.0%	-10.0%	-10.0%
Overall Adjustment		-20.0%	-15.0%	-10.0%
Adjusted Price (Per Unit)		\$57,075	\$57,823	\$57,000

**ADJUSTED SALES (PER UNIT)**

Minimum	\$57,000
Maximum	\$57,823
Mean	\$57,300
Median	\$57,075

The sales indicate an adjusted per unit range of \$57,000 to \$57,823, with a mean of \$57,300 and a median of \$57,075 per unit. Overall, we have concluded to \$57,000 per unit for the value of the land 'As If Vacant.'

**LAND VALUE**

Scenario	No. of Units	Value/Unit	Indicated Value (Unrounded)	Indicated Value (Rounded)
Subject	72	\$57,000	\$4,104,000	\$4,100,000

As a result of our analysis, the value of the underlying land as if hypothetically vacant in the fee simple interest as of September 16, 2025, is:

**FOUR MILLION ONE HUNDRED THOUSAND DOLLARS**  
**(\$4,100,000)**

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

## VALUE OF IMPROVEMENTS

### Development Costs

Since the Subject will be new construction, the development budget can be useful. However, to insure a market based valuation we estimated the hard costs based on the developer's budget, RS Means and Marshall & Swift. The soft costs are not as effectively compared to market estimates. The cost of typical tax credit syndications is unique and not easily compared to other transactions. Therefore, we relied upon other development budgets for these costs.

### Direct Costs

We compared the direct costs associated with construction of a property with similar utility as the Subject. These costs include construction costs, landscaping costs, and site improvement costs. These are estimated by using RS Means and Marshall & Swift and correlated to the local market using a multiplier.

### Indirect Costs

Indirect costs must be added to the direct costs to arrive at a total cost new estimate. Indirect costs include construction loan fees (including interest on the property during construction, appraisal fees, points, etc.), taxes on the land during the construction period, and developer's profit and overhead.

*Developer's Profit and Overhead:* Entrepreneurial profit is accounted for as an indirect cost. If the Cost Approach is to provide a reliable indication of value, the appraiser must add to the cost a figure that represents the entrepreneurial or developer's profit that is reflected in the market. It is a return to the investor based on their entrepreneurial skills and abilities.

An investor in real property, especially a developer, gives up a certain amount of liquidity in development, and their risk is based upon their past experience in the field, their forecasting ability with respect to the real estate/business cycle, their expertise in management, and timing. These items are somewhat speculative and tend to be within a fairly wide profit range, depending upon a combination of the preceding items.

Essentially, entrepreneurial profit is a market-derived figure that reflects the amount that the entrepreneur, or developer, expects to receive in addition to costs. Depending on market practice, this type of profit may be measured as a percentage of (1) direct costs, (2) direct and indirect costs, (3) direct and indirect costs plus land value, and (4) the value of the completed project.

Appraisers often derive an appropriate figure for profit expectation from market analysis. By analyzing recent sales of new properties in the same market, we calculated entrepreneurial profit as the difference between the sale price and the sum of direct costs, indirect costs and current market land value. An appraiser can also survey developers to determine entrepreneurial profit. However, the amount of entrepreneurial profit varies with factors such as economic conditions and property type, so a typical relationship between this profit and other costs is difficult to establish.

In conversations with developers of similar types of properties, an expected profit range would be 10 percent to 20 percent of the overall hard costs. Other soft costs typically include financing and legal fees. For LIHTC development these are often significant totaling 20 to 30 percent of total hard costs.

### Estimated Costs

There are several data providers that estimate the cost to construct and replace multifamily properties. Two that are most commonly relied upon are Marshall & Swift and RS Means.

Marshall & Swift produces *Marshall Valuation Service*, which is marketed as an appraisal guide. It is primarily used by residential and commercial appraisers to develop replacement costs, depreciated values, and insurable values. Comparative cost indices are published quarterly. The data is based on the publishers' valuation experience, appraisal review, and analysis of the costs of new buildings.

RS Means published *Square Foot Costs* is intended for use by those involved with construction cost estimating, including contractors, owners, architects, engineers, and facilities managers. The data can also be used to develop preliminary project cost estimates and to measure the impact of modifying design and materials on construction costs.

A 2005 report produced by the NAHB Research Center called *Construction Cost Indices*, examined construction costs for HUD Section 202 and 811 supportive housing programs. The goal of the report was to analyze actual project costs using major construction cost industry indices and to determine the accuracy of industry indices. The report concluded that RS Means has the highest correlation with actual construction costs; however, actual average costs were generally below the RS Means estimate, by approximately 10 percent. Actual costs ranged from 75 percent of the RS Means estimate to 145 percent of the estimate.

The following table illustrates the current RS Means and Marshall & Swift cost per square foot estimates for a variety of multifamily building types.

#### NATIONAL COST BENCHMARKS

		MARSHALL & SWIFT			RS MEANS
	Cost PSF	Assumption	Cost PSF		Assumption
Garden (1-3 story)	\$109.00	Class C, average quality	\$103.36		Stucco on concrete, use - Stone Veneer, Wood Frame
Midrise (4-7 story)	\$136.68	Class C, average quality	\$170.85		Decorative concrete block, steel frame
Highrise (8+)	\$138.69	Class C, average quality	\$222.80		Face brick, concrete block backup, steel frame
Townhouse	\$115.00	Class D, average quality	\$128.04		Stucco on wood frame, two-story
SF	\$127.00	Class D, average quality	\$148.53		Stucco on wood frame, one-story (assumes avg. 1,600 SF)

Source: Marshall & Swift and RS Means, 2023

As illustrated, the RS Means and Marshall & Swift costs per square foot vary considerably for multifamily construction. For single-family and townhouse construction, the cost estimates are generally in line. Further, the two cost estimators use different location-based factors to adjust the national cost estimates to local estimates. We will use both estimates to determine the Subject's value using the cost approach.

The following table illustrates the cost per square foot for the Subject's market area based on estimates from Marshall & Swift and RS Means:

	M&S	RS Means	Novoco Estimate
National Cost PSF	\$136.68	\$170.85	
Location Adjustment	1.21	1.11	
Current Cost Multiplier	1.05		
Subject Cost PSF	\$173.65	\$189.64	\$450.00

The following table compares the RS Means and Marshall & Swift cost estimators with nationwide developer estimates we aggregated throughout 2023.

Effective Date	Location	M&S	RS Means	Developer Estimate
10.10.23	Miami, FL	\$ 104.64	\$ 91.99	NA
10.23.23	Raleigh, NC	\$ 107.84	\$ 89.92	\$ 152.43
10.23.23	Cherry Hill, NJ	\$ 151.36	\$ 199.89	\$ 203.71
2.1.23	Panama City, FL	\$ 118.57	\$ 145.22	\$ 161.23
2.28.23	Tallahassee, FL	\$ 82.66	\$ 90.96	\$ 155.29
3.2.23	Azusa, CA	\$ 135.46	\$ 114.73	NA
3.2.23	Florence, NJ	\$ 177.13	\$ 189.64	\$ 151.27
3.2.23	Lancaster, PA	\$ 157.78	\$ 160.60	\$ 215.16
3.21.23	Kansas City, KS	\$ 83.44	\$ 101.29	NA
3.21.23	Allentown, PA	\$ 123.92	\$ 170.85	\$ 224.13
3.28.23	Washington, DC	\$ 112.20	\$ 151.98	\$ 336.01
3.31.32	Carson City, NV	\$ 117.85	\$ 97.16	\$ 250.00
4.4.23	Little Canada, MN	\$ 120.57	\$ 194.77	\$ 157.33
5.15.23	Denver, CO	\$ 129.90	\$ 157.18	\$ 347.85
5.15.23	Bridgeport, CT	\$ 154.45	\$ 179.39	\$ 283.79
5.15.23	McClean, VA	\$ 144.24	\$ 207.20	\$ 228.65
5.15.23	Richmond, VA	\$ 133.95	\$ 168.80	\$ 168.58
5.18.23	Nampa, ID	\$ 142.15	\$ 158.89	\$ 153.90
5.18.23	Asheville, NC	\$ 133.74	\$ 145.22	\$ 166.22
6.10.23	Washington, DC	\$ 142.80	\$ 216.12	\$ 457.53
6.12.23	Pompano Beach, FL	\$ 131.21	\$ 148.64	\$ 175.00
6.15.23	Gulfport, MS	\$ 98.10	\$ 87.86	\$ 126.82
6.20.23	Tappahannock, VA	\$ 137.96	\$ 150.35	\$ 256.82
6.20.23	Tappahannock, VA	\$ 137.96	\$ 150.35	\$ 148.12
6.6.23	Washington, DC	\$ 154.94	\$ 165.72	\$ 204.66
7.10.23	Bowling Green, FL	\$ 123.19	\$ 129.22	\$ 201.28
7.10.23	Wauchula, FL	\$ 105.73	\$ 89.92	\$ 218.24
7.25.23	Falls Church, VA	\$ 146.41	\$ 158.89	\$ 304.43
7.5.23	Fort Wayne, IN	\$ 140.73	\$ 152.06	\$ 147.45
8.11.23	Bozeman, MT	\$ 121.97	\$ 158.89	\$ 189.69
8.18.23	Philadelphia, PA	\$ 130.80	\$ 117.83	NA
8.23.23	West Sacramento, CA	\$ 122.65	\$ 113.70	\$ 426.07
8.31.23	Annaville, PA	\$ 112.29	\$ 101.29	\$ 213.15
8.7.23	Arvada, CO	\$ 139.41	\$ 157.18	\$ 295.10
8.7.23	Denver, CO	\$ 139.41	\$ 157.18	\$ 296.95
9.1.23	Athens, GA	\$ 107.69	\$ 84.76	\$ 175.50
9.21.23	Washington, DC	\$ 112.20	\$ 151.98	\$ 417.78
9.21.23	Washington, DC	\$ 144.99	\$ 165.72	\$ 450.33
9.26.23	Washington, DC	\$ 144.99	\$ 165.72	\$ 401.05
9.5.23	Beloit, WI	\$ 112.16	\$ 98.19	\$ 132.07

As shown above, the majority of developer estimates are above the ranges of the cost estimators due to rapidly increasing construction costs across the country.

We will utilize \$450.00, which is within the range of the cost estimators.

The following table summarizes our estimates.

COST ESTIMATION		
Reconciled cost per SF	\$450	
Total Area	34,944	GBA per Developer
FFE	\$180,000	FFE is \$2,500 per unit
Estimated Construction Costs	\$15,904,800	

Our overall cost estimates for the Subject are illustrated in the following table.

Cost Estimates		
Number of Units	72	Per Unit
Estimated Hard Costs	\$15,724,800	\$218,400
Estimated FF&E	\$180,000	\$2,500
<b>Total Construction Costs</b>	<b>\$15,904,800</b>	<b>\$220,900</b>
Soft Costs	\$3,976,200	\$55,225
Developer Fee	\$2,385,720	\$33,135
<b>Total Replacement Cost</b>	<b>\$22,266,720</b>	<b>\$309,260</b>

### Accrued Depreciation

Accrued depreciation is a loss in value from the reproduction or replacement cost of improvements due to any cause as of the date of appraisal. It may also be defined as the difference between reproduction or replacement cost of an improvement and its market value as of the date of appraisal. The value difference may emanate from physical deterioration, functional obsolescence, external obsolescence, or any combination of these sources.

### Physical Deterioration

Curable: This involves an estimate of deferred maintenance and is applicable to items subject to current repair.

Incurable: This reflects loss in value due to the physical defects of the structure. The Subject is proposed new construction. Therefore, there is no depreciation.

### External Obsolescence

Cost feasible rent is below the current market rent levels. As such, the proposed mixed-income development is feasible. The following table summarizes the value via the cost approach.

COST ANALYSIS	
Restricted	
Stabilized Overall Capitalization Rate	4.50%
Typical Economic Life	60
Inferred Annual Building Recapture Rate	1.25%
Inferred Land to Total Value Ratio (M)	18.4%
Land Capitalization Rate	
Building Capitalization Rate (RI + Recapture Rate)	RI
$R_o = (R_i * M) + ((1-M) * R_b)$	Rb
RI =	3.5%
Rb =	4.73%
As IS Land Value	\$4,100,000
Land Capitalization Rate	3.5%
Required Return to Land	\$142,680
Replacement Cost of Improvements	\$22,266,720
Building Capitalization Rate (Rb)	4.7%
Required Return On and Recapture of Improvement Costs	\$1,053,216
<b>Total Required Net Operating Income</b>	<b>\$1,195,896</b>
Net Rentable Square Footage	34,944
Required NOI per SF of Improvements	\$34.22
Operating Expenses per SF	\$21.69
Required Effective Gross Revenue	\$55.91
Stabilized Vacancy Adjustment Factor	\$2.80
Cost Feasible Market Rent	\$58.71
<b>Market Rent (based on achievable restricted rental rates)</b>	<b>\$58.41</b>
Rent Differential	\$0.30
<b>Yielded Economic Obsolescence</b>	<b>0.52%</b>

The following table summarizes the value via the cost approach.

2911 Adams Summary of Cost Approach			
Total Replacement Cost - All Improvements		\$22,266,720	
Depreciation			
Deferred Maintenance	\$0		
Physical - Buildings	\$371,112		
Functional Obsolescence	\$0		
Economic Obsolescence	\$114,759		
Total Depreciation		\$485,871	
Depreciated Replacement Cost - Improvements			\$21,780,849
As Is Land Value (rounded)			\$4,100,000
Indicated Value - Cost Approach			\$25,884,849
Rounded			\$25,900,000

### Conclusion

In order to arrive at a value via the Cost Approach for the Subject, we added the estimated land value to the replacement cost of the improvements. Therefore, the value of the Subject, via the Cost Approach as of September 16, 2025, is:

**TWENTY-FIVE MILLION NINE HUNDRED THOUSAND DOLLARS**  
**(\$25,900,000)**



## **IX. INCOME CAPITALIZATION APPROACH**

## INCOME CAPITALIZATION APPROACH

### Introduction

We were asked to provide an estimate of the fair market value of the Subject.

The Income Capitalization Approach to value is based upon the premise that the value of an income-producing property is largely determined by the ability of the property to produce future economic benefits. The value of such a property to the prudent investor lies in anticipated annual cash flows and an eventual sale of the property. An estimate of the property's market value is derived via the capitalization of these future income streams.

## INCOME ANALYSIS

### Potential Gross Income

In order to determine the potential gross income for the Subject, we performed a comparable rent analysis. In our search for properties comparable to the Subject, we concentrated on obtaining information on those projects considered similar to the Subject improvements on the basis of location, size, age, condition, design, quality of construction and overall appeal. In our market analysis we provided the results of our research regarding properties considered generally comparable or similar to the Subject.

The potential gross income of the Subject is the total annual income capable of being generated by all sources, including rental revenue and other income sources. The Subject's potential rental income is based upon the achievable rents as derived in the Supply Section of this report and are calculated as follows.

#### POTENTIAL GROSS INCOME (AS IS)

Unit Type	Program	# Units	Square Feet	Achievable Rent	Monthly Gross Rent	Annual Gross Rent
OBR/1BA	@50%	1	345	\$1,447	\$1,447	\$17,364
OBR/1BA	Market	11	345	\$2,100	\$23,100	\$277,200
1BR/1BA	@120%	2	467	\$2,365	\$4,730	\$56,760
1BR/1BA	@50%	2	467	\$1,550	\$3,100	\$37,200
1BR/1BA	@60%	2	467	\$1,860	\$3,720	\$44,640
1BR/1BA	Market	45	467	\$2,365	\$106,425	\$1,277,100
1BR/1BA	Non-Rental	1	467	\$0	N/A	N/A
3BR/1BA	@120%	1	815	\$3,445	\$3,445	\$41,340
3BR/1BA	Market	7	815	\$3,445	\$24,115	\$289,380
<b>Total</b>		<b>72</b>			<b>\$170,082</b>	<b>\$2,040,984</b>

### Vacancy and Collection Loss

As discussed in the Supply Analysis, we anticipate the Subject will maintain a vacancy and collection loss of five percent.

### Other Income

Miscellaneous income includes fees for late rent fees, damages and cleaning fees and other miscellaneous fees. The comparables indicate other income ranging from \$1,029 to \$6,863 per unit, with an average of \$3,465. The Subject's budgeted figure is \$1,496 per unit, which is within the comparable range. The Subject's historical financials indicate other income ranging from \$328 to \$1,455 per unit, with an average of \$892 over the past 2 years. We concluded to other income of \$1,500 per unit. Our conclusion is within the comparable expense range and above the Subject historicals.

## COMMERCIAL INCOME

### Introduction

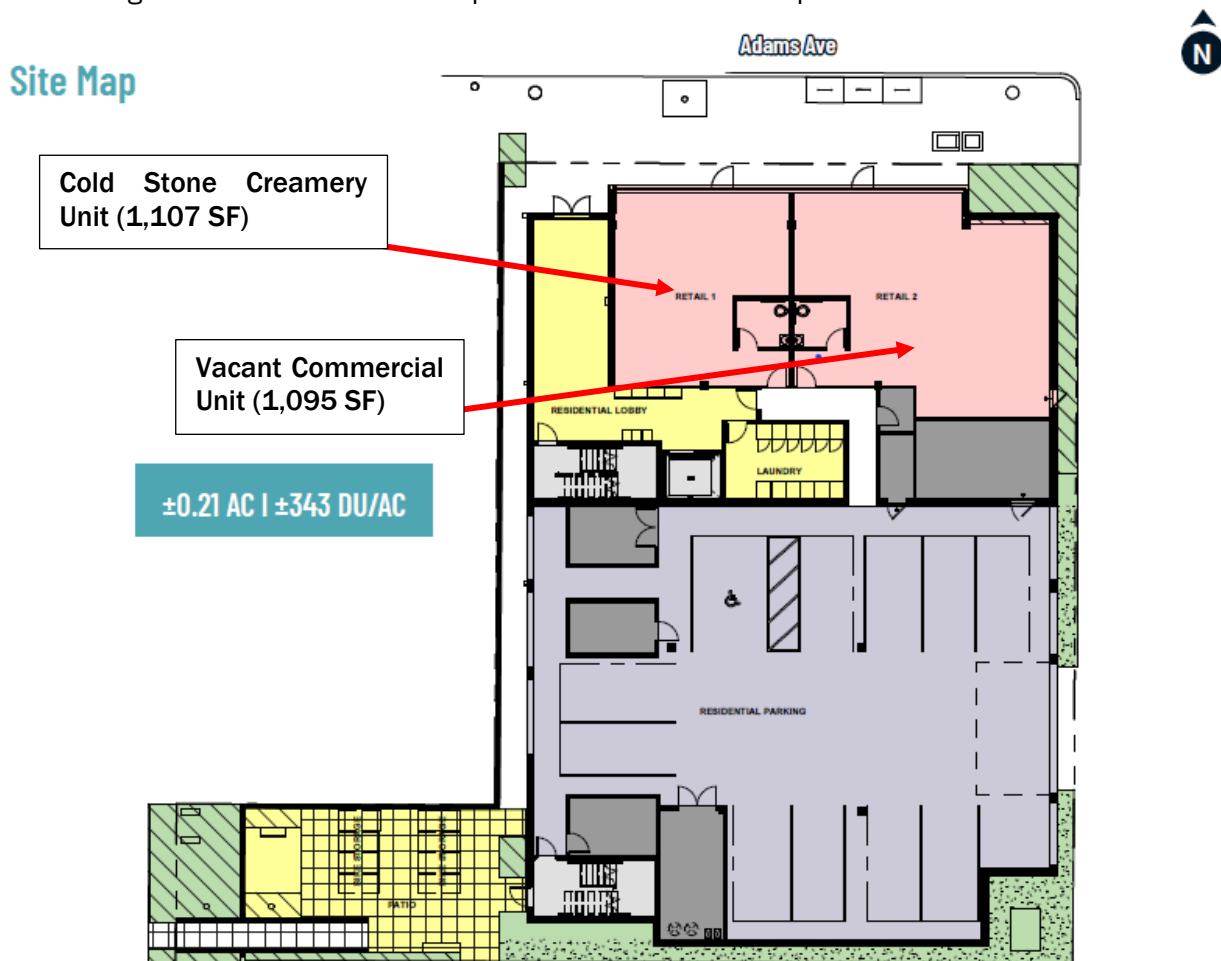
The Subject offers a commercial component. The leases are NNN with tenants paying for all expenses. As of the date of this report, one lease has been signed and one unit remains vacant.

The commercial portion is located on the ground floor with frontage along Adams Avenue, with residential apartments on the upper levels. The current tenant is Cold Stone Creamery and utilizes the space as a restaurant, while the remaining vacant space is open to potential uses including a salon, sports therapy, health clinic, restaurant, cafe/bookstore, office, event space, or other to be determined uses.

The following table details the proposed commercial units, sizes, and rents.

COMMERCIAL SPACE – UNIT MIX				
Space Type	# of units	Unit Size	Rent/SF/Year	Lease Type
Restaurant (Cold Stone Creamery)	1	1,107	\$52.53	NNN
Vacant	1	1,095	-	NNN
<b>Total</b>	<b>2</b>			

The following outlines the site and floor plans of the overall development as well as for commercial units.



### COMMERCIAL LEASE ANALYSIS

The Subject's immediate neighborhood is mixed-use in character. We believe the Subject will be generally similar to the following recently constructed commercial and mixed-use developments:

#### COMMERCIAL SPACE – EXECUTED LEASE COMPARABLES

Type	Tenant	Size	Rent/SF/ Year	Status	Lease Effective Date	Lease Structure
Retail	Yoga Box	2,654	\$48.00	Complete (leased)	May-25	NNN
Retail	TBD (2721 Adams Ave)	670	\$62.68	Complete (leased)	Jul-25	NNN
Retail	TBD (3825-3831 El Cajon Blvd)	489	\$35.40	Complete (leased)	Sep-25	NNN
Retail	TBD (2903-2911 El Cajon Blvd)	1,007	\$30.00	Complete (leased)	Aug-25	NNN
Retail	White Rabbit Day Spa	496	\$63.96	Complete (leased)	Aug-25	NNN
Retail	Pet Palace	1270	\$38.80	Complete (leased)	Mar-25	NNN
<b>Overall Average</b>			<b>\$46.47</b>			
<b>Achievable Rent</b>			<b>\$52.50</b>			

Typical commercial spaces in the Subject's neighborhood include bars, restaurants, auto shops, and other retail/markets. The following are photos of typical commercial uses which is generally fair to average condition;



Auto shop



Typical retail/commercial in Subject's neighborhood



Typical retail/commercial in Subject's neighborhood

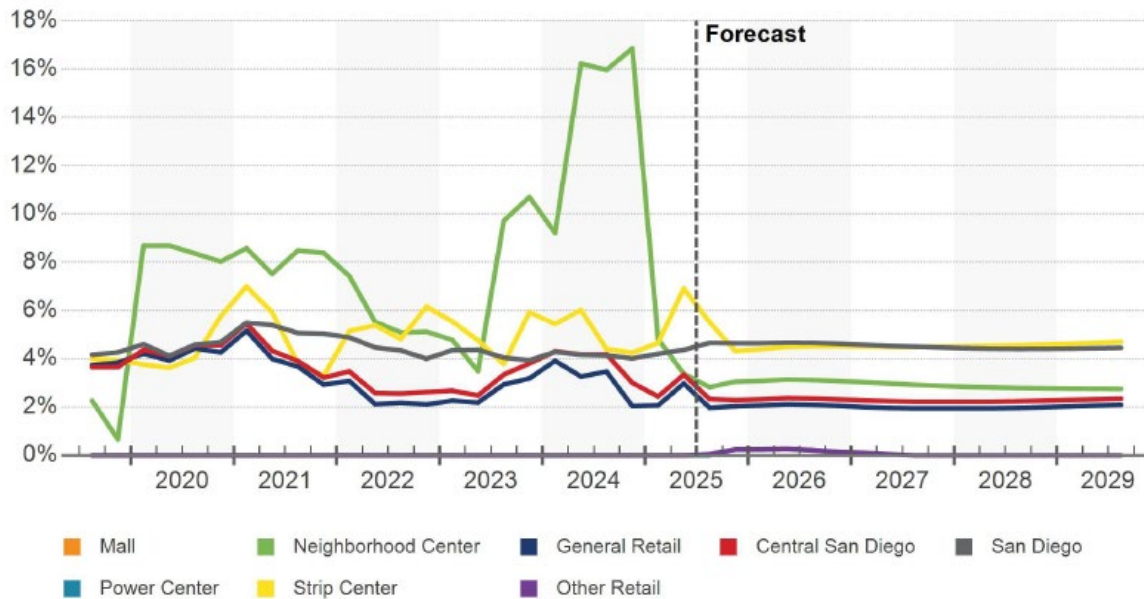


Typical retail/commercial in Subject's neighborhood

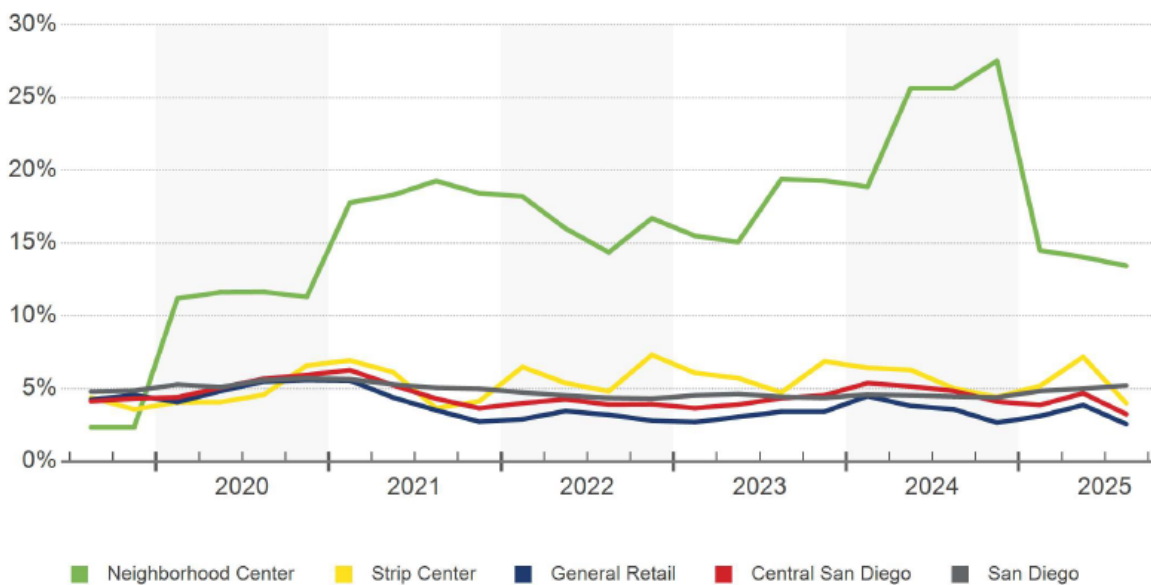
### Commercial Vacancy

According to CoStar, the current retail vacancy rate in the Central San Diego submarket for retail space is 2.3 percent and the availability rate is only 3.2 percent. The following charts track vacancy rates and availability rates for retail in the Central San Diego submarket.

#### VACANCY RATE

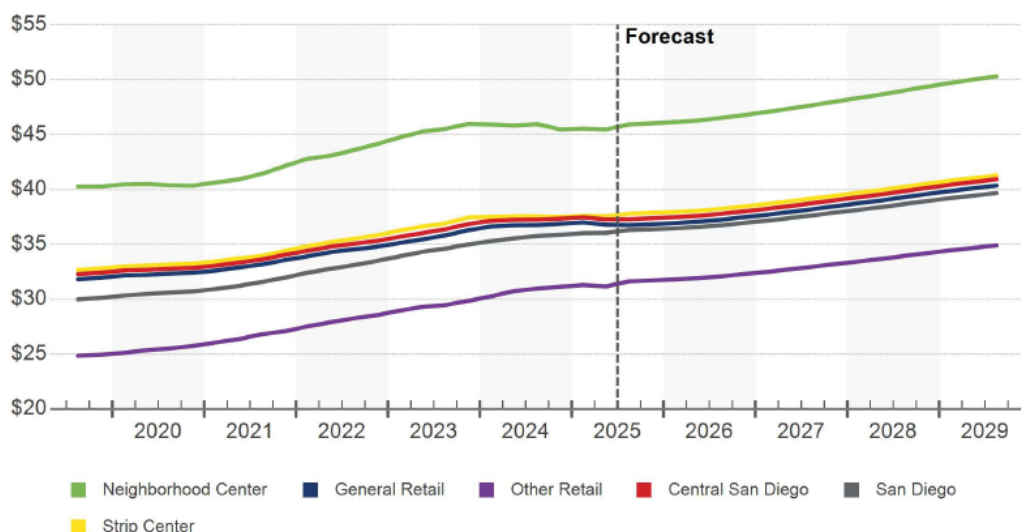


#### AVAILABILITY RATE





## MARKET ASKING RENT PER SQUARE FEET



As indicated, vacancy rates for retail space in the Subject's submarket have generally trended slightly upward. The current vacancy of 2.3 percent is slightly below the historical average of 3.6 percent. It should be noted that the spike in 2021 is largely attributed to the pandemic. Further, over the last year the submarket experienced stable retail rents per square foot, which is below the five-year average growth rate of 13.7 percent. Taking this information into account, we believe there is demand for retail space in the Subject's area and we believe the commercial space will operate with a vacancy rate of 10 percent or less, on average.

### Conclusion

The two commercial spaces range from 1,095 to 1,107-square feet per space, targeting a mix of commercial tenants including small restaurants, recovery/fitness, office and other various retail uses. The overall average effective vacancy rate among the comparables is considered low, which is indicative of a supply-constrained market and reasonable asking rents. Further, the recently constructed commercial units appear to be in strong demand, which is similar to the Subject which was constructed in 2024. The Subject exhibits excellent condition, generally similar to superior to the comparables, and generally offers a similar to slightly inferior location relative to the comparables, as well as a superior design of the overall project given the large number of residential units above the commercial component.

#### COMMERCIAL SPACE - POTENTIAL GROSS INCOME (PGI)

Space Type	# of units	Unit Size	Asking Rent/SF/Year	Annual Rent	Lease Type
Restaurant (Cold Stone Creamery)	1	1,107	\$52.53*	\$58,151*	NNN
Vacant	1	1,095	\$52.50**	\$57,488	NNN
<b>Unit Total</b>	<b>2</b>			<b>\$115,638</b>	
<b>Retail CAM (Cleaning/Maintenance)</b>				<b>\$37,434</b>	
<b>Commercial Total</b>				<b>\$153,072</b>	

\*Based on year two of the current lease contract, dated March 1, 2024

\*\*Based on Novogradac achievable rent

As such, we believe that the Subject's current lease rate is reasonable and achievable in this market. We also believe the retail space will maintain a vacancy rate of seven percent or less on average.

## EXPLANATION OF EXPENSES

Typical deductions from the calculated Effective Gross Income fall into three categories on real property: fixed, variable, and non-operating expenses. Historical operating expenses of comparable properties were relied upon in estimating the Subject's operating expenses. The comparable data can be found on the following pages.

It is important to note that the projections of income and expenses are based on the basic assumption that the apartment complex will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted.

Comparable operating expense data was collected from a combination of affordable properties in the area. The following table provides additional information on each of the comparable expense properties.

### COMPARABLE EXPENSES

	Subject	Comp 1	Comp 2	Comp 3	Comp 4
Year Built / Renovated	2024	2006	2022	2014	2010
Structure	Midrise	Midrise	Lowrise	Garden	Lowrise
Tenancy	Family	Family	Family	Family	Family
Rent Restrictions	LIHTC/Market	Market	Market	Market	Market

Operating expense data was collected from four comparable properties located in the area to serve as a comparison for the Subject's 2024 (five months annualized), 2025 (six months annualized), and 2026 operating budget. We also provide operating expense benchmarks for the west region and for properties that are similar to the Subject's unit count (50-99), as provided by the Novogradac Low-Income Housing Tax Credit Income and Operating Expenses Report (2024).



