



REPORT

DATE ISSUED: September 4, 2019

REPORT NO: HAR19-038

ATTENTION: Chair and Members of the Housing Authority of the City of San Diego
For the Agenda of October 1, 2019

SUBJECT: Preliminary Bond Authorization for Park Crest Apartments

COUNCIL DISTRICT: 9

REQUESTED ACTION

Take the initial steps for the Housing Authority of the City of San Diego to issue up to \$38,000,000 of tax-exempt Multifamily Housing Revenue Bonds to facilitate Fairfield Park Crest L.P.'s acquisition and rehabilitation of Park Crest Apartments, a 140-unit apartment complex located in Mountain View Neighborhood, with 139 affordable units that will remain affordable for another 55 years and one manager's unit, located at 4531 Logan Avenue, San Diego, California 92113.

STAFF RECOMMENDATION

That the Housing Authority of the City of San Diego (Housing Authority) take the following actions, as described in this report.

- 1) Approve the following preliminary steps to issue Housing Authority tax-exempt Multifamily Housing Revenue Bonds to facilitate the acquisition and rehabilitation of Park Crest Apartments (Park Crest), a 140-unit apartment complex located in the Mountain View Neighborhood of San Diego, with 139 affordable units that will remain affordable for another 55 years and one manager's unit, located at 4531 Logan Avenue, San Diego, California 92113:
 - a. Issue a bond inducement resolution (Declaration of Official Intent) for up to \$38,000,000 in Multifamily Housing Revenue Bonds for the development of Park Crest by a limited partnership formed by Fairfield Park Crest L.P.;
 - b. Authorize an application (and subsequent applications, if necessary) to the California Debt Limit Allocation Committee (CDLAC) for an allocation of authority to issue tax-exempt private activity bonds in an amount up to \$38,000,000 for Park Crest Apartments;
 - c. Approve the financing team of Kutak Rock as Bond Counsel and PFM as Financial Advisor; and
- 2) Authorize the Housing Commission President & Chief Executive Officer (President & CEO), or designee, to execute any and all documents that are necessary to effectuate the transaction and implement these approvals in a form approved by General Counsel and bond counsel, and to take such actions as are necessary, convenient, and/or appropriate to implement these approvals upon advice of General Counsel and/or the bond counsel.

SUMMARY

A Development Summary is at Attachment 1.

Table 1 - Development Details

Address	4531 Logan Avenue, San Diego
Council District	9
Community Plan Area	Southeastern San Diego Community Planning Area
Developer	Fairfield Residential
Development Type	Acquisition with rehabilitation
Construction Type	Type V
Parking Type	90 parking spaces, all uncovered surface spaces
Housing Type	Multifamily
Lot Size	4.12 acres, 179,467 square feet A portion of the site is unbuildable land.
Units	140
Density	33.9 dwelling units per acre (140 units ÷ 4.12 acres)
Affordable Unit Mix	112 two-bedroom units, 27 three-bedroom units, and 1 two-bedroom manager's unit
Gross Building Area	146,222 square feet
Net Rentable Area	131,600 square feet

The Development

Park Crest is an existing 140-unit, affordable rental housing development located at 4531 Logan Avenue, San Diego, in the Southeastern San Diego Community Planning Area (Attachment 2 – Site Map). The development is adjacent to the Willie Henderson Sports Complex and the intersection of Logan Avenue and Interstate 805. The development was constructed in 1959 and most recently renovated in 2000 with financing from multiple sources, including: California Tax Credit Allocation Committee (CTCAC) tax credits.

Developer's Requests

For Park Crest, the developer is requesting Housing Commission approval to request that the Housing Authority apply for and obtain a CDLAC allocation to issue up to \$38,000,000 of tax-exempt Multifamily Housing Revenue Bonds or Notes for the proposed acquisition with rehabilitation.

The Property

The property is currently owned by Park Villas Pointe LLC. The complex has 12 two-story residential buildings. There is a one-story community building with a leasing office and a community room. There are 113 two-bedroom units (793 sq. ft.), 27 three-bedroom units (893 sq. ft.), and one two-bedroom manager's unit. There are 90 parking spaces, all of which are surface parking spots. Site amenities include: a community building with a kitchen, laundry rooms, and a playground. Unit amenities include: central heating system, window coverings, and energy efficient appliances. To the north and west are multifamily properties. To the east is Interstate 805. To the southeast are office buildings and a retail center. To the south is the Willie Henderson Sports Complex. Bus service is less than 0.1 miles away to the west, at the corner of Logan Avenue and 45th Street with service by the 12 and 955 lines.

Building Conditions/Proposed Rehabilitation Work

Park Crest was constructed in 1959 and renovated in 2000. Fairfield Residential states that while the property is in good condition, improvements are needed for aesthetic and systematic upgrades due to the property's age. Fairfield Residential intends to complete a comprehensive/substantial renovation to address immediate and long-term needs of the complex. On August 5, 2019, a Property Condition Report was completed by CBRE, Inc., - Assessment and Consulting Services. The developer's pro forma estimates rehabilitation costs at \$5,658,696 (\$40,419/unit). The developer intends to enter into a construction contract with a to-be-selected contractor. The contractor will solicit at least three bids from subcontractors to ensure competitive pricing. The rehabilitation scope of work summary is at Attachment 3.

Prevailing Wages

Prevailing wages are not applicable because neither federal nor state funds will be utilized.

Relocation

As of June 2019, Park Crest was fully occupied. The developer does not anticipate permanent relocation of the current tenants. However, rehabilitation work may require that tenants be temporarily relocated while work is taking place in their unit. Relocation will comply with the Federal Uniform Relocation Act. The developer will be responsible for coordinating all temporary relocations.

Accessibility

CTCAC requires wheelchair accessibility in 10 percent of the units, with an additional 4 percent of the units accessible to residents with visual and/or hearing impairment.

Project Sustainability

Park Crest will be rehabilitated in conformance with CTCAC's minimum energy efficiency standards for rehabilitation projects, which require demonstrating at least 10 percent post-rehabilitation improvement in energy efficiency over existing conditions.

Development Team

Fairfield Residential is a for-profit developer and was formed in 1985. Fairfield has developed 30 affordable projects and owns/operates more than 6,000 apartment homes nationwide. During the 15-year tax credit compliance period, the complex will be owned by Fairfield Park Crest L.P (a single-asset limited partnership). An organization chart is at Attachment 4.

Table 2 - Development Team Summary

ROLE	FIRM/CONTACT
Owner/Borrower	Fairfield Park Crest L.P
Managing General Partner (.01 percent)	To be selected
Tax Credit Investor/Limited Partner (99.99 percent)	To be selected
Developer	Fairfield Residential
Architect	To be selected
General Contractor	To be selected
Relocation Consultant	N/A
Property Management	FF Properties LP
Tax Credit Investor	To be selected
Construction/Permanent Lender	To be selected

Property Management

Park Crest will be managed by FF Properties LP, a Fairfield affiliate.

FINANCING STRUCTURE

The developer intends to: apply for and obtain a 4 percent tax-credit allocation from CTCAC; obtain other third-party necessary financing as described in this report; and complete a comprehensive rehabilitation of Park Crest.

No Housing Commission loan funds are requested for the proposed acquisition with rehabilitation. Park Crest has an estimated total development cost of \$48,571,933 (\$346,942 per unit). Proposed financing will include a combination of sources including: 4 percent tax credits, tax-exempt Multifamily Housing Revenue Bond financing, investor equity and a deferred developer fee. The developer's current pro forma is included as Attachment 5 and is summarized below.

Table 3 – Estimated Permanent Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts	Per Unit
Permanent loan (Multifamily Mortgage Revenue Bonds)	\$27,700,000	Acquisition	\$34,250,000	\$244,643
Four percent tax credit equity	\$14,283,565	Capital Improvements	\$5,658,696	\$40,419
Investor Equity	\$850,349	Loan Origination & Assumption Fees	\$1,054,150	\$7,530
Deferred Developer Fee	\$5,729,429	Developer fee	\$5,729,429	\$40,925
Fairfield Equity Contribution	\$8,590	Interest Reserve	\$135,225	\$966
		Prepaid Taxes & Insurance	\$653,406	\$4,667
		Legal & Closing Costs & Due Diligence	\$991,027	\$7,079
		Contingency & Working Capital	\$100,000	\$714
Total Development Sources	\$48,571,933	Total Development Costs (TDC)	\$48,571,932	\$346,942

Developer Fee

\$5,729,429 – Developer Fee, all of which is deferred.

On April 25, 2017, the Housing Authority approved the “Request for Approval of Updated Developer Fees” (HAR17-011). That report approved certain developer fee guidelines for multifamily loans and bonds issuances. Attachment 1 to that report states: “Developer Fee [for] 4% tax credits, in project costs: 15% eligible basis....” For this Park Crest development, the developer is proposing a \$5,729,429 total developer fee, which complies with the HAR17-011 “Request for Approval of Updated Developer Fees” guidelines approved by the Housing Authority on April 25, 2017.

Development Cost Key Performance Indicators

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

Table 4 - Key Performance Indicators

Development Cost Per Unit	$\$48,571,932 \div 140 \text{ units} =$	\$346,942
Housing Commission Subsidy Per Unit	$\$0 \div 140 \text{ units} =$	\$0
Acquisition/Land Cost Per Unit	$\$34,250,000 \div 140 \text{ units} =$	\$244,643
Gross Building Square Foot Hard Cost	$\$5,658,696 \div 146,222 \text{ sq. ft.} =$	\$39
Net Rentable Square Foot Hard Cost	$\$5,658,696 \div 131,600 \text{ sq. ft.} =$	\$43

Project Comparison Chart

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

Table 5 - Comparable Development Projects

Project Name	Year	Units	Construction Type	Total Development Cost	Cost Per Unit	HC Subsidy Per Unit	Gross Hard Cost Per Sq. Ft.
Proposed Subject – Park Crest	2019	140	V	\$48,571,932	\$346,942	\$0	\$39
Mariner’s Village	2018	172	V	\$72,515,202	\$421,600	\$0	\$87
Regency Center	2017	100	V	\$29,595,884	\$592,958	\$0	\$96
Hollywood Palms	2017	94	V	\$31,680,721	\$337,029	\$0	\$92
Vista Terrace	2016	262	V	\$126,999,938	\$484,733	\$0	\$112
Town & Country	2018	145	V	\$48,166,944	\$321,186	\$91,358	\$90

Proposed Housing Bonds

The Housing Commission utilizes the Housing Authority’s tax-exempt borrowing status to pass on lower interest rate financing (and make 4 percent low-income housing tax credits available) to developers of affordable rental housing. The Housing Authority’s ability to issue bonds is limited under the U.S. Internal Revenue Code. To issue bonds for a development, the Housing Authority must first submit an application to CDLAC for a bond allocation. Prior to submitting applications to CDLAC, developments are brought before the Housing Commission, Housing Authority, and City Council. Housing Authority bond inducement resolutions must be obtained prior to CDLAC application submittal, and a City Council Tax Equity and Fiscal Responsibility Act (TEFRA) resolution must be secured no later than 30 days after application submittal. These actions do not obligate the Housing Authority to issue bonds. The developer plans to submit a bond application to CDLAC on October 11, 2019, and to obtain a bond allocation at CDLAC’s December 11, 2019, meeting. If necessary, staff will submit additional applications to CDLAC to secure a bond allocation for the development.

The developer will be seeking a CDLAC bond allocation of approximately \$38,000,000. The developer proposes to issue the bonds through a tax-exempt private placement bond issuance. The bonds will meet all requirements of the Housing Commission’s Multifamily Housing Revenue Bond Program policy and will fully comply with the City’s ordinance on bond disclosure. The bond amount that is

ultimately issued will be based upon development costs, revenues, and interest rates prevailing at the time of bond issuance, but will not exceed \$38,000,000.

The developer proposes that the bonds will be used for acquisition, rehabilitation and permanent financing. Housing Commission staff will return later to both the Housing Commission and Housing Authority for approval of the final bond amount. A general description of the Multifamily Housing Revenue Bond Program and the actions that must be taken by the Housing Authority and by the City Council to initiate and finalize proposed financings are described in Attachment 6. Staff recommends assigning Kutak Rock LLP as Bond Counsel and PFM Group as Financial Advisor to work on the development. The proposed financing team members have been selected in accordance with the existing policy for the issuance of bonds. Financial Advisors and Bond Counsels are selected in accordance with the Housing Commission's Bond Policy.

AFFORDABLE HOUSING IMPACT

As shown in Table 6 (below), the Housing Commission's existing loan and existing bonds restrict 139 units at Park Crest to households with incomes ranging from 50 to 60 percent of San Diego Area Median Income (AMI).

Table 6 –Park Crest Affordability & Monthly Estimated Rent Table

Unit Type	AMI	Units	CTCAC Gross Rents
2-bedrooms, 1 bath (793sq. ft.)	50%	11	\$1,171
3-bedrooms, 2 baths (893 sq. ft.)	50%	3	\$1,356
Subtotal 50% AMI Units	--	14	
2-bedrooms, 1 bath (793sq. ft.)	60%	100	\$1,412
3-bedrooms, 2 baths (893 sq. ft.)	60%	25	\$1,634
Subtotal 60% AMI Units	-	125	
Subtotal	-	139	
2-bedroom, 1 bath, manager's unit	-	1	
Total Units		140	

FISCAL CONSIDERATIONS

The proposed funding sources and uses approved by this action are not included in the Housing Authority-approved Fiscal Year (FY) 2020 Housing Commission Budget.

Funding sources approved by this action will be as follows:

Bond Issuance Fees - \$95,000 (.0025 bond issuer fee x \$38,000,000)

Funding uses approved by this action will be as follows:

Rental Housing Finance Program Administration Costs – \$95,000

Approval of the bond inducement and TEFRA resolutions does not commit the Housing Authority to issue the bonds. The bonds would not constitute a debt of the City. If bonds are ultimately issued for the

development, the bonds will not financially obligate the City, the Housing Authority or the Housing Commission because security for the repayment of the bonds will be limited to specific private revenue sources of the development. Neither the faith and credit nor the taxing power of the City or the Housing Authority would be pledged to the payment of the bonds. The developer is responsible for the payment of all costs under the financing, including the Housing Commission annual administrative fee, as well as Housing Commission Bond Counsel and Financial Advisor fees.

Estimated Development Schedule

The estimated development timeline is as follows:

Milestones	Estimated Dates
<ul style="list-style-type: none">• Housing Commission Board meeting• Housing Authority preliminary consideration• City Council IRS-required TEFRA hearing• CDLAC bond application & CTCAC tax credit application• CDLAC bond & CTCAC tax credit allocation meetings• Housing Commission final bond authorization consideration• Housing Authority final bond authorization consideration• Estimated bond issuance and escrow closing• Estimated start of rehabilitation• Estimated completion of rehabilitation	<ul style="list-style-type: none">• September 6, 2019• October 1, 2019• October 1, 2019• October 11, 2019• December 11, 2019• January 2020• January 2020• March 2020• March 2020• September 2021

STATEMENT for PUBLIC DISCLOSURE

The developer's Disclosure Statement is at Attachment 7.

COMMUNITY PARTICIPATION and PUBLIC OUTREACH EFFORTS

The developer anticipates presenting the proposed project as an informational item to the Southeastern San Diego Planning Group in January 2020.

KEY STAKEHOLDERS and PROJECTED IMPACTS

Stakeholders include Fairfield Residential as the developer, the Park Crest residents, and the Southeastern San Diego community. Rehabilitation of the property is expected to have a positive impact on the community because it will provide the needed capital improvements to the property and preserve Park Crest's affordability for 55 years.

ENVIRONMENTAL REVIEW

The proposed rehabilitation is categorically exempt from the requirements of the California Environmental Quality Act (CEQA) pursuant to State CEQA Guidelines Section 15301 (Existing Facilities) and 15302 (Replacement or Reconstruction). Processing under the National Environmental Policy Act (NEPA) is not required as there are no federal funds involved with this action.

Respectfully submitted,



Colin Miller
Vice President, Multifamily Housing Finance
Real Estate Division

Approved by,



Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

Attachments: 1) Development Summary
2) Site Map
3) Rehabilitation Scope of Work Summary
4) Organization Chart
5) Developer's Project Pro Forma
6) Multifamily Housing Revenue Bond Program
7) Developer's Disclosure Statement

Hard copies are available for review during business hours at the security information desk in the main lobby and at the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Governance & Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org

Development Summary

Table 1 –Development Details

Address	4531 Logan Avenue, San Diego
Council District	9
Community Plan Area	South Eastern San Diego Community Planning Area
Developer	Fairfield Residential
Development Type	Acquisition with rehabilitation
Construction Type	Type V
Parking Type	90 parking spaces, all uncovered surface spaces
Housing Type	Multifamily
Lot Size	4.12 acres, 179,467 square feet A portion of the site is unbuildable land.
Units	140
Density	33.9 dwelling units per acre (140 units ÷ 4.12 acres)
Affordable Unit Mix	112 two-bedroom units, 27 three-bedroom units, and 1 two-bedroom manager's unit
Gross Building Area	146,222 square feet
Net Rentable Area	131,600 square feet

Table 2 Development Team Summary

ROLE	FIRM/CONTACT
Owner	Fairfield Park Crest L.P.
Developer	Fairfield Residential
Limited Partnership	To Be Selected
Managing General Partner	To Be Selected
Administrative General Partner	To Be Selected
Architect	To Be Selected
General Contractor	To Be Selected
Property Management	FF Properties L.P.
Construction and Permanent Lender	To Be Selected
Tax Credit Equity Partner	To Be Selected

Table 3 – Estimated Permanent Sources and Uses

Financing Sources	Amounts	Financing Uses	Amounts
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Investor Equity	\$850,349	Loan Origination & Assumption Fees	\$1,054,150
Deferred Developer Fee	\$5,729,429	Developer Fee	\$5,729,429
Fairfield Equity Contribution	\$8,590	Interest Reserve	\$135,225
		Prepaid Taxes & Insurance	\$653,406
		Legal, Closing Costs, Due Diligence	\$991,027
		Contingency & Working Capital	\$100,000
Total Development Cost	\$48,571,932	Total Development Cost (TDC)	\$48,571,932

Table 4 - Key Performance Indicators

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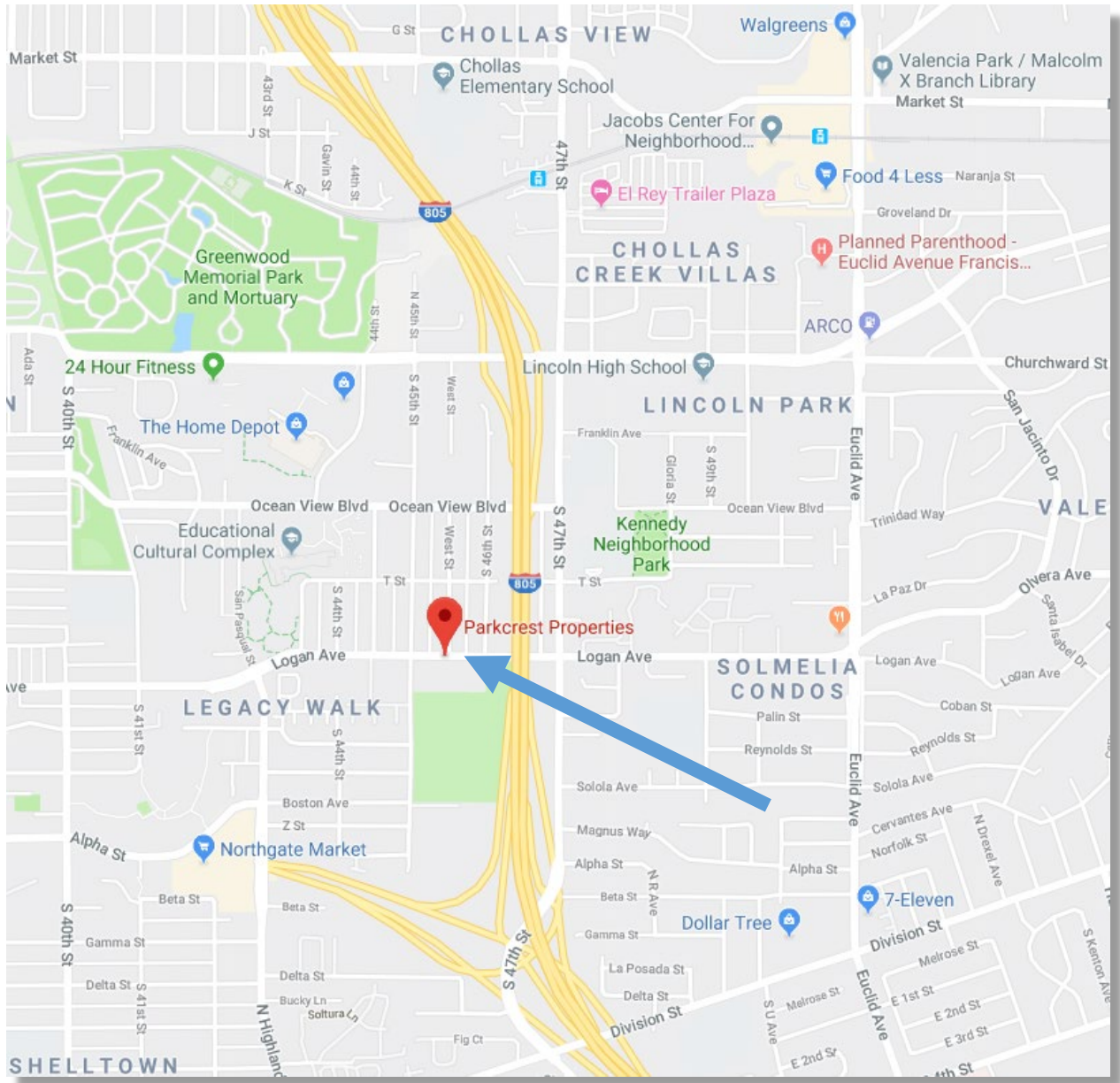
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Table 6 Affordability and Monthly Estimated Rent Table

Unit Type	AMI	Number of Units	Gross Rents
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2 Bedroom	60%	100	\$1,412
3 Bedroom	50%	3	\$1,356
3 Bedroom	60%	25	\$1,634
2 Bedroom Manager	-	1	

Attachment 2



Property Condition Report For Mortgage Financing Purposes

Park Crest
4531 Logan Avenue
San Diego , CA 92113

CBRE Project No.: PC90755841-101

Prepared For:
CBRE Capital Markets, Inc.
and
Freddie Mac

August 5, 2019

www.cbre.com/Assessment

CBRE

Blake Ilgenfritz, Vice President
CBRE Capital Markets, Inc.
1861 International Drive, Suite 300
McLean, VA 02212
(703) 905-0269
blake.ilgenfritz@cbre.com

RE: Property Condition Report for Mortgage Financing Purposes
Park Crest
4531 Logan Avenue
San Diego , CA 92113
PC90755841-101

Dear Blake Ilgenfritz,

Attached is our PCR outlining the general physical conditions observed on July 30, 2019 of the above mentioned Subject during our walk-through survey, complete with our Opinions of Costs to remedy deferred maintenance and existing physical deficiencies along with our Modified Capital Reserve Schedule. The scope of this assignment, methodology, protocol, and limiting conditions are outlined within this PCR. The report was prepared solely for the use of CBRE Capital Markets, Inc. and any party specifically referenced in Section 1.1. No other party shall use or rely on this report or the findings herein, without the prior written consent of CBRE.

Sincerely,

CBRE, Inc. – ASSESSMENT AND CONSULTING SERVICES



Larry Perez
Project Management Director

Section I: Summary

Freddie Mac Loan Number	Report Date August 5, 2019	Property name Park Crest
Seller/Service name CBRE Capital Markets, Inc.	Address 4531 Logan Avenue	
Seller/Service number 106424	Inspection date July 30, 2019	City, State, Zip San Diego , CA 92113
Number of apartment buildings 12	Number of other buildings 3	On-site contact name Julio Morales
		On-site contact telephone number 619-264-6703
Number of stories 2	Age of buildings (in years) 60	Weather at time of inspection (clear, rain, snow cover, etc) overcast 76F
Property condition consultant (firm name) CBRE	Inspector's name Dennis Jones	
Address 70 West Red Oak Lane	Title Senior Project Manager	
City, State, Zip White Plains, New York 10604	Telephone number 914-694-9600	

Building and Material Characteristics

Put an "x" in the appropriate boxes below and furnish additional information when requested

Building Types

- ☒ Garden
☐ Walk-up
☐ Elevator
☐ Lowrise
☐ Midrise
☐ Highrise
☐ Townhouse
☐ Other

Construction Type

- ☒ Wood frame
☐ Metal frame
☐ Structural steel
☐ Masonry
☐ Structural concrete
☒ Flat roof
☒ Pitched roof
☐ Flat roof with mansards
☐ Fire-treated plywood
☐ Other

Foundation Type

- ☒ Slab on grade
☐ Concrete pier (drilled)
☐ Spread, raised foundation
☐ Underground parking structure

Envelope

- ☒ Stucco
☐ Wood siding
☐ T-111
☐ Masonite
☐ Planking
☐ Vinyl siding
☐ Brick Veneer
☒ Metal doors
☐ Wood doors
☐ Wood sash windows
☒ Aluminum windows
☐ Other

Elevators

Number of cabs 0
 Last inspection date 0

Mechanicals (plumbing)

- ☐ Galvanized water piping
☒ Copper water piping
☐ Polybutylene water piping
☒ Cast iron waste
☒ ABS/PVC waste
☐ Central water heater
☐ Gas
☐ Electric
☐ Individual water heater

Mechanicals (HVAC)

- ☐ Central boiler steam heat
☐ Hydronic system
☐ Gas FAU, central
☐ Electric FAU, central
☐ Electric baseboard heat
☐ Wall-mounted AC unit
☒ AC condenser units
☐ Evaporative cooler unit
☒ Other (heat)
 Wall hung gas heater
☐ Other (AC)

Electrical

- Unit capacity
 40 amps
☐ Aluminum branch wiring
☐ Edison base/T-type fuses
☐ Tamper proof fuses
☒ Breakers
☒ GFI outlets
☐ Other

Interior

- ☒ Drywall walls
☐ Plaster walls
☐ Wood paneling
☒ Carpeting

Amenities (site)

- ☒ Club building/room
☐ Swimming pool
☐ Spa and/or sauna
☐ Fitness Center
☐ Barbecue
☐ Tennis courts
☐ Playground equipment
☐ Storage
☐ Other

Mold

- ☐ Mold evidence observed
☒ Areas impacted by water intrusions observed
☐ Defective building conditions likely to lead to future water intrusions observed
☒ Past/current water intrusions or leaks reported
☐ Tenant complaints reported

Problem materials/equipment

- ☐ Imported drywall
☐ Other

Life/Safety Devices

- ☒ Smoke detectors

- ☐ Other
- ☒ Gas
- ☐ Electric
- ☐ Circulating hot water
- ☐ Other
- ☐ Wood flooring
- ☐ Ceramic floor tile
- ☒ Vinyl flooring
- ☐ Wood doors
- ☐ Metal doors
- ☒ Spray-text ceiling
- ☒ Smooth ceiling
- ☐ Orange peel/textured
- ☐ Other
- ☒ Carbon monoxide detectors
- ☒ Fire extinguishers
- ☐ Emergency lighting
- ☐ Emergency escapes
- ☐ Pull stations/cords
- ☐ Fire alarms
- ☐ Sprinklers

Unit Mix

Complete **Table 1** for residential units only. Commercial units, both spaces that are purpose-built and dwelling units converted to commercial use will be accounted for in **Table 2**. If "Other" dwelling units have been indicated, **Table 3** will need to be completed as indicated.

Table 1 - below, indicate the unit type and occupancy at the time of the visit and the number of units inspected of each type.

Unit Type			Number of units				Number of units inspected			
BR	BA	Style	Occupied	Vacant	Down	Other	Occupied	Vacant	Down	Other
2	1	Garden or Flat	113	0	0	0	13	0	0	
3	1	Garden or Flat	27	0	0	0	2	0	0	0
Totals:			140	0	0	0	15	0	0	0

Table 2

Detail of Commercial Units				
	Occupied	Vacant	Down	Total
Number of purpose-built spaces	0	0	0	0
Number of converted residential units	0	0	0	0
Total residential units				140
Total commercial units/spaces				0
Total ALL units				140

Unit Inspection Information

Indicate the type of unit, using the following abbreviations: 0BR, 1BR, 2BR, 3BR, 4BR, 5BR. Give the unit number and status, using the following status codes: O = occupied, V = vacant, D = down and R = Other. (For example, an occupied one-bedroom unit numbered 101 should be listed as 1BR/101/O.)

1	2BR	4533-A	O	2	3BR	4533-B	O	3	2BR	4535-A	O	4	2BR	4539-B	O
5	2BR	4535-D	O	6	2BR	4563-D	O	7	2BR	4535-B	O	8	2BR	4527-B	O
9	2BR	4521-A	O	10	2BR	4519-B	O	11	2BR	4541-B	O	12	2BR	4565-A	O
13	2BR	4573-A	O	14	3BR	4573-D	O	15	2BR	4567-B	O	16			

Seismic Checklist

Is the property located within an Elevated Seismic Hazard Region as defined in Section 64.2(c) of the Freddie Mac *Multifamily Seller/Service Guide*

● Yes ○ No

Indicate if any of the following high-risk factors from Section 64.2(c) of the Guide were identified at the Property:

Present/Not Present	Risk factor
Not Present	Buildings with a weak or soft story (as defined by the International Building Code) at any floor level
Not Present	Buildings constructed with direct contact to adjacent buildings, including buildings that are part of the Property, as well as those in contact with buildings on a separate property (this does not include that are a continuous structure with fire separation walls)
Not Present	Buildings that have sustained previous structural earthquake damage with documented evidence of and repairs
Not Present	High-rise buildings (8-stories or greater above grade)
Not Present	Reinforced concrete buildings constructed prior to 1994, including cast-in-place and precast structures
Not Present	Reinforced concrete masonry bearing wall buildings constructed prior to 1994
Not Present	Retrofitted unreinforced masonry (URM) buildings with retrofit work performed prior to 1995 (non-retrofitted URM buildings will not be considered)
Not Present	Wood-framed buildings that exhibit conspicuous physical deterioration (e.g., water damage, dry rot, corrosion, physical distress) to the primary lateral load resisting elements
Not Present	Wood-framed buildings constructed prior to 1950
Not Present	Non-retrofitted wood-framed structures, constructed prior to 2000, with ground-level parking under units (tuck- under parking)
Not Present	Buildings with light-frame construction over a concrete podium structure constructed prior to 1994
Not Present	There are buildings located within 50 feet of a known fault or, if located in California, within an Alquist-Priolo Special Study Zone

Consultant's Certification

On behalf of the property condition consultant, the undersigned hereby certifies that:

- The attached property condition report was prepared by the consultant in accordance with all applicable requirements in the Freddie Mac Multifamily Seller/Service Guide
- The report was prepared in a manner consistent with generally accepted industry practices and standards
- All information is true and correct, to the best of the undersigned's knowledge, and reflects the consultant's best professional opinion and judgment
- No changes or additions have been made to the standard provisions of this form other than those expressly approved in writing by Freddie Mac

Consulting firm name

CBRE

Signature of authorized representative

Date

August 5, 2019

Name (typed or printed)

Dennis Jones

Title

Senior Project Manager

Section II: Property Inspection and Evaluation

Freddie Mac Loan Number	Report Date August 5, 2019	Property name Park Crest
Seller/Service name CBRE Capital Markets, Inc.		Address 4531 Logan Avenue
Seller/Service number 106424	Inspection date July 30, 2019	City, State, Zip San Diego , CA 92113

Site

Complete the estimated useful life, condition, remaining useful life, action and comments for the applicable items listed below. Indicate the condition using the following abbreviations: E = excellent, G = good, A = average, F = fair and P = poor. Indicate the action required using the following abbreviations: CR = Critical Repairs; PR = Priority Repairs; PR90 = 90 day Priority Repairs; OR = Operational Repairs and RR = reserve for future repair/replacement. See Section V for a complete description of each repair category. The consultant should attach additional information as needed. The consultant must also note any Mold observations on any component in the comment sections.

Item	Estimated Useful Life	Condition (E, G, A, F, P)	Remaining Useful Life	Action (CR, PR, PR-90, OR, RR)	Comments/Mold Observations
Carports					
Garages					
Maintenance structures	40	A	25		
Trash enclosures	15	A	15		
Roadways/Parking lots					
Asphaltic concrete	25	A	15		
Seal coat	5-7				
Concrete paving	30	G	15		
Other paving:					
Striping	5-7				
Curb and gutter	30	A			
Interior gutter (swale)					
Pedestrian paving/hardscape	30	F	15	OR	
Signage	20	G	15		
Site utilities					
Site water lines	40	A	30		
Site sanitary lines	50	A	30		
Site lighting	30	A	15		
Site drainage (storm drainage)	50	A	20		
Landscaping	50	A	30		
Irrigation	30	A	15		
Site fences	25	A	20		
Tennis courts					
Swimming pool and/or spa					
Pool and/or spa plaster/liner					
Pool and/or spa heating equipment					
Pool and/or spa filtration equipment					
Pool and/or spa deck surface					
Sauna					
Recreation/Play area and equipment					
Asphalt Pavement Mill and Overlay	20	A	15		
Pavement Seal, Strip, Minor Repairs	6	G	5	RR	

Freddie Mac Loan Number	Report Date August 5, 2019	Property name Park Crest
Seller/Service name CBRE Capital Markets, Inc.		Address 4531 Logan Avenue
Seller/Service number 106424	Inspection date July 30, 2019	City, State, Zip San Diego , CA 92113

Structural, building envelope and common area furniture, fixtures and equipment

Complete the estimated useful life, condition, remaining useful life, action and comments for the applicable items listed below. Indicate the condition using the following abbreviations: E = excellent, G = good, A = average, F = fair and P = poor. Indicate the action required using the following abbreviations: CR = Critical Repairs; PR = Priority Repairs; PR90 = 90 day Priority Repairs; OR = Operational Repairs and RR = reserve for future repair/replacement. See Section V for a complete description of each repair category. The consultant should attach additional information as needed. The consultant must also note any Mold observations on any component in the comment sections.

