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September 16, 2010

Honorable Antonio R. Villaraigosa
Mayor, City of Los Angeles
Room 303, City Hall
200 N. Spring Street
Los Angeles, CA 90012

Honorable Members of the City Council
City of Los Angeles
c/o City Clerk, City Hall
200 N. Spring Street
Los Angeles, CA 90012

Attention: Pamela Finley, Legislative Coordinator

Attention: Sharon Gin, Legislative Assistant

**COUNCIL TRANSMITTAL: LOS ANGELES HOUSING DEPARTMENT (LAHD)
RECOMMENDATIONS FOR THE 2010 ROUND 3 AFFORDABLE HOUSING TRUST FUND
(AHTF) NOTICE OF FUNDING AVAILABILITY (NOFA) AND REPORT BACK
REGARDING AHTF POLICIES AND ACTIVITIES**

SUMMARY

The General Manager of the Los Angeles Housing Department requests authority to implement modifications to the 2010 AHTF Round 3 NOFA as described in this report and in the NOFA, which is provided as Attachment 1. These modifications include recommendations from the Housing, Community and Economic Development (HCED) Committee in their report dated January 13, 2010 (C.F. #09-2841), which instructed LAHD to report back with recommendations for:

- 1) Encouraging mixed-income projects and renovation of historic properties;
- 2) Establishing affordability terms based on property characteristics;
- 3) Providing priority leasing to community members within a certain radius of an AHTF development;

Funding for the 2010 Round 3 NOFA includes:

- \$8 million in HOME Investment Partnership funds;
- \$35 million in Neighborhood Stabilization Program 2 (NSP-2) funds;
- \$4.7 million in Energy Efficiency Block Grant (EEBG) funds
- \$2.6 million in Local Housing Trust Fund Program (LHTFP)
- \$328,095 in Community Development Block Grant (CDBG) funds
- \$1 million in Housing Opportunities for Person with AIDS (HOPWA) funds
- \$219,165 in McKinney Bond proceeds
- \$1.2 million in LADWP Sustainable Building Program funds

- \$3.9 million in LADWP Infrastructure funding for Permanent Supportive Housing

In addition, the NOFA will solicit proposals for the purchase of four small City-owned residential properties to be converted into multi-family long-term affordable housing.

The Local Housing Trust Fund Program (LHTFP)

The \$2,000,000 award of LHTFP offers grants to public and not-for-profit agencies for the purpose of supporting new and existing local housing trust funds dedicated to the creation or preservation of affordable housing. The LAHD submitted its application in early 2009. Due to the State's fiscal crisis, the Proposition 13 bonds could not be issued for this and other housing programs until recently, which is why these funds are now available.

As described in the Mayor and Council-approved motion authorizing the LAHD to apply in early 2009, the grant funds must be matched with, at minimum, an equal amount of *local* dollars committed to the Affordable Housing Trust Fund (AHTF) from a non-traditional source, not already restricted for housing use by State or Federal law, as are federal HOME and CDBG dollars. The \$2 million matching funds of General Fund was authorized in the approved budget for the 2009 fiscal year and has been held in reserve pending the grant award.

The State NOFA gave preference to applications which committed funds for first-time homebuyer assistance and housing for persons with extremely low incomes. Therefore, in order to be competitive, the LAHD recommended at the time, and was authorized by the Mayor and City Council to propose using the total amount available \$4,000,000 of LHTFP grant and the local match for both homebuyer assistance, \$1,350,000 and the City's Permanent Supportive Housing Program through the Affordable Housing Trust Fund, \$2,650,000.

RECOMMENDATIONS

The General Manager, Los Angeles Housing Department (LAHD), respectfully recommends the following:

1. That your office schedule this transmittal at the next available meeting of the appropriate City Council Committee(s) for review and forward it to the City Council for review and approval immediately thereafter;
2. That the City Council, subject to the approval of the Mayor, authorize the General Manager, LAHD to:
 - A. Issue the 2010 Round 3 Notice of Funding Availability for the AHTF with the recommended changes;
 - B. Seek proposals for the purchase of the following City-owned properties for the development of affordable multi-family housing:

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- a. 2516 Eastlake Avenue and 3211-3213 ½ Altura Walk;
 - b. 819 W. 4th Street;
 - c. 851 W. 81st Street;
 - d. 252 S. Rampart Boulevard.
- C. Allocate \$35 million in NSP funds for loans to eligible multi-family projects under the terms of this NOFA;
- D. Expend funds, upon proper written demand from the General Manager, LAHD, or designee for the purpose of paying off Deeds of Trust associated with the disposition of LAHD-owned or controlled properties for purposes of enforcing and protecting the City's liens, covenants, and collateral prior to offering said properties for sale as affordable housing;
- E. Prepare any necessary technical adjustment(s), consistent with Mayor and Council actions on this matter, subject to the approval of the City Administrative Officer.

BACKGROUND

Changes to the 2010 AHTF Round 3 NOFA / Report Back Items

Changes to the 2010 AHTF Round 3 NOFA include provisions to accept proposals for the purchase of City-owned properties for the development of affordable housing developments, and applications for projects competing for \$8 million in HOME funds, \$5 million in Energy Efficiency Block Grant funds, and \$35 million in Neighborhood Stabilization Program 2 (NSP-2) funds.

Lastly, proposed changes to the 2010 Round 3 NOFA include items that were part of the HCED Committee's January 13, 2010 report, which is referenced in the summary portion of this transmittal.

Sale of City-owned Properties

In compliance City Administrative Code requirements, LAHD is requesting authority to solicit proposals for the purchase of the following LAHD-controlled housing properties:

<u>Address</u>	<u>Units</u>	<u>Council District</u>	<u>LAHD Cost</u>
2516 Eastlake Av. and 3211-3213 ½ Altura Walk	5	1	\$462,684
819 W. 4 th Street	10	15	70,158
851 W. 81 st Street	8	8	673,117
252 Rampart Blvd. BA0354	1	13	<u>129,045</u>

TOTAL

24

\$1,335,004

LAHD acquired the above sites either through direct purchase or as a result of a foreclosure action. The current condition of the properties necessitates that they be transferred to capable developers to be fully rehabilitated, owned and managed as affordable housing. At the time of sale, LAHD will record rent regulatory agreements having a term of at least 30 years to ensure the long-term affordability of the units.

Through this process, LAHD will select the most qualified proposal and return to Mayor and Council for confirmation of the sales terms as well as approval of the required ordinance to effectuate the sale. LAHD plans to fully finance the acquisition of the properties by accepting a promissory note for payment. Developers may apply for NSP 2 funds for rehabilitation of eligible properties. If the acquisition is financed through a promissory note, repayment of the note may be deferred for a number of years or be repaid from the residual receipts generated by each property. LAHD will sell the properties for no more than 99% of the current appraised value (taking into consideration the long-term affordability covenants) so that the properties will be eligible for NSP2 funds.

Proposed Energy Efficiency Retrofit Pilot Program

The City has been allocated \$37 million in direct formula funding under the American Recovery and Reinvestment Act of 2009 (ARRA) through the U.S. Department of Energy's (DOE) Energy Efficiency and Conservation Block Grant (EECBG). The grant required that the City prepare a strategy for the use of these funds. DOE approved the City's strategy on March 12, 2010.

The approved strategy includes fourteen (14) program areas and lead departments. One of the programs administered by the LAHD is the \$4.7 million affordable multifamily housing retrofit program. The goal of this program is to improve the energy and water efficiency in approximately ten (10) affordable housing developments.

EECBG funds must be committed by January 2011 and expenditure deadlines for the funds are as follows:

- June 2011: 50%
- June 2012: 90%
- July 26, 2012: grant expiration

Eligible projects include buildings with existing or proposed affordability covenants with an initial term of not less than thirty (30) years, which restrict occupancy of 100% of the units to households with incomes less than 60% of Area Median.

Residual receipts loans of up to \$500,000 per property will be made available for retrofits resulting 20% to 40% improvements in energy efficiency.

LAHD will select up to 10 applicants/properties (plus five alternates) ranked by order of potential energy savings. Applicants will be required to obtain an energy audit conducted by a certified professional, to the satisfaction of LAHD. The audit will determine baseline energy usage and establish a scope of work. If the scope of work cannot achieve a minimum 20% improvement in energy efficiency within the maximum loan amount, the application will be disqualified. LAHD will produce loan documents, inspect work and disburse funds.

