



london moeder
advisors

Mariner's Cove Apartments Ground Lease Proposal

February 11, 2022

825 10th Avenue
San Diego, CA 92101
619. 269.4010

2792 Gateway Road #104
Carlsbad, CA 92024
619.269.4012

londonmoeder.com

London Moeder Advisors (“LMA”) has been retained by Apartment Investment and Management Company (AIMCO) to assist in securing a long-term ground lease on the Mariners Cove property, on which they have owned and operated a rental project. This report addresses a financial analysis submitted by Keyser Marston & Associates (“KMA”), which contains a suggested counter-proposal to the AIMCO offer to the City of San Diego. The following details our analysis and conclusions.

Background

AIMCO currently owns Mariner’s Cove Apartments, which includes 500 rental units and is under a ground lease through the City of San Diego. The current lease term is 75 years and expires in 2090. The ground rent increases by 2.5% per year with re-appraisal of the property to establish a new land value basis in the years 2041 and 2071.

AIMCO desires to redevelop the property, modernize units and increase the unit count to 772 units. In doing so, AIMCO proposed a lease extension for 99 years with an additional re-appraisal year in 2093.

In response, the San Diego Housing Commission’s (“SDHC”) consultant, KMA, prepared an analysis of the projected developer returns and estimated leased fee interest. KMA also counter-proposed a different lease structure to include the following:

- Increase the current ground rent 10% annually for years 6-16 (2.5% increase after Year 16)
- Re-appraisal of the land ever 10 years (2032, 2042, 2052, 2062, 2072, 2082)
- Maintain the current lease term of 75 years instead of extending for 99 years

Conclusions

Based on our review and analysis, we have determined that AIMCO’s proposed leased term and structure is fair, and that the ground lease payments achieved by the City under the AIMCO proposal are actually above market and favorable to the City.

As this report details, the forecasted investor returns to be achieved by AIMCO are below industry standards. This is due to significant upfront costs as well as construction and lease-up risk. Based on our analysis, the redevelopment of Mariner’s Cove Apartments is not feasible and AIMCO should seek a subsidy from SDHC to help achieve a feasible redevelopment of Mariner’s Cove.

A key part of our conclusions is the determination that the KMA approach is not methodologically consistent with industry standards for evaluating development projects followed by a long-term hold. Essentially, the KMA analytical approach considers the deal as if the project was already built and stabilized with a steady income stream. KMA did not factor the risks of construction and lease-up. In addition, the demolition of the existing income-producing asset results in a significantly high land cost that is not supported by project economics. These factors must be recognized and addressed to properly determine project feasibility, as well as supportable ground lease payments.



Real estate developers and investors utilize distinct analytical approaches to determine the financial performance and feasibility of a deal. These approaches reflect the differences between the initial development phase and the stabilized-hold period. the construction and lease-up stage represents a distinct risk and return profile that is not comparable to a stabilized, already built income-producing asset. Therefore, the feasibility of these two periods must be analyzed and reconciled separately, not combined into a single period.

These are critical facts that must be considered when analyzing prospective returns, as well as in the determination of an appropriate lease structure under a redevelopment scenario for Mariner's Cove Apartments.

Based on our analysis and review of the KMA Counter, it is our recommendation that SDHC accept AIMCO's ground lease proposal. The remainder of this report details the basis of this recommendation.

Financial Analysis

AIMCO's Achievable Return

When negotiating a ground lease payment, the achievable equity return must be evaluated to determine what ground lease payment can be supported. This is also known as a feasibility analysis and includes all the cost and revenue inputs to determine what rate of return is achievable. If the developer cannot achieve what is considered market rate or industry standard returns, then the ground lease payment is too high and cannot be supported.

The following table summarizes both the unleveraged and leveraged¹ internal rate of return ("IRR") under the proposed lease by AIMCO and the counter by KMA ("KMA Counter"). Based on AIMCO's proposal, it would achieve an unleveraged IRR of 8.1% over the remaining 94 years of the lease. Based on the KMA Counter, the developer would achieve an unleveraged IRR of 7.8%. While KMA's analysis focuses on the unleveraged IRR, we have also included the leveraged IRR to provide full perspective in our analysis.²

Developer Returns - AIMCO Proposal v. KMA Counter Mariners Cove

	KMA Counter	AIMCO Proposal
Unleveraged IRR	7.8%	8.1%
Leveraged IRR ¹	9.2%	9.4%

¹ KMA does not include leveraged IRR in its analysis, but it includes an assumed debt service in the cash flow schedule. We have included the leveraged IRR to provide full perspective.

¹ Unleveraged means that there is no loan on the property and it is redeveloped with 100% equity from the owner. Leveraged means that there is a loan used to fund construction as well as a permanent loan after the project is built.

² KMA's schedules include debt service payments that are estimated because construction loan interest is not included in its construction budget. Based on our review of the documents, this needs to be added to the budget.

Industry Standard Returns

To determine the efficacy of the developer proposal, the analysis of the deal must consider the typical returns that would be expected for similar alternative investments. Marnier's Cove Apartments is a redevelopment project resulting in 772 apartment rentals, which is then held over a period of 94 years. In its analysis, KMA states that the industry target return is 7.5% to 8.0% for this type of investment. With this basis, KMA then alters the proposed lease structure offered by AIMCO to decrease the 8.1% unleveraged IRR to 7.8%.

We have not seen support for the industry target range of 7.5% to 8.0% stated by KMA. In addition, the assumed range of 7.5% to 8.0% dramatically understates the return that a developer would typically require for a redevelopment project.

A widely-known benchmark index utilized in the real estate industry is the NCREIF Property Index ("NPI"), which dates back to 1978. The National Council of Real Estate Investment Fiduciaries created this index of more than 35,000 properties to measure the performance of real estate investments on a quarterly basis and evaluate the rates of return in the market. It is a member-based organization that serves the institutional real estate community.

The returns in the index are reported on an unleveraged basis and serve as an indicator of the industry standard returns required by large investment institutions such as AIMCO. A key feature of the index is that the properties included are "core" assets that are existing (already built) and stabilized (already leased-up). Therefore, the index returns demonstrate the performance of existing real estate assets that are purchased and held for stable income and appreciation over time.

As the following table details, the average annual return since inception of the index has been 8.9% nationally. Based on a more recent period of the last 20 years, the national index has achieved 8.5% annually. California has achieved higher returns due to tighter housing market conditions and upward pressure on rents. California has achieved 10.2% annually since 1978 and 9.8% annually in the last 20 years.

Multifamily Apartment Returns for Existing & Stabilized Properties NCREIF NPI Index for Apartments

	<u>Since 1978</u>	<u>2001-2021 Last 20 Years</u>
U.S. National Average	8.9%	8.5%
California	10.2%	9.8%

Source: NCREIF

Based on this information, the minimum required return that could be inferred for AIMCO should be 8.5% or higher.

However, the NPI Index is for properties that are already existing and stabilized. This is not Mariner's Cove. This is a key fact that needs to be recognized when considering this index. Mariner's Cove is demolishing an existing asset and building a new project. As a result, there are a myriad of construction and lease-up risks that must be considered and factored into the analysis. There are also significant upfront costs incurred because this \$135 million asset is being demolished, which is a significant foregone value for AIMCO. KMA's analysis does not analyze or consider these risks. Instead, its analysis reconciles the developer returns as if it were a project that was already built and stabilized.

Partitioning the IRR

When evaluating a project that is being developed, or redeveloped, and held for an extended period of time, the risk must be analyzed in separate time periods. For Mariner's Cove, this would include:

- ➔ **Development Period (Years 1-10):** the first 10 years of the project where it is being demolished, rebuilt, re-leased, and then stabilized.
- ➔ **Stabilized Hold Period (Years 11-94):** the extended hold period for an asset that is now stabilized and held for recurring net operating income.

Real estate developers and investors compartmentalize these two periods and evaluate them separately. They do not combine the two periods because each period contains different risks and equity return requirements.

The method utilized for analyzing distinct investment periods and risks is known as partitioning the IRR. The partitioning is expressed by independently determining the return that is achieved during the redevelopment period, and separately determining the return that is achieved in the extended hold period.

Analyzing the forecasted returns for each period should be reconciled against industry standards and investor return requirements to determine if each period is feasible.

In the following sections, we analyze the feasibility of the redevelopment project in the context of the KMA Counter and the proposed AIMCO ground lease.

KMA Counter

In the [Appendix](#) of this report, we have included Schedule 1 that partitions the IRR of the KMA Counter. As the following table details, the IRR achieved by the developer during the redevelopment period is 7.6% and the hold period is 7.9%. Intuitively it makes no sense that the redevelopment period would achieve a lower return than a project that is already built and stabilized.

Regardless, the more common metric in development is the leveraged IRR. On a leveraged basis, the IRR achieved during the redevelopment period is 10.2% with 8.6% for the extended hold period.

Schedule 1 Summary
Partitioned IRR - KMA Counter
Mariners Cove

	Development Period (Yrs 1-10)	Hold Period (Yrs 11-70)	Total (Yrs 1-70)
Unleveraged IRR	7.6%	7.9%	7.8%
Leveraged IRR	10.2%	8.6%	9.2%

These returns are inadequate. At a levered return of 10.2%, no developer would view the redevelopment of Mariner's Cove Apartments as feasible. Developers and investors typically require the leveraged IRR to range from 14% to 16% for a project to be feasible.

The critical reason why it is not feasible to redevelop the project is because of the demolition of an asset that is worth \$135 million. The 500 apartments that exist today represent an upfront cost to the project, which is not properly factored in the KMA analysis. At this value, the calculated land cost is \$174,870 per unit. This per-unit cost is far too high and not supported by the market, particularly when considering that the newly redeveloped Mariner's Cove would include 39% affordable units.³

Based on our underwriting for developer and investor clients, the supportable land values for rental apartments that feature 10% to 15% affordable housing ranges from \$40,000 to \$80,000, depending on the market.

The value of \$135 million is unavoidable: it is the value that AIMCO could receive if it simply sold the property. In addition, the next owner would determine that it is not feasible to redevelop Mariner's Cove at an acquisition cost of \$174,870 per unit.

³ 300 affordable units out of a total of 772 units.

AIMCO Proposal

Schedule 2 in the [Appendix](#) details the partitioned IRR based on AIMCO's original lease proposal. As the following table summarizes, the leveraged IRR during the redevelopment period is only 10.7%. This is below the IRR range of 14% and 16% that is typically required by developers, which suggests the project is not feasible and requires financial support. Once the project is built, it achieves an unleveraged IRR of 8.1%. This is consistent with the returns reported by the NCREIF NPI index.

Schedule 2 Summary Partitioned IRR - AIMCO Proposal Mariners Cove

	Development Period (Yrs 1-10)	Hold Period (Yrs 11-94)	Total (Yrs 1-94)
Unleveraged IRR	8.1%	8.1%	8.1%
Leveraged IRR	10.7%	8.8%	9.4%

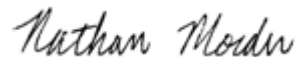
By separately analyzing the development and stabilized hold periods, our analysis has determined that AIMCO's return is below market during the redevelopment period and slightly below market for the extended hold period.

Should you have any questions regarding this analysis, or require any additional information, please feel free to contact our firm.

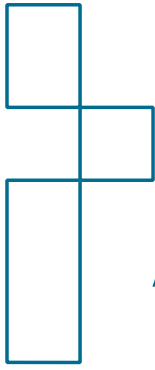
Sincerely,



Gary H. London

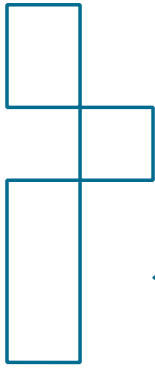


Nathan Moeder



london moeder
advisors

Appendix



london moeder
advisors

Schedule 1 – KMA Counter

Mariner's Cove - KMA Counter (1.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	5	6	7	8	9	10	11
		Year 2021	Construction		Year 2023		Year 2025	Stabilized
	0	1	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2026
			2	3	4	5	6	6
Redevelopment: Total Units			0	331	530	678	772	
Monthly Rent (Total Units)			\$3,170	\$3,281	\$3,396	\$3,515	\$3,638	
Monthly Rent Per S.F. (Total Units)			\$3.36	\$3.48	\$3.60	\$3.73	\$3.86	
Annual Increase In Rent (Total Units)				3.50%	3.50%	3.50%	3.50%	
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-	-	
Existing: Gross Rental Income (Affordable Units)			-	-	-	-	-	
Existing: Gross Rental Income (Total Units)		\$11,737,432	\$7,724,189	\$5,517,513	\$1,736,995	\$0	\$0	
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-	-	
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-	-	
Redevelopment: Gross Rental Income (Total Units)		\$0	\$0	\$13,032,898	\$21,598,779	\$28,597,191	\$33,701,663	
Other Income		\$712,850	\$0	\$977,467	\$1,619,908	\$2,144,789	\$2,527,625	
Less: Vacancy & Credit Loss (Redevelopment)		(\$445,067)	\$0	(\$521,316)	(\$863,951)	(\$1,143,888)	(\$1,348,067)	
Net Rental Income		\$12,005,215	\$7,724,189	\$19,006,562	\$24,091,731	\$29,598,092	\$34,881,221	
	Per Unit (Stabilized)	% Increase						
Less: Operating Expenses	\$3,200	2.75%	(\$3,022,689)	\$0	(\$1,059,200)	(\$1,696,000)	(\$2,169,600)	(\$2,470,400)
Less: Insurance	\$375	3.00%	\$0	\$0	(\$124,125)	(\$198,750)	(\$254,250)	(\$289,500)
Less: Property Taxes	\$3,773	2.00%	\$0	\$0	(\$1,248,995)	(\$1,999,901)	(\$2,558,364)	(\$2,913,063)
Less: Capital Expenses	\$1,200	0.00%	\$0	\$0	\$0	\$0	(\$813,600)	(\$926,400)
Operating Expenses			(\$3,022,689)	\$0	(\$2,432,320)	(\$3,894,651)	(\$5,795,814)	(\$6,599,363)
Operating Expense Ratio		25.2%	0.0%	12.8%	16.2%	19.6%	18.9%	
Net Operating Income (before ground lease)		\$8,982,526	\$7,724,189	\$16,574,242	\$20,197,080	\$23,802,279	\$28,281,858	
Less: Ground Lease Payment		(\$1,239,426)	(\$1,363,369)	(\$1,499,705)	(\$1,649,676)	(\$1,814,644)	(\$1,996,108)	
Net Operating Income (after ground lease)		\$7,743,100	\$6,360,820	\$15,074,537	\$18,547,404	\$21,987,635	\$26,285,751	
Less: Debt Service		\$0	\$0	\$0	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	
Net Proceeds from Refinance:		\$0	\$0	\$0	\$0	\$0	\$0	
Cash Flow From Operations		\$7,743,100	\$6,360,820	\$15,074,537	(\$5,071,869)	(\$1,631,638)	\$2,666,478	
Developer Project Investment								
Hard/Soft Costs		-	-	-	-	-	-	
Development Fees		-	-	-	-	-	-	
Total Project Costs		(\$135,000,000)	(\$144,370,800)	(\$108,278,100)	(\$72,185,400)	(\$36,092,700)	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)		(\$135,000,000)	(\$136,627,700)	(\$101,917,280)	(\$57,110,863)	(\$17,545,296)	\$21,987,635	\$26,285,751
IRR	7.8%							
Total Cash Flow Before Taxes (Total Leveraged)		(\$135,000,000)	(\$14,393,912)	\$6,360,820	\$15,074,537	(\$5,071,869)	(\$1,631,638)	\$2,666,478
IRR	9.2%							

Mariner's Cove - KMA Counter (1.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)		12	13	14	15	16	17	18
			Year 2027	Year 2028	Year 2029	Year 2030	End of AIMCO Model Year 2031	Re-Appraisal Year 2032	Year 2033
			7	8	9	10	11	12	13
Redevelopment: Total Units			772	772	772	772	772	772	772
Monthly Rent (Total Units)			\$3,765	\$3,897	\$4,033	\$4,175	\$4,321	\$4,472	\$4,628
Monthly Rent Per S.F. (Total Units)			\$3.99	\$4.13	\$4.28	\$4.43	\$4.58	\$4.74	\$4.91
Annual Increase In Rent (Total Units)			3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)			\$34,881,222	\$36,102,064	\$37,365,637	\$38,673,434	\$40,027,004	\$41,427,949	\$42,877,927
Other Income			\$2,616,092	\$2,707,655	\$2,802,423	\$2,900,508	\$3,002,025	\$3,107,096	\$3,215,844
Less: Vacancy & Credit Loss (Redevelopment)			(\$1,395,249)	(\$1,444,083)	(\$1,494,625)	(\$1,546,937)	(\$1,601,080)	(\$1,657,118)	(\$1,715,117)
Net Rental Income			\$36,102,065	\$37,365,636	\$38,673,435	\$40,027,005	\$41,427,949	\$42,877,927	\$44,378,654
	Per Unit (Stablilized)	% Increase							
Less: Operating Expenses	\$3,200	2.75%	(\$2,538,336)	(\$2,608,140)	(\$2,679,864)	(\$2,753,560)	(\$2,829,283)	(\$2,907,089)	(\$2,987,033)
Less: Insurance	\$375	3.00%	(\$298,185)	(\$307,131)	(\$316,344)	(\$325,835)	(\$335,610)	(\$345,678)	(\$356,048)
Less: Property Taxes	\$3,773	2.00%	(\$2,971,324)	(\$3,030,751)	(\$3,091,366)	(\$3,153,193)	(\$3,216,257)	(\$3,280,582)	(\$3,346,194)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$6,734,245)	(\$6,872,422)	(\$7,013,974)	(\$7,158,988)	(\$7,307,550)	(\$7,459,749)	(\$7,615,676)
Operating Expense Ratio			18.7%	18.4%	18.1%	17.9%	17.6%	17.4%	17.2%
Net Operating Income (before ground lease)			\$29,367,820	\$30,493,215	\$31,659,460	\$32,868,016	\$34,120,399	\$35,418,178	\$36,762,979
Less: Ground Lease Payment			(\$2,195,719)	(\$2,415,291)	(\$2,656,820)	(\$2,922,502)	(\$3,214,752)	(\$5,450,834)	(\$5,587,105)
Net Operating Income (after ground lease)			\$27,172,101	\$28,077,924	\$29,002,640	\$29,945,515	\$30,905,647	\$29,967,344	\$31,175,874
Less: Debt Service			(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations			\$3,552,828	\$4,458,651	\$5,383,368	\$6,326,242	\$7,286,374	\$6,348,071	\$7,556,601
Developer Project Investment									
Hard/Soft Costs			-	-	-	-	-	-	-
Development Fees			-	-	-	-	-	-	-
Total Project Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)			\$27,172,101	\$28,077,924	\$29,002,640	\$29,945,515	\$30,905,647	\$29,967,344	\$31,175,874
IRR	7.8%								
Total Cash Flow Before Taxes (Total Leveraged)			\$3,552,828	\$4,458,651	\$5,383,368	\$6,326,242	\$7,286,374	\$6,348,071	\$7,556,601
IRR	9.2%								