Item	Estimated Useful Life	Condition (E, G, A, F, P)	Remaining Useful Life	Action (CR, PR, PR-90, OR, RR)	Comments/Mold Observations
Foundation (structural)	50	A	30		
Foundation (waterproofing)	40	A	25		
Building slab (structural)	50	A	40		
Exterior walls/roof (structural)	50	A	40		
Exterior walls (paint/finish)	6-8	A	7	RR	
Doors and frames	30	A	20		
Windows and frames	30-40	A	20		
Stairs	25	A	20		
Fire escapes					
Balconies/handrails/guardrails					
Decks					
Patio slabs					
Unit fencing (patio fencing)					
Roof coverings	20-25	A	5	RR	
Roof drainage (gutters, drains, etc.)	25	A	15		
Building mounted lighting	25	A	15		
Common area improvements					
Common area floors	15	A	9	RR	
Community facilities kitchen	15	G	13		
Community facilities appliances	15	G	13		
Community washing machines					Leased from third party
Community clothes dryers					Leased from third party

Freddie Mac Loan Number

Report Date
August 5, 2019

Property name
Park Crest

Seller/Service name
CBRE Capital Markets, Inc.

Address
4531 Logan Avenue

Seller/Service number
106424

Inspection date
July 30, 2019

City, State, Zip
San Diego , CA 92113

Mechanical and electrical

Complete the estimated useful life, condition, remaining useful life, action and comments for the applicable items listed below. Indicate the condition using the following abbreviations: E = excellent, G = good, A = average, F = fair and P = poor. Indicate the action required using the following abbreviations: CR = Critical Repairs; PR = Priority Repairs; PR90 = 90 day Priority Repairs; OR = Operational Repairs and RR = reserve for future repair/replacement. See Section V for a complete description of each repair category. The consultant should attach additional information as needed. The consultant must also note any Mold observations on any component in the comment sections.

Item	Estimated Useful Life	Condition (E, G, A, F, P)	Remaining Useful Life	Action (CR, PR, PR-90, OR, RR)	Comments/Mold Observations
Mechanical/Plumbing					
Hot and cold water distribution	50	A	30		
Domestic water boilers					
Domestic water boiler peripherals					
Domestic water heaters	10-15	A	1	RR	
Domestic water pumps					
Sanitary waste and vent (sewer)	40	A	30		
Mechanical/HVAC					
Heating system	25-35	G	1	RR	
Cooling system	15-20				
Electrical					
Building power/wiring	70	A	30		
Switchgear/metering	40	A	20		
Emergency lighting/generator					
Smoke and fire detection	15	A	15		
Buzzer/intercom (security)					
Fire suppression					
Elevators					
Security					

Freddie Mac Loan Number

Report Date
August 5, 2019Property name
Park CrestSeller/Service name
CBRE Capital Markets, Inc.Address
4531 Logan AvenueSeller/Service number
106424Inspection date
July 30, 2019City, State, Zip
San Diego , CA 92113**Dwelling units**

Complete the estimated useful life, condition, remaining useful life, action and comments for the applicable items listed below. Indicate the condition using the following abbreviations: E = excellent, G = good, A = average, F = fair and P = poor. Indicate the action required using the following abbreviations: CR = Critical Repairs; PR = Priority Repairs; PR90 = 90 day Priority Repairs; OR = Operational Repairs and RR = reserve for future repair/replacement. See Section V for a complete description of each repair category. The consultant should attach additional information as needed. The consultant must also note any Mold observations on any component in the comment sections.

Item	Estimated Useful Life	Condition (E, G, A, F, P)	Remaining Useful Life	Action (CR, PR, PR-90, OR, RR)	Comments/Mold Observations
Unit entry door(s) and frame(s)	30	A	15		
Patio doors					
Smoke/fire detection	10	A	7		Replaced as needed by maintenance
Buzzer/intercom (security)					
Window coverings					
Flooring					
Carpet	7-9	A	1	RR	
Resilient flooring (vinyl)	15	A	1	RR	
Cabinetry					
Kitchen	25-30	A	15		
Bathrooms	25-30	A	15		
Countertops and Sinks					
Kitchen	25	G	20		
Bathrooms	25	G	15		
Appliances					
Refrigerator	15	A	1	RR	
Range/stove	25-30	A	1	RR	
Range vent	20	A	15		
Dishwasher					
Disposal	5-7	G	6		Replaced as needed by maintenance
Microwave					
Clothes washer					
Clothes dryer					
Bathroom fixtures					
Toilet	30	A	20		
Tub/shower and enclosures	20-25	A	15		
Accessories	15	A	13		

Section III: Repairs and Cost Estimates

Freddie Mac Loan Number	Report Date August 5, 2019	Property name Park Crest
Seller/Service name CBRE Capital Markets, Inc.		Address 4531 Logan Avenue
Seller/Service number 106424	Inspection date July 30, 2019	City, State, Zip San Diego , CA 92113

Repairs Identification

Were any Critical or Priority Repairs identified? ☐ Yes ☒ No

Were any Operational Repairs identified? ☒ Yes ☐ No

Operational Repairs

Description

Section IV: Private Wells, Wastewater Treatment Systems and Lift Stations

Freddie Mac Loan Number	Report Date August 5, 2019	Property name Park Crest
Seller/Service name CBRE Capital Markets, Inc.		Address 4531 Logan Avenue
Seller/Service number 106424	Inspection date July 30, 2019	City, State, Zip San Diego , CA 92113

Private Wells, Waste Water and Lift Stations

Indicate if any of the following systems are present at the property:

- ☐ Private wells
- ☐ Private wastewater treatment systems
- ☐ Private lift stations
- ☒ None of these systems are present

Section V: Manufactured Housing Communities

Freddie Mac Loan Number	Report Date August 5, 2019	Property name Park Crest
Seller/Service name CBRE Capital Markets, Inc.		Address 4531 Logan Avenue
Seller/Service number 106424	Inspection date July 30, 2019	City, State, Zip San Diego , CA 92113

Manufactured Housing Communities

Is the property a Manufactured Housing Community ("MHC"), or does it contain MHC units?

☐ Yes ☒ No



Section VI: Capital Needs Over the Loan Term

Freddie Mac Loan Number	Report Date August 5, 2019	Property name Park Crest	Building age 60
Seller/Service name CBRE Capital Markets, Inc.		Address 4531 Logan Avenue	Mortgage term 10+2
Seller/Service number 106424	Inspection date July 30, 2019	City, State, Zip San Diego , CA 92113	Number of units 140

Site																
Item	Quantity	Unit of Measure	Per Item Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Total
Carports																
Garages																
Maintenance structures																
Trash enclosures																
Roadways/Parking lots																
Asphaltic concrete																
Seal coat																
Concrete paving																
Other paving:																
Striping																
Curb and gutter																
Interior gutter (swale)																
Pedestrian paving/hardscape																
Signage																
Site utilities																
Site water lines																
Site sanitary lines																
Site lighting																
Site drainage (storm drainage)																
Landscaping																
Irrigation																
Site fences																
Tennis courts																
Swimming pool and/or spa																
Pool and/or spa plaster/liner																
Pool and/or spa heating equipment																
Pool and/or spa filtration equipment																
Pool and/or spa deck surface																

Item	Quantity	Unit of Measure	Per Item Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Total
Sauna																
Recreation/Play area and equipment																
Asphalt Pavement Mill and Overlay																
Pavement Seal, Strip, Minor Repairs	147000	SF	\$0.18					\$13,230						\$13,230		\$26,460

Freddie Mac Loan Number		Report Date August 5, 2019	Property name Park Crest	Building age 60
Seller/Servicer name CBRE Capital Markets, Inc.		Address 4531 Logan Avenue		Mortgage term 10+2
Seller/Servicer number 106424		Inspection date July 30, 2019	City, State, Zip San Diego , CA 92113	Number of units 140

Structural, building envelope and common area furniture, fixtures and equipment																
Item	Quantity	Unit of Measure	Per Item Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Total
Foundation (structural)																
Foundation (waterproofing)																
Building slab (structural)																
Exterior walls/roof (structural)																
Exterior walls (paint/finish)	140	EA	\$350.00							\$24,500	\$24,500					\$49,000
Doors and frames																
Windows and frames																
Stairs																
Fire escapes																
Balconies/handrails/guardrails																
Decks																
Patio slabs																
Unit fencing (patio fencing)																
Roof coverings	68200	SF	\$1.50					\$34,100	\$34,100	\$34,100						\$102,300
Roof drainage (gutters, drains, etc.)																
Building mounted lighting																
Common area improvements																
Common area floors	800	SF	\$2.50									\$2,000				\$2,000
Community facilities kitchen																
Community facilities appliances																
Community washing machines																
Community clothes dryers																

Freddie Mac Loan Number

Report Date
August 5, 2019

Property name
Park Crest

Building age
60

Seller/Servicer name
CBRE Capital Markets, Inc.

Address
4531 Logan Avenue

Mortgage term
10+2

Seller/Servicer number
106424

Inspection date
July 30, 2019

City, State, Zip
San Diego , CA 92113

Number of units
140

Mechanical and electrical																
Item	Quantity	Unit of Measure	Per Item Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Total
Mechanical/Plumbing																
Hot and cold water distribution																
Domestic water boilers																
Domestic water boiler peripherals																
Domestic water heaters	112	EA	\$300.00	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$2,800	\$33,600
Domestic water pumps																
Sanitary waste and vent (sewer)																
Mechanical/HVAC																
Heating system	48	EA	\$850.00	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$3,400	\$40,800
Cooling system																
Electrical																
Building power/wiring																
Switchgear/metering																
Emergency lighting/generator																
Smoke and fire detection																
Buzzer/intercom (security)																
Fire suppression																
Elevators																
Security																

Freddie Mac Loan Number				Report Date August 5, 2019				Property name Park Crest				Building age 60			
Seller/Service name CBRE Capital Markets, Inc.								Address 4531 Logan Avenue				Mortgage term 10+2			
Seller/Service number 106424				Inspection date July 30, 2019				City, State, Zip San Diego , CA 92113				Number of units 140			

Dwelling units																
Item	Quantity	Unit of Measure	Per Item Cost	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Total
Unit entry door(s) and frame(s)																
Patio doors																
Smoke/fire detection																
Buzzer/intercom (security)																
Window coverings																
Flooring																
Carpet	186	EA	\$650.00	\$10,075	\$10,075	\$10,075	\$10,075	\$10,075	\$10,075	\$10,075	\$10,075	\$10,075	\$10,075	\$10,075	\$10,075	\$120,900
Resilient flooring (vinyl)	93	EA	\$200.00	\$1,550	\$1,550	\$1,550	\$1,550	\$1,550	\$1,550	\$1,550	\$1,550	\$1,550	\$1,550	\$1,550	\$1,550	\$18,600
Cabinetry																
Kitchen																
Bathrooms																
Countertops and Sinks																
Kitchen																
Bathrooms																
Appliances																
Refrigerator	112	EA	\$400.00	\$3,737	\$3,733	\$3,733	\$3,733	\$3,733	\$3,733	\$3,733	\$3,733	\$3,733	\$3,733	\$3,733	\$3,733	\$44,800
Range/stove	56	EA	\$325.00	\$1,524	\$1,516	\$1,516	\$1,516	\$1,516	\$1,516	\$1,516	\$1,516	\$1,516	\$1,516	\$1,516	\$1,516	\$18,200
Range vent																
Dishwasher																
Disposal																
Microwave																
Clothes washer																
Clothes dryer																
Bathroom fixtures																
Toilet																
Tub/shower and enclosures																
Accessories																

TOTALS												
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Total (uninflated)	\$23,086	\$23,074	\$23,074	\$23,074	\$70,404	\$57,174	\$81,674	\$47,574	\$25,074	\$23,074	\$36,304	\$23,074
Inflation factor @ 3.0%	100%	103%	106%	109%	113%	116%	119%	123%	127%	130%	134%	138%

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12
Total Inflated	\$23,086	\$23,766	\$24,479	\$25,214	\$79,240	\$66,280	\$97,523	\$58,510	\$31,763	\$30,106	\$48,790	\$31,940
Total expenditures (uninflated)	\$456,660	Total expenditures per unit per year (uninflated)				\$272						
Total expenditures (inflated)	\$540,697	Total expenditures per unit per year (inflated)				\$322						

1.0 INTRODUCTION

1.1 Purpose and Reliance

CBRE Capital Markets, Inc. ("CLIENT") contracted with CBRE, Inc. ("CBRE") to conduct a PCA for the purposes of rendering an opinion of the Subject's general physical condition as of the day of our site visit, in accordance with the scope and terms of our agreement with CLIENT, and to prepare a Property Condition Report (PCR). A PCA cannot wholly eliminate the uncertainty regarding the presence of physical deficiencies and/or the performance of the Subject property's building systems. This was a "walk-through" survey. It was not the intent of this survey to be technically exhaustive, nor to identify every existing physical deficiency. Preparation of this PCR is intended to reduce, but not eliminate, the uncertainty regarding the potential for component or systems failure and to reduce the potential that such component or system may not be initially observed. There may be physical deficiencies that were not easily accessible for discovery, readily visible, or which could have been inadvertently overlooked. The results of our observations, together with the information gleaned from our research and interviews, were extrapolated to form both the general opinions of the Subject's physical condition and the Opinions of Probable Costs to remedy the physical deficiencies. This PCR must be used in its entirety, which is inclusive by reference to the agreement and limiting conditions under which it was prepared.

This PCR was specifically prepared for the use and reliance of CBRE Capital Markets, Inc. , a potential mortgagee, as an aid in underwriting and evaluating the collateral that would secure the Subject's mortgage. This PCR is exclusively for the use of CBRE Capital Markets, Inc. and is not for the use and benefit of, nor may it be relied upon by, any other person or entity, for any purpose, without the advance written consent of CBRE or as described in this PCR.

This report is for the use and benefit of, and may be relied upon by (a) the Seller/Servicer, Freddie Mac and any successors and assigns ("Lender"); (b) independent auditors, accountants, attorneys and other professionals acting on behalf of Lender; (c) governmental agencies having regulatory authority over Lender; (d) designated persons pursuant to an order or legal process of any court or governmental agency; (e) prospective purchasers of the Mortgage; and (f) with respect to any debt (or portion thereof) and/or securities secured, directly or indirectly, by the Property which is the subject of this report, the following parties and their respective successors and assigns:

- any placement agent or broker/dealer and any of their respective affiliates, agents and advisors;
- any initial purchaser or subsequent holder of such debt and/or securities;
- any Servicer or other agent acting on behalf of the holders of such debt and/or securities;
- any indenture trustee;
- any rating agency; and

- any institutional provider from time to time of any liquidity facility or credit support for such financings.

In addition, this report, or a reference to this report, may be included or quoted in any offering circular, information circular, offering memorandum, registration statement, private placement memorandum, prospectus or sales brochure (in either electronic or hard copy format) in connection with a securitization or transaction involving such debt (or portion thereof) and/or securities.

THIS REPORT IS THE PROPERTY OF CBRE AND CBRE Capital Markets, Inc. AND FREDDIE MAC AND WAS PREPARED FOR A SPECIFIC USE, PURPOSE, AND RELIANCE AS DEFINED WITHIN THE AGREEMENT BETWEEN CBRE AND CLIENT AND THIS REPORT.

1.2 Scope of Work

The scope of this survey included the following:

1. A single site visit was conducted consisting of a “walk-through” survey and representative observation of a minimum of approximately 10% of the units including all down units and all vacant units that have been vacated for more than 90 days, base building support areas, systems, roofs, etc. The field observer in cooperation with the property management selected the units for inspection. This PCR was not a building code, safety, regulatory, or environmental compliance inspection.
2. This building survey was conducted from street level and/or balcony level. The riding of scaffolding equipment was outside the scope of this PCR.
3. Neither physical nor invasive tests were conducted, nor were any samples collected or materials removed. Therefore, CBRE makes neither representations nor warranties regarding the moisture resistance of EIFS, curtainwalls, or other building envelope systems that would not otherwise be readily observable. Therefore, the waterproof integrity of such systems is considered outside the scope of this PCR.
4. Inquiries were made of the municipal building department to determine whether there were any material code violations on file. Code compliance inspections of the systems and components of premises, however, were beyond the scope of the Services provided.
5. Photographs were taken to document existing conditions, representative areas or systems, significant deficiencies, and/or evidence of deferred maintenance.
6. Opinions of Probable Costs were prepared, in accordance with criteria herein, for work to remedy the material physical deficiencies observed and to prepare a Modified Capital Reserve Schedule.
7. All of the above were evaluated and this report was prepared in a summary, non-narrative format that complies with the format established by Freddie Mac.
8. No measurements or counts of systems, components, floor areas, rooms, etc. or calculations were prepared.
9. This limited scan is not to be construed as a mold survey, which entails a thorough, specific inspection and also often includes destructive testing or the survey of areas behind walls, above ceilings, in tenant spaces and in other typically inaccessible areas. Moreover, CBRE does not warrant that all mold at the Subject has been identified, as mold may exist in un-surveyed areas or may have occurred subsequent to our site

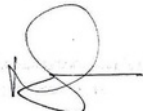

survey. During our survey, CBRE surveyed 10% of the units including all vacant and down units and at least 10% of the common areas. CBRE also performed interviews with property management concerns the potential for mold growth and HVAC maintenance history.

1.3 CBRE Certification

CBRE Assessment Services certifies that:

1. We have no present or contemplated future interest in the real estate that is the subject of this report;
2. We have no personal interest or bias with respect to the subject matter of this report, its ownership, management, or any of the Subject's service companies or vendors;
3. To the best of our knowledge and belief, any statement of fact contained in this report and any information provided by others, upon which our evaluation, opinions, and recommendations expressed herein are based, are true and correct;
4. The compensation received for this report is not contingent on any action or event resulting from the evaluations, opinions, recommendations, or the Opinions of Probable Costs expressed herein, or the use of this report;
5. This PCR was prepared in accordance with the required protocols and standards set by Freddie Mac;
6. The Property Evaluator performing this evaluation has the minimum standards and protocols set by Freddie Mac;
7. This PCR was prepared to disclose observed existing conditions and for information purposes only. CBRE does not warrant or guarantee the results of any of its opinions, information provided by others, or the adequacy of the Opinions of Probable Costs provided to remedy the Physical Deficiencies or for the Modified Capital Reserve Schedule; and
8. This PCR was prepared with the standard of care and skill ordinarily exercised by single-source construction consultants that specialize in conducting general overview, ASTM baseline PCR surveys under similar budget and time constraints on behalf of mortgagees for underwriting due diligence purposes.

2.0 CONSULTANT TEAM

Field Observer	Reviewer/Project Manager
	
Dennis Jones	Larry Perez

3.0 PROPERTY CHARACTERISTICS

3.1 INTRODUCTION

The report includes the following indicators of recommended action:

CR = Critical Repairs - These are repairs and replacements that significantly impact habitability, value, income or marketability and that must be corrected before Freddie Mac will proceed with the transaction.

PR-90 = Priority Repairs within 90 days - These are corrective actions that must be completed within 90 days, and are limited to:

- Imminent life safety hazards;
- Ongoing substantive damage to the property.

PR = Priority Repairs - These are repairs and replacements that are significant and must be addressed as soon as possible. Priority Repairs consist of:

- All non-imminent life safety hazards;
- Violations of any federal, State or local law, ordinance or code relating to zoning, subdivision and use, building and housing accessibility (including the Americans with Disabilities and Fair Housing Acts), health matters or fire safety;
- Material deficiencies *;
- Significant deferred maintenance *.

OR = Operational Repairs - These are repairs and replacements that consist of Minor Deficiencies, Minor Deferred Maintenance and Handicap Accessibility Enhancements that are expected to be completed by the Borrower as part of a repairs and maintenance budget and that cannot be reasonably resolved by Routine Maintenance. Operational Repairs consist of:

- Minor deficiencies *;
- Minor deferred maintenance *;
- Handicap Accessibility Enhancements *.

* Additional guidance can be found in Section 62.3(b) of the Freddie Mac Multifamily Seller/ Servicer Guide.

RR = Replacement Reserve.

INV = Investigation is Recommended.

Action entries are left blank where no action is required, or only routine maintenance will be required during the reserve term.

This report assumes that all systems are acceptable in condition and function, except as specifically noted.

3.2 SITE COMPONENTS

3.2.1 Site Configuration and Size

Item	Description	Action
Number of Parcels	One parcel(s); Rectangular in shape.	
Type of Parcels	Contiguous.	
Acreage	4.12 acres acre(s).	
Topography	The Property is generally flat, with mild slopes to drain.	
Bodies of Water	No bodies of water were observed at the Property.	
Other Characteristics	No other characteristics were noted.	

Comments and Observations

No deficiencies were observed or reported. Routine maintenance activities are anticipated during the reserve term.

3.2.2 Utilities

Item	Description	Action
Domestic Water	City of San Diego	
On-Site Well	There is no on-site well.	
Domestic Sewer	City of San Diego	
On-Site Sewage	There is no on-site sewage treatment.	
Storm Drainage	Storm water is collected by the municipal system.	
Electricity	SDG&E	
Natural Gas	SDG&E	
Propane	N/A	
Fuel Oil	N/A	
Internet / Cable Provider and Speed	Internet and cable TV are available to the tenants on site.	

Comments and Observations

Utilities are performing as expected, with no reported deficiencies. Routine maintenance activities are anticipated during the reserve term.

3.2.3 Grading, Drainage, and Site Landscaping

Item	Description	Action
Property Storm Water Drainage	Property storm water is directed from roofs to the paved and landscaped areas. Storm water is then diverted via storm drains to the municipal underground storm water system.	
Catch Basins	Concrete catch basins are located throughout the site.	
Retention/ Detention Ponds	There are no retention or detention facilities at the Subject.	
Drywells	There are no drywells at the Subject.	
Erosion	Erosion was not observed.	
Grading	Grading appears to slope away from the buildings.	
Landscaping	Landscaping was noted at the building exteriors and streetscapes.	
Irrigation	Irrigation is provided for the landscaping, and appears adequate for maintaining the plantings.	
Landscape Stairs and Rails	Cast-in-place concrete landscape stairs are provided at changes of grade on site. Rails are painted tubular metal.	
Water Features	There are no water features at the Subject.	
Other Landscape Features	There are no other landscape features.	
Waste Enclosures	Waste enclosures are constructed of painted concrete masonry units with no gates.	

Comments and Observations

No deficiencies were reported or observed. Catch basins, if observed to be clogged, can be cleared as part of routine maintenance activities.

3.2.4 Water and Sanitary Lines

Item	Description	Action
Site Water Lines	The site underground water lines are reportedly copper.	
Site Sanitary Lines	The site sanitary lines were underground and could not be observed.	

Comments and Observations

No concerns were reported or observed regarding the site water supply and site sanitary lines. Routine maintenance activities are anticipated during the reserve term.

3.2.5 Ingress/Egress

Item	Description	Action
Site Access and Egress	Vehicles access the site from two driveways, from Logan Avenue, and 45th Street	
Site to Municipal Walkways	Site sidewalks were observed to connect to municipal walkways.	
Secured Access	Vehicle access is secured by a card-activated gates. Pedestrian access is secured by locked gates in the perimeter fence.	
Site Signage	Property signage is located on a freestanding sign located at corner of Logan and 45th Street	

Comments and Observations

No concerns were reported or observed regarding the site ingress/egress systems. Routine maintenance activities are anticipated during the reserve term.

3.2.6 Parking, Flatwork and Walkways

Item	Description	Action
Asphalt Pavement	Asphalt pavement is utilized for driving and parking surfaces.	RR
Concrete Pavement	Concrete pavement is utilized for driving and parking surfaces.	
Other Pavement	There is no other type of pavement at the Subject.	
Pedestrian Sidewalks	Pedestrian sidewalks are constructed of concrete.	OR
Curb and Gutter	Curb and gutter are constructed of concrete.	
Paved Drainage Swales	Drainage swales are paved with concrete to concrete storm drains.	
Pool Decks	There are no pool decks.	
Unit Patios	There are no unit patios.	
Total Number of Parking Spaces	90	
Accessible Parking Spaces	4	
Carport or Garage Covered Parking Spaces	NA	

Comments and Observations

The asphalt pavement sealcoating was observed to be worn, and restriping of the parking spaces was observed to be faded. Additionally, low severity linear cracks were observed throughout the asphalt pavement. Isolated sections of the concrete pavement were observed to be cracked, settled or spalled at ingress/egress driveways. Ongoing sealcoating, striping and minor repairs are anticipated during the term.

of sidewalks sections are severely cracked and deteriorated. Such conditions were noted at Building 4537 across from entrance to building and main walkway from Logan Avenue to Leasing office. Remove deteriorated sections, prepare bed, and install new sidewalks. Sidewalk sections that exhibit cracks but that do not warrant replacement should have all cracks pointed with a non-shrinking grout. These are Operational Repairs.

Recommendation

Recommendation	Year	Cost
Pavement Seal, Strip, Minor Repairs	5 11	\$13,230 \$13,230
Pedestrian paving/hardscape		
Total		\$26,460

3.2.7 Site Lighting

Item	Description	Action
Site Lighting	Site lighting consists of pole lights in the parking areas, and building-mounted lighting. Site lighting is reported to be controlled by property maintenance.	
Unit Exterior Lighting	Unit lighting consists of a fixture at the entry door. Unit exterior lighting is controlled by switches operated by the tenants.	

Comments and Observations

Site lighting is performing as expected, with no reported deficiencies. Routine maintenance activities are anticipated during the reserve term.

3.2.8 Site Fencing and Retaining Walls

Item	Description	Action
Site Perimeter Fencing	Site fencing is constructed of painted tubular metal. Site fencing is constructed of chain link mesh.	

Item	Description	Action
Unit Patio Fencing	There is no unit patio fencing at the Subject.	
Retaining Walls	Dry-stacked concrete masonry retaining walls were observed at west side near Leasing office. Stucco covered mortared concrete masonry unit retaining walls were observed at main entry walkway near Leasing office.	

Comments and Observations

No deficiencies were observed or reported. Routine maintenance activities are anticipated during the reserve term.

3.3 ARCHITECTURAL COMPONENTS

3.3.1 Foundations

Item	Description	Action
Grade at the Foundation	The grade at the foundations slopes away from the building.	
Foundation Structure	Construction documents were not available. Based on our experience with this type of structure, the foundations consist of a concrete slab-on-grade, with continuous perimeter reinforced concrete spread footings and interior isolated spread footings and column pads.	
Basements	There are no basements at the Subject.	
Concrete Floor Slabs	Concrete floor slabs appeared level, with an acceptable level of minor shrinkage cracking.	
Crawl Spaces	No crawl spaces were observed at the Subject.	
Crawl Space Insulation	NA	
Substructure Parking Garage	There is no parking structure at the Subject.	
Moisture or Water Infiltration Observed?	Moisture or water infiltration of the substructure was not observed.	
Sumps	Sumps were not observed at the Property.	

Comments and Observations

The foundations are performing as expected, with no reported deficiencies. Routine maintenance activities are anticipated during the reserve term.

3.3.2 Framing

Item	Description	Action
Wall Framing System	The superstructure appears to be conventional wood stud framing.	
Upper Floor Framing System	Upper floor framing consists of wood beams supporting a plywood or OSB sub-floor.	
Roof Framing System	Roof framing consists of pre-manufactured wood trusses, supporting plywood or OSB roof sheathing.	
Insulation	Wall insulation was presumed to be present, but was not observed.	
Fire Retardant Plywood Observed?	Fire-resistant plywood was not observed or reported.	
Other Concerns Noted?	No other concerns were noted.	
Interior Stair Framing	Interior stairs are constructed with conventional wood framing.	

Comments and Observations

No deficiencies were observed or reported. CBRE anticipates the framing system will last past the evaluation period with routine maintenance.

3.3.3 Building Cladding / Exteriors

Item	Description	Action
Facade Finishes	Facades are finished with painted stucco plaster.	RR
Exterior Insulation and Finishing System (EIFS)	EIFS exterior finishes were not observed.	
Compressed Wood Panel or Masonite Panel	Compressed wood panels or Masonite panels were not observed at the Property.	
Sealants and Caulking	Sealant and caulking at dissimilar surfaces are patent and appear flexible.	

Item	Description	Action
Evidence of Vandalism or Graffiti	Evidence of vandalism and graffiti was not observed.	

Comments and Observations

Based on its observed conditions and EUL, budgeting for repainting of the exterior finishes is recommended during the term. Recaulking will be required during the reserve term and can be completed during repainting scope of work above.

Recommendation

Recommendation	Year	Cost
Exterior walls (paint/finish)	7 8	\$24,500 \$24,500
Total		\$49,000

3.3.4 Roof Systems

Item	Description	Action
Roof Type	The main roofs are low-slope.	
Roof Access Provided	Access to the roof was provided by ladder.	
Roof Material - Main Roof	The roofing material is a BUR with gravel ballast.	RR
Roof Material - Ancillary Roof	The roofing material is tile at Leasing office and Laundry building. Roofing at the maintenance office is asphalt shingles.	
Roof Age	Roofing age is estimated to be 20 years old. Management reported that the roofs were replaced in 1999.	
Parapets	Parapets were not observed at the Subject.	
Roof Flashing	Roof flashing, where observed, is painted or galvanized sheet metal.	
Roof Drainage	The roofs drain by sheet flow over the edge of the overhangs.	
Roof-Mounted Equipment	PV solar panels have been installed on 7 buildings. No roof-mounted equipment was observed.	
Ponding	Ponding was not observed at the Property.	
Debris	Minor debris was noted at Building 4537. The debris can be removed as part of routine maintenance activities.	OR
Active Roof Leaks	No evidence of active roof leaks was reported or observed.	

Item	Description	Action
Historic Roof Leaks	No historic roof leaks were reported. Staining of interior ceilings was not observed.	
Roof Warranties	No information regarding roofing warranties was available.	
Roof Maintenance	Roofing maintenance is handled by the on-site staff, calling on outside contractors as required.	
Green Roof Technologies or "Cool Roof" Systems, and SRI Ratings	Green Roof Technologies, roof gardens, "Cool Roof" systems, or SRI ratings were not observed and information was not available.	

Comments and Observations

Based on its EUL, and its reported and observed conditions, CBRE recommends budgeting for replacement of the BUR roofing systems during the term. The tile roofing systems and asphalt shingle systems are anticipated to last beyond reserve term.

Recommendation

Recommendation	Year	Cost
Roof coverings	5	\$34,100
	6	\$34,100
	7	\$34,100
Total		\$102,300

3.3.5 Appurtenances

Comments and Observations

There are no Exterior Appurtenances provided at the Subject

3.3.6 Doors and Windows

Item	Description	Action
Windows	Windows are vinyl framed. Windows are sliding units.	
Unit Entry Doors and Hardware	Entry doors are metal doors in wood frames.	
Unit Patio Doors	NA	

Item	Description	Action
Service Doors and Hardware	Service doors are metal doors in wood frames.	
Overhead Doors	No overhead doors were observed at the Property.	
Window or Door Leaks	Window and door leaks were not reported or observed.	
Weatherstripping and Doorsweeps	Weatherstripping was observed at doors and windows.	

Comments and Observations

The doors and windows are performing as expected, with no reported deficiencies. Routine maintenance activities are anticipated during the reserve term.

3.3.7 Amenities

Item	Description	Action
Swimming Pools and Spas	There are no pools or spas at the Subject.	
Leasing Office	The leasing office is part of the clubhouse building.	
Clubhouse / Meeting Rooms	A clubhouse is provided. It contains a kitchen, meeting room and the leasing office.	
Fitness Room	There is no fitness center.	
Business Center	A business center is not provided.	
Common Laundry	Common laundry facilities are provided at east and west side of site. They contain 7 washers and 8 dryers. The laundry equipment is leased from a third party vendor.	
Playground Equipment	There is no playground equipment provided.	
BBQ Area	BBQ facilities are not provided.	
Sport Courts	No sport courts are provided.	
Dog Park	There is no dog park at the Property.	
Bicycle Parking or Storage	Bicycle parking or storage was not observed.	
Carports	There are no carports at the Property.	
Individual Vehicle Garages	No individual garages were observed.	
Self Storage Units	There are no self storage units at the Subject.	

Item	Description	Action
Maintenance Buildings	There is a freestanding maintenance building, constructed with similar materials as the residential buildings.	
Other Amenities	There are no other amenities.	

Comments and Observations

Interior finish and equipment replacement is discussed in the Common Area interiors and Common FF&E Section below.

3.4 MECHANICAL/ELECTRICAL/PLUMBING COMPONENTS

3.4.1 Water Distribution and Domestic Hot Water

Item	Description	Action
Water Source	Water is provided by the municipal utility.	
Domestic Water Piping	Domestic pipe was not able to be observed, but was reported to be copper.	
Galvanized Pipe	No galvanized pipe was observed or reported at the Property.	
Polybutylene Pipe	Polybutylene pipe was not observed or reported at the Property.	
Pipe Insulation	Pipe insulation was observed at water heaters. Pipe insulation is typically neoprene sleeve material.	
Domestic Water Heaters	Water heaters are gas-fired, 30-40 gallon units. Individual water heaters are supplied to each unit. Water heaters are located in a closet in the unit. Individual water heaters vary in age.	RR
Domestic Water Boilers	There are no boilers for domestic water heating at the Property.	
Water Softening Equipment	Water softening equipment was not observed.	
Natural Gas Pipe	Natural gas pipe was observed to be painted black steel pipe.	

Comments and Observations

Based on their EUL, budgeting for replacement of the water heaters is recommended during the term.

Recommendation

Recommendation	Year	Cost
Domestic water heaters	1	\$2,800
	2	\$2,800
	3	\$2,800
	4	\$2,800
	5	\$2,800
	6	\$2,800
	7	\$2,800
	8	\$2,800
	9	\$2,800
	10	\$2,800
	11	\$2,800
	12	\$2,800
Total		\$33,600

3.4.2 Sanitary Waste and Vent

Item	Description	Action
Waste and Vent Pipe	Waste and vent pipe was not able to be observed, but is reported to be cast iron.	
ABS Pipe	ABS pipe was not reported or observed on site.	
Lift Stations	Lift stations were not observed or reported at the Property.	
Waste Treatment	Waste is treated by the municipal system.	