Scenario Property Program Tenancy Statement Type Year City, State Year Built / Renovated Number of Units INCOME CATEGORY	NOVOCO As Is 2911 Adams LIHTC/Market Family Pro Forma - San Diego, CA 2024 72		SUBJECT Budget 2911 Adams Market Family Budget 2026 San Diego, CA 2024 72		SUBJECT Actuals 2911 Adams Market Family Actuals 2025 San Diego, CA 2024 72		SUBJECT Actuals 2911 Adams Market Family Actuals 2024 San Diego, CA 2024 72	
	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
<b>Rental Income</b>	<b>\$2,040,984</b>	<b>\$28,347</b>	<b>\$2,243,508</b>	<b>\$31,160</b>	<b>\$2,048,724</b>	<b>\$28,455</b>	<b>\$2,057,182</b>	<b>\$28,572</b>
Other Income	\$108,000	\$1,500	\$107,723	\$1,496	\$104,790	\$1,455	\$23,604	\$328
Vacancy Loss	(\$107,449)	(\$1,492)	(\$162,858)	(\$2,262)	(\$477,627)	(\$6,634)	(\$1,784,052)	(\$24,779)
		5.00%		6.93%		22.18%		85.74%
Commercial Income	\$153,072	\$2,126	\$145,457	\$2,020	\$127,704	\$1,774	\$112,301	\$1,560
Commercial Vacancy	(\$15,307)	(\$213)	-	-	(\$69,960)	(\$972)	(\$112,301)	(\$1,560)
		10.00%		-		54.78%		1.39%
<b>SUBTOTAL</b>	<b>\$2,179,300</b>	<b>\$30,268</b>	<b>\$2,333,830</b>	<b>\$32,414</b>	<b>\$1,733,631</b>	<b>\$24,078</b>	<b>\$296,734</b>	<b>\$4,121</b>
<b>EXPENSE CATEGORY</b>								
<b>ADMINISTRATION</b>								
Professional Fees	\$3,600	\$50	-	-	-	-	-	-
Other Administrative	\$36,000	\$500	\$37,080	\$515	\$45,402	\$631	\$44,964	\$625
Advertising/Marketing	\$14,400	\$200	\$18,540	\$258	\$74,550	\$1,035	\$87,523	\$1,216
<b>SUBTOTAL</b>	<b>\$54,000</b>	<b>\$750</b>	<b>\$55,620</b>	<b>\$773</b>	<b>\$119,952</b>	<b>\$1,666</b>	<b>\$132,487</b>	<b>\$1,840</b>
<b>OPERATING/MAINTENANCE</b>								
Elevator	\$3,600	\$50	-	-	-	-	-	-
Pest Control	-	-	-	-	-	-	-	-
Repairs and Supplies	\$10,800	\$150	\$11,124	\$155	\$3,027	\$42	\$118	\$2
Painting & Decorating	\$7,200	\$100	\$7,416	\$103	\$1,101	\$15	-	-
Trash Removal	-	-	-	-	\$24,330	\$338	\$15,749	\$219
Security	-	-	-	-	-	-	-	-
Pool and Grounds	-	-	-	-	-	-	-	-
Contract	\$7,200	\$100	\$8,256	\$115	\$402	\$6	\$10,080	\$140
<b>SUBTOTAL</b>	<b>\$28,800</b>	<b>\$400</b>	<b>\$26,796</b>	<b>\$372</b>	<b>\$28,860</b>	<b>\$401</b>	<b>\$25,947</b>	<b>\$360</b>
<b>UTILITIES</b>								
Heating & Fuel	\$2,520	\$35	-	-	\$4,080	\$57	\$996	\$14
Electricity	\$59,400	\$825	-	-	\$56,400	\$783	\$60,540	\$841
Gas	\$7,200	\$100	-	-	\$8,706	\$121	\$2,894	\$40
Water & Sewer	\$21,600	\$300	-	-	\$31,722	\$441	\$13,130	\$182
Other Utilities	-	-	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>\$90,720</b>	<b>\$1,260</b>	<b>\$122,290</b>	<b>\$1,698</b>	<b>\$100,908</b>	<b>\$1,402</b>	<b>\$77,560</b>	<b>\$1,077</b>
<b>PAYROLL</b>								
Repair & Maintenance								
Payroll	\$25,000	\$347	-	-	-	-	-	-
Management Payroll	\$35,000	\$486	-	-	-	-	-	-
Service Coordinator	-	-	-	-	-	-	-	-
Staff Unit	-	-	-	-	-	-	-	-
Benefits/Taxes	\$12,200	\$169	-	-	-	-	-	-
<b>SUBTOTAL</b>	<b>\$72,200</b>	<b>\$1,003</b>	<b>\$74,160</b>	<b>\$1,030</b>	<b>\$236,394</b>	<b>\$3,283</b>	<b>\$303,970</b>	<b>\$4,222</b>
<b>TAXES/INSURANCE</b>								
Real Estate Taxes	\$388,718	\$5,399	-	-	\$39,303	\$546	\$32,105	\$446
Direct Assessments/Other	-	-	-	-	-	-	-	-
Insurance	\$43,200	\$600	\$54,000	\$750	\$34,950	\$485	-	-
<b>SUBTOTAL</b>	<b>\$431,918</b>	<b>\$5,999</b>	<b>\$54,000</b>	<b>\$750</b>	<b>\$74,253</b>	<b>\$1,031</b>	<b>\$32,105</b>	<b>\$446</b>
<b>MANAGEMENT FEE</b>	<b>\$54,482</b>	<b>\$757</b>	<b>\$58,346</b>	<b>\$810</b>	<b>\$42,243</b>	<b>\$587</b>	<b>\$20,400</b>	<b>\$283</b>
		2.50%		2.50%		2.44%		6.87%
<b>REPLACEMENT RESERVES</b>	<b>\$18,000</b>	<b>\$250</b>	<b>\$18,000</b>	<b>\$250</b>	<b>\$18,000</b>	<b>\$250</b>	<b>\$18,000</b>	<b>\$250</b>
Total All Expenses	\$750,121	\$10,418	\$409,212	\$5,684	\$620,610	\$8,620	\$610,469	\$8,479
Total Expenses less TUR	\$252,682	\$3,509	\$268,922	\$3,735	\$462,399	\$6,422	\$482,804	\$6,706

Scenario Property Program Tenancy Statement Type Year City, State Year Built / Renovated Number of Units	NOVOCO As Is 2911 Adams LIHTC/Market Family Pro Forma - San Diego, CA 2024 72		COMPARABLE Actuals Confidential Market Family Actuals 2024 San Diego, CA 2006 229		COMPARABLE Actuals Confidential Market Family Actuals 2024 San Diego, CA 2022 90		COMPARABLE Actuals Confidential Market Family Actuals 2023 San Diego, CA 2014 40		COMPARABLE Actuals Confidential Market Family Actuals 2023 San Diego, CA 2010 25	
INCOME CATEGORY	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit	Total	Per Unit
Rental Income	\$2,040,984	\$28,347	\$6,848,989	\$29,908	\$3,521,492	\$39,128	\$1,620,468	\$40,512	\$739,993	\$29,600
Other Income	\$108,000	\$1,500	\$530,830	\$2,318	\$617,700	\$6,863	\$145,980	\$3,650	\$25,726	\$1,029
Vacancy Loss	(\$107,449)	(\$1,492)	(\$490,794)	(\$2,143)	-	-	-	-	-	-
		5.00%		6.65%						
Commercial Income	\$153,072	\$2,126	-	-	-	-	-	-	-	-
Commercial Vacancy	(\$15,307)	(\$213)	-	-	-	-	-	-	-	-
		10.00%		-		-		-		-
SUBTOTAL	\$2,179,300	\$30,268	\$6,889,025	\$30,083	\$4,139,192	\$45,991	\$1,766,448	\$44,161	\$765,719	\$30,629
EXPENSE CATEGORY										
ADMINISTRATION										
Professional Fees	\$3,600	\$50	\$10,338	\$45	\$12,104	\$134	-	-	-	-
Other Administrative	\$36,000	\$500	\$75,460	\$330	\$19,113	\$212	\$17,614	\$440	\$22,656	\$906
Advertising/Marketing	\$14,400	\$200	\$31,464	\$137	\$2,594	\$29	\$30	\$1	\$465	\$19
SUBTOTAL	\$54,000	\$750	\$117,262	\$512	\$33,811	\$376	\$17,644	\$441	\$23,121	\$925
OPERATING/MAINTENANCE										
Elevator	\$3,600	\$50	-	-	-	-	-	-	-	-
Pest Control	-	-	\$13,638	\$60	\$2,315	\$26	-	-	-	-
Repairs and Supplies	\$10,800	\$150	\$119,699	\$523	\$74,517	\$828	\$87,766	\$2,194	-	-
Painting & Decorating	\$7,200	\$100	\$44,466	\$194	-	-	-	-	-	-
Trash Removal	-	-	\$45,577	\$199	\$13,803	\$153	-	-	-	-
Security	-	-	\$319,690	\$1,396	\$3,866	\$43	-	-	-	-
Pool and Grounds	-	-	\$13,700	\$60	\$4,467	\$50	-	-	-	-
Contract	\$7,200	\$100	\$61,633	\$269	\$300	\$3	\$1,000	\$25	-	-
SUBTOTAL	\$28,800	\$400	\$618,403	\$2,700	\$99,268	\$1,103	\$88,766	\$2,219	\$131,491	\$5,260
UTILITIES										
Heating & Fuel	\$2,520	\$35	\$752	\$3	\$36,695	\$408	-	-	-	-
Electricity	\$59,400	\$825	\$91,834	\$401	\$82,115	\$912	-	-	-	-
Gas	\$7,200	\$100	\$13,714	\$60	\$12,759	\$142	-	-	-	-
Water & Sewer	\$21,600	\$300	\$122,737	\$536	\$24,059	\$267	-	-	-	-
Other Utilities	-	-	-	-	-	-	-	-	-	-
SUBTOTAL	\$90,720	\$1,260	\$229,037	\$1,000	\$155,628	\$1,729	\$36,362	\$909	\$22,408	\$896
PAYROLL										
Repair & Maintenance	\$25,000	\$347	\$235,501	\$1,028	-	-	-	-	-	-
Payroll	\$35,000	\$486	\$203,465	\$888	\$49,400	\$549	-	-	-	-
Management Payroll	-	-	-	-	-	-	-	-	-	-
Service Coordinator	-	-	-	-	-	-	-	-	-	-
Staff Unit	-	-	-	-	-	-	-	-	-	-
Benefits/Taxes	\$12,200	\$169	\$155,021	\$677	\$2,431	\$27	-	-	-	-
SUBTOTAL	\$72,200	\$1,003	\$593,987	\$2,594	\$51,831	\$576	\$15,988	\$400	\$95,375	\$3,815
TAXES/INSURANCE										
Real Estate Taxes	\$388,718	\$5,399	\$757,404	\$3,307	\$129,463	\$1,438	\$291,814	\$7,295	\$71,978	\$2,879
Direct Assessments/Other	-	-	-	-	-	-	-	-	-	-
Insurance	\$43,200	\$600	\$30,615	\$134	\$29,049	\$323	\$32,892	\$822	\$6,405	\$256
SUBTOTAL	\$431,918	\$5,999	\$788,019	\$3,441	\$158,512	\$1,761	\$324,706	\$8,118	\$78,383	\$3,135
MANAGEMENT FEE										
	\$54,482	\$757	\$243,517	\$1,063	-	-	\$88,322	\$2,208	\$22,971	\$919
		2.50%		3.53%		-		5.00%		3.00%
REPLACEMENT RESERVES	\$18,000	\$250	\$57,250	\$250	\$22,500	\$250	\$10,000	\$250	\$6,250	\$250
Total All Expenses	\$750,121	\$10,418	\$2,647,475	\$11,561	\$521,550	\$5,795	\$581,788	\$14,545	\$379,999	\$15,200
Total Expenses less TUR	\$252,682	\$3,509	\$1,603,784	\$7,003	\$213,959	\$2,377	\$243,612	\$6,090	\$279,363	\$11,175

### General Administrative and Marketing

The following table details the historical general administrative and marketing expenses at the Subject, in addition to the comparable figures and benchmarks. This category includes all professional fees for items such as legal, accounting, marketing, and office.

Administration												
Subject				Comp 1	Comp 2	Comp 3	Comp 4	Range (Comparables)			Range (Benchmarks)	
Type	Budget	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Min	Max	Average	Region	Unit Count
Year	2026	2025	2024	2024	2024	2023	2023					
Expense	\$773	\$1,666	\$1,840	\$512	\$376	\$441	\$925	\$376	\$925	\$563	\$926	\$890

The comparables indicate administrative and marketing expenses ranging from \$376 to \$925 per unit, with an average of \$563. The Subject's budgeted figure is \$773 per unit, which is within the comparable range. We concluded to an administration expense of \$750 per unit. Our conclusion is within the comparable expense range and below the Subject historicals.

### Operating, Repairs and Maintenance

The following table details the historical operating, repairs, and maintenance expenses at the Subject, in addition to the comparable figures and benchmarks. Included in this expense are normal costs of operating a multifamily property including unit turnover, painting/decorating, trash removal, ground expenses, and security costs, as well as normal items of repair and maintenance, cleaning contracts, and pest control.

Operating, Repairs & Maintenance												
Subject				Comp 1	Comp 2	Comp 3	Comp 4	Range (Comparables)			Range (Benchmarks)	
Type	Budget	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Min	Max	Average	Region	Unit Count
Year	2026	2025	2024	2024	2024	2023	2023					
Expense	\$372	\$401	\$360	\$2,700	\$1,103	\$2,219	\$5,260	\$1,103	\$5,260	\$2,821	\$1,829	\$1,738

The comparables indicate repairs and maintenance expense ranging from \$1,103 to \$5,260 per unit, with an average of \$2,821. The Subject's budgeted figure is \$372 per unit, which is below the comparable range. We concluded to repairs and maintenance expense of \$400 per unit. Our conclusion is below the comparable expense range and within the Subject historicals.

### Utilities

The Subject offers electric cooking, heating, and water heating. All in-unit utility expenses at the Subject are tenant-paid, while the landlord pays all common area utilities, which the exception that the landlord pays all utilities in the affordable units.

Utility												
Subject				Comp 1	Comp 2	Comp 3	Comp 4	Range (Comparables)			Range (Benchmarks)	
Type	Budget	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals	Min	Max	Average	Region	Unit Count
Year	2026	2025	2024	2024	2024	2023	2023					
Expense	\$1,698	\$1,402	\$1,077	\$1,000	\$1,729	\$909	\$896	\$896	\$1,729	\$1,134	\$1,496	\$1,289

Due to the fact that properties often vary in terms of utility responsibilities, comparisons are difficult. Therefore, we placed greater weight on the historical expenses. The comparables indicate total utility expenses ranging from \$896 to \$1,729 per unit, with an average of \$1,134. The Subject's budgeted figure is \$1,698 per unit, which is towards the very high end of the comparable range. We concluded to a utility expenses of \$1,260 per unit. Our conclusion is within the comparable expense range, as well as the Subject historicals.

### Payroll and Leasing Expenses

The following table details the historical payroll and leasing expenses at the Subject, in addition to the comparable figures and benchmarks. Payroll expenses are directly connected to the administration of the complex, including office, maintenance and management salaries. In addition, employee benefits and employment related taxes are included in the category.

Payroll											
Subject				Comp 1	Comp 2	Comp 3	Comp 4	Range (Comparables)			Range (Benchmarks)
Type	Budget	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals				
Year	2026	2025	2024	2024	2024	2023	2023	Min	Max	Average	Region Unit Count
Expense	\$1,030	\$3,283	\$4,222	\$2,594	\$576	\$400	\$3,815	\$400	\$3,815	\$1,846	\$1,841 \$1,815

Overall, we typically find that properties the size of the Subject operate with a staff of one part time manager and one part time maintenance supervisor. Benefits for the Subject's employees are estimated at \$2,500 per part-time employee. Payroll taxes are calculated as 12 percent of the salary cost. The comparables indicate total payroll expenses ranging from \$400 to \$3,815 per unit, with an average of \$1,846. The Subject's budgeted figure is \$1,030 per unit, which is within the comparable range. We concluded to a payroll expense of \$1,003 per unit. Our conclusion is within the comparable expense range and below the Subject historicals.

#### PAYROLL - RESTRICTED

Type	Quantity	Annual Salary	Full Cost
Manager (PT)	1	\$35,000	\$35,000
Maintenance Supervisor (PT)	1	\$25,000	\$25,000
<b>Subtotal</b>			<b>\$60,000</b>
Payroll taxes at 12.0%			\$7,200
Benefits			\$5,000
<b>Total Payroll</b>			<b>\$72,200</b>
<b>Total Per Unit</b>			<b>\$1,003</b>

### Taxes

Our tax analysis was discussed previously in this report.

### Insurance

The following table details the historical insurance expenses at the Subject, in addition to the comparable figures.

Insurance											
Subject				Comp 1	Comp 2	Comp 3	Comp 4	Range (Comparables)			Range (Benchmarks)
Type	Budget	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals				
Year	2026	2025	2024	2024	2024	2023	2023	Min	Max	Average	Region Unit Count
Expense	\$750	\$485	\$0	\$134	\$323	\$822	\$256	\$134	\$822	\$384	\$529 \$665

The comparables indicate an insurance cost ranging from \$134 to \$822 per unit, with an average of \$384. The Subject's budgeted figure is \$750 per unit, which is towards the very high end of the comparable range. We concluded to an insurance cost of \$600 per unit, which is more typical for the region. Our conclusion is within the comparable expense range and above the Subject historicals.

### Management Fees

Management fees are typically based on a percent of effective gross rental income, depending upon the size and age of the apartment complex. The following table details the historical management fees at the Subject, in addition to the comparable figures.

Management											
Subject				Comp 1	Comp 2	Comp 3	Comp 4	Range (Comparables)			Range (Benchmarks)
Type	Budget	Actuals	Actuals	Actuals	Actuals	Actuals	Actuals				
Year	2026	2025	2024	2024	2024	2023	2023	Min	Max	Average	Region Unit Count
Expense	\$810	\$587	\$283	\$1,063	\$0	\$2,208	\$919	\$919	\$2,208	\$1,397	\$846 \$734

Historically, the Subject's management fee has ranged from \$283 to \$587 per unit, which equates to approximately 2.44 to 6.87 percent of EGI. The comparables illustrate a wide per unit range. We concluded to a management fee expense of 2.50 percent.

### Replacement Reserves

The reserve for replacement allowance is often considered a hidden expense of ownership not normally seen on an expense statement. Reserves must be set aside for future replacement of items such as the roof, HVAC systems, parking area, appliances and other capital items. It is difficult to ascertain market information for replacement reserves, as it is not a common practice in the marketplace for properties of the Subject's size and investment status. Underwriting requirements for replacement reserve for existing properties typically ranges from \$250 to \$350 per unit per year. New properties typically charge \$200 to \$250 for reserves. The developer budgeted replacement reserves of \$250 per unit. We used an expense of \$250 per unit based on the unit mix, tenancy, and condition of the Subject property.

### Summary

Operating expenses were estimated based upon the historical expenses, comparable expenses, and the developer's budget. In the following tables, we compared historical operating expenses, budgeted operating expenses, comparables operating expenses, and concluded expenses per unit. We have also illustrated the expenses less taxes, utilities, and reserves.

TOTAL EXPENSES PER UNIT		TOTAL EXPENSES PER UNIT LESS TUR	
Subject Expenses		Subject Expenses	
2026 (Budget)	\$5,684	2026 (Budget)	\$3,735
2025 (Six Mo. Annualized)	\$8,620	2025 (Six Mo. Annualized)	\$6,422
2024 (Five Mo. Annualized)	\$8,479	2024 (Five Mo. Annualized)	\$6,706
Comparable Properties		Comparable Properties	
Comp 1	\$11,561	Comp 1	\$7,003
Comp 2	\$5,795	Comp 2	\$2,377
Comp 3	\$14,545	Comp 3	\$6,090
Comp 4	\$15,200	Comp 4	\$11,175
Subject Conclusions		Subject Expenses	
As Is	\$10,418	As Is	\$3,509

The concluded expenses for the restricted scenarios (less taxes, utilities, and reserves) are within the range of the comparables and slightly below the budgeted data. Overall, our conclusions appear reasonable and will be utilized in our analysis.

## DIRECT CAPITALIZATION

To quantify the income potential of the Subject, a direct capitalization of a stabilized cash flow is employed. In this analytical method, we estimate the present values of future cash flow expectations by applying the appropriate overall capitalization rate to the forecast net operating income. In order to estimate the appropriate capitalization rate, we relied upon several methods, discussed below.

### Market Extraction

The following table summarizes the recent improved sales of the most comparable properties that were used in our market extraction analysis:

#### IMPROVED SALES

#	Property Name	City/State	Sale Date	Sales Price	# Units	Year Built / Renovated	Price / Unit	EGIM	Cap Rate
1	3634 Indiana St	San Diego, CA	Jul/2025	\$5,819,000	14	2024	\$415,643	15.00	4.74%
2	The Commodore	National City, CA	Jul/2025	\$40,000,000	92	2024	\$434,783	14.62	5.00%
3	The Charmer	San Diego, CA	Apr/2025	\$12,750,000	21	2011	\$607,143	15.34	5.20%
4	Market Street Village	San Diego, CA	Nov/2024	\$82,200,000	229	2006	\$358,952	14.86	4.50%
Average					89		\$454,130	14.96	4.86%

The sales illustrate a range of overall rates from 4.5 to 5.20 percent, with an average of 4.86 percent. All of the sales represent typical market transactions for multifamily market rate properties in the area. We believe the improved sales we have chosen for our analysis represent the typical multifamily market in the Subject's area. It should be noted that three of the sales are strictly residential multifamily market rate developments, and one mixed-use development (The Charmer), whereas the Subject is mixed-use mixed income.

The primary factors that influence the selection of an overall rate is the Subject's condition, size, location, and market conditions. The Subject is considered similar to Sales 1, 2, and 3 in terms of condition, and superior to Sale 4 in terms of condition. Further, the Subject is generally similar to Sales 1, 3, and 4 in terms of location and superior to Sale 2 in terms of location. Sale 2 is similar to the Subject, while Sales 1 and 2 are smaller, and Sale 4 is larger than the Subject. Given the most recent trends and forecasts of national capitalization rates as well as conversations with local brokers, the Subject is considered to offer generally similar market conditions relative to all of the sales, which sold between November 2024 and July 2025. Overall, we have concluded to a capitalization rate of 4.60 percent for the Subject based on market extraction for the Subject.

### The PwC Real Estate Investor Survey

The *PwC Real Estate Investor Survey* tracks capitalization rates utilized by national investors in commercial and multifamily real estate. The following summarizes the information for the national multifamily housing market:

#### PwC REAL ESTATE INVESTOR SURVEY

##### National Apartment Market

##### Overall Capitalization Rate

Range:	4.00% - 6.25%
Average:	5.30%

##### Institutional Grade Investments

Range:	5.50% - 6.00%
Average:	5.75%

##### Non-Institutional Grade Investments

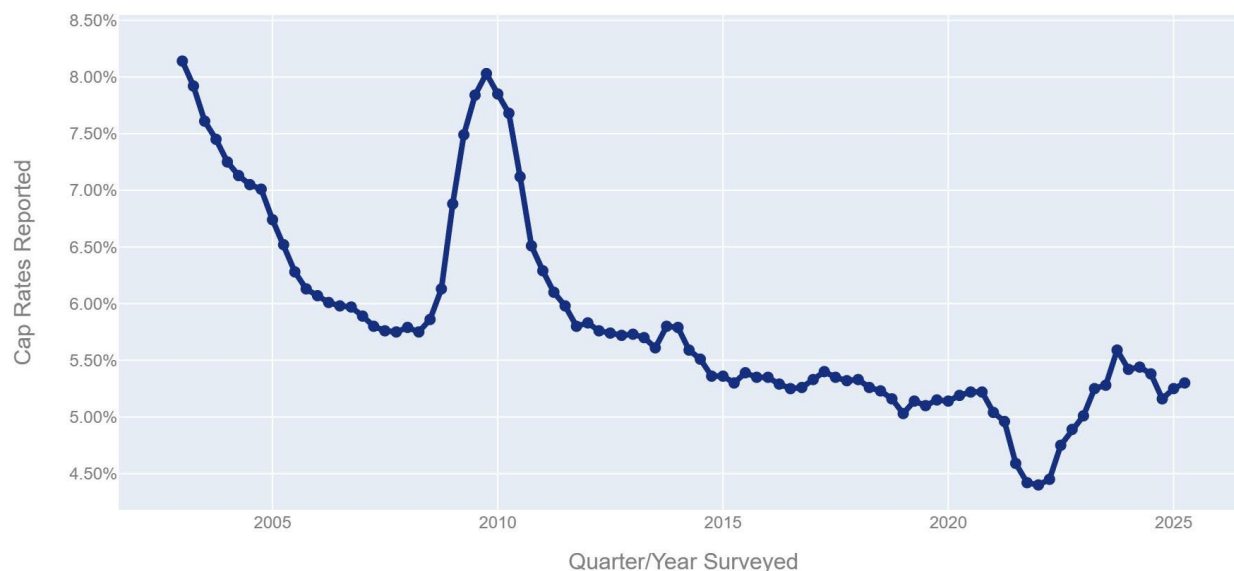
Range:	5.50% - 6.50%
Average:	6.00%

Source: PwC Real Estate Investor Survey, 2Q 2025

The PwC Real Estate Investor Survey defines "Institutional - Grade" real estate as real property investments that are sought out by institutional buyers and have the capacity to meet generally prevalent institutional investment criteria. Typical "Institutional - Grade" apartment properties are newly constructed, well amenitized, market-rate properties in urban or suburban locations. Rarely could subsidized properties, either

new construction or acquisition/rehabilitation, be considered institutional grade real estate. Therefore, for our purpose, the Non-Institutional Grade capitalization rate is most relevant; this is currently 25 basis points higher than the Institutional Grade rate on average. However, local market conditions have significant weight when viewing capitalization rates.

### PwC Investor Survey



PwC Real Estate Investor Survey - National Apartment Market					
Overall Capitalization Rate					
Quarter	Cap Rate	Change (pp)	Quarter	Cap Rate	Change (pp)
3Q20	5.22	-	1Q23	5.01	0.12
4Q20	5.22	0.00	2Q23	5.25	0.24
1Q21	5.04	-0.18	3Q23	5.28	0.03
2Q21	4.96	-0.08	4Q23	5.59	0.31
3Q21	4.59	-0.37	1Q24	5.42	-0.17
4Q21	4.42	-0.17	2Q24	5.44	0.02
1Q22	4.4	-0.02	3Q24	5.38	-0.06
2Q22	4.45	0.05	4Q24	5.16	-0.22
3Q22	4.75	0.30	1Q25	5.25	0.09
4Q22	4.89	0.14	2Q25	5.3	0.05

Source: PwC Real Estate Investor Survey, 2Q 2025

As the graph and table indicate, the overall national average capitalization rate decreased 100 basis points from the second quarter of 2017 to the first quarter of 2022 (5.40 percent to 4.40 percent). Over this period, the rate generally decreased quarter-over-quarter, with a few exceptions. However, the recent increases in interest rates appear to be directly impacting capitalization rates as the overall average national capitalization rate increased 0.90 percentage points since the first quarter of 2022. However, capitalization rates decreased for the first time in two years between fourth quarter 2023 and first quarter 2024, and while the capitalization rates continued to decrease in the second half of 2024, capitalization rates increased slightly in the first and second quarters of 2025. We have considered the current market conditions and we have estimated a capitalization rate of 4.60 percent.



**Debt Coverage Ratio**

The debt coverage ratio (DCR) is frequently used as a measure of risk by lenders wishing to measure the margin of safety and by purchasers analyzing leveraged property. It can be applied to test the reasonableness of a project in relation to lender loan specifications. Lenders typically use the debt coverage ratio as a quick test to determine project feasibility. The debt coverage ratio has two basic components: the properties net operating income and its annual debt service (represented by the mortgage constant). The ratio used is:

$$\text{Net Operating Income} / \text{Annual Debt Service} = \text{Debt Coverage Ratio}$$

One procedure by which the debt coverage ratio can be used to estimate the overall capitalization rate is by multiplying the debt coverage ratio by the mortgage constant and the lender required loan-to-value ratio. The indicated formula is:

$$RO = D.C.R \times RM \times M$$

Where:

RO = Overall Capitalization Rate

D.C.R = Debt Coverage Ratio

RM = Mortgage Constant

M = Loan-to-Value Ratio

**Band of Investment**

This method involves deriving the property's equity dividend rate from the improved comparable sales and applying it, at current mortgage rate and terms, to estimate the value of the income stream.

The formula is:

$$RO = M \times RM + (1-M) \times RE$$

Where:

RO = Overall Capitalization Rate

M = Loan-to-Value Ratio

RM = Mortgage Constant

RE = Equity Dividend

The equity dividend rate (RE) also known as the cash on cash return rate, is the rate of return that an equity investor expects on an annual basis. It is a component of the overall return requirement. The equity dividend rate is impacted by the returns on other similar investments as well as the risk profile of the investment market and finally the expectation for future value growth. The equity dividend rate is lower in cases where the market is strong and there is a perception of lower risk related to the return of the investment. Further, the dividend rate is lower in markets that have greater expectation for capital appreciation. In some cases we have seen dividend rates that are zero or even negative, suggesting that buyers are willing to forego an annual return because of a larger expectation of capital appreciation. Of course the converse is also true. Generally, we see equity dividend rates ranging from two to 10 percent. We believe an equity dividend estimate of 6.5 percent is considered reasonable in this analysis.

The Mortgage Constant (RM) is based upon the calculated interest rate from the ten year treasury. We have utilized 6.50 percent as our estimate of equity return. The following table summarizes calculations for the two previously discussed methods of capitalization rate derivation. We will utilize a market oriented interest rate

of 6.25 percent. Based on our work files, the typical amortization period is 25 to 30 years and the loan to value ratio is 70 to 80 percent with interest rates between 6.0 and 7.6 percent. Therefore, we believe a 6.25 percent interest rate with a 30 year amortization period and a loan to value of 75.00 percent is reasonable. The following table illustrates the band of investment for the Subject property.

#### CAPITALIZATION RATE DERIVATION

Inputs and Assumptions		Interest Rate Calculations	
DCR	1.2	<i>Treasury Bond Basis</i>	
Rm	0.0739	10 Year T-Bond Rate (Sep/2025)	4.11%
Interest (per annum)*	6.25%	Interest rate spread	214
Amortization (years)	30.0	Interest Rate (per annum)	6.25%
M	0.75		
Re	6.50%		

<b>Debt Coverage Ratio</b>									
	Ro	=	DCR	X	Rm	X	M		
	6.65%	=	1.2	X	0.0739	X	75.0%		

<b>Band of Investment</b>									
	Ro	=	(M	X	Rm)	+	((1 - M)	X	Re)
	7.17%	=	75.0%	X	0.0739	+	25.0%	X	6.50%

Source: Bloomberg.com, September 2025

#### Conclusion of Overall Rate Selection

##### CAPITALIZATION RATE SELECTION SUMMARY

Method	Indicated Rate
Market Extraction	4.60%
The PWC Investor Survey	4.60%
Debt Coverage Ratio	6.65%
Band of Investment	7.17%

The following issues impact the determination of a capitalization rate for the Subject:

- Current market health
- Existing competition
- Subject's construction type, tenancy and physical appeal
- The demand growth expected over the next three years
- Local market overall rates

The various approaches indicate a range from 4.60 to 7.17 percent. We reconciled a 4.60 percent capitalization rate based primarily upon the market-extracted rate.

A summary of the direct capitalization analysis is shown following.

### DIRECT CAPITALIZATION ANALYSIS

#### Operating Revenues

			As Is
<u>Apartment Rentals</u>	<u>Market Unit Mix</u>	<u>Average Rent (Monthly)</u>	<u>Total Revenue</u>
<b>Potential Rental Income</b>	<b>72</b>	<b>\$2,362</b>	<b>\$2,040,984</b>
<u>Other Income</u>			
Miscellaneous		\$1,500	\$108,000
<b>Total Potential Revenue</b>		<b>\$29,847</b>	<b>\$2,148,984</b>
<u>Vacancy Loss</u>		(\$1,492)	(\$107,449)
Vacancy Percentage			5.0%
<u>Commercial Income</u>		\$2,126	\$153,072
Vacancy Loss		(\$213)	(\$15,307)
Vacancy Percentage			10.0%
<b>Effective Gross Income</b>		<b>\$30,268</b>	<b>\$2,179,300</b>

#### Operating Expenses

			As Is
Administration		\$750	\$54,000
Operating/Maintenance		\$400	\$28,800
Utilities		\$1,260	\$90,720
Payroll		\$1,003	\$72,200
Real Estate Taxes		\$5,399	\$388,718
Insurance		\$600	\$43,200
Management Fee		\$757	\$54,482
Replacement Reserves		\$250	\$18,000
<b>Total Operating Expenses</b>		<b>\$10,418</b>	<b>\$750,121</b>
<b>Expenses as ratio of EGI</b>			<b>34.4%</b>

#### Valuation

			As Is
Net Operating Income		\$19,850	\$1,429,179
Capitalization Rate			4.60%
<b>Indicated Value Rounded</b>		<b>\$431,944</b>	<b>\$31,100,000</b>

### Conclusion

The following table summarizes the findings of the previously conducted direct capitalization analysis.

### DIRECT CAPITALIZATION ANALYSIS

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Is	4.60%	\$1,429,179	\$31,100,000

The Subject's fee simple market value, as of September 16, 2025, is:

**THIRTY-ONE MILLION ONE HUNDRED THOUSAND DOLLARS**  
**(\$31,100,000)**

## **X. SALES COMPARISON APPROACH**

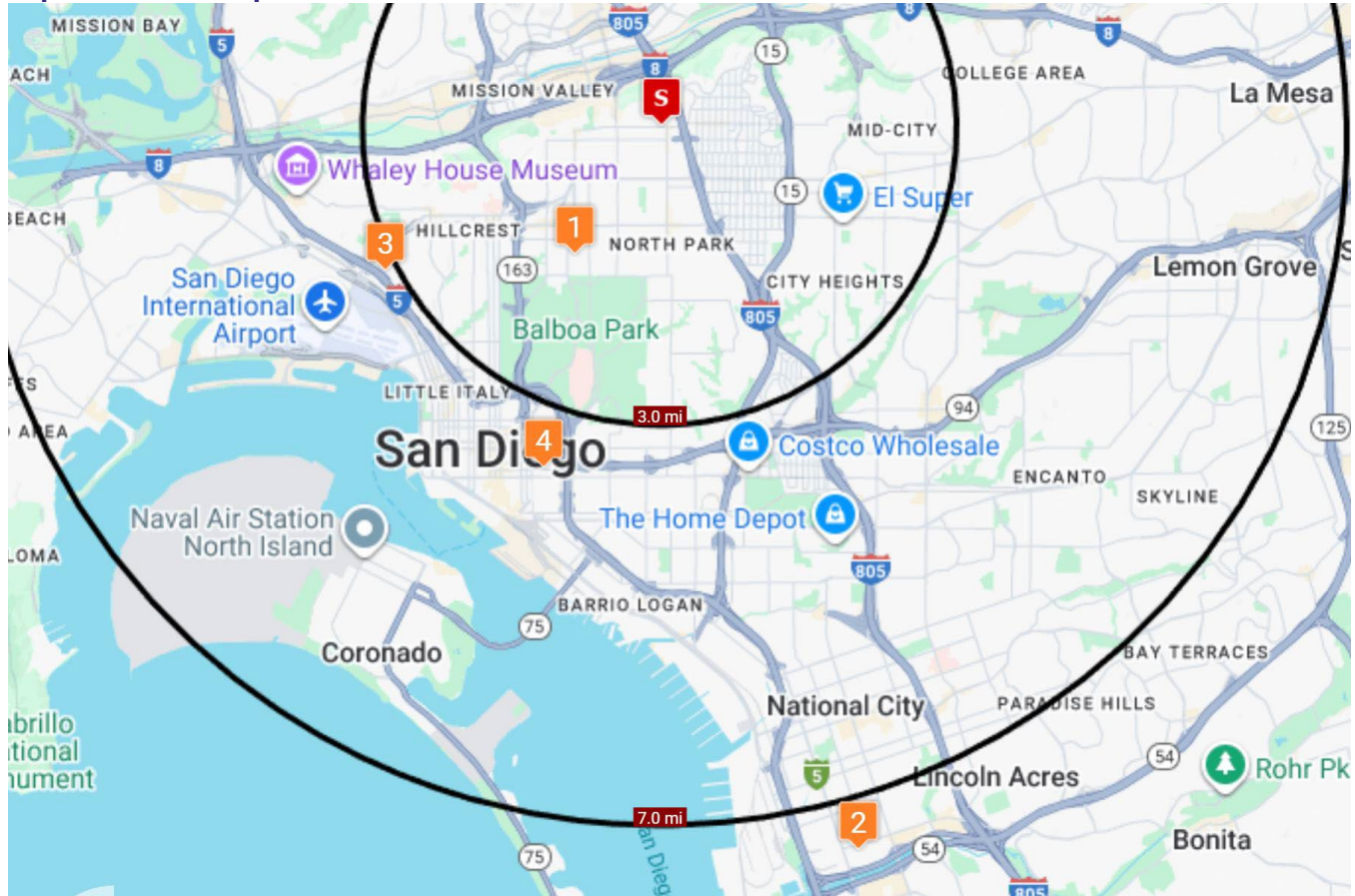
**Sales Comparison Approach**

The sales comparison approach to value is a process of comparing market data; that is, the price paid for similar properties, prices asked by owners, and offers made by hypothetical purchasers willing to buy or lease. It should be noted, the sales utilized represent the best sales available. Market data is good evidence of value because it represents the actions of users and investors. The sales comparison approach is based on the principle of substitution, which states that a prudent investor would not pay more to buy or rent a property than it will cost them to buy or rent a comparable substitute. The sales comparison approach recognizes that the typical buyer will compare asking prices and work through the most advantageous deal available. In the sales comparison approach, the appraisers are observers of the buyer's actions. The buyer is comparing those properties that constitute the market for a given type and class.

We believe the improved sales we have chosen for our analysis represents the typical multifamily market in the Subject's area. Therefore, we have utilized four conventional market rate developments in our sales approach.

The following pages supply the analyzed sale data and will conclude with a value estimate considered reasonable.

### Improved Sales Map



Source: Google Maps, September 2025

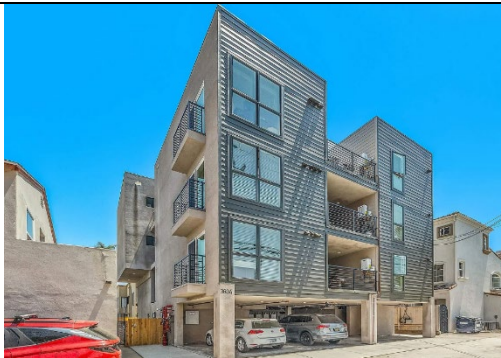
### Valuation Analysis

The sales selected for this analysis are summarized in the following table.

#### IMPROVED SALES

#	Property Name	City/State	Sale Date	Sales Price	# Units	Year Built / Renovated	Price / Unit	EGIM	Cap Rate
1	3634 Indiana St	San Diego, CA	Jul/2025	\$5,819,000	14	2024	\$415,643	15.00	4.74%
2	The Commodore	National City, CA	Jul/2025	\$40,000,000	92	2024	\$434,783	14.62	5.00%
3	The Charmer	San Diego, CA	Apr/2025	\$12,750,000	21	2011	\$607,143	15.34	5.20%
4	Market Street Village	San Diego, CA	Nov/2024	\$82,200,000	229	2006	\$358,952	14.86	4.50%
<b>Average</b>					<b>89</b>		<b>\$454,130</b>	<b>14.96</b>	<b>4.86%</b>

# Improved Sale: 3634 Indiana St



## Transaction

<b>Name</b>	3634 Indiana St	<b>Sale Date</b>	Jul/2025
<b>Address</b>	3634 Indiana Street	<b>Sale Price</b>	\$5,819,000
<b>City</b>	San Diego	<b>Price Per Unit</b>	\$415,643
<b>State</b>	CA	<b>Sale Status</b>	Closed
<b>Zip</b>	92103	<b>Sale Conditions</b>	Typical
<b>County</b>	San Diego	<b>Financing</b>	Conventional
<b>Buyer</b>	Dennis C. Carruth	<b>Verification</b>	CoStar, Broker
<b>Seller</b>	WLA Investments, Inc.		

## Site and Improvements

<b>No. of Units</b>	14	<b>Land Acres</b>	0.16
<b>Year Built</b>	2024	<b>Land Sq Ft</b>	6,970
<b>Year Renovated</b>		<b>Structure</b>	Garden

## Financial Data

<b>EGI</b>	\$387,820	<b>NOI</b>	\$275,820
<b>Total Expenses</b>	\$112,000	<b>Expense Ratio</b>	28.9%
<b>Expenses / Unit</b>	\$8,000	<b>EGIM (\$)</b>	15.0
<b>Cap Rate</b>	4.74%		

## Remarks

The asking price was just over \$6MM and the property was on the market for four months. The property was 95 percent occupied at the time of the sale. The information was confirmed through via the broker by CoStar. The expenses were estimated by Novogradac.

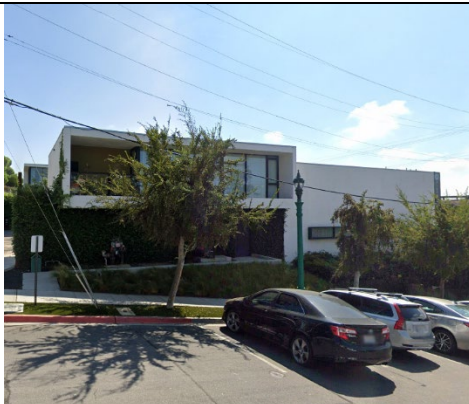


# Improved Sale: The Commodore



Transaction			
Name	The Commodore	Sale Date	Jul/2025
Address	200 East 31st Street	Sale Price	\$40,000,000
City	National City	Price Per Unit	\$434,783
State	CA	Sale Status	Closed
Zip	91950	Sale Conditions	Typical
County	San Diego	Financing	Conventional
Buyer	Amoroso Companies	Verification	CoStar, Broker
Seller	Kire Builders, Inc.		
Site and Improvements			
No. of Units	92	Land Acres	2.48
Year Built	2024	Land Sq Ft	108,029
Year Renovated		Structure	Lowrise
Financial Data			
EGI	\$2,736,000	NOI	\$2,000,000
Total Expenses	\$736,000	Expense Ratio	26.9%
Expenses / Unit	\$8,000	EGIM (\$)	14.62
Cap Rate	5.00%		
Remarks			
The property was on the market for five months. The property was 95 percent occupied at the time of the sale. The information was confirmed through via the broker by CoStar. The expenses were estimated by Novogradac.			