Mariner's Cove - KMA Counter (1.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)	19	20	21	22	23	24	25	26		
	Year 2034	Year 2035	Year 2036	Year 2037	Year 2038	Year 2039	Year 2040	Year 2041		
	14	15	16	17	18	19	20	21		
Redevelopment: Total Units	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$4,790	\$4,958	\$5,132	\$5,311	\$5,497	\$5,690	\$5,889	\$6,095		
Monthly Rent Per S.F. (Total Units)	\$5.08	\$5.26	\$5.44	\$5.63	\$5.83	\$6.03	\$6.24	\$6.46		
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$44,378,655	\$45,931,908	\$47,539,525	\$49,203,408	\$50,925,527	\$52,707,921	\$54,552,698	\$56,462,042		
Other Income	\$3,328,399	\$3,444,893	\$3,565,464	\$3,690,255	\$3,819,414	\$3,953,094	\$4,091,452	\$4,234,653		
Less: Vacancy & Credit Loss (Redevelopment)	(\$1,775,146)	(\$1,837,276)	(\$1,901,581)	(\$1,968,136)	(\$2,037,021)	(\$2,108,317)	(\$2,182,108)	(\$2,258,482)		
Net Rental Income	\$45,931,907	\$47,539,524	\$49,203,408	\$50,925,527	\$52,707,920	\$54,552,697	\$56,462,042	\$58,438,213		
	Per Unit (Stablized)	% Increase								
Less: Operating Expenses	\$3,200	2.75%	(\$3,069,177)	(\$3,153,579)	(\$3,240,303)	(\$3,329,411)	(\$3,420,970)	(\$3,515,047)	(\$3,611,710)	(\$3,711,032)
Less: Insurance	\$375	3.00%	(\$366,730)	(\$377,732)	(\$389,064)	(\$400,736)	(\$412,758)	(\$425,141)	(\$437,895)	(\$451,032)
Less: Property Taxes	\$3,773	2.00%	(\$3,413,118)	(\$3,481,380)	(\$3,551,008)	(\$3,622,028)	(\$3,694,468)	(\$3,768,358)	(\$3,843,725)	(\$3,920,599)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$7,775,424)	(\$7,939,091)	(\$8,106,774)	(\$8,278,574)	(\$8,454,596)	(\$8,634,945)	(\$8,819,730)	(\$9,009,063)		
Operating Expense Ratio	16.9%	16.7%	16.5%	16.3%	16.0%	15.8%	15.6%	15.4%		
Net Operating Income (before ground lease)	\$38,156,483	\$39,600,433	\$41,096,633	\$42,646,952	\$44,253,324	\$45,917,753	\$47,642,312	\$49,429,150		
Less: Ground Lease Payment	(\$5,726,783)	(\$5,869,952)	(\$6,016,701)	(\$6,167,119)	(\$6,321,297)	(\$6,479,329)	(\$6,641,312)	(\$6,807,345)		
Net Operating Income (after ground lease)	\$32,429,700	\$33,730,481	\$35,079,932	\$36,479,834	\$37,932,028	\$39,438,424	\$41,001,000	\$42,621,805		
Less: Debt Service	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Cash Flow From Operations	\$8,810,427	\$10,111,208	\$11,460,659	\$12,860,561	\$14,312,755	\$15,819,151	\$17,381,727	\$19,002,532		
Developer Project Investment										
Hard/Soft Costs	-	-	-	-	-	-	-	-		
Development Fees	-	-	-	-	-	-	-	-		
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Cash Flow Before Taxes (Total Unleveraged)	\$32,429,700	\$33,730,481	\$35,079,932	\$36,479,834	\$37,932,028	\$39,438,424	\$41,001,000	\$42,621,805		
IRR	7.8%									
Total Cash Flow Before Taxes (Total Leveraged)	\$8,810,427	\$10,111,208	\$11,460,659	\$12,860,561	\$14,312,755	\$15,819,151	\$17,381,727	\$19,002,532		
IRR	9.2%									

Mariner's Cove - KMA Counter (1.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)	27	28	29	30	31	32	33	34
	Re-Appraisal Year 2042 22	Year 2043 23	Year 2044 24	Year 2045 25	Year 2046 26	Year 2047 27	Year 2048 28	Year 2049 29
Redevelopment: Total Units	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)	\$6,308	\$6,529	\$6,757	\$6,994	\$7,239	\$7,492	\$7,754	\$8,026
Monthly Rent Per S.F. (Total Units)	\$6.69	\$6.92	\$7.16	\$7.41	\$7.67	\$7.94	\$8.22	\$8.51
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)	\$58,438,214	\$60,483,551	\$62,600,475	\$64,791,492	\$67,059,194	\$69,406,266	\$71,835,485	\$74,349,727
Other Income	\$4,382,866	\$4,536,266	\$4,695,035	\$4,859,361	\$5,029,439	\$5,205,469	\$5,387,661	\$5,576,229
Less: Vacancy & Credit Loss (Redevelopment)	(\$2,337,529)	(\$2,419,342)	(\$2,504,019)	(\$2,591,660)	(\$2,682,368)	(\$2,776,251)	(\$2,873,419)	(\$2,973,989)
Net Rental Income	\$60,483,551	\$62,600,475	\$64,791,492	\$67,059,194	\$69,406,266	\$71,835,485	\$74,349,727	\$76,951,967
	Per Unit (Stabilized)	% Increase						
Less: Operating Expenses	\$3,200	2.75%	(\$3,813,086)	(\$3,917,946)	(\$4,025,689)	(\$4,136,396)	(\$4,250,146)	(\$4,367,025)
Less: Insurance	\$375	3.00%	(\$464,563)	(\$478,499)	(\$492,854)	(\$507,640)	(\$522,869)	(\$538,555)
Less: Property Taxes	\$3,773	2.00%	(\$3,999,011)	(\$4,078,991)	(\$4,160,571)	(\$4,243,783)	(\$4,328,658)	(\$4,415,232)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$9,203,059)	(\$9,401,836)	(\$9,605,515)	(\$9,814,218)	(\$10,028,074)	(\$10,247,212)	(\$10,471,767)	(\$10,701,875)
Operating Expense Ratio	15.2%	15.0%	14.8%	14.6%	14.4%	14.3%	14.1%	13.9%
Net Operating Income (before ground lease)	\$51,280,491	\$53,198,639	\$55,185,977	\$57,244,976	\$59,378,192	\$61,588,273	\$63,877,960	\$66,250,093
Less: Ground Lease Payment	(\$6,977,529)	(\$7,151,967)	(\$7,330,766)	(\$7,514,035)	(\$7,701,886)	(\$7,894,433)	(\$8,091,794)	(\$8,294,089)
Net Operating Income (after ground lease)	\$44,302,962	\$46,046,672	\$47,855,211	\$49,730,940	\$51,676,305	\$53,693,839	\$55,786,166	\$57,956,004
Less: Debt Service	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations	\$20,683,690	\$22,427,399	\$24,235,938	\$26,111,667	\$28,057,033	\$30,074,566	\$32,166,893	\$34,336,731
Developer Project Investment								
Hard/Soft Costs	-	-	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-	-	-
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)	\$44,302,962	\$46,046,672	\$47,855,211	\$49,730,940	\$51,676,305	\$53,693,839	\$55,786,166	\$57,956,004
IRR	7.8%							
Total Cash Flow Before Taxes (Total Leveraged)	\$20,683,690	\$22,427,399	\$24,235,938	\$26,111,667	\$28,057,033	\$30,074,566	\$32,166,893	\$34,336,731
IRR	9.2%							

Mariner's Cove - KMA Counter (1.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	35	36	37	38	39	40	41	42
		Year 2050	Year 2051	Re-Appraisal Year 2052	Year 2053	Year 2054	Year 2055	Year 2056	Year 2057
		30	31	32	33	34	35	36	37
Redevelopment: Total Units		772	772	772	772	772	772	772	772
Monthly Rent (Total Units)		\$8,307	\$8,597	\$8,898	\$9,210	\$9,532	\$9,866	\$10,211	\$10,568
Monthly Rent Per S.F. (Total Units)		\$8.81	\$9.11	\$9.43	\$9.76	\$10.10	\$10.46	\$10.82	\$11.20
Annual Increase In Rent (Total Units)		3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)		\$76,951,968	\$79,645,287	\$82,432,872	\$85,318,022	\$88,304,153	\$91,394,798	\$94,593,616	\$97,904,393
Other Income		\$5,771,397	\$5,973,396	\$6,182,465	\$6,398,851	\$6,622,811	\$6,854,609	\$7,094,521	\$7,342,829
Less: Vacancy & Credit Loss (Redevelopment)		(\$3,078,079)	(\$3,185,811)	(\$3,297,315)	(\$3,412,721)	(\$3,532,166)	(\$3,655,792)	(\$3,783,745)	(\$3,916,176)
Net Rental Income		\$79,645,286	\$82,432,871	\$85,318,022	\$88,304,152	\$91,394,798	\$94,593,616	\$97,904,392	\$101,331,046
	Per Unit (Stablized)		% Increase						
Less: Operating Expenses	\$3,200	2.75%	(\$4,737,304)	(\$4,867,579)	(\$5,001,438)	(\$5,138,977)	(\$5,280,299)	(\$5,425,507)	(\$5,574,709)
Less: Insurance	\$375	3.00%	(\$588,494)	(\$606,149)	(\$624,333)	(\$643,063)	(\$662,355)	(\$682,226)	(\$702,692)
Less: Property Taxes	\$3,773	2.00%	(\$4,685,479)	(\$4,779,189)	(\$4,874,772)	(\$4,972,268)	(\$5,071,713)	(\$5,173,147)	(\$5,276,610)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses		(\$10,937,676)	(\$11,179,317)	(\$11,426,943)	(\$11,680,708)	(\$11,940,767)	(\$12,207,281)	(\$12,480,412)	(\$12,760,329)
Operating Expense Ratio		13.7%	13.6%	13.4%	13.2%	13.1%	12.9%	12.7%	12.6%
Net Operating Income (before ground lease)		\$68,707,610	\$71,253,555	\$73,891,078	\$76,623,444	\$79,454,030	\$82,386,335	\$85,423,980	\$88,570,717
Less: Ground Lease Payment		(\$8,501,441)	(\$8,713,977)	(\$8,931,827)	(\$9,155,123)	(\$9,384,001)	(\$9,618,601)	(\$9,859,066)	(\$10,105,542)
Net Operating Income (after ground lease)		\$60,206,168	\$62,539,577	\$64,959,251	\$67,468,322	\$70,070,030	\$72,767,735	\$75,564,915	\$78,465,174
Less: Debt Service		(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	\$0	\$0	\$0	\$0
Net Proceeds from Refinance:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations		\$36,586,896	\$38,920,304	\$41,339,979	\$43,849,049	\$70,070,030	\$72,767,735	\$75,564,915	\$78,465,174
Developer Project Investment									
Hard/Soft Costs		-	-	-	-	-	-	-	-
Development Fees		-	-	-	-	-	-	-	-
Total Project Costs		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)		\$60,206,168	\$62,539,577	\$64,959,251	\$67,468,322	\$70,070,030	\$72,767,735	\$75,564,915	\$78,465,174
IRR	7.8%								
Total Cash Flow Before Taxes (Total Leveraged)		\$36,586,896	\$38,920,304	\$41,339,979	\$43,849,049	\$70,070,030	\$72,767,735	\$75,564,915	\$78,465,174
IRR	9.2%								

Mariner's Cove - KMA Counter (1.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)	43	44	45	46	47	48	49	50		
	Year 2058	Year 2059	Year 2060	Year 2061	Re-Appraisal Year 2062	Year 2063	Year 2064	Year 2065		
	38	39	40	41	42	43	44	45		
Redevelopment: Total Units	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$10,938	\$11,321	\$11,717	\$12,127	\$12,552	\$12,991	\$13,446	\$13,916		
Monthly Rent Per S.F. (Total Units)	\$11.59	\$12.00	\$12.42	\$12.86	\$13.31	\$13.77	\$14.25	\$14.75		
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$101,331,047	\$104,877,633	\$108,548,351	\$112,347,543	\$116,279,707	\$120,349,497	\$124,561,729	\$128,921,389		
Other Income	\$7,599,828	\$7,865,822	\$8,141,125	\$8,426,065	\$8,720,977	\$9,026,211	\$9,342,129	\$9,669,103		
Less: Vacancy & Credit Loss (Redevelopment)	(\$4,053,242)	(\$4,195,105)	(\$4,341,934)	(\$4,493,902)	(\$4,651,188)	(\$4,813,980)	(\$4,982,469)	(\$5,156,856)		
Net Rental Income	\$104,877,633	\$108,548,350	\$112,347,542	\$116,279,706	\$120,349,496	\$124,561,728	\$128,921,389	\$133,433,637		
	Per Unit (Stablilized)	% Increase								
Less: Operating Expenses	\$3,200	2.75%	(\$5,885,534)	(\$6,047,386)	(\$6,213,689)	(\$6,384,566)	(\$6,560,141)	(\$6,740,545)	(\$6,925,910)	(\$7,116,372)
Less: Insurance	\$375	3.00%	(\$745,486)	(\$767,851)	(\$790,887)	(\$814,613)	(\$839,052)	(\$864,223)	(\$890,150)	(\$916,854)
Less: Property Taxes	\$3,773	2.00%	(\$5,489,785)	(\$5,599,581)	(\$5,711,573)	(\$5,825,804)	(\$5,942,320)	(\$6,061,167)	(\$6,182,390)	(\$6,306,038)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$13,047,206)	(\$13,341,218)	(\$13,642,548)	(\$13,951,383)	(\$14,267,913)	(\$14,592,335)	(\$14,924,850)	(\$15,265,665)		
Operating Expense Ratio	12.4%	12.3%	12.1%	12.0%	11.9%	11.7%	11.6%	11.4%		
Net Operating Income (before ground lease)	\$91,830,427	\$95,207,132	\$98,704,994	\$102,328,323	\$106,081,583	\$109,969,393	\$113,996,539	\$118,167,972		
Less: Ground Lease Payment	(\$10,358,181)	(\$10,617,135)	(\$10,882,564)	(\$11,154,628)	(\$11,433,494)	(\$11,719,331)	(\$12,012,314)	(\$12,312,622)		
Net Operating Income (after ground lease)	\$81,472,246	\$84,589,996	\$87,822,430	\$91,173,695	\$94,648,089	\$98,250,062	\$101,984,225	\$105,855,350		
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Cash Flow From Operations	\$81,472,246	\$84,589,996	\$87,822,430	\$91,173,695	\$94,648,089	\$98,250,062	\$101,984,225	\$105,855,350		
Developer Project Investment										
Hard/Soft Costs	-	-	-	-	-	-	-	-		
Development Fees	-	-	-	-	-	-	-	-		
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Cash Flow Before Taxes (Total Unleveraged)	\$81,472,246	\$84,589,996	\$87,822,430	\$91,173,695	\$94,648,089	\$98,250,062	\$101,984,225	\$105,855,350		
IRR	7.8%									
Total Cash Flow Before Taxes (Total Leveraged)	\$81,472,246	\$84,589,996	\$87,822,430	\$91,173,695	\$94,648,089	\$98,250,062	\$101,984,225	\$105,855,350		
IRR	9.2%									

Mariner's Cove - KMA Counter (1.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)	51	52	53	54	55	56	57	58
	Year 2066	Year 2067	Year 2068	Year 2069	Year 2070	Year 2071	Re-Appraisal Year 2072	Year 2073
	46	47	48	49	50	51	52	53
Redevelopment: Total Units	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)	\$14,403	\$14,908	\$15,429	\$15,969	\$16,528	\$17,107	\$17,706	\$18,325
Monthly Rent Per S.F. (Total Units)	\$15.27	\$15.80	\$16.36	\$16.93	\$17.52	\$18.13	\$18.77	\$19.43
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)	\$133,433,638	\$138,103,815	\$142,937,449	\$147,940,260	\$153,118,169	\$158,477,305	\$164,024,010	\$169,764,851
Other Income	\$10,007,522	\$10,357,785	\$10,720,308	\$11,095,518	\$11,483,862	\$11,885,797	\$12,301,800	\$12,732,363
Less: Vacancy & Credit Loss (Redevelopment)	(\$5,337,346)	(\$5,524,153)	(\$5,717,498)	(\$5,917,610)	(\$6,124,727)	(\$6,339,092)	(\$6,560,960)	(\$6,790,594)
Net Rental Income	\$138,103,814	\$142,937,448	\$147,940,259	\$153,118,168	\$158,477,304	\$164,024,009	\$169,764,849	\$175,706,619
	Per Unit (Stablized)	% Increase						
Less: Operating Expenses	\$3,200	2.75%	(\$7,312,073)	(\$7,513,155)	(\$7,719,766)	(\$7,932,060)	(\$8,150,192)	(\$8,374,322)
Less: Insurance	\$375	3.00%	(\$944,360)	(\$972,691)	(\$1,001,871)	(\$1,031,928)	(\$1,062,885)	(\$1,094,772)
Less: Property Taxes	\$3,773	2.00%	(\$6,432,159)	(\$6,560,802)	(\$6,692,018)	(\$6,825,858)	(\$6,962,375)	(\$7,101,623)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$15,614,991)	(\$15,973,047)	(\$16,340,056)	(\$16,716,246)	(\$17,101,852)	(\$17,497,117)	(\$17,902,286)	(\$18,317,615)
Operating Expense Ratio	11.3%	11.2%	11.0%	10.9%	10.8%	10.7%	10.5%	10.4%
Net Operating Income (before ground lease)	\$122,488,823	\$126,964,401	\$131,600,203	\$136,401,922	\$141,375,451	\$146,526,892	\$151,862,563	\$157,389,004
Less: Ground Lease Payment	(\$12,620,438)	(\$12,935,948)	(\$13,259,347)	(\$13,590,831)	(\$13,930,602)	(\$14,278,867)	(\$14,635,838)	(\$15,001,734)
Net Operating Income (after ground lease)	\$109,868,386	\$114,028,452	\$118,340,856	\$122,811,091	\$127,444,849	\$132,248,026	\$137,226,725	\$142,387,270
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations	\$109,868,386	\$114,028,452	\$118,340,856	\$122,811,091	\$127,444,849	\$132,248,026	\$137,226,725	\$142,387,270
Developer Project Investment								
Hard/Soft Costs	-	-	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-	-	-
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)	\$109,868,386	\$114,028,452	\$118,340,856	\$122,811,091	\$127,444,849	\$132,248,026	\$137,226,725	\$142,387,270
IRR	7.8%							
Total Cash Flow Before Taxes (Total Leveraged)	\$109,868,386	\$114,028,452	\$118,340,856	\$122,811,091	\$127,444,849	\$132,248,026	\$137,226,725	\$142,387,270
IRR	9.2%							