Comments and Observations

No deficiencies were observed or reported. Routine maintenance activities are anticipated during the reserve term.

3.4.3 Heating/Cooling System and Controls

Item	Description	Action
Heating and Cooling System	Heating is provided by gas-fired wall mounted heaters. Cooling is not provided.	RR
Split Systems	Split systems consist of pad mounted condensers and gas-fired furnaces at Leasing office	
Package Units	Package units were not observed at the Property.	
Central Boiler	Central boilers are not utilized at the Property.	

Item	Description	Action
Chiller	Chillers are not utilized at the Subject.	
Cooling Tower	Cooling towers are not utilized at the Subject.	
Air Handlers	Air handlers were not observed at the Property.	
PTAC Unit	PTAC units are not utilized at the Subject.	
Through Wall AC	Through-the-wall air conditioning units were not observed.	
HVAC Unit Capacities	Split systems serving the common areas have capacities 4 tons.	
HVAC Unit Ages	Split systems vary in age, and are replaced as required.	
Energy Management Systems	The Property does not utilize an energy management system.	
Cadet Wall Heaters	Cadet wall heaters were not reported or observed at the Property.	
Thermostats	Each unit's heating is controlled by thermostats. Thermostats are not programmable.	
Maintenance	Maintenance is handled by on-site staff, calling on third-party contractors as required.	
Warranties	No information regarding warranties was available.	

Comments and Observations

The wall hung heating units are in good to fair condition, relative to their individual age. Cycle replacement are anticipated during the reserve term.

Recommendation

Recommendation	Year	Cost
Heating system	1	\$3,400
	2	\$3,400
	3	\$3,400
	4	\$3,400
	5	\$3,400
	6	\$3,400
	7	\$3,400
	8	\$3,400
	9	\$3,400
	10	\$3,400
	11	\$3,400
	12	\$3,400
Total		\$40,800

3.4.4 Ventilation Systems

Item	Description	Action
Type	Passive ventilation is provided by operable windows. Bathroom and kitchen ventilation is provided.	
Vents	Vent openings are clean and well-maintained. Vent chases could not be observed.	
Controls	Heating units are controlled by thermostats. Bath and kitchen vents are controlled with local switches.	

Comments and Observations

No deficiencies were observed or reported. Routine maintenance activities are anticipated during the reserve term.

3.4.5 Electrical Service

Item	Description	Action
Service Supply	Electrical service to the Property was observed to be 200-amp, 120/240 volt, single phase, three wire alternating current (AC).	
Unit Service Capacity	Unit service was observed to be 40 amps per unit. Unit service is less than 60 amps. Heating, cooking, and domestic hot water are all provided by natural gas. The Site Contact reported no issues with capacity. The capacity appears to be adequate for the use.	
Wiring	Branch wiring was observed/reported to be copper.	
Meters	The Property is individually metered per tenant.	
Breakers	Breakered subpanels were observed. The subpanels are not labeled.	
Fuses	Fused subpanels were not observed.	
GFCI	GFCI outlets were noted at required locations where access was provided.	
Transformers	Transformers are pad-mounted, and are the property of the electric utility.	
Generator	No generators were observed or reported.	

Comments and Observations

No deficiencies were observed or reported. Routine maintenance activities are anticipated during the reserve term.

3.4.6 Fire and Life Safety Systems

Item	Description	Action
Fire Sprinklers	The Property does not utilize fire sprinklers.	
Fire Sprinkler Inspection	NA	
Recalled Sprinkler Heads	NA	
Fire Alarm	No fire alarm system was observed.	
Fire Alarm Inspection	NA	
Emergency Exit Lighting	Emergency exit lighting was not observed.	
Fire Extinguishers	Fire extinguishers are located in the stairways at each building.	
Fire Extinguisher Inspection	Fire extinguisher inspection tags are current and dated April 22, 2019	
Dry Chemical Extinguishers	No dry chemical extinguishing equipment was observed.	
Smoke Detectors	Smoke detectors were observed in appropriate locations.	
CO Detectors	CO detectors were present in the observed units.	

Comments and Observations

No deficiencies were observed or reported. Routine maintenance activities are anticipated during the reserve term.

3.4.7 Elevators

Comments and Observations

The Subject has no vertical transportation

3.4.8 Site Security

Item	Description	Action
Site Security	There is no site security at the Property.	
Unit Security	Unit security consists of conventional door and window locks.	

Comments and Observations

No deficiencies were observed or reported. Routine maintenance activities are anticipated during the reserve term.

3.5 INTERIOR COMPONENTS

3.5.1 Common Area Interiors and Common FF&E

Item	Description	Action
Common Area Walls and Ceilings	Common areas walls and ceilings are painted drywall. Common area ceilings are sprayed acoustic texture.	
Common Area Flooring	Common area flooring is a combination of carpet, vinyl and laminate.	RR
Common Area Interior Doors	Common area doors are painted panel doors in wood frames.	
Common Area Cabinetry	Common area cabinetry is stained hardwood veneer.	
Common Area Countertops	Common area countertops are solid surface material (Corian or quartz).	
Common Area Appliances	A refrigerator, range, hood, microwave are provided in the common area.	
Common Corridors	Common corridors are finished with painted drywall walls and ceilings and carpet flooring.	
Common Area Furnishings	Common area furnishings consist of seating and office furniture.	

Comments and Observations

Based on its observed condition and EUL, the common area carpeting is anticipated to require replacement during the reserve term.

Recommendation

Recommendation	Year	Cost
Common area floors	9	\$2,000
Total		\$2,000

3.5.2 Dwelling Unit Summary and Units Observed

Please refer to *Section I: Summary* for unit mix and unit inspection information.

Units observed were chosen by the Property.

3.5.3 Unit Finishes

Item	Description	Action
Unit Renovation History	No unit renovation history was available.	
Walls and Ceilings	Walls are painted drywall. Ceilings are sprayed acoustic material.	
Problematic Drywall	Evidence of problematic drywall was not observed.	
Flooring	Flooring is a combination of carpet and laminate.	RR
Window Coverings	Window coverings consist of vertical blinds. Window coverings are replaced as part of routine maintenance.	
Unit Furnishings Provided?	Unit furnishings are not provided.	
Retail/Commercial Unit Interiors	There are no retail or commercial spaces on site.	

Comments and Observations

Maintenance appears to be generally adequate and is addressed as part of unit turns, tenant request, or periodic inspections. Capital reserves are provided for typical replacement of the flooring over the term. Other finish components can be maintained as part of the normal maintenance operations during the term.

Recommendation

Recommendation	Year	Cost
Carpet	1	\$10,075
	2	\$10,075
	3	\$10,075
	4	\$10,075
	5	\$10,075
	6	\$10,075
	7	\$10,075
	8	\$10,075
	9	\$10,075
	10	\$10,075
	11	\$10,075
	12	\$10,075
Resilient flooring (vinyl)	1	\$1,550
	2	\$1,550
	3	\$1,550
	4	\$1,550
	5	\$1,550
	6	\$1,550
	7	\$1,550
	8	\$1,550
	9	\$1,550
	10	\$1,550
	11	\$1,550
	12	\$1,550
Total		\$139,500

3.5.4 Unit Cabinets, Counters, and Sinks

Item	Description	Action
Cabinetry	Unit cabinetry is finished with stained hardwood veneer.	
Countertops	Unit countertops are solid-surfacing material.	
Kitchen Sink	The kitchen sink is stainless steel.	

Comments and Observations

The cabinets, counters and sinks were observed to be in generally good and operable condition and should only require periodic routine maintenance during the term of the loan. Minor repairs and replacements can be performed by onsite maintenance personnel on an as needed basis or as the units are turned.

3.5.5 Unit Appliances

Item	Description	Action
Recalled Appliances	Recalled appliances were not observed.	
Renovation History	There has been no renovation program. Appliances are replaced as required at tenant turnover.	
Refrigerator	Provided	RR
Range Vent	Provided	
Range	Provided	RR
Microwave/Vent Combination	Not Provided	
Microwave	Not Provided	
Disposal	Provided. Replacements are routine maintenance.	
Dishwasher	Not Provided	
Unit Washer	Not Provided	
Unit Dryer	Not Provided	

Comments and Observations

CBRE recommends reserves for typical replacements based upon the effective useful life (EUL) of appliances over the evaluation period. Ongoing cyclical replacements are warranted; see the reserve schedule for cost projections.

Recommendation

Recommendation	Year	Cost
Refrigerator	1	\$3,737
	2	\$3,733
	3	\$3,733
	4	\$3,733
	5	\$3,733
	6	\$3,733
	7	\$3,733
	8	\$3,733
	9	\$3,733
	10	\$3,733
	11	\$3,733
	12	\$3,733

Recommendation	Year	Cost
Range/stove	1	\$1,524
	2	\$1,516
	3	\$1,516
	4	\$1,516
	5	\$1,516
	6	\$1,516
	7	\$1,516
	8	\$1,516
	9	\$1,516
	10	\$1,516
	11	\$1,516
	12	\$1,516
Total		\$63,000

3.5.6 Bathroom Vanities, Basin, Shower/Tub and Toilet

Item	Description	Action
Bathroom Lavatory	The bath lavatory is porcelain. Lavatory handles are knob style.	
Tub and Surround	The tub is porcelain over steel. The surround is ceramic tile.	
Toilet	The toilet is a low-flow, standard flush unit.	

Comments and Observations

The bath fixtures and fittings are in good condition relative to age, and are expected to perform during the reserve term. Individual early replacements can be completed as part of routine maintenance.

4.0 MICROBIAL GROWTH AND WOOD DESTROYING ORGANISMS

4.1 MOISTURE AND MICROBIAL GROWTH

Based on representative observations and our interviews with on-site management personnel CBRE was not informed, nor did we observe significant visual indications of the presence of mold or conditions that tend to promote the growth of mold. No current or past mold, or mold-related issues, were reported by property management. In addition, no complaints pertaining to mold were provided to CBRE by the residents of which we interviewed.

4.2 PEST MANAGEMENT AND WOOD DESTROYING ORGANISMS

During our site visit we interviewed on-site property management regarding wood-damaging

insects along with other pests and vermin. In addition, a visual survey for wood damaging insects along with other pests and vermin was conducted. The survey was limited to visual observations in the areas walked and should not be considered a comprehensive survey of the property. No inspection or investigation behind walls or in any other generally inaccessible areas was performed. Based on our interview with on-site management and our on-site observations, no obvious evidence of termite, pest, or vermin activity or damage was observed or reported.

According to property management, the Subject does not have any termite bond in effect. Routine pest control services are provided on an as needed basis.

5.0 SPECIAL HAZARDS

5.1 PEAK GROUND ACCELERATION

In accordance with the most recent United States Geological Service data, the property's Peak Ground Acceleration with a 10% probability of being exceeded in 50 years is 0.223g. This is above Freddie Mac's threshold of 0.15g, therefore, additional seismic analysis is required.

Refer to the 1105 Form, Section I for risk factor analysis. If one or more of the risk factors is present, then CBRE will provide an SRA under separate cover.

5.2 FLOOD HAZARD

CBRE researched the location of the property with respect to its Flood Plain status on Flood Insurance Rate Maps ("FIRM"). FIRM maps provide the information needed to determine whether a specific property is within a Special Floodway Hazard Area, which is the flood insurance zone that applies to the property. The research indicated that the property is located in Zone X - (i) areas outside the one-percent annual chance floodplain, (ii) areas of one-percent annual chance sheet flow flooding where average depths are less than one foot, (iii) areas of one-percent annual chance stream flooding where the contributing drainage area is less than one square mile, or (iv) areas protected from the one-percent annual chance flood by levees. Insurance purchase is not required in this zone according to FEMA.

The Map No. for this flood determination is 06073C1903G and is dated May 16, 2012.

5.3 OTHER HAZARDS/GEOGRAPHIC CONDITIONS/CATASTROPHIC LOSS POTENTIAL

Propensity Towards Other Hazards

EVENT	YES	NO
Volcanic Activity		✓
Hurricane		✓
Tornado		✓

EVENT	YES	NO
Sinkhole		✓
Landslide		✓
Wildfire		✓

Comments and Observations

CBRE did not review plans as part of this assessment; the property is assumed to have been constructed in accordance with applicable codes and pertinent design criteria at the time of original development. Our observations are based upon readily available information from management, governments, and a visual walkthrough survey of the property. The building design and construction type appears to be of industry standard methods for a property of this type, vintage, and geographical location. CBRE was not made aware of any conditions that may affect the performance of the Property during a catastrophic event.

5.4 REGULATORY COMPLIANCE

5.4.1 ZONING

The Property is zoned RM2-5 by the City of San Diego . The property appears to be a conforming use.

5.4.2 CODE ENFORCEMENT

Department	Contacts	Findings
Building Department	Desk Clerk 619-236-5000	A FOIA request was filed. No information has been received as of the date of this report.
Planning/Zoning Department	Planning Desk Clerk 619-235-5200	A FOIA request was filed. No information has been received as of the date of this report.
Fire Department	Fire Prevention 619-533-4300	A FOIA request was filed. No information has been received as of the date of this report.
Health Department		

Certificates of Occupancy

As of the writing of this report, CBRE has not received a copy of the CO.

6.0 ACCESSIBILITY

6.1 Americans with Disabilities Act

The ADA is a Federal law that became effective on January 26, 1992. Per Title III of the ADA, all areas of newly designed or newly constructed buildings or facilities and altered portions of existing buildings and facilities are required to be compliant with ADA requirements. Furthermore, all areas of "Public Accommodation" are required to remove physical barriers to entering and using existing facilities when "readily achievable", irrespective of age. Readily achievable is defined in Title III as "easily accomplishable and able to be carried out without much difficulty or expense. The term "readily achievable" is somewhat subjective. New case law is continually developing as to its interpretation, and remedies include varying levels of conformance and it is generally handled on a case by case basis. Ultimately, the owner of the facility is responsible to determine compliance levels.

Our walk-through survey for ADA general compliance included only a limited, visual review with respect to the Subject's compliance with Title III of the ADA and is intended to identify certain obvious items that do not appear to be in general conformance with the Title III requirements; without inferring that correction of the reported items will bring the property into total compliance with the ADA. While opinions of cost to correct or remove noted barriers may be provided herein, they do not constitute an opinion that elimination of the barriers is "readily achievable" and not an "undue burden" as defined by the ADA; the owner must determine this issue.

CBRE did not take any measurements or counts as part of this survey. The scope of our survey was limited to the determination of general compliance with physical attributes of the property, which affect exterior access to the building: accessible exterior route, accessible parking, entrances, etc. While some of CBRE's comments regard the reported or observed accessibility of common area interior spaces, such as toilet facilities, we did not specifically evaluate each and every area as part of our walk-through survey; only representative observations were conducted. CBRE did not conduct an extensive, detailed ADA compliance review, which most probably would identify other items at the facility that are not in compliance with ADA regulations. Additionally, CBRE's review did not assess local code requirements that, in some instances, may conflict with or supersede ADA requirements.

Items of non-conformance were noted without regard as to whether or not they are, by ADA definition, "readily achievable." Factors to be considered in determining whether or not an action is "readily achievable" include the nature and cost of the action, the number of persons employed at the Subject, and the financial resources available to ownership. The decision as to which actions are to be undertaken as "readily achievable" is to be determined by building ownership in consultation with its accountants, attorneys, and design/construction professionals.

Comments and Observations

With respect to the disabled, the number of spaces provided for the handicapped is adequate. No further action is required at this time.

6.2 Federal Fair Housing Act

Multifamily property built for first occupancy after March 13, 1991 is required to comply with the

Federal Fair Housing Amendments Act of 1988 (FFHAA) (Public Law 100-430). The FFHAA enacted prohibitions against discrimination in housing on the basis of race, color, religion, sex, handicap, familial status, or national origin. The FFHAA also requires reasonable modification of dwellings, reasonable accommodation in policies for the disabled, and that the design and first construction of certain new multi-family dwellings built for first occupancy after March 13, 1991 meet certain adaptability and accessibility requirements. These requirements cover multifamily buildings that offer four (4) or more dwelling units if constructed for first occupancy after March 13, 1991. The Department of Housing and Urban Development (HUD) has published Final Design Guidelines (see Federal Register, 24 CFR, Vol. 56, No. 44, March 6, 1991, page 9497).

Comments and Observations

The facility was first occupied prior to March 13, 1991 and is therefore not required to comply with the provisions of the FFHAA.

7.0 AREAS OF ADDITIONAL ASSESSMENT

7.1 KNOWN PROBLEMATIC BUILDING MATERIALS

If known Problematic Building Materials are identified, those materials are discussed in the appropriate subsection of Section 3.0 Property Characteristics above.

7.2 REPORTED PAST CAPITAL REPAIRS

No past capital repairs were reported.

7.3 WORK IN PROGRESS OBSERVED

No work in progress operations were observed or reported.

7.4 PLANNED CAPITAL IMPROVEMENTS AND REPAIRS

No planned capital improvements and repairs were reported.

8.0 REFERENCES, PROCEDURES AND LIMITING CONDITIONS

8.1 REFERENCES

This report was generated using the Freddie Mac Seller Service Guide Chapter 62 and related Freddie Mac guidance documents. This PCR has been certified by CBRE to have been prepared

in accordance with the required protocols and standards set by Freddie Mac.

The cost databases used in the preparation of the Cost Estimate Schedules for Immediate Repairs and the Replacement of Capital Items were based on a compilation of the CBRE internal cost database, RSMeans, and Marshall & Swift published databases.

8.1.1 Interviews and Documents Reviewed

For municipal interviews, please see the Section "CODE ENFORCEMENT" above.

Available on-site property management and maintenance personnel were interviewed by CBRE to inquire about historical repairs/improvements, pending repairs/ improvements, and latent and or chronic physical deficiencies. More specifically, we met with Julio Morales, and discussed the Subject's maintenance history, existence of any patent or latent defects, and proposed improvements, if any.

To the extent that Client, the Subject's ownership or building management personnel have provided information regarding the Subject's operation, conditions, quantities, and capacities, and that such information appears reasonable, CBRE has taken the position that such information is correct and complete. This information, taken in context with CBRE's observations, assisted CBRE in forming its opinions of the Subject's general physical condition and, in some cases, disclosed physical deficiencies that would not otherwise be readily observable.

Upon being awarded this assignment, CBRE issued a written request to the owner or his agent to provide CBRE with certain information and/or documentation to review on behalf of Client, which was specifically intended to identify or assist in the identification of: patent and latent physical deficiencies as well as any preceding or ongoing efforts to remedy same; the costs to investigate or remediate the physical deficiencies; or a combination thereof.

The Documentation & Information Checklist and a Pre-survey Questionnaire & Disclosure Statement (collectively, the "Checklists") were forwarded to the property manager or ownership to be completed and returned to CBRE prior to our site visit. The Checklists requested such information as: CO; safety inspection records; roof warranty information; age of pertinent building systems (roofing, paving, plumbing, heating, air conditioning, electrical, etc.); historical costs for repairs, improvements, recurring replacements, etc.; pending proposals for or executed contracts for repairs, improvements, forensic studies, or planned or future work; outstanding citations for building, fire, and zoning violations; any ADA survey and status of any improvements to implement same; and any previously prepared PCRs or building technical forensic studies. Below is a checklist of documents received. Refer to the Exhibits for copies of these documents.

CBRE shall have no obligation to retrieve or review any information that was not provided to CBRE in a reasonable time to formulate an opinion and to complete this PCR. If such information appeared reasonable, it was relied upon by CBRE in forming its opinions.

The Checklists inquired of latent defects, the discovery of which is beyond the scope of this survey, and historical repairs and improvements. Obtaining this information prior to our site

visit is part and parcel of this PCR's due diligence process. It was to assist our research in discovering chronic problems, the extent of repairs and their costs, pending repairs and improvements, and existing physical deficiencies.

CBRE shall have no obligation to retrieve or review any information that was not provided to CBRE in a reasonable time to formulate an opinion and to complete this PCA. If such information appeared reasonable, it was relied upon by CBRE in forming its opinions.

CBRE's Checklists were not returned by the property manager or ownership. The Checklists inquired of latent defects, the discovery of which is beyond the scope of this survey, and historical repairs and improvements. Obtaining this information prior to our site visit is part and parcel of this PCA's due diligence process. It was to assist our research in discovering chronic problems, the extent of repairs and their costs, pending repairs and improvements, and existing physical deficiencies.

8.2 PROCEDURES

8.2.1 Assessment Methodology

This survey consists of interrelated components that assisted CBRE in formulating the opinions expressed herein. The scope and extent of CBRE's site visit and the Opinions of Probable Costs to remedy the significant physical deficiencies are both affected by the timeliness and completeness of information disclosed by ownership or Client and as a result of our research and interviews.

Based upon observations during our site visit and information received from our interviews with building management, which for purposes of this report was deemed to be reliable, CBRE prepared order-of-magnitude estimates to cure or repair noted deficiencies or to budget for future expenditures. Such costs were considered commensurate with the Subject's position in the market and prudent expenditures. These estimates are for components or systems exhibiting major patent defects, significant deferred maintenance, or other existing deficiencies requiring major repairs or replacement. In some cases, a continuation of an ongoing chronic repair or maintenance program may be deemed an appropriate remedy for certain inherent defects; the cost of a complete cure may not be commensurate with either the asset or the deficiency.

Repairs or improvements that could be classified as (i) cosmetic, (ii) decorative, (iii) part or parcel of a building renovation program or to reposition the asset for the marketplace and, (iv) routine or normal building maintenance, or (v) the responsibility of tenants were not included. These costs have been provided as defined on the Freddie Mac Seller Servicer Guide Chapter 14, and supporting documentation.

The site visit consisted of a visual walk-through survey of the Subject's easily accessible and readily observable areas to note significant deferred maintenance and the general condition of major components and systems. HVAC, mechanical, plumbing, and electrical equipment not in operation at the time of the site visit was not turned-on nor operated by CBRE, nor was any exploratory probing, dismantling, or removing any component, device, or piece of equipment, whether bolted, screwed, held in-place (mechanically or by gravity), secured, or fastened by any other means, conducted. This was a non-intrusive visual survey that does not include

or encompass the opening, lifting, or removal of equipment panels, ceiling tiles, and other barriers or closures for observation of systems or components. HVAC, mechanical, and electrical equipment not normally operated by units was neither operated nor tested by CBRE.

Prior to our site visit, CBRE contacted the owner or the owner's agent to request that (1) representative units be made available during our site visit so that CBRE's Field Observer would be able to conduct representative observations and (2) to provide a Point of Contact (POC) for interview purposes who was knowledgeable about the Subject's physical condition, latent defects, and/or historical repairs, if any.

8.2.2 Terminology

Many of the terms used in this report to describe the condition of the Subject's readily observable components and systems are listed and defined below. It should be noted that a term applied overall to a system does not preclude that a part, section, or component of the system may differ significantly in condition.

Good - Component or system is sound and performing its function. Although it may show signs of normal wear and tear commensurate with its age, some minor remedial work may be required.

Fair - Component or system is performing adequately at this time but exhibits deferred maintenance, evidence of previous repairs, workmanship not in compliance with commonly accepted standards, is obsolete, or is approaching the end of its typical EUL. Repair or replacement is required to prevent its further deterioration, restore it to good condition, prevent its premature failure, or to prolong its EUL. Component or system exhibits an inherent deficiency, the cost of which to remedy is not commensurate with the deficiency but that is best addressed by a program of increased preventive maintenance or periodic repairs.

Poor - Component or system has either failed or cannot be relied upon to continue performing its original function as a result of: having realized or exceeded its typical EUL, excessive deferred maintenance, a state of disrepair, an inherent design deficiency, or workmanship. Present condition could contribute to or cause the deterioration of contiguous elements or systems. Repair or replacement is required.

Physical Deficiencies - Defined by the ASTM as "... conspicuous defects or significant deferred maintenance of a subject property's material systems, components, or equipment as observed during the field observer's walk-through survey. Included within this definition are material life-safety/building code violations and material systems, components, or equipment that are approaching, have reached, or have exceeded their typical EUL or whose RUL should not be relied upon in view of actual or EFF AGE, abuse, excessive wear and tear, exposure to the elements, lack of proper or routine maintenance, etc. This definition specifically excludes deficiencies that: may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc., and excludes de minimis conditions that generally do not constitute a material physical deficiency of the subject property."

No Further Action Required - Component or system exhibits normal wear and tear considering its age, purpose and extent of use, and exposure to the elements. Prudent ownership would not

immediately expend additional, significant monies in relation to the Subject's appraised value to remedy the observed physical deficiencies.

Critical Repairs - Critical Repairs and replacements are those that significantly impact habitability, tenant safety, value, income or marketability and that must be corrected before Freddie Mac will proceed with the transaction.

Priority Repairs and PR-90 Repairs - Replacements that are significant and must be addressed as soon as possible. Priority Repairs consist of:

- All Life Safety Hazards;
- Violations of any federal, State or local law, ordinance or code relating to zoning, subdivision and use, building and housing accessibility (including the Americans with Disabilities and Fair Housing Acts), health matters, fire safety or energy-related requirements;
- Material Deficiencies: Unresolved problems that cannot reasonably be addressed by normal operations or Routine Maintenance and which include:
 - Deficiencies which, if left uncorrected, have the potential to result in or contribute to critical element or system failure within one year;
 - Deficiencies that will likely result in a significant escalation of remedial cost related to any material building components that are approaching, have reached or exceeded their typical expected useful life or whose remaining useful life should not be relied upon in view of actual or effective age, abuse, excessive wear and tear, poor maintenance and exposure to the elements;
 - Any Mold, water intrusions or potentially damaging leaks;
 - Significant Deferred Maintenance: The postponement of normal maintenance, which cannot reasonably be resolved by normal operations or Routine Maintenance and which may result in any of the following:
 - Advanced physical deterioration;
 - Lack of full operation or efficiency;
 - Increased operating costs;
 - Decline in property value.
- Any Priority Repair that represents an imminent Life Safety Hazard to tenants or any uncorrected Priority Repair that is the cause of ongoing substantive damage to the asset is categorized as a PR-90 repair. PR-90 Repairs must be targeted for completion within 90 days after the Origination Date; all other Priority Repairs must be targeted for completion within 180 days after the Origination Date.

Operational Repairs - Repairs and replacements that consist of Minor Deficiencies, Minor Deferred Maintenance and Handicap Accessibility Enhancements that are expected to be completed by the Borrower as part of a repairs and maintenance budget and that are not typically resolved by Routine Maintenance.

- Minor Deficiencies – Unresolved problems including:
 - Deficiencies that are not included in Critical or Priority Repairs;
 - Deficiencies that do not warrant immediate attention, but require repairs or replacements that should be undertaken within the next 12 months;
 - Deficiencies that cannot be reasonably addressed by Routine Repairs and

- Maintenance, and have a cost per repair item of more than \$3000;
- Minor Deferred Maintenance – The postponement of normal maintenance that may result in minor deterioration, lack of efficiency, and/or minor increase in the operating budget and that has a cost of more than \$3000;
- Handicap Accessibility Enhancements – For properties built prior to the enactment of the Fair Housing Act and the Americans with Disabilities Act, repairs and/or renovations that pursuant to the applicable federal, State and local laws, statutes and regulations are "readily achievable" and/or qualify as "reasonable accommodations" which will increase accessibility for disabled tenants and visitors to the property in accordance with the applicable laws, statutes and regulations.

8.3 LIMITING CONDITIONS

1. CBRE has prepared this PCR under an agreement (the "Agreement") between CBRE and Client. All terms and conditions of that Agreement are included within this document by reference. Any reliance upon this PCR, or upon CBRE's performance of services in conducting the property condition survey and preparing this PCR, is conditioned upon the relying party's acceptance and acknowledgement of the limitations, qualifications, terms, conditions and indemnities set forth in the Agreement, and property ownership/ management disclosure limitations, if any. However, this PCR is not to be relied upon or to benefit any party other than Client and Freddie Mac, nor used for any purpose other than that specifically stated in our Agreement or within this PCR's Purpose and Scope section without CBRE's advance and express written consent. In any event, this PCR should only be used in its entirety, which is inclusive of the requirements and limitations set forth in the Agreement.
2. No PCR can wholly eliminate the uncertainty regarding the presence of physical deficiencies and the performance of a subject property's components or building systems. Preparation of a PCR in accordance with the Freddie Mac's guidelines is intended to reduce, but not eliminate the uncertainty regarding the potential for component or system failure and to reduce the potential that such component or system may not be initially observed. Conducting a PCR in accordance with the Freddie Mac's guidelines also recognizes the inherent subjective nature of a field observer's opinions as to such issues as workmanship, quality of original installation, and estimating the RUL of any given component or system.
3. No single Field Observer can reasonably be expected to possess the technical knowledge to opine on the condition of all building systems and components and to develop Opinions of Probable Costs for repairs and/or replacements.
4. The scope of this survey was limited to a walk-through visual scan of only those areas that were readily observable and easily accessible at the time of our survey. Observations were limited to "representative" property improvements including exterior surfaces and open spaces, accessible areas of the roof, representative rooms, mechanical and common areas. Areas behind walls, inside plenums, crawl spaces or in any other area generally inaccessible or deemed unsafe by the field observer were not surveyed. Reliance was placed on the accuracy and disclosure of physical deficiencies during the course of conducting our representative observations. In no way should it be construed or inferred that every aspect, system, or component of the Subject was

- observed or reviewed.
5. This Property Condition Report is based upon the Field Observer(s)' judgment of the physical condition of the components, their ages, and their EUL. The actual performance of individual components may vary from a reasonable expected standard and will be affected by circumstances that occur after the date of our site visit.
 6. Invasive tests, exploratory or destructive probing, exhaustive studies, removal or disassembly of any system or construction, or dismantling or operating of electrical, mechanical, or conveyance equipment was not performed. This survey did not include an in-depth system/component problem analysis or study, or the preparation of engineering calculations of the structural, mechanical, or electrical systems to determine compliance with either any design drawings that may have been submitted or with commonly accepted design and/or construction practices. No calculations were prepared, and no counts or field measurements were taken to verify quantities, areas, heights, or the number of any units (parking spaces, number of tenants, rooms, apartments, stories, etc.). Not all typical areas such as Multi-family, corridors, façades, tenant storage areas, etc. were surveyed; only a representative observation of such areas was conducted. No attempt was made to operate any of the Subject's mechanical or electrical equipment. Our opinions were formed by interviewing available personnel and reviewing any maintenance records presented to us. In order to be as fully apprised as possible of the operating condition of the major mechanical/electrical equipment, a mechanical contractor should be retained to start-up the equipment, witness its operation over a period of time, and conduct a thorough inspection with its specialized knowledge of equipment repairs and replacement.
 7. Excluded from the scope of this survey were a Phase I Environmental Assessment to determine the presence of hazardous wastes or toxic materials or issues, a survey specifically regarding the presence or cause of mold or fungus, a survey for asbestos, or an opinion of indoor air quality.
 8. Drawings and/or specifications, to the extent that they may have been provided to CBRE, whether sent to our offices or provided on-site, were reviewed by CBRE only to become familiar with the general scope of the Subject. It should not be construed that CBRE conducted this PCR survey to determine the compliance of the as-built conditions with the drawings and/or specifications. Such a contract document compliance survey is outside the scope of CBRE's services.
 9. Excluded from the scope of this survey was an in-depth survey to determine compliance with the ADA and FFHA; opinions regarding the ADA and FFHA are based only upon anecdotal observations of a limited scope.
 10. Excluded from the scope of this survey is any responsibility for the opinions rendered on the condition of EIFS.
 11. No responsibility is assumed for matters of a legal nature such as building encroachments, easements, zoning issues, or compliance with the requirements of governmental agencies having jurisdiction.
 12. This report does not constitute a pest (termites, insects, etc.) control inspection. However, if termite damage problems were observed in the course of conducting the walk-through survey or reported by ownership, it has been noted herein.
 13. This survey did not include an evaluation of tenant-installed or maintained improvements, equipment, fixtures, or finishes.
 14. CBRE assumes no responsibility for the accuracy or completeness of information

provided by building management, tenants, service firms interviewed, or governmental agencies. CBRE is not responsible for any patent or latent defects that an owner or his agents may have withheld from CBRE whether by non-disclosure, passive concealment, or by fraud.

15. CBRE's observations, opinions and this report are not intended, nor should they be construed, as a guarantee or warranty, express or implied, regarding the Subject's condition, safety, performance, building or environmental code compliance. CBRE's opinions are based solely upon those representative areas that we observed on the day of our walk-through site visit and information resulting from our interviews and research. Given the limited scope of this assignment and the time expended, it is possible that some physical deficiencies may have been inadvertently overlooked.

8.4 ACRONYMS AND DEFINITIONS

This PCR uses various acronyms and abbreviations to describe site, building, or system components. Not all acronyms or abbreviations are applicable to every PCR. Refer to the definitions below.