## Improved Sale: The Charmer



		Transaction	
Name	The Charmer	Sale Date	Apr/2025
Address	3625 India Street	Sale Price	\$12,750,000
City	San Diego	Price Per Unit	\$607,143
State	CA	Sale Status	Closed
Zip	92103	Sale Conditions	Typical
County	San Diego	Financing	Conventional
Buyer	Monro Capital, Inc.	Verification	CoStar, Broker
Seller	Ying Wang		

Site and Improvements			
No. of Units	21	Land Acres	0.72
Year Built	2011	Land Sq Ft	31,363
Year Renovated		Structure	Garden
Financial Data			
EGI	\$831,000	NOI	\$663,000
Total Expenses	\$168,000	Expense Ratio	20.2%
Expenses / Unit	\$8,000	EGIM (\$)	15.34
Cap Rate	5.20%		

### Remarks

The property offers 19 apartment units, two live work units, and three commercial units. The property was fully occupied at the time of sale. The information in this profile was obtained through CoStar and confirmed by the broker. Novogradac estimated the expenses.

# Improved Sale: Market Street Village



## Transaction

<b>Name</b>	Market Street Village	<b>Sale Date</b>	Nov/2024
<b>Address</b>	699 14th Street	<b>Sale Price</b>	\$82,200,000
<b>City</b>	San Diego	<b>Price Per Unit</b>	\$358,952
<b>State</b>	CA	<b>Sale Status</b>	Closed
<b>Zip</b>	92101	<b>Sale Conditions</b>	Typical
<b>County</b>	San Diego	<b>Financing</b>	Conventional
<b>Buyer</b>	Community Solutions	<b>Verification</b>	CoStar
<b>Seller</b>	Equity Residential		

## Site and Improvements

<b>No. of Units</b>	229	<b>Land Acres</b>	1.38
<b>Year Built</b>	2006	<b>Land Sq Ft</b>	60,113
<b>Year Renovated</b>		<b>Structure</b>	Midrise

## Financial Data

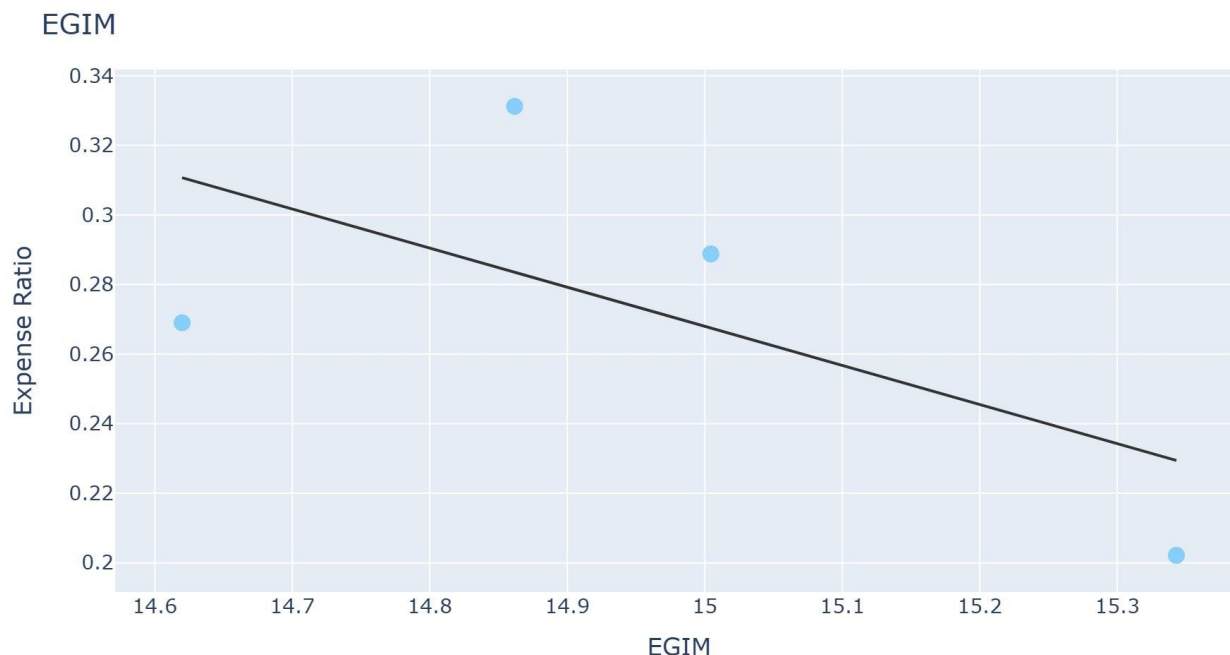
<b>EGI</b>	\$5,531,000	<b>NOI</b>	\$3,699,000
<b>Total Expenses</b>	\$1,832,000	<b>Expense Ratio</b>	33.1%
<b>Expenses / Unit</b>	\$8,000	<b>EGIM (\$)</b>	14.86
<b>Cap Rate</b>	4.50%		

## Remarks

The information in this profile was obtained from CoStar and verified by a party to the transaction. Novogradac estimated expenses.

## EGIM ANALYSIS

We first estimate the Subject's value using the EGIM analysis. The EGIM compares the ratios of sales price to the annual gross income for the property, less a deduction for vacancy and collection loss. A reconciled multiplier for the Subject is then used to convert the Subject's anticipated effective gross income into an estimate of value. The following chart highlights the correlation between the EGIM and the expense ratios reported by the comparable sales utilized in our analysis.



Typically, the higher the operating expense ratio the lower the EGIM. The previous table follows this trend. The Subject's expense ratio is 34.6 percent, which is slightly above the comparable range. Overall, we have estimated an EGIM of 14.25, which is slightly below the range of the comparables and considered reasonable given the Subject is a mixed income development. The Subject's indicated value using the EGIM method is presented in the following table.

### IMPROVED SALES

#	Property Name	Sales Price	EGI	Expense Ratio	Total Expenses	EGIM
1	3634 Indiana St	\$5,819,000	\$387,820	28.9%	\$112,000	15.00
2	The Commodore	\$40,000,000	\$2,736,000	26.9%	\$736,000	14.62
3	The Charmer	\$12,750,000	\$831,000	20.2%	\$168,000	15.34
4	Market Street Village	\$82,200,000	\$5,531,000	33.1%	\$1,832,000	14.86
As Is			\$2,179,300	34.4%	\$750,121	14.25

### EGIM ANALYSIS

Scenario	EGIM	Effective Gross Income	Indicated Value (Rounded)
As Is	14.25	\$2,179,300	\$31,100,000

## NOI/UNIT ANALYSIS

The available sales data also permits the use of the NOI/Unit analysis. The NOI/Unit analysis examines the income potential of a property relative to the price paid per unit. The sales indicate that, in general, investors are willing to pay more for properties with greater income potential. Based on this premise, we are able to gauge the Subject's standing in our market survey group, thereby estimating a value on a price per unit applicable to the Subject. This analysis allows us to provide a quantitative adjustment process and avoids qualitative, speculative adjustments.

To estimate an appropriate price/unit for the Subject, we examined the change in NOI/Unit and how it affects the price/unit. By determining the percent variance of the comparable properties NOI/Unit to the Subject, we determine an adjusted price/unit for the Subject.

The table(s) below summarize the calculated adjustment factors and the indicated adjusted prices.

### NOI/UNIT ANALYSIS – AS IS

No.	Subject's Stabilized NOI/Unit	/	Sale's NOI/Unit	=	Adjustment Factor	X	Unadjusted Price Per Unit	=	Adjusted Price/Unit
1	\$19,850	/	\$19,701	=	1.008	X	\$415,643	=	\$418,771
2	\$19,850	/	\$21,739	=	0.913	X	\$434,783	=	\$396,994
3	\$19,850	/	\$31,571	=	0.629	X	\$607,143	=	\$381,725
4	\$19,850	/	\$16,153	=	1.229	X	\$358,952	=	\$441,105
<b>Average</b>			<b>\$22,291</b>		<b>0.945</b>		<b>\$454,130</b>		<b>\$409,649</b>

### NOI/UNIT ANALYSIS

Scenario	Number of Units	Value per unit	Indicated Value (Rounded)
As Is	72	\$425,000	\$30,600,000

## Conclusion

The Subject's fee simple market value as is, as of September 16, 2025, via the Sales Comparison Approach is:

**THIRTY MILLION SIX HUNDRED THOUSAND DOLLARS**  
**(\$30,600,000)**

## **XI. RECONCILIATION**

## RECONCILIATION

We were asked to provide an estimate of the Subject's value. We considered the traditional approaches. The resulting value estimates are presented following:

### DIRECT CAPITALIZATION ANALYSIS

Scenario	Cap Rate	Net Operating Income	Indicated Value (Rounded)
As Is	4.60%	\$1,429,179	\$31,100,000

### NOI/UNIT ANALYSIS

Scenario	Number of Units	Value per unit	Indicated Value (Rounded)
As Is	72	\$425,000	\$30,600,000

The value indicated by the income capitalization approach is a reflection of a prudent investor's analysis of an income producing property. In this approach, income is analyzed in terms of quantity, quality, and durability. Due to the fact that the Subject is income producing in nature, this approach is the most applicable method of valuing the Subject property. Intangibles are not included in the analysis of this report. Furthermore, when valuing the intangible items, it is the only method of valuation considered.

The sales comparison approach reflects an estimate of value as indicated by the sales market. In this approach, we searched the local market for transfers of similar type properties. These transfers were analyzed for comparative units of value based upon the most appropriate indices (i.e. \$/Unit, OAR, etc.). Our search revealed several sales over the past two years. While there was substantial information available on each sale, the sales varied in terms of location, quality of income stream, condition, etc. As a result, the appraisers used both an EGIM and a sales price/unit analysis. These analyses provide a good indication of the Subject's market value.

The cost approach is, on occasion, one of the main steps of the appraisal process. The value indicated by this approach is derived by first estimating the value of the land. Next, the replacement cost of the improvements, less depreciation from all causes is added to the land value. In essence, value by this approach consists of land value plus the depreciated value of the improvements. *As discussed, this method was not developed due to a lack of accurate cost data, the difficulty in estimating accrued depreciation and the fact that most market participants do not place any reliance on this approach for properties of this age.*

In the final analysis, the appraisers have considered the influence of the three approaches in relation to one another and in relation to the Subject. The Subject is an income producing property, and a prudent investor would be more interested in the value indication derived using the income approach.

The Subject's fee simple market value, as of September 16, 2025, is:

**THIRTY-ONE MILLION ONE HUNDRED THOUSAND DOLLARS**  
**(\$31,100,000)**

### Reasonable Exposure Time:

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

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



### **Marketing Time Projection**

Marketing Time is defined as the period from the date of initial listing to the settlement date. The projected marketing time for the Subject property "As Is" will vary greatly, depending upon the aggressiveness of the marketing agent, the method of marketing, the market that is targeted, interest rates and the availability of credit at the time the property is marketed, the supply and demand of similar properties for sale or having been recently purchased, and the perceived risks at the time it is marketed.

Discussions with area Realtors indicate that a marketing period of nine to twelve months is reasonable for properties such as the Subject. This is supported by data obtained from several of the comparable sales and consistent with information obtained from the PwC Survey. This estimate assumes a strong advertising and marketing program during the marketing period.

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

## ASSUMPTIONS AND LIMITING CONDITIONS

1. In the event that the client provided a legal description, building plans, title policy and/or survey, etc., the consultant has relied extensively upon such data in the formulation of all analyses.
2. The legal description as supplied by the client is assumed to be correct and the author assumes no responsibility for legal matters, and renders no opinion of property title, which is assumed to be good and merchantable.
3. All encumbrances, including mortgages, liens, leases, and servitudes, were disregarded in this valuation unless specified in the report. It was recognized, however, that the typical purchaser would likely take advantage of the best available financing, and the effects of such financing on property value were considered.
4. All information contained in the report, which others furnished, was assumed to be true, correct, and reliable. A reasonable effort was made to verify such information, but the author assumes no responsibility for its accuracy.
5. The report was made assuming responsible ownership and capable management of the property. The analyses and projections are based on the basic assumption that the development will be managed and staffed by competent personnel and that the property will be professionally advertised and aggressively promoted.
6. The sketches, photographs, and other exhibits in this report are solely for the purpose of assisting the reader in visualizing the property. The author made no property survey, and assumes no liability in connection with such matters. It was also assumed there is no property encroachment or trespass unless noted in the report.
7. The author of this report assumes no responsibility for hidden or unapparent conditions of the property, subsoil or structures, or the correction of any defects now existing or that may develop in the future. Equipment components were assumed in good working condition unless otherwise stated in this report.
8. It is assumed that there are no hidden or unapparent conditions for the property, subsoil, or structures, which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering, which may be required to discover such factors.
9. The investigation made it reasonable to assume, for report purposes, that no insulation or other product banned by the Consumer Product Safety Commission has been introduced into the Subject premises. Visual inspection by the consultant did not indicate the presence of any hazardous waste. It is suggested the client obtain a professional environmental hazard survey to further define the condition of the Subject soil if they deem necessary.
10. Any distribution of total property value between land and improvements applies only under the existing or specified program of property utilization. Separate valuations for land and buildings must not be used in conjunction with any other appraisal or study and are invalid if so used.
11. A valuation estimate for a property is made as of a certain day. Due to the principles of change and anticipation the value estimate is only valid as of the date of valuation. The real estate market is nonstatic and change and market anticipation is analyzed as of a specific date in time and is only valid as of the specified date.
12. Possession of the report, or a copy thereof, does not carry with it the right of publication, nor may it be reproduced in whole or in part, in any manner, by any person, without the prior written consent of the

author particularly as to value conclusions, the identity of the author or the firm with which he or she is connected. Neither all nor any part of the report, or copy thereof shall be disseminated to the general public by the use of advertising, public relations, news, sales, or other media for public communication without the prior written consent and approval of the consultant. Nor shall the consultant, firm, or professional organizations of which the consultant is a member be identified without written consent of the consultant.

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

## CERTIFICATION

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

- The statements of fact contained in this report are true and correct;
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, conclusions, and recommendations;
- We have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved.
- We have performed no other services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment;
- We have no bias with respect to any property that is the subject of this report or to the parties involved with this assignment;
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;
- Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice;
- Rachel Adcock has made a personal inspection of the property that is the subject of this report and comparable market data incorporated in this report and is competent to perform such analyses. Rebecca S. Arthur did not inspect the Subject site.
- No one provided significant real property appraisal assistance to the persons signing this certification, aside from Lawson Short, Sebastian Ospina, and Rachel Adcock. Lawson Short, Sebastian Ospina, and Rachel Adcock have provided significant professional assistance to the appraisers in the form of data collection and analysis and site inspection;
- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives;
- As of the date of this report, Rebecca S. Arthur, MAI has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.



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Rebecca Arthur, MAI  
CA State Certified General Real Estate Appraiser  
License No.: AG 041010

## **ADDENDUM B - QUALIFICATIONS OF CONSULTANTS**

**STATEMENT OF PROFESSIONAL QUALIFICATIONS**  
**REBECCA S. ARTHUR, MAI**

**I. Education**

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

Appraisal Institute  
Designated Member (MAI)

**II. Licensing and Professional Affiliation**

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

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

**III. Professional Experience**

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



#### **IV. Professional Training**

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

#### **IV. Real Estate Assignments**

A representative sample of Valuation or Consulting Engagements includes:

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

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

## **V. Speaking Engagements**

A representative sample of industry speaking engagements follows:

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

## **VI. Industry Engagements**

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



Business, Consumer Services & Housing Agency  
**BUREAU OF REAL ESTATE APPRAISERS**  
**REAL ESTATE APPRAISER LICENSE**

**Rebecca S. Arthur**


has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 041010

Effective Date: July 1, 2024  
Date Expires: June 30, 2026

  
Angela Jemmott, Bureau Chief, BREA

3076498

# **STATEMENT OF PROFESSIONAL QUALIFICATIONS**

## **LAWSON SHORT**

### **I. EDUCATION**

**St. Edward's University, Austin, Texas**

Bachelor of Arts, English Writing and Rhetoric, 2010

### **II. PROFESSIONAL EXPERIENCE**

Principal – Novogradac & Company LLP, September 2024 to Present

Manager – Novogradac & Company LLP, March 2018 to September 2024

Real Estate Analyst – Novogradac & Company LLP, March 2012 to March 2018

Researcher – Novogradac & Company LLP, March 2011 to March 2012

### **III. LICENSING AND PROFESSIONAL AFFILIATIONS**

State of Texas Certified General Real Estate Appraiser No. TX 1381458 G

State of Illinois Certified General Real Estate Appraiser No. 553.003065

National Council of Housing Market Analysts (NCHMA) – Member in Good Standing

### **IV. PROFESSIONAL TRAINING**

Market Disturbances-Appraisals in Atypical Markets and Cycles

2022-2023 7-hour National USPAP Update Course

Supervisor-Trainee Course

Basic Appraisal Principles

Basic Appraisal Procedures

General Appraiser Market Analysis Highest and Best Use Course

Statistics, Modeling, and Finance

General Appraiser Site Valuation and Cost Approach

General Appraiser Sales Comparison Approach

General Appraiser Report Writing and Case Studies

Commercial Appraisal Review

Green Building Concepts

Fair Housing, Bias, Discrimination

Land and Site Evaluation

## **V. REAL ESTATE ASSIGNMENTS**

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, supply analysis, and operating expenses analysis. Property types include proposed multifamily, senior independent living, assisted living, large family, and acquisition with rehabilitation.
- Prepared Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included interviewing potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.
- Performed Rent Comparability Study reviews of various subsidized properties located throughout the United States.
- Prepared various types of appraisals of proposed new construction, rehabilitation, and existing properties. Analysis includes property screenings, valuation analysis, capitalization rate analysis, rent comparability studies, expense comparability analysis, determination of market rents, and general market analysis. Appraisals assisted on have included Freddie Mac, Fannie Mae, HUD Multifamily Accelerated Processing (MAP), and USDA, among others.
- Conducted over 150 site inspections for market studies and appraisals throughout the United States for various reports including proposed new construction and rehabilitation projects.
- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects through the United States.
- Prepared Housing Needs Assessments for municipalities across the country in order to determine the needs for additional multifamily housing units.
- Performed valuations of solar panels, wind turbines and other renewable energy installations in connection with financing and structuring analyses performed by various clients.

# STATEMENT OF PROFESSIONAL QUALIFICATIONS

## SEBASTIAN M. OSPINA

### I. EDUCATION

California State University, Long Beach

Master of Arts, Communication Studies, 2022

Bachelor of Arts, Communication Studies, 2018

### II. PROFESSIONAL EXPERIENCE

Novogradac

Analyst, *January 2023 to Present*

Junior Analyst, *May 2022 to January 2023*

Field Researcher Intern, *January 2022 to May 2022*

### III. PROFESSIONAL TRAINING

2024-2025 15-hour National USPAP Course

Supervisor-Trainee Course

Appraisal I (RE 176A) Saddleback College (54 Hours - BREa)

- Real Property Concept and Characteristics
- Types of Value, Influences on Value, and Appraisal Reports
- Three Approaches to Value
- Data Collection for Developing an Appraisal
- Residential Construction and Residential Forms Reporting
- Appraisal Math
- Narrative appraisal Reporting & Writing
- Land, Condos, Cooperatives, Multifamily, and Manufactured Housing Appraisal

### IV. REAL ESTATE ASSIGNMENTS

A representative sample of Due Diligence, Consulting, or Valuation Engagements includes:

- Prepared market studies for proposed Low-Income Housing Tax Credit, market rate, HOME financed, USDA Rural Development, and HUD subsidized properties, on a national basis. Analysis includes property screenings, market analysis, comparable rent surveys, demand analysis based on the number of income qualified renters in each market, and supply analysis. Property types include proposed multifamily, senior independent living, large family, and acquisition with rehabilitation.
- Assisted in the preparation of Rent Comparability Studies for expiring Section 8 contracts and USDA contracts for subsidized properties located throughout the United States. Engagements included interviewing potentially comparable properties, and the analyses of collected data including adjustments to comparable data to determine appropriate adjusted market rents using HUD form 92273.

## **Sebastian M. Ospina – Qualifications**

### **Page 2**

- Researched and analyzed local and national economy and economic indicators for specific projects throughout the United States. Research included employment industries analysis, employment historical trends and future outlook, and demographic analysis.
- Examined local and national housing market statistical trends and potential outlook in order to determine sufficient demand for specific projects through the United States.



**ADDENDUM C - SUBJECT PROPERTY AND NEIGHBORHOOD  
PHOTOS**

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**Photographs of Subject Property and Neighborhood:**



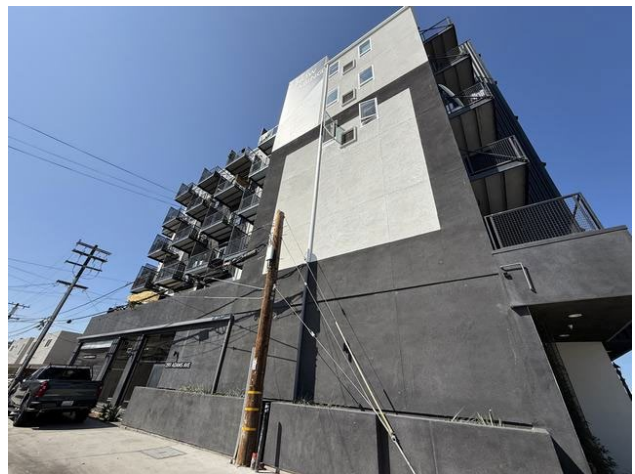
Subject exterior



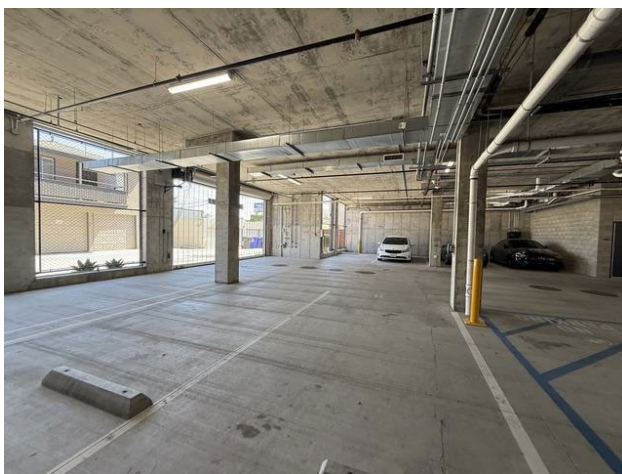
Subject exterior



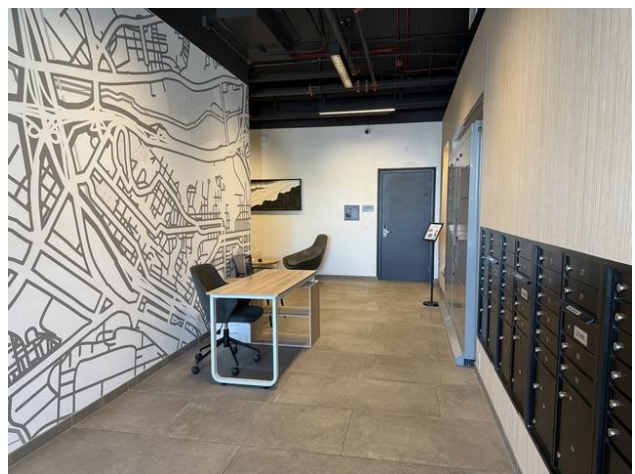
Subject exterior



Subject exterior



Subject parking garage



Subject lobby/mail area



Subject package delivery



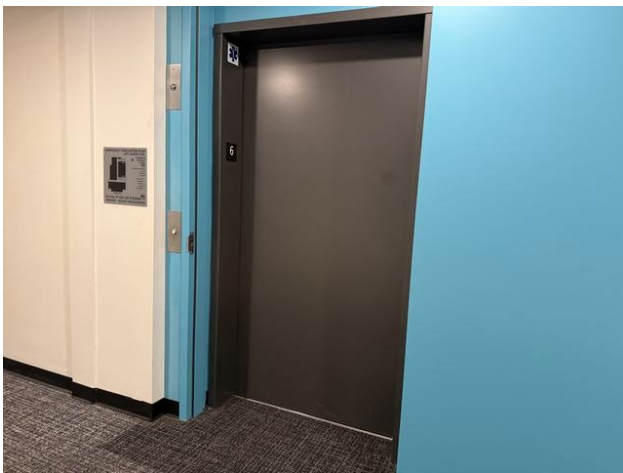
Subject centra laundry



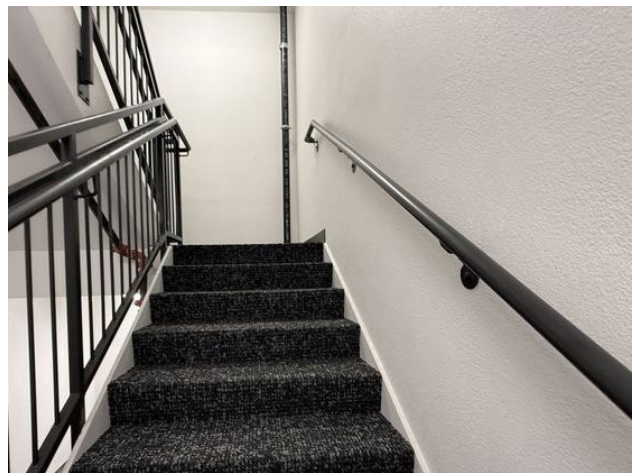
Subject exterior storage



Subject typical hallway



Subject elevator



Subject typical stairway





Subject ground floor commercial frontage



Subject commercial unit (Cold Stone Creamery)



Subject commercial unit (vacant)



Subject commercial unit (vacant)



Subject typical kitchen



Subject typical kitchen



Subject typical bedroom



Subject typical bedroom



Subject typical bedroom



Subject typical bedroom



Subject typical bathroom



Subject typical bathroom





Subject typical bathroom



Subject typical bathroom



Subject typical living area



Subject typical living area



Subject typical balcony



Subject typical balcony



View along Adams Avenue facing west



View along Adams Avenue facing west



Typical single-family home to the north



Typical commercial uses to the north



Auto shop to the north



Typical commercial/restaurant uses to the east





Typical smaller-sized mixed-use developments to the east



Typical smaller-sized mixed-use developments to the east



Typical single-family home to the south



Typical smaller-sized multifamily developments to the south



Typical smaller-sized multifamily developments to the west



Typical smaller-sized mixed-use developments to the west

## **ADDENDUM D - RENT ROLL**

### Rent Roll with Lease Charges

For Selected Properties

As Of = 08/17/2025

Month Year = 08/2025

Unit	Unit Type	Unit Sf	Configuration	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp.	Move Out	Balance
201	29ac10a	815.00	3x1	t3120826	Tammy Reed	3,390.00	rent	3,295.00	3,295.00	0.00	1/25/2025	3/24/2026	12/31/2025	6,845.80
Total								3,295.00						
203	29aa10a	467.00	1x1	t3098861	Angie Woldman	2,290.00	rent	2,225.00	2,220.00	0.00	11/30/2024	12/29/2025		0.00
Total								2,225.00						
205	29aa10a	467.00	1x1	VACANT	VACANT	2,290.00		0.00	0.00	0.00				0.00
Total								0.00						
207	29aa10am	467.00	1x1	VACANT	VACANT	2,190.00		0.00	0.00	0.00				0.00
Total								0.00						
209	29ae10a	345.00	0x1	t3081190	Matthew Bickel	2,155.00	rent	2,100.00	500.00	0.00	10/7/2024	11/6/2025		0.00
Total								2,100.00						
210	29aa10a	467.00	1x1	t3064447	Lennyn Garcia	2,440.00	petrent	50.00	1,500.00	0.00	8/30/2024	10/29/2025		0.00
								garage	350.00					
								rent	2,375.00					
Total								2,775.00						
212	29aa10a	467.00	1x1	t3096334	Alexandra Martin	2,440.00	rent	2,375.00	500.00	0.00	11/12/2024	12/11/2025		0.00
Total								2,375.00						
213	29aa10av	467.00	1x1	t3144923	Anthony McMullen	1,416.00	rent	1,416.00	1,416.00	0.00	3/29/2025	3/28/2026		-16.00
Total								1,416.00						
214	29aa10a	467.00	1x1	t3022674	Erika Guerra	2,440.00	garage	250.00	2,375.00	0.00	9/14/2024	9/13/2025		0.00
								rent	2,375.00					
Total								2,625.00						
215	29aa10av	467.00	1x1	t3082662	Raul Gamez	1,416.00	rent	1,416.00	500.00	0.00	11/26/2024	2/6/2026		-1,596.55
Total								1,416.00						
216	29aa10a	467.00	1x1	t3132094	Evan Washington	2,440.00	storage	75.00	500.00	0.00	2/1/2025	2/28/2026		0.00
								rent	2,375.00					
Total								2,450.00						
217	29aa10al	467.00	1x1	t3048931	Danitella Noir	1,719.00	rent	1,719.00	1,719.00	0.00	11/24/2024	11/23/2025		0.00
Total								1,719.00						
218	29ae10a	345.00	0x1	t3078474	Liam Oneill	2,255.00	rent	2,200.00	500.00	0.00	10/1/2024	11/30/2025		0.00
Total								2,200.00						
219	29aa10al	467.00	1x1	t3022059	Ian Marsh	1,719.00	rent	1,719.00	0.00	0.00	8/31/2024	8/30/2025		660.01
Total								1,719.00						
220	29ae10a	345.00	0x1	t3060241	Jesus Sevilla	2,105.00	rent	2,050.00	500.00	0.00	9/1/2024	9/30/2025		0.00
Total								2,050.00						
301	29ac10a	815.00	3x1	t3181614	Rudolf Nowak	3,515.00	emphous	-3,425.00	0.00	0.00	5/6/2025	5/5/2026		0.00

### Rent Roll with Lease Charges

For Selected Properties

As Of = 08/17/2025

Month Year = 08/2025

Unit	Unit Type	Unit Sf	Configuration	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp.	Move Out	Balance
						rent		3,425.00						
						<b>Total</b>		<b>0.00</b>						
303	29aa10a	467.00	1x1 VACANT	VACANT		2,290.00		0.00	0.00	0.00				0.00
						<b>Total</b>		<b>0.00</b>						
305	29aa10a	467.00	1x1 t3107853	Laurence Fox		2,315.00	rent	2,250.00	2,250.00	0.00	1/24/2025	2/23/2026		-10.32
						<b>Total</b>		<b>2,250.00</b>						
307	29aa10a	467.00	1x1 t3102304	Kevin Langel		2,315.00	rent	2,250.00	2,250.00	0.00	12/3/2024	1/2/2026		3,163.24
						<b>Total</b>		<b>2,250.00</b>						
309	29ae10a	345.00	0x1 t3064581	Eduardo Curenio		2,100.00	garage	300.00	2,100.00	0.00	9/11/2024	10/10/2025		2,490.03
							rent	2,100.00						
						<b>Total</b>		<b>2,400.00</b>						
310	29aa10a	467.00	1x1 t3093137	Michael chavez		2,435.00	rent	2,370.00	500.00	0.00	11/1/2024	11/30/2025		0.00
						<b>Total</b>		<b>2,370.00</b>						
312	29aa10a	467.00	1x1 t3105873	Erubey Robles		2,435.00	rent	2,370.00	500.00	0.00	12/2/2024	12/1/2025		0.00
						<b>Total</b>		<b>2,370.00</b>						
313	29aa10a	467.00	1x1 t3085228	Anthony Licciardone		2,315.00	rent	2,250.00	500.00	0.00	10/26/2024	11/25/2025		0.00
						<b>Total</b>		<b>2,250.00</b>						
314	29aa10a	467.00	1x1 t3130325	Matthew Martin		2,435.00	rent	2,370.00	250.00	0.00	1/11/2025	2/10/2026		0.00
						<b>Total</b>		<b>2,370.00</b>						
315	29aa10a	467.00	1x1 t3104475	Abdoul Abdourahamane Hassane		2,390.00	rent	2,325.00	500.00	0.00	12/20/2024	1/19/2026		0.00
						<b>Total</b>		<b>2,325.00</b>						
316	29aa10a	467.00	1x1 t3109620	Justin Miranda		2,435.00	rent	2,370.00	2,370.00	0.00	12/10/2024	1/9/2026		0.00
						<b>Total</b>		<b>2,370.00</b>						
317	29aa10a	467.00	1x1 t3268493	Willie Bunch		2,390.00	rent	2,390.00	500.00	0.00	7/24/2025	7/23/2026		149.78
						<b>Total</b>		<b>2,390.00</b>						
318	29ae10av	345.00	0x1 t3142795	Ausha Rushing -Smith		1,267.00	storage	25.00	1,000.00	0.00	2/27/2025	2/26/2026		0.00
							rent	1,242.00						
						<b>Total</b>		<b>1,267.00</b>						
319	29aa10a	467.00	1x1 t3057855	Alexandros Apostolopoulos		2,315.00	garage	300.00	500.00	0.00	9/21/2024	1/20/2026		0.00
							rent	2,275.00						
						<b>Total</b>		<b>2,575.00</b>						
320	29ae10a	345.00	0x1 VACANT	VACANT		2,250.00		0.00	0.00	0.00				0.00
						<b>Total</b>		<b>0.00</b>						
401	29ac10a	815.00	3x1 t3163091	David Tomaino		3,410.00	rent	3,425.00	500.00	0.00	5/10/2025	6/9/2026		0.00
						<b>Total</b>		<b>3,425.00</b>						

### Rent Roll with Lease Charges

For Selected Properties

As Of = 08/17/2025

Month Year = 08/2025

Unit	Unit Type	Unit Sf	Configuration	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp.	Move Out	Balance
403	29aa10a	467.00	1x1	VACANT	VACANT	2,315.00		0.00	0.00	0.00				0.00
						<b>Total</b>		<b>0.00</b>						
405	29aa10a	467.00	1x1	t3106332	Edwin Torres	2,315.00	rent	2,250.00	250.00	0.00	11/30/2024	12/29/2025		0.00
						<b>Total</b>		<b>2,250.00</b>						
407	29ac10a	815.00	3x1	t3109172	Alejandro Mendoza-Mercado	3,410.00	petrent	50.00	1,000.00	0.00	11/26/2024	1/25/2026		-2,187.71
							rent	3,420.00						
						<b>Total</b>		<b>3,470.00</b>						
410	29aa10a	467.00	1x1	t3031595	Ysabel Del Greco	2,510.00	garage	250.00	500.00	0.00	8/5/2024	9/4/2025	9/4/2025	0.00
							rent	2,375.00						
						<b>Total</b>		<b>2,625.00</b>						
412	29aa10a	467.00	1x1	t3044650	Andrea Talley	2,510.00	rent	2,375.00	500.00	0.00	8/2/2024	9/1/2025	8/31/2025	0.00
						<b>Total</b>		<b>2,375.00</b>						
413	29aa10a	467.00	1x1	t3038688	Juan Angulo	2,390.00	rent	2,275.00	500.00	0.00	8/1/2024	8/31/2025		0.00
						<b>Total</b>		<b>2,275.00</b>						
414	29aa10a	467.00	1x1	t3050891	Ruihan Wu	2,510.00	garage	250.00	500.00	0.00	8/11/2024	10/10/2025		0.00
							rent	2,375.00						
						<b>Total</b>		<b>2,625.00</b>						
415	29aa10a	467.00	1x1	t3062477	Mya Johnson	2,390.00	rent	2,275.00	500.00	0.00	8/29/2024	10/28/2025		-584.77
						<b>Total</b>		<b>2,275.00</b>						
416	29aa10a	467.00	1x1	t3047077	Timothy Mahon	2,510.00	rent	2,375.00	500.00	0.00	8/19/2024	10/18/2025		0.00
						<b>Total</b>		<b>2,375.00</b>						
417	29aa10a	467.00	1x1	t3136951	Jeffrey Horng Hann Chen	2,390.00	rent	2,325.00	500.00	0.00	1/28/2025	2/27/2026		0.00
						<b>Total</b>		<b>2,325.00</b>						
418	29ae10a	345.00	0x1	t3084091	Cory Holmberg	2,125.00	rent	2,070.00	500.00	0.00	10/12/2024	11/11/2025		0.00
						<b>Total</b>		<b>2,070.00</b>						
419	29aa10a	467.00	1x1	t3163580	Jessica Nguyen	2,510.00	rent	2,445.00	2,445.00	0.00	3/8/2025	4/7/2026		0.00
						<b>Total</b>		<b>2,445.00</b>						
420	29ae10a	345.00	0x1	t3022961	Hannah Burt	2,175.00	petrent	50.00	1,000.00	0.00	8/31/2024	9/30/2025		0.00
							rent	2,050.00						
						<b>Total</b>		<b>2,100.00</b>						
501	29ac10a	815.00	3x1	t3054701	Miriam Medina	3,385.00	petrent	50.00	1,500.00	0.00	8/16/2024	10/15/2025		50.00
							petrent	50.00						
							rent	3,475.00						
						<b>Total</b>		<b>3,575.00</b>						
503	29aa10a	467.00	1x1	t3101456	Kimberly-Susan Taisacan	2,365.00	rent	2,300.00	500.00	0.00	11/30/2024	1/29/2026		0.00