Mariner's Cove - KMA Counter (1.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	59	60	61	62	63	64	65	66
	Year 2074	Year 2075	Year 2076	Year 2077	Year 2078	Year 2079	Year 2080	Year 2081	
	54	55	56	57	58	59	60	61	
Redevelopment: Total Units	772	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)	\$18,967	\$19,630	\$20,318	\$21,029	\$21,765	\$22,526	\$23,315	\$24,131	
Monthly Rent Per S.F. (Total Units)	\$20.11	\$20.81	\$21.54	\$22.29	\$23.07	\$23.88	\$24.71	\$25.58	
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)	\$175,706,620	\$181,856,352	\$188,221,325	\$194,809,071	\$201,627,388	\$208,684,347	\$215,988,299	\$223,547,890	
Other Income	\$13,177,995	\$13,639,225	\$14,116,598	\$14,610,679	\$15,122,053	\$15,651,324	\$16,199,121	\$16,766,090	
Less: Vacancy & Credit Loss (Redevelopment)	(\$7,028,265)	(\$7,274,254)	(\$7,528,853)	(\$7,792,363)	(\$8,065,096)	(\$8,347,374)	(\$8,639,532)	(\$8,941,916)	
Net Rental Income	\$181,856,351	\$188,221,323	\$194,809,069	\$201,627,387	\$208,684,345	\$215,988,298	\$223,547,888	\$231,372,064	
	Per Unit (Stablized)	% Increase							
Less: Operating Expenses	\$3,200	2.75%	(\$9,084,377)	(\$9,334,197)	(\$9,590,888)	(\$9,854,637)	(\$10,125,640)	(\$10,404,095)	(\$10,690,207)
Less: Insurance	\$375	3.00%	(\$1,196,287)	(\$1,232,176)	(\$1,269,141)	(\$1,307,215)	(\$1,346,431)	(\$1,386,824)	(\$1,428,429)
Less: Property Taxes	\$3,773	2.00%	(\$7,536,299)	(\$7,687,025)	(\$7,840,765)	(\$7,997,581)	(\$8,157,532)	(\$8,320,683)	(\$8,487,097)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$18,743,363)	(\$19,179,798)	(\$19,627,194)	(\$20,085,833)	(\$20,556,004)	(\$21,038,002)	(\$21,532,133)	(\$22,038,709)	
Operating Expense Ratio	10.3%	10.2%	10.1%	10.0%	9.9%	9.7%	9.6%	9.5%	
Net Operating Income (before ground lease)	\$163,112,988	\$169,041,525	\$175,181,875	\$181,541,554	\$188,128,342	\$194,950,295	\$202,015,755	\$209,333,355	
Less: Ground Lease Payment	(\$15,376,778)	(\$15,761,197)	(\$16,155,227)	(\$16,559,108)	(\$16,973,085)	(\$17,397,413)	(\$17,832,348)	(\$18,278,157)	
Net Operating Income (after ground lease)	\$147,736,210	\$153,280,328	\$159,026,648	\$164,982,446	\$171,155,257	\$177,552,883	\$184,183,407	\$191,055,199	
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations	\$147,736,210	\$153,280,328	\$159,026,648	\$164,982,446	\$171,155,257	\$177,552,883	\$184,183,407	\$191,055,199	
Developer Project Investment									
Hard/Soft Costs	-	-	-	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-	-	-	-
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)	\$147,736,210	\$153,280,328	\$159,026,648	\$164,982,446	\$171,155,257	\$177,552,883	\$184,183,407	\$191,055,199	
IRR	7.8%								
Total Cash Flow Before Taxes (Total Leveraged)	\$147,736,210	\$153,280,328	\$159,026,648	\$164,982,446	\$171,155,257	\$177,552,883	\$184,183,407	\$191,055,199	
IRR	9.2%								

Mariner's Cove - KMA Counter (1.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)			67	68	69	70	71	72	73	74
			Re-Appraisal Year 2082	Year 2083	Year 2084	Year 2085	Year 2086	Year 2087	Year 2088	Year 2089
			62	63	64	65	66	67	68	69
Redevelopment: Total Units			772	772	772	772	772	772	772	772
Monthly Rent (Total Units)			\$24,975	\$25,850	\$26,754	\$27,691	\$28,660	\$29,663	\$30,701	\$31,776
Monthly Rent Per S.F. (Total Units)			\$26.47	\$27.40	\$28.36	\$29.35	\$30.38	\$31.44	\$32.54	\$33.68
Annual Increase In Rent (Total Units)			3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)			\$231,372,066	\$239,470,088	\$247,851,541	\$256,526,345	\$265,504,767	\$274,797,434	\$284,415,344	\$294,369,881
Other Income			\$17,352,903	\$17,960,255	\$18,588,864	\$19,239,474	\$19,912,856	\$20,609,805	\$21,331,149	\$22,077,739
Less: Vacancy & Credit Loss (Redevelopment)			(\$9,254,883)	(\$9,578,804)	(\$9,914,062)	(\$10,261,054)	(\$10,620,191)	(\$10,991,897)	(\$11,376,614)	(\$11,774,795)
Net Rental Income			\$239,470,086	\$247,851,539	\$256,526,343	\$265,504,765	\$274,797,432	\$284,415,342	\$294,369,879	\$304,672,825
	Per Unit (Stablilized)	% Increase								
Less: Operating Expenses			\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200	\$3,200
Less: Insurance			\$375	\$375	\$375	\$375	\$375	\$375	\$375	\$375
Less: Property Taxes			\$3,773	\$3,773	\$3,773	\$3,773	\$3,773	\$3,773	\$3,773	\$3,773
Less: Capital Expenses			\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200	\$1,200
Operating Expenses			(\$22,558,049)	(\$23,090,483)	(\$23,636,348)	(\$24,195,991)	(\$24,769,766)	(\$25,358,039)	(\$25,961,183)	(\$26,579,584)
Operating Expense Ratio			9.4%	9.3%	9.2%	9.1%	9.0%	8.9%	8.8%	8.7%
Net Operating Income (before ground lease)			\$216,912,037	\$224,761,056	\$232,889,995	\$241,308,774	\$250,027,666	\$259,057,303	\$268,408,696	\$278,093,241
Less: Ground Lease Payment			(\$18,735,110)	(\$19,203,488)	(\$19,683,575)	(\$20,175,665)	(\$20,680,056)	(\$21,197,058)	(\$21,726,984)	(\$22,270,159)
Net Operating Income (after ground lease)			\$198,176,927	\$205,557,568	\$213,206,419	\$221,133,109	\$229,347,609	\$237,860,245	\$246,681,711	\$255,823,082
Less: Debt Service			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations			\$198,176,927	\$205,557,568	\$213,206,419	\$221,133,109	\$229,347,609	\$237,860,245	\$246,681,711	\$255,823,082
Developer Project Investment										
Hard/Soft Costs			-	-	-	-	-	-	-	-
Development Fees			-	-	-	-	-	-	-	-
Total Project Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)			\$198,176,927	\$205,557,568	\$213,206,419	\$221,133,109	\$229,347,609	\$237,860,245	\$246,681,711	\$255,823,082
IRR			7.8%							
Total Cash Flow Before Taxes (Total Leveraged)			\$198,176,927	\$205,557,568	\$213,206,419	\$221,133,109	\$229,347,609	\$237,860,245	\$246,681,711	\$255,823,082
IRR			9.2%							

Mariner's Cove - KMA Counter (1.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	75
	Year 2090	70
Redevelopment: Total Units		772
Monthly Rent (Total Units)		\$32,888
Monthly Rent Per S.F. (Total Units)		\$34.86
Annual Increase In Rent (Total Units)		3.50%
Existing: Gross Rental Income (Market Rate Units)		-
Existing: Gross Rental Income (Affordable Units)		-
Existing: Gross Rental Income (Total Units)		\$0
Redevelopment: Gross Rental Income (Market Rate Units)		-
Redevelopment: Gross Rental Income (Affordable Units)		-
Redevelopment: Gross Rental Income (Total Units)		\$304,672,827
Other Income		\$22,850,460
Less: Vacancy & Credit Loss (Redevelopment)		(\$12,186,913)
Net Rental Income		\$315,336,374
	Per Unit (Stablized)	% Increase
Less: Operating Expenses	\$3,200	2.75%
Less: Insurance	\$375	3.00%
Less: Property Taxes	\$3,773	2.00%
Less: Capital Expenses	\$1,200	0.00%
Operating Expenses		(\$27,213,634)
Operating Expense Ratio		8.6%
Net Operating Income (before ground lease)		\$288,122,739
Less: Ground Lease Payment		(\$22,826,913)
Net Operating Income (after ground lease)		\$265,295,826
Less: Debt Service		\$0
Net Proceeds from Refinance:		\$0
Cash Flow From Operations		\$265,295,826
Developer Project Investment		
Hard/Soft Costs		-
Development Fees		-
Total Project Costs		\$0
Total Cash Flow Before Taxes (Total Unleveraged)		\$265,295,826
IRR	7.8%	
Total Cash Flow Before Taxes (Total Leveraged)		\$265,295,826
IRR	9.2%	

Mariner's Cove - KMA Counter (1.1 Dev. Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)			5	6	7	8	9	10	11	12
			Year 2021	Construction				Year 2025	Stabilized	Year 2027
			1	Year 2022	Year 2023	Year 2024	5	Year 2026	7	
			0	2	3	4		6		
Redevelopment: Total Units				0	331	530	678	772	772	
Monthly Rent (Total Units)				\$3,170	\$3,281	\$3,396	\$3,515	\$3,638	\$3,765	
Monthly Rent Per S.F. (Total Units)				\$3.36	\$3.48	\$3.60	\$3.73	\$3.86	\$3.99	
Annual Increase In Rent (Total Units)					3.50%	3.50%	3.50%	3.50%	3.50%	
Existing: Gross Rental Income (Market Rate Units)				-	-	-	-	-	-	
Existing: Gross Rental Income (Affordable Units)				-	-	-	-	-	-	
Existing: Gross Rental Income (Total Units)				\$11,737,432	\$7,724,189	\$5,517,513	\$1,736,995	\$0	\$0	
Redevelopment: Gross Rental Income (Market Rate Units)				-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Affordable Units)				-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Total Units)				\$0	\$0	\$13,032,898	\$21,598,779	\$28,597,191	\$33,701,663	
Other Income				\$712,850	\$0	\$977,467	\$1,619,908	\$2,144,789	\$2,527,625	
Less: Vacancy & Credit Loss (Redevelopment)				(\$445,067)	\$0	(\$521,316)	(\$863,951)	(\$1,143,888)	(\$1,348,067)	
Net Rental Income				\$12,005,215	\$7,724,189	\$19,006,562	\$24,091,731	\$29,598,092	\$34,881,221	
				Per Unit (Stabilized)	% Increase					
Less: Operating Expenses				\$3,200	2.75%	(\$3,022,689)	\$0	(\$1,059,200)	(\$1,696,000)	
Less: Insurance				\$375	3.00%	\$0	(\$124,125)	(\$198,750)	(\$254,250)	
Less: Property Taxes				\$3,773	2.00%	\$0	(\$1,248,995)	(\$1,999,901)	(\$2,558,364)	
Less: Capital Expenses				\$1,200	0.00%	\$0	\$0	(\$813,600)	(\$926,400)	
Operating Expenses				(\$3,022,689)	\$0	(\$2,432,320)	(\$3,894,651)	(\$5,795,814)	(\$6,599,363)	
Operating Expense Ratio				25.2%	0.0%	12.8%	16.2%	19.6%	18.9%	
Net Operating Income (before ground lease)				\$8,982,526	\$7,724,189	\$16,574,242	\$20,197,080	\$23,802,279	\$28,281,858	
Less: Ground Lease Payment				(\$1,239,426)	(\$1,363,369)	(\$1,499,705)	(\$1,649,676)	(\$1,814,644)	(\$1,996,108)	
Net Operating Income (after ground lease)				\$7,743,100	\$6,360,820	\$15,074,537	\$18,547,404	\$21,987,635	\$26,285,751	
Less: Debt Service				\$0	\$0	\$0	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	
Cash Flow From Operations				\$7,743,100	\$6,360,820	\$15,074,537	(\$5,071,869)	(\$1,631,638)	\$2,666,478	
Equity Contribution				(\$135,000,000)	(\$22,137,012)	\$0	\$0	\$0	\$0	
Disposition										
Cap Rate										
NOI										
Asset Value										
Sale Price										
Less: Commissions & Closing C				2.00%						
Less: Principal Balance of Loan O/S										
Net Proceeds from Disposition										
Total Cash Flow Before Taxes (10-Year Leveraged)				(\$135,000,000)	(\$14,393,912)	\$6,360,820	\$15,074,537	(\$5,071,869)	(\$1,631,638)	\$2,666,478
IRR				10.2%						
Total Project Costs				(\$135,000,000)	(\$144,370,800)	(\$108,278,100)	(\$72,185,400)	(\$36,092,700)	\$0	\$0
Total Cash Flow Before Taxes (10-Year Unleveraged)				(\$135,000,000)	(\$136,627,700)	(\$101,917,280)	(\$57,110,863)	(\$17,545,296)	\$21,987,635	\$26,285,751
IRR				7.6%						

Mariner's Cove - KMA Counter (1.1 Dev. Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)			13	14	15	16
			Year 2028	Year 2029	Year 2030	End of AIMCO Model Year 2031
			8	9	10	11
Redevelopment: Total Units			772	772	772	772
Monthly Rent (Total Units)			\$3,897	\$4,033	\$4,175	\$4,321
Monthly Rent Per S.F. (Total Units)			\$4.13	\$4.28	\$4.43	\$4.58
Annual Increase In Rent (Total Units)			3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-
Existing: Gross Rental Income (Affordable Units)			-	-	-	-
Existing: Gross Rental Income (Total Units)			\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-
Redevelopment: Gross Rental Income (Total Units)			\$36,102,064	\$37,365,637	\$38,673,434	\$40,027,004
Other Income			\$2,707,655	\$2,802,423	\$2,900,508	\$3,002,025
Less: Vacancy & Credit Loss (Redevelopment)			(\$1,444,083)	(\$1,494,625)	(\$1,546,937)	(\$1,601,080)
Net Rental Income			\$37,365,636	\$38,673,435	\$40,027,005	\$41,427,949
	Per Unit (Stablilized)	% Increase				
Less: Operating Expenses	\$3,200	2.75%	(\$2,608,140)	(\$2,679,864)	(\$2,753,560)	(\$2,829,283)
Less: Insurance	\$375	3.00%	(\$307,131)	(\$316,344)	(\$325,835)	(\$335,610)
Less: Property Taxes	\$3,773	2.00%	(\$3,030,751)	(\$3,091,366)	(\$3,153,193)	(\$3,216,257)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$6,872,422)	(\$7,013,974)	(\$7,158,988)	(\$7,307,550)
Operating Expense Ratio			18.4%	18.1%	17.9%	17.6%
Net Operating Income (before ground lease)			\$30,493,215	\$31,659,460	\$32,868,016	\$34,120,399
Less: Ground Lease Payment			(\$2,415,291)	(\$2,656,820)	(\$2,922,502)	(\$3,214,752)
Net Operating Income (after ground lease)			\$28,077,924	\$29,002,640	\$29,945,515	\$30,905,647
Less: Debt Service			(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)
Cash Flow From Operations			\$4,458,651	\$5,383,368	\$6,326,242	\$7,286,374
Equity Contribution			\$0	\$0	\$0	\$0
Disposition						
Cap Rate						4.50%
NOI						\$30,905,647
Asset Value						\$686,792,154
Sale Price						\$686,792,154
Less: Commissions & Closing C		2.00%	(\$13,735,843)			
Less: Principal Balance of Loan O/S						(\$314,782,234)
Net Proceeds from Dispositlton						\$358,274,077
Total Cash Flow Before Taxes (10-Year Leveraged)			\$4,458,651	\$5,383,368	\$6,326,242	\$365,560,451
IRR			10.2%			
Total Project Costs			\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (10-Year Unleveraged)			\$28,077,924	\$29,002,640	\$29,945,515	\$703,961,958
IRR			7.6%			

Mariner's Cove - KMA Counter (1.2 Hold Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	5	6	7	8	9	10	11	12
			Construction					Stabilized	
		Year 2021	Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027	
	0	1	2	3	4	5	6	7	
Redevelopment: Total Units			0	331	530	678	772	772	
Monthly Rent (Total Units)			\$3,170	\$3,281	\$3,396	\$3,515	\$3,638	\$3,765	
Monthly Rent Per S.F. (Total Units)			\$3.36	\$3.48	\$3.60	\$3.73	\$3.86	\$3.99	
Annual Increase In Rent (Total Units)				3.50%	3.50%	3.50%	3.50%	3.50%	
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	
Existing: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	
Existing: Gross Rental Income (Total Units)		\$11,737,432	\$7,724,189	\$5,517,513	\$1,736,995	\$0	\$0	\$0	
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Total Units)		\$0	\$0	\$13,032,898	\$21,598,779	\$28,597,191	\$33,701,663	\$34,881,222	
Other Income		\$712,850	\$0	\$977,467	\$1,619,908	\$2,144,789	\$2,527,625	\$2,616,092	
Less: Vacancy & Credit Loss (Redevelopment)		(\$445,067)	\$0	(\$521,316)	(\$863,951)	(\$1,143,888)	(\$1,348,067)	(\$1,395,249)	
Net Rental Income		\$12,005,215	\$7,724,189	\$19,006,562	\$24,091,731	\$29,598,092	\$34,881,221	\$36,102,065	
	Per Unit (Stabilized)	% Increase							
Less: Operating Expenses	\$3,200	2.75%	(\$3,022,689)	\$0	(\$1,059,200)	(\$1,696,000)	(\$2,169,600)	(\$2,470,400)	(\$2,538,336)
Less: Insurance	\$375	3.00%		\$0	(\$124,125)	(\$198,750)	(\$254,250)	(\$289,500)	(\$298,185)
Less: Property Taxes	\$3,773	2.00%		\$0	(\$1,248,995)	(\$1,999,901)	(\$2,558,364)	(\$2,913,063)	(\$2,971,324)
Less: Capital Expenses	\$1,200	0.00%		\$0	\$0	\$0	(\$813,600)	(\$926,400)	(\$926,400)
Operating Expenses			(\$3,022,689)	\$0	(\$2,432,320)	(\$3,894,651)	(\$5,795,814)	(\$6,599,363)	(\$6,734,245)
Operating Expense Ratio		25.2%	0.0%	12.8%	16.2%	19.6%	18.9%	18.7%	
Net Operating Income (before ground lease)		\$8,982,526	\$7,724,189	\$16,574,242	\$20,197,080	\$23,802,279	\$28,281,858	\$29,367,820	
Less: Ground Lease Payment		(\$1,239,426)	(\$1,363,369)	(\$1,499,705)	(\$1,649,676)	(\$1,814,644)	(\$1,996,108)	(\$2,195,719)	
Net Operating Income (after ground lease)		\$7,743,100	\$6,360,820	\$15,074,537	\$18,547,404	\$21,987,635	\$26,285,751	\$27,172,101	
Less: Debt Service		\$0	\$0	\$0	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	
Net Proceeds from Refinance:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Disposition									
Cap Rate									
NOI									
Asset Value									
Sale Price									
Less: Commissions & Closing C	2.00%								
Less: Principal Balance of Loan O/S									
Net Proceeds from Disposition									
Total Cash Flow Before Taxes (Hold Period Leveraged)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IRR		8.6%							
Total Cash Flow Before Taxes (Hold Period Unleveraged)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IRR		7.9%							