Acronym	Definition
ABA	Architectural Barriers Act
ABS	Acrylonitrile Butadiene Styrene
ACM	Asbestos Containing Material
ADA	Americans with Disabilities Act
ADAAG	ADA Accessibility Guidelines
AHU	Air Handling Unit
Amp	Ampere
ASTM	American Society for Testing and Materials
ACT	Acoustical Ceiling Tile
AVG	Average
BMS	Building Management System
BOMA	Building Owners and Managers Association
BTU	British Thermal Unit
BTUH	British Thermal Units per Hour
BUR	Built-up Roofing
CAV	Constant Air Volume
CBS	Concrete Block and Stucco
CD	Crew Day(s)
CMU	Concrete Masonry Unit
CO	Certificate of Occupancy
CO	Change Order
CO/ALR	Copper to Aluminum, Revised
CPVC	Chlorinated Polyvinyl Chloride
DWH	Domestic Water Heater
DWV	Drainage, Waste and Vent
DX	Direct Expansion

Acronym	Definition
EA	Each
EFF	Effective
EIFS	Exterior Insulation and Finish System
EMF	Electromagnetic Field
EMS	Energy Management System
EPDM	Ethylene Propylene Diene Monomer
EUL	Expected Useful Life
FCU	Fan Coil Unit
FEMA	Federal Emergency Management Agency
FFHAA	Federal Fair Housing Amendment Act
FHA	Forced Hot Air
FHW	Forced Hot Water
FIRM	Flood Insurance Rate Map
FM	Factory Mutual
FOIA	Freedom of Information Act
FOIL	Freedom of Information Letter
FRP	Fiber Reinforced Panel
FRT	Fire Retardant Treated
GFCI	Ground Fault Circuit Interrupter (sometimes GFI)
GFRC	Glass Fiber Reinforced Concrete
GLA	Gross Leasable Area
GPM	Gallons Per Minute
GWB	Gypsum Wall Board
HID	High Intensity Discharge
HUD	U.S. Department of Housing and Urban Development
HVAC	Heating, Ventilating and Air Conditioning
IAQ	Indoor Air Quality
IBC	International Building Code
ICC	International Code Council
LED	Light Emitting Diode
LEED	Leadership in Energy and Environmental Design
LF	Linear Feet
LS	Lump Sum
MAP	HUD Multifamily Accelerated Processing
MAU	Makeup Air Unit
MBH	Thousands of British Thermal Units
MD	Man Day(s)
MDP	Main Distribution Panel
MEP	Mechanical, Electrical and Plumbing
MRL	Machine Room-Less (Elevator)
NFPA	National Fire Protection Association
NLA	Net Leasable Area
OSB	Oriented Strand Board
OS&Y	Outside Screw and Yoke

Acronym	Definition
OWJ	Open Web Joist
PCR	Property Condition Report
PCR	Property Condition Report
PML	Probable Maximum Loss
PCR	Property Condition Report
PSI	Pounds per Square Inch
PTAC	Packaged Terminal Air Conditioner
PVC	Polyvinyl Chloride
RPZ	Reduced Pressure Zone
RTU	Rooftop Unit
RUL	Remaining Useful Life
SEL	Scenario Expected Loss
SF	Square Feet
SFG	Square Foot Gross
SFR	Square Foot Rentable
SOG	Slab-on-Grade
STC	Sound Transmission Classification
SUL	Scenario Upper Loss
SY	Square Yard
TPO	Thermoplastic Polyolefin
UBC	Uniform Building Code
UFAS	Uniform Federal Accessibility Standards
UL	Underwriters Laboratories
V	Volt
VAV	Variable Air Volume
VCT	Vinyl Composition Tile
VWC	Vinyl Wall Covering
W	Watt



1
Site signage



2
Elevation



3
Elevation



4
Elevation



5
Elevation



6
Elevation



Elevation



Elevation



Perimeter fencing



West entrance from 45th Street



Linear cracks in concrete - west entrance



West entry gate



West parking lot



West parking lot



Linear cracking west parking lot



ADA parking west parking lot



Trash enclosure - west parking



Pedestrian walkway/building elevation



Typical utility closet



Pedestrian walkway and drainage swale



Typical building entrance to units



Typical stair to second floor units



Walkway and elevations



Pedestrian walkway and elevations



Pedestrian walkway



Pedestrian walkway



Typical site steps



Pedestrian walkway



East gate at Logan Avenue



East entrance from Logan Avenue



East parking lot



East parking lot



ADA parking east parking lot



Leasing office elevation and roof



Main pedestrian walkway from Logan Avenue



Retaining wall



Leasing office entrance



Leasing office



Leasing office



Kitchen



Meeting room



Vaulted ceiling in meeting room



Men's toilet room



Women's toilet room



Fire Extinguisher with current tags



A/C unit for leasing office



Typical smoke detector



Typical unit bedroom



Typical CO detector



Typical living room



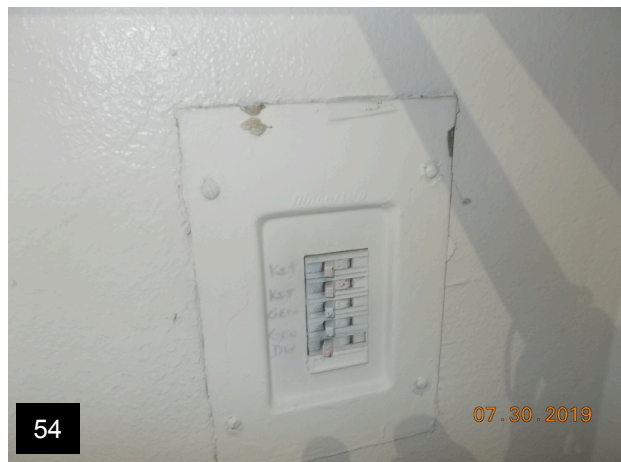
Typical bathroom



Typical kitchen



Typical kitchen

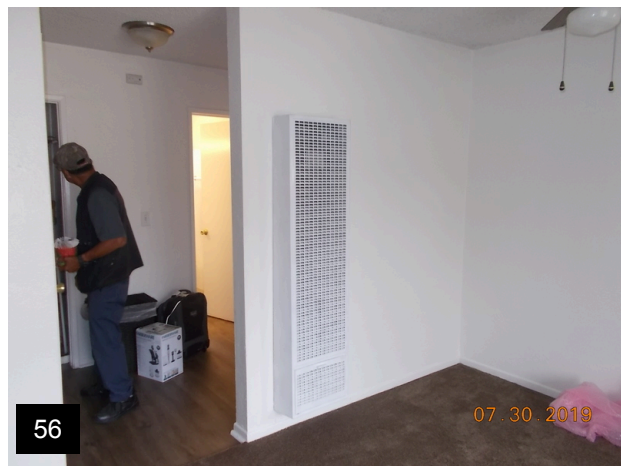


Typical unit panel



55

Typical water heater in unit



56

Typical wall heater



57

Typical bedroom



58

Typical bedroom



59

Typical roof with PV panels



60

Typical roof with PV panels



Typical roof with PV panels



Typical roof without PV panels



Typical roof without PV panels



Roof at Maintenance building



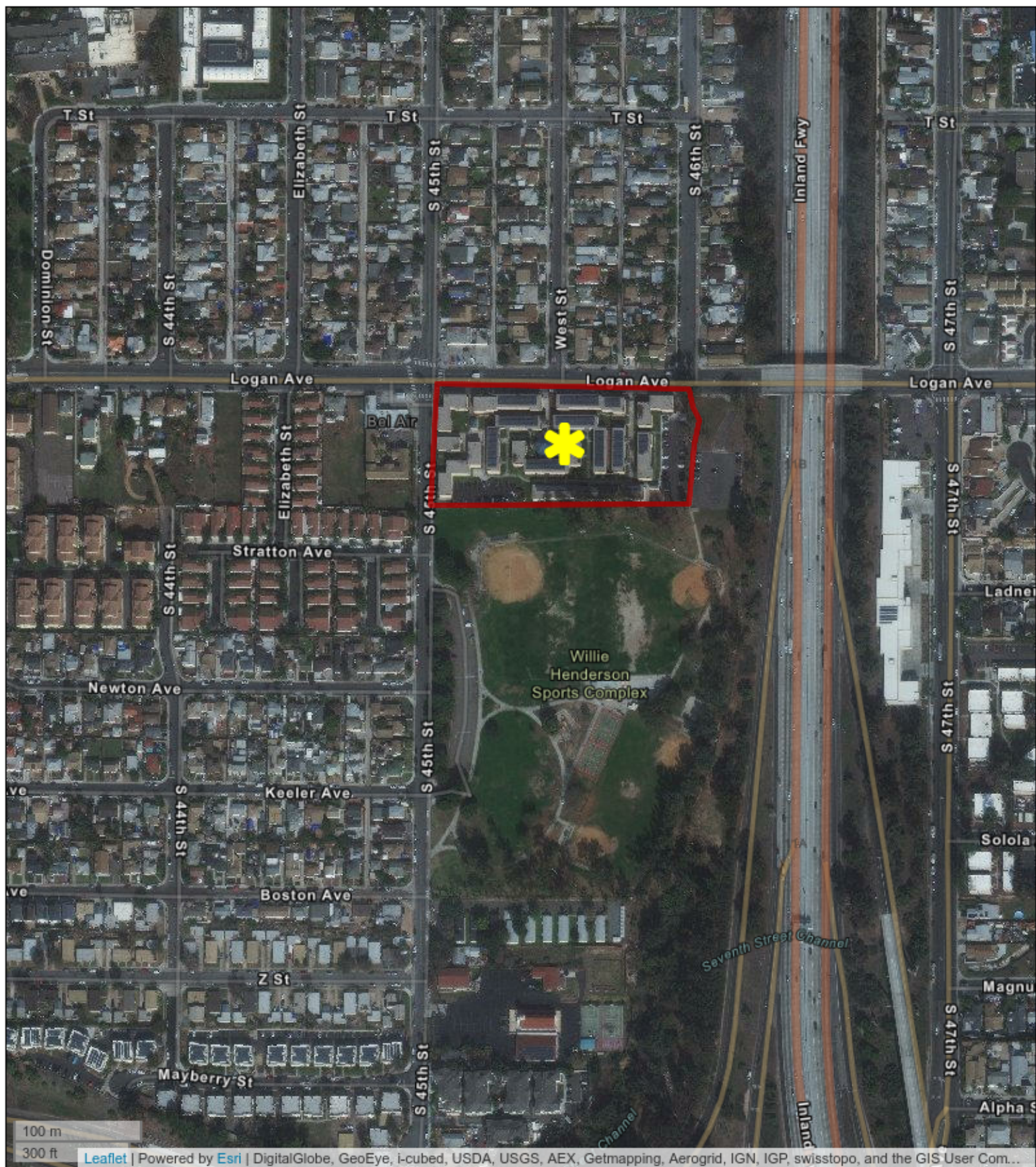
Typical gas meters



Typical meter center



Typical unit main breakers - 40 amp



Aerial Map
Park Crest Apartments





Site Map
Park Crest Apartments





70 West Red Oak Lane
White Plains, New York 10604
914.694.9600 Tel
914.694.1335 Fax

Agency Pre-Survey Questionnaire

Please provide written responses to this questionnaire. For those questions, which are not applicable or if you do not know the answer, please respond with an "N/A" or "U/K", respectively. If you have any questions, please call CBRE| or ask the CBRE Project Manager at the time of their site visit. If additional pages for response are necessary, please attach hereto and reference same to the appropriate question number. Upon completion please email back to the sender or return by fax to the above number. **This document along with your written responses will be included as exhibits within our reports.**

GENERAL INFORMATION AND PROPERTY CONDITION SECTION

GENERAL INFORMATION AND SALIENT DATA

Name of Property: Park Crest

Address: 4531 Logan Ave

City: San Diego

State: Ca.

Zip: 92113

Acreage:

of Parcels:

Parcel Configuration: Contiguous ☐ Non-contiguous ☐ Regular Shape ☐ Irregular Shape ☐

Age of Property:

Date of Construction:

Age of Roofs:

Age of Phases (if applicable):

Year Renovated (if applicable):

Number of Apartment Units:

Number of Apartment Buildings:

Rentable Square Footage:

Number of stories:

Number of Ancillary Buildings/Clubhouse/Leasing/Maintenance:

Ownership Entity:

Property Management Co:

Contact Name:

Phone #:

Email Address:

Management Tenure: (Time in months or years)

What is the mix of apartment units? (attach unit mix matrix if available)

	Efficiency	1-BR	2-BR	2BR/2BTH	3BR/2BTH	Other	Other	Other
Number								
Size (SF)								

What is the current occupancy rate?

Have there been any major capital improvement projects within the last 10 years?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
Description:			
Are there currently any planned renovation or capital improvement projects?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
Description:			

UTILITIES AND SUPPLIERS			
Electricity:		Water:	
Natural Gas:		Storm Drainage:	
Sanitary Sewer:		Internet/Cable TV:	
Telephone:		Waste Removal:	

ONSITE SEWERAGE TREATMENT OR POTABLE WATER WELLS			
Is the Subject served by an onsite septic system?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>
If so, is the septic system currently in use?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>
Please describe any problems or deficiencies:			

SITE FEATURES AND AMENITIES					
	At Grade	Garage	Carport	Off Site	Total-all spaces
Standard					
Handicap					
Totals					
Please describe the property <u>amenities</u> (if any):					
Pool <input type="checkbox"/>	Spa <input type="checkbox"/>	Playground <input type="checkbox"/>	Exercise Rm <input type="checkbox"/>	Central Laundry <input type="checkbox"/>	
Sports Court <input type="checkbox"/>	Clubroom <input type="checkbox"/>	Dog Park <input type="checkbox"/>	Water Feature <input type="checkbox"/>		
Other:					

The Virginia Graeme Baker Pool and Spa Safety Act (VGBA) requires public pools and spas, both new and existing, shall be equipped with drain covers conforming to the ASME/ANSI A112.19.8 – 2007. Standard. Federal requirements mandated the proper installation by December 20, 2008. Are all pool and spa drains VGBA compliant?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
Are there any <u>known significant deficiencies</u> related to the roads, parking, storm drainage, landscaping, pad sites, utilities, clubhouse/leasing office, underground piping, or any other components?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
If yes, please describe:			
Pavement: Please describe last capital improvement, e.g. overlay, repair/replace, sealcoat.			
Description:			
Stormwater: Please comment on the following:			
Has any portion of the Property incurred flooding?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
If yes, please describe (provide dates, if possible):			
Please indicate flood zone if known:			
Is there an underground stormwater system?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>
Is the system discharged to a municipal provider?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>
Are there any onsite retention/detention basins?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	NA <input type="checkbox"/>
Please describe any problems or deficiencies:			
Are there any <u>sidewalk</u> trip hazards?		Yes <input type="checkbox"/>	No <input type="checkbox"/>
If yes, please describe (provide locations):			
BUILDING SYSTEMS AND COMPONENTS QUESTIONNAIRE			
Structural: Are there any <u>significant</u> deficiencies related to:			
Foundation <input type="checkbox"/>	Structure <input type="checkbox"/>	Stair towers/Upper level walkways <input type="checkbox"/>	Balconies <input type="checkbox"/>
If yes, please describe here:			

Building Envelope: Are there any <u>significant</u> deficiencies related to:		
Façade/Siding <input type="checkbox"/>	Roofs <input type="checkbox"/>	Fascia/Soffits <input type="checkbox"/>
If yes, please describe here:		
Roofs: Are there any <u>significant</u> deficiencies related to:		
Leaks/Interior Damage <input type="checkbox"/>	Age/Failure <input type="checkbox"/>	Roof Structure Failure <input type="checkbox"/>
If yes, please describe here:		
What is the age of the roofs?:		
Are the roofs under warranty? (if yes, please attach)		
HVAC, Electrical, Plumbing, other: Are there any <u>significant</u> deficiencies related to:		
Electrical <input type="checkbox"/>	Plumbing <input type="checkbox"/>	HVAC <input type="checkbox"/>
Underground piping <input type="checkbox"/>	Domestic Hot Water <input type="checkbox"/>	Sprinkler System <input type="checkbox"/>
Elevator <input type="checkbox"/>	Life Safety Systems <input type="checkbox"/>	Natural Gas <input type="checkbox"/>
Fire Alarm <input type="checkbox"/>	If yes, please describe here:	
Building Conditions/Red Flag Issues:		
<u>Does the Subject Property have any of the following conditions?</u>		
Aluminum branch circuit wiring?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Galvanized water supply piping?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Polybutylene water supply piping?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Fire retardant treated plywood roof sheathing? (FRTD)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Problematic (Chinese) drywall?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Omega or Star sprinkler heads?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Exterior Insulation and Finishing (EIFS)	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Unit electrical capacity less than 60 amps	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Electrical Overload Protection - Fused Subpanels	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Federal Pacific Electric Stab-Lok panels	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Recalled Cadet Brand Electric in-Wall Heaters	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Recalled General Electric / Hotpoint dishwashers	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Microbial Growth	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Wood Destroying Organisms	Yes <input type="checkbox"/>	No <input type="checkbox"/>

REGULATORY / MUNICIPAL			
Are there any outstanding fire department, building department, or zoning violations at the property?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>
If yes, describe here or attach:			
What was the date of the last fire department inspection?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>
If yes, describe here or attach:			
Have any ADA/FFHAA related complaints or actions been made against the Subject?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>
If yes, describe here:			
Have any ADA/FFHAA related improvements been made to the Subject?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>
If yes, please explain:			

ENVIRONMENTAL SECTION		
SITE HISTORY, SITE OPERATIONS, SURROUNDING PROPERTIES		
SITE OPERATIONS		
Were there any buildings or other improvements on the property prior to the existing improvements?	Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
If yes, please describe:		
Has the property ever been subject to any environmental enforcement action by the federal, state or local government?	Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
If yes, please describe:		
Do you have any knowledge of pending or contemplated environmental actions against the Subject or neighborhood properties	Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
If yes, please describe:		
Has there been any citizen or tenant complaints regarding environmental or health matters in connection with the Subject?	Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
If yes, please describe:		
SITE HISTORY		
To the best of your knowledge, do any of the following operations take place on the Subject or have ever taken place on the Subject?		
Dry Cleaning:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Petroleum Storage/Sales:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Photo or X-Ray Finishing:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Electronic Equipment:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Assembly or Manufacturing:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Paint or Solvent Storage:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Chemical Manufacturing:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Automobile Storage, Repair, or Disposal:	Yes <input type="checkbox"/>	No <input type="checkbox"/>
Agriculture:	Yes <input type="checkbox"/>	No <input type="checkbox"/>

SURROUNDING PROPERTIES					
Has any adjoining properties been used for industrial purposes, or as a gasoline station, auto repair shop, junkyard, dry cleaner or landfill?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>		
Are you aware of any contamination conditions on adjoining or nearby properties?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>		
Are you aware of any active or former waste treatment or disposal pits, ponds or lagoons on adjacent or nearby sites?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>		
ASBESTOS CONTAINING MATERIALS (ACM)					
Do you have knowledge of any materials or substances on the site that are known or suspected to contain asbestos?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>		
Has an inspection for asbestos ever been performed on the Subject?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>		
Has asbestos been removed from the Subject?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>		
Description:					
PCB's					
Are there any onsite electrical transformers?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>		
Who owns the transformers and where are they located?					
Did any on-site transformers formerly contain PCBs, but later had the dielectric fluid replaced?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>		
Description:					
STORAGE TANKS					
Are there any (active or inactive) Underground Storage Tanks ("UST") or Aboveground Storage Tanks ("AST") on the site?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>		
Have any of the tanks been tightness tested?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>		
Do you have any knowledge of tanks that were either removed or closed in-place at the site?	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Unknown <input type="checkbox"/>		
If so, please fill out the following schedule:					
Location of Former Tank	Size of Tank (Gallons)	AST or UST	Tank Contents	Tank Removal Company	Year Tank Was Removed

Location of Former Tank	Size of Tank (Gallons)	AST or UST	Tank Contents	Tank Removal Company	Year Tank Was Removed
LEAD					
Are you aware of any lead-based paint ("LBP") applications on the site?				Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
Has LBP testing been conducted?				Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
Do you have any knowledge of tanks that were either removed or closed in-place at the site?				Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
Have any LBP abatements been conducted?				Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
Has the water been tested for lead?				Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
HAZARDOUS MATERIALS					
Are hazardous materials or chemicals stored or used on-site?				Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
Are there any hazardous or medical waste or fluids generated or used that employ an outside service for their periodic supply and removal?				Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
INDOOR AIR QUALITY					
Have strong mold odors and/or mold staining been observed on-site?				Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
Have there been any employee or tenant reports of symptoms consistent with mold contamination or other indoor air quality concerns?				Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
Are you aware of elevated radon gas concentrations on-site?				Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>
PREVIOUS REPORTS					
Do you have any knowledge of previously prepared Environmental Site Assessment Reports, asbestos surveys, lead-based paint studies or testing (soil, groundwater, tank tightness testing, lead-based paint testing, asbestos testing, indoor air quality, mold (bacteria and fungi testing), etc.) conducted on the site? If so, please either provide copies of the reports or list the title, date, preparer and recipient of such report(s) below				Yes <input type="checkbox"/>	No <input type="checkbox"/> Unknown <input type="checkbox"/>

DOCUMENT CHECKLIST			
Please provide the following: (if available)			
ALTA Survey:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
Certificate of Occupancy:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
Rent Roll:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
Pest Control Records/Contracts:	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
Previous Reports-ESA/PCA	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>



Drawings/Blueprints/As built Plans	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
Roof warranty	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
Certificate of Occupancy	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
Copy of most recent Fire Marshall/Fire Inspection Report	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
Copy of any Building, Zoning, or Municipal Inspection Reports	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
Offering Memorandum	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
Appraisal	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>
Renovation Budget / Capital Improvements Budget	Yes <input type="checkbox"/>	No <input type="checkbox"/>	Attached <input type="checkbox"/>

SIGNATURE OF OWNER OR AUTHORIZED OWNER REPRESENTATIVE

By:

Name:

Title:

Date:

Building Department
Freedom of Information Act Request



White Plains, New York 10604
(760) 522-3487 (tel) 914.467.6869 (fax)
dennis.jones@cbre.com (email)

Date: August 1, 2019
Subject: Park Crest
140 unit 12 building apartment
complex
4531 Logan Avenue
San Diego , California 92113

To: Desk Clerk
Building Department
1222 First Street

San Diego
(619) 236-5000 (tel)

Project Mgr: Dennis Jones Proj. No.: PC90755841-101

CBRE has been commissioned to conduct a Property Condition Assessment on the above referenced Subject. Please respond to the following documentation/information requests. Should you have any questions or should there be any fees associated with providing the requested information, please call ***IVI Project Manager***. Thank you for your assistance.

1. Does the Subject have any material outstanding building code violations within its file? If "Yes", please fax copies of same. Yes ☐ No ☐
2. Are there any existing or pending material building or fire/life safety code requirements that the Subject would not be grandfathered and therefore compliance would then be mandatory? If "Yes", please briefly explain. Yes ☐ No ☐
3. Do you have any general or specific knowledge of any physical conditions (site or building) that negatively impact the Subject such as localized flooding, sanitary sewer back-up problems, etc.? If "Yes", please briefly explain. Yes ☐ No ☐
4. Is the Subject within a 100-year frequency flood plain? If "Yes", please identify the Flood Hazard Zone as per FEMA's Flood Insurance Rate Maps. Yes ☐ No ☐
5. What Building Code is enforced, and what is the local Zoning Ordinance classification of the property?
6. Are there any municipal required procedures or mandated improvements that are triggered by a change of ownership/title such as: a re-inspection by the Building Department, the installation of sprinklers, installing water conservation devices, etc.? If so, what are they?
7. Please forward us a copy of the Subject's Certificate of Occupancy.

Submitted By: _____ Date: _____

Fire Department
Freedom of Information Act Request



55 West Red Oak Lane
White Plains, New York 10604
(760) 522-3487 (tel) 914.467.6869 (fax)
dennis.jones@CBRE.com (email)

Date:	August 1, 2019	To:	Fire Prevention
Subject:	Park Crest		Fire Department
	140 unit 12 building apartment complex		600 B Street Ste. 1300
	4531 Logan Avenue		San Diego
	San Diego , California 92113		(619) 533-4300 (tel)

Project Mgr:	Dennis Jones	Proj. No.:	PC90755841-101
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CBRE has been commissioned to conduct a Property Condition Assessment on the above referenced property. Please respond to the following documentation/information requests. Should you have any questions or should there be any fees associated with providing the requested information, please call ***IVI Project Manager***. Thank you for your assistance.

1. Does the Subject have any significant outstanding fire code violations within its file? Yes ☐ No ☐
If "Yes", please fax copies of same.

2. Are there any existing or pending significant fire/life safety code requirements that the Subject would not be grandfathered and therefore compliance would then be mandatory? If "Yes", please briefly explain. Yes ☐ No ☐

3. Do you have any general or specific knowledge of any physical conditions (site or building) that negatively impact the Subject such as lack of sprinklers that are required by code, inadequate alarm systems, back-up problems, etc.? If "Yes", please briefly explain. Yes ☐ No ☐

4. Any general comments or suggested life/safety improvements?

Submitted By: _____ Date: _____

**Zoning Department
Freedom of Information Act Request**



55 West Red Oak Lane
White Plains, New York 10604
(760) 522-3487 (tel) 914.467.6869 (fax)
dennis.jones@CBRE.com (email)

Date:	August 1, 2019	To:	Planning Desk clerk
Subject:	Park Crest	Dept.:	Planning/Zoning Department
	140 unit 12 building apartment complex		1222 First Ave
	4531 Logan Avenue		San Diego , California
	San Diego , California		(619) 235-5200 (tel)

Project Manager:	Dennis Jones	Proj. No.:	PC90755841-101
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CBRE has been commissioned to conduct a Property Condition Assessment Survey on the above referenced Subject. Please respond to the following documentation/information requests to the above telephone/fax number. Should you have any questions or should there be any fees associated with providing the requested information, please call ***IVI Project Manager***. Thank you for your assistance.

1. Is the Subject within a Zoning District? If "Yes", please identify the Zone/District, when it was adopted and the specific signage and parking requirements. Yes ☐ No ☐
2. Is the Subject a currently permitted use? Yes ☐ No ☐
3. Does the Subject have any material outstanding zoning code violations within its file? If "Yes", please fax copies of same. Yes ☐ No ☐
4. Does the placement, quantity or area of signage comply with current zoning requirements? Yes ☐ No ☐
5. Does the quantity of parking spaces comply with current zoning requirements? Yes ☐ No ☐
6. Are there any existing or pending material zoning code requirements/regulations that the Subject would be considered an existing non-conforming use? If "Yes", please briefly explain. Yes ☐ No ☐
7. Was the Subject built "as of right"? If "No" to the above, what variances were necessary? Yes ☐ No ☐
8. In the event of a catastrophic loss, could the Subject be rebuilt to its current density? Yes ☐ No ☐
9. Are there any municipal required procedures or mandated improvements that are triggered by a change of ownership/title such as: new Use Permit or a re-issuance of Zoning Approval by the Zoning Department or Zoning Board of Appeals? If so, what are they? Yes ☐ No ☐
10. Please fax us a copy of the Subject's Zoning Compliance Certificate, if any. Yes ☐ No ☐

Submitted By: _____

Date: _____

National Flood Hazard Layer FIRMette



Legend

SEE FIS REPORT FOR DETAILED LEGEND AND INDEX MAP FOR FIRM PANEL LAYOUT

SPECIAL FLOOD HAZARD AREAS	Without Base Flood Elevation (BFE) Zone A, I, V, X With BFE or Depth Zone AE, AO, AH, VE, AR Regulatory Floodway
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0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X	Future Conditions 1% Annual Chance Flood Hazard Zone X	Area with Reduced Flood Risk due to Levee, See Notes, Zone X	Area with Flood Risk due to Levee Zone D
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OTHER AREAS	NO SCREEN	Area of Minimal Flood Hazard Zone X
GENERAL STRUCTURES	Effective LOMRS	Area of Undetermined Flood Hazard Zone I
	Channel, Culvert, or Storm Sewer	Levee, Dike, or Floodwall

OTHER FEATURES	20.2	Cross Sections with 1% Annual Chance Water Surface Elevation
	17.5	Coastal Transect
	Base Flood Elevation Line (BFE)	Limit of Study
	Jurisdiction Boundary	Coastal Transect Baseline
	Profile Baseline	Hydrographic Feature

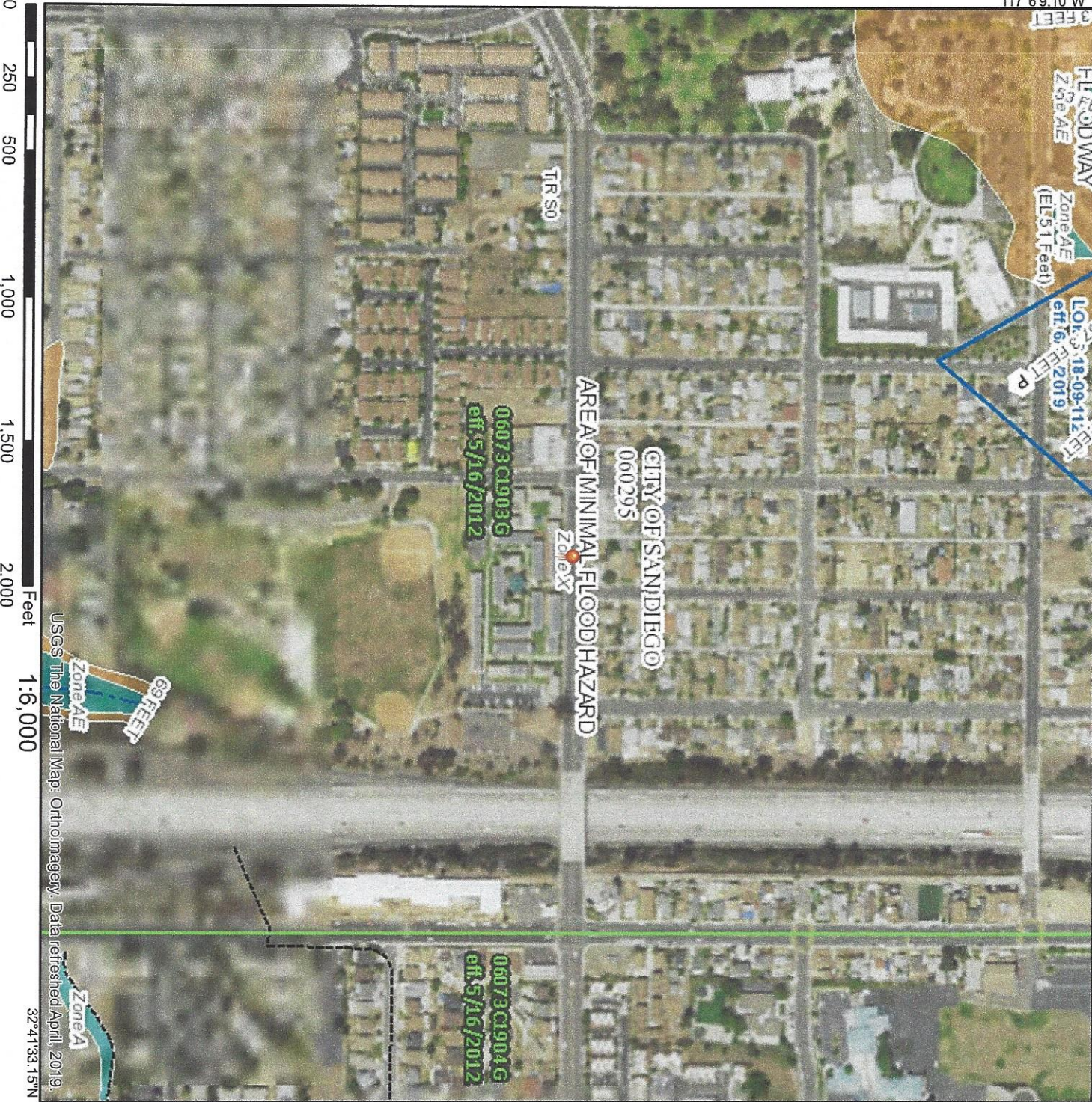
MAP PANELS	Digital Data Available
	No Digital Data Available
	Unmapped

The pin displayed on the map is an approximate point selected by the user and does not represent an authoritative property location.

This map complies with FEMA's standards for the use of digital flood maps if it is not void as described below. The basemap shown complies with FEMA's basemap accuracy standards.

The flood hazard information is derived directly from the authoritative NFHL web services provided by FEMA. This map was exported on 7/29/2019 at 1:28:05 PM and does not reflect changes or amendments subsequent to this date and time. The NFHL and effective information may change or become superseded by new data over time.

This map image is void if the one or more of the following map elements do not appear: basemap imagery, flood zone labels, legend, scale bar, map creation date, community identifiers, FIRM panel number, and FIRM effective date. Map images for unmapped and unmodernized areas cannot be used for regulatory purposes.