### Rent Roll with Lease Charges

For Selected Properties

As Of = 08/17/2025

Month Year = 08/2025

Unit	Unit Type	Unit Sf	Configuration	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp.	Move Out	Balance
<b>Total</b>								<b>2,300.00</b>						
505	29aa10a	467.00	1x1	t3073858	Luis Valdivia	2,365.00	rent	2,400.00	500.00	0.00	9/28/2024	11/27/2025		-2,999.65
<b>Total</b>								<b>2,400.00</b>						
507	29ac10a	815.00	3x1	t3071589	Airon Pamintuan	3,585.00	petrent	100.00	3,495.00	0.00	3/1/2025	3/31/2026		0.00
								3,495.00						
<b>Total</b>								<b>3,595.00</b>						
510	29aa10a	467.00	1x1	t3219338	Taija Pate	2,585.00	rent	2,520.00	500.00	0.00	5/20/2025	11/19/2025		0.00
<b>Total</b>								<b>2,520.00</b>						
512	29aa10a	467.00	1x1	t3064042	John Garzone Jr	2,485.00	rent	2,450.00	500.00	0.00	8/31/2024	10/30/2025		0.00
<b>Total</b>								<b>2,450.00</b>						
513	29aa10a	467.00	1x1	t3084587	LALEH SAEIDI	2,365.00	rent	2,300.00	500.00	0.00	10/16/2024	12/15/2025		50.00
<b>Total</b>								<b>2,300.00</b>						
514	29aa10a	467.00	1x1	t3062935	Devon Henderson	2,485.00	rent	2,450.00	500.00	0.00	9/1/2024	10/31/2025		0.00
<b>Total</b>								<b>2,450.00</b>						
515	29aa10a	467.00	1x1	t3100599	Carson Ezell	2,365.00	rent	2,300.00	500.00	0.00	11/9/2024	1/8/2026		0.00
<b>Total</b>								<b>2,300.00</b>						
516	29aa10a	467.00	1x1	t3141155	Michael Johnson	2,585.00	rent	2,520.00	500.00	0.00	1/30/2025	2/28/2026		0.00
<b>Total</b>								<b>2,520.00</b>						
517	29aa10a	467.00	1x1	VACANT	VACANT	2,465.00		0.00	0.00	0.00				0.00
<b>Total</b>								<b>0.00</b>						
518	29ae10a	345.00	0x1	t3067774	Katherine Pfeffer	2,100.00	rent	2,045.00	500.00	0.00	10/31/2024	11/30/2025		0.00
<b>Total</b>								<b>2,045.00</b>						
519	29aa10a	467.00	1x1	VACANT	VACANT	2,365.00		0.00	0.00	0.00				0.00
<b>Total</b>								<b>0.00</b>						
520	29ae10a	345.00	0x1	t3041695	Pamela Lopez	2,150.00	rent	2,075.00	500.00	0.00	8/21/2024	9/20/2025	9/20/2025	0.00
<b>Total</b>								<b>2,075.00</b>						
601	29ac10a	815.00	3x1	VACANT	VACANT	3,435.00		0.00	0.00	0.00				0.00
<b>Total</b>								<b>0.00</b>						
603	29aa10a	467.00	1x1	t3137423	Michelle Coles	2,415.00	rent	2,350.00	2,350.00	0.00	2/14/2025	3/13/2026	12/31/2025	7,461.03
<b>Total</b>								<b>2,350.00</b>						
605	29aa10a	467.00	1x1	t3127717	Eduard Arakelyan	2,415.00	rent	2,350.00	500.00	0.00	1/19/2025	2/18/2026		-2,350.00
<b>Total</b>								<b>2,350.00</b>						
607	29ac10a	815.00	3x1	t3138428	Michael Conde	3,635.00	rent	3,545.00	3,545.00	0.00	1/24/2025	3/23/2026		-290.80
<b>Total</b>								<b>3,545.00</b>						



### Rent Roll with Lease Charges

For Selected Properties  
As Of = 08/17/2025  
Month Year = 08/2025

Unit	Unit Type	Unit Sf	Configuration	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp.	Move Out	Balance
610	29aa10a	467.00	1x1	t3106799	Jeff McLeod	2,535.00	petrent	50.00	1,000.00	0.00	11/27/2024	1/26/2026		0.00
							rent	2,470.00						
						<b>Total</b>		<b>2,520.00</b>						
612	29aa10a	467.00	1x1	t3097454	Djolo Dalo	2,535.00	rent	2,470.00	500.00	0.00	11/23/2024	1/22/2026		0.00
						<b>Total</b>		<b>2,470.00</b>						
613	29aa10a	467.00	1x1	t3102164	Kenzie Spreen	2,415.00	rent	2,350.00	500.00	0.00	11/16/2024	1/15/2026		0.00
						<b>Total</b>		<b>2,350.00</b>						
614	29aa10a	467.00	1x1	t3078524	Sherlyn Pelaez	2,535.00	petrent	50.00	1,000.00	0.00	9/30/2024	11/29/2025		0.00
							rent	2,470.00						
						<b>Total</b>		<b>2,520.00</b>						
615	29aa10a	467.00	1x1	t3241293	Socrates Flores	2,615.00	emphous	-2,615.00	0.00	0.00	7/31/2025	12/28/2025		0.00
							rent	2,615.00						
						<b>Total</b>		<b>0.00</b>						
616	29aa10a	467.00	1x1	t3099732	Andrew Nettesheim	2,610.00	rent	2,545.00	500.00	0.00	11/8/2024	1/7/2026		0.00
						<b>Total</b>		<b>2,545.00</b>						
617	29aa10a	467.00	1x1	t3220043	Jonathan Espinoza	2,415.00	rent	2,415.00	500.00	0.00	5/18/2025	5/17/2026		0.00
						<b>Total</b>		<b>2,415.00</b>						
618	29ae10a	345.00	0x1	t3048532	Hayley Martin	2,150.00	rent	2,150.00	500.00	0.00	8/11/2024	9/10/2025	9/10/2025	0.00
						<b>Total</b>		<b>2,150.00</b>						
619	29aa10a	467.00	1x1	t3085386	Shawn DeYoung	2,415.00	rent	2,350.00	500.00	0.00	10/7/2024	12/6/2025		0.00
						<b>Total</b>		<b>2,350.00</b>						
620	29ae10a	345.00	0x1	t3059885	Agustin Jurado	2,200.00	storage	25.00	500.00	0.00	8/21/2024	2/20/2026		0.00
							rent	2,200.00						
						<b>Total</b>		<b>2,225.00</b>						

#### Future Residents/Applicants

320	29ae10a	345.00		t3271795	Eulorino Villa	2,250.00		0.00	0.00	0.00	7/16/2025	7/15/2026		320.00
						<b>Total</b>		<b>0.00</b>						
519	29aa10a	467.00		t3289529	Karla Bonilla	2,365.00		0.00	250.00	0.00	8/30/2025	2/28/2026		0.00
						<b>Total</b>		<b>0.00</b>						
601	29ac10a	815.00		t3288476	Latrina Davis	3,435.00		0.00	0.00	0.00	8/11/2025	8/10/2026		285.00
						<b>Total</b>		<b>0.00</b>						
<b>Total</b>					<b>2911 Adams(ca291ada)</b>	<b>175,352.00</b>		<b>148,507.00</b>	<b>60,080.00</b>	<b>0.00</b>				<b>11,439.09</b>

#### Summary Groups

						Square Footage	Market Rent	Lease Charges	Security Deposit	Other Deposits	# Of Units	% Unit Occupancy	% Sqft Occupied	Balance
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Rent Roll with Lease Charges

For Selected Properties

As Of = 08/17/2025

Month Year = 08/2025

Unit	Unit Type	Unit Sf	Configuration	Resident	Name	Market Rent	Charge Code	Amount	Resident Deposit	Other Deposit	Move In	Lease Exp.	Move Out	Balance
Current/Notice/Vacant Residents						34,944.00	175,352.00	148,507.00	59,830.00	0.00	72	88.88	88.66	10,834.09
Future Residents/Applicants						1,627.00	8,050.00	0.00	250.00	0.00	3			605.00
Occupied Units						30,982.00	155,752.00				64	88.88	88.66	
Total Non Rev Units						0.00	0.00				0	0.00	0.00	
Total Vacant Units						3,962.00	19,600.00				8	11.11	11.33	
Totals:						34,944.00	175,352.00	148,507.00	60,080.00	0.00	72	100.00	100.00	11,439.09

Summary of Charges by Charge Code

(Current/Notice Residents Only)

Charge Code	Amount
rent	152272
petrent	450
garage	1700
storage	125
emphous	-6040
Total	148507

## **ADDENDUM E - FINANCIALS**

2911 Adams (ca291ada)  
**Statement (12 months)**  
Period = May 2024-Apr 2025  
Book = Accrual ; Tree = ysi\_is

		May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	Total
40000-000	INCOME													
40001-000	Rental Income - Residential													
41000-000	Market Rent	0.00	0.00	171,912.00	172,412.00	170,887.00	170,887.00	171,061.00	170,085.00	170,462.00	170,782.00	170,832.00	170,832.00	1,710,152.00
41010-000	Gain / Loss To Lease	0.00	0.00	0.00	-150.00	-4,965.00	-2,495.00	-3,540.00	280.00	-4,379.75	80.00	-4,641.00	235.00	-19,575.75
41029-099	Potential Rent	0.00	0.00	171,912.00	172,262.00	165,922.00	168,392.00	167,521.00	170,365.00	166,082.25	170,862.00	166,191.00	171,067.00	1,690,576.25
41030-000	Other Rental Income - Residential													
41091-000	One-Time Concessions	0.00	0.00	0.00	-3,505.00	-46,720.00	-46,925.00	-39,410.00	-42,369.00	-32,260.00	-29,240.00	-11,070.00	-2,545.00	-254,044.00
41100-000	Vacancy Loss	0.00	0.00	-171,912.00	-148,901.51	-105,086.89	-92,388.80	-63,556.92	-36,973.42	-25,932.83	-19,962.71	-9,286.68	-12,797.97	-686,799.73
41110-000	Employee Units	0.00	0.00	0.00	-980.00	-4,280.00	-4,280.00	-4,280.00	-4,280.00	620.00	-4,280.00	-3,656.28	0.00	-25,416.28
41150-000	Bad Debt - Rent	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-231.25	0.00	0.00	0.00	-231.25
41155-000	Bad Debt Recovery - Rent	0.00	0.00	0.00	0.00	0.00	21.00	0.00	0.00	0.00	0.00	138.75	0.00	159.75
41999-098	Total Other Rental Inc. - Residential	0.00	0.00	-171,912.00	-153,386.51	-156,086.89	-143,572.80	-107,246.92	-83,622.42	-57,804.08	-53,482.71	-23,874.21	-15,342.97	-966,331.51
41999-099	Total Rental Inc. - Residential	0.00	0.00	0.00	18,875.49	9,835.11	24,819.20	60,274.08	86,742.58	108,278.17	117,379.29	142,316.79	155,724.03	724,244.74
42100-000	Rental Income - Commercial													
42200-000	Market Rent - Commercial	0.00	0.00	9,358.50	9,358.50	9,358.50	9,358.50	9,358.50	9,358.50	9,358.50	9,358.50	9,358.50	9,358.50	93,585.00
42259-099	Total Rental Income - Commercial	0.00	0.00	9,358.50	9,358.50	9,358.50	9,358.50	9,358.50	9,358.50	9,358.50	9,358.50	9,358.50	9,358.50	93,585.00
42340-000	Vacancy Loss - Commercial	0.00	0.00	-9,358.50	-9,358.50	-9,358.50	-9,358.50	-9,358.50	-9,358.50	-9,358.50	-4,653.75	-4,653.75	-4,653.75	-79,470.75
42999-098	Total Other Rental Inc. - Commercial	0.00	0.00	-9,358.50	-9,358.50	-9,358.50	-9,358.50	-9,358.50	-9,358.50	-9,358.50	-4,653.75	-4,653.75	-4,653.75	-79,470.75
42999-099	Total Rental Inc. - Commercial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,704.75	4,704.75	4,704.75	14,114.25
43000-000	Other Income - Residential													
43020-000	Application Fees	140.00	630.00	455.00	840.00	665.00	595.00	805.00	385.00	525.00	175.00	140.00	0.00	5,355.00
43055-000	Cable TV Commissions	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	500.00	540.00	-20.00	1,020.00
43080-000	Damages	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	96.00	96.00
43135-000	Late Charge Fees	0.00	0.00	0.00	0.00	0.00	50.00	50.00	100.00	200.00	200.00	300.00	350.00	1,250.00
43140-000	Laundry Collections	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,162.00	1,162.00	1,337.25	3,661.25
43180-000	NSF Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25.00	25.00	0.00	0.00	50.00
43190-000	Parking / Carport Income	0.00	0.00	0.00	540.31	1,333.33	1,000.00	1,000.00	1,000.00	1,764.52	1,950.00	2,141.94	2,300.00	13,030.10
43201-000	Pet Rent	0.00	0.00	0.00	100.00	373.33	351.67	350.00	-1,744.16	2,550.83	407.14	500.00	500.00	3,388.81
43215-000	Renter's Insurance Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	21.50	96.75	150.50	172.00	197.08	637.83
43235-000	Storage Rent	0.00	0.00	0.00	0.00	25.00	25.00	25.00	25.00	25.00	25.00	25.00	75.00	250.00
43258-000	Electric Rebill	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	27.84	35.02	27.38	90.24
43260-000	Utility Reimbursement	0.00	0.00	0.00	0.00	2.73	19.25	29.05	89.36	110.85	188.24	213.12	285.23	937.83
43262-000	Trash Rebill	0.00	0.00	0.00	0.00	62.08	809.68	0.00	839.05	1,345.86	1,354.62	4,510.88	-184.35	8,737.82
43264-001	Water/Sewer Rebill	0.00	0.00	0.00	0.00	10.60	253.71	63.62	654.78	756.74	948.69	1,456.16	3,751.81	7,896.11

2911 Adams (ca291ada)

Statement (12 months)

Period = May 2024-Apr 2025

Book = Accrual ; Tree = ysi\_is

		May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	Total
43264-010	Sewer Rebill	0.00	0.00	0.00	0.00	8.31	-8.31	0.00	0.00	0.00	0.00	0.00	0.00	0.00
43290-000	Miscellaneous Income	0.00	0.00	0.14	0.00	944.56	0.00	-943.56	3.00	0.00	501.00	3.00	0.00	508.14
43599-099	Total Other Inc. - Residential	140.00	630.00	455.14	1,480.31	3,424.94	3,096.00	1,379.11	1,373.53	7,400.55	7,615.03	11,199.12	8,715.40	46,909.13
43600-000	Other Income - Commercial													
43610-000	CAM Reimbursement - Commercial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,133.93	5,133.93
43799-099	Total Other Inc. - Commercial	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,133.93	5,133.93
43999-099	Total Residential & Commercial Income	140.00	630.00	455.14	20,355.80	13,260.05	27,915.20	61,653.19	88,116.11	115,678.72	129,699.07	158,220.66	174,278.11	790,402.05
49999-999	Total Income	140.00	630.00	455.14	20,355.80	13,260.05	27,915.20	61,653.19	88,116.11	115,678.72	129,699.07	158,220.66	174,278.11	790,402.05
50000-000	EXPENSES													
50001-000	Payroll & Benefits													
51010-000	Management - Salaries	1,669.56	4,318.42	7,273.79	8,468.38	7,892.27	8,966.41	7,386.29	7,707.49	8,726.06	7,521.61	6,540.06	858.10	77,328.44
51017-000	Leasing Manager	0.00	0.00	1,535.00	-1,535.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
51020-000	Leasing - Salaries	0.00	4,784.28	4,259.44	6,483.68	4,796.25	3,496.64	5,329.33	4,036.16	5,192.92	4,983.19	656.05	225.22	44,243.16
51030-000	Bonuses	0.00	0.00	462.00	7,318.85	3,711.68	6,960.00	5,517.74	0.00	2,611.10	2,278.90	3,792.43	359.41	33,012.11
51040-000	Maintenance - Salaries	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9,028.88	4,892.49	903.40	14,824.77
51045-000	Assistant Maintenance - Salaries	0.00	0.00	0.00	0.00	0.00	4,259.29	4,671.81	5,568.99	5,046.11	-5,046.11	0.00	0.00	14,500.09
51070-000	Payroll Taxes	0.00	818.46	1,254.63	869.01	2,195.94	1,417.01	2,162.38	2,088.86	2,666.84	-2,932.84	0.00	-14.90	10,525.39
51090-000	401k Contributions	0.00	109.66	255.01	260.27	272.97	257.68	317.01	265.56	250.94	257.61	342.92	-79.28	2,510.35
51100-000	Workers Compensation	0.00	883.83	1,594.18	1,446.14	2,734.11	1,400.11	2,521.26	2,811.70	1,802.75	-2,191.75	0.00	-11.39	12,990.94
51110-000	Employee Burden	0.00	111.75	149.00	-260.75	0.00	0.00	0.00	73.07	0.00	9,592.07	2,810.91	575.30	13,051.35
51115-000	Payroll Administrative Expense	0.00	0.00	0.00	409.75	74.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	484.25
51120-000	Group Insurance	0.00	0.00	1,336.71	1,378.57	1,334.37	1,378.57	2,067.91	2,038.30	2,096.57	2,117.84	2,248.50	309.96	16,307.30
51150-000	Contract Staffing - Admin	0.00	0.00	0.00	0.00	864.00	576.00	1,134.00	-2,574.00	0.00	0.00	0.00	386.42	386.42
51599-099	Total Payroll & Benefits	1,669.56	11,026.40	18,119.76	24,838.90	23,876.09	28,711.71	31,107.73	22,016.13	28,393.29	25,609.40	21,283.36	3,512.24	240,164.57
52000-000	General Maintenance Expense													
52001-000	Repairs & Maintenance													
52040-000	Building - Exterior	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99.10	0.00	99.10
52057-000	Cleaning & Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	62.66	46.12	88.27	156.20	0.00	353.25
52070-000	Electrical Supplies / Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39.86	18.74	0.00	0.00	0.00	58.60
52130-000	Lighting Supplies / Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	11.59	0.00	11.59
52140-000	Locks & Keys	0.00	0.00	48.48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	48.48
52150-000	Maintenance Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	16.97	49.24	73.83	119.11	0.00	259.15
52155-000	Painting Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10.58	0.00	62.36	0.00	72.94

2911 Adams (ca291ada)  
**Statement (12 months)**  
Period = May 2024-Apr 2025  
Book = Accrual ; Tree = ysi\_is

		May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	Total
52190-000	Plumbing Supplies / Repairs	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	67.22	0.00	206.69	0.00	273.91
52299-099	Total Repairs & Maintenance	0.00	0.00	48.48	0.00	0.00	0.00	0.00	119.49	191.90	162.10	655.05	0.00	1,177.02
52600-000	Make - Ready / Redecorating													
52670-000	Painting Supplies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	118.15	0.00	179.24	69.77	367.16
52799-099	Total Make - Ready / Redecorating	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	118.15	0.00	179.24	69.77	367.16
53000-000	Contract Services													
53070-000	Fire Protection / Life Safety Contract	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8.58	0.00	8.58
53090-000	Janitorial Contract	0.00	0.00	720.00	1,780.00	571.25	888.75	240.00	0.00	0.00	0.00	0.00	0.00	4,200.00
53140-000	Pest Control Contract	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	125.00	125.00
53180-000	Trash Removal Contract	0.00	0.00	0.00	1,068.67	1,200.00	2,334.15	1,959.26	2,407.18	4,886.28	1,875.91	992.72	354.91	17,079.08
53298-099	Total Contract Services	0.00	0.00	720.00	2,848.67	1,771.25	3,222.90	2,199.26	2,407.18	4,886.28	1,875.91	1,001.30	479.91	21,412.66
53999-099	Total General Maintenance Expenses	0.00	0.00	768.48	2,848.67	1,771.25	3,222.90	2,199.26	2,526.67	5,196.33	2,038.01	1,835.59	549.68	22,956.84
54000-000	Advertising / Marketing / Promotions													
54007-000	Visual and Creative Services	0.00	0.00	352.61	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	352.61
54010-000	Search Engine Marketing Campaigns	0.00	0.00	1,996.76	4,503.49	490.41	4,161.51	569.19	7,878.90	1,182.90	1,500.00	2,015.60	5,391.60	29,690.36
54012-000	Internet Listing Services (ILS)	0.00	0.00	3,844.08	2,444.00	2,534.90	3,272.00	6,791.38	3,272.00	6,157.00	25.70	3,096.65	1,406.75	32,844.46
54025-000	Property Website	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	470.00	470.00
54035-000	Social Media	0.00	0.00	875.00	350.00	340.00	350.00	700.00	350.00	350.00	0.00	350.00	350.00	4,015.00
54038-000	Reputation Management	0.00	0.00	392.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	392.50
54090-000	Strategic Marketing Services Fee	140.00	140.00	140.00	140.00	140.00	140.00	1,378.80	423.26	946.25	0.00	1,094.17	373.96	5,056.44
54105-000	Prospect Refreshments	0.00	0.00	254.78	144.28	162.26	0.00	0.00	90.37	41.18	0.00	65.27	0.00	758.14
54110-000	Resident Activities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.87	32.87
54999-099	Total Advertising / Marketing / Promotions	140.00	140.00	7,855.73	7,581.77	3,667.57	7,923.51	9,439.37	12,014.53	8,677.33	1,525.70	6,621.69	8,025.18	73,612.38
58000-000	General & Administrative													
58001-000	Office Expenses													
58025-000	Business and Leasing Automation	0.00	0.00	3,801.28	1,345.24	709.59	1,186.96	1,074.30	1,062.80	1,440.83	1,392.28	1,172.46	856.24	14,041.98
58080-000	Office Supplies	0.00	0.00	206.72	124.79	33.51	0.00	0.00	67.36	88.36	0.00	112.68	434.07	1,067.49
58090-000	Cellular Phones / Pagers / Radios	0.00	96.00	96.00	96.00	96.00	146.00	146.00	146.00	246.00	146.00	96.00	125.11	1,435.11
58100-000	Postage & Delivery	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,229.58	0.00	0.00	0.00	37.41	1,266.99
58107-000	Resident Screening	0.00	0.00	339.00	395.00	457.60	0.00	580.80	411.00	0.00	176.00	306.00	240.00	2,905.40
58108-000	Application Fee Expense	0.00	0.00	286.00	-286.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
58110-000	Telephone Expense	0.00	0.00	131.50	68.00	117.00	0.00	250.00	-128.11	61.81	0.00	61.81	123.62	685.63
58115-000	Software Licenses / Maintenance Fees	0.00	0.00	0.00	429.00	0.00	90.00	90.00	90.00	0.00	90.00	545.00	90.00	1,424.00
58199-099	Total Office Expenses	0.00	96.00	4,860.50	2,172.03	1,413.70	1,422.96	2,141.10	2,878.63	1,837.00	1,804.28	2,293.95	1,906.45	22,826.60

2911 Adams (ca291ada)  
**Statement (12 months)**  
Period = May 2024-Apr 2025  
Book = Accrual ; Tree = ysi\_is

		May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	Total
58200-000	Other General & Administrative													
58205-000	Administrative / Accounting Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	293.28	293.28
58210-000	Assoc. Fees / Membership Dues	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	629.35	629.35
58225-000	Bank Charges	200.00	200.00	230.00	215.00	100.00	300.00	160.50	845.00	120.00	289.88	360.00	220.00	3,240.38
58236-000	Bond - Other Exp - Draw Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10,080.00	0.00	0.00	0.00	0.00	10,080.00
58238-000	Compliance Fees	0.00	0.00	60.00	60.00	120.00	60.00	0.00	120.00	0.00	0.00	60.00	60.00	540.00
58240-000	Computer Expense	390.00	390.00	390.00	390.00	390.00	390.00	390.00	612.00	390.00	-390.00	250.00	390.00	3,982.00
58250-000	Employee Recruitment	156.67	0.00	139.97	14.39	63.01	0.00	32.43	0.00	0.00	0.00	0.00	0.00	406.47
58253-000	Employee Recognition	0.00	0.00	219.69	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	39.00	258.69
58270-000	Internet Access	0.00	0.00	0.00	0.00	0.00	0.00	39.99	453.08	142.35	317.11	241.87	134.36	1,328.76
58278-000	Music/TV/Video Licensing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	608.34	304.17	192.21	1,104.72
58280-000	Licenses / Fees / Permits	0.00	0.00	225.00	0.00	0.00	0.00	0.00	914.55	0.00	500.00	0.00	0.00	1,639.55
58284-000	Ops Technology Fee	0.00	0.00	327.88	236.38	1.00	118.19	149.19	118.19	0.00	2.00	5.00	8.32	966.15
58290-000	Training / Seminars	297.00	297.00	331.06	462.94	117.00	337.00	297.00	297.00	297.00	-297.00	96.69	297.00	2,829.69
58305-000	Uniform Rental / Purchase	0.00	0.00	0.00	0.00	0.00	0.00	357.72	0.00	0.00	1,065.39	0.00	666.07	2,089.18
58398-099	Total Other General & Administrative	1,043.67	887.00	1,923.60	1,378.71	791.01	1,205.19	1,426.83	13,439.82	949.35	2,095.72	1,317.73	2,929.59	29,388.22
58399-099	Total General & Administrative	1,043.67	983.00	6,784.10	3,550.74	2,204.71	2,628.15	3,567.93	16,318.45	2,786.35	3,900.00	3,611.68	4,836.04	52,214.82
59000-000	Utilities													
59020-000	Electric - Common Areas	0.00	0.00	0.00	0.00	6,960.82	3,143.34	3,665.68	3,649.44	3,896.05	3,522.23	6,275.92	4,824.69	35,938.17
59030-000	Electric - Models	0.00	0.00	0.00	0.00	44.86	825.46	1,018.60	-193.81	-50.00	77.41	71.18	0.00	1,793.70
59040-000	Electric - Vacant Units	0.00	0.00	0.00	0.00	857.35	6,384.83	2,323.76	618.07	-76.32	121.08	120.46	16.82	10,366.05
59070-000	Gas - Common Areas	0.00	0.00	0.00	0.00	568.49	250.44	387.10	360.39	493.13	407.02	1,220.42	781.54	4,468.53
59100-000	Utility Rebill Service Fees	0.00	0.00	0.00	0.00	0.00	237.85	177.40	251.80	296.10	0.00	333.30	730.12	2,026.57
59110-000	Water / Sewer	0.00	0.00	0.00	0.00	0.00	0.00	5,470.88	600.00	2,617.27	1,596.41	3,170.97	3,189.03	16,644.56
59999-099	Total Utilities	0.00	0.00	0.00	0.00	8,431.52	10,841.92	13,043.42	5,285.89	7,176.23	5,724.15	11,192.25	9,542.20	71,237.58
60000-000	Management Fees													
61030-000	Management Fees	6,000.00	5,000.00	8,633.33	8,500.00	8,500.00	8,500.00	-35,064.43	-4,755.77	8,500.00	-108.00	1,564.99	4,124.13	19,394.25
61999-099	Total Management Fees	6,000.00	5,000.00	8,633.33	8,500.00	8,500.00	8,500.00	-35,064.43	-4,755.77	8,500.00	-108.00	1,564.99	4,124.13	19,394.25
62000-000	Taxes													
62010-000	Ad Valorem Property Taxes	0.00	0.00	0.00	0.00	0.00	10,701.32	2,675.34	2,675.33	2,675.33	2,675.33	2,675.33	2,675.34	26,753.32
62020-000	Franchise Taxes	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,400.00	2,400.00
62999-099	Total Taxes	0.00	0.00	0.00	0.00	0.00	10,701.32	2,675.34	2,675.33	2,675.33	2,675.33	2,675.33	5,075.34	29,153.32
63000-000	Insurance													
63010-000	Property Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,825.19	5,825.19	11,650.38



2911 Adams (ca291ada)  
**Statement (12 months)**  
Period = May 2024-Apr 2025  
Book = Accrual ; Tree = ysi\_is

		May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	Total
63999-099	Total Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,825.19	5,825.19	11,650.38
66999-099	Total Non Recoverable Operating Expenses	7,183.67	6,123.00	24,041.64	22,481.18	24,575.05	43,817.80	-4,139.11	34,065.10	35,011.57	15,755.19	33,326.72	37,977.76	280,219.57
66999-199	Total Operating Expenses	8,853.23	17,149.40	42,161.40	47,320.08	48,451.14	72,529.51	26,968.62	56,081.23	63,404.86	41,364.59	54,610.08	41,490.00	520,384.14
69999-090	Total Operating / Non Recoverable Expenses	8,853.23	17,149.40	42,161.40	47,320.08	48,451.14	72,529.51	26,968.62	56,081.23	63,404.86	41,364.59	54,610.08	41,490.00	520,384.14
69999-099	Net Operating Income	-8,713.23	-16,519.40	-41,706.26	-26,964.28	-35,191.09	-44,614.31	34,684.57	32,034.88	52,273.86	88,334.48	103,610.58	132,788.11	270,017.91
70000-000	Routine Replacement Expense													
71125-000	New Construction - Start Up Cost	8,844.92	10,798.59	-19,643.51	0.00	1,260.00	0.00	0.00	630.00	0.00	0.00	0.00	0.00	1,890.00
71135-000	Plumbing Repairs - Major	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,642.93	3,788.31	11,411.50	0.00	-1,128.54	18,714.20
71499-099	Total Routine Replacement Expense	8,844.92	10,798.59	-19,643.51	0.00	1,260.00	0.00	0.00	5,272.93	3,788.31	11,411.50	0.00	-1,128.54	20,604.20
71500-000	Capital / Renovation Expense													
71590-000	Computer Software	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	390.00	795.00	-265.00	920.00
71636-000	Engineering Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,237.50	0.00	0.00	2,237.50
71688-000	Marketing	0.00	0.00	7,830.81	0.00	0.00	56.72	0.00	13,250.00	0.00	0.00	0.00	0.00	21,137.53
71715-000	New Construction - Start-up Costs	0.00	0.00	14,993.36	3,843.97	851.57	5,101.10	53,506.56	23,207.11	11,921.54	1,710.00	3,481.38	0.00	118,616.59
71760-000	Payroll	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	594.00	202.00	0.00	796.00
71850-000	Capital / Renovation - Other	0.00	0.00	0.00	0.00	0.00	0.00	0.00	685.00	0.00	0.00	0.00	0.00	685.00
71899-099	Total Capital / Renovation Expense	0.00	0.00	22,824.17	3,843.97	851.57	5,157.82	53,506.56	37,142.11	11,921.54	4,931.50	4,478.38	-265.00	144,392.62
71999-099	NOI After Replacements	-17,558.15	-27,317.99	-44,886.92	-30,808.25	-37,302.66	-49,772.13	-18,821.99	-10,380.16	36,564.01	71,991.48	99,132.20	134,181.65	105,021.09
72627-199	Net Income Before Allocations	-17,558.15	-27,317.99	-44,886.92	-30,808.25	-37,302.66	-49,772.13	-18,821.99	-10,380.16	36,564.01	71,991.48	99,132.20	134,181.65	105,021.09
80000-000	Non-Operating Expenses													
81000-000	Other Non-Operating Expense													
81010-000	Partnership / Owner Expenses													
81020-000	Accounting / Tax Prep Fee	0.00	0.00	0.00	0.00	0.00	13,325.00	0.00	0.00	0.00	0.00	0.00	0.00	13,325.00
81035-000	Asset Management Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	19,918.88	19,918.88
81036-000	Audit Fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5,300.00	0.00	5,300.00
81085-000	Legal Fees - Partnership / Owner	0.00	0.00	0.00	0.00	0.00	0.00	1,178.10	0.00	0.00	0.00	0.00	0.00	1,178.10
81116-000	Other Fee	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	8,608.00	6,935.01	-15,543.01	0.00
81120-000	Partnership / Owner Expense - Other	0.00	0.00	0.00	0.00	0.00	3,900.00	0.00	0.00	7,950.00	0.00	0.00	0.00	11,850.00
81205-000	Other Insurance	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	2,793.65	2,793.65	5,587.30
81499-099	Total Partnership / Owner Expenses	0.00	0.00	0.00	0.00	0.00	17,225.00	1,178.10	0.00	7,950.00	8,608.00	15,028.66	7,169.52	57,159.28

2911 Adams (ca291ada)

Statement (12 months)

Period = May 2024-Apr 2025

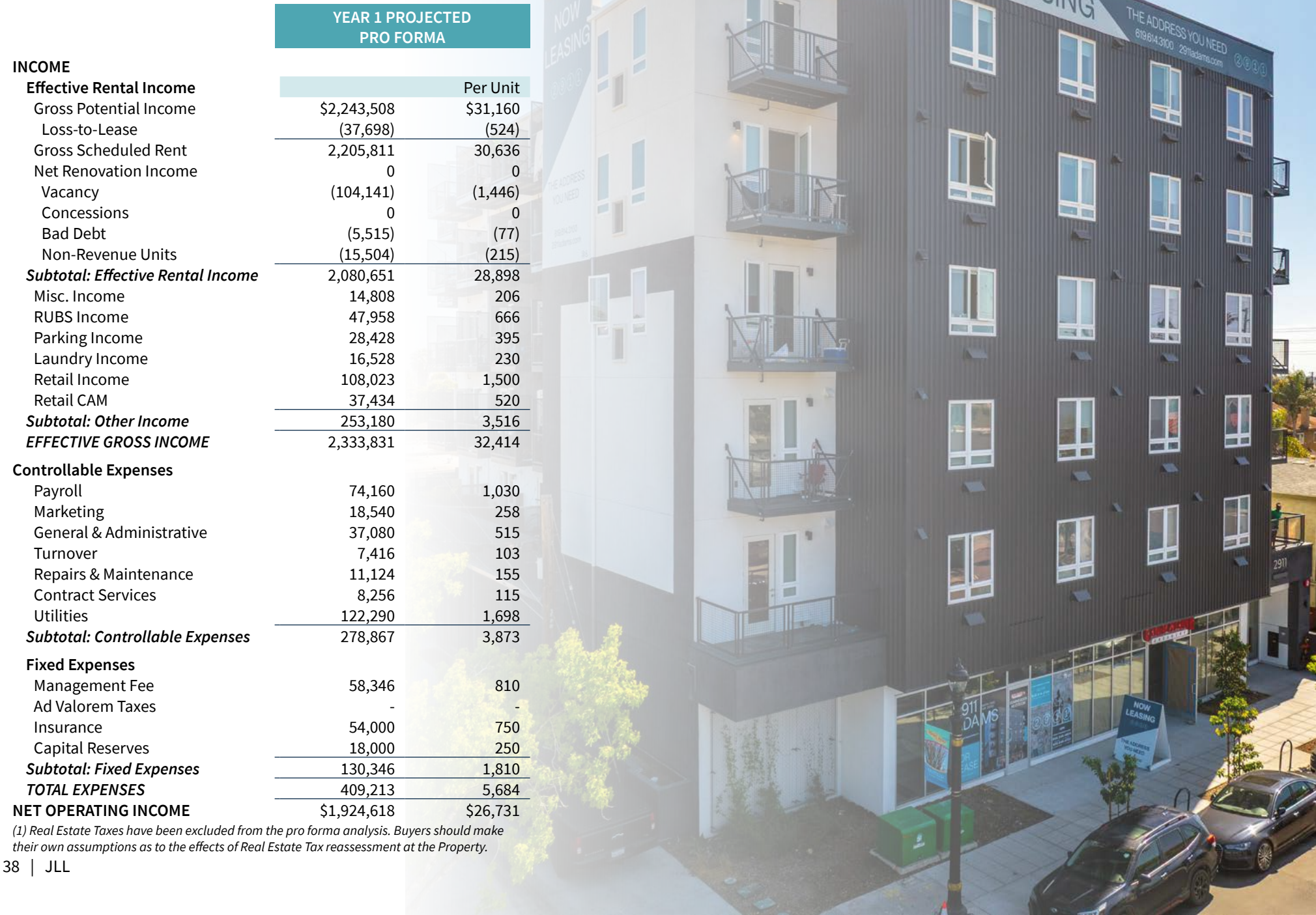
Book = Accrual ; Tree = ysi\_is

		May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	Total
82000-000	Debt Service													
82010-000	Interest Expense - 1st Mortgage	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	89,094.43	88,930.51	80,324.32	88,930.50	347,279.76
82250-000	Loan Cost Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	7,281.64	7,281.64	7,281.64	7,281.64	29,126.56
82999-099	Total Debt Service	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	96,376.07	96,212.15	87,605.96	96,212.14	376,406.32
83000-000	Depreciation & Amortization													
83020-000	Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	216.67	216.67	216.67	216.67	866.68
83020-028	Amortization Lease Cost	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	202.56	202.56	202.56	202.56	810.24
83030-004	Depreciation - Buildings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	59,861.49	59,861.49	59,861.49	59,861.49	239,445.96
83030-012	Depreciation - Furniture Fixtures Equipment	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	1,366.87	1,366.87	1,366.87	1,366.87	5,467.48
83099-099	Total Depreciation & Amortization	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	61,647.59	61,647.59	61,647.59	61,647.59	246,590.36
83099-999	Total Other Non-Operating Expense	0.00	0.00	0.00	0.00	0.00	17,225.00	1,178.10	0.00	165,973.66	166,467.74	164,282.21	165,029.25	680,155.96
84999-099	Total Non-Operating Expense	0.00	0.00	0.00	0.00	0.00	17,225.00	1,178.10	0.00	165,973.66	166,467.74	164,282.21	165,029.25	680,155.96
89999-999	Net Income	-17,558.15	-27,317.99	-44,886.92	-30,808.25	-37,302.66	-66,997.13	-20,000.09	-10,380.16	-129,409.65	-94,476.26	-65,150.01	-30,847.60	-575,134.87

Financial Analysis

YEAR 1 PROJECTED PRO FORMA		
INCOME		
Effective Rental Income	Per Unit	
Gross Potential Income	\$2,243,508	\$31,160
Loss-to-Lease	(37,698)	(524)
Gross Scheduled Rent	2,205,811	30,636
Net Renovation Income	0	0
Vacancy	(104,141)	(1,446)
Concessions	0	0
Bad Debt	(5,515)	(77)
Non-Revenue Units	(15,504)	(215)
Subtotal: Effective Rental Income	2,080,651	28,898
Misc. Income	14,808	206
RUBS Income	47,958	666
Parking Income	28,428	395
Laundry Income	16,528	230
Retail Income	108,023	1,500
Retail CAM	37,434	520
Subtotal: Other Income	253,180	3,516
EFFECTIVE GROSS INCOME	2,333,831	32,414
Controllable Expenses		
Payroll	74,160	1,030
Marketing	18,540	258
General & Administrative	37,080	515
Turnover	7,416	103
Repairs & Maintenance	11,124	155
Contract Services	8,256	115
Utilities	122,290	1,698
Subtotal: Controllable Expenses	278,867	3,873
Fixed Expenses		
Management Fee	58,346	810
Ad Valorem Taxes	-	-
Insurance	54,000	750
Capital Reserves	18,000	250
Subtotal: Fixed Expenses	130,346	1,810
TOTAL EXPENSES	409,213	5,684
NET OPERATING INCOME	\$1,924,618	\$26,731

(1) Real Estate Taxes have been excluded from the pro forma analysis. Buyers should make their own assumptions as to the effects of Real Estate Tax reassessment at the Property.