Mariner's Cove - KMA Counter (1.2 Hold Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	13	14	15	16	17	18	19	20
		Year 2028	Year 2029	Year 2030	End of AIMCO Model Year 2031	Re-Appraisal Year 2032	Year 2033	Year 2034	Year 2035
		8	9	10	11	12	13	14	15
Redevelopment: Total Units		772	772	772	772	772	772	772	772
Monthly Rent (Total Units)		\$3,897	\$4,033	\$4,175	\$4,321	\$4,472	\$4,628	\$4,790	\$4,958
Monthly Rent Per S.F. (Total Units)		\$4.13	\$4.28	\$4.43	\$4.58	\$4.74	\$4.91	\$5.08	\$5.26
Annual Increase In Rent (Total Units)		3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)		\$36,102,064	\$37,365,637	\$38,673,434	\$40,027,004	\$41,427,949	\$42,877,927	\$44,378,655	\$45,931,908
Other Income		\$2,707,655	\$2,802,423	\$2,900,508	\$3,002,025	\$3,107,096	\$3,215,844	\$3,328,399	\$3,444,893
Less: Vacancy & Credit Loss (Redevelopment)		(\$1,444,083)	(\$1,494,625)	(\$1,546,937)	(\$1,601,080)	(\$1,657,118)	(\$1,715,117)	(\$1,775,146)	(\$1,837,276)
Net Rental Income		\$37,365,636	\$38,673,435	\$40,027,005	\$41,427,949	\$42,877,927	\$44,378,654	\$45,931,907	\$47,539,524
	Per Unit (Stabilized)	% Increase							
Less: Operating Expenses	\$3,200	2.75%	(\$2,608,140)	(\$2,679,864)	(\$2,753,560)	(\$2,829,283)	(\$2,907,089)	(\$2,987,033)	(\$3,069,177)
Less: Insurance	\$375	3.00%	(\$307,131)	(\$316,344)	(\$325,835)	(\$335,610)	(\$345,678)	(\$356,048)	(\$366,730)
Less: Property Taxes	\$3,773	2.00%	(\$3,030,751)	(\$3,091,366)	(\$3,153,193)	(\$3,216,257)	(\$3,280,582)	(\$3,346,194)	(\$3,413,118)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$6,872,422)	(\$7,013,974)	(\$7,158,988)	(\$7,307,550)	(\$7,459,749)	(\$7,615,676)	(\$7,775,424)
Operating Expense Ratio			18.4%	18.1%	17.9%	17.6%	17.4%	17.2%	16.9%
Net Operating Income (before ground lease)			\$30,493,215	\$31,659,460	\$32,868,016	\$34,120,399	\$35,418,178	\$36,762,979	\$38,156,483
Less: Ground Lease Payment			(\$2,415,291)	(\$2,656,820)	(\$2,922,502)	(\$3,214,752)	(\$5,450,834)	(\$5,587,105)	(\$5,726,783)
Net Operating Income (after ground lease)			\$28,077,924	\$29,002,640	\$29,945,515	\$30,905,647	\$29,967,344	\$31,175,874	\$32,429,700
Less: Debt Service			(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition									
Cap Rate					4.50%				
NOI					\$30,905,647				
Asset Value					\$686,792,154				
Sale Price					\$686,792,154				
Less: Commissions & Closing C	2.00%				(\$13,735,843)				
Less: Principal Balance of Loan O/S					(\$314,782,234)				
Net Proceeds from Disposition					\$358,274,077				
Total Cash Flow Before Taxes (Hold Period Leveraged)			\$0	\$0	\$0	(\$358,274,077)	\$6,348,071	\$7,556,601	\$8,810,427
IRR			8.6%						
Total Cash Flow Before Taxes (Hold Period Unleveraged)			\$0	\$0	\$0	(\$673,056,311)	\$29,967,344	\$31,175,874	\$32,429,700
IRR			7.9%						

Mariner's Cove - KMA Counter (1.2 Hold Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	21	22	23	24	25	26	27	28	29
		Year 2036	Year 2037	Year 2038	Year 2039	Year 2040	Year 2041	Re-Appraisal Year 2042	Year 2043	Year 2044
		16	17	18	19	20	21	22	23	24
Redevelopment: Total Units		772	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)		\$5,132	\$5,311	\$5,497	\$5,690	\$5,889	\$6,095	\$6,308	\$6,529	\$6,757
Monthly Rent Per S.F. (Total Units)		\$5.44	\$5.63	\$5.83	\$6.03	\$6.24	\$6.46	\$6.69	\$6.92	\$7.16
Annual Increase In Rent (Total Units)		3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)		\$47,539,525	\$49,203,408	\$50,925,527	\$52,707,921	\$54,552,698	\$56,462,042	\$58,438,214	\$60,483,551	\$62,600,475
Other Income		\$3,565,464	\$3,690,255	\$3,819,414	\$3,953,094	\$4,091,452	\$4,234,653	\$4,382,866	\$4,536,266	\$4,695,035
Less: Vacancy & Credit Loss (Redevelopment)		(\$1,901,581)	(\$1,968,136)	(\$2,037,021)	(\$2,108,317)	(\$2,182,108)	(\$2,258,482)	(\$2,337,529)	(\$2,419,342)	(\$2,504,019)
Net Rental Income		\$49,203,408	\$50,925,527	\$52,707,920	\$54,552,697	\$56,462,042	\$58,438,213	\$60,483,551	\$62,600,475	\$64,791,492
	Per Unit (Stabilized)	% Increase								
Less: Operating Expenses	\$3,200	2.75%	(\$3,240,303)	(\$3,329,411)	(\$3,420,970)	(\$3,515,047)	(\$3,611,710)	(\$3,711,032)	(\$3,813,086)	(\$3,917,946)
Less: Insurance	\$375	3.00%	(\$389,064)	(\$400,736)	(\$412,758)	(\$425,141)	(\$437,895)	(\$451,032)	(\$464,563)	(\$478,499)
Less: Property Taxes	\$3,773	2.00%	(\$3,551,008)	(\$3,622,028)	(\$3,694,468)	(\$3,768,358)	(\$3,843,725)	(\$3,920,599)	(\$3,999,011)	(\$4,078,991)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$8,106,774)	(\$8,278,574)	(\$8,454,596)	(\$8,634,945)	(\$8,819,730)	(\$9,009,063)	(\$9,203,059)	(\$9,401,836)
Operating Expense Ratio			16.5%	16.3%	16.0%	15.8%	15.6%	15.4%	15.2%	15.0%
Net Operating Income (before ground lease)			\$41,096,633	\$42,646,952	\$44,253,324	\$45,917,753	\$47,642,312	\$49,429,150	\$51,280,491	\$53,198,639
Less: Ground Lease Payment			(\$6,016,701)	(\$6,167,119)	(\$6,321,297)	(\$6,479,329)	(\$6,641,312)	(\$6,807,345)	(\$6,977,529)	(\$7,151,967)
Net Operating Income (after ground lease)			\$35,079,932	\$36,479,834	\$37,932,028	\$39,438,424	\$41,001,000	\$42,621,805	\$44,302,962	\$46,046,672
Less: Debt Service			(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition										
Cap Rate										
NOI										
Asset Value										
Sale Price										
Less: Commissions & Closing C	2.00%									
Less: Principal Balance of Loan O/S										
Net Proceeds from Disposition										
Total Cash Flow Before Taxes (Hold Period Leveraged)			\$11,460,659	\$12,860,561	\$14,312,755	\$15,819,151	\$17,381,727	\$19,002,532	\$20,683,690	\$22,427,399
IRR			8.6%							
Total Cash Flow Before Taxes (Hold Period Unleveraged)			\$35,079,932	\$36,479,834	\$37,932,028	\$39,438,424	\$41,001,000	\$42,621,805	\$44,302,962	\$46,046,672
IRR			7.9%							

Mariner's Cove - KMA Counter (1.2 Hold Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	30	31	32	33	34	35	36	37	38
		Year 2045	Year 2046	Year 2047	Year 2048	Year 2049	Year 2050	Year 2051	Re-Appraisal Year 2052	Year 2053
		25	26	27	28	29	30	31	32	33
Redevelopment: Total Units		772	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)		\$6,994	\$7,239	\$7,492	\$7,754	\$8,026	\$8,307	\$8,597	\$8,898	\$9,210
Monthly Rent Per S.F. (Total Units)		\$7.41	\$7.67	\$7.94	\$8.22	\$8.51	\$8.81	\$9.11	\$9.43	\$9.76
Annual Increase In Rent (Total Units)		3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)		\$64,791,492	\$67,059,194	\$69,406,266	\$71,835,485	\$74,349,727	\$76,951,968	\$79,645,287	\$82,432,872	\$85,318,022
Other Income		\$4,859,361	\$5,029,439	\$5,205,469	\$5,387,661	\$5,576,229	\$5,771,397	\$5,973,396	\$6,182,465	\$6,398,851
Less: Vacancy & Credit Loss (Redevelopment)		(\$2,591,660)	(\$2,682,368)	(\$2,776,251)	(\$2,873,419)	(\$2,973,989)	(\$3,078,079)	(\$3,185,811)	(\$3,297,315)	(\$3,412,721)
Net Rental Income		\$67,059,194	\$69,406,266	\$71,835,485	\$74,349,727	\$76,951,967	\$79,645,286	\$82,432,871	\$85,318,022	\$88,304,152
	Per Unit (Stabilized)	% Increase								
Less: Operating Expenses	\$3,200	2.75%	(\$4,136,396)	(\$4,250,146)	(\$4,367,025)	(\$4,487,119)	(\$4,610,514)	(\$4,737,304)	(\$4,867,579)	(\$5,001,438)
Less: Insurance	\$375	3.00%	(\$507,640)	(\$522,869)	(\$538,555)	(\$554,712)	(\$571,353)	(\$588,494)	(\$606,149)	(\$624,333)
Less: Property Taxes	\$3,773	2.00%	(\$4,243,783)	(\$4,328,658)	(\$4,415,232)	(\$4,503,536)	(\$4,593,607)	(\$4,685,479)	(\$4,779,189)	(\$4,874,772)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$9,814,218)	(\$10,028,074)	(\$10,247,212)	(\$10,471,767)	(\$10,701,875)	(\$10,937,676)	(\$11,179,317)	(\$11,426,943)
Operating Expense Ratio			14.6%	14.4%	14.3%	14.1%	13.9%	13.7%	13.6%	13.4%
Net Operating Income (before ground lease)			\$57,244,976	\$59,378,192	\$61,588,273	\$63,877,960	\$66,250,093	\$68,707,610	\$71,253,555	\$73,891,078
Less: Ground Lease Payment			(\$7,514,035)	(\$7,701,886)	(\$7,894,433)	(\$8,091,794)	(\$8,294,089)	(\$8,501,441)	(\$8,713,977)	(\$8,931,827)
Net Operating Income (after ground lease)			\$49,730,940	\$51,676,305	\$53,693,839	\$55,786,166	\$57,956,004	\$60,206,168	\$62,539,577	\$64,959,251
Less: Debt Service			(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)	(\$23,619,273)
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition										
Cap Rate										
NOI										
Asset Value										
Sale Price										
Less: Commissions & Closing C	2.00%									
Less: Principal Balance of Loan O/S										
Net Proceeds from Disposition										
Total Cash Flow Before Taxes (Hold Period Leveraged)			\$26,111,667	\$28,057,033	\$30,074,566	\$32,166,893	\$34,336,731	\$36,586,896	\$38,920,304	\$41,339,979
IRR			8.6%							
Total Cash Flow Before Taxes (Hold Period Unleveraged)			\$49,730,940	\$51,676,305	\$53,693,839	\$55,786,166	\$57,956,004	\$60,206,168	\$62,539,577	\$64,959,251
IRR			7.9%							

Mariner's Cove - KMA Counter (1.2 Hold Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	39	40	41	42	43	44	45	46	47
		Year 2054	Year 2055	Year 2056	Year 2057	Year 2058	Year 2059	Year 2060	Year 2061	Re-Appraisal Year 2062
		34	35	36	37	38	39	40	41	42
Redevelopment: Total Units		772	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)		\$9,532	\$9,866	\$10,211	\$10,568	\$10,938	\$11,321	\$11,717	\$12,127	\$12,552
Monthly Rent Per S.F. (Total Units)		\$10.10	\$10.46	\$10.82	\$11.20	\$11.59	\$12.00	\$12.42	\$12.86	\$13.31
Annual Increase In Rent (Total Units)		3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)		\$88,304,153	\$91,394,798	\$94,593,616	\$97,904,393	\$101,331,047	\$104,877,633	\$108,548,351	\$112,347,543	\$116,279,707
Other Income		\$6,622,811	\$6,854,609	\$7,094,521	\$7,342,829	\$7,599,828	\$7,865,822	\$8,141,125	\$8,426,065	\$8,720,977
Less: Vacancy & Credit Loss (Redevelopment)		(\$3,532,166)	(\$3,655,792)	(\$3,783,745)	(\$3,916,176)	(\$4,053,242)	(\$4,195,105)	(\$4,341,934)	(\$4,493,902)	(\$4,651,188)
Net Rental Income		\$91,394,798	\$94,593,616	\$97,904,392	\$101,331,046	\$104,877,633	\$108,548,350	\$112,347,542	\$116,279,706	\$120,349,496
	Per Unit (Stabilized)	% Increase								
Less: Operating Expenses	\$3,200	2.75%	(\$5,280,299)	(\$5,425,507)	(\$5,574,709)	(\$5,728,013)	(\$5,885,534)	(\$6,047,386)	(\$6,213,689)	(\$6,384,566)
Less: Insurance	\$375	3.00%	(\$662,355)	(\$682,226)	(\$702,692)	(\$723,773)	(\$745,486)	(\$767,851)	(\$790,887)	(\$814,613)
Less: Property Taxes	\$3,773	2.00%	(\$5,071,713)	(\$5,173,147)	(\$5,276,610)	(\$5,382,143)	(\$5,489,785)	(\$5,599,581)	(\$5,711,573)	(\$5,825,804)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$11,940,767)	(\$12,207,281)	(\$12,480,412)	(\$12,760,329)	(\$13,047,206)	(\$13,341,218)	(\$13,642,548)	(\$13,951,383)
Operating Expense Ratio			13.1%	12.9%	12.7%	12.6%	12.4%	12.3%	12.1%	12.0%
Net Operating Income (before ground lease)			\$79,454,030	\$82,386,335	\$85,423,980	\$88,570,717	\$91,830,427	\$95,207,132	\$98,704,994	\$102,328,323
Less: Ground Lease Payment			(\$9,384,001)	(\$9,618,601)	(\$9,859,066)	(\$10,105,542)	(\$10,358,181)	(\$10,617,135)	(\$10,882,564)	(\$11,154,628)
Net Operating Income (after ground lease)			\$70,070,030	\$72,767,735	\$75,564,915	\$78,465,174	\$81,472,246	\$84,589,996	\$87,822,430	\$91,173,695
Less: Debt Service			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition										
Cap Rate										
NOI										
Asset Value										
Sale Price										
Less: Commissions & Closing C		2.00%								
Less: Principal Balance of Loan O/S										
Net Proceeds from Disposition										
Total Cash Flow Before Taxes (Hold Period Leveraged)			\$70,070,030	\$72,767,735	\$75,564,915	\$78,465,174	\$81,472,246	\$84,589,996	\$87,822,430	\$91,173,695
IRR			8.6%							
Total Cash Flow Before Taxes (Hold Period Unleveraged)			\$70,070,030	\$72,767,735	\$75,564,915	\$78,465,174	\$81,472,246	\$84,589,996	\$87,822,430	\$91,173,695
IRR			7.9%							

Cash Flow Forecast

Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$98,250,062	\$101,984,225	\$105,855,350	\$109,868,386	\$114,028,452	\$118,340,856	\$122,811,091	\$127,444,849	\$132,248,026
IRR	7.9%								

Cash Flow Forecast

Lease Year (Start 2015)			57	58	59	60	61	62	63	64	65
			Re-Appraisal Year 2072	Year 2073	Year 2074	Year 2075	Year 2076	Year 2077	Year 2078	Year 2079	Year 2080
			52	53	54	55	56	57	58	59	60
Redevelopment: Total Units			772	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)			\$17,706	\$18,325	\$18,967	\$19,630	\$20,318	\$21,029	\$21,765	\$22,526	\$23,315
Monthly Rent Per S.F. (Total Units)			\$18.77	\$19.43	\$20.11	\$20.81	\$21.54	\$22.29	\$23.07	\$23.88	\$24.71
Annual Increase In Rent (Total Units)			3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)			\$164,024,010	\$169,764,851	\$175,706,620	\$181,856,352	\$188,221,325	\$194,809,071	\$201,627,388	\$208,684,347	\$215,988,299
Other Income			\$12,301,800	\$12,732,363	\$13,177,995	\$13,639,225	\$14,116,598	\$14,610,679	\$15,122,053	\$15,651,324	\$16,199,121
Less: Vacancy & Credit Loss (Redevelopment)			(\$6,560,960)	(\$6,790,594)	(\$7,028,265)	(\$7,274,254)	(\$7,528,853)	(\$7,792,363)	(\$8,065,096)	(\$8,347,374)	(\$8,639,532)
Net Rental Income			\$169,764,849	\$175,706,619	\$181,856,351	\$188,221,323	\$194,809,069	\$201,627,387	\$208,684,345	\$215,988,298	\$223,547,888
Per Unit (Stabilized) % Increase											
Less: Operating Expenses \$3,200 2.75%			(\$8,604,616)	(\$8,841,243)	(\$9,084,377)	(\$9,334,197)	(\$9,590,888)	(\$9,854,637)	(\$10,125,640)	(\$10,404,095)	(\$10,690,207)
Less: Insurance \$375 3.00%			(\$1,127,615)	(\$1,161,444)	(\$1,196,287)	(\$1,232,176)	(\$1,269,141)	(\$1,307,215)	(\$1,346,431)	(\$1,386,824)	(\$1,428,429)
Less: Property Taxes \$3,773 2.00%			(\$7,243,655)	(\$7,388,528)	(\$7,536,299)	(\$7,687,025)	(\$7,840,765)	(\$7,997,581)	(\$8,157,532)	(\$8,320,683)	(\$8,487,097)
Less: Capital Expenses \$1,200 0.00%			(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$17,902,286)	(\$18,317,615)	(\$18,743,363)	(\$19,179,798)	(\$19,627,194)	(\$20,085,833)	(\$20,556,004)	(\$21,038,002)	(\$21,532,133)
Operating Expense Ratio			10.5%	10.4%	10.3%	10.2%	10.1%	10.0%	9.9%	9.7%	9.6%
Net Operating Income (before ground lease)			\$151,862,563	\$157,389,004	\$163,112,988	\$169,041,525	\$175,181,875	\$181,541,554	\$188,128,342	\$194,950,295	\$202,015,755
Less: Ground Lease Payment			(\$14,635,838)	(\$15,001,734)	(\$15,376,778)	(\$15,761,197)	(\$16,155,227)	(\$16,559,108)	(\$16,973,085)	(\$17,397,413)	(\$17,832,348)
Net Operating Income (after ground lease)			\$137,226,725	\$142,387,270	\$147,736,210	\$153,280,328	\$159,026,648	\$164,982,446	\$171,155,257	\$177,552,883	\$184,183,407
Less: Debt Service			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition											
Cap Rate											
NOI											
Asset Value											
Sale Price											
Less: Commissions & Closing C 2.00%											
Less: Principal Balance of Loan O/S											
Net Proceeds from Disposition											
Total Cash Flow Before Taxes (Hold Period Leveraged)			\$137,226,725	\$142,387,270	\$147,736,210	\$153,280,328	\$159,026,648	\$164,982,446	\$171,155,257	\$177,552,883	\$184,183,407
IRR 8.6%											
Total Cash Flow Before Taxes (Hold Period Unleveraged)			\$137,226,725	\$142,387,270	\$147,736,210	\$153,280,328	\$159,026,648	\$164,982,446	\$171,155,257	\$177,552,883	\$184,183,407
IRR 7.9%											