RENT ROLL DETAIL

As of 08/01/2019

Parameters: Properties - ALL;Show All Unit Designations or Filter by - ALL;Subjournals - ALL;Exclude Formers? - Yes;Sort by - Unit;Report Type - Details + Summary;Show Unit Rent as - Market + Addl.;

details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
1-4575-A	2-60%	N/A	900	Occupied	Bermudez, Jose	11/04/2006	11/04/2006	05/31/2007	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	881.00	1,399.00
1-4575-B	3-60%	N/A	1100	Occupied	Valenzuela, Crystal	01/18/2013	01/18/2013	01/17/2014	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	550.00	1,620.00
1-4575-C	2-60%	N/A	900	Occupied	Medina, Melody	07/25/2019	07/25/2019	01/31/2020	1,175.00	RESIDENT	RENT	475.00	0.00	475.00	1,000.00	630.83
										HOUSING	HOUSING	924.00	0.00	924.00	0.00	1,139.60
1-4575-D	3-60%	N/A	1100	Occupied	Hernandez, Jorge	02/21/2014	02/21/2014	02/28/2015	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	575.00	1,620.00
1-4585-A	2-60%	N/A	900	Occupied	Keller, Yenet	06/07/2018	06/07/2018	12/30/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
1-4585-B	Market	N/A	1100	Occupied	Ibarra, Jose	02/14/2017	02/14/2017	02/14/2018	1,175.00	RESIDENT	EMPLCRED	0.00	(1,140.00)	0.00	0.00	0.00
										RESIDENT	RENT	1,140.00	0.00			
1-4585-C	3-60%	N/A	1100	Occupied	Morales, Elvira	02/12/2013	02/12/2013	02/28/2014	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	625.00	1,620.00
1-4585-D	2-60%	N/A	900	Occupied	Wildman, Margaret	04/07/2017	04/07/2017	10/30/2017	1,175.00	RESIDENT	RENT	448.00	0.00	448.00	825.00	448.00
										HOUSING	HOUSING	951.00	0.00	951.00	0.00	951.00
2-4555-A	2-60%	N/A	900	Occupied	Escobar, Robinson	11/30/2018	11/30/2018	05/30/2019	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
2-4555-B	3-60%	N/A	1100	Occupied	Alvarez, Mirella	02/26/2016	02/26/2016	08/31/2016	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	625.00	1,620.00
2-4555-C	2-60%	N/A	900	Occupied	Altamirano, Martha	06/26/2019	06/26/2019	12/31/2019	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	1,075.00	1,632.17
2-4555-D	3-60%	N/A	1100	Occupied	Salgado, Leticia	09/14/2017	09/14/2017	03/30/2018	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	1,050.00	1,620.00
2-4557-A	2-60%	N/A	900	Occupied	Mann, Donald	05/10/2019	05/10/2019	11/30/2019	1,175.00	RESIDENT	RENT	1,017.00	0.00	1,017.00	1,000.00	1,017.00
										HOUSING	HOUSING	258.00	0.00	258.00	0.00	14.20
2-4557-B	2-60%	N/A	900	Occupied	Lopez-Casas, Bertha	04/12/2013	04/12/2013	04/30/2014	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	475.00	1,399.00
2-4557-C	2-60%	N/A	900	Occupied	Rodriguez, Andres	02/28/2017	02/28/2017	08/30/2017	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
2-4557-D	2-60%	N/A	900	Occupied	Meza-Gutierrez, Maria	12/12/2014	12/12/2014	12/31/2015	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	525.00	1,399.00
2-4559-A	3-60%	N/A	1100	Occupied	Espinoza, Maria De Jesus	10/01/2015	10/01/2015	04/30/2016	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	675.00	1,620.00
2-4559-B	2-60%	N/A	900	Occupied	Kiles, Verna	08/02/2006	08/02/2006	02/28/2007	1,175.00	RESIDENT	RENT	418.00	0.00	418.00	400.00	418.00
										HOUSING	HOUSING	981.00	0.00	981.00	0.00	981.00
2-4559-C	3-60%	N/A	1100	Occupied	Moreno, Mayra	03/31/2014	03/31/2014	03/31/2015	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	575.00	1,620.00
2-4559-D	2-60%	N/A	900	Occupied	Shaw, Kendra	11/30/2012	11/30/2012	11/29/2013	1,175.00	RESIDENT	RENT	714.00	0.00	714.00	450.00	714.00
										HOUSING	HOUSING	561.00	0.00	561.00	0.00	561.00
3-4541-A	2-60%	N/A	900	Occupied	Calixte, Wisly	06/03/2019	06/03/2019	12/31/2019	1,175.00	RESIDENT	RENT	1,275.00	0.00	1,275.00	1,050.00	1,275.00
3-4541-B	2-60%	N/A	900	Occupied	Chavez, Maria	02/15/2002	02/15/2002	08/31/2002	1,175.00	RESIDENT	RENT	423.00	0.00	423.00	250.00	423.00
										HOUSING	HOUSING	852.00	0.00	852.00	0.00	852.00

* indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 08/01/2019

Parameters: Properties - ALL;Show All Unit Designations or Filter by - ALL;Subjournals - ALL;Exclude Formers? - Yes;Sort by - Unit;Report Type - Details + Summary;Show Unit Rent as - Market + Addl.;

details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
3-4541-C	2-60%	N/A	900	Occupied	Martinez, Cruz	09/09/2016	09/09/2016	03/31/2017	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	1,125.00	1,399.00
3-4541-D	2-60%	N/A	900	Occupied	Escudero, Monica	07/20/2016	07/20/2016	01/30/2017	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	550.00	1,474.00
3-4545-A	2-60%	N/A	900	Occupied	Galvan, Claudia	06/27/2019	06/27/2019	12/31/2019	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	1,025.00	2,360.53
3-4545-B	2-60%	N/A	900	Occupied	Urena, Martin	02/25/2011	02/25/2011	08/31/2011	1,175.00	RESIDENT	RENT	397.00	0.00	397.00	550.00	397.00
										HOUSING	HOUSING	1,002.00	0.00	1,002.00	0.00	1,022.00
3-4545-C	2-60%	N/A	900	Occupied	Aguilar, Hilda	09/29/2010	09/29/2010	03/31/2011	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	575.00	1,399.00
3-4545-D	2-60%	N/A	900	Occupied	Ortiz, Ana	09/30/2015	09/30/2015	03/31/2016	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	550.00	1,399.00
3-4547-A	2-60%	N/A	900	Occupied	Landgrave, Victor	04/09/2014	04/09/2014	04/30/2015	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	500.00	1,399.00
3-4547-B	2-60%	N/A	900	Occupied	Urbina, Guillermina	12/20/2018	12/20/2018	06/30/2019	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	825.00	1,399.00
3-4547-C	2-60%	N/A	900	Occupied	Magarro, Yacksi	02/07/2018	02/07/2018	08/30/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	875.00	1,399.00
3-4547-D	2-60%	N/A	900	Occupied	Crus-Barriento, Luis	06/12/2015	06/12/2015	06/30/2016	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	575.00	1,399.00
3-4549-A	2-60%	N/A	900	Occupied	Lizarraga Valdez, Denise	06/23/2017	06/23/2017	12/30/2017	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	1,190.00	1,399.00
3-4549-B	2-60%	N/A	900	Occupied	Hernandez, Martin	07/28/2009	07/28/2009	01/31/2010	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	1,004.00	1,399.00
3-4549-C	2-60%	N/A	900	Occupied	Pantoja, Jhovany	09/04/2015	09/04/2015	03/31/2016	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	550.00	1,399.00
3-4549-D	2-60%	N/A	900	Occupied	Lares, Lorena	09/07/2001	09/07/2001	03/31/2002	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	600.00	1,399.00
4-4563-A	2-60%	N/A	900	Occupied	Rodriguez, Miriam	06/14/2017	06/14/2017	12/30/2017	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	1,190.00	1,399.00
4-4563-B	2-60%	N/A	900	Occupied	Zavala, Patricia	03/01/2005	03/01/2005	09/30/2005	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	0.00	1,399.00
4-4563-C	2-60%	N/A	900	Occupied	Perez, Fernando	07/25/2014	07/25/2014	07/31/2015	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	600.00	1,399.00
4-4563-D	2-60%	N/A	900	Occupied	Reynada-Marcial, Maria Guadalupe	12/15/2017	12/15/2017	06/30/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	875.00	1,399.00
4-4565-A	2-60%	N/A	900	Occupied	Parra, Anabey	10/12/2016	10/12/2016	04/30/2017	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	575.00	1,399.00
4-4565-B	2-60%	N/A	900	Occupied	Gonzalez, Juan	05/23/2016	05/23/2016	11/30/2016	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	550.00	1,399.00
4-4565-C	2-60%	N/A	900	Occupied	Campos, Victoria	07/22/2019	07/22/2019	01/31/2020	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	1,449.00	466.33
4-4565-D	2-60%	N/A	900	Occupied	Garcia-Contreras, Maria	06/15/2018	06/15/2018	12/30/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
5-4571-A	2-60%	N/A	900	Occupied	Robles, Adriana	06/12/2014	06/12/2014	06/30/2015	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	525.00	1,399.00
5-4571-B	3-60%	N/A	1100	Occupied	Cronin, Elvia	10/31/2012	10/31/2012	10/30/2013	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	625.00	1,620.00
5-4571-C	2-60%	N/A	900	Occupied	Buenrostro, Elsa	04/12/2018	04/12/2018	10/31/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	875.00	1,399.00
5-4571-D	3-60%	N/A	1100	Occupied	De La Paz, Marcos	03/22/2019	03/22/2019	09/30/2019	1,385.00	RESIDENT	RENT	1,480.00	0.00	1,480.00	1,200.00	1,480.00
5-4573-A	3-60%	N/A	1100	Occupied	Grajeda, Jesus	12/06/2002	12/06/2002	06/30/2003	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	275.00	1,620.00
5-4573-B	2-60%	N/A	900	Occupied	Oropeza, Miguel	12/13/2018	12/13/2018	06/30/2019	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
5-4573-C	3-60%	N/A	1100	Occupied	Garcia, Miguel	10/20/2017	10/20/2017	04/30/2018	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	1,025.00	1,620.00

* indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 08/01/2019

Parameters: Properties - ALL;Show All Unit Designations or Filter by - ALL;Subjournals - ALL;Exclude Formers? - Yes;Sort by - Unit;Report Type - Details + Summary;Show Unit Rent as - Market + Addl.;

details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
5-4573-D	2-60%	N/A	900	Occupied	Andrade, Eliud	05/01/2012	05/01/2012	04/30/2013	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	450.00	1,399.00
6-4533-A	2-60%	N/A	900	Occupied	Reynada, Olga	12/08/2017	12/08/2017	06/30/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
6-4533-B	3-60%	N/A	1100	Occupied	Buelna, Maria	02/11/2005	02/11/2005	08/31/2005	1,385.00	RESIDENT	RENT	406.00	0.00	406.00	75.00	406.00
										HOUSING	HOUSING	1,044.00	0.00	1,044.00	0.00	1,044.00
6-4533-C	2-60%	N/A	900	Occupied	Garcia, Jonathan	02/09/2018	02/09/2018	08/30/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	875.00	1,399.00
6-4533-D	3-60%	N/A	1100	Occupied	Alarcon, Israel	06/29/2017	06/29/2017	12/30/2017	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	1,100.00	1,620.00
6-4535-A	2-60%	N/A	900	Occupied	Espinoza, Brigida	09/18/2015	09/18/2015	03/31/2016	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	550.00	1,399.00
6-4535-B	2-60%	N/A	900	Occupied	VELIS, RAFAEL	10/25/2012	10/25/2012	10/24/2013	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	550.00	1,399.00
6-4535-C	2-60%	N/A	900	Occupied	Mendoza, Moises	02/07/2014	02/07/2014	02/28/2015	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	450.00	1,399.00
6-4535-D	2-60%	N/A	900	Occupied	Pierre, Carlencie	07/25/2019	07/25/2019	01/31/2020	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	0.00	1,725.43
6-4537-A	2-60%	N/A	900	Occupied	Ascencio, Mario	06/11/2018	06/11/2018	12/30/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
6-4537-B	2-60%	N/A	900	Occupied	Paggett, Schmika	04/05/2019	04/05/2019	10/31/2019	1,175.00	RESIDENT	RENT	1,275.00	0.00	1,275.00	1,025.00	1,275.00
6-4537-C	2-60%	N/A	900	Occupied	Hernandez, Luis	02/14/2019	02/14/2019	08/31/2019	1,175.00	RESIDENT	RENT	1,275.00	0.00	1,275.00	1,050.00	1,350.00
6-4537-D	2-60%	N/A	900	Occupied	Flores, Carolina	07/12/2017	07/12/2017	01/31/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	825.00	5,409.00
6-4539-A	2-60%	N/A	900	Occupied	Bermudes, Irma	06/02/2007	06/02/2007	12/31/2007	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	956.00	0.00
6-4539-B	2-60%	N/A	900	Occupied	Calderon, Tomasa	04/15/2016	04/15/2016	10/31/2016	1,175.00	RESIDENT	RENT	423.00	0.00	423.00	550.00	423.00
										HOUSING	HOUSING	976.00	0.00	976.00	0.00	976.00
6-4539-C	2-60%	N/A	900	Occupied	Mcelvaine, Glenda	02/25/2011	02/25/2011	08/31/2011	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	550.00	1,399.00
6-4539-D	2-60%	N/A	900	Occupied	Borroel, Maria	06/10/2016	06/10/2016	12/31/2016	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	550.00	1,399.00
6-4567-A	3-60%	N/A	1100	Occupied	Marquez, Adalberto	03/31/2007	03/31/2007	09/30/2007	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	1,116.00	1,620.00
6-4567-B	2-60%	N/A	900	Occupied	Tamale, Abasi	09/09/2000	09/09/2000	03/31/2001	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	75.00	1,399.00
6-4567-C	3-60%	N/A	1100	Occupied	Tamariz, Alejandro	10/31/2007	10/31/2007	04/30/2008	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	1,066.00	1,620.00
6-4567-D	2-60%	N/A	900	Occupied	Palomino, Jorge	12/31/2006	12/31/2006	06/30/2007	1,175.00	RESIDENT	RENT	1,225.00	0.00	1,225.00	956.00	1,225.00
										HOUSING	HOUSING	174.00	0.00	174.00	0.00	254.00
7-4519-A	2-60%	N/A	900	Occupied	Morton, Sonya	01/16/2001	01/16/2001	07/31/2001	1,175.00	RESIDENT	RENT	658.00	0.00	658.00	225.00	720.00
										HOUSING	HOUSING	741.00	0.00	741.00	0.00	741.00
7-4519-B	2-60%	N/A	900	Occupied	Muse, Elsy	06/09/2017	06/09/2017	12/30/2017	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
7-4519-C	2-60%	N/A	900	Occupied	Leal, Juan	07/17/2014	07/17/2014	07/31/2015	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	550.00	1,399.00
7-4519-D	2-60%	N/A	900	Occupied	Velazco, Gladiz	11/18/2013	11/18/2013	11/30/2014	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	475.00	1,399.00
7-4527-A	3-60%	N/A	1100	Occupied	Rosales, Bertha	02/09/2018	02/09/2018	08/30/2018	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	1,050.00	1,620.00
7-4527-B	2-60%	N/A	900	Occupied	Manzo, Guadalupe	01/09/2019	01/09/2019	07/31/2019	1,175.00	RESIDENT	RENT	339.00	0.00	339.00	1,050.00	339.00

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RENT ROLL DETAIL

As of 08/01/2019

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
7-4527-C	3-60%	N/A	1100	Occupied	Guzman-Perez, Maria	01/25/2016	01/25/2016	07/31/2016	1,385.00	HOUSING RESIDENT	HOUSING RENT	936.00 1,249.00	0.00 0.00	936.00 1,249.00	0.00 625.00	936.00 1,249.00
7-4527-D	2-60%	N/A	900	Occupied	Musibau, Kafilat	06/29/2018	06/29/2018	12/30/2018	1,175.00	HOUSING RESIDENT	HOUSING RENT	231.00 1,399.00	0.00 0.00	231.00 1,399.00	0.00 850.00	232.00 1,131.00
7-4543-A	2-60%	N/A	900	Occupied	Vazquez, San Juana	12/11/2015	12/11/2015	06/30/2016	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	575.00	1,399.00
7-4543-B	3-60%	N/A	1100	Occupied	Padilla, Nadia	02/29/2012	02/29/2012	08/31/2012	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	500.00	1,685.00
7-4543-C	2-60%	N/A	900	Occupied	Tisdale, Monnalesia	09/29/2008	09/29/2008	03/31/2009	1,175.00	RESIDENT	RENT	418.00	0.00	418.00	1,004.00	418.00
7-4543-D	3-60%	N/A	1100	Occupied	Williams, Shawnte	03/25/2015	03/25/2015	03/31/2016	1,385.00	HOUSING RESIDENT	HOUSING RENT	807.00 1,620.00	0.00 0.00	807.00 1,620.00	0.00 625.00	807.00 1,620.00
7-4551-A	2-60%	N/A	900	Occupied	Ruiz, Rafael	02/01/2005	02/01/2005	08/31/2005	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	50.00	1,399.00
7-4551-B	2-60%	N/A	900	Occupied	Loeza, Genaro	10/14/2016	10/14/2016	04/30/2017	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	1,100.00	1,374.00
7-4551-C	2-60%	N/A	900	Occupied	Webster, Maria	06/16/2017	06/16/2017	12/30/2017	1,175.00	RESIDENT	RENT	379.00	0.00	379.00	1,190.00	379.00
7-4551-D	2-60%	N/A	900	Occupied	Cervantes, Pablo	05/21/2014	05/21/2014	05/20/2015	1,175.00	HOUSING RESIDENT	HOUSING RENT	1,020.00 1,399.00	0.00 0.00	1,020.00 1,399.00	0.00 450.00	542.00 1,399.00
8-4511-A	2-60%	N/A	900	Occupied	Gonzalez, Martha	04/19/2016	04/19/2016	10/31/2016	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	525.00	1,399.00
8-4511-B	3-60%	N/A	1100	Occupied	Vara, Maria	09/15/2014	09/15/2014	09/30/2015	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	625.00	1,620.00
8-4511-C	2-60%	N/A	900	Occupied	Flores, Maria	10/20/2017	10/20/2017	04/30/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	825.00	1,399.00
8-4511-D	3-60%	N/A	1100	Occupied	Diaz De Gomez, Jovita	07/15/2011	07/15/2011	01/31/2012	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	550.00	1,620.00
8-4515-A	2-60%	N/A	900	Occupied	Maria, Garcia	06/29/2012	06/29/2012	06/28/2013	1,175.00	RESIDENT	RENT	229.00	0.00	229.00	425.00	229.00
8-4515-B	2-60%	N/A	900	Occupied	Rodriguez, Laura	03/23/2018	03/23/2018	09/30/2018	1,175.00	HOUSING RESIDENT	HOUSING RENT	996.00 1,399.00	0.00 0.00	996.00 1,399.00	0.00 1,200.00	996.00 1,399.00
8-4515-C	2-60%	N/A	900	Occupied	Irazoqui, Nestor	10/01/2003	10/01/2003	04/30/2004	1,175.00	RESIDENT	RENT	418.00	0.00	418.00	225.00	418.00
8-4515-D	2-60%	N/A	900	Occupied	Wagner, Carolyn	10/01/2001	10/01/2001	04/30/2002	1,175.00	HOUSING RESIDENT	HOUSING RENT	981.00 419.00	0.00 0.00	981.00 419.00	0.00 225.00	981.00 418.00
8-4517-A	3-60%	N/A	1100	Occupied	Tebore, Tagessa	03/22/2019	03/22/2019	09/30/2019	1,385.00	HOUSING RESIDENT	HOUSING RENT	856.00 1,480.00	0.00 0.00	856.00 1,480.00	0.00 1,530.00	856.00 1,480.00
8-4517-B	2-60%	N/A	900	Occupied	Carrera, Jose	08/29/2011	08/29/2011	02/29/2012	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	450.00	1,399.00
8-4517-C	3-60%	N/A	1100	Occupied	Vega, Cesar	09/30/2011	09/30/2011	03/31/2012	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	525.00	1,620.00
8-4517-D	2-60%	N/A	900	Occupied	Benitez, Julio	01/20/2017	01/20/2017	06/30/2017	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	825.00	1,399.00
9-4521-A	2-60%	N/A	900	Occupied	Villagas De Lares, Guadalupe	07/13/2018	07/13/2018	01/31/2019	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	825.00	1,399.00

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08/01/2019 1:39:05PM

RENT ROLL DETAIL

mgt-521-003

As of 08/01/2019

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details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/Credits	Total Billing	Dep On Hand	balance
9-4521-B	2-60%	N/A	900	Occupied	Valderrama, Luis	01/05/2018	01/05/2018	07/30/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
9-4521-C	2-60%	N/A	900	Occupied	Gonzalez, Kalina	02/01/2019	02/01/2019	08/31/2019	1,175.00	RESIDENT	RENT	1,275.00	0.00	1,275.00	1,050.00	1,275.00
9-4521-D	2-60%	N/A	900	Occupied	Yeargin, Maria	02/27/2017	02/27/2017	08/30/2017	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
9-4523-A	2-60%	N/A	900	Occupied	Bautista, Bulmaro	05/29/2005	05/29/2005	11/30/2005	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	75.00	1,399.00
9-4523-B	2-60%	N/A	900	Occupied	Desauguste, Ronel	07/19/2019	07/19/2019	01/31/2020	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	1,050.00	605.23
9-4523-C	2-60%	N/A	900	Occupied	Sarabia Vicencio, Elsa	06/21/2019	06/21/2019	12/31/2019	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	1,474.00	1,399.00
9-4523-D	2-60%	N/A	900	Occupied	Lopez, Senobio	02/27/2013	02/27/2013	02/28/2014	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	550.00	1,399.00
9-4525-A	2-60%	N/A	900	Occupied	Caballero, Sergio	04/07/2017	04/07/2017	10/30/2017	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
9-4525-B	2-60%	N/A	900	Occupied	Copado-Salcido, Azucena	04/12/2018	04/12/2018	10/30/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	825.00	1,399.00
9-4525-C	2-60%	N/A	900	Occupied	Ibarra, Gilberto	02/14/2014	02/14/2014	02/28/2015	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	425.00	1,399.00
9-4525-D	2-60%	N/A	900	Occupied	Portuondo, Lazaro	09/23/2016	09/23/2016	03/31/2017	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	1,150.00	1,474.00
9-4529-A	2-60%	N/A	900	Occupied	Tonoc-Vazquez, Pedro	12/14/2018	12/14/2018	06/30/2019	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
9-4529-B	2-60%	N/A	900	Occupied	Valderrama, Fernando	10/09/2017	10/09/2017	04/30/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
9-4529-C	2-60%	N/A	900	Occupied	Albuthi, Cecilia	02/11/2019	02/11/2019	08/31/2019	1,175.00	RESIDENT	RENT	418.00	0.00	418.00	1,025.00	418.00
										HOUSING	HOUSING	981.00	0.00	981.00	0.00	981.00
9-4529-D	2-60%	N/A	900	Occupied	Hernandez, Juana	12/17/2003	12/17/2003	06/30/2004	1,175.00	RESIDENT	RENT	965.00	0.00	965.00	275.00	965.00
										HOUSING	HOUSING	310.00	0.00	310.00	0.00	220.00
10-905	2-60%	N/A	900	Occupied	Gutierrez, Cynthia	07/31/2014	07/31/2014	01/31/2015	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	525.00	1,399.93
10-907	2-60%	N/A	900	Occupied	Rivas, Martha	11/20/2012	11/20/2012	11/19/2013	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	450.00	1,674.00
10-909	3-60%	N/A	1100	Occupied	Reyes, Lucero	11/28/2012	11/28/2012	11/27/2013	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	525.00	1,675.50
10-911	3-60%	N/A	1100	Occupied	Espinoza, Maria	08/25/2017	08/25/2017	02/28/2018	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	1,415.00	1,620.00
10-4501-A	3-60%	N/A	1100	Occupied	Trujillo, Jose	10/20/2014	10/20/2014	10/31/2015	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	650.00	1,620.00
10-4501-B	2-60%	N/A	900	Occupied	Ramos, Silvia	08/27/2010	08/27/2010	02/28/2011	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	525.00	1,398.88
10-4501-C	3-60%	N/A	1100	Occupied	Lopez, Alejandro	07/28/2017	07/28/2017	01/31/2018	1,385.00	RESIDENT	RENT	1,620.00	0.00	1,620.00	1,050.00	1,620.00
10-4501-D	2-60%	N/A	900	Occupied	Cruz, Maria	11/22/2013	11/22/2013	11/30/2014	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	450.00	0.00
11-919	2-60%	N/A	900	Occupied	Alvarez, Gloria	08/14/2014	08/14/2014	08/31/2015	1,175.00	RESIDENT	RENT	631.00	0.00	631.00	600.00	631.00
										HOUSING	HOUSING	768.00	0.00	768.00	0.00	768.00
11-921	2-60%	N/A	900	Occupied	Palacio-Hernandez, Alexis	09/16/2016	09/16/2016	03/31/2017	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	1,125.00	1,474.00

* indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 08/01/2019

Parameters: Properties - ALL;Show All Unit Designations or Filter by - ALL;Subjournals - ALL;Exclude Formers? - Yes;Sort by - Unit;Report Type - Details + Summary;Show Unit Rent as - Market + Addl.;

details

Unit	Floorplan	unit designation	SQFT	Unit/Lease Status	Name	Move-In Move-Out	Lease Start	Lease End	Market + Addl.	Sub Journal	Trans Code	Lease Rent	Other Charges/ Credits	Total Billing	Dep On Hand	balance
11-923	2-60%	N/A	900	Occupied	Smith, Consuela	03/01/2011	03/01/2011	09/30/2011	1,175.00	RESIDENT	RENT	426.00	0.00	426.00	575.00	520.00
										HOUSING	HOUSING	849.00	0.00	849.00	0.00	849.00
11-925	2-60%	N/A	900	Occupied	Abitia, Angel	03/09/2012	03/09/2012	09/30/2012	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	475.50	1,399.00
12-927	2-60%	N/A	900	Occupied	Albarran, Alejandra	10/05/2012	10/05/2012	10/04/2013	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	500.00	1,824.00
12-929	2-60%	N/A	900	Occupied	Perez De La Paz, Montserrat	01/18/2019	01/18/2019	07/31/2019	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	1,325.00	1,399.00
12-931	2-60%	N/A	900	Occupied	Rodriguez, Maria	11/20/2014	11/20/2014	11/30/2015	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	600.00	1,399.00
12-933	2-60%	N/A	900	Occupied	Cruz, Rodolfo	08/18/2017	08/18/2017	02/28/2018	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	850.00	1,399.00
12-935	2-60%	N/A	900	Occupied	Brown, Shaniqua	05/12/2016	05/12/2016	11/30/2016	1,175.00	RESIDENT	RENT	311.00	0.00	311.00	575.00	311.00
										HOUSING	HOUSING	1,088.00	0.00	1,088.00	0.00	1,088.00
12-937	2-60%	N/A	900	Occupied	Ramos, Erminia	04/04/2011	04/04/2011	10/31/2011	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	525.00	1,399.00
12-939	2-60%	N/A	900	Occupied	WYNN, JUNE	11/16/2012	11/16/2012	11/15/2013	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	475.00	1,399.00
12-941	2-60%	N/A	900	Occupied	Bravo, Samira	05/25/2011	05/25/2011	11/30/2011	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	650.00	6,684.00
12-943	2-60%	N/A	900	Occupied	Wynn, Patrice	02/08/2013	02/08/2013	02/28/2014	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	400.00	1,399.00
12-945	2-60%	N/A	900	Occupied	Calvario-Hernand ez, Juan	09/23/2015	09/23/2015	03/31/2016	1,175.00	RESIDENT	RENT	1,399.00	0.00	1,399.00	525.00	1,399.00
12-947	2-60%	N/A	900	Occupied	Gutierrez, Adriana	04/07/2014	04/07/2014	04/30/2015	1,175.00	RESIDENT	RENT	899.00	0.00	899.00	425.00	1,005.00
										HOUSING	HOUSING	376.00	0.00	376.00	0.00	376.00
12-949	2-60%	N/A	900	Occupied	Pelayo, Maria	12/20/2018	12/20/2018	06/30/2019	1,175.00	RESIDENT	RENT	464.00	0.00	464.00	825.00	0.00
										HOUSING	HOUSING	811.00	0.00	811.00	0.00	1,439.00
totals:									170,170.00			199,018.00	(1,140.00)	197,878.00	99,696.50	

* indicates amounts not included in detail totals

RENT ROLL DETAIL

As of 08/01/2019

Parameters: Properties - ALL;Show All Unit Designations or Filter by - ALL;Subjournals - ALL;Exclude Formers? - Yes;Sort by - Unit;Report Type - Details + Summary;Show Unit Rent as - Market + Addl.;**Amt / SQFT: Market = 131,600 SQFT; Leased = 131,600 SQFT;**

Floorplan	# Units	Average SQFT	Average Market + Addl.	Market + Addl. Amt / SQFT	Average Leased	Leased Amt / SQFT	Units Occupied	Occupancy %	Units Available
2-60%	112	900	1,175.00	1.31	1,381.50	1.54	112	100.00	0
3-60%	27	1,100	1,385.00	1.26	1,598.15	1.45	27	100.00	0
Market	1	1,100	1,175.00	1.07	1,140.00	1.04	1	100.00	0
totals / averages:	140	940	1,215.50	1.29	1,421.56	1.51	140	100.00	0

occupancy and rents summary for current date

unit status	Market + Addl.	# units	potential rent
Occupied, no NTV	170,170.00	140	199,018.00
Occupied, NTV		0	-
Occupied NTV Leased		0	-
Vacant Leased		0	-
Admin/Down		0	-
Vacant Not Leased		0	-
totals:	170,170.00	140	199,018.00

summary billing by sub journal for current date

sub journal	amount
HOUSING	19,474.00
RESIDENT	178,404.00
total:	197,878.00

summary billing by transaction code for current date

code	amount
EMPLCRED	(1,140.00)
HOUSING	19,474.00
RENT	179,544.00
total:	197,878.00

Dennis W. Jones, ICC

Senior Project Manager, San Diego, CA

CBRE

Experience

Dennis W. Jones, ICC is a Senior Project Manager for Assessment & Consulting Services. Located in San Diego, California Mr. Jones is a Certified Commercial and Residential Building Inspector who brings over 40 years of experience in construction management, engineering, facilities management and property condition assessments. He has performed Property Condition Assessments (PCA) for over 5.7 million square feet of commercial, industrial, residential and governmental buildings.

Prior to joining CBRE Assessment and Consulting services, Mr. Jones was with CBRE|HEERY and served as the Senior Inspector for the rehabilitation and renovation of the Historic Customs House at the San Ysidro Land Port of Entry, San Diego, California. Mr. Jones also served as Project Manager, Construction Manager and Inspector of Record for the University of California at San Diego, Housing and Dining Department for over \$180 million dollars of new and renovation projects. Mr. Jones has worked with building owners, property managers, on site facilities staff and outside contractors to set parameters for scope and assessment including methodologies for reporting and deferred maintenance. His extensive knowledge of construction techniques, systems and structures ensures a thorough and complete reporting documentation.

Professional Affiliations / Accreditations

- International Code Council
- Illuminating Engineering Society of North America
- International Association of Certified Home Inspectors
- Commercial Building Inspector - ICC - 8003102
- Residential Building Inspector - ICC - 8003102
- General Contractor - California - 435280 (inactive)
- Electrical Contractor - California - 435280 (inactive)
- Residential Inspector - InterNachi - 17051925
- Commercial Inspector - InterNachi - 17051925
- Building Inspector - ICC - 8003102



T 760 522 3487
dennis.jones@cbre.com

4301 La Jolla Village Drive
Suite 300
San Diego, CA 92122

Lawrence Perez

Project Management Director, Warwick, RI

CBRE



M 401 660 8992
lawrence.perez@cbre.com

Warwick, RI 02888

Experience

Lawrence Perez is a Project Management Director in the Valuation & Advisory Services (VAS), Assessment & Consulting Services (ACS) group. Based out of the White Plains, New York office, Mr. Perez has over 31 years of experience in the civil and structural engineering industry during which time he has conducted structural engineering analyses and forensic investigations; and performed, managed and reviewed Property Condition Assessments (PCAs). The assessments have been performed for a wide range of local and national clients including lenders, mortgage companies, property owners and management companies, and perspective purchasers and have been completed in accordance with applicable ASTM Standards and lender-specific variations of the ASTM Standards, as well as Fannie Mae and Freddie Mac program requirements.

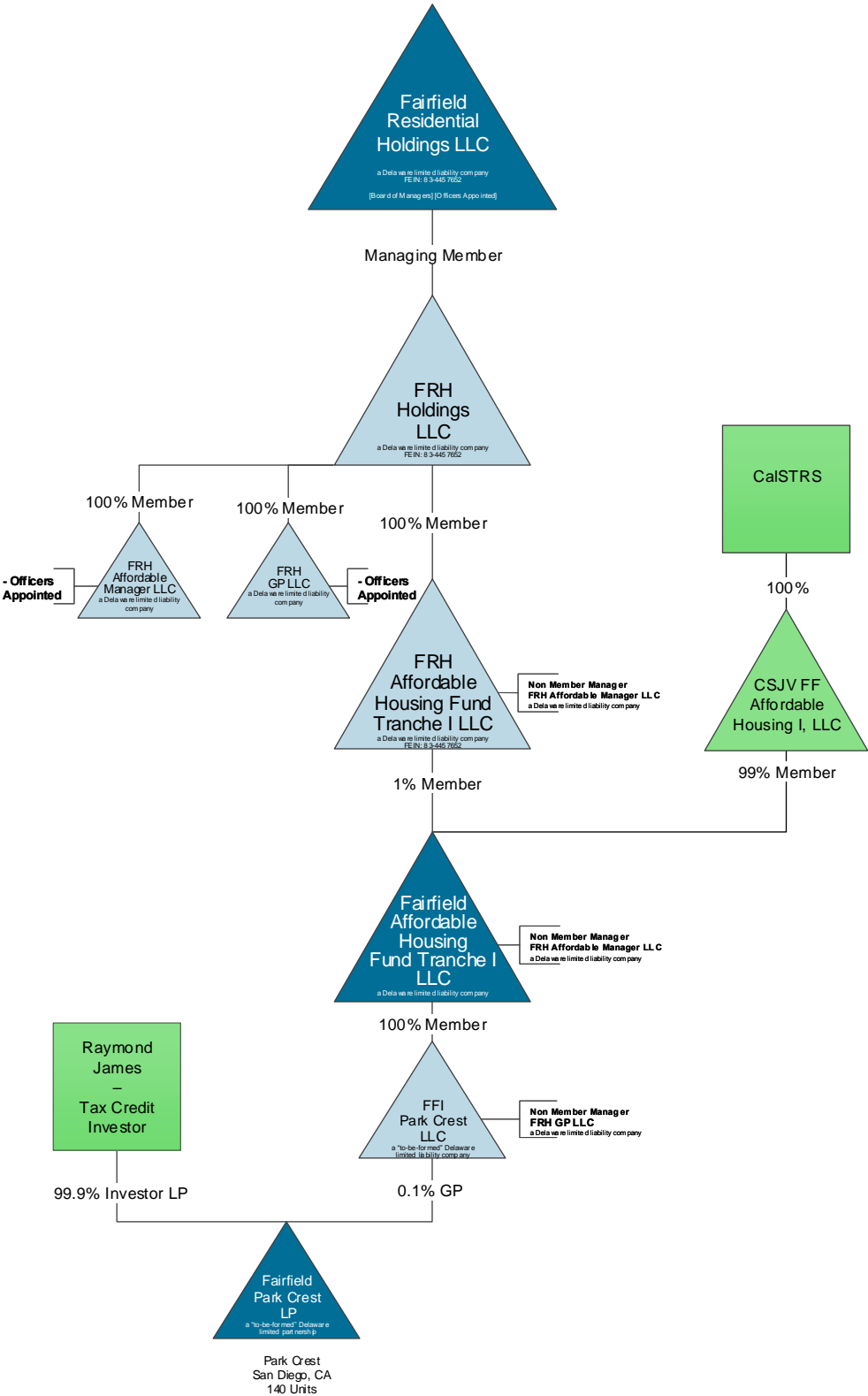
Mr. Perez has performed hundreds of PCAs on a wide variety of commercial and multifamily properties throughout the US and is familiar with Agency Problematic Materials Guidelines, Accessibility requirements, and with the Freddie Mac Seller/Service Guide and Fannie Mae DUS Guide. These assessments identify physical deficiencies in pavement, grading and drainage; structural components; exterior finishes and roofing; mechanical and life safety systems; interior components; evaluate compliance with the ADA and FHAA; and provide recommendations and cost estimates for immediate and ongoing repairs and replacement.