Underwriting Notes

Income

**Gross Potential Income (GPI):** JLL’s Gross Potential Income is determined by annualizing the market rent assumption for each unit type, as summarized in the table below. The Year 1 Pro Forma is based on JLL’s Current Pro Forma Rent and assumes 3.50% rent growth for the 64 market rate units and 2.00% rent growth for the 8 BMR units. The 8 BMR units are set at maximum allowable rents based on income limits and utility allowances in both Pro Forms. Of the 8 BMR units, 3 units are set at 50% of Area Median Income, 2 units are set at 60% of Area Median Income, and 3 units are set at 120% of Area Median Income. See JLL Document Center for more information on maximum affordable rents.

Rent Roll Summary

DESCRIPTION	COUNT	SQ. FT.	CURRENT IN-PLACE RENT	PSF	CURRENT PRO FORMA RENT	PSF
Studio	11 units	±345	\$2,104	\$6.10	\$2,150	\$6.23
Studio - Very Low (50% AMI)	1 units	±345	\$1,242	\$3.60	\$1,448	\$4.20
1 Bed / 1 Bath	46 units	±467	\$2,361	\$5.06	\$2,500	\$5.35
1 Bed / 1 Bath - Low (60% AMI)	2 units	±467	\$1,719	\$3.68	\$1,985	\$4.25
1 Bed / 1 Bath - Moderate (120% AMI)	2 units	±467	N/A	N/A	\$2,278	\$4.88
1 Bed / 1 Bath - Very Low (50% AMI)	2 units	±467	\$1,416	\$3.03	\$1,654	\$3.54
3 Bed / 1 Bath	7 units	±815	\$3,444	\$4.23	\$3,600	\$4.42
3 Bed / 1 Bath - Moderate (120% AMI)	1 units	±815	\$3,425	\$4.20	\$3,507	\$4.30
Total/Average	72 units	±485	\$2,388	\$4.88	\$2,509	\$5.17
Total/Average (Market Rate Only)	64 units	±484	\$2,444	\$5.05	\$2,560	\$5.29
(1) Very Low (50% AMI) and Low (60% AMI): Charge max allowable rent and the property covers the utility cost (no utility allowance adjustment) (2) Moderate (120% AMI): Adjust the max allowable rent less the set utility allowance (since the restricted rents are already so high relative to the market rents) (3) Since the Moderate max allowable rents exceed market rents, moderate restricted units are set equal to the market pro forma					\$180,637 MONTHLY GPI \$2,167,641 ANNUAL GPI	

**Loss-to-Lease (LTL):** The Year 1 Pro Forma column reflects a LTL figure equivalent to half of rent growth.

**Gross Scheduled Rent (GSR):** Year 1 GSR is based on the May 20th, 2025 rent roll annualized (with vacant units marked to market at the Current Pro Forma Rents indicated in the rent roll summary table above) and assumes 3.36% blended rent growth with 1.68% LTL.

# Underwriting Notes

## EFFECTIVE RENTAL LOSSES

Vacancy: A 5% market vacancy factor has been applied for the 64 market rate units and 2.5% vacancy factor has been applied for the 8 BMR units.

Concessions: No concessions are assumed going forward.

Bad Debt: Analysis assumes 25bps of Gross Scheduled Rent for bad debt throughout the hold. Please see the JLL Document Center for additional detail surrounding collections and delinquency at the Property.

Non-Revenue: Based on one employee unit as shown below.

Non-Revenue Units				CURRENT PRO FORMA	
TYPE	DESCRIPTION	COUNT	DISCOUNT	LOSS	ANNUAL LOSS
Employee unit	1 Bed / 1 Bath	1	50%	\$2,500	\$15,000
Total		1		\$2,500	\$15,000

Miscellaneous Income: Miscellaneous Income is based on the trailing-1 and includes typical miscellaneous income items such as pet rent, application fees, renters insurance, storage rent, and more -- trended by 3%.

RUBS Income: RUBS Income is based on the trailing-1 operations and includes gas, water, sewer, and trash -- trended by 3%.

Parking Income: Parking Income is based on the trailing-1 operations, trended by 3%.

Laundry Income: Laundry Income is based on the trailing-1 operations, trended by 3%.

Retail Income: The Year 1 Pro Forma is based on the below matrix, which assumes the vacant space is occupied at the same rate as Coldstone (\$4.25 psf). See JLL Document Center for more information.

TENANT NAME	UNIT	SF	% SF	LEASE START	LEASE END	TERM (MONTHS)	BASE RENT PSF (MONTHLY)	BASE RENT PSF (ANNUAL)	ANNUAL RENT	YEAR 1
Cold Stone	101	1,107	2.98%	2/7/2025	1/25/2035	120	\$4.25	\$51.00	\$56,457	\$57,445
Vacant	102	1,095	2.95%	7/1/2025	7/1/2035	120	\$4.25	\$51.00	\$55,845	\$56,264
100.0%		2,202	5.9%				\$4.25	\$51.00	\$112,302	\$113,709
Economic Occupancy									100%	100%
Occupancy/Collections Factor									95%	95%
Total Commercial Lease Rent Income									\$106,687	\$108,023

(1) Pro Forma assumes tenants are responsible for pro-rata share of taxes, insurance, and direct expenses ±\$17 PSF.

## Expenses

### CONTROLLABLE EXPENSES

Controllable expenses are based on stabilized operations and market rate comparables, trended by 3%.

Contract Services Matrix	MONTHLY	ANNUAL	ANNUAL CHARGE PER UNIT
Elevator (\$450/month)	\$450	\$5,400	\$75/u
Pest (\$218/month)	\$218	\$2,616	\$36/u
Total	\$668	\$8,016	\$111/u

### FIXED EXPENSES

Management Fee: Analysis assumes 2.50% of Effective Gross Income.

Real Estate Taxes: Due to the unpriced nature of this offering, Real Estate Taxes have been excluded from the Pro Forma analysis. Buyers should make their own assumptions as to the effects of Real Estate Tax reassessment at the Property.

Insurance: Analysis assumes an insurance expense of \$750 per unit.

Capital Reserves: Analysis assumes \$250 per unit in annual reserves based on lender guidelines.

## **ADDENDUM F - SURVEY/FLOOR PLANS**



Site Map





Floor Plans



Studio  
±345 Avg. SF



1x1  
±467 Avg. SF



3x1  
±815 Avg. SF



**ADDENDUM G - PURCHASE AND SALE AGREEMENT, LURA, ETC.  
(AS APPLICABLE) (NOT AVAILABLE)**

# Attachment 2

ASSET DETAIL	
Name	2911 Adams Avenue
Address	2911 Adams Avenue
City	San Diego
State	CA
Closing	1/21/2026
Units	72

USES	
	Total
Acquisition Cost	\$31,000,000
Relocation	\$250,000
Total Soft Costs	\$155,000
Capitalized Interest (Lease-Up Reserve & Actual)	\$500,000
Legal	\$200,000
Total Financing Costs	\$485,000
Total Cost	\$32,690,000

SOURCES	
	Total
A Bonds (Gen Rev) Priced at Discount	\$26,745,000
Other Equity	\$0
CDBG Funds	\$6,200,000
Gross Sources	\$32,945,000
Original Issue Discount	-\$352,499
Total Net Sources	\$32,692,501
Total Series A Bond Sources	\$26,392,501

EXIT (Sale)	
	Total
NOI (Forward)	\$ 1,452,102
Cap Rate	5.00%
Gross Exit Price	29,042,048
Less Total (Senior) Debt Payoff, Costs	(25,240,841)
Net Proceeds	\$ 3,801,207

Total Cash Flow (over 10 yrs): \$ 1,775,283

Project Fund Amount Issuance Cost Breakout			
\$ 25,407,501	Bond Underwriter	0.75%	of par amount \$ 210,000
	Bond Counsel	est.	\$ 250,000
	Underwriter Counsel	est.	\$ 100,000
	Advisor	est.	\$ 70,000
	Issue Rating	est.	\$ 35,000
	Trustee / Counsel	est.	\$ 20,000

Bond Cost Sub-Total \$ 685,000

DEBT ASSUMPTIONS	
Loan (Tax Exempt Bonds)	
New Loan Amount	26,745,000
Y1 NOI DSCR (New Loan)	1.15x *Doesn't Assume Cap I
Total Interest Cost	3.91% <-Effective Borrowing Rate
Bond Price	98.682
Index	2.91%
Spread	1.00%
[Reserved]	0.00%
Bond Coupon	3.750%
Amortization Basis	420
Interest Only (Years)	0
Coverage	1.15
Exit Rate	5.00%
Exit Amort.	420
Mezz Debt Rate	
Coverage during Capital Interest	1.1
Exit DSCR	1.15
Exit Year	10
10 Year Treasury	4.10%

EXIT (Refinance)	
	Total
NOI (Forward)	\$ 1,452,102
Exit Debt Cost	5.00%
Exit Debt Amort.	420
DSC - Proceeds	20,849,000
IO - Proceeds	29,042,048
Less - Loan Costs	\$ 20,432,020
Less - Sr. Principal Balance	\$ 310,000

Net Refinance Proceeds \$ 20,122,020  
Cash Flow to Exit \$ 1,775,283  
Total Available \$ 21,697,303

Cash Flow Summary		Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
Net Operating Income (less R4R/CapEx)	\$	1,225,400	\$ 1,249,172	\$ 1,273,299	\$ 1,297,781	\$ 1,322,617	\$ 1,347,808	\$ 1,373,352	\$ 1,399,251	\$ 1,425,501	\$ 1,452,102
NOI Growth Factor			1.94%	1.93%	1.92%	1.91%	1.90%	1.90%	1.89%	1.88%	1.87%
Senior Principal Balance	\$	26,685,000	\$ 26,600,000	\$ 26,495,000	\$ 26,365,000	\$ 26,205,000	\$ 26,020,000	\$ 25,805,000	\$ 25,560,000	\$ 25,280,000	\$ 24,970,000
Senior Interest	\$	1,002,938	\$ 1,000,688	\$ 997,500	\$ 993,563	\$ 988,688	\$ 982,688	\$ 975,750	\$ 967,688	\$ 958,500	\$ 948,000
Senior Principal	\$ 1,775,000	60,000	85,000	105,000	130,000	160,000	185,000	215,000	245,000	280,000	310,000
Senior Debt Service	\$	1,062,938	\$ 1,085,688	\$ 1,102,500	\$ 1,123,563	\$ 1,148,688	\$ 1,167,688	\$ 1,190,750	\$ 1,212,688	\$ 1,238,500	\$ 1,258,000
Net Operating Cash Flow	\$	162,462	\$ 163,485	\$ 170,799	\$ 174,218	\$ 173,929	\$ 180,120	\$ 182,602	\$ 186,563	\$ 187,001	\$ 194,102
Capitalized Interest Use for Debt Service (Meet Coverage)	\$	-	\$ -	\$ -							
Capitalized Interest Use for Debt Service (Fund Lease-Up Reserve)	\$	500,000									
Capitalized Interest Balance (Must be Extinguished Year 3)	\$	-	\$ -	\$ -							
DSCR (Includes Cap I)		1.15x	1.15x	1.15x	1.16x	1.15x	1.15x	1.15x	1.15x	1.15x	1.15x
Post A Debt Service Cash Flow	NPV -> \$1,437,661	\$ 162,462	\$ 163,485	\$ 170,799	\$ 174,218	\$ 173,929	\$ 180,120	\$ 182,602	\$ 186,563	\$ 187,001	\$ 194,102

## **Attachment 3**

### **AGREEMENT OF SALE AND PURCHASE**

**BETWEEN**

**2911 ADAMS OWNER LLC,  
a Delaware limited liability company**

**“Seller”**

**and**

**HOUSING DEVELOPMENT PARTNERS OF SAN DIEGO,  
a California nonprofit public benefit corporation**

**“Buyer”**

**with Escrow Instructions for**

**CHICAGO TITLE INSURANCE COMPANY**

**“Escrow Agent”**

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## AGREEMENT OF SALE AND PURCHASE

**THIS AGREEMENT OF SALE AND PURCHASE** (as amended, modified, or supplemented from time to time in writing by the parties hereto, this “**Agreement**”), dated effective for all purposes as of [\_\_\_\_\_], 2025, is between **2911 ADAMS OWNER LLC**, a Delaware limited liability company (“**Seller**”), and **HOUSING DEVELOPMENT PARTNERS OF SAN DIEGO**, a California nonprofit public benefit corporation (“**Buyer**”).

### ARTICLE I

#### CERTAIN DEFINITIONS

**Section 1.1 Definitions.** The parties hereby agree that the following terms shall have the meanings hereinafter set forth, such definitions to be applicable equally to the singular and plural forms, and to the masculine and feminine forms, of such terms:

“**Access Notice**” shall have the meaning ascribed in Section 3.3.

“**Action**” shall have the meaning ascribed in Section 10.13.

“**Additional Deposit**” shall have the meaning ascribed in Section 2.3.

“**Additional Rents**” shall have the meaning ascribed in Section 9.5(c).

“**Affiliate**” shall mean any person or entity that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with Buyer or Seller, as the case may be. For the purposes of this definition, “control” means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise, and the terms “**controlling**” and “**controlled**” have the meanings correlative to the foregoing.

“**Agreement**” shall have the meaning set forth in the Preamble hereof.

“**Assignment and Assumption of Contracts**” shall have the meaning ascribed in Section 9.3(d).

“**Assignment and Assumption of Leases**” shall have the meaning ascribed in Section 9.3(c).

“**Bill of Sale**” shall have the meaning ascribed in Section 9.3(b).

“**Breach Notice**” shall have the meaning ascribed in Section 6.2.

“**BSA**” shall have the meaning ascribed in Section 6.1(m).

“**Buyer Closing Conditions**” shall have the meaning ascribed in Section 9.8.



**“Buyer Closing Deliveries”** shall have the meaning ascribed in Section 9.4.

**“Buyer’s Reports”** shall collectively mean the results of any third party examinations, inspections, tests, studies, analyses, appraisals, evaluations and/or investigations prepared by or for or otherwise obtained by Buyer and/or any Permitted Outside Parties in connection with Buyer’s Due Diligence.

**“Close Associate”** is a person who is widely and publicly known to maintain an unusually close relationship with a Senior Foreign Political Figure, and includes a Person who is in a position to conduct substantial United States and non-United States financial transactions on behalf of the Senior Foreign Political Figure.

**“Closing”** shall have the meaning ascribed in Section 9.2.

**“Closing Date”** shall mean, the date of the consummation of the Closing in accordance with this Agreement, which shall occur on or before February 28, 2026, TIME BEING OF THE ESSENCE.

**“Closing Statement”** shall have the meaning ascribed in Section 9.5(a).

**“Code”** means the Internal Revenue Code of 1986, as amended.

**“Commissions”** shall mean all commissions, referral fees, payments and obligations of Seller or the Property Manager to make payments to leasing agents, leasing brokers or other parties with respect to the leasing of all or any of the Property.

**“Contracts”** shall mean the service contracts and other agreements described in Exhibit “C” and all other service contracts entered into by Seller after the Effective Date with respect to the Property in accordance with Section 8.4.

**“Conversion Period”** shall have the meaning ascribed in Section 9.3(i).

**“Data Site”** shall mean that certain website located at: [REDACTED].<sup>1</sup>

**“Declaration”** shall have the meaning ascribed in Section 9.3(i).

**“Deed”** shall have the meaning ascribed in Section 9.3(a).

**“Delinquent Rents”** shall have the meaning ascribed in Section 9.5(b).

**“Deposit”** shall have the meaning ascribed in Section 2.3.

**“Disclosure Items”** shall have the meaning ascribed in Section 6.1.

**“Due Diligence”** shall mean the review contemplated by Section 3.1 and related provisions of this Agreement.

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<sup>1</sup> NTD: JLL data site address to be provided.

**“Due Diligence Items”** shall mean those items, documents and deliveries contemplated in Section 3.2(a).

**“Due Diligence Period”** shall have the meaning ascribed in Section 3.6.

**“Effective Date”** shall mean the date of this Agreement, as set forth on page 1 of this Agreement.

**“Election Notice”** shall have the meaning ascribed in Section 6.2.

**“Environmental Laws”** means all federal, state and local environmental laws, rules, statutes, directives, binding written interpretations, binding written policies, ordinances and regulations issued by any Governmental Entity and in effect as of the Effective Date with respect to or which otherwise pertain to or affect the Real Property or the Improvements, or any portion thereof, the use, ownership, occupancy or operation of the Real Property or the Improvements, or any portion thereof, or Seller, and as the same have been amended, modified or supplemented from time to time prior to the Effective Date, including but not limited to the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. § 9601 et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 1802 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Safe Drinking Water Act (42 U.S.C. § 300f et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Solid Waste Disposal Act (42 U.S.C. § 6901 et seq.), the Toxic Substances Control Act (15 U.S.C. § 2601 et seq.), the Emergency Planning and Community Right-to-Know Act of 1986 (42 U.S.C. § 11001 et seq.), the Radon and Indoor Air Quality Research Act (42 U.S.C. § 7401 note, et seq.), the Superfund Amendment Reauthorization Act of 1986 (42 U.S.C. § 9601 et seq.), comparable state and local laws, and any and all rules and regulations which have become effective prior to Effective Date any and all of the aforementioned laws.

**“Escrow Agent”** shall mean Chicago Title Insurance Company.

**“Excluded Personalty”** shall have the meaning ascribed in the definition of “Personal Property”.

**“Existing Survey”** shall mean that certain existing ALTA survey of the Land and Improvements more particularly described on Exhibit “I” attached hereto.

**“Fixtures”** shall mean the fixtures which are located at and affixed to any of the Improvements as of the Closing Date, but specifically excluding any trade fixtures of the Tenants under the Leases.

**“Governmental Entity”** means the various governmental and quasi-governmental bodies or agencies having jurisdiction over Seller, the Real Property or any portion thereof.

**“Hazardous Materials”** means any pollutants, contaminants, mold, hazardous or toxic substances, flammable, explosive, or infectious materials or wastes (including petroleum, petroleum by-products, radon, asbestos and asbestos containing materials, polychlorinated biphenyls (“PCBs”), PCB-containing equipment, radioactive elements, infectious agents, and urea formaldehyde) which are reasonably expected to constitute or contribute to a danger or hazard to

public health, safety or welfare or to the environment, which are included under or regulated (whether now existing or hereafter enacted or promulgated, as they may be amended from time to time) in any Environmental Laws (excluding solvents, cleaning fluids and other lawful substances used in the ordinary operation and maintenance of the Real Property, used, stored and handled in compliance with all Environmental Laws).

**“Immediate Family Member”** means the parents, siblings, spouse, children and in-laws of a Senior Foreign Political Figure.

**“Improvements”** shall mean the buildings, improvements, and structures located on the Land (but shall expressly exclude improvements and structures owned by the Tenants under the Leases).

**“Independent Consideration”** shall have the meaning ascribed in Section 2.4.

**“Initial Deposit”** shall have the meaning ascribed in Section 2.3.

**“Intrusive Testing”** shall have the meaning ascribed in Section 3.3.

**“Intangible Property”** means all of Seller’s right, title and interest in and to intangible assets of any nature relating to the Property except to the extent the same are confidential in nature or trade secrets or internal work product of the Seller or otherwise constitute Excluded Personalty, including, without limitation, (a) all warranties and guarantees (express or implied) upon the Improvements or the Personal Property, (b) rights to any surveys, plans, specifications, engineering studies, reports, drawings, and prints relating to the construction, reconstruction, modification, and alteration of Improvements, (c) all works of art, graphic designs, and other intellectual or intangible property used by Seller in connection with the Property, including any trade name associated with the Improvements, (d) all claims and causes of action arising out of or in connection with the Property after the Closing Date, (e) telephone numbers, telefax numbers, trade names, logos, websites, domain names, social media credentials (Facebook, Twitter, blog, apartment ratings), review and place claimed settings (Google, Yelp, etc.), (f) signs and trademarks, and (g) the Licenses and Permits.

**“Land”** shall mean that certain parcel of land and appurtenances thereto more particularly described on Exhibit “A” including Seller’s right, title and interest, if any, in and to (i) all and singular easements, covenants, agreements, rights, privileges, tenements, hereditaments and appurtenances thereunto now or hereafter belonging or appertaining thereto, (ii) any and all oil, gas and mineral rights relating to such real estate, water and water rights, ditch and any other rights to use and appropriate water from or relating to such real estate, and (iii) all rights-of-way, open or proposed streets, alleys, strips or gores of land adjacent thereto.

**“Lease(s)”** shall individually and collectively (as the context so requires) mean all unexpired leases, subleases, occupancy agreements, and any other agreements to which Seller is a party for the use, possession, or occupancy of any portion of the Real Property as of the Closing Date, including any tenant guaranties delivered in connection with any of the foregoing.

**“Licensee Parties”** shall collectively mean those authorized agents, employees, engineers, architects, contractors, consultants, surveyors and representatives of Buyer who shall inspect, investigate, test or evaluate the Property on behalf of Buyer in accordance with this Agreement.

**“Licenses and Permits”** shall mean, collectively, to the extent assignable, all licenses, permits approvals, certificates of occupancy, dedications, subdivision maps and entitlements now or hereafter issued, approved or granted by any Governmental Entity in connection with the Real Property, together with all renewals and modifications thereof.

**“Liens”** shall have the meaning ascribed in Section 4.2.

**“Losses”** shall have the meaning ascribed in Section 3.4.

**“Major Loss”** shall have the meaning ascribed in Section 10.2(b).

**“Mandatory Cure Items”** shall mean, collectively, (i) any liens of any deeds of trust or other loan documents or monetary liens granted by the Seller and secured by the Land (other than current real estate taxes and assessments not yet due and payable); (ii) any mechanics’ liens resulting from activities of Seller, or (iii) any UCC-1’s or security agreements pertaining to any Personal Property, in each case, excluding any monetary liens caused by or resulting from the acts of Buyer including Buyer’s Affiliates, agents, representatives, consultants, or contractors acting on behalf of Buyer.

**“New Leases” or “New Lease”** shall mean, collectively, or singularly, any lease for space at the Property entered into between the Effective Date and the Closing Date.

**“OFAC”** means the U.S. Department of the Treasury’s Office of Foreign Assets Control.

**“OFAC List”** is any list of prohibited countries, individuals, organizations and entities that is administered or maintained by OFAC, including: (i) Section 1(b), (c) or (d) of Executive Order No. 13224 (September 23, 2001) issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), any related enabling legislation or any other similar executive orders, (ii) the List of Specially Designated Nationals and Blocked Persons maintained by OFAC, and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation, or (iii) a “Designated National” as defined in the Cuban Assets Control Regulations, 31 C.F.R. Part 515.

**“Operating Expenses”** shall mean operating expenses and common area maintenance charges, including utilities, and other charges, under the Leases whether deemed additional rent or otherwise, but excluding Rent.

**“Patriot Act”** shall have the meaning ascribed in Section 6.1(m).

**“Permitted Bring-Down Modifications”** shall have the meaning ascribed in Section 9.8(c).

**“Permitted Exceptions”** shall mean and include all of the following: (i) applicable zoning and building ordinances and land use regulations, (ii) the lien of taxes and assessments not yet due and payable, (iii) any exceptions caused by Buyer, its agents, representatives or employees, (iv) the rights of any Tenants under the Leases described in the Rent Roll approved by Buyer prior to the expiration of the Due Diligence Items and any New Leases, (v) any matters deemed to constitute Permitted Exceptions under Section 4.1 or 4.2 hereof.

**“Permitted Outside Parties”** shall have the meaning ascribed in Section 3.5.

**“Person”** means any individual, partnership, corporation, limited liability company, limited liability partnership, trust or other entity.

**“Personal Property”** shall mean all of the right, title, and interest of Seller in and to the furniture, machinery, fixtures, equipment and all other tangible personal property, which is located at or otherwise used in connection with any of the Real Property as of the Closing Date, including, without limitation, the items described on Schedule 1 attached hereto, but specifically excluding (a) any personal property owned, financed or leased from a third-party by the Tenants under the Leases, (b) any computer software which either is licensed to Seller, or Seller deems proprietary (but not excluding, for the avoidance of doubt, Seller’s right, title and interest in the website domain [www.2911adamsapartments.com](http://www.2911adamsapartments.com)), and (c) any tangible personal property used by any affiliated or unaffiliated on-site property manager. Personal Property shall not include (i) any appraisals or other economic evaluations of, or projections with respect to, all or any portion of the Property, including, without limitation, operating budgets or financial statements, prepared by or on behalf of Seller or any affiliate of Seller, (ii) any documents, materials or information which are subject to attorney/client, work product or similar privilege, or which are subject to a confidentiality agreement, (iii) internal memoranda, income tax records and other proprietary information, and (iv) those documents, if any, listed on Schedule 3.2 attached hereto (the items identified in clauses (i), (ii), (iii) and (iv) of this sentence, the **“Excluded Personality”**).

**“Property”** shall mean the Real Property and all of Seller’s right, title and interest in and to the Personal Property, the Leases, the Contracts, and the Intangible Property.

**“Property Manager”** shall mean the property manager(s) for the Property, if any.

**“Proration Items”** shall have the meaning ascribed in Section 9.5(a).

**“Purchase Price”** shall have the meaning ascribed in Section 2.2.

**“Real Property”** shall mean the Land, the Improvements, and the Fixtures.

**“Rent Roll”** shall have the meaning ascribed in Section 6.1(f).

**“Rents”** shall mean and include fixed monthly rentals, percentage rentals, special event proceeds, temporary rents, telephone receipts, locker rentals, vending machine receipts, escalation rentals, retroactive rentals, all administrative charges, association payments, utility charges, storage rentals, and other sums and charges payable by Tenants under the Leases or from other occupants or users of the Property, but excluding amounts payable under Leases for Operating Expenses.

**“Required Due Diligence Items”** shall have the meaning ascribed in Section 3.2(a).

**“Seller Closing Conditions”** shall have the meaning ascribed in Section 9.9.

**“Seller Closing Deliveries”** shall have the meaning ascribed in Section 9.3.

**“Seller Parties”** shall have the meaning ascribed in Section 3.4.

**“Seller Response Notice”** shall have the meaning ascribed in Section 4.2.

**“Seller’s Cure Period”** shall have the meaning ascribed in Section 6.2.

**“Seller’s Undertakings”** shall have the meaning ascribed in Section 7.3(g).

**“Senior Foreign Political Figure”** means a senior official of a major non-United States political party or a senior executive of a government-owned corporation not organized within the United States. In addition, a “Senior Foreign Political Figure” includes any corporation, business or other entity that has been formed by or for the benefit of a Senior Foreign Political Figure.

**“SRO”** means a self-regulatory organization.

**“Survival Period”** shall have the meaning ascribed in Section 6.2.

**“Tenant Deposit”** means, collectively, all advance rents and refundable security deposits (whether cash or non-cash) paid or deposited by the Tenants to Seller, as landlord, or any other person on Seller’s behalf pursuant to the Leases (together with any interest which has accrued thereon as required by the terms of such Lease, but only to the extent such interest has accrued for the account of the respective Tenants or as required by law).

**“Tenant Notice Letters”** shall have the meaning ascribed in Section 9.3(f).

**“Tenants”** shall mean all persons or entities occupying or entitled to possession of any portion of the Real Property pursuant to the Leases, including tenants, subtenants, and licensees.

**“Title Commitment”** shall have the meaning ascribed in Section 4.1.

**“Title Company”** shall mean Chicago Title Insurance Company.

**“Title Objections”** shall have the meaning ascribed in Section 4.2.

**“Title Policy”** shall have the meaning ascribed in Section 4.3.

**Section 1.2 Rules of Construction.** Article and section captions used in this Agreement are for convenience only and shall not affect the construction of this Agreement. All references to “Article” or “Sections” without reference to a document other than this Agreement, are intended to designate articles and sections of this Agreement, and the words “herein,” “hereof,” “hereunder,” and other words of similar import refer to this Agreement as a whole and not to any particular article or section, unless specifically designated otherwise. The use of the term “including” shall mean in all cases “including but not limited to,” unless specifically designated

otherwise. No rules of construction against the drafter of this Agreement shall apply in any interpretation or enforcement of this Agreement, any documents or certificates executed pursuant hereto, or any provisions of any of the foregoing.

## ARTICLE II

### AGREEMENT OF SALE AND PURCHASE; PURCHASE PRICE

**Section 2.1 Agreement of Sale and Purchase.** Seller agrees to sell, transfer, assign and convey to Buyer, and Buyer agrees to purchase, accept and assume, subject to the terms and conditions stated herein, all of Seller's right, title and interest in and to the Property.

**Section 2.2 Purchase Price.** At Closing, Buyer shall pay Seller the purchase price of \$31,000,000.00 ("**Purchase Price**") in immediately available funds. The Purchase Price and such other funds as may be necessary to pay Buyer's expenses hereunder, subject to closing adjustments, shall be deposited with the Escrow Agent on or before the Closing Date in accordance with this Agreement. The Purchase Price shall be paid to Seller upon satisfaction of all conditions precedent to the Closing as described herein.

**Section 2.3 Deposit.** Within five (5) days after this Agreement is executed by Buyer and Seller, Buyer shall deposit via wire transfer the sum of \$ 100,000.00 in immediately available funds as a deposit (the "**Initial Deposit**") with Escrow Agent whose address is as indicated in Section 10.3. Buyer shall deposit via wire transfer an additional \$ 900,000.00 (the "**Additional Deposit**"; the Initial Deposit and the Additional Deposit, collectively, the "**Deposit**") in immediately available funds with Escrow Agent within two (2) business day after the expiration of the Due Diligence Period if Buyer has not elected to terminate this Agreement in accordance with the terms of Section 3.6. Buyer's failure to deliver the Additional Deposit in a timely manner pursuant to this Section 2.3 (time being of the essence) shall be deemed Buyer's election to terminate this Agreement. In the event Buyer elect to proceed with the transaction contemplated under this Agreement upon the expiration of the Due Diligence Period, the Deposit shall be non-refundable to Buyer except as expressly provided in, and only as provided in, Sections 3.8, 4.2, 5.1, 9.8, 9.9 and 10.2(b) and shall be held and delivered by Escrow Agent in accordance with the provisions of Article V. Further, upon expiration of the Due Diligence Period (if Buyer has not previously terminated this Agreement prior to the expiration of the Due Diligence Period in accordance with Section 3.6), a portion of the Deposit equal to \$100,000.00 (the "**Non-Refundable Deposit**") shall (i) be non-refundable to Buyer in all cases, and (ii) be deemed earned by Seller. Interest earned on the Deposit shall be considered part of the Deposit, and shall be deemed to have been earned by and constitute income of Buyer. Except as otherwise expressly set forth herein, the Deposit shall be applied against the Purchase Price on the Closing Date and released to the Seller.

**Section 2.4 Independent Consideration.** Contemporaneously with the execution and delivery of this Agreement, Buyer has paid to Seller as further consideration for this Agreement, in cash, the sum of One Hundred and No/100 Dollars (\$100.00) (the "**Independent Consideration**"), in addition to the Deposit and the Purchase Price and independent of any other consideration provided hereunder, which Independent Consideration is fully earned by Seller and is non-refundable under any circumstances but shall be applied towards the Purchase Price.



**Section 2.5 Indivisible Economic Package.** Buyer has no right to purchase, and Seller has no obligation to sell, less than all of the Property, it being the express agreement and understanding of Buyer and Seller that, as a material inducement to Seller and Buyer to enter into this Agreement, Buyer has agreed to purchase, and Seller has agreed to sell, all of the Property, subject to and in accordance with the terms and conditions hereof.

### ARTICLE III

#### BUYER'S DUE DILIGENCE/CONDITION OF THE PROPERTY

**Section 3.1 Buyer's Inspections and Due Diligence.** Buyer acknowledges that commencing on the Effective Date and continuing for a period which will expire at 5:00 p.m. Pacific Time on December 5, 2025 (the "**Due Diligence Period**"), Buyer shall conduct its examinations, inspections, testing, studies and investigations (collectively, the "**Due Diligence**") of the Property, information regarding the Property and such documents applicable to the Property, as Seller delivers or makes available as set forth in Section 3.2 below. Except for any limitations as may be imposed by Section 3.4 below, Buyer may conduct such due diligence activities, inspections, and studies of the Property as it deems necessary or appropriate, and examine and investigate to its full satisfaction all facts, circumstances, and matters relating to the Property (including the physical condition and use, availability and adequacy of utilities, access, zoning, compliance with applicable laws, environmental conditions, engineering and structural matters), title and survey matters, and any other matters it deems necessary or appropriate for purposes of consummating this transaction.

#### **Section 3.2 Due Diligence Items.**

(a) Seller shall deliver or make available in the Data Site to Buyer, or make available to Buyer for inspection at the Property or at the office of the asset or Property Manager, the following: (i) the Existing Survey; (ii) copies of all material Contracts; (iii) to the extent they exist and are in Seller's or Property Manager's possession, monthly cash flow reports for the current year to date; (iv) a copy of Seller's existing policies of title insurance; and (v) those items listed on Exhibit \_\_\_ attached hereto. During the Due Diligence Period and, subject to Section 3.6 hereof, through Closing, Seller shall use commercially reasonable efforts to make available to Buyer (through the Data Site or otherwise) any other such diligence items in Seller's possession or control pertaining to the Property that are reasonably requested by Buyer other than the Excluded Personalty (such other items, together with items (i) through (iv) in the previous sentence, collectively, the "**Due Diligence Items**"). Seller shall not be obligated to deliver to Buyer or make available for its review the Excluded Personalty.

(b) All documents, materials, and information furnished to or made available to Buyer pursuant to this Section 3.2 are being furnished or made available to Buyer for information purposes only and without any representation or warranty by Seller with respect thereto, express or implied, except as may otherwise be expressly set forth in Article VI below and as limited by Sections 6.2 and 7.3 below, and all such documents, materials, and information are expressly understood by Buyer to be subject to the confidentiality provisions of Section 3.5 below.