Mariner's Cove - KMA Counter (1.2 Hold Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	66	67	68	69	70	71	72	73	74	
		Year 2081	Re-Appraisal Year 2082	Year 2083	Year 2084	Year 2085	Year 2086	Year 2087	Year 2088	Year 2089	
		61	62	63	64	65	66	67	68	69	
Redevelopment: Total Units		772	772	772	772	772	772	772	772	772	
Monthly Rent (Total Units)		\$24,131	\$24,975	\$25,850	\$26,754	\$27,691	\$28,660	\$29,663	\$30,701	\$31,776	
Monthly Rent Per S.F. (Total Units)		\$25.58	\$26.47	\$27.40	\$28.36	\$29.35	\$30.38	\$31.44	\$32.54	\$33.68	
Annual Increase In Rent (Total Units)		3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	
Existing: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	-	-	-	
Existing: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	-	-	-	
Existing: Gross Rental Income (Total Units)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Redevelopment: Gross Rental Income (Market Rate Units)		-	-	-	-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Affordable Units)		-	-	-	-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Total Units)		\$223,547,890	\$231,372,066	\$239,470,088	\$247,851,541	\$256,526,345	\$265,504,767	\$274,797,434	\$284,415,344	\$294,369,881	
Other Income		\$16,766,090	\$17,352,903	\$17,960,255	\$18,588,864	\$19,239,474	\$19,912,856	\$20,609,805	\$21,331,149	\$22,077,739	
Less: Vacancy & Credit Loss (Redevelopment)		(\$8,941,916)	(\$9,254,883)	(\$9,578,804)	(\$9,914,062)	(\$10,261,054)	(\$10,620,191)	(\$10,991,897)	(\$11,376,614)	(\$11,774,795)	
Net Rental Income		\$231,372,064	\$239,470,086	\$247,851,539	\$256,526,343	\$265,504,765	\$274,797,432	\$284,415,342	\$294,369,879	\$304,672,825	
	Per Unit (Stabilized)	% Increase									
Less: Operating Expenses	\$3,200	2.75%	(\$10,984,188)	(\$11,286,253)	(\$11,596,625)	(\$11,915,532)	(\$12,243,209)	(\$12,579,898)	(\$12,925,845)	(\$13,281,306)	(\$13,646,542)
Less: Insurance	\$375	3.00%	(\$1,471,282)	(\$1,515,420)	(\$1,560,883)	(\$1,607,710)	(\$1,655,941)	(\$1,705,619)	(\$1,756,788)	(\$1,809,491)	(\$1,863,776)
Less: Property Taxes	\$3,773	2.00%	(\$8,656,839)	(\$8,829,975)	(\$9,006,575)	(\$9,186,706)	(\$9,370,441)	(\$9,557,849)	(\$9,749,006)	(\$9,943,987)	(\$10,142,866)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$22,038,709)	(\$22,558,049)	(\$23,090,483)	(\$23,636,348)	(\$24,195,991)	(\$24,769,766)	(\$25,358,039)	(\$25,961,183)	(\$26,579,584)
Operating Expense Ratio			9.5%	9.4%	9.3%	9.2%	9.1%	9.0%	8.9%	8.8%	8.7%
Net Operating Income (before ground lease)			\$209,333,355	\$216,912,037	\$224,761,056	\$232,889,995	\$241,308,774	\$250,027,666	\$259,057,303	\$268,408,696	\$278,093,241
Less: Ground Lease Payment			(\$18,278,157)	(\$18,735,110)	(\$19,203,488)	(\$19,683,575)	(\$20,175,665)	(\$20,680,056)	(\$21,197,058)	(\$21,726,984)	(\$22,270,159)
Net Operating Income (after ground lease)			\$191,055,199	\$198,176,927	\$205,557,568	\$213,206,419	\$221,133,109	\$229,347,609	\$237,860,245	\$246,681,711	\$255,823,082
Less: Debt Service			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition											
Cap Rate											
NOI											
Asset Value											
Sale Price											
Less: Commissions & Closing C		2.00%									
Less: Principal Balance of Loan O/S											
Net Proceeds from Disposition											
Total Cash Flow Before Taxes (Hold Period Leveraged)			\$191,055,199	\$198,176,927	\$205,557,568	\$213,206,419	\$221,133,109	\$229,347,609	\$237,860,245	\$246,681,711	\$255,823,082
IRR		8.6%									
Total Cash Flow Before Taxes (Hold Period Unleveraged)			\$191,055,199	\$198,176,927	\$205,557,568	\$213,206,419	\$221,133,109	\$229,347,609	\$237,860,245	\$246,681,711	\$255,823,082
IRR		7.9%									

Mariner's Cove - KMA Counter (1.2 Hold Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015) 75

Year 2090

	70
Redevelopment: Total Units	772

Monthly Rent (Total Units)	\$32,888
Monthly Rent Per S.F. (Total Units)	\$34.86
Annual Increase In Rent (Total Units)	3.50%

Existing: Gross Rental Income (Market Rate Units)	-
Existing: Gross Rental Income (Affordable Units)	-
Existing: Gross Rental Income (Total Units)	\$0

Redevelopment: Gross Rental Income (Market Rate Units)	-
Redevelopment: Gross Rental Income (Affordable Units)	-
Redevelopment: Gross Rental Income (Total Units)	\$304,672,827

Other Income	\$22,850,460
Less: Vacancy & Credit Loss (Redevelopment)	(\$12,186,913)
Net Rental Income	\$315,336,374

	Per Unit (Stablilized)	% Increase	
Less: Operating Expenses	\$3,200	2.75%	(\$14,021,821)
Less: Insurance	\$375	3.00%	(\$1,919,689)
Less: Property Taxes	\$3,773	2.00%	(\$10,345,724)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)
Operating Expenses			(\$27,213,634)
Operating Expense Ratio			8.6%

Net Operating Income (before ground lease)	\$288,122,739
--	---------------

Less: Ground Lease Payment	(\$22,826,913)
Net Operating Income (after ground lease)	\$265,295,826

Less: Debt Service	\$0
--------------------	-----

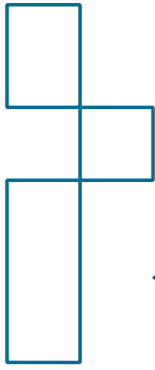
Net Proceeds from Refinance:	\$0
------------------------------	-----

Disposition

Cap Rate	
NOI	
Asset Value	
Sale Price	
Less: Commissions & Closing C	2.00%
Less: Principal Balance of Loan O/S	
Net Proceeds from Disposition	

Total Cash Flow Before Taxes (Hold Period Leveraged)	\$265,295,826
IRR	8.6%

Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$265,295,826
IRR	7.9%



london moeder
advisors

Schedule 2 – AIMCO Proposal

Mariner's Cove - Developer Proposal (2.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	5	6	7	8	9	10	11	12
		Year 2021	Construction		Year 2023	Year 2024	Year 2025	Stabilized	Year 2027
	0	1	2	3	4	5	6	7	
Redevelopment: Total Units			0	331	530	678	772	772	
Monthly Rent (Total Units)			\$3,170	\$3,281	\$3,396	\$3,515	\$3,638	\$3,765	
Monthly Rent Per S.F. (Total Units)				\$3.48	\$3.60	\$3.73	\$3.86	\$3.99	
Annual Increase In Rent (Total Units)				3.50%	3.50%	3.50%	3.50%	3.50%	
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	
Existing: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	
Existing: Gross Rental Income (Total Units)		\$11,737,432	\$7,724,189	\$5,517,513	\$1,736,995	\$0	\$0	\$0	
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	
Redevelopment: Gross Rental Income (Total Units)		\$0	\$0	\$13,032,898	\$21,598,779	\$28,597,191	\$33,701,663	\$34,881,222	
Other Income		\$712,850	\$0	\$977,467	\$1,619,908	\$2,144,789	\$2,527,625	\$2,616,092	
Less: Vacancy & Credit Loss (Redevelopment)		(\$445,067)	\$0	(\$521,316)	(\$863,951)	(\$1,143,888)	(\$1,348,067)	(\$1,395,249)	
Net Rental Income		\$12,005,215	\$7,724,189	\$19,006,562	\$24,091,731	\$29,598,092	\$34,881,221	\$36,102,065	
	Per Unit (Stabilized)	% Increase							
Less: Operating Expenses	\$3,200	2.75%	(\$3,022,689)	\$0	(\$1,059,200)	(\$1,696,000)	(\$2,169,600)	(\$2,470,400)	(\$2,538,336)
Less: Insurance	\$375	3.00%		\$0	(\$124,125)	(\$198,750)	(\$254,250)	(\$289,500)	(\$298,185)
Less: Property Taxes	\$3,773	2.00%		\$0	(\$1,248,995)	(\$1,999,901)	(\$2,558,364)	(\$2,913,063)	(\$2,971,324)
Less: Capital Expenses	\$1,200	0.00%		\$0	\$0	\$0	(\$813,600)	(\$926,400)	(\$926,400)
Operating Expenses			(\$3,022,689)	\$0	(\$2,432,320)	(\$3,894,651)	(\$5,795,814)	(\$6,599,363)	(\$6,734,245)
Operating Expense Ratio		25.2%		0.0%	12.8%	16.2%	19.6%	18.9%	18.7%
Net Operating Income (before ground lease)		\$8,982,526	\$7,724,189	\$16,574,242	\$20,197,080	\$23,802,279	\$28,281,858	\$29,367,820	
Less: Ground Lease Payment		(\$1,239,426)	(\$1,270,412)	(\$1,302,172)	(\$1,334,726)	(\$1,368,094)	(\$1,402,297)	(\$1,437,354)	
Net Operating Income (after ground lease)		\$7,743,100	\$6,453,777	\$15,272,070	\$18,862,354	\$22,434,184	\$26,879,562	\$27,930,466	
Less: Debt Service		\$0	\$0	\$0	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	
Net Proceeds from Refinance:		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cash Flow From Operations		\$7,743,100	\$6,453,777	\$15,272,070	(\$2,986,241)	\$585,590	\$5,030,967	\$6,081,871	
Developer Project Investment									
Hard/Soft Costs		-	-	-	-	-	-	-	
Development Fees		-	-	-	-	-	-	-	
Total Project Costs		(\$135,000,000)	(\$144,370,800)	(\$108,278,100)	(\$72,185,400)	(\$36,092,700)	\$0	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)		(\$135,000,000)	(\$136,627,700)	(\$101,824,323)	(\$56,913,330)	(\$17,230,346)	\$22,434,184	\$26,879,562	\$27,930,466
IRR	8.1%								
Total Cash Flow Before Taxes (Total Leveraged)		(\$135,000,000)	(\$39,884,722)	\$6,453,777	\$15,272,070	(\$2,986,241)	\$585,590	\$5,030,967	\$6,081,871
IRR	9.4%								

Mariner's Cove - Developer Proposal (2.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)			13	14	15	16	17	18	19
			Year 2028	Year 2029	Year 2030	End of AIMCO Model Year 2031	Year 2032	Year 2033	Year 2034
			8	9	10	11	12	13	14
Redevelopment: Total Units			772	772	772	772	772	772	772
Monthly Rent (Total Units)			\$3,897	\$4,033	\$4,175	\$4,321	\$4,472	\$4,628	\$4,790
Monthly Rent Per S.F. (Total Units)			\$4.13	\$4.28	\$4.43	\$4.58	\$4.74	\$4.91	\$5.08
Annual Increase In Rent (Total Units)			3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)			\$36,102,064	\$37,365,637	\$38,673,434	\$40,027,004	\$41,427,949	\$42,877,927	\$44,378,655
Other Income			\$2,707,655	\$2,802,423	\$2,900,508	\$3,002,025	\$3,107,096	\$3,215,844	\$3,328,399
Less: Vacancy & Credit Loss (Redevelopment)			(\$1,444,083)	(\$1,494,625)	(\$1,546,937)	(\$1,601,080)	(\$1,657,118)	(\$1,715,117)	(\$1,775,146)
Net Rental Income			\$37,365,636	\$38,673,435	\$40,027,005	\$41,427,949	\$42,877,927	\$44,378,654	\$45,931,907
Per Unit (Stablilized) % Increase									
Less: Operating Expenses \$3,200 2.75%			(\$2,608,140)	(\$2,679,864)	(\$2,753,560)	(\$2,829,283)	(\$2,907,089)	(\$2,987,033)	(\$3,069,177)
Less: Insurance \$375 3.00%			(\$307,131)	(\$316,344)	(\$325,835)	(\$335,610)	(\$345,678)	(\$356,048)	(\$366,730)
Less: Property Taxes \$3,773 2.00%			(\$3,030,751)	(\$3,091,366)	(\$3,153,193)	(\$3,216,257)	(\$3,280,582)	(\$3,346,194)	(\$3,413,118)
Less: Capital Expenses \$1,200 0.00%			(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$6,872,422)	(\$7,013,974)	(\$7,158,988)	(\$7,307,550)	(\$7,459,749)	(\$7,615,676)	(\$7,775,424)
Operating Expense Ratio			18.4%	18.1%	17.9%	17.6%	17.4%	17.2%	16.9%
Net Operating Income (before ground lease)			\$30,493,215	\$31,659,460	\$32,868,016	\$34,120,399	\$35,418,178	\$36,762,979	\$38,156,483
Less: Ground Lease Payment			(\$1,473,288)	(\$1,510,120)	(\$1,547,873)	(\$1,586,570)	(\$1,626,234)	(\$1,666,890)	(\$1,708,562)
Net Operating Income (after ground lease)			\$29,019,927	\$30,149,340	\$31,320,143	\$32,533,829	\$33,791,944	\$35,096,089	\$36,447,921
Less: Debt Service			(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations			\$7,171,333	\$8,300,746	\$9,471,549	\$10,685,234	\$11,943,350	\$13,247,494	\$14,599,326
Developer Project Investment									
Hard/Soft Costs			-	-	-	-	-	-	-
Development Fees			-	-	-	-	-	-	-
Total Project Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)			\$29,019,927	\$30,149,340	\$31,320,143	\$32,533,829	\$33,791,944	\$35,096,089	\$36,447,921
IRR 8.1%									
Total Cash Flow Before Taxes (Total Leveraged)			\$7,171,333	\$8,300,746	\$9,471,549	\$10,685,234	\$11,943,350	\$13,247,494	\$14,599,326
IRR 9.4%									

Mariner's Cove - Developer Proposal (2.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)	20	21	22	23	24	25	26	27
	Year 2035	Year 2036	Year 2037	Year 2038	Year 2039	Year 2040	Re-Appraisal Year 2041	Year 2042
	15	16	17	18	19	20	21	22
Redevelopment: Total Units	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)	\$4,958	\$5,132	\$5,311	\$5,497	\$5,690	\$5,889	\$6,095	\$6,308
Monthly Rent Per S.F. (Total Units)	\$5.26	\$5.44	\$5.63	\$5.83	\$6.03	\$6.24	\$6.46	\$6.69
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)	\$45,931,908	\$47,539,525	\$49,203,408	\$50,925,527	\$52,707,921	\$54,552,698	\$56,462,042	\$58,438,214
Other Income	\$3,444,893	\$3,565,464	\$3,690,255	\$3,819,414	\$3,953,094	\$4,091,452	\$4,234,653	\$4,382,866
Less: Vacancy & Credit Loss (Redevelopment)	(\$1,837,276)	(\$1,901,581)	(\$1,968,136)	(\$2,037,021)	(\$2,108,317)	(\$2,182,108)	(\$2,258,482)	(\$2,337,529)
Net Rental Income	\$47,539,524	\$49,203,408	\$50,925,527	\$52,707,920	\$54,552,697	\$56,462,042	\$58,438,213	\$60,483,551
	Per Unit (Stablilized)	% Increase						
Less: Operating Expenses	\$3,200	2.75%	(\$3,153,579)	(\$3,240,303)	(\$3,329,411)	(\$3,420,970)	(\$3,515,047)	(\$3,611,710)
Less: Insurance	\$375	3.00%	(\$377,732)	(\$389,064)	(\$400,736)	(\$412,758)	(\$425,141)	(\$437,895)
Less: Property Taxes	\$3,773	2.00%	(\$3,481,380)	(\$3,551,008)	(\$3,622,028)	(\$3,694,468)	(\$3,768,358)	(\$3,843,725)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$7,939,091)	(\$8,106,774)	(\$8,278,574)	(\$8,454,596)	(\$8,634,945)	(\$8,819,730)	(\$9,009,063)	(\$9,203,059)
Operating Expense Ratio	16.7%	16.5%	16.3%	16.0%	15.8%	15.6%	15.4%	15.2%
Net Operating Income (before ground lease)	\$39,600,433	\$41,096,633	\$42,646,952	\$44,253,324	\$45,917,753	\$47,642,312	\$49,429,150	\$51,280,491
Less: Ground Lease Payment	(\$1,751,276)	(\$1,795,058)	(\$1,839,935)	(\$1,885,933)	(\$1,933,082)	(\$1,981,409)	(\$6,807,345)	(\$6,977,529)
Net Operating Income (after ground lease)	\$37,849,157	\$39,301,575	\$40,807,017	\$42,367,391	\$43,984,671	\$45,660,903	\$42,621,805	\$44,302,962
Less: Debt Service	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations	\$16,000,562	\$17,452,981	\$18,958,423	\$20,518,797	\$22,136,077	\$23,812,309	\$20,773,211	\$22,454,368
Developer Project Investment								
Hard/Soft Costs	-	-	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-	-	-
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)	\$37,849,157	\$39,301,575	\$40,807,017	\$42,367,391	\$43,984,671	\$45,660,903	\$42,621,805	\$44,302,962
IRR	8.1%							
Total Cash Flow Before Taxes (Total Leveraged)	\$16,000,562	\$17,452,981	\$18,958,423	\$20,518,797	\$22,136,077	\$23,812,309	\$20,773,211	\$22,454,368
IRR	9.4%							

Mariner's Cove - Developer Proposal (2.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	28	29	30	31	32	33	34	35
	Year 2043	Year 2044	Year 2045	Year 2046	Year 2047	Year 2048	Year 2049	Year 2050	
	23	24	25	26	27	28	29	30	
Redevelopment: Total Units	772	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)	\$6,529	\$6,757	\$6,994	\$7,239	\$7,492	\$7,754	\$8,026	\$8,307	
Monthly Rent Per S.F. (Total Units)	\$6.92	\$7.16	\$7.41	\$7.67	\$7.94	\$8.22	\$8.51	\$8.81	
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)	\$60,483,551	\$62,600,475	\$64,791,492	\$67,059,194	\$69,406,266	\$71,835,485	\$74,349,727	\$76,951,968	
Other Income	\$4,536,266	\$4,695,035	\$4,859,361	\$5,029,439	\$5,205,469	\$5,387,661	\$5,576,229	\$5,771,397	
Less: Vacancy & Credit Loss (Redevelopment)	(\$2,419,342)	(\$2,504,019)	(\$2,591,660)	(\$2,682,368)	(\$2,776,251)	(\$2,873,419)	(\$2,973,989)	(\$3,078,079)	
Net Rental Income	\$62,600,475	\$64,791,492	\$67,059,194	\$69,406,266	\$71,835,485	\$74,349,727	\$76,951,967	\$79,645,286	
	Per Unit (Stablilized)	% Increase							
Less: Operating Expenses	\$3,200	2.75%	(\$3,917,946)	(\$4,025,689)	(\$4,136,396)	(\$4,250,146)	(\$4,367,025)	(\$4,487,119)	(\$4,610,514)
Less: Insurance	\$375	3.00%	(\$478,499)	(\$492,854)	(\$507,640)	(\$522,869)	(\$538,555)	(\$554,712)	(\$571,353)
Less: Property Taxes	\$3,773	2.00%	(\$4,078,991)	(\$4,160,571)	(\$4,243,783)	(\$4,328,658)	(\$4,415,232)	(\$4,503,536)	(\$4,593,607)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$9,401,836)	(\$9,605,515)	(\$9,814,218)	(\$10,028,074)	(\$10,247,212)	(\$10,471,767)	(\$10,701,875)
Operating Expense Ratio			15.0%	14.8%	14.6%	14.4%	14.3%	14.1%	13.9%
Net Operating Income (before ground lease)			\$53,198,639	\$55,185,977	\$57,244,976	\$59,378,192	\$61,588,273	\$63,877,960	\$66,250,093
Less: Ground Lease Payment			(\$7,151,967)	(\$7,330,766)	(\$7,514,035)	(\$7,701,886)	(\$7,894,433)	(\$8,091,794)	(\$8,294,089)
Net Operating Income (after ground lease)			\$46,046,672	\$47,855,211	\$49,730,940	\$51,676,305	\$53,693,839	\$55,786,166	\$57,956,004
Less: Debt Service			(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations			\$24,198,077	\$26,006,616	\$27,882,346	\$29,827,711	\$31,845,245	\$33,937,572	\$36,107,409
Developer Project Investment									
Hard/Soft Costs			-	-	-	-	-	-	-
Development Fees			-	-	-	-	-	-	-
Total Project Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)			\$46,046,672	\$47,855,211	\$49,730,940	\$51,676,305	\$53,693,839	\$55,786,166	\$57,956,004
IRR			8.1%						
Total Cash Flow Before Taxes (Total Leveraged)			\$24,198,077	\$26,006,616	\$27,882,346	\$29,827,711	\$31,845,245	\$33,937,572	\$36,107,409
IRR			9.4%						