Professional Affiliations / Accreditations

- Licensed Civil Engineer – California, License No. 46791
- Licensed Structural Engineer – California, License No. 3966

Education

- University of Santa Clara
 - B.S. Civil Engineering



PROPERTY ACQUISITION SUMMARY

PROPERTY INFORMATION

Year Built:	1959
Number Of Units:	140
Number Of Buildings:	13
Net Rentable Square Feet:	131,600
Average Unit Size:	940
Net Acres:	4.12
Density:	33.98
Number of Uncovered Spaces:	175
Number of Carport Spaces:	0
Number of Garage Spaces:	0
Total Spaces:	175
Parking Ratio:	1.25

PURCHASE INFORMATION

Purchase Price:	\$34,250,000
Price Per Unit:	\$244,643
Price Per Square Foot:	\$260.26
Total Cost (Net of Const. Period Interest):	\$48,571,933
Total Cost Per Unit:	\$346,942
Total Cost Per Square Foot:	\$369.09
Current Cap Rate (In-Place Rents):	4.49%
Current NOI (In-Place Rents):	\$1,539,007

SOURCES OF FUNDS

	Bridge	Permanent
First Mortgage:	\$30,825,000	0
Second Mortgage:	0	0
Bonds:	0	27,700,000
Construction Period Income:	0	0
Tax Credit Equity:	0	14,283,565
Deferred Developer Fee:	0	5,729,429
Investor Equity Contribution:	4,188,331	850,349
Fairfield Equity Contribution:	42,306	8,589
TOTAL SOURCES:	\$35,055,638	\$48,571,933

USES OF FUNDS

	Bridge	Permanent
Purchase Price:	\$34,250,000	34,250,000
Capital Improvement Budget:	0	5,658,696
Construction Period Interest:	0	0
Loan Origination / Assumption Fees:	308,250	1,054,150
Equity Placement Fees:	0	0
Acquisition Fee:	0	0
Developer Fee:	0	5,729,429
Interest Reserve:	135,225	135,225
Prepayment Penalty:	0	0
Prepaid Taxes & Insurance:	112,163	653,406
Transfer Taxes:	0	0
Legal & Closing Costs:	175,000	966,027
Fairfield Due Diligence Costs:	25,000	25,000
Contingency / Working Capital:	50,000	100,000
Unallocated Project Funds:	0	0
TOTAL USES:	\$35,055,638	\$48,571,933

AFFORDABILITY INFORMATION (EXISTING)

End of Initial Compliance Period:	2016
End of Extended Compliance Period:	2030
Years of Restriction from Takeover:	11
Latest Placed-in-Service Date:	3/1/2001
Resyndication Year:	2020

REHABILITATION INFORMATION

	Initial	Syndication
Capital Improvement Budget:	\$0	\$5,658,696
Capital Improvement Budget / U	\$0	\$40,419

SOURCES AND USES OF FUNDS

TAX - CREDIT EQUITY CALCULATION

Rehab/Construction Tax-Credit Percentage Used 3.21% Aug-19

Total Tax Credit Equity	\$14,283,565
-------------------------	--------------

Unit Type	2019 Basis	QTY	Total
Studio	\$261,314		\$0
1BR	\$301,292	0	\$0
2BR	\$363,440	112	\$40,705,280
3BR	\$465,203	28	\$13,025,690
4BR +	\$518,265	0	\$0
Threshold Basis	\$290,752	140	\$53,730,970
50% AMI Basis Boost			0%
Adjusted Threshold Basis Boost			\$53,730,970
Per Unit			\$383,793

Census Tract (2018)	33.05	per HUDUser.gov
SADDA	N	
QCT	Y	
Bonus	30%	

Bulding Basis	\$32,537,500
"20% Requirement"	20%
Rehab Requirement	\$6,507,500
less Rehab Developer Fee	-\$848,804
Adjusted Rehab Requirement	\$5,658,696
Per Unit	\$40,419

	<u>Basis</u>	<u>Rate</u>	<u>Developer Fee</u>
Acquisition	\$32,537,500	15.0%	\$4,880,625
<u>Rehab (Capital Improvement Budget)</u>	<u>\$5,658,696</u>	<u>15.0%</u>	<u>\$848,804</u>
Total	\$38,196,196		\$5,729,429

Rehab as a % of Building Value 17%

Bond Proceeds	\$27,700,000
Eligible Basis	43,925,625

Bridge Loan	\$30,825,000	\$220,179	\$0	\$0
SAIL Loan	\$0	\$0	\$0	\$0
Bond Proceeds	\$0	\$0	\$27,700,000	\$197,857
Tax-Credit Equity	\$0	\$0	\$14,283,565	\$102,025
Deferred Developer Fee Note	\$0	\$0	\$5,729,429	\$40,924
Owner Equity Commitment	<u>\$4,230,638</u>	<u>\$30,219</u>	<u>\$858,938</u>	<u>\$6,135</u>
Total Sources of Funds	\$35,055,638	\$250,397	\$48,571,933	\$346,942

Acquisition Costs							
Purchase Price	\$34,250,000	\$244,643	\$34,250,000	\$244,643			
assumed Land Value			1,712,500	\$12,232			
assumed Building Basis			32,537,500	\$232,411	32,537,500	\$232,411	
Partnership Expenses							
Capital Improvement Budget	\$0	\$0	\$5,658,696	\$40,419	5,658,696	\$40,419	
Contingency							
Construction Period Interest:	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equity Placement Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Acquisition Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interest Reserve	\$135,225	\$966	\$135,225	\$966	\$0	\$0	\$0
Prepayment Penalty	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Fee	\$0	\$0	\$5,729,429	\$40,924	\$5,729,429	\$40,924	
Transfer Taxes	\$0	\$0	\$0	\$0	\$0	\$0	
Initial Fairfield Legal & Closing Costs	\$100,000	\$714	\$100,000	\$714			
Initial Fairfield Due Diligence Costs	\$20,000	\$143	\$20,000	\$143			
ALTA Survey	\$5,000	\$36	\$5,000	\$36	\$0	\$0	\$0
Initial Compliance Expense (Syn)	\$0	\$0	\$25,000	\$179	\$0	\$0	\$0
Title and Escrow (Syn)	\$75,000	\$536	\$105,000	\$750	\$0	\$0	\$0
Third Party Studies (Syn)	\$0	\$0	\$30,000	\$214	\$0	\$0	\$0
Partnership Legal Expenses (Syn)	\$0	\$0	\$200,000	\$1,429	\$0	\$0	\$0
Initial Deposits into OPEX Reserve (Syn)	\$0	\$0	\$541,244	\$3,866	\$0	\$0	\$0
Prepaid Taxes & Insurance	\$112,163	\$801	\$112,163	\$801	\$0	\$0	\$0
Transfer Taxes:	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Working Capital	\$50,000	\$357	\$100,000	\$714	\$0	\$0	\$0
TC/Bond Application Costs							
TCAC Final Application Fee	\$0	\$0	\$2,000	\$14	\$0	\$0	\$0
Tax-Credit Reservation Fee	\$0	\$0	\$14,727	\$105	\$0	\$0	\$0
Tax-Credit Monitoring Fee	\$0	\$0	\$58,800	\$420	\$0	\$0	\$0
Bond Cost of Issuance							
Loan Origination / Assumption Fee	\$308,250	\$2,202	\$723,750	\$5,170	\$0	\$0	\$0
Bond Reservation Fee:	\$0	\$0	\$75,000	\$536	\$0	\$0	\$0
Bond Issuer Fee:	\$0	\$0	\$55,400	\$396	\$0	\$0	\$0
Bond/TC CC Contingency	\$0	\$0	\$200,000	\$1,429	\$0	\$0	\$0
Bond Application Fee & Public Hearing Fee	\$0	\$0	\$7,500	\$54	\$0	\$0	\$0
Issuer Bond Counsel	\$0	\$0	\$50,000	\$357	\$0	\$0	\$0
Lender / Regulatory Legal	\$0	\$0	\$350,000	\$2,500	\$0	\$0	\$0
Bond Trustee	\$0	\$0	\$8,000	\$57	\$0	\$0	\$0
Cost Certification	\$0	\$0	\$15,000	\$107	\$0	\$0	\$0
Total Uses of Funds	\$35,055,638	\$250,397	\$48,571,933	\$346,942	\$43,925,625	\$313,754	

90% of Total Uses

Total Uses of Funds <i>less</i> Dev Fee	\$42,842,504	\$306,018
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PARK CREST

San Diego, CA

Investor Model: F v8 w/Fund + Add'l S/U
Last Revised: 8.19.19

FINANCING AND INVESTMENT SUMMARY

1ST MORTGAGE INFORMATION

Loan Amount:	\$30,825,000
	<u>LIBOR + 25bps</u> <u>All-In Rate</u>
Interest Rate - Year 1:	2.44% 6.19%
Interest Rate - Year 2:	2.20% 5.95%
Interest Rate - Year 3:	2.18% 5.93%
Interest Rate - Year 4:	2.27% 6.02%
Interest Rate - Year 5+:	2.41% 6.16%
Spread:	3.75%
Amortization:	30.00
# of Months Before Starting Amortization:	42
Interest Rate Used for Amortization:	6.16%
% of Rehab Costs Funded From Loan?:	0%
Partnership Rehab Equity Used First?:	N
Interest Capitalized?:	N
Loan Taken Out by Permanent Loan?:	Y
Construction Period Income to Lender?:	N
Loan to Purchase Price:	90%
Loan to Total Project Costs:	63%
Loan to Stabilized Value (Uninflated):	121%
DCR on Current NOI:	0.68
DCR on Stabilized NOI (Uninflated):	0.66
Debt Yield on Current NOI:	4.99%
Debt Yield on Stabilized NOI:	4.87%

2ND MORTGAGE INFORMATION

Loan Amount:	\$0
	<u>Index</u> <u>All-In Rate</u>
Interest Rate - Year 1:	0.00% 0.00%
Interest Rate - Year 2:	0.00% 0.00%
Interest Rate - Year 3:	0.00% 0.00%
Interest Rate - Year 4:	0.00% 0.00%
Interest Rate - Year 5+:	0.00% 0.00%
Interest Rate Spread:	0.00%
Amortization:	0.00
# of Months Before Starting Amortization:	0
Interest Rate Used for Amortization:	0.00%
% of Rehab Costs Funded From Loan?:	0%
Partnership Rehab Equity Used First?:	N
Interest Capitalized?:	N
Loan Taken Out by Permanent Loan?:	N
Construction Period Income to Lender?:	N
Loan to Purchase Price:	90%
Loan to Total Project Costs:	63%
Loan to Stabilized Value (Uninflated):	121%
DCR on Current NOI:	0.68
DCR on Stabilized NOI (Uninflated):	0.66

PARTNERSHIP STRUCTURE

% of Equity Contributed - Investor:	99%
% of Equity Contributed - Fairfield:	1%
Preferred Return:	0%
Investor Cash Flow Participation:	99%
Fairfield Cash Flow Participation:	1%
Initial Investor Residual Participation:	99%
Initial Fairfield Residual Participation:	1%
Residual Hurdle Rate - 1	7%
Investor Residual Participation:	89.1%
Fairfield Residual Participation:	10.9%
Residual Hurdle Rate - 2	100%
Investor Residual Participation:	89.1%
Fairfield Residual Participation:	10.9%
Residual Hurdle Rate - 3	100%
Investor Residual Participation:	89.1%
Fairfield Residual Participation:	10.9%
Construction Period Income Distributed?	Y
Use Subscription Financing for Investor?	N
Use Subscription Financing for Fairfield?	N
Month Equity Funds:	0
Upfront Subscription Financing Cost:	0.00%
Subscription Financing Interest Rate:	0.00%
Asset Management Fee (% of GAV):	0.35%
Equity Placement Fee in Investor IRR?:	N
Asset Management Fee in Investor IRR?:	N
Max FIC IRR	10%

TAKEOUT LOAN INFORMATION

Loan Amount:	\$27,700,000
	<u>Index</u> <u>All-In Rate</u>
Interest Rate - Year 1:	1.60% 3.60%
Interest Rate - Year 2:	1.60% 3.60%
Interest Rate - Year 3:	1.60% 3.60%
Interest Rate - Year 4:	1.60% 3.60%
Interest Rate - Year 5+:	1.60% 3.60%
Interest Rate Spread:	2.00%
Amortization:	40
Interest Rate Used for Amortization:	3.60%
# of Months From Completion to Takeout?:	(2)
Loan to Purchase Price:	81%
Loan to Total Project Costs:	57%
Loan to Stabilized Value (Uninflated):	109%
Refi Year NOI (2019 Max)	\$1,500,064
DCR on Refi Year NOI:	1.15
DY on Refi Year NOI:	5.4%

PARK CREST
San Diego, CA

Investor Model: v8 w/Fund + Add'l S/U
Last Revised: 8.19.19

PROPERTY INCOME ASSUMPTIONS

CURRENT LEASE RENTS

# Units	Type	Sq. Ft.	2019 Gross Rent	UA	Max Net Rent	Monthly Rent	PSF
112	2BR - 1BA - 60%	900	\$1,444	\$32	\$1,412	\$1,412	\$1.57
28	3BR - 2BA - 60%	1,100	\$1,669	\$35	\$1,634	\$1,634	\$1.49
0	0	0	\$0	\$0	\$0	\$0	#DIV/0!
0	0	0	\$0	\$0	\$0	\$0	#DIV/0!
0	0	0	\$0	\$0	\$0	\$0	#DIV/0!
0	0	0	\$0	\$0	\$0	\$0	#DIV/0!
0	0	0	\$0	\$0	\$0	\$0	#DIV/0!
0	0	0	\$0	\$0	\$0	\$0	#DIV/0!
0	0	0	\$0	\$0	\$0	\$0	#DIV/0!
0	0	0	\$0	\$0	\$0	\$0	#DIV/0!
140		940			\$1,456	\$1,456	\$1.55

Current lease rents are from seller rent roll dated:

8/1/2019

INCOME ASSUMPTIONS

	Inflation <u>Restricted</u>	Inflation <u>Unrestricted</u>	Vacancy <u>1st Half</u>	Vacancy <u>2nd Half</u>
Year 1:	3.00%	3.00%	4.00%	4.00%
Year 2:	4.00%	4.00%	4.00%	4.00%
Year 3:	3.00%	3.00%	4.00%	4.00%
Year 4:	3.00%	3.00%	4.00%	4.00%
Year 5:	3.00%	3.00%	4.00%	4.00%
Year 6+:	3.00%	3.00%	4.00%	4.00%
Economic Vacancy as of:		4/19	4.00%	
Physical Vacancy as of:		8/1/2019	0.00%	

OTHER INCOME

Monthly Laundry Income Per Unit:	\$0
Monthly Deposit Forfeitures Per Unit:	\$0
Monthly Late Fees Per Unit:	\$0
Monthly Pet Rent Per Unit:	\$0
Monthly Miscellaneous Charges Per Unit:	\$29
Total Monthly Other Income Per Unit:	\$29
Number of Surface Parking Spaces:	0
Surface Parking Rental Charge:	\$0
Number of Rented Garages:	0
Garage Rental Charge:	\$0
Carport and Garage Vacancy:	0.00%
Total Monthly Other Income:	\$4,051
Monthly Commercial Income:	\$0

RECENT RENT

QTY	# Units	Type	Sq. Ft.	Gross Rent	UA	Max Net Rent	Monthly Rent	PSF
12	112	2BR - 1BA - 60%	900	1,444	32	1,412	\$1,412	\$1.57
0	28	3BR - 2BA - 60%	1,100	1,669	35	1,634	\$1,634	\$1.49
	0	0	0	0	0	0	\$0	#DIV/0!
	0	0	0	0	0	0	\$0	#DIV/0!
	0	0	0	0	0	0	\$0	#DIV/0!
	0	0	0	0	0	0	\$0	#DIV/0!
	0	0	0	0	0	0	\$0	#DIV/0!
	0	0	0	0	0	0	\$0	#DIV/0!
	0	0	0	0	0	0	\$0	#DIV/0!
	0	0	0	0	0	0	\$0	#DIV/0!
12	140		940			\$1,456	\$1,456	\$1.55

\$0 Bump from In-Place

STABILIZED RENT SCHEDULE

# Units	Type	Sq. Ft.	Gross Rent	UA	Max Net Rent	Monthly Rent	PSF
11	2BR - 1BA - 50%	900	1,203	32	\$1,171	\$1,171	\$1.30
101	2BR - 1BA - 60%	900	1,444	32	\$1,412	\$1,412	\$1.57
3	3BR - 2BA - 50%	1,100	1,391	35	\$1,356	\$1,356	\$1.23
25	3BR - 2BA - 60%	1,100	1,669	35	\$1,634	\$1,634	\$1.49
0	0	0	0	0	\$0	\$0	#DIV/0!
0	0	0	0	0	\$0	\$0	#DIV/0!
0	0	0	0	0	\$0	\$0	#DIV/0!
0	0	0	0	0	\$0	\$0	#DIV/0!
0	0	0	0	0	\$0	\$0	#DIV/0!
0	0	0	0	0	\$0	\$0	#DIV/0!
140		940	1,464	33	1,432	\$1,432	\$1.52

NEW OTHER INCOME

Number of Washer Dryers:	0
Washer and Dryer Rental Charge:	\$0
Number of New Garages:	0
Garage Rental Charge:	\$0
Carport and Garage Vacancy:	0.00%
Total Additional Monthly Other Income:	\$0
Month First New Carports Completed:	0
Month Last New Carports Completed:	0

UNIT MIX			ABR
Type	#	%	2.20
1BR	0	0%	
2BR	112	80%	
3BR	28	20%	
4BR	0	0%	
	140	100%	

AFFORDABILITY MIX

Units	Restriction	% of Units
0	MR	0%
140	60%	100%
140	60%	100%

PARK CREST

San Diego, CA

Investor Model: v8 w/Fund + Add'l S/U

Last Revised: 8.19.19

PROPERTY EXPENSE ASSUMPTIONS

EXPENSE INFORMATION

Annual Inflation of Expenses:	3.00%
Annual Inflation of Property Taxes:	2.00%
Management Fee:	3.00%
Capital Reserves Per Unit:	\$300
Management Fee Used at Sale:	3.00%
Vacancy Rate Used at Sale:	5.00%
Capital Reserves Used at Sale:	\$300
Sales and Closing Costs:	2.00%

PROPERTY TAX INFORMATION

Property Tax Rate:	1.17461%
Non Ad-Valorem Taxes	\$16,385
Current Property Taxes:	\$16,385
Year Property is Reassessed (1-20):	21
% of Value Assessed:	100%
Assume Reassessment on Back-End Sale?:	N

CONSTRUCTION PERIOD EXPENSES

	<u>Annual</u>	<u>Per Unit</u>
Management Fee:	\$71,925	\$514
Personnel Costs:	224,000	1,600
Administrative:	61,200	437
Advertising & Promotion:	7,000	50
Repairs & Maintenance:	63,000	450
Make Ready:	49,000	350
Building Services:	63,000	450
Utilities:	193,597	1,383
Utility Pass-Throughs:	0	0
Real Estate Taxes:	16,713	119
Insurance:	103,806	741
Capital Reserves:	42,000	300
Annual Operating Exp.:	\$895,241	\$6,395

STABILIZED OPERATING EXPENSES

	<u>Annual</u>	<u>Per Unit</u>
Management Fee:	\$70,720	\$505
Personnel Costs:	224,000	1,600
Administrative:	61,200	437
Advertising & Promotion:	7,000	50
Repairs & Maintenance:	63,000	450
Make Ready:	49,000	350
Building Services:	63,000	450
Utilities:	193,597	1,383
Utility Pass-Throughs:	0	0
Real Estate Taxes:	16,713	119
Insurance:	67,046	479
Capital Reserves:	42,000	300
Annual Operating Exp.:	\$857,276	\$6,123

PARK CREST
San Diego, CA

20 - YEAR FINANCIAL PROJECTIONS

		2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
	<u>Current Rents</u>	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Year 6</u>	<u>Year 7</u>	<u>Year 8</u>	<u>Year 9</u>	<u>Year 10</u>	<u>Year 11</u>	<u>Year 12</u>	<u>Year 13</u>	<u>Year 14</u>	<u>Year 15</u>
OPERATING INCOME:																
Gross Potential Rental Income		2,446,752	2,463,209	2,530,428	2,617,837	2,696,372	2,777,263	2,860,581	2,946,398	3,034,790	3,125,834	3,219,609	3,316,197	3,415,683	3,518,154	3,623,698
(Increase Over Previous Year)				2.73%	3.45%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Less: Vacancy		(97,870)	(98,528)	(101,217)	(104,713)	(107,855)	(111,091)	(114,423)	(117,856)	(121,392)	(125,033)	(128,784)	(132,648)	(136,627)	(140,726)	(144,948)
Total Rental Income		2,348,882	2,364,681	2,429,211	2,513,123	2,588,517	2,666,173	2,746,158	2,828,542	2,913,399	3,000,801	3,090,825	3,183,549	3,279,056	3,377,428	3,478,750
Commercial Income		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other Operating Income		48,606	49,392	51,142	52,909	54,496	56,131	57,815	59,550	61,336	63,176	65,071	67,024	69,034	71,105	73,238
Total Operating Income		2,397,488	2,414,073	2,480,354	2,566,032	2,643,013	2,722,304	2,803,973	2,888,092	2,974,735	3,063,977	3,155,896	3,250,573	3,348,090	3,448,533	3,551,989
OPERATING EXPENSES:																
Management fee @ 3.00%		71,925	72,422	74,411	76,981	79,290	81,669	84,119	86,643	89,242	91,919	94,677	97,517	100,443	103,456	106,560
Operating Expenses		727,843	776,972	800,281	824,290	849,018	874,489	900,723	927,745	955,578	984,245	1,013,772	1,044,185	1,075,511	1,107,776	1,141,010
Utility Pass-Through		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Capital Reserves @ \$300		42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000	42,000
Property Taxes		16,713	16,713	17,047	17,388	17,736	18,090	18,452	18,821	19,198	19,582	19,973	20,373	20,780	21,196	21,620
Total Operating Expenses		858,481	908,107	933,739	960,658	988,044	1,016,248	1,045,295	1,075,209	1,106,017	1,137,746	1,170,422	1,204,075	1,238,734	1,274,428	1,311,189
NET OPERATING INCOME		1,539,007	1,505,966	1,546,615	1,605,374	1,654,969	1,706,055	1,758,678	1,812,883	1,868,717	1,926,231	1,985,474	2,046,498	2,109,356	2,174,105	2,240,800
Cap Rate / Return on Costs		4.49%	4.30%	4.41%	4.58%	4.72%	4.87%	5.02%	5.17%	5.33%	5.49%	5.66%	5.84%	6.02%	6.20%	6.39%
Less: Debt Service 1st Mortgage			(636,466)	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Debt Service 2nd Mortgage			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: Debt Service Takeout Loan			(664,800)	(997,200)	(1,230,074)	(1,307,699)	(1,307,699)	(1,307,699)	(1,307,699)	(1,307,699)	(1,307,699)	(1,307,699)	(1,307,699)	(1,307,699)	(1,307,699)	(1,307,699)
Less: Debt Service Subscription Financing			0	0	0	0	0	0	0	0	0	0	0	0	0	0
Less: LP AM Fee & Cash Flow \$10,000			(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
NET CASH FLOW			194,701	539,415	365,300	337,270	388,357	440,979	495,184	551,019	608,532	667,775	728,799	791,658	856,406	923,101

HOUSING COMMISSION MULTIFAMILY HOUSING REVENUE BOND PROGRAM SUMMARY

General Description: The multifamily housing bond program provides below-market financing (based on bond interest being exempt from income tax) for developers willing to set aside a percentage of project units as affordable housing. Multifamily housing revenue bonds are also known as “private activity” bonds because the projects are owned by private entities, often including nonprofit sponsors and for-profit investors.

Bond Issuer: Housing Authority of the City of San Diego. There is no direct legal liability to the City, the Housing Authority or the Housing Commission in connection with the issuance or repayment of bonds. There is no pledge of the City’s faith, credit or taxing power nor of the Housing Authority’s faith or credit. The bonds do not constitute a general obligation of the issuer because security for repayment of the bonds is limited to specific private revenue sources, such as project revenues. The developer is responsible for the payment of costs of issuance and all other costs under each financing.

Affordability: Minimum requirement is that at least 20% of the units are affordable at 50% of Area Median Income (AMI). Alternatively, a minimum of 10% of the units may be affordable at 50% AMI with an additional 30% of the units affordable at 60% AMI. The Housing Commission requires that the affordability restriction be in place for a minimum of 15 years. Due to the combined requirements of state, local, and federal funding sources, projects financed under the Bond Program are normally affordable for 30-55 years and often provide deeper affordability levels than the minimum levels required under the Bond Program.

Rating: Generally “AAA” or its equivalent with a minimum rating of “A” or, under conditions that meet IRS and Housing Commission requirements, bonds may be unrated for private placement with institutional investors (typically, large banks). Additional security is normally achieved through the provision of outside credit support (“credit enhancement”) by participating financial institutions that underwrite the project loans and guarantee the repayment of the bonds. The credit rating on the bonds reflects the credit quality of the credit enhancement provider.

Approval Process:

- **Inducement Resolution:** The bond process is initiated when the issuer (Housing Authority) adopts an “Inducement Resolution” to establish the date from which project costs may be reimbursable from bond proceeds (if bonds are later issued) and to authorize staff to work with the financing team to perform a due diligence process. The Inducement Resolution does not represent any commitment by the Housing Commission, Housing Authority, or the developer to proceed with the financing.
- **TEFRA Hearing and Resolution (Tax Equity and Fiscal Responsibility Act of 1982):** To assure that projects making use of tax-exempt financing meet

appropriate governmental purposes and provide reasonable public benefits, the IRS Code requires that a public hearing be held and that the issuance of bonds be approved by representatives of the governmental unit with jurisdiction over the area in which the project is located (City Council). This process does not make the City financially or legally liable for the bonds or for the project.

[Note: It is uncommon for the members of the City Council to be asked to take two actions at this stage in the bond process---one in their capacity as the City Council (TEFRA hearing and resolution) and another as the Housing Authority (bond inducement). Were the issuer (Housing Authority) a more remote entity, the TEFRA hearing and resolution would be the only opportunity for local elected officials to weigh in on the project.]

- **Application for Bond Allocation:** The issuance of these “private activity bonds” (bonds for projects owned by private developers, including projects with nonprofit sponsors and for-profit investors) requires an allocation of bond issuing authority from the State of California. To apply for an allocation, an application approved by the Housing Authority and supported by an adopted inducement resolution and by proof of credit enhancement (or bond rating) must be filed with the California Debt Limit Allocation Committee (CDLAC). In addition, evidence of a TEFRA hearing and approval must be submitted prior to the CDLAC meeting.
- **Final Bond Approval:** The Housing Authority retains absolute discretion over the issuance of bonds through adoption of a final resolution authorizing the issuance. Prior to final consideration of the proposed bond issuance, the project must comply with all applicable financing, affordability, and legal requirements and undergo all required planning procedures/reviews by local planning groups, etc.
- **Funding and Bond Administration:** All monies are held and accounted for by a third party trustee. The trustee disburses proceeds from bond sales to the developer in order to acquire and/or construct the housing project. Rental income used to make bond payments is collected from the developer by the trustee and disbursed to bond holders. If rents are insufficient to make bond payments, the trustee obtains funds from the credit enhancement provider. No monies are transferred through the Housing Commission or Housing Authority, and the trustee has no standing to ask the issuer for funds.

Bond Disclosure: The offering document (typically a Preliminary Offering Statement or bond placement memorandum) discloses relevant information regarding the project, the developer, and the credit enhancement provider. Since the Housing Authority is not responsible in any way for bond repayment, there are no financial statements or summaries about the Housing Authority or the City that are included as part of the offering document. The offering document includes a paragraph that states that the Housing Authority is a legal entity with the authority to issue multifamily housing bonds and that the Housing Commission acts on behalf of the Housing Authority to issue the

bonds. The offering document also includes a paragraph that details that there is no pending or threatened litigation that would affect the validity of the bonds or curtail the ability of the Housing Authority to issue bonds. This is the extent of the disclosure required of the Housing Authority, Housing Commission, or the City. However, it is the obligation of members of the Housing Authority to disclose any material facts known about the project, not available to the general public, which might have an impact on the viability of the project.

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

1. Name of CONTRACTOR: Fairfield Residential Company LLC
2. Address and Zip Code: 5510 Morehouse Dr., Suite
3. Telephone Number: 858.824.6406
4. Name of Principal Contact for CONTRACTOR: Paul Kudirka
5. Federal Identification Number or Social Security Number of CONTRACTOR: 27-3038889
6. If the CONTRACTOR is not an individual doing business under his own name, the CONTRACTOR has the status indicated below and is organized or operating under the laws of California as:

- ☐ A corporation (Attach Articles of Incorporation)
- ☐ A nonprofit or charitable institution or corporation. (Attach copy of Articles of Incorporation and documentary evidence verifying current valid nonprofit or charitable status)
- ☒ A partnership (actually a limited liability company) known as:
Fairfield Residential Company

Check one:

- ☐ General Partnership (Attach statement of General Partnership)
- ☐ Limited Partnership (Attach Certificate of Limited Partnership)
- ☐ A business association or a joint venture known as: _____
(Attach joint venture or business association agreement)
- ☐ A Federal, State or local government or instrumentality thereof.
- ☒ Other (explain): A limited liability company

7. If the CONTRACTOR is not an individual or a government agency or instrumentality, give date of organization:

5/28/2010

8. Provide names, addresses, telephone numbers, title of position (if any) and nature and extent of the interest of the current officers, principal members, shareholders, and investors of the CONTRACTOR, other than a government agency or instrumentality, as set forth below:
 - a. If the CONTRACTOR is a corporation, the officers, directors or trustees, and each stockholder owning more than 10% of any class of stock.
 - b. If the CONTRACTOR is a nonprofit or charitable institution or corporation, the members who constitute the board of trustees or board of directors or similar governing body.

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

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: Greg Pinkalla	President & CEO
Address: 5510 Morehouse Dr., Suite 200	~3%
San Diego, CA 92121	
Name: Shant Komriqian	Executive V.P. & CFO
Address: 5510 Morehouse Dr., Suite 200	0%
San Diego, CA 92121	
Name: Jon A. MacDonald	Executive V.P. & General Counsel
Address: 5510 Morehouse Dr., Suite 200	0%
San Diego, CA 92121	
Name: Beth Ann Coleman	Chief Compliance Officer 0%
Address: 5510 Morehouse Dr., Suite 200	0%
San Diego, CA 92121	
Name: Pericles Raptis	Executive V.P. (Development)
Address: 7301 State Hwy 161 #260	>1%
Irving, TX 75039	
Name: Brent Ball	Senior V.P. (Development)
Address: 7301 State Hwy 161 #260	>1%
Irving, TX 75039	
Name: CSJV NF Service Co, LLC (CalSTRS)	26.64% Member
Address: 100 Waterfront Pl., West Sacramento, CA 95605	
Name: CSJV NF Purchaser, LLC (CalSTRS)	69.28% Member
Address: 100 Waterfront Pl., West Sacramento, CA 95605	

9. Has the makeup as set forth in Item 8(a) through 8(e) changed within the last twelve (12) months? If yes, please explain in detail.

Prior to April 26, 2019, Fairfield Residential Company LLC was owned by Brookfield Asset Management and CalSTRS. On April 26, 2019, CalSTRS bought Brookfield Asset Management's interest in Fairfield Residential Company LLC to be the sole majority partner, excluding Management.

10. Is it *anticipated* that the makeup as set forth in Item 8(a) through 8(e) will change within the next twelve (12) months? If yes, please explain in detail.

No

11. Provide name, address, telephone number, and nature and extent of interest of each person or entity (not named in response to Item 8) who has a beneficial interest in any of the shareholders or investors named in response to Item 8 which gives such person or entity more than a computed 10% interest in the CONTRACTOR (for example, more than 20% of the stock in a corporation which holds 50% of the stock of the CONTRACTOR or more than 50% of the stock in the corporation which holds 20% of the stock of the CONTRACTOR):

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: CalSTRS	100% owner of CSJV NF Service Co, LLC
Address: 100 Waterfront Pl., West Sacramento, CA 95605	
Name: CalSTRS	100% owner of CSJV NF Purchaser, LLC
Address: 100 Waterfront Pl., West Sacramento, CA 95605	
Name:	
Address:	

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

Name and Address	Position Title (if any) and percent of interest or description of character and extent of interest
Name: See CalSTRS website: www.calstrs.com/executive-staff	
Address:	
Name:	
Address:	
Name:	
Address:	

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

Name and Address	Relationship to CONTRACTOR
Name: Fairfield Development L.P.	Subsidiary
Address: 5510 Morehouse Dr., Suite 200	
San Diego, CA 92121	
Name: FF Properties L.P.	Subsidiary
Address: 5510 Morehouse Dr., Suite 200	

San Diego, CA 92121	
Name:	
Address:	

14. Provide the financial condition of the CONTRACTOR as of the date of the statement and for a period of twenty-four (24) months prior to the date of its statement as reflected in the **attached** financial statements, including, but not necessarily limited to, profit and loss statements and statements of financial position.

Fairfield Residential Company is in good financial standing. Please see the attached audited financial statements for additional information and explanation.

15. If funds for the development/project are to be obtained from sources other than the CONTRACTOR's own funds, provide a statement of the CONTRACTOR's plan for financing the development/project:

The project will be financed using tax exempt bonds (issued through SDHC), CalSTRS and Management equity, a deferred developer fee note, and tax credit equity from a to-be-named tax credit partner.