**Section 3.3 Site Visits.** Subject to the rights of Tenants, Buyer and its Licensee Parties shall have reasonable access to the Property during normal business hours and upon at least twenty-four (24) hours prior notice to Seller, which notice shall be given telephonically or by electronic mail to Jay Byce (jbyce@resibuilt.com, (470) 788-0136) (each, an “**Access Notice**”), to perform and conduct its Due Diligence that Buyer deems necessary. Such Access Notice shall describe the scope of the Due Diligence Buyer intends to conduct during Buyer’s access to the Property. Seller shall have the right to have a representative present during any visits to or inspections of the Property by Buyer or any Licensee Parties. Buyer will not enter the Property or any portion thereof or conduct its Due Diligence in a manner which is unreasonably disruptive to any occupant, tenant, guest, visitor or to the normal operation of the Property. Buyer will not enter the Real Property or contact any occupant, tenant, guest, visitor, ground lessor, lender, franchisor, leasing agent, property or asset manager, Governmental Entity or any other consultant or professional known to be engaged by Seller, without in each case first obtaining Seller’s prior written consent (provided that Buyer and/or any Licensee Party is permitted to contact a Governmental Entity in connection with the performance of a customary zoning report or a search of the public records or verify compliance with any laws or regulations applicable to the Property). Notwithstanding anything set forth herein, no invasive, intrusive or destructive testing or soil investigations, including, without limitation, any Phase II environmental investigations and sampling of soils, air, water, other media, building materials or the like (collectively, “**Intrusive Testing**”), shall be performed without the prior written approval of Seller, which such approval may be granted or withheld by Seller in its sole discretion. Buyer will identify in writing exactly what procedures Buyer desires to perform in connection with any Intrusive Testing when requesting Seller’s express written consent. Seller may withhold or condition consent to any physically intrusive or invasive Due Diligence in Seller’s sole and absolute discretion. If such physically intrusive tests are conducted after approval by Seller, any and all samples, sample residues, by-products from the sampling process, extracts, soil or core borings and hazardous and other wastes (collectively, “**Wastes**”) derived from tests conducted by or on behalf of Buyer once removed, detached or extracted from the Property shall be deemed the property of Buyer and shall be transported, handled and disposed of by Buyer in accordance with applicable law. Upon receipt of Seller’s written consent as provided in the prior sentence, Buyer and all Licensee Parties shall, in performing such Due Diligence, comply with the agreed-upon procedures and with any and all laws, ordinances, rules, and regulations applicable to the Property or any of the Licensee Parties and will not engage in any activities which would violate any permit, license, environmental law or regulation, lease, or any other restrictions disclosed in writing by Seller to Buyer prior to its entry upon the Property. All of Buyer and any Licensee Parties will (i) maintain comprehensive General Liability insurance in an amount no less than \$2,000,000.00 per occurrence and \$3,000,000.00 in the aggregate and on terms satisfactory to Seller covering any personal injury or property damage arising from or connected to the presence and/or actions or failure to take action when action was required of Buyer or the other Licensee Parties on the Property, (ii) if and to the extent required under any applicable laws, maintain statutory Worker’s Compensation benefits including Employer’s Liability as required by applicable law and (iii) deliver a certificate of insurance which names Seller as additional insureds in respect to General Liability, provides a waiver of subrogation in respect to General Liability and Worker’s Compensation thereunder and verifies such coverage to Seller prior to entry upon the Property or any portion thereof. Buyer shall (a) promptly pay when due the costs incurred by or on behalf of Buyer and/or any Licensee Parties, of all entry and inspections and examinations done with regard to the Property; and (b) restore the Property to the condition in which the same

was found before any such inspection or examination was undertaken. Buyer shall keep the Property free from all liens caused by Buyer's Due Diligence under this Agreement and shall within five (5) days after notice thereof satisfy or bond off any mechanic's, materialman's, or other liens against the Property that relate to or result from Buyer's Due Diligence under this Agreement.

**Section 3.4 Buyer's Due Diligence Indemnity.** Buyer shall defend, indemnify, and hold harmless Seller, the Property Manager and any direct or indirect owner of any beneficial interest in Seller, and any officer, director, employee, affiliate, agent or lender of Seller or of any direct or indirect owner of any beneficial interest in Seller (collectively, the "**Seller Parties**") from and against any and all claims, liens, damages, demands, causes of action, liabilities, lawsuits, judgments, losses, costs and expenses (including but not limited to reasonable attorneys' fees and expenses) whether arising out of injury or death to persons or damage to the Property or any portion thereof or otherwise, including, but not limited to, costs of remediation, restoration and other similar activities and mechanic's and materialmen's liens (collectively, "**Losses**"), arising out of or in connection with Buyer's Due Diligence, Buyer's breach of its obligations under Section 3.3 or 3.5 or Buyer's or any Licensee Party's entry upon the Property, except to the extent any of the same are caused solely by the gross negligence or willful misconduct of Seller or any Seller Parties (provided, that in no event shall Buyer have any liability in connection with the mere discovery, as opposed to the exacerbation of any pre-existing condition at the Property). The provisions of this Section 3.4 shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement, and shall not be subject to the Survival Period set forth in Section 6.2. Buyer acknowledges and agrees that money damages may not be a sufficient remedy for any breach of this Agreement and that Seller shall be entitled to seek specific performance and injunctive or other equitable relief as a remedy for any such breach (or any threatened breach) without the requirement of posting a bond or demonstrating the insufficiency of monetary damages. Such remedy shall not be deemed to be the exclusive remedy for breach or threatened breach of this Agreement, but shall be in addition to all other remedies available at law or in equity to Seller.

**Section 3.5 Confidentiality.** Buyer agrees that any materials or information provided to or obtained by Buyer, any Licensee Party or any of Buyer's other consultants, or Buyer's attorneys, owners, members, partners, accountants, lenders or investors (collectively, the "**Permitted Outside Parties**") in the conduct of its Due Diligence shall be treated as confidential pursuant to Section 10.11 of this Agreement, and shall be used only to evaluate the acquisition of the Property from Seller, and shall not be used to Seller's detriment. Buyer further agrees that within its organization, or as to the Permitted Outside Parties, the Due Diligence Items will be disclosed and exhibited only to those persons within Buyer's organization or to those Permitted Outside Parties who are responsible for determining the feasibility of Buyer's acquisition of the Property. Buyer further acknowledges that the Due Diligence Items and other information relating to the Property and the use and operation thereof are proprietary and confidential in nature. Buyer agrees not to divulge the contents of such Due Diligence Items or any other information (including, without limitation, to large language models or in connection with other artificial intelligence data sourcing), except in strict accordance with this Section 3.5 and Section 10.11 of this Agreement. In permitting Buyer and the Permitted Outside Parties to review the Due Diligence Items and other information to assist Buyer, Seller has not waived any privilege or claim of confidentiality with respect thereto, and no third party benefits or relationships of any kind, either express or implied, have been offered, intended or created by Seller and any such claims are expressly rejected by

Seller and waived by Buyer and the Permitted Outside Parties, for whom, by its execution of this Agreement, Buyer is acting as an agent with regard to such waiver. Notwithstanding anything to the contrary herein, the no such materials or information shall be subject to the confidentiality provisions pursuant to this Section 3.5 or Section 10.11 to the extent such materials or information (a) is or becomes generally available to the public other than as a result of a disclosure by the Permitted Outside Parties, (b) was available to Buyer on a nonconfidential basis prior to the execution of this Agreement, (c) is independently developed by any employee or agent of Buyer without reference to any such materials or information made available to the Permitted Outside Parties by Seller or its agents or representatives or (d) disclosure is required by laws. Notwithstanding the foregoing, Seller acknowledges and agree that Buyer is an affiliate of San Diego Housing Commission and that Board meetings held to discuss the subject transaction conducted by Board of Directors Buyer may be subject to public notices or press inquiries; provided, however, that Buyer agrees that it shall use best efforts to protect against such disclosure of (and to minimize disclosure of) proprietary or confidential information in connection with such public notices or press inquiries. The provisions of this Section 3.5 shall survive Closing or any termination of this Agreement without limitation.

**Section 3.6 Due Diligence Period.** Buyer may, by giving Seller and Escrow Agent written notice on or before the end of the Due Diligence Period, terminate its obligations hereunder, subject to Sections 2.3, without further liability except for those provisions which expressly survive the Closing or earlier termination of this Agreement. If before the end of the Due Diligence Period, Buyer fails to give Seller such written notice, then Buyer shall be automatically deemed to have elected to terminate this Agreement and shall be entitled to a full refund of the Deposit. If Buyer timely elects to terminate its obligations hereunder or is deemed to have elected to terminate its obligations hereunder as described above, Buyer shall return the Due Diligence Items to Seller and so long as Seller is not then in default under this Agreement, provide Seller with originals of all third party reports, studies and appraisals relating to the Property in its possession, without representation or warranty, and at no cost to Seller. The foregoing obligations of this Section 3.6 shall survive any termination of this Agreement.

**Section 3.7 Contracts Termination.** Buyer has elected to terminate all Contracts effective as of Closing other than (i) that certain Lease dated April 9, 2024, made by and between Seller, as lessor, and WASH Multifamily Laundry Systems, as lessee, and (ii) that certain transportation kiosk license agreement dated as of March 1, 2024, made by and between Seller, as owner, and Actionfigure, as service provider, which Buyer shall be obligated to assume at Closing (collectively, the “**Must Assume Contracts**”).<sup>2</sup> Seller shall use commercially reasonable efforts to terminate or cause to be terminated such Contracts (other than the Must Assume Contracts) effective as of the Closing Date. If and to the extent that any such Contract is not terminable until a date after the Closing, notwithstanding Seller's delivery of the appropriate termination notice as of Closing (if permitted to be delivered under the terms of such Contract), then Buyer shall assume and be responsible for all obligations accruing under such Contract from the Closing Date until the effective date of termination; provided, however, Seller shall be responsible for termination fees or penalties, if any, in connection with any such Contract that is terminated.

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<sup>2</sup> NTD: Seller is currently reviewing the service contracts for any additional "Must Assume Contracts". Buyer to confirm if all other service contracts will be assumed or terminated at closing.

**Section 3.8 Financing Contingency.** On or prior to \_\_\_\_\_, 2026,<sup>3</sup> (the “Financing Contingency Expiration Date”), Buyer shall secure acquisition financing in an amount not less than Twenty-One Million and No/100 Dollars (\$21,000,000.00) (the “**Loan**”). If Buyer fails to secure the Loan on or prior to the expiration of the Financing Contingency Expiration Date, Buyer shall have the right to terminate this Agreement upon delivery of written notice to Seller at any time after the expiration of the Financing Contingency Expiration Date, in which event the Deposit shall be paid to Buyer (less the Non-Refundable Deposit, which shall be disbursed to and retained by Seller) and, thereafter, the parties shall have no further rights or obligations hereunder except for those provisions which expressly survive the Closing or earlier termination of this Agreement. Buyer shall use its best efforts to promptly obtain and close the Loan (but in any event not later than February 28, 2026) from multiple potential lenders and shall keep Seller apprised of such efforts. In connection with such financing, Buyer agrees to use diligent, best efforts to obtain the Loan, including, without limitation, timely providing the broker and/or potential lender(s) with such information, documentation and reports as they request in connection with the Loan. Provided that (i) Buyer is not then in default under this Agreement, (ii) Buyer has timely obtained term sheet or commitment for the Loan prior to the expiration of the Financing Contingency Expiration Date and timely delivered a copy of same to Seller, and (iii) Buyer has undertaken its best efforts to timely obtain and close the Loan at or prior to Closing, if Buyer is unable to timely secure the Loan, then Buyer shall have the right to terminate this Agreement upon delivery of written notice to Seller prior to the outside Closing Date, in which event the Deposit shall be paid to Buyer (less the Non-Refundable Deposit, which shall be disbursed to and retained by Seller) and, thereafter, the parties shall have no further rights or obligations hereunder except for those provisions which expressly survive the Closing or earlier termination of this Agreement.

## **ARTICLE IV**

### **TITLE AND SURVEY**

**Section 4.1 Title to Real Property.** Seller has made available to Buyer (a) a commitment to issue an owner’s policy of title insurance with respect to the Property issued by the Title Company (the “**Title Commitment**”), (b) copies of all recorded documents referred to on Schedule B of the Title Commitment as exceptions to coverage, and (c) the Existing Survey.

**Section 4.2 Certain Exceptions to Title.** Buyer shall have the right to object in writing to any title matters that are not Permitted Exceptions and that materially adversely affect Buyer’s title to the Real Property which are disclosed in the Title Commitment or Existing Survey (herein collectively called “**Liens**”) until 10 business days prior to the expiration of the Due Diligence Period. With respect to any new title matters (i.e., title matters not shown in the Title Commitment or Existing Survey) shown in any updated title report or survey delivered after the expiration of the Due Diligence Period, Buyer shall have the right to object in writing to such new title matters at any time on or prior to the earlier of (i) five (5) business days after receipt by Buyer of an updated title report or survey, in writing, disclosing such new Liens, or (ii) two (2) business days prior to the Closing Date; provided, however, that Buyer shall have not less than two (2) business days from the date of receipt of such updated title report or survey, in writing, disclosing such title matters to object to such notice, and if necessary, the Closing Date shall be postponed to afford

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<sup>3</sup> NTD: fixed date to be included here that is 120 days after PSA execution, but not later than 2/28/2026.



the Buyer such time to object. Any exceptions which are timely objected to by Buyer in accordance with this Section 4.2 shall be herein collectively called the "Title Objections." If Buyer fails to object in a timely manner to the new Liens within such time period, such new Liens shall be deemed Permitted Exceptions. Except as provided below with respect to Mandatory Cure Items, if Seller is unable to remove any Title Objections prior to the Closing, or if Seller elects not to remove one or more Title Objections, Buyer may elect by written notice to Seller and Escrow Agent no later than five (5) days after the date on which Buyer is notified in writing that Seller is unable or unwilling to so remove such Title Objections (and if necessary, the Closing Date shall be postponed to afford Buyer such time to elect either of the following remedies), as its sole and exclusive remedy therefor, to either (a) terminate this Agreement by giving written notice to Seller and Escrow Agent, in which event the Deposit shall be returned to Buyer and, thereafter, the parties shall have no further rights or obligations hereunder except for those obligations which expressly survive the termination of this Agreement, or (b) waive such Title Objections, in which event the Liens which is the subject of the Title Objections shall be deemed additional Permitted Exceptions and the Closing shall occur as herein provided without any reduction of or credit against the Purchase Price. Notwithstanding the foregoing, (i) in the event Seller agrees but subsequently fails to remove one or more Title Objections prior to the Closing, Buyer may elect by written notice to Seller and Escrow Agent no later than five (5) days after the date on which Buyer is notified in writing that Seller is no longer able or willing to so remove such Title Objections (and if necessary, the Closing Date shall be postponed to afford Buyer such time to elect either of the following remedies), as its sole and exclusive remedy therefor, to either (a) terminate this Agreement by giving written notice to Seller and Escrow Agent, in which event the Deposit shall be returned to Buyer, Buyer shall be entitled to a reimbursement by Seller of out of pocket expenses in an amount not to exceed \$100,000, and, thereafter, the parties shall have no further rights or obligations hereunder except for those obligations which expressly survive the termination of this Agreement, or (b) waive such Title Objections, in which event the Liens which is the subject of such Title Objections shall be deemed additional Permitted Exceptions and the Closing shall occur as herein provided without any reduction of or credit against the Purchase Price; and (ii) Seller shall be obligated at or prior to Closing to cause the Mandatory Cure Items to be paid, satisfied and released (as applicable).

Notwithstanding the foregoing, Seller shall be obligated at Closing to cause the release of the Mandatory Cure Items.

**Section 4.3 Title Insurance.** At Closing, Buyer shall arrange for the Title Company to issue to Buyer or be irrevocably committed to issue to Buyer a standard coverage owner's form title policy (the "**Title Policy**"), in the amount of the Purchase Price, insuring that fee simple title to the Real Property is vested in Buyer subject only to the Permitted Exceptions. Buyer shall be entitled to request that the Title Company provide extended coverage and/or such endorsements (or amendments) to the Title Policy as Buyer may reasonably require, provided that (a) such extended coverage and/or endorsements (or amendments) shall be at no cost to, and shall impose no additional liability on, Seller, (b) Buyer's obligations under this Agreement shall not be conditioned upon Buyer's ability to obtain such extended coverage and/or endorsements and, if Buyer is unable to obtain such extended coverage and/or endorsements, Buyer shall nevertheless be obligated to proceed to close the transaction contemplated by this Agreement without reduction of or set off against the Purchase Price, and (c) the Closing shall not be delayed as a result of Buyer's request. Notwithstanding the foregoing, Seller shall reasonably cooperate with Buyer in

Buyer's effort to obtain extended title coverage by providing an owner's affidavit on a form that is customary and standard required by the Title Company.

## ARTICLE V

### REMEDIES AND DEPOSIT INSTRUCTIONS

**Section 5.1 Permitted Termination; Seller Default.** IF THE SALE OF THE PROPERTY IS NOT CONSUMMATED DUE TO THE PERMITTED TERMINATION OF THIS AGREEMENT BY BUYER AS HEREIN EXPRESSLY PROVIDED, THE DEPOSIT SHALL BE RETURNED TO BUYER AND THE PARTIES SHALL HAVE NO FURTHER RIGHTS OR OBLIGATIONS HEREUNDER EXCEPT FOR THOSE PROVISIONS WHICH EXPRESSLY SURVIVE THE TERMINATION OF THIS AGREEMENT. IF THE PROPERTY IS NOT CONSUMMATED DUE TO SELLER'S DEFAULT HEREUNDER, BUYER SHALL BE ENTITLED, AS ITS SOLE REMEDY, EITHER (A) TO RECEIVE THE RETURN OF THE DEPOSIT, OR (B) TO ENFORCE SPECIFIC PERFORMANCE OF THE SALE OF THE PROPERTY PURSUANT TO THIS AGREEMENT. EXCEPT AS SET FORTH IN THE IMMEDIATELY SUBSEQUENT SENTENCE, BUYER EXPRESSLY WAIVES ITS RIGHTS TO SEEK ANY DAMAGES IN THE EVENT OF SELLER'S DEFAULT HEREUNDER. BUYER SHALL BE DEEMED TO HAVE ELECTED TO TERMINATE THIS AGREEMENT AND RECEIVE BACK THE DEPOSIT IF BUYER FAILS TO FILE SUIT FOR SPECIFIC PERFORMANCE AGAINST SELLER IN A COURT PRESCRIBED BY SECTION 10.5 HEREOF, ON OR BEFORE NINETY (90) DAYS FOLLOWING THE DATE UPON WHICH CLOSING WAS TO HAVE OCCURRED.

Initials:            Seller \_\_\_\_\_            Buyer \_\_\_\_\_

**Section 5.2 BUYER DEFAULT; LIQUIDATED DAMAGES.** IF THE SALE IS NOT CONSUMMATED DUE TO ANY DEFAULT BY BUYER HEREUNDER, THEN SELLER MAY, AS ITS SOLE AND EXCLUSIVE REMEDY, RETAIN THE DEPOSIT AS LIQUIDATED DAMAGES AND NOT AS PENALTY PURSUANT TO CALIFORNIA CIVIL CODE SECTIONS 1671, 1676 AND 1677 (SUCH AMOUNT IS NOT INTENDED AS A FORFEITURE OR PENALTY WITHIN THE MEANING OF CALIFORNIA CIVIL CODE SECTIONS 3275 AND 3369), IN FULL SATISFACTION OF CLAIMS AGAINST PURCHASER HEREUNDER. SELLER AND PURCHASER AGREE THAT SELLER'S DAMAGES RESULTING FROM PURCHASER'S DEFAULT ARE DIFFICULT, IF NOT IMPOSSIBLE, TO DETERMINE AND THE EARNEST MONEY AND ANY DEVELOPMENT DEPOSITS IS A FAIR ESTIMATE OF THOSE DAMAGES WHICH HAS BEEN AGREED TO IN AN EFFORT TO CAUSE THE AMOUNT OF SUCH DAMAGES TO BE CERTAIN. AFTER NEGOTIATION, THE PARTIES HAVE AGREED THAT, CONSIDERING ALL THE CIRCUMSTANCES EXISTING ON THE EFFECTIVE DATE, THE AMOUNT OF THE DEPOSIT IS A REASONABLE ESTIMATE OF THE DAMAGES THAT SELLER WOULD INCUR IN SUCH EVENT. BY PLACING THEIR INITIALS BELOW, EACH PARTY SPECIFICALLY CONFIRMS THE ACCURACY OF THE STATEMENTS MADE ABOVE AND THE FACT THAT EACH PARTY WAS REPRESENTED BY COUNSEL WHO EXPLAINED, AT THE TIME



**THIS AGREEMENT WAS MADE, THE CONSEQUENCES OF THIS LIQUIDATED DAMAGES PROVISION. THE FOREGOING IS NOT INTENDED TO LIMIT BUYER'S SURVIVING OBLIGATIONS UNDER THIS AGREEMENT.**

Initials:            Seller \_\_\_\_\_ Buyer \_\_\_\_\_

**Section 5.3 Deposit Instructions.** The Escrow Agent joins herein below to evidence its agreement to hold such funds in accordance with the terms and conditions of this Agreement. Further, the following provisions shall control with respect to the rights, duties and liabilities of the Escrow Agent.

(a) The Escrow Agent acts hereunder as a depository only and is not responsible or liable in any manner whatsoever for the (i) sufficiency, correctness, genuineness or validity of any written instrument, notice or evidence of a party's receipt of any instruction or notice which is received by the Escrow Agent, or (ii) identity or authority of any person executing such instruction notice or evidence. Escrow Agent's signature shall not be required for any amendment of this Agreement so long as the provisions in this Section are not modified or amended.

(b) The Escrow Agent shall have no responsibility hereunder except for the performance by it in good faith of the acts to be performed by it hereunder, and the Escrow Agent shall have no liability except for its own willful misconduct or gross negligence.

(c) The Escrow Agent shall be reimbursed on an equal basis by Buyer and Seller for any reasonable expenses incurred by the Escrow Agent arising from a dispute with respect to the amount held in escrow, including the cost of any legal expenses and court costs incurred by the Escrow Agent, should the Escrow Agent deem it necessary to retain an attorney with respect to the disposition of the amount held in escrow.

(d) In the event of a dispute between the parties hereto with respect to the disposition of the amount held in escrow, the Escrow Agent shall be entitled, at its own discretion, to deliver such amount to an appropriate court of law pending resolution of the dispute.

(e) The Escrow Agent shall invest the amount in escrow in accounts which are federally insured or which invest solely in government securities and shall be applied in accordance with the terms of this Agreement. Interest earned thereon shall be added to the funds deposited by Buyer.

**Section 5.4 Designation of Reporting Person.** In order to assure compliance with the requirements of Section 6045 of the Code, and any related reporting requirements of the Code, the parties hereto agree as follows:

(a) Provided the Escrow Agent shall execute a statement in writing (in form and substance reasonably acceptable to the parties hereunder) pursuant to which it agrees to assume all responsibilities for information reporting required under Section 6045(e) of the Code, Seller and Buyer shall designate the Escrow Agent as the person to be responsible for all information reporting under Section 6045(e) of the Code (the "**Reporting Person**"). If the Escrow Agent

refuses to execute a statement pursuant to which it agrees to be the Reporting Person, Seller and Buyer shall agree to appoint another third party as the Reporting Person.

(b) Seller and Buyer hereby agree:

(i) to provide to the Reporting Person all information and certifications regarding such party, as reasonably requested by the Reporting Person or otherwise required to be provided by a party to the transaction described herein under Section 6045 of the Code; and

(ii) to provide to the Reporting Person such party's taxpayer identification number and a statement (on Internal Revenue Service Form W-9 or an acceptable substitute form, or on any other form the applicable current or future Code sections and regulations might require and/or any form requested by the Reporting Person), signed under penalties of perjury, stating that the taxpayer identification number supplied by such party to the Reporting Person is correct.

Each party hereto agrees to retain this Agreement for not less than four years from the end of the calendar year in which the Closing occurred, and to produce it to the Internal Revenue Service upon a valid request therefor.

## ARTICLE VI

### REPRESENTATIONS AND WARRANTIES OF SELLER

**Section 6.1 Representations and Warranties of Seller.** Subject to the provisions of Sections 6.2 and 7.4 and except for those matters disclosed in any materials, documents or information provided or made available to Buyer, including, without limitation, those described in Section 3.2 and/or described in Exhibit "B" (the "**Disclosure Items**") for which Seller makes no representations or warranties of any kind and for which Seller shall have no liability or obligation to Buyer of any kind whatsoever, Seller makes the following representations and warranties with respect to the Property:

(a) **Status.** Seller is a limited liability company duly organized or formed, validly existing and in good standing under the laws of the state in which Seller is organized or formed, as applicable, and is qualified to transact business in the state in which the Property is located.

(b) **Authority.** The execution and delivery of this Agreement and the performance of Seller's obligations hereunder have been or will be duly authorized by all necessary action on the part of Seller, and this Agreement constitutes the legal, valid and binding obligation of Seller, subject to equitable principles and principles governing creditors' rights generally.

(c) **Non-Contravention.** The execution and delivery of this Agreement by Seller and the consummation by Seller of the transactions contemplated hereby will not, to Seller's knowledge (i) violate any judgment, order, injunction, decree, regulation or ruling of any court or Governmental Entity or (ii) conflict with, result in a breach of, or constitute a default under the organizational or governing documents of Seller, any note or other evidence of indebtedness, any

mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Seller is a party or by which Seller may be bound.

(d) **Suits and Proceedings.** To Seller's knowledge, there are no legal actions, suits or similar proceedings pending and served, or threatened in writing against Seller or the Property.

(e) **Contracts.** Except for the Contracts referenced on Exhibit "C", there are no material contracts or written agreements with respect to the Property to which Seller is a party or by which it is bound that are currently in effect and will be in effect after Closing.

(f) **Leases; Rent Roll.** Attached hereto as Exhibit "M" is the rent roll (the "**Rent Roll**") used by Property Manager, and relied upon by Seller, in the ordinary course of business at the Property, dated within two (2) business days of the Effective Date. As of the Effective Date, Seller has delivered, or made available to Buyer, the Leases that are in Seller's possession or reasonable control in all material respects. To Seller's knowledge, the Rent Roll contains a list of all executed Leases relating to the Property as of the Effective Date and all amendments and modifications to such Leases. All Tenant Deposits are accurately identified in the Rent Roll and are held by Seller in cash, and no Tenant or any other party has any claim (other than for customary refund at the expiration of a Lease) to all or any part of any Tenant Deposit resulting from actions which occur prior to the Close of Escrow. To Seller's knowledge, all material obligations of the lessor under the Leases required to be performed by the lessor on or before the date hereof have been performed and, to Seller's knowledge, no material event of default on the part of the lessor exists under any Lease. There are no oral promises, understandings, agreements, or commitments between Seller and any tenant or other party for the use, occupancy, or possession of the Property;

(h) **Non-Foreign Entity.** Seller is not a "foreign person" or "foreign corporation" as those terms are defined in the Code, and the regulations promulgated thereunder.

(i) **Consents.** No consent, waiver, registration, approval or authorization is required from any person, entity or Governmental Entity (that has not already been obtained prior to the execution hereof or Closing, as applicable) in connection with the execution and delivery of this Agreement by Seller or the performance by Seller of the transactions contemplated hereby.

(j) **Condemnation.** Seller has not received from a Governmental Entity any written notice of condemnation or similar proceedings with respect to all or part of the Property, and to Seller's knowledge, no such actions or similar proceeding is threatened in writing.

(k) **Bankruptcy.** Seller has not (i) commenced a voluntary case, or had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (ii) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator or similar official in any federal, state or foreign judicial or non-judicial proceedings, to hold, administer and/or liquidate all or substantially all of its property, or (iii) made an assignment for the benefit of creditors.

(l) **Employees.** Seller has no employees with respect to the Property.

(m) **Patriot Act.** Seller is in compliance with all applicable anti-money laundering and anti-terrorist laws, regulations, rules, executive orders and government guidance, including the reporting, record keeping and compliance requirements of the Bank Secrecy Act (“BSA”), as amended by The International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001, Title III of the USA PATRIOT Act (the “**Patriot Act**”), and other authorizing statutes, executive orders and regulations administered by OFAC, and related Securities and Exchange Commission, SRO or other agency rules and regulations, and has policies, procedures, internal controls and systems that are reasonably designed to ensure such compliance.

(n) **OFAC.** Neither: (i) Seller, any Affiliate of Seller nor any Person controlled by Seller; nor (ii) to the best of Seller’s knowledge, after making due inquiry, any Person who owns a controlling interest in or otherwise controls Seller; nor (iii) to the best of knowledge of Seller, after making due inquiry, if Seller is a privately held entity, any Person otherwise having a direct or indirect beneficial interest (other than with respect to an interest in a publicly traded entity) in Seller; nor (iv) to the best of Seller’s knowledge, after making due inquiry, any Person for whom Seller is acting as agent or nominee in connection with this investment, is a country, territory, Person, organization, or entity named on an OFAC List, nor is a prohibited country, territory, Person, organization, or entity under any economic sanctions program administered or maintained by OFAC. To Seller’s knowledge, Seller is not engaging in this transaction, directly or indirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of, any such person, group or entity. To Seller’s knowledge, Seller is not engaging in this transaction, directly or indirectly, in violation of any laws, rules or regulations relating to drug trafficking, money laundering or predicate crimes to money laundering, and none of the funds of Seller have been or will be derived from any unlawful activity with the result that the investment of direct or indirect equity owners in Buyer is prohibited by law or that the transaction or this Agreement is or will be in violation of law.

(o) **Senior Foreign Political Figure.** Unless disclosed in writing to Buyer on the date hereof, Seller is not a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure, that Seller is not controlled by a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure, and that, to the best of Seller’s knowledge, after making due inquiry, none of the direct or indirect owners of Seller (other than any owner(s) of any interest(s) in a publicly-traded entity) is a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure.

(p) **Options to Purchase.** Seller has not entered into any other contract to sell, or granted a third party any right or option to purchase (including any right of first offer or right of first refusal), the Property or any part thereof that is currently in effect and which would be binding on the Property following Closing.

(q) **No Liens.** Except as may be disclosed to Buyer, at Closing, there will be no outstanding written or oral contracts made by Seller to construct any improvements to the Property which have not be fully paid for.

(r) **No Defaults.** To Seller's knowledge, Seller has not received any written notice of any material default by Seller under any of the Assumed Contracts that will not be terminated on the Closing Date.

(s) **No Hazardous Materials.** to the best of Seller's actual knowledge: (a) there are no underground storage tanks on the Property; (b) no underground storage tanks have been placed on or removed from the Property during Seller's ownership of the Property; (c) the Property is free of asbestos and asbestos-containing materials; (d) Seller has not caused or permitted to be stored, disposed of, transferred, produced, or processed on the Property any Hazardous Substances, except in compliance with all applicable federal, state, and local laws or regulations; (e) no release of any Hazardous Substances on or off-site of the Property which might affect the Property or for which Buyer may be liable has occurred prior to the Closing Date hereof; (f) Seller is not aware of any enforcement, cleanup, removal or other governmental or regulatory actions being instituted, contemplated or threatened against it or the Property, or any neighboring property; (g) no claims have been made by any third party or other person with respect the Property relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from Hazardous Substances; and (h) there are no substances or conditions on the Property which would support a claim or cause of action under any Environmental Law. For purposes of this Agreement, the term Hazardous Substances shall mean: "hazardous substance" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended ("CERCLA"); "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 ("RCRA") as amended; hazardous wastes, hazardous materials, hazardous substances, toxic waste, toxic materials, or toxic substances as defined in state or federal statutes or regulations; asbestos-containing materials, polychlorinated biphenyls; radioactive materials; chemicals known to cause cancer or reproductive toxicity; petroleum products, distillates or fractions; any substance the presence of which is prohibited by statute or regulation; and any substance for which any statute or regulation requires a permit or special handling in its use, collection, storage, treatment or disposal.

(t) **Due Diligence Items.** Seller has no actual knowledge of any material inaccuracy or incompleteness with respect to all leases, lease correspondence, rent rolls, reports, surveys, studies, and books and records made available to Buyer as part of the Due Diligence Items pursuant to this Agreement, and Seller represents that all such materials have been assembled in the form maintained by Seller or its property manager in the ordinary course of its business.

**Section 6.2 Limited Liability.** The representations and warranties of Seller set forth in Section 6.1 or in any document delivered by Seller to Buyer in connection with the consummation of the transaction contemplated hereby, together with Seller's liability for any breach before Closing of any of Seller's interim operating covenants or other covenants or agreements contained herein, will survive the Closing for a period of twelve (12) months (the "**Survival Period**"), but not thereafter, it being the intention of the parties that all suits or actions for any such breach, and any action for liabilities resulting from any such breach, must identify with specificity each such breach and must be brought, if at all prior to the expiration of the Survival Period, or they shall be forever barred. Buyer will not have any right to bring any action against Seller as a result of any untruth or inaccuracy of such representations and warranties, or any such breach, unless and until the aggregate amount of all liability and losses arising out of any such untruths or inaccuracies, or

any such breaches, exceeds \$50,000, and then only to the extent of such excess. In addition, except for fraud, intentional or malicious with intent to deceive or misrepresent, in no event will Seller's liability for all such breaches exceed, in the aggregate, an amount equal to Three and No/100 Percent (3.0%) of the Purchase Price (the "**Cap**"); provided, however, that the Cap shall not apply to the prorations and adjustments set forth in Section 9.5. Notwithstanding anything set forth herein to the contrary, except for Seller's fraud, gross negligence or intentional misrepresentation, Buyer shall take, and shall cause its Affiliates to take, all commercially reasonable steps to mitigate and otherwise minimize their Losses to the extent reasonably possible upon and after becoming aware of any event which would reasonably be expected to give rise to any such Losses. In the event of any breach of any of Seller's representations or warranties that is discovered by Buyer during the Survival Period, Buyer shall give Seller written notice of such alleged breach (a "**Breach Notice**") prior to the expiration of the Survival Period and shall allow Seller the opportunity to cure any such alleged breach that is reasonably susceptible of cure prior to making any claim for damages under this Agreement, in each case, as more particularly set forth below. In the event that Seller elects, by written notice to Buyer (an "**Election Notice**") within ten (10) business days of receipt of any Breach Notice, to cure any such breach that is reasonably susceptible of cure, Seller shall have a period of time ("**Seller's Cure Period**"). The Survival Period with respect to any breach alleged in a Breach Notice shall be extended for the lesser of (i) the period of time from (A) delivery of the Breach Notice from Buyer to Seller to (B) delivery of written notice from Seller to Buyer that it either does not intend to cure, or has been unable to cure, such breach (or that such breach does not constitute a breach), and (ii) Seller's Cure Period. In the event Seller delivers an Election Notice to Buyer, Buyer shall allow Seller to have reasonable access to the Property and shall reasonably cooperate with Seller (at no out-of-pocket cost or expense to Buyer) to allow Seller to prosecute the cure of the applicable breach during Seller's Cure Period. Buyer waives all rights and remedies pursuant to this Section 6.2 with respect to all breaches, if any, not alleged in a Breach Notice delivered during the Survival Period. Seller shall have no liability with respect to any of Seller's representations, warranties and covenants herein or in any document executed and delivered by Seller to Buyer in connection with the consummation of the transaction contemplated hereby, prior to the Closing, if Buyer has actual knowledge of any breach of a representation, warranty or covenant of Seller herein or in any document executed and delivered by Seller to Buyer in connection with the consummation of the transaction contemplated hereby, or Buyer obtains knowledge (from whatever source, including, without limitation, any Due Diligence Items, or Buyer's Reports as a result of Buyer's Due Diligence or as a result of written or verbal disclosure by Seller or Seller's agents, representatives and/or employees) that contradicts any of Seller's representations and warranties herein or in any document executed and delivered by Seller to Buyer in connection with the consummation of the transaction contemplated hereby or evidences such a breach, and Buyer nevertheless consummates the transaction contemplated by this Agreement. Buyer shall be deemed to have knowledge of all information, matters and circumstances set forth, described or otherwise referenced in any of the files, documents, materials, analyses, studies, tests or reports disclosed or made available to Buyer or obtained by or on behalf of Buyer with respect to the Property (collectively, the "**Property Information**"). Sections 3.4, 3.5, 9.6, 10.9 and 10.11 will survive Closing without limitation unless a specified period is otherwise provided in this Agreement. All other representations, warranties, covenants and agreements made or undertaken by Seller under this Agreement, unless otherwise specifically provided herein, will not survive the Closing Date but will be merged into the Deed and other Closing documents delivered at the Closing. In no event shall Buyer be entitled



to seek or obtain consequential, speculative, special, punitive and/or exemplary damages against Seller. Notwithstanding anything to the contrary herein, Buyer agrees that Seller shall have no liability under this Agreement or otherwise for any breach or failure of any representation, warranty or covenant if Buyer or any direct or indirect owner or affiliate of Buyer or any agent, employee, contractor and/or representative of any of the foregoing Persons caused such breach or failure. This Section 6.2 shall survive Closing.

**Section 6.3 Seller's Knowledge.** For purposes of this Agreement and any document delivered at Closing, whenever the phrase "to Seller's knowledge," or the "knowledge" of any Seller or words of similar import are used, they shall be deemed to refer to facts within the actual knowledge only of Jason Chiverton [What is Jason's role? Please also add Property Manager] and no others, at the times indicated only, without duty of inquiry whatsoever.

**Section 6.4 Liability of Representations and Warranties.** Buyer acknowledges and agrees that the individual named above is named solely for the purpose of defining and narrowing the scope of Seller's knowledge and not for the purpose of imposing any liability on or creating any duties running from such individual to Buyer. Buyer covenants that it will bring no action of any kind against such individual, any shareholder, partner or member of Seller, as applicable, or related to or arising out of these representations and warranties. This Section 6.4 shall survive the Closing or any earlier termination of this Agreement.

## ARTICLE VII

### REPRESENTATIONS AND WARRANTIES OF BUYER

**Section 7.1 Buyer's Representations and Warranties.** Buyer represents and warrants to Seller the following:

(a) **Status.** Buyer is a non-profit corporation duly organized or formed, validly existing and in good standing under the laws of the state in which Buyer is organized or formed, as applicable, and is qualified to transact business in the state in which the Property is located.