Mariner's Cove - Developer Proposal (2.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	36	37	38	39	40	41	42	43
	Year 2051	Year 2052	Year 2053	Year 2054	Year 2055	Year 2056	Year 2057	Year 2058	
	31	32	33	34	35	36	37	38	
Redevelopment: Total Units	772	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)	\$8,597	\$8,898	\$9,210	\$9,532	\$9,866	\$10,211	\$10,568	\$10,938	
Monthly Rent Per S.F. (Total Units)	\$9.11	\$9.43	\$9.76	\$10.10	\$10.46	\$10.82	\$11.20	\$11.59	
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)	\$79,645,287	\$82,432,872	\$85,318,022	\$88,304,153	\$91,394,798	\$94,593,616	\$97,904,393	\$101,331,047	
Other Income	\$5,973,396	\$6,182,465	\$6,398,851	\$6,622,811	\$6,854,609	\$7,094,521	\$7,342,829	\$7,599,828	
Less: Vacancy & Credit Loss (Redevelopment)	(\$3,185,811)	(\$3,297,315)	(\$3,412,721)	(\$3,532,166)	(\$3,655,792)	(\$3,783,745)	(\$3,916,176)	(\$4,053,242)	
Net Rental Income	\$82,432,871	\$85,318,022	\$88,304,152	\$91,394,798	\$94,593,616	\$97,904,392	\$101,331,046	\$104,877,633	
	Per Unit (Stablilized)	% Increase							
Less: Operating Expenses	\$3,200	2.75%	(\$4,867,579)	(\$5,001,438)	(\$5,138,977)	(\$5,280,299)	(\$5,425,507)	(\$5,574,709)	(\$5,728,013)
Less: Insurance	\$375	3.00%	(\$606,149)	(\$624,333)	(\$643,063)	(\$662,355)	(\$682,226)	(\$702,692)	(\$723,773)
Less: Property Taxes	\$3,773	2.00%	(\$4,779,189)	(\$4,874,772)	(\$4,972,268)	(\$5,071,713)	(\$5,173,147)	(\$5,276,610)	(\$5,382,143)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$11,179,317)	(\$11,426,943)	(\$11,680,708)	(\$11,940,767)	(\$12,207,281)	(\$12,480,412)	(\$12,760,329)	(\$13,047,206)	
Operating Expense Ratio	13.6%	13.4%	13.2%	13.1%	12.9%	12.7%	12.6%	12.4%	
Net Operating Income (before ground lease)	\$71,253,555	\$73,891,078	\$76,623,444	\$79,454,030	\$82,386,335	\$85,423,980	\$88,570,717	\$91,830,427	
Less: Ground Lease Payment	(\$8,713,977)	(\$8,931,827)	(\$9,155,123)	(\$9,384,001)	(\$9,618,601)	(\$9,859,066)	(\$10,105,542)	(\$10,358,181)	
Net Operating Income (after ground lease)	\$62,539,577	\$64,959,251	\$67,468,322	\$70,070,030	\$72,767,735	\$75,564,915	\$78,465,174	\$81,472,246	
Less: Debt Service	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	\$0	\$0	\$0	\$0	\$0	
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cash Flow From Operations	\$40,690,983	\$43,110,657	\$45,619,727	\$70,070,030	\$72,767,735	\$75,564,915	\$78,465,174	\$81,472,246	
Developer Project Investment									
Hard/Soft Costs	-	-	-	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-	-	-	-
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)	\$62,539,577	\$64,959,251	\$67,468,322	\$70,070,030	\$72,767,735	\$75,564,915	\$78,465,174	\$81,472,246	
IRR	8.1%								
Total Cash Flow Before Taxes (Total Leveraged)	\$40,690,983	\$43,110,657	\$45,619,727	\$70,070,030	\$72,767,735	\$75,564,915	\$78,465,174	\$81,472,246	
IRR	9.4%								

Mariner's Cove - Developer Proposal (2.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	44	45	46	47	48	49	50	51
	Year 2059	Year 2060	Year 2061	Year 2062	Year 2063	Year 2064	Year 2065	Year 2066	
	39	40	41	42	43	44	45	46	
Redevelopment: Total Units	772	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)	\$11,321	\$11,717	\$12,127	\$12,552	\$12,991	\$13,446	\$13,916	\$14,403	
Monthly Rent Per S.F. (Total Units)	\$12.00	\$12.42	\$12.86	\$13.31	\$13.77	\$14.25	\$14.75	\$15.27	
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)	\$104,877,633	\$108,548,351	\$112,347,543	\$116,279,707	\$120,349,497	\$124,561,729	\$128,921,389	\$133,433,638	
Other Income	\$7,865,822	\$8,141,125	\$8,426,065	\$8,720,977	\$9,026,211	\$9,342,129	\$9,669,103	\$10,007,522	
Less: Vacancy & Credit Loss (Redevelopment)	(\$4,195,105)	(\$4,341,934)	(\$4,493,902)	(\$4,651,188)	(\$4,813,980)	(\$4,982,469)	(\$5,156,856)	(\$5,337,346)	
Net Rental Income	\$108,548,350	\$112,347,542	\$116,279,706	\$120,349,496	\$124,561,728	\$128,921,389	\$133,433,637	\$138,103,814	
	Per Unit (Stablilized)	% Increase							
Less: Operating Expenses	\$3,200	2.75%	(\$6,047,386)	(\$6,213,689)	(\$6,384,566)	(\$6,560,141)	(\$6,740,545)	(\$6,925,910)	(\$7,116,372)
Less: Insurance	\$375	3.00%	(\$767,851)	(\$790,887)	(\$814,613)	(\$839,052)	(\$864,223)	(\$890,150)	(\$916,854)
Less: Property Taxes	\$3,773	2.00%	(\$5,599,581)	(\$5,711,573)	(\$5,825,804)	(\$5,942,320)	(\$6,061,167)	(\$6,182,390)	(\$6,306,038)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$13,341,218)	(\$13,642,548)	(\$13,951,383)	(\$14,267,913)	(\$14,592,335)	(\$14,924,850)	(\$15,265,665)	(\$15,614,991)	
Operating Expense Ratio	12.3%	12.1%	12.0%	11.9%	11.7%	11.6%	11.4%	11.3%	
Net Operating Income (before ground lease)	\$95,207,132	\$98,704,994	\$102,328,323	\$106,081,583	\$109,969,393	\$113,996,539	\$118,167,972	\$122,488,823	
Less: Ground Lease Payment	(\$10,617,135)	(\$10,882,564)	(\$11,154,628)	(\$11,433,494)	(\$11,719,331)	(\$12,012,314)	(\$12,312,622)	(\$12,620,438)	
Net Operating Income (after ground lease)	\$84,589,996	\$87,822,430	\$91,173,695	\$94,648,089	\$98,250,062	\$101,984,225	\$105,855,350	\$109,868,386	
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cash Flow From Operations	\$84,589,996	\$87,822,430	\$91,173,695	\$94,648,089	\$98,250,062	\$101,984,225	\$105,855,350	\$109,868,386	
Developer Project Investment									
Hard/Soft Costs	-	-	-	-	-	-	-	-	
Development Fees	-	-	-	-	-	-	-	-	
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Cash Flow Before Taxes (Total Unleveraged)	\$84,589,996	\$87,822,430	\$91,173,695	\$94,648,089	\$98,250,062	\$101,984,225	\$105,855,350	\$109,868,386	
IRR	8.1%								
Total Cash Flow Before Taxes (Total Leveraged)	\$84,589,996	\$87,822,430	\$91,173,695	\$94,648,089	\$98,250,062	\$101,984,225	\$105,855,350	\$109,868,386	
IRR	9.4%								

Mariner's Cove - Developer Proposal (2.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)			52	53	54	55	56	57	58	59
			Year 2067	Year 2068	Year 2069	Year 2070	Re-Appraisal Year 2071	Year 2072	Year 2073	Year 2074
			47	48	49	50	51	52	53	54
Redevelopment: Total Units			772	772	772	772	772	772	772	772
Monthly Rent (Total Units)			\$14,908	\$15,429	\$15,969	\$16,528	\$17,107	\$17,706	\$18,325	\$18,967
Monthly Rent Per S.F. (Total Units)			\$15.80	\$16.36	\$16.93	\$17.52	\$18.13	\$18.77	\$19.43	\$20.11
Annual Increase In Rent (Total Units)			3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)			\$138,103,815	\$142,937,449	\$147,940,260	\$153,118,169	\$158,477,305	\$164,024,010	\$169,764,851	\$175,706,620
Other Income			\$10,357,785	\$10,720,308	\$11,095,518	\$11,483,862	\$11,885,797	\$12,301,800	\$12,732,363	\$13,177,995
Less: Vacancy & Credit Loss (Redevelopment)			(\$5,524,153)	(\$5,717,498)	(\$5,917,610)	(\$6,124,727)	(\$6,339,092)	(\$6,560,960)	(\$6,790,594)	(\$7,028,265)
Net Rental Income			\$142,937,448	\$147,940,259	\$153,118,168	\$158,477,304	\$164,024,009	\$169,764,849	\$175,706,619	\$181,856,351
	Per Unit (Stablilized)	% Increase								
Less: Operating Expenses			\$3,200	\$7,719,766	(\$7,932,060)	(\$8,150,192)	(\$8,374,322)	(\$8,604,616)	(\$8,841,243)	(\$9,084,377)
Less: Insurance			\$375	(\$1,001,871)	(\$1,031,928)	(\$1,062,885)	(\$1,094,772)	(\$1,127,615)	(\$1,161,444)	(\$1,196,287)
Less: Property Taxes			\$3,773	(\$6,692,018)	(\$6,825,858)	(\$6,962,375)	(\$7,101,623)	(\$7,243,655)	(\$7,388,528)	(\$7,536,299)
Less: Capital Expenses			\$1,200	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$15,973,047)	(\$16,340,056)	(\$16,716,246)	(\$17,101,852)	(\$17,497,117)	(\$17,902,286)	(\$18,317,615)	(\$18,743,363)
Operating Expense Ratio			11.2%	11.0%	10.9%	10.8%	10.7%	10.5%	10.4%	10.3%
Net Operating Income (before ground lease)			\$126,964,401	\$131,600,203	\$136,401,922	\$141,375,451	\$146,526,892	\$151,862,563	\$157,389,004	\$163,112,988
Less: Ground Lease Payment			(\$12,935,948)	(\$13,259,347)	(\$13,590,831)	(\$13,930,602)	(\$14,278,867)	(\$14,635,838)	(\$15,001,734)	(\$15,376,778)
Net Operating Income (after ground lease)			\$114,028,452	\$118,340,856	\$122,811,091	\$127,444,849	\$132,248,026	\$137,226,725	\$142,387,270	\$147,736,210
Less: Debt Service			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations			\$114,028,452	\$118,340,856	\$122,811,091	\$127,444,849	\$132,248,026	\$137,226,725	\$142,387,270	\$147,736,210
Developer Project Investment										
Hard/Soft Costs			-	-	-	-	-	-	-	-
Development Fees			-	-	-	-	-	-	-	-
Total Project Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)			\$114,028,452	\$118,340,856	\$122,811,091	\$127,444,849	\$132,248,026	\$137,226,725	\$142,387,270	\$147,736,210
IRR			8.1%							
Total Cash Flow Before Taxes (Total Leveraged)			\$114,028,452	\$118,340,856	\$122,811,091	\$127,444,849	\$132,248,026	\$137,226,725	\$142,387,270	\$147,736,210
IRR			9.4%							

Mariner's Cove - Developer Proposal (2.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	60	61	62	63	64	65	66	67
	Year 2075	Year 2076	Year 2077	Year 2078	Year 2079	Year 2080	Year 2081	Year 2082	
	55	56	57	58	59	60	61	62	
Redevelopment: Total Units	772	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)	\$19,630	\$20,318	\$21,029	\$21,765	\$22,526	\$23,315	\$24,131	\$24,975	
Monthly Rent Per S.F. (Total Units)	\$20.81	\$21.54	\$22.29	\$23.07	\$23.88	\$24.71	\$25.58	\$26.47	
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)	\$181,856,352	\$188,221,325	\$194,809,071	\$201,627,388	\$208,684,347	\$215,988,299	\$223,547,890	\$231,372,066	
Other Income	\$13,639,225	\$14,116,598	\$14,610,679	\$15,122,053	\$15,651,324	\$16,199,121	\$16,766,090	\$17,352,903	
Less: Vacancy & Credit Loss (Redevelopment)	(\$7,274,254)	(\$7,528,853)	(\$7,792,363)	(\$8,065,096)	(\$8,347,374)	(\$8,639,532)	(\$8,941,916)	(\$9,254,883)	
Net Rental Income	\$188,221,323	\$194,809,069	\$201,627,387	\$208,684,345	\$215,988,298	\$223,547,888	\$231,372,064	\$239,470,086	
	Per Unit (Stablilized)	% Increase							
Less: Operating Expenses	\$3,200	2.75%	(\$9,334,197)	(\$9,590,888)	(\$9,854,637)	(\$10,125,640)	(\$10,404,095)	(\$10,690,207)	(\$10,984,188)
Less: Insurance	\$375	3.00%	(\$1,232,176)	(\$1,269,141)	(\$1,307,215)	(\$1,346,431)	(\$1,386,824)	(\$1,428,429)	(\$1,471,282)
Less: Property Taxes	\$3,773	2.00%	(\$7,687,025)	(\$7,840,765)	(\$7,997,581)	(\$8,157,532)	(\$8,320,683)	(\$8,487,097)	(\$8,656,839)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$19,179,798)	(\$19,627,194)	(\$20,085,833)	(\$20,556,004)	(\$21,038,002)	(\$21,532,133)	(\$22,038,709)	(\$22,558,049)	
Operating Expense Ratio	10.2%	10.1%	10.0%	9.9%	9.7%	9.6%	9.5%	9.4%	
Net Operating Income (before ground lease)	\$169,041,525	\$175,181,875	\$181,541,554	\$188,128,342	\$194,950,295	\$202,015,755	\$209,333,355	\$216,912,037	
Less: Ground Lease Payment	(\$15,761,197)	(\$16,155,227)	(\$16,559,108)	(\$16,973,085)	(\$17,397,413)	(\$17,832,348)	(\$18,278,157)	(\$18,735,110)	
Net Operating Income (after ground lease)	\$153,280,328	\$159,026,648	\$164,982,446	\$171,155,257	\$177,552,883	\$184,183,407	\$191,055,199	\$198,176,927	
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cash Flow From Operations	\$153,280,328	\$159,026,648	\$164,982,446	\$171,155,257	\$177,552,883	\$184,183,407	\$191,055,199	\$198,176,927	
Developer Project Investment									
Hard/Soft Costs	-	-	-	-	-	-	-	-	-
Development Fees	-	-	-	-	-	-	-	-	-
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Cash Flow Before Taxes (Total Unleveraged)	\$153,280,328	\$159,026,648	\$164,982,446	\$171,155,257	\$177,552,883	\$184,183,407	\$191,055,199	\$198,176,927	
IRR	8.1%								
Total Cash Flow Before Taxes (Total Leveraged)	\$153,280,328	\$159,026,648	\$164,982,446	\$171,155,257	\$177,552,883	\$184,183,407	\$191,055,199	\$198,176,927	
IRR	9.4%								

Mariner's Cove - Developer Proposal (2.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	68	69	70	71	72	73	74	75
	Year 2083	Year 2084	Year 2085	Year 2086	Year 2087	Year 2088	Year 2089	Year 2090	
	63	64	65	66	67	68	69	70	
Redevelopment: Total Units	772	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)	\$25,850	\$26,754	\$27,691	\$28,660	\$29,663	\$30,701	\$31,776	\$32,888	
Monthly Rent Per S.F. (Total Units)	\$27.40	\$28.36	\$29.35	\$30.38	\$31.44	\$32.54	\$33.68	\$34.86	
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)	\$239,470,088	\$247,851,541	\$256,526,345	\$265,504,767	\$274,797,434	\$284,415,344	\$294,369,881	\$304,672,827	
Other Income	\$17,960,255	\$18,588,864	\$19,239,474	\$19,912,856	\$20,609,805	\$21,331,149	\$22,077,739	\$22,850,460	
Less: Vacancy & Credit Loss (Redevelopment)	(\$9,578,804)	(\$9,914,062)	(\$10,261,054)	(\$10,620,191)	(\$10,991,897)	(\$11,376,614)	(\$11,774,795)	(\$12,186,913)	
Net Rental Income	\$247,851,539	\$256,526,343	\$265,504,765	\$274,797,432	\$284,415,342	\$294,369,879	\$304,672,825	\$315,336,374	
	Per Unit (Stablilized)	% Increase							
Less: Operating Expenses	\$3,200	2.75%	(\$11,596,625)	(\$11,915,532)	(\$12,243,209)	(\$12,579,898)	(\$12,925,845)	(\$13,281,306)	(\$13,646,542)
Less: Insurance	\$375	3.00%	(\$1,560,883)	(\$1,607,710)	(\$1,655,941)	(\$1,705,619)	(\$1,756,788)	(\$1,809,491)	(\$1,863,776)
Less: Property Taxes	\$3,773	2.00%	(\$9,006,575)	(\$9,186,706)	(\$9,370,441)	(\$9,557,849)	(\$9,749,006)	(\$9,943,987)	(\$10,142,866)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$23,090,483)	(\$23,636,348)	(\$24,195,991)	(\$24,769,766)	(\$25,358,039)	(\$25,961,183)	(\$26,579,584)	(\$27,213,634)	
Operating Expense Ratio	9.3%	9.2%	9.1%	9.0%	8.9%	8.8%	8.7%	8.6%	
Net Operating Income (before ground lease)	\$224,761,056	\$232,889,995	\$241,308,774	\$250,027,666	\$259,057,303	\$268,408,696	\$278,093,241	\$288,122,739	
Less: Ground Lease Payment	(\$19,203,488)	(\$19,683,575)	(\$20,175,665)	(\$20,680,056)	(\$21,197,058)	(\$21,726,984)	(\$22,270,159)	(\$22,826,913)	
Net Operating Income (after ground lease)	\$205,557,568	\$213,206,419	\$221,133,109	\$229,347,609	\$237,860,245	\$246,681,711	\$255,823,082	\$265,295,826	
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cash Flow From Operations	\$205,557,568	\$213,206,419	\$221,133,109	\$229,347,609	\$237,860,245	\$246,681,711	\$255,823,082	\$265,295,826	
Developer Project Investment									
Hard/Soft Costs	-	-	-	-	-	-	-	-	
Development Fees	-	-	-	-	-	-	-	-	
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Cash Flow Before Taxes (Total Unleveraged)	\$205,557,568	\$213,206,419	\$221,133,109	\$229,347,609	\$237,860,245	\$246,681,711	\$255,823,082	\$265,295,826	
IRR	8.1%								
Total Cash Flow Before Taxes (Total Leveraged)	\$205,557,568	\$213,206,419	\$221,133,109	\$229,347,609	\$237,860,245	\$246,681,711	\$255,823,082	\$265,295,826	
IRR	9.4%								