After the retrofit work has been completed, a third party energy consultant will verify that the efficiency improvements have been installed correctly and are operating as intended. Utility data will be tracked for a period of three years to ensure continued performance. Residents and property managers will receive information on the retrofit improvements/new systems and system maintenance training.

Neighborhood Stabilization Program 2 (NSP-2) Funds

The purpose of the NSP is to stabilize neighborhoods that have been impacted by foreclosed and abandoned residential properties. Funds are provided to local governments to acquire, rehabilitate and resell properties at affordable prices to eligible buyers, thus stabilizing and improving the appearance of neighborhoods.

On July 30, 2008, Congress approved the Housing and Economic Recovery Act (HERA) of 2008 (HR 3221), which authorized \$3.9 billion to assist areas of the nation most affected by the home foreclosure crisis under the Neighborhood Stabilization Program (NSP-1). The City of Los Angeles was allocated \$32,870,860 of these funds. These funds have all been committed to qualified projects, primarily vacant, foreclosed upon single family homes. On May 4, 2009, HUD issued a competitive Notice of Funding Availability of up to \$1.93 billion for the Neighborhood Stabilization Program 2 (NSP-2). The City submitted one of the top rated applications and was awarded \$100 million. Half of the funds were for homeownership and half for rental projects. The source of these funds is the American Reinvestment and Recovery Act of 2009 (ARRA); therefore, 50% must be expended by January 14, 2012 and the remainder of the \$100 million plus all program income must be spent by January 14, 2013.

NSP funds are targeted to areas of greatest need, identified by the U.S. Department of Housing and Urban Development (HUD) based on the number and percentage of foreclosures, subprime mortgages, and anticipated foreclosures in census tracts where at least 51% of the households have incomes at or below 120% of area median income (AMI). Twenty-five percent (25%) of the NSP grant funds (at least \$25 million for NSP-2) must be used for households whose incomes are at or below 50% AMI.

LAHD is requesting that \$35 million in NSP-2 funds be provided to qualified projects under this NOFA in order to fulfill the NSP requirements to:

- spend at least 50% of the funds by January 14, 2012;
- use at least 25% of funds to house households whose incomes are at or below 50% AMI;
- provide half the funds for rental housing.

Use of NSP funds must have a beneficial impact on stabilizing the neighborhood. Rehabilitation or new construction must meet the Enterprise Green Communities energy conservation and efficiency standards

or the requirements of the City of Los Angeles's proposed CALGreen code (whichever is higher). All projects will be required to enter into affordability covenants for up to 55 years.

So that these projects do not compete with other projects seeking 9% Low Income Housing Tax Credits which received funding commitments under previous NOFAs, the LAHD will request that Council approve the issuance of tax-exempt bonds for projects awarded NSP funds under this NOFA.

HCED Recommendations for the 2010 AHTF Round 3 NOFA

In its January 13, 2010 report, the HCED Committee instructed LAHD to report back with recommendations to include the following changes to the AHTF NOFA:

- 1) Methods to encourage inclusion of income-restricted units as part of mixed-income projects with market-rate units, in addition to including certain public benefit criteria which may differ from that of 100% affordable projects, such as:
 - a. Providing affordable units in a mixed-income project (in higher income areas);
 - b. Leveraging with private financing instead of 100% public funding, in order to preserve scarce state and local funds;
 - c. Establishing varying lengths of affordability covenants so that they are consistent with corresponding property characteristics;
 - d. Renovation instead of demolition of historic properties;
- 2) Input regarding how the aforementioned mixed-income modifications, if adopted, would have changed the ranking of projects submitted for awards under the most recent NOFA;
- 3) A feasibility study regarding the establishment of priority leasing and/or notification of housing to community members currently residing within a certain radius of an AHTF development.

In addition, the Committee instructed LAHD to report back on the feasibility of using AHTF 5% CRA/LA tax increment funds for homeownership preservation and/or foreclosure prevention.