(b) **Authority.** The execution and delivery of this Agreement and the performance of Buyer's obligations hereunder have been or will be duly authorized by all necessary action on the part of Buyer and this Agreement constitutes the legal, valid and binding obligation of Buyer, subject to equitable principles and principles governing creditors' rights generally. Notwithstanding the foregoing, Seller acknowledges that (a) Buyer is in the process of: obtaining approval of this Agreement from (i) Buyer's governing board, (ii) the Board of the San Diego Housing Commission, and (iii) the Housing Authority of the City of San Diego; and (b) the Housing Authority of the City of San Diego must appropriate funds or issue bonds for the Buyer's acquisition of the Property (collectively, the "**Buyer Approvals**"), each of which shall be promptly submitted for in accordance with Buyer's customary approval process and shall be obtained by Buyer prior to the expiration of the Due Diligence Period. Buyer will use its best efforts to obtain the Buyer Approvals prior to the expiration of the Due Diligence Period. If Buyer fails to terminate this Agreement prior to the expiration of the Due Diligence Period in accordance with Section 3.6, then the Buyer Approvals will be deemed to have been obtained by Buyer and Buyer will have no further right to terminate this Agreement in connection with the Buyer Approvals or lack thereof.



(c) **Non-Contravention.** The execution and delivery of this Agreement by Buyer and the consummation by Buyer of the transactions contemplated hereby will not violate any judgment, order, injunction, decree, regulation or ruling of any court or Governmental Entity or conflict with, result in a breach of, or constitute a default under the organizational or governing documents of Buyer, any note or other evidence of indebtedness, any mortgage, deed of trust or indenture, or any lease or other material agreement or instrument to which Buyer is a party or by which it is bound.

(d) **Consents.** Except for Buyer Approvals, no consent, waiver, registration, approval or authorization is required from any person, entity or Governmental Entity (that has not already been obtained) in connection with the execution and delivery of this Agreement by Buyer or the performance by Buyer of the transactions contemplated hereby.

(e) **Bankruptcy.** Buyer has not (i) commenced a voluntary case, or had entered against it a petition, for relief under any federal bankruptcy act or any similar petition, order or decree under any federal or state law or statute relative to bankruptcy, insolvency or other relief for debtors, (ii) caused, suffered or consented to the appointment of a receiver, trustee, administrator, conservator, liquidator or similar official in any federal, state or foreign judicial or non-judicial proceeding, to hold, administer and/or liquidate all or substantially all of its property, or (iii) made an assignment for the benefit of creditors.

(f) **Patriot Act.** Buyer is in compliance with all applicable anti-money laundering and anti-terrorist laws, regulations, rules, executive orders and government guidance, including the reporting, record keeping and compliance requirements of the BSA, as amended by the Patriot Act, and other authorizing statutes, executive orders and regulations administered by OFAC, and related Securities and Exchange Commission, SRO or other agency rules and regulations, and has policies, procedures, internal controls and systems that are reasonably designed to ensure such compliance.

(g) **OFAC.** Neither: (i) Buyer, any Affiliate of Buyer nor any Person controlled by Buyer; nor (ii) to the best of knowledge of Buyer, after making due inquiry, any Person who owns a controlling interest in or otherwise controls Buyer; nor (iii) to the best of knowledge of Buyer, after making due inquiry, if Buyer is a privately held entity, any Person otherwise having a direct or indirect beneficial interest (other than with respect to an interest in a publicly traded entity) in Buyer; nor (iv) any Person for whom Buyer is acting as agent or nominee in connection with this investment, is a country, territory, Person, organization, or entity named on an OFAC List, nor is a prohibited country, territory, Person, organization, or entity under any economic sanctions program administered or maintained by OFAC. To Buyer's knowledge, Buyer is not engaging in this transaction, directly or indirectly, on behalf of, or instigating or facilitating this transaction, directly or indirectly, on behalf of, any such person, group or entity. To Buyer's knowledge, Buyer is not engaging in this transaction, directly or indirectly, in violation of any laws, rules or regulations relating to drug trafficking, money laundering or predicate crimes to money laundering, and none of the funds of Buyer have been or will be derived from any unlawful activity with the result that the investment of direct or indirect equity owners in Seller is prohibited by law or that the transaction or this Agreement is or will be in violation of law.

(h) **Senior Foreign Political Figure.** Unless disclosed in writing to Seller on the date hereof, it is not a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure, that it is not controlled by a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure, and that, to the best of Buyer's knowledge, after making due inquiry, none of the direct or indirect owners of Buyer (other than any owner(s) of any interest(s) in a publicly-traded entity) is a Senior Foreign Political Figure, or an Immediate Family Member or a Close Associate of a Senior Foreign Political Figure.

**Section 7.2 Limited Liability of Buyer.** The representations and warranties of Buyer set forth in Section 7.1 or in any document delivered by Buyer to Seller in connection with the consummation of the transaction contemplated hereby, will survive the Closing. This Section 7.2 shall survive the Closing.

**Section 7.3 Buyer's Independent Investigation.** Buyer has been given, before the end of the Due Diligence Period, a full opportunity to inspect and investigate each and every aspect of the Property, either independently or through agents of Buyer's choosing, including, without limitation:

(a) All matters relating to title, together with all governmental and other legal requirements such as taxes, assessments, zoning, use permit requirements, and building codes and/or the state of entitlements;

(b) The physical condition and aspects of the Property, including, without limitation, the interior, the exterior, the square footage within the improvements on the Real Property and within each tenant space therein, the structure, the paving, the utilities, and all other physical and functional aspects of the Property, including, without limitation, an examination for the presence or absence of Hazardous Materials, which shall be performed or arranged by Buyer at Buyer's sole expense;

(c) Any easements and/or access rights affecting the Property;

(d) The Leases and all matters in connection therewith, including, without limitation, the ability of the Tenants to pay Rent;

(e) The Contracts, the Licenses and Permits and any other documents or agreements of significance affecting the Property; and

(f) All other matters of material significance affecting the Property or delivered to Buyer by Seller in accordance with Article III of this Agreement.

(g) **THE TRANSACTION CONTEMPLATED BY THIS AGREEMENT HAS BEEN NEGOTIATED BETWEEN SELLER AND BUYER, THIS AGREEMENT REFLECTS THE MUTUAL AGREEMENT OF SELLER AND BUYER, AND BUYER HAS CONDUCTED ITS OWN INDEPENDENT EXAMINATION OF THE PROPERTY. OTHER THAN THE MATTERS EXPRESSLY REPRESENTED BY SELLER IN SECTION 6.1 HEREOF ("SELLER'S UNDERTAKINGS"), AS SUCH MAY BE LIMITED BY SECTION 6.2 HEREOF, BUYER HAS NOT RELIED UPON AND WILL NOT RELY**

UPON, EITHER DIRECTLY OR INDIRECTLY, ANY REPRESENTATION OR WARRANTY OF SELLER OR ANY OF SELLER'S AGENTS OR REPRESENTATIVES, AND BUYER HEREBY ACKNOWLEDGES THAT NO SUCH REPRESENTATIONS HAVE BEEN MADE. SELLER SPECIFICALLY DISCLAIMS, AND NEITHER IT NOR ANY OTHER PERSON IS MAKING, ANY REPRESENTATION, WARRANTY OR ASSURANCE WHATSOEVER TO BUYER AND NO WARRANTIES OR REPRESENTATIONS OF ANY KIND OR CHARACTER, EITHER EXPRESS OR IMPLIED, ARE MADE BY SELLER OR RELIED UPON BY BUYER WITH RESPECT TO THE STATUS OF TITLE TO OR THE MAINTENANCE, REPAIR, CONDITION, DESIGN OR MARKETABILITY OF THE PROPERTY, OR ANY PORTION THEREOF, INCLUDING BUT NOT LIMITED TO (i) ANY IMPLIED OR EXPRESS WARRANTY OF MERCHANTABILITY, (ii) ANY IMPLIED OR EXPRESS WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE, (iii) ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, (iv) ANY RIGHTS OF BUYER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, (v) ANY CLAIM BY BUYER FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN, WITH RESPECT TO THE IMPROVEMENTS OR THE PERSONAL PROPERTY, (vi) THE FINANCIAL CONDITION OR PROSPECTS OF THE PROPERTY AND (vii) THE COMPLIANCE OR LACK THEREOF OF THE REAL PROPERTY OR THE IMPROVEMENTS WITH GOVERNMENTAL REGULATIONS, AND (viii) THE COMPLIANCE OR LACK THEREOF OF THE REAL PROPERTY OR THE IMPROVEMENTS WITH APPLICABLE ENVIRONMENTAL LAWS OR THE PRESENCE OR ABSENCE OF HAZARDOUS MATERIALS AT, ON, IN, UNDER OR ADJACENT TO THE PROPERTY OR ANY PORTION THEREOF, IT BEING THE EXPRESS INTENTION OF SELLER AND BUYER THAT, EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, THE PROPERTY WILL BE CONVEYED AND TRANSFERRED TO BUYER IN ITS PRESENT CONDITION AND STATE OF REPAIR, "AS IS" AND "WHERE IS", WITH ALL FAULTS. FURTHER, AND WITHOUT LIMITING THE FOREGOING, PURCHASER ACKNOWLEDGES THAT IT WILL HAVE THE OPPORTUNITY TO INSPECT THE PROPERTY DURING THE INSPECTION PERIOD, AND DURING SUCH PERIOD, OBSERVE ITS PHYSICAL CHARACTERISTICS AND EXISTING CONDITIONS AND THE OPPORTUNITY TO CONDUCT SUCH INVESTIGATION AND STUDY ON AND OF THE PROPERTY AND ADJACENT AREAS AS PURCHASER DEEMS NECESSARY, AND PURCHASER HEREBY FOREVER RELEASES AND DISCHARGES SELLER FROM ALL RESPONSIBILITY AND LIABILITY, INCLUDING WITHOUT LIMITATION, LIABILITIES UNDER THE COMPREHENSIVE ENVIRONMENTAL RESPONSE, COMPENSATION AND LIABILITY ACT OF 1980 (42 U.S.C. SECTIONS 9601 ET SEQ.), AS AMENDED ("CERCLA"), THE RESOURCE CONSERVATION AND RECOVERY ACT (42 U.S.C. SECTION 9601 ET SEQ.), AS AMENDED, AND THE OIL POLLUTION ACT (33 U.S.C. SECTION 2701 ET SEQ.) REGARDING THE CONDITION, VALUATION, SALABILITY OR UTILITY OF THE PROPERTY, OR ITS SUITABILITY FOR ANY PURPOSE WHATSOEVER (INCLUDING, BUT NOT LIMITED TO, WITH RESPECT TO THE PRESENCE IN THE SOIL, AIR, STRUCTURES AND SURFACE AND SUBSURFACE WATERS, OF HAZARDOUS MATERIALS OR OTHER MATERIALS OR

**SUBSTANCES THAT HAVE BEEN OR MAY IN THE FUTURE BE DETERMINED TO BE TOXIC, HAZARDOUS, UNDESIRABLE OR SUBJECT TO REGULATION AND THAT MAY NEED TO BE SPECIALLY TREATED, HANDLED AND/OR REMOVED FROM THE PROPERTY UNDER CURRENT OR FUTURE FEDERAL, STATE AND LOCAL LAWS, REGULATIONS OR GUIDELINES, AND ANY STRUCTURAL AND GEOLOGIC CONDITIONS, SUBSURFACE SOIL AND WATER CONDITIONS AND SOLID AND HAZARDOUS WASTE AND HAZARDOUS MATERIALS ON, UNDER, ADJACENT TO OR OTHERWISE AFFECTING THE PROPERTY).**

**PURCHASER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542 ("SECTION 1542"), WHICH IS SET FORTH BELOW:**

**"A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY."**

**BY INITIALING BELOW, PURCHASER HEREBY WAIVES THE PROVISIONS OF SECTION 1542 SOLELY IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING WAIVERS AND RELEASES:**

**Initials:        Purchaser \_\_\_\_\_**

(h) Buyer represents that it is a knowledgeable, experienced and sophisticated buyer of real estate, and that it is relying solely on its own expertise and that of Buyer's consultants in purchasing the Property. Buyer acknowledges and agrees that it had the opportunity to conduct such inspections, investigations and other independent examinations of the Property and related matters, including but not limited to the physical and environmental conditions thereof, prior to the Effective Date and will rely upon same and not upon any statements of Seller or of any Affiliate, member, partner, shareholder, manager, officer, director, employee, representative, agent or attorney of Seller. Buyer acknowledges that all information obtained by Buyer will be obtained from a variety of sources and Seller will not be deemed to have represented or warranted the completeness, truth or accuracy of any of the Due Diligence Items or other such information heretofore or hereafter furnished to Buyer. Upon Closing, Buyer will assume the risk that adverse matters, including, but not limited to, adverse physical and environmental conditions, may not have been revealed by Buyer's inspections and investigations. Buyer acknowledges and agrees that upon Closing, Seller will sell and convey to Buyer, and Buyer will accept the Property, "AS IS, WHERE IS," with all faults. Buyer further acknowledges and agrees that there are no oral agreements, warranties or representations, collateral to or affecting the Property, by Seller, and any member of Seller, any broker or other agent of Seller or any third party. Seller is not liable or bound in any manner by any oral or written statements, representations or information pertaining to the Property furnished by any real estate broker, agent, employee, servant or other Person, unless the same are specifically set forth or referred to herein. Buyer acknowledges that the Purchase

Price reflects the “as is, where is” nature of this sale and any faults, liabilities, defects or other adverse matters that may be associated with the Property. **BUYER, WITH BUYER’S COUNSEL, HAS FULLY REVIEWED THE DISCLAIMERS AND WAIVERS SET FORTH IN THIS AGREEMENT, AND UNDERSTANDS THE SIGNIFICANCE AND EFFECT THEREOF. BUYER ACKNOWLEDGES AND AGREES THAT THE DISCLAIMERS AND OTHER AGREEMENTS SET FORTH HEREIN ARE AN INTEGRAL PART OF THIS AGREEMENT, AND THAT SELLER WOULD NOT HAVE AGREED TO SELL THE PROPERTY TO BUYER FOR THE PURCHASE PRICE WITHOUT THE DISCLAIMER AND OTHER AGREEMENTS SET FORTH IN THIS AGREEMENT. THE TERMS AND CONDITIONS OF THIS SUBSECTION 7.3(h) WILL EXPRESSLY SURVIVE THE CLOSING, WILL NOT MERGE WITH THE PROVISIONS OF ANY CLOSING DOCUMENTS AND WILL NOT BE INCORPORATED INTO THE DEED.**

**Section 7.4 Buyer’s Release of Seller.**

(a) Seller is hereby released from all responsibility and liability to Buyer regarding the condition (including its physical condition and its compliance with applicable laws, and the presence in the soil, air, structures and surface and subsurface waters, of Hazardous Materials or substances that have been or may in the future be determined to be toxic, hazardous, undesirable or subject to regulation and that may need to be specially treated, handled and/or removed from the Property under current or future federal, state and local laws, regulations or guidelines), valuation, salability or utility of the Property, or its suitability for any purpose whatsoever except to the extent that such responsibility or liability is the result of the material inaccuracy (if any) of Seller’s representations under Section 6.1 hereof, as to which Seller’s liability, if any, shall be limited as provided in Section 6.2.

(b) The foregoing waiver and release by Buyer shall survive either (a) the Closing and the recordation of the Deed, and shall not be deemed merged into the Deed upon its recordation, or (b) any termination of this Agreement.

**ARTICLE VIII**

**LEASES; MAINTENANCE OF PROPERTY**

From the date hereof until the Closing, and except as otherwise consented to or approved by Buyer, Seller covenants and agrees with Buyer as follows:

**Section 8.1 New Leases; Lease Modifications.** Seller may enter into new Leases or Lease modifications (A) without Buyer’s written consent so long as such New Lease or Lease modification (i) is on market rental rates substantially consistent with Seller’s current practice, (ii) does not have a term of less than six (6) months, and (iii) does not have a term of more than twelve (12) months (the conditions set forth in clauses (i) – (iii), the “**Leasing Parameters**”); provided however, copies of new Leases or Lease Modifications executed shall be provided to Buyer within five (5) business days of execution and (B) with Buyer’s written consent (which shall not be unreasonably withheld, conditioned or delayed) for any New Lease or Lease modification that does not satisfy the Leasing Parameters.

**Section 8.2 Lease Enforcement.** Subject to the provisions of Section 8.1 above, prior to the Closing Date, (a) Seller shall have the right, but not the obligation (except to the extent failure to act shall constitute a waiver of such rights or remedies), to enforce the rights and remedies of the landlord under any and all Leases (including any New Leases) by summary proceedings or otherwise (including, without limitation, the right to remove any Tenant).

**Section 8.3 Certain Interim Operating Covenants.** Seller covenants to Buyer that it will, from the Effective Date until Closing: (a) continue to operate and manage the Property in the ordinary course of its business and substantially in accordance with present practice, subject to ordinary wear and tear and further subject to Section 10.2; (b) maintain fire and extended coverage insurance on the Property which is at least equivalent in all material respects to the insurance policies covering the Land and the Improvements as of the Effective Date; and (c) not enter into any new contract for the provision of goods or services to or with respect to the Property or renew, extend, modify or replace any of the Contracts other than in the ordinary course of business or unless such contract is terminable as of the Closing Date without payment of any fees or penalty or unless Buyer consents thereto in writing, which approval which may be withheld in Buyer's sole discretion. In addition, Seller shall terminate any management agreement with the Property Manager effective as of the Closing Date and pay any and all costs and expenses of termination thereof.

## ARTICLE IX

### CLOSING AND CONDITIONS

**Section 9.1 Escrow Instructions.** Upon execution of this Agreement, the parties hereto shall deposit an executed counterpart of this Agreement with the Escrow Agent, and this Agreement shall serve as escrow instructions to the Escrow Agent as the escrow holder for consummation of the purchase and sale contemplated hereby. Seller and Buyer agree to execute such reasonable additional and supplementary escrow instructions as may be appropriate to enable the Escrow Agent to comply with the terms of this Agreement; provided, however, that in the event of any conflict between the provisions of this Agreement and any supplementary escrow instructions, the terms of this Agreement shall control.

**Section 9.2 Closing.**

(a) The closing hereunder ("**Closing**") shall be held and delivery of all items to be made at the Closing under the terms of this Agreement shall be made through escrow at Escrow Agent's office on the Closing Date. Except as otherwise expressly set forth in this Agreement, such Closing Date may not be extended without the prior written approval of both Seller and Buyer. No later than 1:00 p.m. Pacific Time on the Closing Date, Buyer shall deposit in escrow with the Escrow Agent the Purchase Price (subject to adjustments described in Section 9.5), together with all other costs and amounts to be paid by Buyer at the Closing pursuant to the terms of this Agreement, by Federal Reserve wire transfer of immediately available funds to an account to be designated by the Escrow Agent. No later than 1:00 p.m. Pacific Time on the Closing Date, (a) Buyer will cause the Escrow Agent to (i) pay to Seller by Federal Reserve wire transfer of immediately available funds to an account designated by Seller, the Purchase Price (subject to adjustments described in Section 9.5), less any costs or other amounts to be paid by Seller at



Closing pursuant to the terms of this Agreement, and (ii) pay all appropriate payees the other costs and amounts to be paid by Buyer at Closing pursuant to the terms of this Agreement and (b) Seller will direct the Escrow Agent to pay to the appropriate payees out of the proceeds of Closing payable to Seller, all costs and amounts to be paid by Seller at Closing pursuant to the terms of this Agreement. Buyer and Seller agree that they may, at either Buyer's or Seller's election, to use a "New York" or "gap" style Closing, whereby the transaction closes and funds are disbursed upon receipt by Escrow Agent of all required documents and funds, and the recordable documents may be recorded after such Closing.

**Section 9.3 Seller's Closing Documents and Other Items.** At or before Closing, Seller shall deposit into escrow the following items (the "**Seller Closing Deliveries**");

(a) A duly executed and acknowledged Grant Deed for the Property in the form attached hereto as Exhibit "D", pursuant to which Seller shall convey the Real Property to Purchaser subject only to the Permitted Exceptions (the "**Deed**");

(b) Two (2) duly executed counterparts of a Bill of Sale for the Property in the form attached hereto as Exhibit "E" (the "**Bill of Sale**");

(c) Two (2) duly executed counterparts of an Assignment and Assumption of Leases for the Property in the form attached hereto as Exhibit "F" (the "**Assignment and Assumption of Leases**");

(d) Two (2) duly executed counterparts of an Assignment and Assumption of Contracts, Warranties and Guaranties, and Intangible Property for the Property in the form attached hereto as Exhibit "G" (the "**Assignment and Assumption of Contracts**");

(e) An affidavit pursuant to Section 1445(b)(2) of the Code in the form attached hereto as Exhibit "L", and on which Buyer is entitled to rely, that Seller is not a "foreign person" within the meaning of Section 1445(f)(3) of the Code;

(f) Notices to each Tenant of the Property, signed by Seller that shall disclose that the Property has been sold to Buyer, that Buyer has received any Tenant Deposit and assumed liability therefore, and that, after the Closing, all Rents should be paid to Buyer or Buyer's designee in the form attached hereto as Exhibit "J" (the "**Tenant Notice Letters**");

(g) An Estoppel in the form approved by Seller and Buyer in their reasonable discretion signed by each commercial tenant of the Property;

Seller shall deliver to Buyer a set of keys to the Property on the Closing Date. Location of any of the items referred to in this subsection at the Property on the Closing Date shall be deemed to be delivery to Buyer;

(h) An owner's affidavit in the form attached hereto as Exhibit "K";

(i) A Declaration of Covenants, Conditions and Restrictions (the "**Declaration**") in the form of Exhibit "H" executed by Seller and recorded in the real property



records of San Diego County, prior to the recordation of the Deed, prohibiting until the date that is one day after the end of ten (10) years after the date the Deed is recorded (the “**Conversion Period**”), the conversion of the Property without the prior written consent of Seller to condominium ownership or any other property ownership regime in which portions of the Property are designated for separate ownership and the remainder of the Property is designated for common ownership, as more specifically set forth in the Declaration;

(j) A revised Rent Roll, prepared within two (2) Business Days of the Closing Date; and

(k) Such other documents as may be reasonably required by the Title Company or as may be agreed upon by Seller and Buyer to consummate the purchase of the Property as contemplated by this Agreement.

**Section 9.4 Buyer’s Closing Documents and Other Items.** At or before Closing, Buyer shall deposit into escrow the following items (collectively, the “**Buyer Closing Deliveries**”):

(a) The balance of the Purchase Price and such additional funds as are necessary to close this transaction;

(b) Two (2) duly executed counterparts of the Bill of Sale for the Property;

(c) Two (2) duly executed counterparts of the Assignment and Assumption of Leases for the Property;

(d) Two (2) duly executed counterparts of the Assignment and Assumption of Contracts for the Property;

(g) Copies of duly executed counterparts of the Tenant Notice Letters; and

(h) A California Form 593-C and Preliminary Change of Ownership Report; and

(i) Such other documents as may be reasonably required by the Title Company or as may be agreed upon by Seller and Buyer to consummate the purchase of the Property as contemplated by this Agreement.

**Section 9.5 Prorations and Closing Costs.**

(a) Seller and Buyer agree to adjust, as of 11:59 p.m. on the day before the Closing Date, the following (collectively, the “**Proration Items**”): real estate and personal property taxes and assessments (subject to the terms of Section 9.5(e) below), utility bills (except as hereinafter provided), collected Rents (subject to the terms of Section 9.5(b) below) and Operating Expenses (subject to the terms of Section 9.5(c) below) payable by the owner of the Property. Seller will be charged and credited for the amounts of all of the Proration Items relating to the period up to and including the Closing Date, and Buyer will be charged and credited for all of the Proration Items relating to the period from and after the Closing Date. Such preliminary

estimated Closing prorations shall be set forth on a preliminary closing statement to be prepared by Seller and submitted to Buyer for Buyer's approval prior to the Closing Date (the "**Closing Statement**"). The Closing Statement, once agreed upon, shall be signed by Buyer and Seller and delivered to the Escrow Agent for purposes of making the preliminary proration adjustment at Closing subject to the final cash settlement provided for below. The preliminary proration shall be paid at Closing by Buyer to Seller (if the preliminary prorations result in a net credit to Seller) or by Seller to Buyer (if the preliminary prorations result in a net credit to Buyer) by increasing or reducing the cash to be delivered by Buyer in payment of the Purchase Price at the Closing. If the actual amounts of the Proration Items are not known as of the Closing Date, the prorations will be made at Closing on the basis of the best evidence then available; thereafter, when actual figures are received (not to exceed one-hundred ninety (90) days after Closing), re-prorations will be made on the basis of the actual figures, and a final cash settlement will be made between Seller and Buyer. No prorations will be made in relation to insurance premiums, and Seller's insurance policies will not be assigned to Buyer. Final readings and final billings for utilities will be made if possible as of the Closing Date, in which event no proration will be made at Closing with respect to utility bills. Seller will be entitled to all deposits presently in effect with the utility providers, and Buyer will be obligated to make its own arrangements for deposits with the utility providers. The provisions of this Section 9.5(a) will survive the Closing for twelve (12) months.

(b) Buyer will receive a credit on the Closing Statement for the prorated amount (as of 11:59 p.m. on the day before the Closing Date) of all Rents previously paid to or collected by Seller and attributable to any period following 11:59 p.m. on the day before the Closing Date (which Rents will be retained by Seller). Rents are "**Delinquent Rents**" when they were due prior to the Closing Date, and payment thereof has not been made on or before the Closing Date. Delinquent Rents will not be prorated. All sums collected by Buyer from and after Closing from each Tenant will be applied first to Rents owed by such Tenant for the month in which Closing occurs, then to Buyer for the month in which such payment is received, then to any arrearages due Buyer by any such Tenant in reverse order in which they were due, and lastly to amounts owed by such Tenant to Seller for periods prior to the Closing Date, which amounts payable to Seller shall be promptly remitted to Seller by Buyer. Buyer shall have an exclusive right to collect any sums due Seller from Tenants under the Leases on behalf of Seller and Buyer shall have the right to, and shall use commercially reasonable efforts to (which shall not imply a requirement of Buyer to commence or pursue any legal proceedings), pursue any Tenant under the Leases for any sums due such Seller for periods attributable to such Seller's ownership of the Property. After the Closing Date, Seller shall not be permitted to commence or pursue any legal proceedings seeking eviction of such Tenant or the termination of the underlying Lease with respect to the Property against any Tenant under any current Lease. Any such sums collected by Buyer shall first be applied to delinquent rents owed to Buyer, and thereafter, shall be remitted to Seller within three (3) business days. The provisions of this Section 9.5(b) will survive the Closing for six (6) months.

(c) All Additional Rents (as defined below) which have been received in respect to the month in which the Closing Date occurs (the "**Current Month**") shall be prorated as of 11:59 p.m. on the day before the Closing Date. Such Additional Rents for the Current Month which have been received as of the Closing Date shall be prorated on a per diem basis based upon the number of days in the Current Month prior to, but not including, the Closing Date (which shall be allocated to Seller) and the number of days in the Current Month from and after the Closing Date (which shall be allocated to Buyer). All Additional Rents shall be prorated based on

estimated reimbursements by Tenants as of the day before the Closing Date, and shall be subject to adjustment as soon as possible after Closing, but no later than ninety (90) days thereafter. For purposes of this Section 9.5(c), “**Additional Rents**” shall mean any and all amounts due from Tenants for Operating Expenses and any other Tenant charges other than Rents. The provisions of this Section 9.5(c) will survive the Closing for six (6) months.

(d) All ad valorem real estate and personal property taxes with respect to the Property (to the extent not prorated in (c) above) shall be prorated as of 11:59 p.m. on the day before the Closing Date on a cash basis for the calendar year in which the Closing occurs, regardless of the year for which such taxes are assessed. If the applicable tax rate and assessments for the Property have not been established for the tax year in which Closing occurs, the proration of real estate taxes and assessments, as the case may be, will be based upon the tax rate for the preceding year applied to the latest assessed valuation. Subsequent to the Closing, when the tax rate and the assessed valuation of the Property is fixed for the year in which the Closing occurs, the parties agree to adjust the proration of taxes and, if necessary, to refund or repay such sums as shall be necessary to effect such adjustment. Real property tax refunds and credits received after the Closing which are attributable to a tax year prior to the Closing shall belong to Seller, and those which are attributable to the tax year in which the Closing occurs shall be prorated as of the 11:59 p.m. on the day before the Closing Date. The provisions of this Section 9.5(d) will survive the Closing for twelve (12) months.

(e) Buyer shall receive a credit against Purchase Price at Closing for all Tenant Deposits then outstanding under the Leases which are in Seller’s possession and have not been properly applied to Delinquent Rents or other amounts pursuant to the terms of the applicable Lease, and for all Rents made in advance (to the extent not prorated as set forth in Section 9.5(b) above).

(f) Buyer shall receive a credit against the Purchase Price at Closing for all payments due or owing under any Contracts for periods prior to the Closing Date, which amounts shall be prorated as of 11:59 p.m. on the day before the Closing Date. If Seller has paid any amounts under any Contracts for periods after 11:59 p.m. on the day before the Closing Date, Buyer shall pay such amounts to Seller at Closing in addition to the Purchase Price.

(g) Seller shall pay (i) one-half of the Escrow Agent’s escrow fee, (ii) the costs for removing or curing any title matters which Seller is required to cure under Section 4.2, (iii) the costs of Buyer obtaining ALTA standard title insurance, (iv) recording fees in connection with any reconveyance requested hereby, (v) all state, county and local transfer taxes and (vi) any additional costs and charges customarily charged to sellers in accordance with common escrow practices in the county in which the Property is located, other than those costs and charges specifically required to be paid by Buyer hereunder. Buyer shall pay (i) one-half of the Escrow Agent’s escrow fee, (ii) all costs associated with obtaining the extended coverage Title Policy and the costs of any endorsements Buyer may require in accordance with Section 4.3, (iii) the recording fees required in connection with the transfer of the Property to Buyer, and (iv) any additional costs and charges customarily charged to buyers in accordance with common escrow practices in the county in which the Property is located, other than those costs and charges specifically required to be paid by Seller hereunder. In addition to the foregoing, Buyer shall be responsible for any costs of updating the Existing Survey of the Property or otherwise conforming the Existing Survey to the requirements

for issuance of such Title Policy or for any new survey that may be required for issuance of such Title Policy.

**Section 9.6 Brokers.** *Upon close of escrow Seller shall pay to JLL (the “Broker”) a Brokerage Fee in the amount of \$ \_\_\_\_\_. No other broker or finders fees shall be owed by Seller or Buyer in connection with this transaction.* Seller shall be solely responsible for the payment to JLL Broker of the applicable real estate sales commission at Closing (but only in the event of a Closing in strict accordance with this Agreement) in accordance with a separate written agreement between Seller and Broker. Buyer hereby represents and warrants to Seller that it did not employ or use any broker or finder to arrange or bring about this transaction, and that there are no claims or rights for brokerage commissions or finder’s fees in connection with the transactions contemplated by this Agreement. Other than Broker, Seller represents and warrants to Buyer that Seller has not employed any broker with respect to this transaction. If any person brings a claim for a commission or finder’s fee based upon any contact, dealings, or communication with Buyer in connection with the transactions contemplated by this Agreement, then Buyer shall defend Seller from such claim, and shall indemnify Seller and hold Seller harmless from any and all costs, damages, claims, liabilities, or expenses (including, without limitation, reasonable attorneys’ fees and disbursements) incurred by Seller with respect to the claim. The provisions of this Section 9.6 shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement and shall not be subject to the Survival Period set forth in Section 6.2.

**Section 9.7 Expenses.** Except as provided in Sections 9.5 and 9.6, each party hereto shall pay its own expenses incurred in connection with this Agreement and the transactions contemplated hereby, including, without limitation in the case of Buyer, all third-party engineering and environmental review costs and all other Due Diligence costs.

**Section 9.8 Conditions to Buyer’s Obligation to Close.** Buyer’s obligation to close the transaction contemplated under this Agreement is subject to the satisfaction at or prior to Closing of the following conditions precedent (collectively, the “**Buyer Closing Conditions**”):

- (a) Seller shall have delivered or caused to be delivered to Buyer all of the Seller Closing Deliveries set forth in Section 9.3.
- (b) The Title Company shall be irrevocably committed (subject to payment of the premium therefor) to issue to Buyer at Closing the Title Policy.
- (c) Buyer shall have secured the Loan.
- (d) All of the representations, warranties, covenants, and agreements of Seller contained herein shall be true and correct and/or shall have been performed, as the case may be, in all material respects.

The Buyer Closing Conditions are for the benefit of Buyer only, and if, as of the Closing Date and except for Section 9.8(a) and (d), the Buyer Closing Conditions shall not be satisfied, the same shall not be deemed a breach or default by Seller hereunder (unless such failure of a closing condition is caused by a breach or default of Seller as otherwise provided for in this Agreement (e.g., Seller’s failure to deliver closing documents, as and when required, is a breach and default

under Section 9.3 hereunder)) and Buyer may either elect to (i) waive any of the Buyer Closing Conditions and close on the purchase of the Property or (ii) terminate this Agreement in which event the Deposit shall be paid to Buyer (less the Non-Refundable Deposit, which shall be disbursed to and retained by Seller) and, thereafter, the parties shall have no further rights or obligations hereunder; provided, however, that any such termination shall not relieve either party hereto of any obligations that expressly survive the termination of this Agreement. If the Buyer Closing Conditions are not satisfied as of the Closing Date due to a Seller Default, then Buyer may either elect to (i) waive any of the Buyer Closing Conditions and close on the purchase of the Property or (ii) terminate this Agreement in which event the Deposit shall be paid to Buyer and Seller shall reimburse Buyer for out of pocket expenses up to \$100,000 and, thereafter, the parties shall have no further rights or obligations hereunder

**Section 9.9 Conditions to Seller's Obligation to Close.** In addition to all other conditions set forth in this Agreement, Seller's obligation to close the transactions contemplated under this Agreement are subject to the satisfaction at or prior to Closing of the following conditions precedent (collectively, the "**Seller Closing Conditions**"):

(a) Buyer shall have delivered the balance of the Purchase Price and such additional funds as required pursuant to this Agreement to close this transaction.

(b) Buyer shall have delivered or caused to be delivered to Seller all of the Buyer Closing Deliveries set forth in Section 9.4.

(c) Buyer shall have (i) obtained the Buyer Approvals, and (ii) secured the Loan and be ready to close on the Loan at the Closing.

(d) All of the representations, warranties, covenants, and agreements of Buyer contained herein shall be true and correct and/or shall have been performed, as the case may be, in all material respects.

The Seller Closing Conditions are for the benefit of Seller only, and if, as of the Closing Date, the Seller Closing Conditions shall not be satisfied (as and when required pursuant to the terms hereof), the same shall not be deemed a breach or default by Buyer hereunder (unless such failure of a closing condition arises out of or is caused by a breach or default of Buyer as otherwise provided for in this Agreement (e.g., Buyer's failure to deliver closing documents, as and when required, is a breach and default under Section 9.4 hereunder)) and Seller may either (i) elect to waive any of the Seller Closing Conditions and close on the sale of the Property or (ii) terminate this Agreement in which event the Deposit shall be paid to Buyer (less the Non-Refundable Deposit, which shall be disbursed to and retained by Seller) and, thereafter, the parties shall have no further rights or obligations hereunder; provided, however, that any such termination shall not relieve either party hereto of any obligations that expressly survive the termination of this Agreement.

## ARTICLE X

### MISCELLANEOUS

**Section 10.1 Amendment and Modification.** Subject to applicable law, this Agreement may be amended, modified, or supplemented only by a written agreement signed by Buyer and Seller.

**Section 10.2 Risk of Loss and Insurance Proceeds.**

(a) **Minor Loss.** Buyer shall be bound to purchase the Property for the full Purchase Price as required by the terms hereof, without regard to the occurrence or effect of any damage to the Property or destruction of any improvements thereon or condemnation of any portion of the Property, provided that: (a) the cost to repair any such damage or destruction, or the diminution in the value of the remaining Property is not a Major Loss (as hereinafter defined), and (b) upon the Closing, there shall be a credit against the Purchase Price due hereunder equal to the amount of any insurance proceeds or condemnation awards collected by Seller as a result of any such damage or destruction or condemnation, plus the amount of any insurance deductible, less any sums expended by Seller toward the restoration or repair of the Property or in collecting such insurance proceeds or condemnation awards. If the proceeds or awards have not been collected as of the Closing, then such proceeds or awards shall be assigned to Buyer, except to the extent needed to reimburse Seller for sums expended prior to the Closing to repair or restore the Property or to collect any such proceeds or awards.