Mariner's Cove - Developer Proposal (2.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)	76	77	78	79	80	81	82	83		
	Year 2091	Year 2092	Re-Appraisal Year 2093	Year 2094	Year 2095	Year 2096	Year 2097	Year 2098		
	71	72	73	74	75	76	77	78		
Redevelopment: Total Units	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$34,039	\$35,230	\$36,463	\$37,740	\$39,060	\$40,428	\$41,842	\$43,307		
Monthly Rent Per S.F. (Total Units)	\$36.08	\$37.35	\$38.65	\$40.01	\$41.41	\$42.85	\$44.35	\$45.91		
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$315,336,376	\$326,373,149	\$337,796,209	\$349,619,077	\$361,855,744	\$374,520,695	\$387,628,920	\$401,195,932		
Other Income	\$23,650,226	\$24,477,984	\$25,334,713	\$26,221,428	\$27,139,178	\$28,089,049	\$29,072,166	\$30,089,692		
Less: Vacancy & Credit Loss (Redevelopment)	(\$12,613,455)	(\$13,054,926)	(\$13,511,848)	(\$13,984,763)	(\$14,474,230)	(\$14,980,828)	(\$15,505,157)	(\$16,047,837)		
Net Rental Income	\$326,373,147	\$337,796,207	\$349,619,074	\$361,855,742	\$374,520,693	\$387,628,917	\$401,195,929	\$415,237,787		
	Per Unit (Stablilized)	% Increase								
Less: Operating Expenses	\$3,200	2.75%	(\$14,407,422)	(\$14,803,626)	(\$15,210,725)	(\$15,629,020)	(\$16,058,818)	(\$16,500,436)	(\$16,954,198)	(\$17,420,438)
Less: Insurance	\$375	3.00%	(\$1,977,280)	(\$2,036,598)	(\$2,097,696)	(\$2,160,627)	(\$2,225,446)	(\$2,292,209)	(\$2,360,976)	(\$2,431,805)
Less: Property Taxes	\$3,773	2.00%	(\$10,552,638)	(\$10,763,691)	(\$10,978,965)	(\$11,198,544)	(\$11,422,515)	(\$11,650,965)	(\$11,883,984)	(\$12,121,664)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$27,863,740)	(\$28,530,315)	(\$29,213,786)	(\$29,914,591)	(\$30,633,179)	(\$31,370,010)	(\$32,125,558)	(\$32,900,307)		
Operating Expense Ratio	8.5%	8.4%	8.4%	8.3%	8.2%	8.1%	8.0%	7.9%		
Net Operating Income (before ground lease)	\$298,509,407	\$309,265,892	\$320,405,288	\$331,941,150	\$343,887,514	\$356,258,907	\$369,070,371	\$382,337,479		
Less: Ground Lease Payment	(\$23,397,586)	(\$23,982,525)	(\$24,582,088)	(\$25,196,641)	(\$25,826,557)	(\$26,472,221)	(\$27,134,026)	(\$27,812,377)		
Net Operating Income (after ground lease)	\$275,111,821	\$285,283,367	\$295,823,199	\$306,744,510	\$318,060,957	\$329,786,686	\$341,936,345	\$354,525,102		
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Cash Flow From Operations	\$275,111,821	\$285,283,367	\$295,823,199	\$306,744,510	\$318,060,957	\$329,786,686	\$341,936,345	\$354,525,102		
Developer Project Investment										
Hard/Soft Costs	-	-	-	-	-	-	-	-		
Development Fees	-	-	-	-	-	-	-	-		
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Total Cash Flow Before Taxes (Total Unleveraged)	\$275,111,821	\$285,283,367	\$295,823,199	\$306,744,510	\$318,060,957	\$329,786,686	\$341,936,345	\$354,525,102		
IRR	8.1%									
Total Cash Flow Before Taxes (Total Leveraged)	\$275,111,821	\$285,283,367	\$295,823,199	\$306,744,510	\$318,060,957	\$329,786,686	\$341,936,345	\$354,525,102		
IRR	9.4%									

Mariner's Cove - Developer Proposal (2.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	84	85	86	87	88	89	90	91
	Year 2099	Year 2100	Year 2101	Year 2102	Year 2103	Year 2104	Year 2105	Year 2106	
	79	80	81	82	83	84	85	86	
Redevelopment: Total Units	772	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)	\$44,823	\$46,392	\$48,015	\$49,696	\$51,435	\$53,235	\$55,099	\$57,027	
Monthly Rent Per S.F. (Total Units)	\$47.51	\$49.18	\$50.90	\$52.68	\$54.52	\$56.43	\$58.41	\$60.45	
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)	\$415,237,790	\$429,771,112	\$444,813,101	\$460,381,560	\$476,494,914	\$493,172,236	\$510,433,265	\$528,298,429	
Other Income	\$31,142,831	\$32,232,830	\$33,360,979	\$34,528,614	\$35,737,115	\$36,987,914	\$38,282,491	\$39,622,378	
Less: Vacancy & Credit Loss (Redevelopment)	(\$16,609,512)	(\$17,190,844)	(\$17,792,524)	(\$18,415,262)	(\$19,059,797)	(\$19,726,889)	(\$20,417,331)	(\$21,131,937)	
Net Rental Income	\$429,771,109	\$444,813,098	\$460,381,556	\$476,494,911	\$493,172,233	\$510,433,261	\$528,298,425	\$546,788,870	
	Per Unit (Stablilized)	% Increase							
Less: Operating Expenses	\$3,200	2.75%	(\$17,899,500)	(\$18,391,737)	(\$18,897,509)	(\$19,417,191)	(\$19,951,164)	(\$20,499,821)	(\$21,063,566)
Less: Insurance	\$375	3.00%	(\$2,504,759)	(\$2,579,902)	(\$2,657,299)	(\$2,737,018)	(\$2,819,128)	(\$2,903,702)	(\$2,990,813)
Less: Property Taxes	\$3,773	2.00%	(\$12,364,097)	(\$12,611,379)	(\$12,863,607)	(\$13,120,879)	(\$13,383,297)	(\$13,650,963)	(\$13,923,982)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$33,694,757)	(\$34,509,418)	(\$35,344,815)	(\$36,201,488)	(\$37,079,989)	(\$37,980,886)	(\$38,904,761)	(\$39,852,213)	
Operating Expense Ratio	7.8%	7.8%	7.7%	7.6%	7.5%	7.4%	7.4%	7.3%	
Net Operating Income (before ground lease)	\$396,076,352	\$410,303,680	\$425,036,741	\$440,293,423	\$456,092,244	\$472,452,375	\$489,393,664	\$506,936,657	
Less: Ground Lease Payment	(\$28,507,686)	(\$29,220,378)	(\$29,950,888)	(\$30,699,660)	(\$31,467,152)	(\$32,253,830)	(\$33,060,176)	(\$33,886,680)	
Net Operating Income (after ground lease)	\$367,568,666	\$381,083,302	\$395,085,853	\$409,593,763	\$424,625,092	\$440,198,545	\$456,333,488	\$473,049,976	
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Cash Flow From Operations	\$367,568,666	\$381,083,302	\$395,085,853	\$409,593,763	\$424,625,092	\$440,198,545	\$456,333,488	\$473,049,976	
Developer Project Investment									
Hard/Soft Costs	-	-	-	-	-	-	-	-	
Development Fees	-	-	-	-	-	-	-	-	
Total Project Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Cash Flow Before Taxes (Total Unleveraged)	\$367,568,666	\$381,083,302	\$395,085,853	\$409,593,763	\$424,625,092	\$440,198,545	\$456,333,488	\$473,049,976	
IRR	8.1%								
Total Cash Flow Before Taxes (Total Leveraged)	\$367,568,666	\$381,083,302	\$395,085,853	\$409,593,763	\$424,625,092	\$440,198,545	\$456,333,488	\$473,049,976	
IRR	9.4%								

Mariner's Cove - Developer Proposal (2.0 Total Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)	92	93	94	95	96	97	98	99		
	Year 2107	Year 2108	Year 2109	Year 2110	Year 2111	Year 2112	Year 2113	Year 2114		
	87	88	89	90	91	92	93	94		
Redevelopment: Total Units	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$59,023	\$61,089	\$63,227	\$65,440	\$67,730	\$70,101	\$72,554	\$75,094		
Monthly Rent Per S.F. (Total Units)	\$62.57	\$64.76	\$67.02	\$69.37	\$71.80	\$74.31	\$76.91	\$79.60		
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$546,788,874	\$565,926,484	\$585,733,911	\$606,234,598	\$627,452,809	\$649,413,658	\$672,143,136	\$695,668,145		
Other Income	\$41,009,161	\$42,444,482	\$43,930,039	\$45,467,590	\$47,058,956	\$48,706,019	\$50,410,730	\$52,175,106		
Less: Vacancy & Credit Loss (Redevelopment)	(\$21,871,555)	(\$22,637,059)	(\$23,429,356)	(\$24,249,384)	(\$25,098,112)	(\$25,976,546)	(\$26,885,725)	(\$27,826,726)		
Net Rental Income	\$565,926,480	\$585,733,907	\$606,234,594	\$627,452,805	\$649,413,653	\$672,143,131	\$695,668,140	\$720,016,525		
	Per Unit (Stablilized)	% Increase								
Less: Operating Expenses	\$3,200	2.75%	(\$22,237,991)	(\$22,849,536)	(\$23,477,898)	(\$24,123,540)	(\$24,786,938)	(\$25,468,578)	(\$26,168,964)	(\$26,888,611)
Less: Insurance	\$375	3.00%	(\$3,172,954)	(\$3,268,143)	(\$3,366,187)	(\$3,467,172)	(\$3,571,188)	(\$3,678,323)	(\$3,788,673)	(\$3,902,333)
Less: Property Taxes	\$3,773	2.00%	(\$14,486,511)	(\$14,776,241)	(\$15,071,766)	(\$15,373,201)	(\$15,680,665)	(\$15,994,278)	(\$16,314,164)	(\$16,640,447)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$40,823,856)	(\$41,820,319)	(\$42,842,251)	(\$43,890,314)	(\$44,965,190)	(\$46,067,580)	(\$47,198,201)	(\$48,357,791)
Operating Expense Ratio			7.2%	7.1%	7.1%	7.0%	6.9%	6.9%	6.8%	6.7%
Net Operating Income (before ground lease)			\$525,102,625	\$543,913,588	\$563,392,343	\$583,562,491	\$604,448,462	\$626,075,551	\$648,469,939	\$671,658,734
Less: Ground Lease Payment			(\$34,733,847)	(\$35,602,194)	(\$36,492,249)	(\$37,404,555)	(\$38,339,669)	(\$39,298,160)	(\$40,280,614)	(\$41,287,630)
Net Operating Income (after ground lease)			\$490,368,777	\$508,311,394	\$526,900,095	\$546,157,936	\$566,108,794	\$586,777,390	\$608,189,325	\$630,371,104
Less: Debt Service			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow From Operations			\$490,368,777	\$508,311,394	\$526,900,095	\$546,157,936	\$566,108,794	\$586,777,390	\$608,189,325	\$630,371,104
Developer Project Investment										
Hard/Soft Costs			-	-	-	-	-	-	-	-
Development Fees			-	-	-	-	-	-	-	-
Total Project Costs			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Cash Flow Before Taxes (Total Unleveraged)			\$490,368,777	\$508,311,394	\$526,900,095	\$546,157,936	\$566,108,794	\$586,777,390	\$608,189,325	\$630,371,104
IRR	8.1%									
Total Cash Flow Before Taxes (Total Leveraged)			\$490,368,777	\$508,311,394	\$526,900,095	\$546,157,936	\$566,108,794	\$586,777,390	\$608,189,325	\$630,371,104
IRR	9.4%									

Cash Flow Forecast

IRR	8.1%
-----	------

Mariner's Cove - Developer Proposal (2.1 Dev. Period)
Ocean Beach, San Diego, CA

Cash Flow Forecast

	Lease Year (Start 2015)	14	15	16
		Year 2029	Year 2030	End of AIMCO Model Year 2031
		9	10	11
Redevelopment: Total Units		772	772	772
Monthly Rent (Total Units)		\$4,033	\$4,175	\$4,321
Monthly Rent Per S.F. (Total Units)		\$4.28	\$4.43	\$4.58
Annual Increase In Rent (Total Units)		3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)		-	-	-
Existing: Gross Rental Income (Affordable Units)		-	-	-
Existing: Gross Rental Income (Total Units)		\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)		-	-	-
Redevelopment: Gross Rental Income (Affordable Units)		-	-	-
Redevelopment: Gross Rental Income (Total Units)		\$37,365,637	\$38,673,434	\$40,027,004
Other Income		\$2,802,423	\$2,900,508	\$3,002,025
Less: Vacancy & Credit Loss (Redevelopment)		(\$1,494,625)	(\$1,546,937)	(\$1,601,080)
Net Rental Income		\$38,673,435	\$40,027,005	\$41,427,949
	Per Unit (Stablilized)	% Increase		
Less: Operating Expenses	\$3,200	2.75%	(\$2,679,864)	(\$2,753,560)
Less: Insurance	\$375	3.00%	(\$316,344)	(\$325,835)
Less: Property Taxes	\$3,773	2.00%	(\$3,091,366)	(\$3,153,193)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)
Operating Expenses			(\$7,013,974)	(\$7,158,988)
Operating Expense Ratio		18.1%	17.9%	17.6%
Net Operating Income (before ground lease)		\$31,659,460	\$32,868,016	\$34,120,399
Less: Ground Lease Payment		(\$1,510,120)	(\$1,547,873)	(\$1,586,570)
Net Operating Income (after ground lease)		\$30,149,340	\$31,320,143	\$32,533,829
Less: Debt Service		(\$21,848,594)	(\$21,848,594)	(\$21,848,594)
Cash Flow From Operations		\$8,300,746	\$9,471,549	\$10,685,234
Equity Contribution		\$0	\$0	\$0
Dispositlon				
Cap Rate				4.50%
NOI				\$32,533,829
Asset Value				\$722,973,972
Sale Price				\$722,973,972
Less: Commissions & Closing Co	2.00%			(\$14,459,479)
Less: Principal Balance of Loan O/S				(\$291,183,788)
Net Proceeds from Disposition				\$417,330,704
Total Cash Flow Before Taxes (10-Year Leveraged)		\$8,300,746	\$9,471,549	\$428,015,939
IRR	10.7%			
Total Project Costs		\$0	\$0	\$0
Total Cash Flow Before Taxes (10-Year Unleveraged)		\$30,149,340	\$31,320,143	\$741,048,321
IRR	8.1%			

Mariner's Cove - Developer Proposal (2.2 Hold Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	5	6	7	8	9	10	11	12
				Construction				Stabilized	
		Year 2021		Year 2022	Year 2023	Year 2024	Year 2025	Year 2026	Year 2027
		0	1	2	3	4	5	6	7
Redevelopment: Total Units				0	331	530	678	772	772
Monthly Rent (Total Units)				\$3,170	\$3,281	\$3,396	\$3,515	\$3,638	\$3,765
Monthly Rent Per S.F. (Total Units)					\$3.48	\$3.60	\$3.73	\$3.86	\$3.99
Annual Increase In Rent (Total Units)					3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)				-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)				-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)			\$11,737,432	\$7,724,189	\$5,517,513	\$1,736,995	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)				-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)				-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)			\$0	\$0	\$13,032,898	\$21,598,779	\$28,597,191	\$33,701,663	\$34,881,222
Other Income			\$712,850	\$0	\$977,467	\$1,619,908	\$2,144,789	\$2,527,625	\$2,616,092
Less: Vacancy & Credit Loss (Redevelopment)			(\$445,067)	\$0	(\$521,316)	(\$863,951)	(\$1,143,888)	(\$1,348,067)	(\$1,395,249)
Net Rental Income			\$12,005,215	\$7,724,189	\$19,006,562	\$24,091,731	\$29,598,092	\$34,881,221	\$36,102,065
	Per Unit (Stabilized)	% Increase							
Less: Operating Expenses	\$3,200	2.75%	(\$3,022,689)	\$0	(\$1,059,200)	(\$1,696,000)	(\$2,169,600)	(\$2,470,400)	(\$2,538,336)
Less: Insurance	\$375	3.00%		\$0	(\$124,125)	(\$198,750)	(\$254,250)	(\$289,500)	(\$298,185)
Less: Property Taxes	\$3,773	2.00%		\$0	(\$1,248,995)	(\$1,999,901)	(\$2,558,364)	(\$2,913,063)	(\$2,971,324)
Less: Capital Expenses	\$1,200	0.00%		\$0	\$0	\$0	(\$813,600)	(\$926,400)	(\$926,400)
Operating Expenses			(\$3,022,689)	\$0	(\$2,432,320)	(\$3,894,651)	(\$5,795,814)	(\$6,599,363)	(\$6,734,245)
Operating Expense Ratio			25.2%	0.0%	12.8%	16.2%	19.6%	18.9%	18.7%
Net Operating Income (before ground lease)			\$8,982,526	\$7,724,189	\$16,574,242	\$20,197,080	\$23,802,279	\$28,281,858	\$29,367,820
Less: Ground Lease Payment			(\$1,239,426)	(\$1,270,412)	(\$1,302,172)	(\$1,334,726)	(\$1,368,094)	(\$1,402,297)	(\$1,437,354)
Net Operating Income (after ground lease)			\$7,743,100	\$6,453,777	\$15,272,070	\$18,862,354	\$22,434,184	\$26,879,562	\$27,930,466
Less: Debt Service			\$0	\$0	\$0	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition									
Cap Rate									
NOI									
Asset Value									
Sale Price									
Less: Commissions & Closing Cc	2.00%								
Less: Principal Balance of Loan O/S									
Net Proceeds from Disposition									
Total Cash Flow Before Taxes (Hold Period Leveraged)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IRR			8.8%						
Total Cash Flow Before Taxes (Hold Period Unleveraged)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
IRR			8.1%						