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

- a. In banks/savings and loans: N/A

Name:

Address:

Amount: \$

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

Name: Fairfield Affordable Housing Fund (CalSTRS and Management)

Address: 5510 Morehouse Drive, Suite 200, San Diego, CA, 92121

Amount: \$250,000,000 Fairfield has a \$250MM equity commitment from CalSTRS to fund the creation and preservation of affordable housing nationally. This equity will be used in conjunction with Tax Credits and Bonds to fund the acquisition and renovation of Park Crest apartments.

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

Description	Market Value (\$)	Mortgages or Liens (\$)

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

Name and Address	Contact Name
Name: CBRE Capital Markets	Jim Flinn
Address: 1420 5 th Ave., Suite 1700	Executive Vice President
Seattle, WA 98101	
Name: JLL Capital Markets	Tim Leonard
Address: 1703 W 5 th St., #850	Executive Vice President
Austin, TX 78703	
Name: Freddie Mac	David Leopold
Address: 1551 Park Run Dr.	Vice President, Multifamily Affordable Sales
McLean, VA 22102	

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

☐ Yes ☒ No

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

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

☐ Yes ☒ No

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

20. List undertakings (including, but not limited to, bid bonds, performance bonds, payment bonds and/or improvement bonds) comparable to size of the proposed project which have been completed by the CONTRACTOR including identification and brief description of each project, date of completion, and amount of bond, whether any legal action has been taken on the bond: **See attached summary table below.**

Fairfield's Affordable Housing Project History

Inception Date	State	Property Name	Currently Owned	Tax Credit Project ID	Total Units	Current Phys. Occupancy	Completion Date	Activity (Drop Down)	Primary Funding Source
11/08	RI	Sutterfield	Yes	RI-06-005	143	97%	8/1/07	Acquisition/Rehab	TC/BOND
11/08	RI	University Heights	Yes	RI-06-004	349	97%	8/1/07	Acquisition/Rehab	TC/BOND
11/06	CO	Timberleaf	Yes	CO-06-000	200	98%	7/1/04	Acquisition/Rehab	TC/BOND
11/06	CA	Sagewood	No				12/18/06	New Construction	TC/BOND
01/05	CA	Belmont	Yes	CA-2005-815	224	96%	8/1/16	Acquisition/Rehab	TC/BOND
01/05	VA	Brentwood	Yes	VA05-770	285	97%	8/1/07	Acquisition/Rehab	TC/BOND
01/05	MD	Oakfield	Yes	MD-05-200	371	98%	8/1/07	Acquisition/Rehab	TC/BOND
01/05	CO	Ridgemoor	Yes	CO-05-001	253	97%	7/15/04	Acquisition/Rehab	TC/BOND
01/04	CA	Baycliff	Yes	CA-2004-859	342	98%	5/1/06	Acquisition/Rehab	TC/BOND
01/04	CA	Bristol	Yes	CA-2004-858	102	99%	4/7/06	New Construction	TC/BOND
01/04	CA	Trestles	Yes	CA-2004-804	71	99%	5/1/05	Acquisition/Rehab	TC/BOND
01/04	CA	Wyndover	Yes	CA-2004-899	136	99%	6/2/06	Acquisition/Rehab	TC/BOND
01/04	WA	Windstone	No	04-002			5/1/05	Acquisition/Rehab	TC/BOND
01/03	MD	The Barrington	Yes	MD-03-200		98%	12/1/05	Acquisition/Rehab	TC/BOND
01/03	CA	Muirlands	Yes	CA-2003-842	350	99%	9/15/05	New Construction	TC/BOND
01/03	CA	Turnleaf	Yes	CA-2003-841	152	99%	7/31/04	Acquisition/Rehab	TC/BOND
12/03	TX	Reserve at Las Brisas II	Yes	TX-03-094	180	97%	12/30/05	Purchase/ Refinance	Conventional
12/03	VA	Whispering Oaks	Yes	VA03-290	180	97%	4/22/05	Purchase/ Refinance	Conventional
01/02	CA	Walden Glen	Yes	CA-2002-876	186	97%	11/1/00	Acquisition/Rehab	TC/BOND
01/02	WA	Whisperwood	No	02-000			8/1/02	Acquisition/Rehab	TC/BOND
01/01	MD	Parklane	Yes	MD-01-160	137	97%	5/1/02	Acquisition/Rehab	TC/BOND
11/01	TX	Parkway Senior	Yes	TX-01-052	122	99%	12/22/03	Purchase/ Refinance	Conventional
01/00	CA	Canyon Rim	Yes	CA-2000-815	504	98%	7/31/01	Acquisition/Rehab	TC/BOND
01/00	NC	Falls Pointe	Yes	NC-00-002	312	98%	12/20/01	Purchase/ Refinance	TC/BOND
01/00	CA	Stratton	Yes	CA-2000-814		96%	12/1/00	Acquisition/Rehab	<Select>
01/00	CO	Westbury	No	00-002			7/1/00	Acquisition/Rehab	TC/BOND
01/99	CA	Watercrest	No	CA-99-845			3/1/00	Acquisition/Rehab	TC/BOND
01/99	CA	Thornbridge	No	CA-99-846			3/1/00	Acquisition/Rehab	TC/BOND
01/98	CA	Westchester Park	Yes	CA-1998-943	150	99%	10/1/98	Acquisition/Rehab	TC/BOND
01/98	CA	Sienna Vista	No	CA-98-944			12/31/99	Acquisition/Rehab	TC/BOND
12/94	TX	Paradise Oaks	Yes	TX-94-016	248	95%	11/14/96	Purchase/ Refinance	Conventional
12/93	TX	Forest Creek	Yes	TX-93-018	256	92%	3/16/95	Purchase/ Refinance	Conventional
12/93	TX	Valley Ridge	Yes	TX-93-002	192	95%	6/26/95	Purchase/ Refinance	Conventional
12/93	TX	Valley Trails	Yes	TX-93-022	204	96%	12/8/95	Purchase/ Refinance	Conventional

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

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

Fairfield's internal construction management department is currently reviewing the renovation project with several contractors. Once a contractor has been selected we will request and provide this information.

Name and Address	Affiliation
Name:	
Address:	
Name:	
Address:	
Name:	
Address:	

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

☐ Yes

☐ No

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

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

General description of such work:

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

Project Name		
Project Owner Contact Information		
	Name	Address
Project Location		

Project Details		
Bonding Company Involved		
	Name	Amount of Contract
Change Order Details		
Change Order Cost		
Litigation Details		
	Location/Date	Outcome Details

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

Identification of Contract or Development	Location	Amount	Date to be Completed

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

Awarding Agency	Amount	Date Opened

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

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

☐ Yes ☒ No

If yes, explain:

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

See attached Corporate Overview.

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

☐ Yes ☒ No

If yes, explain:

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

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

\$1MM/\$2MM

Check coverage(s) carried:

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

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

\$1MM

Check coverage(s) carried:

- ☒ Comprehensive Form
☐ Owned
☐ Hired
☐ Non-Owned

- d. Workers Compensation [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

\$1MM

- e. Professional Liability (Errors and Omissions) [Attach certificate of insurance showing the amount of coverage and coverage period(s)]

\$5MM

- f. Excess Liability [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

UMBRELLA \$25MM

- g. Other (Specify) [Attach certificate(s) of insurance showing the amount of coverage and coverage period(s)]

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

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

Government Complaint	Entity	Making	Date	Resolution

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

☐ Yes ☒ No

If yes, please explain, in detail,

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

Fairfield is in compliance and good standing with all local and state housing agencies and LIHTC and HUD regulations.

Government Agency	License Description	License Number	Date Issued (Original)	Status (Current)	Revocation (Yes/No)
State of CA Dept of Real Estate	Real Estate License	01052593	9/30/2018	Current	No

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

None that we are aware of at this time.

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

Please see the attached corporate overview which outlines Fairfield's long and successful history of owning and operating affordable housing throughout the US, including several successful projects in the San Diego area.

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

Date	Entity Involved (i.e. City SDHC, etc)	Status (Current, delinquent, repaid, etc.)	Dollar Amount
6/15/2016	SDHC – Canyon Rim Loan	Repaid	1,565,000
3/15/2017	SDHC – Stratton Loan	Repaid	1,565,000

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

☐ Yes ☒ No

If yes, explain:

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

Contractor TBD

☐ Yes ☐ No

If yes, explain:

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

To be provided by contractor upon selection.

1. Name:
Address:
Phone:
Project Name and Description:
2. Name:
Address:
Phone:
Project Name and Description:
3. Name:

Address:

Phone:

Project Name and Description:

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

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

Name	Experience
TBD	

CONSENT TO PUBLIC DISCLOSURE BY CONTRACTOR

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

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

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

Executed this 7th day of August, 20 19, at San Diego, California.

CONTRACTOR

By: 
Signature

EXECUTIVE VICE PRESIDENT, GENERAL

Title COUNSEL & CORPORATE SECRETARY

CERTIFICATION

The CONTRACTOR, Fairfield Residential Company LLC, hereby certifies that this CONTRACTOR's Statement for Public Disclosure and the attached information/evidence of the CONTRACTOR's qualifications and financial responsibility, including financial statements, are true and correct to the best of CONTRACTOR's knowledge and belief.

By: _____

By: _____

Title: EXECUTIVE VICE PRESIDENT, GENERAL COUNSEL & CORPORATE SECRETARY Title: _____

Dated: _____

Dated: _____

WARNING: 18 U.S.C. 1001 provides, among other things, that whoever knowingly and willingly makes or uses a document or writing containing any false, fictitious or fraudulent statement or entry, in any matter within the jurisdiction or any department or agency of the United States, shall be fined not more than \$10,000 or imprisoned for not more than five years, or both.

JURAT

State of California

County of _____

Subscribed and sworn to (or affirmed) before me on this _____ day of _____, 20_____

by _____ personally known to me or proved to me on the basis of
satisfactory evidence to be the person(s) who appeared before me.

See attached California Notary form
Signature of Notary

SEAL

CALIFORNIA JURAT WITH AFFIANT STATEMENT

GOVERNMENT CODE § 8202

- ☒ See Attached Document (Notary to cross out lines 1-6 below)
☐ See Statement Below (Lines 1-6 to be completed only by document signer[s], *not* Notary)

1
2
3
4
5
6

Signature of Document Signer No. 1 Signature of Document Signer No. 2 (if any)

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

State of California
County of San Diego

Subscribed and sworn to (~~or affirmed~~) before me
on this 17th day of August, 2019,
by Jon A. MacDonald
(1) _____

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

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

Signature Lisa A. Snyder
Signature of Notary Public



Seal
Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____ Document Date: _____

Number of Pages: _____ Signer(s) Other Than Named Above: _____

Fairfield Residential Company LLC
Unaudited Interim Consolidated Financial Statements
March 31, 2019

The information contained herein shall be kept confidential, shall not be reproduced or disclosed, and shall not be used for any other purpose than originally intended.

Fairfield Residential Company LLC

Consolidated Balance Sheets

(In thousands)

(unaudited)

	March 31, 2019	December 31, 2018
Assets		
Cash and cash equivalents	\$ 19,366	\$ 20,438
Accounts and other receivables	48,275	46,315
Cost in excess of billings and estimated earnings	23,114	23,995
Prepays and other	4,131	2,969
Property, furniture, equipment and leasehold improvements	3,580	3,843
Goodwill and other intangibles	18,778	18,814
Total assets	\$ 117,244	\$ 116,374
Liabilities and Members' Equity		
Accounts payable and accrued liabilities	\$ 78,744	\$ 76,040
Billings in excess of costs and estimated earnings	924	29
Note payable	2,997	3,569
Total liabilities	82,665	79,638
Members' equity	34,579	36,736
Total liabilities and members' equity	\$ 117,244	\$ 116,374

Fairfield Residential Company LLC

Consolidated Income Statements

(In thousands)

(*unaudited*)

	Three Months Ended March 31	
	2019	2018
Revenues		
Construction contract revenue	\$ 83,628	64,309
Property Management fees	4,759	5,360
Development fees	2,904	7,917
Investment management fees	2,709	3,473
Construction management fees	535	501
Disposition fees	1,801	2,384
Other income	269	306
Total revenues	96,605	84,250
Expenses		
Cost of construction contracts	79,008	60,905
Payroll and related		
Salaries	9,656	9,144
Bonuses	3,262	3,099
Burden	2,721	2,426
General and administrative	3,696	3,127
Depreciation and amortization	419	374
Total expenses	98,762	79,075
Net (loss)/income	\$ (2,157)	\$ 5,175

Fairfield Residential Company LLC
Consolidated Statements of Members' Equity
(In thousands)
(unaudited)

	Brookfield Multifamily ServiceCo LLC		CSJV NF ServiceCo, LLC		FFM LLC on behalf of FFM ServiceCo Series		Total
Balance at December 31, 2017	\$	23,425	\$	7,589	\$	1,500	\$ 32,514
Distributions		(8,327)		(3,202)		(490)	(12,019)
Net income		9,729		5,939		573	16,241
Balance at December 31, 2018	\$	24,827	\$	10,326	\$	1,583	\$ 36,736
Distributions		-		-		-	-
Net loss		(1,096)		(996)		(65)	(2,157)
Balance at March 31, 2019	\$	23,731	\$	9,330	\$	1,518	\$ 34,579

Fairfield Residential Company LLC
Consolidated Statements of Cash Flows
(In thousands)
(unaudited)

	Three Months Ended March 31	
	2019	2018
Operating activities		
Net loss/income	\$ (2,157)	\$ 5,175
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	419	374
Changes in operating assets and liabilities:		
Accounts and other receivables	(1,960)	6,176
Cost in excess of billings and estimated earnings	881	791
Prepays and other	(1,162)	(1,171)
Deferred income	-	50
Billings in excess of costs and estimated earnings	895	77
Accounts payable and accrued liabilities	2,705	(4,061)
Net cash used in operating activities	(379)	7,411
Investing activities		
Purchases of furniture, equipment, and leasehold improvements	(119)	(107)
Net cash used in investing activities	(119)	(107)
Financing activities		
Distributions to members	-	(5,000)
Payments made on notes payable	(573)	(545)
Net cash used in financing activities	(573)	(5,545)
 Net decrease in cash and cash equivalents	 (1,071)	 1,759
Cash and cash equivalents at December 31, 2018	20,438	16,547
Cash and cash equivalents at March 31, 2019	\$ 19,366	\$ 18,306

FAIRFIELD
RESIDENTIAL



ORA Flagler Village | Fort Lauderdale, FL

Fairfield Residential Company LLC (FRC)

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2018 AND 2017

WITH REPORT OF INDEPENDENT AUDITORS

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Ernst & Young LLP
Suite 500
4365 Executive Drive,
#1600
San Diego, CA 92121

Tel: +1 858 535 7200
Fax: +1 858 535 7777
ey.com

Report of Independent Auditors

The Members
Fairfield Residential Company LLC

We have audited the accompanying consolidated financial statements of Fairfield Residential Company LLC, which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of income, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Fairfield Residential Company LLC at December 31, 2018 and 2017, and the consolidated results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

January 31, 2019

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS

(In Thousands)	DECEMBER 31,	
	2018	2017
Assets		
Cash and cash equivalents	\$ 20,438	\$ 16,547
Due from affiliates	46,065	47,351
Costs and estimated earnings in excess of billings on uncompleted construction contracts	23,995	20,369
Furniture, equipment, and leasehold improvements, net	3,843	3,822
Goodwill and intangible assets, net	18,814	18,958
Accounts and other receivables	250	165
Prepaid and other assets	2,969	2,585
Total assets	<u>\$ 116,374</u>	<u>\$ 109,797</u>
Liabilities and members' equity		
Accounts payable	\$ 61,144	\$ 56,722
Accrued payroll and related benefits	13,351	13,239
Other accrued liabilities	1,574	1,532
Notes payable	3,569	5,790
Total liabilities	<u>79,638</u>	<u>77,283</u>
Commitments and contingencies (Note 8)		
Members' equity	36,736	32,514
Total liabilities and members' equity	<u>\$ 116,374</u>	<u>\$ 109,797</u>

See accompanying notes.

Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF INCOME

<i>(In Thousands)</i>	YEAR ENDED DECEMBER 31,	
	2018	2017
Revenue		
Construction contracts	\$ 316,302	\$ 305,393
Property management fees	21,538	22,533
Development fees	24,267	17,083
Investment management fees	15,477	17,339
Construction management fees	2,955	2,853
Disposition fees	8,564	4,605
Acquisition fees	601	-
Other income	1,379	3,085
	391,083	372,891
Expenses		
Cost of construction contracts	299,171	288,037
Payroll and related	59,871	56,746
General and administrative	14,287	12,762
Depreciation and amortization	1,513	1,553
	374,842	359,098
Net income	\$ 16,241	\$ 13,793

See accompanying notes.

Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

<i>(In Thousands)</i>	BROOKFIELD MULTIFAMILY SERVICECO LLC	CSJV NF SERVICECO, LLC	FFM LLC ON BEHALF OF FFM SERVICECO SERIES	TOTAL
Balance at December 31, 2016	\$ 23,425	\$ 8,931	\$ 3,026	\$ 35,382
Distributions	(6,241)	(2,401)	(430)	(9,072)
Purchase of membership interest	(5,224)	(2,008)	(357)	(7,589)
Net income	11,465	3,067	(739)	13,793
Balance at December 31, 2017	23,425	7,589	1,500	32,514
Distributions	(8,327)	(3,202)	(490)	(12,019)
Net income	9,729	5,939	573	16,241
Balance at December 31, 2018	\$ 24,827	\$ 10,326	\$ 1,583	\$ 36,736

See accompanying notes.

Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>(In Thousands)</i>	YEAR ENDED DECEMBER 31,	
	2018	2017
Operating activities		
Net income	\$ 16,241	\$ 13,793
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,369	1,232
Amortization	144	321
Changes in operating assets and liabilities:		
Due from affiliates	1,286	(15,512)
Accounts and other receivables	(85)	719
Prepaid and other assets	(384)	(406)
Costs and estimated earnings in excess of billings on uncompleted construction contracts	(3,626)	4,689
Accounts payable and accrued liabilities	4,576	6,672
Net cash provided by operating activities	19,521	11,508
Investing activities		
Purchase of furniture, equipment, and leasehold improvements	(1,390)	(1,537)
Net cash used in investing activities	(1,390)	(1,537)
Financing activities		
Distributions to members	(12,019)	(9,072)
Purchase of membership interest	-	(750)
Payments on notes payable	(2,221)	(1,561)
Net cash used in financing activities	(14,240)	(11,383)
Net increase (decrease) in cash and cash equivalents	3,891	(1,412)
Cash and cash equivalents at beginning of year	16,547	17,959
Cash and cash equivalents at end of year	\$ 20,438	\$ 16,547
Supplemental disclosures of noncash activity		
Issuance of notes payable for purchase of membership interests	\$ -	\$ 6,839

See accompanying notes.

Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF FAIRFIELD RESIDENTIAL COMPANY LLC *(In Thousands)*

1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Formation and Principles of Consolidation

Fairfield Residential Company LLC (the Company), a Delaware limited liability company, was capitalized on August 1, 2010 by Brookfield Multifamily ServiceCo LLC (Brookfield); CSJV NF ServiceCo, LLC (CSJV), a subsidiary of California State Teachers Retirement System; and FFM LLC (FFM), to provide management and other services related to developing, constructing, operating, and managing multifamily residential real property.

Upon formation of the Company, Brookfield, CSJV, and FFM committed and funded \$23,425, \$3,825, and \$1,500, respectively; were given capital percentages of 81.48%, 13.30%, and 5.22%, respectively; and profits percentages of 65%, 25%, and 10%, respectively.

On January 1, 2017 and August 18, 2017, the Company purchased a portion of FFM's ownership interest for a purchase price of \$7,589, of which \$750 was paid in cash. As of December 31, 2018, the remaining balance of \$3,569 is due according to the terms of the two notes payable (Note 6). The investors' profit percentage were adjusted as a result of the buyouts. The profit percentages for Brookfield, CSJV, and FFM are 69.28%, 26.64%, and 4.08%, respectively, as of December 31, 2018.

Profits and losses are allocated and cash is distributed in accordance with the operating agreement.

Each member's liability is limited pursuant to the Delaware Limited Liability Company Act (the LLC Act). The Company's existence shall be perpetual, unless sooner dissolved, wound up, or terminated in accordance with the operating agreement or the LLC Act.

The accompanying consolidated financial statements include the accounts of the Company and direct and indirect wholly owned limited partnerships, limited liability companies, corporations, and their majority-owned and controlled subsidiaries.

The following wholly owned entities are consolidated:

FF Properties L.P. (FFP)	Fairfield Development Inc. (FDI)
Fairfield Development LP (FDC)	Fairfield Property Management Inc. (FPM)
Fairfield Realty Advisors LLC (FRA)	Fairfield Development LLC (FFD)
Fairfield Realty Services LLC (FRS)	Fairfield QuadReal REIT Administrator LLC

FFP provides property management, leasing, asset acquisition, and disposition services. FDC is a general contractor, specializing in development and construction services. FRA provides specialized investment and asset management services. On March 31, 2017, FRA became a Registered Investment Adviser (RIA). The remaining entities act as general partners and holding companies within the Company's structure. The Company operates throughout the United States.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

Consolidated Financial Statements

1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the Company's consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement dates and the revenues and expenses for the periods then ended. Due to uncertainties inherent in the estimation process, it is reasonably possible that the actual amounts could differ materially from these estimates in the near term.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Furniture, Equipment, and Leasehold Improvements

Furniture and equipment are recorded at cost and are depreciated using the straight-line method over three to seven years. Leasehold improvements are recorded at cost and are depreciated using the straight-line method over the lesser of the remaining lease term or estimated useful life.

Deferred implementation costs for cloud computing arrangements that are service contracts are included in prepaid and other assets in the consolidated balance sheets. The deferred implementation costs are amortized over the term of the related hosting arrangements which include the fixed, non-cancelable term plus any reasonably certain renewal periods.

Goodwill and Intangible Assets

Goodwill is evaluated for impairment annually in the fourth quarter, or more often if events or circumstances indicate there may be impairment. If the carrying value of the Company's reporting unit exceeds its fair value, goodwill impairment is measured as the excess of the carrying amount over the implied fair value of goodwill. Any goodwill impairment is charged to income in the period in which the impairment is identified. Based on the assessment that was performed in the fourth quarter, goodwill was not impaired as of December 31, 2018 or 2017.

Intangible assets include acquired customer contracts, trade names, and trademarks. Intangible assets with a finite life are amortized on a straight-line basis over their estimated useful lives of seven to ten years and are tested for impairment when conditions exist that may indicate that the estimated undiscounted future net cash flows from the asset are less than its carrying amount. Intangible assets were not impaired as of December 31, 2018 or 2017.

Revenue Recognition

Construction contract revenue is recognized on the percentage-of-completion method based on actual costs incurred and management's estimates of the total cost to complete. In circumstances when reasonably dependable estimates of total construction cost cannot be made, construction contract revenue is recognized based upon the completed-contract method. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determinable.

Contract costs include all direct materials, labor, and subcontract costs and those indirect costs related to contract performance, such as indirect labor, insurance, and supplies. Fees are recognized when services are performed and realization is assured.

Certain of the Company's contracts to provide construction and development services contain up-front fees, fees paid over the term of the construction period, and/or fees payable upon completion of the contract. Up-front fees, which represent consideration for pre-acquisition costs and expenses, are recognized in income when services are rendered and collection is reasonably assured. The remaining fees are recognized as construction is completed and services are rendered.

Consolidated Financial Statements

1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The accompanying consolidated financial statements contain no provision for income taxes, since the income or loss of the Company flows through to the members, which are responsible for including their share of the taxable results of operations on their respective tax returns. No material income tax expense related to FPM and FDI, the Company's taxable C corporation subsidiaries, was recorded during the years ended December 31, 2018 or 2017.

Accounting Standards Codification Topic 740, *Income Taxes*, addresses how uncertain tax positions should be recognized, measured, presented, and disclosed in the consolidated financial statements. The guidance requires the accounting and disclosure of tax provisions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are more likely than not of being sustained by the applicable tax authority.

Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. As of December 31, 2018 and 2017, management of the Company has determined it has no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken in future returns.

Concentration of Credit Risk

The Company's cash balance as of December 31, 2018 exceeds federally insured limits. The Company mitigates this risk by depositing funds with major financial institutions. The Company monitors its cash balances in its operating accounts and adjusts its cash balances, as appropriate. However, these cash balances could be impacted if the underlying financial institutions fail or are subject to other adverse conditions in the financial markets. To date, the Company has experienced no loss or lack of access to cash in its operating accounts.

Recently Issued Accounting Standards

In January 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-04, *Simplifying the Test for Goodwill Impairment*. ASU 2017-04 eliminates Step 2 from the goodwill impairment test and requires an entity to recognize an impairment charge for the amount by which the carrying amount of a reporting unit exceeds the reporting unit's fair value, not to exceed the carrying amount of goodwill. This update is effective for annual and any interim impairment tests in fiscal years beginning after December 15, 2021, with early adoption permitted. The Company does not expect this update to have a material impact on its consolidated financial statements.

In August 2018, the FASB issued ASU 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*. ASU 2018-15 requires a customer in a cloud computing arrangement that is a service contract to follow the internal-use software guidance in ASC 350-40 to determine which implementation costs to defer and recognize as an asset. The update is effective for annual reporting periods beginning on or after December 15, 2020, with early adoption permitted. The Company early adopted the update prospectively for the year ended December 31, 2018, which did not have a material impact on the consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. ASU No. 2016-02 is a comprehensive new lease standard that will supersede previous lease guidance. The standard requires a lessee to recognize assets and liabilities in its balance sheet related to long-term leases that were classified as operating leases under previous guidance. An asset would be recognized related to the right to use the underlying asset and a liability would be recognized related to the obligation to make lease payments over the term of the lease. The standard also requires expanded disclosures surrounding leases. This update is effective for annual reporting periods beginning after December 15, 2019, and requires modified retrospective adoption, with early adoption permitted.

Consolidated Financial Statements

1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Company is in the process of evaluating the impact this pronouncement will have on its consolidated financial statements, but recognizes that the lease liabilities and right of use assets will impact the Company's consolidated balance sheet.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*. ASU No. 2014-09 establishes that companies may recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Since May 2014, the FASB has issued ASU No. 2015-14, ASU No. 2016-08, ASU No. 2016-10, ASU No. 2016-12, and ASU No. 2016-20 (collectively, with ASU No. 2014-09, the update), which defers the effective date of the standard one year and clarifies various aspects of ASU No. 2014-09.

The update is effective for annual reporting periods beginning after December 15, 2018. The Company will adopt the standard effective January 1, 2019 using the modified retrospective method and is in the process of evaluating the impact of adoption on its consolidated financial statements.

2) COSTS AND BILLINGS ON UNCOMPLETED CONSTRUCTION CONTRACTS

Information with respect to uncompleted construction contracts is as follows:

	DECEMBER 31,	
	2018	2017
Costs incurred on uncompleted contracts	\$ 792,611	\$ 543,411
Estimated earnings, net	44,552	31,400
	837,163	574,811
Less billings to date	(813,197)	(554,494)
Billing in excess of costs and estimated earnings on uncompleted construction contracts	29	52
	\$ 23,995	\$ 20,369

These amounts are included in costs and estimated earnings in excess of billings on uncompleted construction contracts on the accompanying consolidated balance sheets as of December 31, 2018 and 2017, and include amounts from affiliates of \$23,995 and \$20,369, respectively.

3) PREPAID AND OTHER ASSETS

Prepaid and other assets consist of the following:

	DECEMBER 31,	
	2018	2017
Prepaid insurance	\$ 402	\$ 879
Prepaid software	1,025	557
Security deposits	153	129
Other	1,389	1,020
	\$ 2,969	\$ 2,585

Consolidated Financial Statements

4) FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS

Furniture, equipment, and leasehold improvements consist of the following:

	DECEMBER 31,	
	2018	2017
Furniture and equipment	\$ 1,009	\$ 905
Computer equipment	8,307	7,328
Leasehold improvements	1,703	1,396
	11,019	9,629
Accumulated depreciation	(7,176)	(5,807)
	<u>\$ 3,843</u>	<u>\$ 3,822</u>

5) GOODWILL AND INTANGIBLE ASSETS

On August 1, 2010, the Company acquired certain tangible and intangible assets of FFP, FF Development L.P., and Fairfield Residential LLC. FFP was a wholly owned subsidiary of the debtor in possession of Fairfield Residential LLC at the time of the purchase. In connection with the dissolution of Fairfield Residential LLC, all remaining assets and liabilities were transferred to Fairfield Residential Trust (FFR Trust).

In connection with the acquisition, the Company acquired certain investment management and property management contracts, whereby the Company provides services to multifamily residential real property in exchange for investment management fees, ranging from 0.60% to 1.25% of funded equity in the funds under management and property management fees, generally ranging from 2.0% to 5.0%. In addition, the Company acquired the Fairfield trade name and trademark, as well as certain tangible assets, such as furniture, equipment, and leasehold improvements.

Goodwill and intangible assets consist of the following:

	DECEMBER 31,	
	2018	2017
Customer contracts – property management	\$ -	\$ 1,940
Customer contracts – asset management	-	190
Trade names and trademarks	1,440	1,440
Deferred financing costs	-	25
	1,440	3,595
Accumulated amortization	(1,212)	(3,223)
	228	372
Goodwill	18,586	18,586
	<u>\$ 18,814</u>	<u>\$ 18,958</u>

Consolidated Financial Statements

5) GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

Estimated aggregate amortization expense for the years ending December 31 is as follows:

YEAR	AGGREGATE AMORTIZATION EXPENSE
2019	\$ 144
2020	84
	<u>\$ 228</u>

Customer contracts and deferred financing costs were fully amortized as of December 31, 2018. Trade names and trademarks have a weighted average remaining useful life of 1.6 years.

6) NOTES PAYABLE

On January 1, 2017 and August 18, 2017, the Company issued unsecured promissory notes in the amount of \$992 and \$5,847, respectively, that bear interest at a fixed rate of 4.75% and 5.0%, respectively. The unsecured notes require monthly principal and interest payment of \$29 and \$175, beginning February 1, 2017 and August 31, 2017, respectively. At December 31, 2018 and 2017, notes payable were \$3,569 and \$5,790, respectively.

Future minimum principal payments for the years ending December 31 are as follows:

YEAR	FUTURE MINIMUM PRINCIPAL PAYMENTS
2019	\$ 2,333
2020	1,236
	<u>\$ 3,569</u>

7) RELATED-PARTY TRANSACTIONS

The Company provides services to certain multifamily residential real properties in which affiliates, Fairfield Investment Company LLC (FIC), CSJV, or Brookfield, own general partner and/or managing member and/or controlling interests. The owners of FIC are substantially the same as those of the Company. Services provided to these affiliates include construction, development, investment management, property management services, construction management, acquisition, and disposition in exchange for fees.

The Company acts as a general contractor under construction contracts with affiliated entities. The Company recognized construction contract revenue of \$316,302 and \$305,129 under the agreements with affiliates during the years ended December 31, 2018 and 2017, respectively.

Consolidated Financial Statements

7) RELATED-PARTY TRANSACTIONS (CONTINUED)

The Company is exposed to a concentration of credit risk associated with affiliated customers. The Company recognized revenues from the following customers, which exceeded 10%:

CUSTOMERS	YEAR ENDED DECEMBER 31, 2018		YEAR ENDED DECEMBER 31, 2017	
	REVENUES	%	REVENUES	%
Brookfield Fairfield U.S. Multifamily Value Add Fund II LP	\$ 91,737	23%	\$ 136,516	37%
CalSTRS or Fairfield California Housing Fund	\$ 104,685	27%	\$ 79,325	21%

The Company performs property management services under management agreements with affiliated entities. The Company recognized management fees from affiliates, ranging between 2.5% and 4.0% of the gross receipts of the apartment complexes, totaling \$20,025 and \$20,844 during the years ended December 31, 2018 and 2017, respectively.

The Company recognized development fees of \$24,267 and \$17,038, construction management fees of \$2,955 and \$2,853, investment management fees of \$15,412 and \$17,219, and disposition fees of \$8,564 and \$4,605 under agreements with affiliated entities during the years ended December 31, 2018 and 2017, respectively. During the years ended December 31, 2018 and 2017, the Company received reimbursements from related parties of \$734 and \$678, respectively, which are included in other income.

The Company leases office space from an affiliate of Brookfield under noncancelable office leases that expire through October 2020. Rental expense was \$1,833 and \$1,833 for the years ended December 31, 2018 and 2017, respectively. Future minimum lease payments related to these leases for the years ending December 31 are as follows:

YEAR	FUTURE MINIMUM LEASE PAYMENTS
2019	\$ 1,978
2020	1,687
	<u>\$ 3,665</u>

Consolidated Financial Statements

8) COMMITMENTS AND CONTINGENCIES

The Company is involved in litigation on certain matters arising in the ordinary course of business. Management, after taking into consideration the information furnished by counsel, is of the opinion that the outcome of these matters, while uncertain, will not have a material adverse effect on the consolidated financial position of the Company.

The Company provides completion guarantees to certain affiliates and lenders that provide loans to affiliates when the Company is performing general contractor services for the affiliates. These guarantees obligate the Company to complete construction as contemplated by the loans. Provided the Company is in compliance with these completion obligations, the lenders would be obligated to fund any undisbursed loan amounts to pay for required construction. The term of the guarantee corresponds with the construction period, and such obligation is limited to the balance of loans subject to these guarantees.

Commitments and contingencies also include the usual obligations of contractors and developers for the completion of contracts and those incurred in the ordinary course of business. At December 31, 2018, the Company had commitments on uncompleted construction contracts totaling \$1,712,137, of which \$829,754 is the estimated remaining cost to complete those contracts.

In connection with certain contracts, the Company acts as a guarantor/principal that guarantees related customers will perform according to their loan obligations in the event that the customer commits specific carve-out acts, such as fraud, intentional misrepresentation, willful destruction of the property, criminal acts, etc. Due to the nature of these guarantees, the Company has concluded that the probability it will be required to perform under these contracts is remote.