(b) **Major Loss.** If the amount of the damage or destruction or condemnation as specified above exceeds \$1,000,000 (a “**Major Loss**”), then Buyer may at its option, to be exercised by written notice to Seller within ten (10) business days of Seller’s notice of the occurrence of the damage or destruction or the commencement of condemnation proceedings, terminate this Agreement. Buyer’s failure to elect to terminate this Agreement within said ten (10) business day period shall be deemed an election by Buyer to consummate this purchase and sale transaction. If Buyer elects to terminate this Agreement within such ten (10) business day period, the Deposit shall be returned to Buyer (less the Non-Refundable Deposit, which shall be disbursed to and retained by Seller) and neither party shall have any further rights or obligations hereunder except for those provisions that expressly survive termination. If Buyer elects or is deemed to have elected to proceed with the purchase, then upon the Closing, there shall be a credit against the Purchase Price due hereunder equal to the amount of any insurance proceeds or condemnation awards collected by Seller as a result of any such damage or destruction or condemnation, plus the amount of any insurance deductible, less any sums expended by Seller toward the restoration or repair of the Property or in collecting such insurance proceeds or condemnation awards. If the proceeds or awards have not been collected as of the Closing, then such proceeds or awards shall be assigned to Buyer, except to the extent needed to reimburse Seller for sums expended prior to the Closing to repair or restore the Property or to collect any such proceeds or awards.

**Section 10.3 Notices.** All notices required or permitted hereunder shall be in writing and shall be served on the parties at the following address:



If to Seller: 2911 Adams Owner LLC  
c/o Rockpoint Group, L.L.C.  
Woodlawn Hall at Old Parkland,  
3953 Maple Avenue, Suite 300  
Dallas, TX 75219  
Attn: Ron Hoyl  
Email: [ron@rockpoint.com](mailto:ron@rockpoint.com)

with Copies to: 2911 Adams Owner LLC  
c/o Rockpoint Group, L.L.C.  
500 Boylston Street, 21st Floor  
Boston, MA 02116  
Attn: Jason Chiverton and Joseph Goldman  
Email: [jc@rockpoint.com](mailto:jc@rockpoint.com) and [jg@rockpoint.com](mailto:jg@rockpoint.com)

Silverpeak Capital LLC  
c/o Silverpeak Real Estate Partners  
40 West 57th Street, 29th floor  
New York, New York 10019  
Attention: Arash Dilmanian  
Email: [Arash.Dilmanian@silverpeak.com](mailto:Arash.Dilmanian@silverpeak.com)

Impact Housing  
350 S. Grand, Suite 3050  
Los Angeles, CA 90071  
Attention: Drew Orenstein  
Email: [dorenstein@ihousing.us](mailto:dorenstein@ihousing.us)

Winstead PC  
2728 N. Harwood Street, 5th Floor  
Dallas, Texas 75201  
Attention: Michael F. Alessio  
Email: [malessio@winstead.com](mailto:malessio@winstead.com)

If to Buyer: Housing Development Partners San Diego.  
1122 Broadway, Suite 300  
San Diego, California 92101  
Attn: Lisa Jones  
Email:

with Copies to: Downs Pham & Kuei LLP  
235 Montgomery St. Suite 1159  
San Francisco, CA 94104  
Attn: Irene Kuei  
Email: [ikuei@downspham.com](mailto:ikuei@downspham.com)

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\_\_\_\_\_  
\_\_\_\_\_  
If to Escrow Agent: Chicago Title Insurance Company<sup>4</sup>  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Any such notices may be sent by (a) certified mail, return receipt requested, in which case notice shall be deemed delivered five (5) business days after deposit, postage prepaid in the U.S. mail, (b) a nationally recognized overnight courier, in which case notice shall be deemed delivered one (1) business day after deposit with such courier, or (c) E-mail transmission. The above addresses may be changed by written notice to the other party; provided that no notice of a change of address shall be effective until actual receipt of such notice. Copies of notices are for informational purposes only, and a failure to give or receive copies of any notice shall not be deemed a failure to give notice. Counsel for a party may give notice or demand on behalf of such party, and such notice or demand shall be treated as being sent by such party. A copy of each notice or other communication required or permitted hereunder shall be provided by e-mail and any notice provided pursuant to (c) above shall also be delivered in the method provided under clause (a) or (b) above no later than the following business day.

**Section 10.4 Assignment.** Buyer and Seller shall not have the right to assign this Agreement, without the prior written consent of the other party. Notwithstanding the foregoing, Buyer may assign its interests herein to an Affiliate of such assigning party upon written notice to the non-assigning party, provided that any such assignment does not relieve the assigning party of its obligations hereunder. This Agreement will be binding upon and inure to the benefit of Seller and Buyer and their respective successors and permitted assigns, and no other party will be conferred any rights by virtue of this Agreement or be entitled to enforce any of the provisions hereof. Whenever a reference is made in this Agreement to Seller or Buyer, such reference will include the successors and permitted assigns of such party under this Agreement.

**Section 10.5 Governing Law and Consent to Jurisdiction.** THIS AGREEMENT SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF CALIFORNIA, WITHOUT REGARD TO ANY OTHERWISE APPLICABLE PRINCIPLES OF CONFLICTS OF LAWS. ANY ACTION ARISING OUT OF THIS AGREEMENT MUST BE COMMENCED BY BUYER OR SELLER IN THE STATE COURTS OF THE STATE OF CALIFORNIA LOCATED IN SAN DIEGO COUNTY OR IN UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA, AND EACH PARTY HEREBY CONSENTS TO THE JURISDICTION OF THE ABOVE COURTS IN ANY SUCH ACTION AND TO THE LAYING OF VENUE IN SAN DIEGO COUNTY, CALIFORNIA. ANY PROCESS IN ANY SUCH ACTION SHALL BE DULY SERVED IF MAILED BY REGISTERED MAIL, POSTAGE PREPAID, TO THE PARTIES AT THEIR RESPECTIVE ADDRESS DESCRIBED IN SECTION 10.3 HEREOF.

\_\_\_\_\_  
<sup>4</sup> NTD: Please provide the contact for Chicago Title Insurance Company.

**Section 10.6 Counterparts.** This Agreement may be executed in two (2) or more fully or partially executed counterparts, including by .pdf or other electronic format, each of which will be deemed an original binding the signer thereof against the other signing parties, but all counterparts together will constitute one and the same instrument.

**Section 10.7 Entire Agreement.** This Agreement and any other document to be furnished pursuant to the provisions hereof embody the entire agreement and understanding of the parties hereto as to the subject matter contained herein. There are no restrictions, promises, representations, warranties, covenants, or undertakings other than those expressly set forth or referred to in such documents. This Agreement and such documents supersede all prior agreements and understandings among the parties with respect to the subject matter hereof. This Agreement may not be modified except by written amendment to this Agreement signed by Buyer and Seller.

**Section 10.8 Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any jurisdiction will, as to such jurisdiction, be ineffective to the extent of such invalidity or unenforceability without rendering invalid or unenforceable the remaining terms and provisions of this Agreement, or affecting the validity or enforceability of any of the terms or provisions of this Agreement.

**Section 10.9 Attorney Fees.** If any action is brought (including but not limited to any alternative dispute resolution) by any party to this Agreement to enforce or interpret its terms or provisions, the prevailing party will be entitled to reasonable attorney fees and costs incurred in connection with such action prior to and at trial and on any appeal therefrom; it being understood and agreed that the determination of the prevailing party shall be included in the matters which are the subject of such action or suit. The provisions of this Section 10.9 shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement.

**Section 10.10 Payment of Fees and Expenses.** Each party to this Agreement will be responsible for, and will pay, all of its own fees and expenses, including those of its counsel and accountants, incurred in the negotiation, preparation, and consummation of this Agreement and the transaction contemplated hereunder.

**Section 10.11 Confidential Information.** The parties acknowledge that the transaction described herein is of a confidential nature and shall not be disclosed except to Permitted Outside Parties or as required by law or to enforce the terms of this Agreement. No party shall make any public disclosure of the material terms of this Agreement, or release to the public (including, without limitation, via a press release) any information with respect to the transaction contemplated herein or any matters set forth in this Agreement, except as required by law. In connection with the negotiation of this Agreement and the preparation for the consummation of the transactions contemplated hereby, each party acknowledges that it will have access to confidential information relating to the other party. Each party shall treat such information (including any information provided by Buyer to Seller) as confidential, preserve the confidentiality thereof, and not duplicate or use such information, except to Permitted Outside Parties in connection with the transactions contemplated hereby. Buyer shall be responsible for any disclosure of any such information by a Permitted Outside Party. In the event of the termination of this Agreement for any reason whatsoever, (A) Buyer shall, at Buyer's option, either

(i) return to Seller the Due Diligence Items or (ii) destroy the Due Diligence Items and (B) each party shall use its best efforts, including instructing its employees and others who have had access to such information, to keep confidential and not to use any such information (including, without limitation, by distributing it to large language models or in connection with other artificial intelligence data sourcing). For the avoidance of doubt, neither Buyer nor Seller may issue a press release or otherwise publicly release, announce, disclose or otherwise publicize the transaction provided for in this Agreement without the other party's prior written consent. The provisions of this Section 10.11 shall survive the Closing or, if the purchase and sale is not consummated, any termination of this Agreement, for a period of one (1) year and shall not be subject to the Survival Period set forth in Section 6.2. Notwithstanding the foregoing, Seller acknowledges and agree that Buyer is an affiliate of San Diego Housing Commission and that Board meetings held to discuss the subject transaction conducted by Board of Directors of Buyer may be subject to public notices or press inquiries; provided, however, that Buyer agrees that it shall use best efforts to protect against such disclosure of (and to minimize disclosure of) proprietary or confidential information in connection with such public notices or press inquiries.

**Section 10.12 No Joint Venture.** Nothing set forth in this Agreement shall be construed to create a joint venture between Buyer and Seller.

**Section 10.13 Waiver of Jury Trial.** Each party to this Agreement hereby expressly waives any right to trial by jury of any claim, demand, action or cause of action (each, an “**Action**”) (a) arising out of this Agreement, including any present or future amendment thereof or (b) in any way connected with or related or incidental to the dealings of the parties or any of them with respect to this Agreement (as hereafter amended) or any other instrument, document or agreement executed or delivered in connection herewith, or the transactions related hereto or thereto, in each case whether such Action is now existing or hereafter arising, and whether sounding in contract or tort or otherwise and regardless of which party asserts such Action; and each party hereby agrees and consents that any such Action shall be decided by court trial without a jury, and that any party to this Agreement may file an original counterpart or a copy of this section with any court as written evidence of the consent of the parties to the waiver of any right they might otherwise have to trial by jury.

**Section 10.14 Limited Liability.** Notwithstanding anything to the contrary contained in this Agreement, neither the direct or indirect members, managers, employees or agents of Buyer or Seller, nor the shareholders, officers, directors, employees or agents of any of them shall be liable under this Agreement and all parties hereto shall look solely to the assets of Buyer or Seller, as applicable, for the payment of any claim or the performance of any obligation by Buyer or Seller, as the case may be.

**Section 10.15 Time of Essence.** Subject to Section 10.16, time is of the essence of this Agreement.

**Section 10.16 Time Periods.** As used in this Agreement, “business day” means any day other than Saturday, Sunday, any day that is a legal holiday in the State of California or New York, or any other day on which banking institutions in California or New York are authorized to close. Any reference in this Agreement to a specific time shall refer to Eastern Standard Time. Should

the last day of a time period calculated hereunder fall on a weekend or legal holiday, the period shall be deemed to end on the next business day thereafter.

**Section 10.17 No Waiver.** No waiver of any of the provisions of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver, nor shall a waiver in any instance constitute a waiver in any subsequent instance. No waiver shall be binding unless executed in writing by the party making the waiver.

**Section 10.18 Not an Offer.** The preparation or distribution of drafts hereof by one party to the other shall not be deemed to constitute an offer and this Agreement shall only become binding and enforceable upon execution hereof by both parties.

**Section 10.19 No Third Party Beneficiaries.** Nothing in this Agreement is intended to benefit any third party, or create any third party beneficiary.

**Section 10.20 Prohibition Against Recording.** Buyer hereby knowingly and unconditionally waives: (a) any and all of Buyer's lien rights of any type or nature against the Property or Seller; and (b) the right to file a lis pendens in any legal action that may arise out of this Agreement, other than in a valid action for specific performance that is expressly permitted by this Agreement. Neither this Agreement, nor any notice, memorandum or affidavit describing, referring to or identifying this Agreement, in any manner, will be recorded in any public records.

**Section 10.21 Tax-Deferred Exchange.** Either party may consummate the purchase or sale (as applicable) of the Property as part of a so-called like kind exchange, including, without limitation, a so-called reverse exchange (an "**Exchange**"), pursuant to the Code, provided that: (a) the Closing shall not be delayed or affected by reason of the Exchange, nor shall the consummation or accomplishment of an Exchange be a condition precedent or condition subsequent to the exchanging party's obligations under this Agreement, (b) the exchanging party shall effect its Exchange through an assignment of this Agreement, or its rights under this Agreement, to a qualified intermediary, (c) neither party shall be required to take an assignment of the purchase agreement for the relinquished or replacement property or be required to acquire or hold title to any real property for purposes of consummating an Exchange desired by the other party, and (d) the exchanging party shall pay any additional costs that would not otherwise have been incurred by the non-exchanging party had the exchanging party not consummated the transaction through an Exchange. Neither party shall by this Agreement or acquiescence to an Exchange desired by the other party have its rights under this Agreement affected or diminished in any manner or be responsible for compliance with or be deemed to have warranted to the exchanging party that its Exchange in fact complies with Section 1031 of the Code. Subject to the foregoing, however, the parties shall reasonably cooperate with each other to permit the other to structure the purchase or sale as an Exchange.

[Signatures Follow]

**IN WITNESS WHEREOF**, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

**SELLER:**

**2911 ADAMS OWNER LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_

Name: Ron J. Hoyl

Title: Vice President

**BUYER:**

**HOUSING DEVELOPMENT PARTNERS OF  
SAN DIEGO**

a California nonprofit public benefit corporation

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

The Escrow Agent is executing this Agreement to evidence its agreement to hold the Deposit and act as escrow agent in accordance with the terms and conditions of this Agreement.

**ESCROW AGENT:**

**CHICAGO TITLE INSURANCE COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_



**EXHIBIT “A”**

**Description of Land**

**EXHIBIT “B”**

**Disclosure Items**

[TO BE INSERTED, IF APPLICABLE]

**EXHIBIT “C”**

**List of Contracts**

[TO BE INSERTED]

**EXHIBIT "D"**

**Form of Deed**

RECORDING REQUESTED BY:

WHEN RECORDED MAIL TO  
AND MAIL TAX STATEMENTS TO:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

APN NO. \_\_\_\_\_

**GRANT DEED**

THE UNDERSIGNED GRANTOR DECLARES:

DOCUMENTARY TAX IS \$ \_\_\_\_\_ CITY TAX \$ \_\_\_\_\_ X  
computed on full value of property conveyed, or \_\_\_\_\_ computed on full value less value of liens  
or encumbrances remaining at time of sale \_\_\_\_\_ Unincorporated area, \_\_\_\_\_ City of  
\_\_\_\_\_, and this document is exempt from the fee imposed by the Building Homes and  
Jobs Act - SB2 (Government Code §27388.1) as it is recorded in connection with a transfer subject  
to Documentary Transfer Tax, and

FOR VALUABLE CONSIDERATION, the receipt and sufficiency of which are hereby  
acknowledged, **2911 ADAMS OWNER LLC**, a Delaware limited liability company  
(**"Grantor"**), hereby grants to \_\_\_\_\_, a \_\_\_\_\_  
(**"Grantee"**), that certain real property, described in EXHIBIT "A" attached hereto, together with  
all improvements thereon (the **"Property"**).

*See attached signature and notary acknowledgement on Page 2*

Executed on the date set forth in the acknowledgment attached hereto to be effective as of this \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

\_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF \_\_\_\_\_

COUNTY OF \_\_\_\_\_

This instrument was acknowledged before me on \_\_\_\_\_, 202\_\_, by \_\_\_\_\_, \_\_\_\_\_ of \_\_\_\_\_, a \_\_\_\_\_, on behalf of said \_\_\_\_\_.

\_\_\_\_\_  
Notary Public, State of \_\_\_\_\_

EXHIBIT A – LEGAL DESCRIPTION

## EXHIBIT "E"

### Form of Bill of Sale

#### BILL OF SALE

For good and valuable consideration, the receipt of which is hereby acknowledged, 2911 Adams Owner LLC, a Delaware limited liability company ("Seller"), does hereby sell, transfer, and convey to [\_\_\_\_], a [\_\_\_\_] ("Buyer") any and all personal property owned by Seller and used exclusively in connection with the operation of that certain real property more particularly described in Exhibit "A" attached hereto (the "Personal Property"), as such Personal Property is more particularly described in the attached Schedule 1.

Seller has executed this Bill of Sale and **BARGAINED, SOLD, TRANSFERRED, CONVEYED** and **ASSIGNED** the Personal Property and Buyer has accepted this Bill of Sale and purchased the Personal Property **AS IS AND WHEREVER LOCATED, WITH ALL FAULTS AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF WHATSOEVER NATURE, EXPRESS, IMPLIED, OR STATUTORY, EXCEPT AS EXPRESSLY SET FORTH IN THAT CERTAIN AGREEMENT OF SALE AND PURCHASE BETWEEN SELLER AND BUYER, DATED AS OF [\_\_\_\_], 2025 (AS AMENDED AND/OR ASSIGNED, AS APPLICABLE, THE "PURCHASE AGREEMENT")** AND THE WARRANTIES SET FORTH HEREIN, IT BEING THE INTENTION OF SELLER AND BUYER TO EXPRESSLY NEGATE AND EXCLUDE ALL OTHER WARRANTIES WHATSOEVER, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR PURPOSE, ANY IMPLIED OR EXPRESS WARRANTY OF CONFORMITY TO MODELS OR SAMPLES OF MATERIALS, ANY RIGHTS OF BUYER UNDER APPROPRIATE STATUTES TO CLAIM DIMINUTION OF CONSIDERATION, ANY CLAIM BY BUYER FOR DAMAGES BECAUSE OF DEFECTS, WHETHER KNOWN OR UNKNOWN WITH RESPECT TO THE PERSONAL PROPERTY, WARRANTIES CREATED BY AFFIRMATION OF FACT OR PROMISE AND ANY OTHER WARRANTIES CONTAINED IN OR CREATED BY THE UNIFORM COMMERCIAL CODE AS NOW OR HEREAFTER IN EFFECT IN THE STATE IN WHICH THE PERSONAL PROPERTY IS LOCATED, OR CONTAINED IN OR CREATED BY ANY OTHER LAW, AND ALL OTHER WARRANTIES WHATSOEVER CONTAINED IN OR CREATED BY THE CALIFORNIA UNIFORM COMMERCIAL CODE.

Buyer expressly acknowledges and affirms the provisions of Sections 2.6, 6.2, 7.3, 7.4 and 7.5 of the Purchase Agreement.

This instrument shall be construed and enforced in accordance with and governed by the internal laws of the State of California. This instrument shall bind and inure to the benefit of Seller and Buyer and their respective successors and assigns.

The undersigned hereby agree that an executed copy of this instrument transmitted by email as an Adobe Acrobat PDF file shall be deemed to be, and be treated as, an original instrument for

all purposes, and it shall be considered to have the same binding legal effect as an original signature or original document.

[signatures appear on following page]



Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2025.

**SELLER:**

2911 ADAMS OWNER LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[signatures continue on following page]

**BUYER:**

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[end of signatures]

**Exhibit “A” to Bill of Sale**

**Description of Real Property**

**Schedule 1 to Bill of Sale**

**List of Personal Property**

[TO BE INSERTED]

**Schedule 2 to Bill of Sale**

**Excluded Personalty**

[TO BE INSERTED]

## EXHIBIT “F”

### Form of Assignment and Assumption of Leases

#### ASSIGNMENT AND ASSUMPTION OF LEASES

THIS ASSIGNMENT AND ASSUMPTION OF LEASES (the “**Assignment**”) dated as of [\_\_\_\_], 2025, is between 2911 Adams Owner LLC, a Delaware limited liability company (“**Assignor**”), and [\_\_\_\_], a [\_\_\_\_] (“**Assignee**”).

A. Assignor is the lessor under certain leases, subleases, occupancy agreements, and any other agreements for the use, possession, or occupancy of that certain real property and improvements thereon known as 2911 Adams, and more particularly described in Exhibit “A” attached hereto (the “**Property**”), which leases are described in Schedule 1 attached hereto (the “**Leases**”).

B. Assignor and Assignee, entered into an Agreement of Sale and Purchase dated as of [\_\_\_\_], 2025 (as amended and/or assigned, as applicable, the “**Purchase Agreement**”), pursuant to which Assignee agreed to purchase the Property from Assignor and Assignor agreed to sell the Property to Assignee, on the terms and conditions contained therein.

C. Assignor desires to assign to Assignee its interest in the (i) Leases, (ii) any guaranties applicable to the Leases (the “**Guaranties**”), (iii) unapplied tenant security deposits and/or letters of credit (the “**Tenant Deposits**”), and (iv) the pre-paid rents relating to the Leases held by Assignor (the “**Prepaid Rents**”), and Assignee desires to accept the assignment thereof, on the terms and conditions below.

ACCORDINGLY, the parties hereby agree as follows:

1. Assignor hereby assigns to Assignee all of its right, title, and interest in and to the Leases, Guaranties, Tenant Deposits, and Prepaid Rents, and Assignee hereby accepts such assignment and assumes and agrees to perform and observe (i) all of the lessor’s obligations under the Leases and Guaranties arising from and after the date hereof including the obligations and duties of Assignor relating to any Tenant Deposits and Prepaid Rents to the extent such Tenant Deposits and/or Prepaid Rents were either transferred or credited to Assignee at Closing (as defined in the Purchase Agreement).

2. In the event of any dispute between Assignor and Assignee arising out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the sole prevailing party’s costs and expenses of such dispute, including, without limitation, reasonable attorneys’ fees and costs.

3. Any rental and other payments under the Leases shall be prorated between the parties as provided in the Purchase Agreement.

4. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

5. This Assignment shall be governed and construed in accordance with the laws of the state in which the Property is located.

6. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. The undersigned hereby agree that an executed copy of this document transmitted by email as an Adobe Acrobat PDF file shall be deemed to be, and be treated as, an original document for all purposes, and it shall be considered to have the same binding legal effect as an original signature or original document.

8. Assignee expressly acknowledges and affirms the provisions of Sections 2.6, 6.2, 7.3, 7.4 and 7.5 of the Purchase Agreement.

[signatures commence on following page]



Assignor and Assignee have executed this Agreement the day and year first above written.

**ASSIGNOR:**

2911 ADAMS OWNER LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[signatures continue on following page]

**ASSIGNEE:**

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[end of signatures]

**Exhibit “A” to Assignment and Assumption of Leases**

**Description of Real Property**

**Schedule 1 to Assignment and Assumption of Leases**

**List of Leases**

## EXHIBIT “G”

### Form of Assignment and Assumption of Contracts, Warranties and Guaranties, and Intangible Property

#### ASSIGNMENT AND ASSUMPTION OF CONTRACTS, WARRANTIES AND GUARANTIES, AND INTANGIBLE PROPERTY

THIS ASSIGNMENT AND ASSUMPTION OF CONTRACTS, WARRANTIES AND GUARANTIES, AND INTANGIBLE PROPERTY (the “**Assignment**”) dated as of [\_\_\_\_], 2025, is between 2911 Adams Owner LLC, a Delaware limited liability company (“**Assignor**”), and [\_\_\_\_], a [\_\_\_\_] (“**Assignee**”).

A. Assignor owns certain real property and certain improvements thereon known as 2911 Adams, and more particularly described in Exhibit “A” attached hereto (the “**Property**”).

B. Assignor has entered into certain contracts which are more particularly described in Schedule 1 attached hereto (the “**Contracts**”), which affect the Property.

C. Assignor and Assignee, entered into an Agreement of Sale and Purchase dated as of [\_\_\_\_], 2025 (as amended and/or assigned, as applicable, the “**Purchase Agreement**”), pursuant to which Assignee agreed to purchase the Property from Assignor and Assignor agreed to sell the Property to Assignee, on the terms and conditions contained therein.

D. Assignor desires to assign to Assignee its interest, if any, in the Contracts and in certain warranties, guaranties, and intangible personal property with respect to the Property, to the extent the same are assignable, and Assignee desires to accept the assignment thereof, on the terms and conditions below.

ACCORDINGLY, the parties hereby agree as follows:

1. Assignor hereby assigns to Assignee all of Assignor’s right, title, and interest, if any, in and to the following, from and after the date hereof, to the extent the same are assignable:

- (a) the Contracts;
- (b) all warranties and guarantees (express or implied) (“**Warranties and Guaranties**”) upon the Improvements (as defined in the Purchase Agreement or the personal property conveyed by Assignor to Assignee pursuant to that certain Bill of Sale dated as of the date hereof (the “**Personal Property**”));
- (c) the right to use the name 2911 Adams;
- (d) all Licenses and Permits (as defined in the Purchase Agreement); and
- (e) the other Intangible Property (as defined in the Purchase Agreement) not described in the foregoing clauses (a) through (d) (the “**Other Intangibles**”).

2. Assignee hereby accepts the foregoing assignment by Assignor and assumes all of the Assignor's obligations under the Contracts, solely to the extent of the credits provided for in Section 9.5 of the Purchase Agreement, Warranties and Guaranties, Licenses and Permits, and the Other Intangibles, solely to the extent for obligations that first arise after the date hereof.

3. In the event of any dispute between Assignor and Assignee arising out of the obligations of the parties under this Assignment or concerning the meaning or interpretation of any provision contained herein, the losing party shall pay the sole prevailing party's costs and expenses of such dispute, including, without limitation, reasonable attorneys' fees and costs.

4. This Assignment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

5. This Assignment shall be governed and construed in accordance with the laws of the state in which the Property is located.

6. This Assignment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument. The undersigned hereby agrees that an executed copy of this document transmitted by facsimile or sent by email as an Adobe Acrobat PDF file shall be deemed to be, and be treated as, an original document for all purposes, and it shall be considered to have the same binding legal effect as an original signature or original document.

7. Assignee hereby expressly acknowledges and affirms the provisions of Sections 2.6, 6.2, 7.3, 7.4 and 7.5 of the Purchase Agreement.

[signatures appear on following page]

Assignor and Assignee have executed this Agreement the day and year first above written.

**ASSIGNOR:**

2911 ADAMS OWNER LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[signatures continue on following page]



**ASSIGNEE:**

\_\_\_\_\_,  
a \_\_\_\_\_

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

[end of signatures]

**Exhibit “A” to Assignment and Assumption of Contracts, Warranties and  
Guaranties, and Intangible Property**

**Description of Real Property**

**Schedule 1 to Assignment and Assumption of Contracts, Warranties and  
Guaranties, and Intangible Property**

**List of Contracts**

### **Form of Declaration**

THE STATE OF \_\_\_\_\_ §  
COUNTY OF \_\_\_\_\_ §

WITNESSETH:

NOW, THEREFORE, for the covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Declarant hereby agrees as follows:

H-1

2. Indemnity. Each current and future owner of all or any portion of the Property (an “**Indemnitor**”) hereby agrees to indemnify, defend and hold harmless Declarant and Declarant’s directors, officers, managers, employees and representatives (the “**Indemnitee**”) from any and all liability or damages which Indemnitee may suffer as a result of claims, demands, costs, liens, judgments or awards against the Indemnitee, arising out of or as a result of any breach or violation of this Declaration.

3. Attorneys’ Fees. In the event that Declarant shall institute legal proceedings to enforce or construe any of the terms, provisions, covenants, conditions or restrictions set forth in this Declaration, Declarant shall be entitled to recover its reasonable attorneys’ fees, litigation expenses and court costs from the violating party.

4. No Waiver. No waiver by Declarant of any provision hereof shall be deemed to have been made unless expressed in writing and signed by such party. No delay or omission in the exercise of any right or remedy accruing to either party upon any breach of this Declaration by Declarant shall impair such right or remedy or be construed as a waiver of such breach, and the waiver of any breach shall not be deemed a waiver of any other breach of the same or any other provision of this Declaration.

5. Covenants Running With the Land. All provisions of this Declaration should be interpreted as running with the land, so that the provisions hereof are binding upon and inure to the benefit of all present and future owners of all or any portion of the Property.

TO HAVE AND TO HOLD the Easement, together with all rights and interests appurtenant thereto, belonging to the owners of the Property, as applicable, and their successors and assigns forever.

[Signature Follows.]

IN WITNESS WHEREOF, the parties have caused this instrument to be executed on the day and year first above written.

**DECLARANT:**

2911 ADAMS OWNER LLC,  
a Delaware limited liability company

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Signed, sealed and delivered in  
the presence of:

\_\_\_\_\_  
Unofficial Witness

\_\_\_\_\_  
Notary Public

My Commission Expires: \_\_\_\_\_

[NOTARIAL SEAL]

**EXHIBIT “I”**

**Description of Existing Survey**

[TO BE INSERTED]



**EXHIBIT “J”**

**Form of Tenant Notice Letter**

[TO BE INSERTED]



**Unrecorded OTPs, ROFRs and ROFOs:**

Owner has not entered into any unrecorded OTPs, ROFRs or ROFOs which are presently in effect except as set forth in the Commitment.

**Covenants & Restrictions:**

(a) Owner has received no written notice of past or present violations of any effective covenants, conditions or restrictions set forth in the Commitment (the "CC&Rs") which remain uncured, and  
(b) any charge or assessment provided for in any of the CC&Rs has been or will be duly paid in the ordinary course.

**Bankruptcy:**

No proceedings in bankruptcy or receivership have been instituted by or against the Owner which are now pending, nor has Owner made any assignment for the benefit of creditors which is in effect as to said Premises.

**Gap Indemnification:**

In consideration of Title Insurer issuing its policy without taking exception therein for matters which may arise between the most recent effective date of the Commitment (the "Effective Date") and the date of recording the insured conveyance (the "Recording Date") (which in no event shall be more than three (3) business days following the date hereof), known as the "Gap Period", and which matters constitute an encumbrance, lien or objectionable matter to said title (collectively, "Objections to Title"), Owner agrees to promptly remove, bond or otherwise dispose of any Objections to Title which are the result of any intentional act of Owner and which are filed against the Premises during the Gap Period, and Owner further agrees to reimburse Title Insurer for all reasonable out-of-pocket costs and expenses (including, without limitation, reasonable out-of-pocket attorneys' fees) (collectively, "Losses") which are actually incurred by Title Insurer due to Owner's failure to so remove, bond or otherwise dispose of any of said Objections to Title; provided, however, that under no circumstances shall Owner be liable for any punitive, consequential, special or exemplary damages, or for any Losses that result from or arise in connection with Title Insurer's gross negligence, bad faith, illegal acts, or willful misconduct.

**Counterparts:**

This document may be executed in counterparts, including by .pdf or other electronic format.

**Headings:**

Descriptive headings are for convenience only and shall not control or affect the meaning or construction of any provision of this document.

**Inducement:**

This document is being provided in order to induce Title Insurer to issue [an owner's policy] [a loan] policy of title insurance.

[SEE ANNEXED SIGNATURE PAGE TO TITLE-AFFIDAVIT]

**OWNER:**

**2911 ADAMS OWNER LLC,**  
a Delaware limited liability company

By: \_\_\_\_\_  
Ron J. Hoyl, Vice President

**EXHIBIT “L”**

**Form of FIRPTA Affidavit**

**EXHIBIT “M”**

**Rent Roll**

**SCHEDULE 1**

**Personal Property**

[TO BE INSERTED]



## **SCHEDULE 3.2**

### **Excluded Personalty**

[TO BE INSERTED]

### **SCHEDULE 3.2(a)**

#### **Required Due Diligence Items**

1. The Existing Survey
2. Copies of all material Contracts
3. To the extent in Seller's possession, monthly cash flow reports for the current year to date.
4. A copy of Seller's existing policies of title insurance.

**RESOLUTIONS OF**  
**THE BOARD OF DIRECTORS OF**  
**HOUSING DEVELOPMENT PARTNERS OF SAN DIEGO**

**(RE: Acquisition, Predevelopment and Financing)**

WHEREAS, the following resolutions were approved by the Board of Directors (the “**Board**”), of Housing Development Partners of San Diego, a California nonprofit public benefit corporation (the “**Corporation**”), at a duly held meeting of the Board on October 24, 2025;

WHEREAS, the Corporation desires to file that certain articles of organization with the California Secretary of State (“**Secretary of State**”) in order to form HDP Adams Ave LLC, a California limited liability company (the “**Company**”) (the “**Formation**”);

WHEREAS, the Corporation intends to cause the Company to acquire that certain real property located at 2911 Adams Avenue, in the City of San Diego, California (the “**Land**”), and the improvements thereon consisting of a multifamily housing development composed of seventy-two (72) units (the “**Improvements**”, together with the Land, the “**Project**”) for a purchase price equal to \$31,000,000 (the “**Purchase Price**”) (the “**Acquisition**”);

WHEREAS, the Board of Directors, acting on behalf of the Corporation, and on behalf of the Corporation in its capacity as the sole member and manager of the Company, deems it to be in the best interest of the Corporation and the Company to consummate the Formation and the Acquisition;

WHEREAS, in connection with the Acquisition, the Company intends to finance the acquisition of the Project with (i) a loan from KeyBank funded by the issuance of 501(c)(3) tax exempt bonds in the approximate amount of \$26,745,000, (ii) a loan from KeyBank funded by the issuance of 501(c)(3) taxable bonds in the approximate amount of \$7,000,000, (iii) if awarded, Community Development Block Grant funds in the approximate amount of \$6,200,000 and (iv) equity contribution by the Corporation to fill any remaining gap needed to pay for the Purchase Price (collectively, the “**Financing Transaction**”);

WHEREAS, the Board of Directors of the Corporation, acting on behalf of the Corporation, and on behalf of the Corporation in its capacity as the sole member and manager of the Company, deems to be in the best interest of the Corporation, and the Company to consummate the Financing Transaction;

WHEREAS, in order to facilitate the consummation of the Formation, the Acquisition and the Financing Transaction, the Company desire to incur up to \$1.3 million of pre-development expenses, which includes \$1 million of deposit under the purchase agreement to be entered into between the Company and the seller of the Project and \$300,000 in due diligence expenses (the “**Pre-Development Expenses**”);

WHEREAS, the Board of Directors of the Corporation, acting on behalf of the Corporation, and on behalf of the Corporation in its capacity as the sole member and manager of the Company, deems to be in the best interest of the Corporation and the Company to approve the Pre-Development Expenses;

NOW, THEREFORE, BE IT RESOLVED: That the Corporation and the Company shall be authorized to consummate the Formation, the Acquisition, the Financing Transaction and the Pre-Development Expenses.

RESOLVED FURTHER: That Suket Dayal, as the Executive Vice President of the Corporation, or any officer of the Corporation (collectively, the “***Authorized Representatives***” and each an “***Authorized Representative***”), each acting alone on behalf of the Corporation, and on behalf of the Corporation in the Corporation’s capacity as the Sole Member and Manager of the Company, is hereby authorized, empowered and directed, in the name of the Corporation and the Company, as the case may be, to execute and deliver and have the Corporation and the Company, as the case may be, perform their respective obligations under any and all documents relating to the transactions contained herein, including, but not limited to, a purchase agreement, and any other agreement, certificate or document necessary to facilitate and/or consummate the Formation, the Acquisition, the Financing Transaction, and the Pre-Development Expenses.

RESOLVED FURTHER: That the Authorized Representatives be, and each of them hereby is, authorized, empowered and directed, on behalf of the Corporation, in its own name and in the name of the Company, when acting in the Corporation’s capacity as the Sole Member and Manager of the Company, to take such further actions, and to execute such additional documents and instruments as the person taking such actions or executing such documents or instruments, may deem necessary or appropriate, with the advice of counsel, in connection with the matters authorized in the foregoing resolutions, and that the signature of such person on any document or instrument, or the performance of any such actions, shall be conclusive evidence of such person’s authority to take such actions.

RESOLVED FURTHER: That any and all acts heretofore taken by each Authorized Representative in connection with the matters authorized by the foregoing resolutions or in connection with the transaction described herein are hereby ratified, confirmed, adopted and approved.

RESOLVED FURTHER: That the execution of any and all documents and instruments related to the purposes and intent of the foregoing resolutions shall be conclusive evidence of the approval thereof by this Corporation.

RESOLVED FURTHER: That any third party receiving a duly executed copy or a facsimile of the foregoing resolutions may rely on the foregoing resolutions, unless and until revoked by the Corporation, and that the revocation of the foregoing resolutions shall be ineffective as to such third party unless and until actual notice or knowledge of such revocation shall have been received by such third party.

***[Remainder Intentionally Blank]***

## SECRETARY'S CERTIFICATE

I, Gary Gramling, Secretary of Housing Development Partners of San Diego, a California nonprofit public benefit corporation (the “*Corporation*”), hereby certify that attached hereto is a true, correct and complete copy of the resolutions of the Board of Directors of the Corporation; such resolutions have not been substantively amended, modified or rescinded and remain in full force and effect; and such resolutions shall govern in case of conflict with any prior resolutions of the Corporation’s Board of Directors relating to the transactions described therein.

IN WITNESS WHEREOF, I have hereunto signed my name.

Dated: October \_\_\_, 2025

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Gary Gramling

Secretary

I, Lisa Jones, President of the Corporation, hereby certify that Gary Gramling is the duly elected, qualified and acting Secretary of the Corporation and that the signature appearing above is his genuine signature.

IN WITNESS WHEREOF, I have hereunto signed my name.

Dated: October \_\_\_, 2025

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Lisa Jones

President