Mariner's Cove - Developer Proposal (2.2 Hold Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)	13	14	15	16	17	18	19	20		
	Year 2028	Year 2029	Year 2030	End of AIMCO Model Year 2031	Year 2032	Year 2033	Year 2034	Year 2035		
	8	9	10	11	12	13	14	15		
Redevelopment: Total Units	772	772	772	772	772	772	772	772		
Monthly Rent (Total Units)	\$3,897	\$4,033	\$4,175	\$4,321	\$4,472	\$4,628	\$4,790	\$4,958		
Monthly Rent Per S.F. (Total Units)	\$4.13	\$4.28	\$4.43	\$4.58	\$4.74	\$4.91	\$5.08	\$5.26		
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%		
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-		
Redevelopment: Gross Rental Income (Total Units)	\$36,102,064	\$37,365,637	\$38,673,434	\$40,027,004	\$41,427,949	\$42,877,927	\$44,378,655	\$45,931,908		
Other Income	\$2,707,655	\$2,802,423	\$2,900,508	\$3,002,025	\$3,107,096	\$3,215,844	\$3,328,399	\$3,444,893		
Less: Vacancy & Credit Loss (Redevelopment)	(\$1,444,083)	(\$1,494,625)	(\$1,546,937)	(\$1,601,080)	(\$1,657,118)	(\$1,715,117)	(\$1,775,146)	(\$1,837,276)		
Net Rental Income	\$37,365,636	\$38,673,435	\$40,027,005	\$41,427,949	\$42,877,927	\$44,378,654	\$45,931,907	\$47,539,524		
	Per Unit (Stablized)	% Increase								
Less: Operating Expenses	\$3,200	2.75%	(\$2,608,140)	(\$2,679,864)	(\$2,753,560)	(\$2,829,283)	(\$2,907,089)	(\$2,987,033)	(\$3,069,177)	(\$3,153,579)
Less: Insurance	\$375	3.00%	(\$307,131)	(\$316,344)	(\$325,835)	(\$335,610)	(\$345,678)	(\$356,048)	(\$366,730)	(\$377,732)
Less: Property Taxes	\$3,773	2.00%	(\$3,030,751)	(\$3,091,366)	(\$3,153,193)	(\$3,216,257)	(\$3,280,582)	(\$3,346,194)	(\$3,413,118)	(\$3,481,380)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$6,872,422)	(\$7,013,974)	(\$7,158,988)	(\$7,307,550)	(\$7,459,749)	(\$7,615,676)	(\$7,775,424)	(\$7,939,091)
Operating Expense Ratio			18.4%	18.1%	17.9%	17.6%	17.4%	17.2%	16.9%	16.7%
Net Operating Income (before ground lease)			\$30,493,215	\$31,659,460	\$32,868,016	\$34,120,399	\$35,418,178	\$36,762,979	\$38,156,483	\$39,600,433
Less: Ground Lease Payment			(\$1,473,288)	(\$1,510,120)	(\$1,547,873)	(\$1,586,570)	(\$1,626,234)	(\$1,666,890)	(\$1,708,562)	(\$1,751,276)
Net Operating Income (after ground lease)			\$29,019,927	\$30,149,340	\$31,320,143	\$32,533,829	\$33,791,944	\$35,096,089	\$36,447,921	\$37,849,157
Less: Debt Service			(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition										
Cap Rate					4.50%					
NOI					\$32,533,829					
Asset Value					\$722,973,972					
Sale Price					\$722,973,972					
Less: Commissions & Closing Cc	2.00%				(\$14,459,479)					
Less: Principal Balance of Loan O/S					(\$291,183,788)					
Net Proceeds from Disposition					\$417,330,704					
Total Cash Flow Before Taxes (Hold Period Leveraged)			\$0	\$0	\$0	(\$417,330,704)	\$11,943,350	\$13,247,494	\$14,599,326	\$16,000,562
IRR	8.8%									
Total Cash Flow Before Taxes (Hold Period Unleveraged)			\$0	\$0	\$0	(\$708,514,492)	\$33,791,944	\$35,096,089	\$36,447,921	\$37,849,157
IRR	8.1%									

Marliner's Cove - Developer Proposal (2.2 Hold Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)			21	22	23	24	25	26	27	28	29
			Year 2036	Year 2037	Year 2038	Year 2039	Year 2040	Re-Appraisal Year 2041	Year 2042	Year 2043	Year 2044
			16	17	18	19	20	21	22	23	24
Redevelopment: Total Units			772	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)			\$5,132	\$5,311	\$5,497	\$5,690	\$5,889	\$6,095	\$6,308	\$6,529	\$6,757
Monthly Rent Per S.F. (Total Units)			\$5.44	\$5.63	\$5.83	\$6.03	\$6.24	\$6.46	\$6.69	\$6.92	\$7.16
Annual Increase In Rent (Total Units)			3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)			-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)			-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)			\$47,539,525	\$49,203,408	\$50,925,527	\$52,707,921	\$54,552,698	\$56,462,042	\$58,438,214	\$60,483,551	\$62,600,475
Other Income			\$3,565,464	\$3,690,255	\$3,819,414	\$3,953,094	\$4,091,452	\$4,234,653	\$4,382,866	\$4,536,266	\$4,695,035
Less: Vacancy & Credit Loss (Redevelopment)			(\$1,901,581)	(\$1,968,136)	(\$2,037,021)	(\$2,108,317)	(\$2,182,108)	(\$2,258,482)	(\$2,337,529)	(\$2,419,342)	(\$2,504,019)
Net Rental Income			\$49,203,408	\$50,925,527	\$52,707,920	\$54,552,697	\$56,462,042	\$58,438,213	\$60,483,551	\$62,600,475	\$64,791,492
Per Unit (Stablized) % Increase											
Less: Operating Expenses			\$3,200	2.75%	(\$3,240,303)	(\$3,329,411)	(\$3,420,970)	(\$3,515,047)	(\$3,611,710)	(\$3,711,032)	(\$3,813,086)
Less: Insurance			\$375	3.00%	(\$389,064)	(\$400,736)	(\$412,758)	(\$425,141)	(\$437,895)	(\$451,032)	(\$464,563)
Less: Property Taxes			\$3,773	2.00%	(\$3,551,008)	(\$3,622,028)	(\$3,694,468)	(\$3,768,358)	(\$3,843,725)	(\$3,920,599)	(\$3,999,011)
Less: Capital Expenses			\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses			(\$8,106,774)	(\$8,278,574)	(\$8,454,596)	(\$8,634,945)	(\$8,819,730)	(\$9,009,063)	(\$9,203,059)	(\$9,401,836)	(\$9,605,515)
Operating Expense Ratio			16.5%	16.3%	16.0%	15.8%	15.6%	15.4%	15.2%	15.0%	14.8%
Net Operating Income (before ground lease)			\$41,096,633	\$42,646,952	\$44,253,324	\$45,917,753	\$47,642,312	\$49,429,150	\$51,280,491	\$53,198,639	\$55,185,977
Less: Ground Lease Payment			(\$1,795,058)	(\$1,839,935)	(\$1,885,933)	(\$1,933,082)	(\$1,981,409)	(\$6,807,345)	(\$6,977,529)	(\$7,151,967)	(\$7,330,766)
Net Operating Income (after ground lease)			\$39,301,575	\$40,807,017	\$42,367,391	\$43,984,671	\$45,660,903	\$42,621,805	\$44,302,962	\$46,046,672	\$47,855,211
Less: Debt Service			(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)	(\$21,848,594)
Net Proceeds from Refinance:			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition											
Cap Rate											
NOI											
Asset Value											
Sale Price											
Less: Commissions & Closing Cc			2.00%								
Less: Principal Balance of Loan O/S											
Net Proceeds from Disposition											
Total Cash Flow Before Taxes (Hold Period Leveraged)			\$17,452,981	\$18,958,423	\$20,518,797	\$22,136,077	\$23,812,309	\$20,773,211	\$22,454,368	\$24,198,077	\$26,006,616
IRR			8.8%								
Total Cash Flow Before Taxes (Hold Period Unleveraged)			\$39,301,575	\$40,807,017	\$42,367,391	\$43,984,671	\$45,660,903	\$42,621,805	\$44,302,962	\$46,046,672	\$47,855,211
IRR			8.1%								

Cash Flow Forecast

Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$49,730,940	\$51,676,305	\$53,693,839	\$55,786,166	\$57,956,004	\$60,206,168	\$62,539,577	\$64,959,251	\$67,468,322
IRR	8.1%								

Mariner's Cove - Developer Proposal (2.2 Hold Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

Lease Year (Start 2015)	48	49	50	51	52	53	54	55	56
	Year 2063	Year 2064	Year 2065	Year 2066	Year 2067	Year 2068	Year 2069	Year 2070	Re-Appraisal Year 2071
	43	44	45	46	47	48	49	50	51
Redevelopment: Total Units	772	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)	\$12,991	\$13,446	\$13,916	\$14,403	\$14,908	\$15,429	\$15,969	\$16,528	\$17,107
Monthly Rent Per S.F. (Total Units)	\$13.77	\$14.25	\$14.75	\$15.27	\$15.80	\$16.36	\$16.93	\$17.52	\$18.13
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)	\$120,349,497	\$124,561,729	\$128,921,389	\$133,433,638	\$138,103,815	\$142,937,449	\$147,940,260	\$153,118,169	\$158,477,305
Other Income	\$9,026,211	\$9,342,129	\$9,669,103	\$10,007,522	\$10,357,785	\$10,720,308	\$11,095,518	\$11,483,862	\$11,885,797
Less: Vacancy & Credit Loss (Redevelopment)	(\$4,813,980)	(\$4,982,469)	(\$5,156,856)	(\$5,337,346)	(\$5,524,153)	(\$5,717,498)	(\$5,917,610)	(\$6,124,727)	(\$6,339,092)
Net Rental Income	\$124,561,728	\$128,921,389	\$133,433,637	\$138,103,814	\$142,937,448	\$147,940,259	\$153,118,168	\$158,477,304	\$164,024,009
	Per Unit (Stablilized)	% Increase							
Less: Operating Expenses	\$3,200	2.75%	(\$6,740,545)	(\$6,925,910)	(\$7,116,372)	(\$7,312,073)	(\$7,513,155)	(\$7,719,766)	(\$7,932,060)
Less: Insurance	\$375	3.00%	(\$864,223)	(\$890,150)	(\$916,854)	(\$944,360)	(\$972,691)	(\$1,001,871)	(\$1,031,928)
Less: Property Taxes	\$3,773	2.00%	(\$6,061,167)	(\$6,182,390)	(\$6,306,038)	(\$6,432,159)	(\$6,560,802)	(\$6,692,018)	(\$6,825,858)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$14,592,335)	(\$14,924,850)	(\$15,265,665)	(\$15,614,991)	(\$15,973,047)	(\$16,340,056)	(\$16,716,246)	(\$17,101,852)	(\$17,497,117)
Operating Expense Ratio	11.7%	11.6%	11.4%	11.3%	11.2%	11.0%	10.9%	10.8%	10.7%
Net Operating Income (before ground lease)	\$109,969,393	\$113,996,539	\$118,167,972	\$122,488,823	\$126,964,401	\$131,600,203	\$136,401,922	\$141,375,451	\$146,526,892
Less: Ground Lease Payment	(\$11,719,331)	(\$12,012,314)	(\$12,312,622)	(\$12,620,438)	(\$12,935,948)	(\$13,259,347)	(\$13,590,831)	(\$13,930,602)	(\$14,278,867)
Net Operating Income (after ground lease)	\$98,250,062	\$101,984,225	\$105,855,350	\$109,868,386	\$114,028,452	\$118,340,856	\$122,811,091	\$127,444,849	\$132,248,026
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Dispoition									
Cap Rate									
NOI									
Asset Value									
Sale Price									
Less: Commissions & Closing Cc	2.00%								
Less: Principal Balance of Loan O/S									
Net Proceeds from Disposition									
Total Cash Flow Before Taxes (Hold Period Leveraged)	\$98,250,062	\$101,984,225	\$105,855,350	\$109,868,386	\$114,028,452	\$118,340,856	\$122,811,091	\$127,444,849	\$132,248,026
IRR	8.8%								
Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$98,250,062	\$101,984,225	\$105,855,350	\$109,868,386	\$114,028,452	\$118,340,856	\$122,811,091	\$127,444,849	\$132,248,026
IRR	8.1%								

Cash Flow Forecast

Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$137,226,725	\$142,387,270	\$147,736,210	\$153,280,328	\$159,026,648	\$164,982,446	\$171,155,257	\$177,552,883	\$184,183,407
IRR	8.1%								

Cash Flow Forecast

Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$191,055,199	\$198,176,927	\$205,557,568	\$213,206,419	\$221,133,109	\$229,347,609	\$237,860,245	\$246,681,711	\$255,823,082
IRR	8.1%								

Cash Flow Forecast

Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$265,295,826	\$275,111,821	\$285,283,367	\$295,823,199	\$306,744,510	\$318,060,957	\$329,786,686	\$341,936,345	\$354,525,102
IRR	8.1%								

Cash Flow Forecast

Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$367,568,666	\$381,083,302	\$395,085,853	\$409,593,763	\$424,625,092	\$440,198,545	\$456,333,488	\$473,049,976	\$490,368,777
IRR	8.1%								

Mariner's Cove - Developer Proposal (2.2 Hold Period)
Ocean Beach, San Diego, CA
Cash Flow Forecast

	Lease Year (Start 2015)	93	94	95	96	97	98	99
	Year 2108	Year 2109	Year 2110	Year 2111	Year 2112	Year 2113	Year 2114	
	88	89	90	91	92	93	94	
Redevelopment: Total Units	772	772	772	772	772	772	772	772
Monthly Rent (Total Units)	\$61,089	\$63,227	\$65,440	\$67,730	\$70,101	\$72,554	\$75,094	
Monthly Rent Per S.F. (Total Units)	\$64.76	\$67.02	\$69.37	\$71.80	\$74.31	\$76.91	\$79.60	
Annual Increase In Rent (Total Units)	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%	3.50%
Existing: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-
Existing: Gross Rental Income (Total Units)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Redevelopment: Gross Rental Income (Market Rate Units)	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Affordable Units)	-	-	-	-	-	-	-	-
Redevelopment: Gross Rental Income (Total Units)	\$565,926,484	\$585,733,911	\$606,234,598	\$627,452,809	\$649,413,658	\$672,143,136	\$695,668,145	
Other Income	\$42,444,482	\$43,930,039	\$45,467,590	\$47,058,956	\$48,706,019	\$50,410,730	\$52,175,106	
Less: Vacancy & Credit Loss (Redevelopment)	(\$22,637,059)	(\$23,429,356)	(\$24,249,384)	(\$25,098,112)	(\$25,976,546)	(\$26,885,725)	(\$27,826,726)	
Net Rental Income	\$585,733,907	\$606,234,594	\$627,452,805	\$649,413,653	\$672,143,131	\$695,668,140	\$720,016,525	
	Per Unit (Stablilized)	% Increase						
Less: Operating Expenses	\$3,200	2.75%	(\$22,849,536)	(\$23,477,898)	(\$24,123,540)	(\$24,786,938)	(\$25,468,578)	(\$26,168,964)
Less: Insurance	\$375	3.00%	(\$3,268,143)	(\$3,366,187)	(\$3,467,172)	(\$3,571,188)	(\$3,678,323)	(\$3,788,673)
Less: Property Taxes	\$3,773	2.00%	(\$14,776,241)	(\$15,071,766)	(\$15,373,201)	(\$15,680,665)	(\$15,994,278)	(\$16,314,164)
Less: Capital Expenses	\$1,200	0.00%	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)	(\$926,400)
Operating Expenses	(\$41,820,319)	(\$42,842,251)	(\$43,890,314)	(\$44,965,190)	(\$46,067,580)	(\$47,198,201)	(\$48,357,791)	
Operating Expense Ratio	7.1%	7.1%	7.0%	6.9%	6.9%	6.8%	6.7%	
Net Operating Income (before ground lease)	\$543,913,588	\$563,392,343	\$583,562,491	\$604,448,462	\$626,075,551	\$648,469,939	\$671,658,734	
Less: Ground Lease Payment	(\$35,602,194)	(\$36,492,249)	(\$37,404,555)	(\$38,339,669)	(\$39,298,160)	(\$40,280,614)	(\$41,287,630)	
Net Operating Income (after ground lease)	\$508,311,394	\$526,900,095	\$546,157,936	\$566,108,794	\$586,777,390	\$608,189,325	\$630,371,104	
Less: Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Net Proceeds from Refinance:	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Disposition								
Cap Rate								
NOI								
Asset Value								
Sale Price								
Less: Commissions & Closing Cc	2.00%							
Less: Principal Balance of Loan O/S								
Net Proceeds from Disposition								
Total Cash Flow Before Taxes (Hold Period Leveraged)	\$508,311,394	\$526,900,095	\$546,157,936	\$566,108,794	\$586,777,390	\$608,189,325	\$630,371,104	
IRR	8.8%							
Total Cash Flow Before Taxes (Hold Period Unleveraged)	\$508,311,394	\$526,900,095	\$546,157,936	\$566,108,794	\$586,777,390	\$608,189,325	\$630,371,104	
IRR	8.1%							

Corporate Profile

London Moeder Advisors

REPRESENTATIVE SERVICES

Market and Feasibility Studies	Development Services	Litigation Consulting
Financial Structuring	Fiscal Impact	Workout Projects
Asset Disposition	Strategic Planning	MAI Valuation
Government Processing	Capital Access	Economic Analysis

London Moeder Advisors (formerly The London Group) was formed in 1991 to provide real estate advisory services to a broad range of clientele. The firm principals, Gary London and Nathan Moeder, combine for over 60 years of experience. We have analyzed, packaged and achieved capital for a wide variety of real estate projects. Clients who are actively pursuing, developing and investing in projects have regularly sought our advice and financial analysis capabilities. Our experience ranges from large scale, master planned communities to urban redevelopment projects, spanning all land uses and development issues of all sizes and types. These engagements have been undertaken principally throughout North America and Mexico.

A snapshot of a few of the services we render for both the residential and commercial sectors:

- **Market Analysis** for mixed use, urban and suburban properties. Studies concentrate on market depth for specific products, detailed recommendations for product type, absorption and future competition. It also includes economic overviews and forecasts of the relevant communities.
- **Financial Feasibility Studies** for new projects of multiple types, including condominium, apartment, office, and master-planned communities. Studies incorporate debt and equity needs, sensitivity analyses, rates of return and land valuations.
- **Litigation support/expert witness services** for real estate and financial related issues, including economic damages/losses, valuations, historic market conditions and due diligence. We have extensive deposition, trial, mediation and arbitration experience.
- **Investment studies for firms acquiring or disposing of real estate.** Studies include valuation, repositioning projects and portfolios, economic/real estate forecasts and valuation of partnerships. Often, the commercial studies include the valuation of businesses.
- **Estate Planning services** including valuation of portfolios, development of strategies for disposition or repositioning portfolios, succession planning and advisory services for high-net-worth individuals. We have also been involved in numerous marriage dissolution assignments where real estate is involved.
- **Fiscal Impact, Job Generation and Economic Multiplier Effect Reports,** traditionally prepared for larger commercial projects and in support of Environmental Impact Reports. We have been retained by both developers and municipalities for these reports. The studies typically relate to the tax revenues and employment impacts of new projects.

The London Group also draws upon the experience of professional relationships in the development, legal services, financial placement fields as well as its own staff. Clients who are actively investigating and investing in apartment projects, retail centers, commercial projects, mixed use developments and large master plans have regularly sought our advice and financial analysis capabilities.

San Diego: 825 10th Ave | San Diego, CA 92101 | (619) 269-4010
Carlsbad: 2792 Gateway Road #104 | Carlsbad, CA 92009 | (619) 269-4012



Contact Information

Research for this project was completed in February 2022. Conclusions and recommendations are strictly those of London Moeder Advisors. Users of this information should recognize that assumptions and projections contained in this report *will* vary from the actual experience in the marketplace. Therefore, London Moeder Advisors is not responsible for the actions taken or any limitations, financial or otherwise, of property owners, investors, developers, lenders, public agencies, operators or tenants.

This assignment was completed by the staff of London Moeder Advisors. **Nathan Moeder**, Principal, served as project director. **Jonathan Rivas**, Analyst, conducted analysis and prepared exhibits in this report. **Gary London**, Senior Principal, provided strategic consultation, editing and recommendations. For further information or questions contact us at:

London Moeder Advisors

San Diego: 825 10th Ave | San Diego, CA 92101 | (619) 269-4010

Carlsbad: 2792 Gateway Road #104 | Carlsbad, CA 92009 | (619) 269-4012

www.londonmoeder.com