Certain of these agreements require the Company to meet certain financial covenants, including minimum liquidity and minimum net worth, of which the Company was in compliance as of December 31, 2018.

The Company leases office space from unrelated entities under noncancelable operating leases that expire through December 2026. Future minimum lease payments for the years ending December 31 are as follows:

YEAR	FUTURE MINIMUM LEASE PAYMENTS
2019	\$ 1,054
2020	1,023
2021	933
2022	415
2023	225
Thereafter	448
	<u>\$ 4,098</u>

Rental expense was \$994 and \$945 for the years ended December 31, 2018 and 2017, respectively, and is included in general and administrative expenses in the consolidated statements of income.

Consolidated Financial Statements

9) EMPLOYEE BENEFIT PLAN

Substantially all of the Company's employees are eligible to participate in the Company's 401(k) deferred compensation plan after one year of service. Employees vest in discretionary contributions by the Company over six years of service. Amounts charged to expense for contributions to the plan totaled \$716 and \$567 for the years ended December 31, 2018 and 2017, respectively.

10) SUBSEQUENT EVENTS

The Company evaluated subsequent events after December 31, 2018 through January 31, 2019, the date the accompanying consolidated financial statements were available to be issued. No subsequent events requiring disclosures were identified.

FAIRFIELD
RESIDENTIAL



ORA Flagler Village | Fort Lauderdale, FL

Fairfield Residential Company LLC (FRC)

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2017 AND 2016

WITH REPORT OF INDEPENDENT AUDITORS

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Ernst & Young LLP
Suite 500
4370 La Jolla Village Drive
San Diego, CA 92122

Tel: +1 858 535 7200
Fax: +1 858 535 7777
ey.com

Report of Independent Auditors

The Members
Fairfield Residential Company LLC

We have audited the accompanying consolidated financial statements of Fairfield Residential Company LLC, which comprise the consolidated balance sheets as of December 31, 2017 and 2016, and the related consolidated statements of income, members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Fairfield Residential Company LLC at December 31, 2017 and 2016, and the consolidated results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

January 29, 2018

Consolidated Financial Statements

CONSOLIDATED BALANCE SHEETS

(In Thousands)	DECEMBER 31,	
	2017	2016
Assets		
Cash and cash equivalents	\$ 16,547	\$ 17,959
Due from affiliates	47,351	31,839
Costs and estimated earnings in excess of billings on uncompleted construction contracts	20,369	25,058
Furniture, equipment, and leasehold improvements, net	3,822	3,517
Goodwill and intangible assets, net	18,958	19,279
Accounts and other receivables	165	884
Prepaid and other assets	2,585	2,179
Total assets	<u>\$ 109,797</u>	<u>\$ 100,715</u>
Liabilities and members' equity		
Accounts payable	\$ 56,722	\$ 47,727
Accrued payroll and related benefits	13,239	15,284
Other accrued liabilities	1,532	1,810
Notes payable	5,790	512
Total liabilities	<u>77,283</u>	<u>65,333</u>
Commitments and contingencies (Note 9)		
Members' equity	32,514	35,382
Total liabilities and members' equity	<u>\$ 109,797</u>	<u>\$ 100,715</u>

See accompanying notes.

Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF INCOME

<i>(In Thousands)</i>	YEAR ENDED DECEMBER 31,	
	2017	2016
Revenue		
Construction contracts	\$ 305,393	\$ 264,907
Property management fees	22,533	25,018
Development fees	17,083	15,846
Investment management fees	17,339	21,777
Construction supervision fees	2,853	4,322
Disposition fees	4,605	6,340
Other income	3,085	1,222
	372,891	339,432
Expenses		
Cost of construction contracts	288,037	250,373
Payroll and related	56,746	58,035
General and administrative	12,762	14,155
Depreciation and amortization	1,553	1,519
	359,098	324,082
Net income	\$ 13,793	\$ 15,350

See accompanying notes.

Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

<i>(In Thousands)</i>	BROOKFIELD MULTIFAMILY SERVICECO LLC	CSJV NF SERVICECO, LLC	FFM LLC ON BEHALF OF FFM SERVICECO SERIES	TOTAL
Balance at December 31, 2015	\$ 23,425	\$ 4,826	\$ 1,842	\$ 30,093
Distributions	(6,633)	(2,567)	(861)	(10,061)
Net income	6,633	6,672	2,045	15,350
Balance at December 31, 2016	23,425	8,931	3,026	35,382
Distributions	(6,241)	(2,401)	(430)	(9,072)
Purchase of membership interest	(5,224)	(2,008)	(357)	(7,589)
Net income	11,465	3,067	(739)	13,793
Balance at December 31, 2017	\$ 23,425	\$ 7,589	\$ 1,500	\$ 32,514

See accompanying notes.

Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands)	YEAR ENDED DECEMBER 31,	
	2017	2016
Operating activities		
Net income	\$ 13,793	\$ 15,350
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,232	1,070
Amortization	321	449
Changes in operating assets and liabilities:		
Due from affiliates	(15,512)	(10,807)
Accounts and other receivables	719	(530)
Prepaid and other assets	(406)	(228)
Costs and estimated earnings in excess of billings on uncompleted construction contracts	4,689	(9,156)
Accounts payable and accrued liabilities	6,672	19,573
Net cash provided by operating activities	11,508	15,721
Investing activities		
Purchase of furniture, equipment, and leasehold improvements	(1,537)	(1,637)
Net cash used in operating activities	(1,537)	(1,637)
Financing activities		
Distributions to members	(9,072)	(10,061)
Purchase of membership interest	(750)	—
Payments on notes payable	(1,561)	(490)
Net cash used in financing activities	(11,383)	(10,551)
Net (decrease) increase in cash and cash equivalents	(1,412)	3,533
Cash and cash equivalents at beginning of year	17,959	14,426
Cash and cash equivalents at end of year	\$ 16,547	\$ 17,959
Supplemental disclosures of noncash activity		
Issuance of notes payable for purchase of membership interests	\$ 6,839	\$ —

See accompanying notes.

Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS OF FAIRFIELD RESIDENTIAL COMPANY LLC *(In Thousands)*

1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Formation and Principles of Consolidation

Fairfield Residential Company LLC (the Company), a Delaware limited liability company, was capitalized on August 1, 2010, by Brookfield Multifamily ServiceCo LLC (Brookfield); CSJV NF ServiceCo, LLC (CSJV), a subsidiary of California State Teachers Retirement System; and FFM LLC (FFM), to provide management and other services related to developing, constructing, operating, and managing multifamily residential real property.

Upon formation of the Company, Brookfield, CSJV, and FFM committed and funded \$23,425, \$3,825, and \$1,500, respectively; were given capital percentages of 81.48%, 13.30%, and 5.22%, respectively; and profits percentages of 65%, 25%, and 10%, respectively.

On December 23, 2014, the Company purchased a portion of FFM's ownership interest for a purchase price of \$1,723, of which \$250 was paid by the Company in cash, with the remaining \$1,473 due according to the terms of a note payable. On January 1, 2017 and August 18, 2017, the Company purchased a portion of FFM's ownership interest for a purchase price of \$7,589, of which \$750 was paid by the Company in cash, with the remaining \$6,839 due according to the terms of the two notes payable (Note 6). As a result of the purchase, the profits percentages for Brookfield, CSJV, and FFM were adjusted to 69.28%, 26.64%, and 4.08%, respectively.

Profits and losses are allocated and cash is distributed in accordance with the operating agreement.

Each member's liability is limited pursuant to the Delaware Limited Liability Company Act (The LLC Act). The Company's existence shall be perpetual, unless sooner dissolved, wound up, or terminated in accordance with the operating agreement or the LLC Act.

The accompanying consolidated financial statements include the accounts of the Company and wholly owned limited partnerships, limited liability companies, corporations, and their majority-owned and controlled subsidiaries.

The following wholly owned entities are consolidated:

FF Properties L.P. (FFP)	Fairfield Development Inc. (FDI)
Fairfield Development LP (FDC)	Fairfield Property Management Inc. (FPM)
Fairfield Realty Advisor LLC (FRA)	Fairfield Development LLC (FFD)
Fairfield Realty Services LLC (FRS)	FF QuadReal REIT Admin LLC

FFP provides property management, leasing, asset acquisition, and disposition services. FDC is a general contractor specializing in development and construction services. FRA provides specialized investment and asset management services. On March 31, 2017, FRA became a Registered Investment Adviser (RIA). The remaining entities act as general partners and holding companies within the Company's structure. The Company operates throughout the United States.

All significant intercompany transactions have been eliminated in consolidation.

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States.

Consolidated Financial Statements

1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of the Company's consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial statement dates and the revenues and expenses for the periods then ended. Due to uncertainties inherent in the estimation process, it is reasonably possible that the actual amounts could differ materially from these estimates in the near term.

Cash and Cash Equivalents

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents.

Furniture, Equipment, and Leasehold Improvements

Furniture and equipment are recorded at cost and are depreciated using the straight-line method over three to seven years. Leasehold improvements are recorded at cost and are depreciated using the straight-line method over the lesser of the remaining lease term or estimated useful life.

Goodwill and Intangible Assets

Goodwill is evaluated for impairment annually in the fourth quarter, or more often if events or circumstances indicate there may be impairment. If the carrying value of the Company's reporting unit exceeds its fair value, goodwill impairment is measured as the excess of the carrying amount over the implied fair value. Any goodwill impairment is charged to income in the period in which the impairment is identified. Based on the assessment that was performed in the fourth quarter, goodwill was not impaired as of December 31, 2017 or 2016.

Intangible assets include acquired customer contracts, trade names, and trademarks. Intangible assets with a finite life are amortized on a straight-line basis over their estimated useful lives of seven to ten years and are tested for impairment when conditions exist that may indicate that the estimated undiscounted future net cash flows from the asset are less than its carrying amount. Intangible assets were not impaired as of December 31, 2017 or 2016.

Revenue Recognition

Construction contract revenue is recognized on the percentage-of-completion method based on actual costs incurred and management's estimates of the total cost to complete. In circumstances when reasonably dependable estimates of total construction cost cannot be made, construction contract revenue is recognized based upon the completed-contract method. Provisions for estimated losses on uncompleted contracts are made in the period in which such losses are determinable.

Contract costs include all direct materials, labor, and subcontract costs and those indirect costs related to contract performance, such as indirect labor, insurance, and supplies. Fees are recognized when services are performed and realization is assured.

Certain of the Company's contracts to provide construction and development services contain up-front fees, fees paid over the term of the construction period, and/or fees payable upon completion of the contract. Up-front fees, which represent reimbursements for pre-acquisition costs and expenses, are recognized in income when services are rendered and collection is reasonably assured. The remaining fees are recognized as construction is completed, generally using the percentage-of-completion method (cost-to-cost).

Consolidated Financial Statements

1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The accompanying consolidated financial statements contain no provision for income taxes since the income or loss of the Company flows through to the members, which are responsible for including their share of the taxable results of operations on their respective tax returns. No material income tax expense related to FPM and FDI, the Company's taxable C corporation subsidiaries, was recorded during the year ended December 31, 2017 or 2016.

Accounting Standards Codification Topic 740, *Income Taxes*, addresses how uncertain tax positions should be recognized, measured, presented, and disclosed in the consolidated financial statements. The guidance requires the accounting and disclosure of tax provisions taken or expected to be taken in the course of preparing the Company's tax returns to determine whether the tax positions are more likely than not of being sustained by the applicable tax authority.

Tax positions not deemed to meet the more-likely-than-not threshold would be recorded as a tax benefit or expense in the current year. As of December 31, 2017 and 2016, management of the Company has determined it has no tax liability resulting from unrecognized tax benefits relating to uncertain income tax positions taken or expected to be taken in future returns.

Concentration of Credit Risk

The Company's cash balance as of December 31, 2017, exceeds federally insured limits. The Company mitigates this risk by depositing funds with major financial institutions. The Company monitors its cash balances in its operating accounts and adjusts its cash balances as appropriate. However, these cash balances could be impacted if the underlying financial institutions fail or are subject to other adverse conditions in the financial markets. To date, the Company has experienced no loss or lack of access to cash in its operating accounts.

Recently Issued Accounting Standard

In January 2017, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2017-04, *Simplifying the Test for Goodwill Impairment*. ASU 2017-04 eliminates Step 2 from the goodwill impairment test and requires an entity to recognize an impairment charge for the amount by which the carrying amount of goodwill exceeds the reporting unit's fair value, not to exceed the carrying amount of goodwill. This update is effective for annual and any interim impairment tests in fiscal years beginning after December 15, 2021, with early adoption permitted. The Company does not expect this update to have any impact on its consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. ASU No. 2016-02 is a comprehensive new lease standard that will supersede previous lease guidance. The standard requires a lessee to recognize assets and liabilities in its balance sheet related to long-term leases that were classified as operating leases under previous guidance. An asset would be recognized related to the right to use the underlying asset and a liability would be recognized related to the obligation to make lease payments over the term of the lease. The standard also requires expanded disclosures surrounding leases. This update is effective for annual reporting periods beginning on or after December 15, 2019, and requires modified retrospective adoption, with early adoption permitted. The Company is in the process of evaluating the impact this pronouncement will have on its consolidated financial statements, but recognizing the lease liabilities and right of use assets will impact the Company's balance sheet.

In May 2015, the FASB issued ASU No. 2015-09, *Revenue from Contracts with Customers*. ASU No. 2015-09 establishes that companies may recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Since May 2014, the FASB has issued ASU No. 2015-14, ASU No. 2016-08, ASU No. 2016-10, ASU No. 2016-12, and ASU No. 2016-20 (collectively with ASU No. 2014-09, the update), which defer the effective date of the standard one year and clarify various aspects of ASU No. 2014-09.

Consolidated Financial Statements

1) ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The update is effective for annual reporting periods beginning after December 15, 2018. Early adoption is permitted only as of an annual reporting period beginning on or after December 15, 2016. The Company does not plan to early adopt the standard and is in the process of evaluating the impact this pronouncement will have on its consolidated financial statements.

2) COSTS AND BILLINGS ON UNCOMPLETED CONSTRUCTION CONTRACTS

Information with respect to uncompleted construction contracts is as follows:

	DECEMBER 31,	
	2017	2016
Costs incurred on uncompleted contracts	\$ 543,411	\$ 469,889
Estimated earnings, net	31,400	26,770
	574,811	496,659
Less billings to date	(554,494)	(471,601)
Billing in excess of costs and estimated earnings on uncompleted construction contracts	52	-
	<u>\$ 20,369</u>	<u>\$ 25,058</u>

These amounts are included in costs and estimated earnings in excess of billings on uncompleted construction contracts on the accompanying consolidated balance sheets as of December 31, 2017 and 2016, and include amounts from affiliates of \$20,369 and \$24,998, respectively.

3) PREPAID AND OTHER ASSETS

Prepaid and other assets consist of the following:

	DECEMBER 31,	
	2017	2016
Prepaid insurance	\$ 879	\$ 1,016
Prepaid software	557	538
Security deposits	129	108
Other	1,020	517
	<u>\$ 2,585</u>	<u>\$ 2,179</u>

Consolidated Financial Statements

4) FURNITURE, EQUIPMENT, AND LEASEHOLD IMPROVEMENTS

Furniture, equipment, and leasehold improvements consist of the following:

	DECEMBER 31,	
	2017	2016
Furniture and equipment	\$ 905	\$ 481
Computer equipment	7,328	6,376
Leasehold improvements	1,396	1,235
	9,629	8,092
Accumulated depreciation	(5,807)	(4,575)
	<u>\$ 3,822</u>	<u>\$ 3,517</u>

5) GOODWILL AND INTANGIBLE ASSETS

On August 1, 2010, the Company acquired certain tangible and intangible assets of FFP, FF Development L.P., and Fairfield Residential LLC. FFP was a wholly owned subsidiary of the debtor in possession of Fairfield Residential LLC at the time of the purchase. In connection with the dissolution of Fairfield Residential LLC, all remaining assets and liabilities were transferred to Fairfield Residential Trust (FFR Trust).

In connection with the acquisition, the Company acquired certain investment management and property management contracts whereby the Company provides services to multifamily residential real property in exchange for investment management fees ranging from 0.60% to 1.25% of funded equity in the funds under management and property management fees, generally ranging from 2.0% to 5.0%. In addition, the Company acquired the Fairfield trade name and trademark as well as certain tangible assets, such as furniture, equipment, and leasehold improvements, and assumed certain payroll-related liabilities.

Goodwill and intangible assets consist of the following:

	DECEMBER 31,	
	2017	2016
Customer contracts – property management	\$ 1,940	\$ 1,940
Customer contracts – asset management	190	190
Trade names and trademarks	1,440	1,440
Deferred financing costs	25	25
	3,595	3,595
Accumulated amortization	(3,223)	(2,902)
	372	693
Goodwill	18,586	18,586
	<u>\$ 18,958</u>	<u>\$ 19,279</u>

Consolidated Financial Statements

5) GOODWILL AND INTANGIBLE ASSETS (CONTINUED)

Estimated aggregate amortization expense for the years ending December 31 is as follows:

YEAR	AGGREGATE AMORTIZATION EXPENSE
2018	\$ 144
2019	144
2020	84
	<u>\$ 372</u>

Customer contracts and deferred financing costs were fully amortized as of December 31, 2017. Trade names and trademarks have a weighted average remaining useful life of 2.6 years.

6) NOTES PAYABLE

The Company had an unsecured promissory note in the original amount of \$1,473, with interest at a fixed rate of 4.25%. The repayment of principal and interest was payable in 36 monthly installments of \$44, starting January 23, 2015. The unsecured promissory note matured on December 23, 2017.

On January 1, 2017 and August 18, 2017, the Company issued unsecured promissory notes in the amount of \$992 and \$5,847 that bear interest at a fixed rate of 4.75% and 5.0%, respectively. The unsecured notes require monthly principal and interest payment of \$29 and \$175, beginning February 1, 2017 and August 31, 2017, respectively. At December 31, 2017 and 2016, notes payable were \$5,790 and \$512, respectively.

Future minimum principal payments for the years ending December 31 are as follows:

YEAR	FUTURE MINIMUM PRINCIPAL PAYMENTS
2018	\$ 2,221
2019	2,334
2020	1,235
	<u>\$ 5,790</u>

7) RELATED-PARTY TRANSACTIONS

The Company provides services to certain multifamily residential real properties in which affiliates, Fairfield Investment Company LLC (FIC), CSJV, or Brookfield own general partner and/or managing member and/or controlling interests. The owners of FIC are substantially the same as those of the Company. Services provided to these affiliates include construction, development, investment management, and property management services in exchange for fees.

Consolidated Financial Statements

7) RELATED-PARTY TRANSACTIONS (CONTINUED)

Due from affiliates includes the following:

	DECEMBER 31,	
	2017	2016
Construction contract revenue receivable	\$ 39,059	\$ 27,227
Development fees receivable	6,129	2,544
Property management fees receivable	1,635	1,711
Investment management fees receivable	79	349
Reimbursable expenses and other	449	8
	<u>\$ 47,351</u>	<u>\$ 31,839</u>

The Company acts as a general contractor under construction contracts with affiliated entities. The Company recognized construction contract revenue of \$305,129 and \$258,967 under the agreements with affiliates during the years ended December 31, 2017 and 2016, respectively.

The Company is exposed to a concentration of credit risk associated with affiliated customers. The Company recognized revenues from the following customers, which exceeded 10%:

CUSTOMERS	YEAR ENDED DECEMBER 31, 2017		YEAR ENDED DECEMBER 31, 2016	
	REVENUES	%	REVENUES	%
Brookfield Fairfield U.S. Multifamily Value Add Fund II LP	\$ 136,516	37%	\$ 146,586	43%
CalSTRS or Fairfield California Housing Fund	\$ 79,325	21%	\$ 47,182	14%

The Company performs property management services under management agreements with affiliated entities. The Company recognized management fees from affiliates, ranging between 2.5% and 4.0% of the gross receipts of the apartment complexes, totaling \$20,844 and \$23,712 during the years ended December 31, 2017 and 2016, respectively.

The Company recognized development fees of \$17,038 and \$15,630, construction supervision fees of \$2,853 and \$4,267, investment management fees of \$17,219 and \$20,860, and disposition fees of \$4,605 and \$6,340 under agreements with affiliated entities during the years ended December 31, 2017 and 2016, respectively. During the years ended December 31, 2017 and 2016, the Company received reimbursements from related parties of \$678 and \$823, respectively, which are included in other income.

Consolidated Financial Statements

7) RELATED-PARTY TRANSACTIONS (CONTINUED)

The Company leases office space from an affiliate of Brookfield under noncancelable office leases that expire through October 2020. Rental expense from the affiliate was \$1,833 and \$1,824 for the years ended December 31, 2017 and 2016, respectively. Future minimum lease payments related to these leases for the years ending December 31 are as follows:

YEAR	FUTURE MINIMUM LEASE PAYMENTS
2018	\$ 1,929
2019	1,978
2020	1,687
	<u>\$ 5,594</u>

8) ASSET MANAGEMENT FEES

Pursuant to the asset management agreement dated as of August 1, 2010 (the AM Agreement), the Company provides asset management services to FFR Trust. Effective January 1, 2013, the Company entered into an amendment to the AM Agreement with FFR Trust (the Amendment) whereby FFR Trust agreed to pay the Company a prepaid asset management fee in the amount of \$13,795 to perform the services as described in the AM Agreement. No further servicing fee is required to be paid by FFR Trust. The Company recorded the prepaid asset management fee as a liability upon receipt and has subsequently amortized a portion of the amount to income as services are rendered under the terms of the AM Agreement. The AM Agreement expired on December 31, 2016. On January 1, 2017, the Company entered into amendment No. 2 to extend the service through September 30, 2017, for \$10 per month. On October 1, 2017, the Company extended the services under amendment No. 3 with the purpose of liquidating the remaining FFR Trust entities for an amount of \$75. For the years ended December 31, 2017 and 2016, the Company recognized asset management fees of \$120 and \$917, respectively, which are included in investment management fees in the consolidated statements of income.

9) COMMITMENTS AND CONTINGENCIES

The Company is involved in litigation on certain matters arising in the ordinary course of business. Management, after taking into consideration the information furnished by counsel, is of the opinion that the outcome of these matters, while uncertain, will not have a material adverse effect on the consolidated financial position of the Company.

The Company provides completion guarantees to certain affiliates and lenders that provide loans to affiliates when the Company is performing general contractor services for the affiliates. These guarantees obligate the Company to complete construction as contemplated by the loans. Provided the Company is in compliance with these completion obligations, the lenders would be obligated to fund any undisbursed loan amounts to pay for required construction. The term of the guarantee corresponds with the construction period, and such obligation is limited to the balance of loans subject to these guarantees.

Commitments and contingencies also include the usual obligations of contractors and developers for the completion of contracts and those incurred in the ordinary course of business. At December 31, 2017, the Company had commitments on uncompleted construction contracts totaling \$1,083,432, of which \$480,935 is the estimated remaining cost to complete those contracts.

Consolidated Financial Statements

9) COMMITMENTS AND CONTINGENCIES (CONTINUED)

In connection with certain contracts, the Company acts as a guarantor/principal that guarantees related customers will perform according to their loan obligations in the event that the customer commits specific carve-out acts, such as fraud, intentional misrepresentation, willful destruction of the property, criminal acts, etc. Due to the nature of these guarantees, the Company has concluded that the probability it will be required to perform under these contracts is remote.

Certain of these agreements require the Company to meet certain financial covenants, including minimum liquidity and minimum net worth, of which the Company was in compliance as of December 31, 2017.

The Company leases office space from unrelated entities under noncancelable operating leases that expire through December 2026. Future minimum lease payments for the years ending December 31 are as follows:

YEAR	FUTURE MINIMUM LEASE PAYMENTS
2018	\$ 917
2019	930
2020	850
2021	784
2022	406
Thereafter	922
	<u>\$ 4,809</u>

Rental expense was \$945 and \$775 for the years ended December 31, 2017 and 2016, respectively, and is included in general and administrative expense in the consolidated statements of income.

10) EMPLOYEE BENEFIT PLAN

Substantially all of the Company's employees are eligible to participate in the Company's 401(k) deferred compensation plan after one year of service. Employees vest in discretionary contributions by the Company over six years of service. Amounts charged to expense for contributions to the plan totaled \$567 and \$797 for the years ended December 31, 2017 and 2016, respectively.

11) SUBSEQUENT EVENTS

The Company evaluated subsequent events after December 31, 2017 through January 30, 2018, the date the accompanying consolidated financial statements were available to be issued. No subsequent events requiring disclosures were identified.

HOUSING AUTHORITY OF
THE CITY OF SAN DIEGO

RESOLUTION NUMBER HA-_____

DATE OF FINAL PASSAGE _____

A RESOLUTION OF THE HOUSING AUTHORITY OF THE
CITY OF SAN DIEGO SETTING FORTH ITS OFFICIAL INTENT
TO ISSUE MULTIFAMILY HOUSING REVENUE BONDS OR
NOTES TO FINANCE PARK CREST APARTMENTS AND
AUTHORIZING RELATED ACTIONS

WHEREAS, pursuant to Chapter 1 of Part 2 of Division 24 of the Health and Safety Code of the State of California, as amended (Act), the Housing Authority of the City of San Diego (Authority) is authorized to issue revenue bonds or notes for the purpose of financing the acquisition, construction, rehabilitation and equipping of multifamily affordable rental housing and for the provision of capital improvements in connection with and determined necessary to the multifamily affordable rental housing; and

WHEREAS, Fairfield Residential LLC, as sponsor (Fairfield) has requested that the Authority issue and sell multifamily housing revenue bonds or notes (Bonds) pursuant to the Act for the purpose of making a loan to Fairfield Park Crest, L.P., a California limited partnership, or another limited partnership to be formed by Fairfield (Borrower), to be used by the Borrower to finance the acquisition, rehabilitation and equipping of a multifamily affordable rental housing development located at 4531 Logan Avenue, San Diego, CA 92113 (parcel #5511900100), as more fully identified in Exhibit A hereto (Project); and

WHEREAS, as a part of financing the Project, the Authority desires to reimburse the Borrower, but only from Bond proceeds, for expenditures (Reimbursement Expenditures) made in connection with the Project within the period from the date 60 days prior to the adoption of this Resolution to the date of issuance of the Bonds; and

WHEREAS, sections 1.103-8(a)(5) and 1.150-2 of the United States Treasury Regulations require the Authority to declare its reasonable official intent to reimburse prior expenditures for the Project with proceeds of a subsequent tax-exempt borrowing; and

WHEREAS, the Authority wishes to declare its intention to authorize the issuance of Bonds for the purpose of financing costs of the Project (including reimbursement of the Reimbursement Expenditures, when so requested by the Borrower upon such terms and conditions as may then be agreed upon by the Authority, the Borrower and the purchaser of the Bonds) in an aggregate principal amount not to exceed \$38,000,000 as set forth in Exhibit A; and

WHEREAS, section 146 of the Internal Revenue Code of 1986 limits the amount of multifamily housing mortgage revenue bonds that may be issued in any calendar year by entities within a state and authorizes the governor or the legislature of a state to provide the method of allocation within the state; and

WHEREAS, Chapter 11.8 of Division 1 of Title 2 of the California Government Code governs the allocation of the state ceiling among governmental units in the State of California having the authority to issue private activity bonds; and

WHEREAS, section 8869.85 of the California Government Code requires a local agency desiring an allocation of the state ceiling to file an application with the California Debt Limit Allocation Committee (CDLAC) for such allocation, and the CDLAC Committee has certain policies that are to be satisfied in connection with any such allocation; NOW, THEREFORE,

BE IT RESOLVED, by the Board of Commissioners of the Housing Authority of the City of San Diego, as follows:

Section 1. Findings and Determinations.

- (a) The above recitals, and each of them, are true and correct. The Authority

hereby determines that it is necessary and desirable to provide financing to the Borrower for the Project (including reimbursement of the Reimbursement Expenditures) by the issuance and sale of Bonds pursuant to the Act in aggregate principal amount not to exceed \$38,000,000, as set forth in Exhibit A, subject to authorization of the issuance of the Bonds by resolution of the Authority at a meeting to be held for such purpose. The expected date of issue of the Bonds is within eighteen (18) months of the later of the date the first Reimbursement Expenditure was made and the first date the Project is placed in service and, in no event, later than three (3) years after the date of the first Reimbursement Expenditure.

(b) Proceeds of the Bonds to be used to reimburse for Project costs are not expected to be used directly or indirectly to pay debt service with respect to any obligation or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the Authority or any entity related in any manner to the Authority, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

(c) As of the date hereof, the Authority has a reasonable expectation that the Bonds will be issued to reimburse Project costs. This Resolution is consistent with the budgetary and financial circumstances of the Authority, as of the date hereof. The Bonds will be repaid solely from proceeds of the Bonds and amounts paid by the Borrower. No other moneys are, or are reasonably expected to be, reserved, allocated on a long-term basis, or otherwise set aside by the Authority (or any related party) pursuant to its budget or financial policies to repay the Bonds.

Section 2. Declaration of Official Intent. This Resolution is being adopted by the Authority for purposes of establishing compliance with the requirements of section 1.103-8(a)(5)

and section 1.150-2 of the Treasury Regulations. In such regard, the Authority hereby declares its official intent to use proceeds of indebtedness to reimburse the Reimbursement Expenditures. This action is taken expressly for the purpose of inducing the Borrower to undertake the Project, and nothing contained herein shall be construed to signify that the Project complies with the planning, zoning, subdivision and building laws and ordinances applicable thereto or to suggest that the Authority, the City of San Diego (City) or any officer or agent of the City will grant any such approval, consent or permit that may be required in connection with the acquisition, rehabilitation and equipping of the Project, or that either the Authority or the City will make any expenditure, incur any indebtedness, or proceed with the financing of the Project.

Section 3. Applications to CDLAC. The officers and/or the program managers of the Authority are hereby authorized and directed to apply to CDLAC for an allocation from the state ceiling of private activity bonds to be issued by the Authority for the Project in an amount not to exceed \$38,000,000, and to take any and all other actions as may be necessary or appropriate in connection with such application, including but not limited to the payment of fees, the posting of deposits and the provision of certificates, additional applications to CDLAC (if necessary), and any such actions heretofore taken by such officers and program managers are hereby ratified, approved and confirmed.

Section 4. Effective Date. This Resolution shall take effect immediately upon its adoption.

Section 5. Approval of Bond Counsel and Financial Advisor. The financing team of Kutak Rock LLP, as bond counsel (Bond Counsel) and PFM Financial Advisors, LLC, as financial advisor, is approved for this Project.

Section 6. Authority of President & Chief Executive Officer of Housing Commission. The President & Chief Executive Officer of the Housing Commission, or designee, is hereby authorized to execute

all necessary documents, in a form approved by its General Counsel and/or Bond Counsel, and to perform such acts as are necessary to implement the approvals provided for in this Resolution.

Section 7. Environmental. The Project is categorically exempt from the provisions of California Environmental Quality Act (CEQA) pursuant to State of California CEQA Guidelines section 15301 for Class 1 Existing Facilities and no exception to the application of a categorical exemption set forth in CEQA Guidelines section 15300.2 applies to the Project.

APPROVED: MARA W. ELLIOTT, General Counsel

By: _____
Marguerite E. Middaugh
Deputy General Counsel

MEM:jdf
09/03/19
Or.Dept: Housing Authority
Doc. No. 2112137
Companion to R-2020-119

EXHIBIT A

DESCRIPTION OF PROJECT

Name:	Park Crest Apartments
Location:	4531 Logan Avenue, San Diego, CA 92113 (parcel # 5511900100)
Number of Units:	140 units (including 1 manager unit)
Maximum Bond Amount:	\$38,000,000



SAN DIEGO
HOUSING
COMMISSION

REPORT TO THE CITY COUNCIL

DATE ISSUED: September 4, 2019

REPORT NO: CCR19-017

ATTENTION: City Council President and Members of the City Council
For the Agenda of October 1, 2019

SUBJECT: Tax Equity & Fiscal Responsibility Act Public Hearing – Park Crest

COUNCIL DISTRICT: 9

REQUESTED ACTION

That the San Diego City Council (City Council) hold a Tax Equity and Fiscal Responsibility Act (TEFRA) public hearing and adopt a resolution approving the issuance of Multifamily Housing Revenue Bonds in an amount up to \$38,000,000 to fund the acquisition and rehabilitation of Park Crest Apartments, a 139-unit rental housing development, located at 4531 Logan Avenue, San Diego, CA 92113, in the Mountain View Neighborhood of Council District 9, that will remain affordable for 55 years.

SUMMARY

The Housing Authority of the City of San Diego intends to issue up to \$38,000,000 of Multifamily Housing Revenue Bonds to facilitate the acquisition and new construction of a multifamily rental housing project in the city of San Diego described in the Notice of Public Hearing.

In order for interest on the Bonds to be tax-exempt, section 147(f) of the Internal Revenue Code of 1986 requires that the Bonds be approved by the City Council as the applicable elected representative of the City after public hearing following reasonable public notice.

Respectfully submitted,

Colin Miller
Vice President, Multifamily Housing Finance
Real Estate Division

Approved by,

Jeff Davis
Executive Vice President & Chief of Staff
San Diego Housing Commission

Hard copies are available for review during business hours at the security information desk in the main lobby and the fifth floor reception desk of the San Diego Housing Commission offices at 1122 Broadway, San Diego, CA 92101 and at the Office of the San Diego City Clerk, 202 C Street, San Diego, CA 92101. You may also review complete docket materials in the "Governance and Legislative Affairs" section of the San Diego Housing Commission website at www.sdhc.org



The City of San Diego
Item Approvals

Item Subject: Preliminary Bond Authorization for Park Crest Apartments.

Contributing Department	Approval Date
ENVIRONMENTAL ANALYSIS	09/09/2019
DOCKET OFFICE	09/09/2019

Approving Authority	Approver	Approval Date
HOUSING COMMISSION FINAL DEPARTMENT APPROVER	MARSHALL, SCOTT	09/04/2019
EXECUTIVE VICE PRESIDENT	DAVIS, JEFF	09/10/2019
CITY ATTORNEY	MIDDAUGH, MARGUERITE	09/13/2019