The Committee also instructed the Housing Authority of the City of Los Angeles (HACLA) and LAHD to report back on the following issues which have since been addressed in transmittals subsequent to the Committee's request:

- 1) The status of the HACLA application process for project-based vouchers; LAHD reported on the use of HACLA Project-Based Vouchers in its report to Council for the AHTF 2010 Round 2 recommendations (C.F. 09-2841);
- 2) Status of the Five-Year Housing Plan and how it compares with the policies and recommendations for the 2010 AHTF NOFA;

- 3) The balance of the AHTF 5% Community Redevelopment Agency of Los Angeles (CRA/LA) tax increment set-aside funds, including a report which identifies, by Council District, where the funds originate and are expended.

In response to the Committee's request, LAHD proposes a mixed-income, privately funded program for projects that have secured funding from sources other than the State, but are still in need of gap financing through the AHTF:

The new funding category and attendant subsidy limits will ensure that LAHD funding does not:

- Exceed the amount available for traditional affordable housing projects;
- Assist underlying market infeasibility or units already restricted by land use incentives;
- Become a substitute for other available public leveraging sources.

The Round 2 NOFA contained a set-aside for Non-Profit Homeless assistance projects, which allowed higher base subsidy limits. Those higher limits would be available to the new program category, in addition to the other program categories under this NOFA.

Current regulations provide 5% subsidy boosts to projects located in South Los Angeles, Transit-Oriented Districts and high income areas. For Round 3, in addition to the aforementioned boosts, projects will be eligible for new subsidy boosts as follows:

- Extended Affordability Covenant Boost (5% for each 10-year increment beyond the minimum 30-year covenant, up to 15% or 60 years);
- Historic Property (10%).

Extended Affordability Covenants

Traditional AHTF projects utilize state or federal leveraging sources that require a 55-year affordability covenant. For privately funded projects receiving an AHTF award, the minimum affordability term will be 30 years. To encourage applicants to commit to a longer term of affordability, a 5% increase in the subsidy per-unit request will be allotted for each additional 10 years of affordability, not to exceed a total increase of 15%.

Historic Properties

LAHD has and will continue to fund the renovation of historic properties. However, the cost associated with historic rehabilitation is often comparable to, or higher than, the cost of new construction. To offset this cost, buildings designated as eligible for the National Register of Historic Places may qualify for historic tax credits. In addition, to make these projects more feasible, a 10% AHTF subsidy boost would be offered.

Mixed-Income Projects With or Without RSO Units

Financing mixed-income developments is sound public policy from a dispersion perspective, as it provides a better balance of jobs to housing and allows the City to establish a supply of affordable units in areas where 100% affordable production is cost prohibitive due to high land costs.

Affordable units in mixed-income developments are eligible for tax credits, although such projects are unlikely to attract investors. Unlike a 100% affordable project, equity investments in a mixed-income project could be depleted in a foreclosure scenario brought on by large fluctuations in the market rate rents. This lack of access to tax credit equity puts such projects at a competitive disadvantage on a subsidy per-unit basis.

Another important component of the City's existing affordable housing stock is its supply of units restricted under the Rent Stabilization Ordinance (RSO). Because rents can be raised to market rate once a unit is vacated, this supply of affordable housing is continuously at-risk of diminishing upon unit turnover. The loss of RSO stock is of greatest concern in higher cost market areas where rents are likely to increase substantially upon decontrol.

However, as the spread between market rents and RSO rents increases, lower turnover can be anticipated and managed by subsidizing the conversion of existing developments with RSO units into affordable housing. While it cannot be predicted with certainty, it is likely that the full public benefit of subsidizing the acquisition and/or rehabilitation of an occupied RSO building would not be realized for five to 10 years.

To address this concern, the proposed subsidy per unit is limited to 40% of the NOFA maximum subsidy limit, including eligible boosts. This approach will enable LAHD to acquire long-term affordability protection for at-risk RSO units at an appropriate subsidy level.

Mixed income subsidy would not be available for projects with:

- More than 50% of the total units are to be income restricted
- Fewer than 50% of the LAHD assisted units have less than two bedrooms
- Fewer than 11 units will be restricted by LAHD
- Market rate rents are not at least 50% higher than affordable rents
- Current affordability covenants

For developments with units that are **not** subject to the Rent Stabilization Ordinance (RSO), subsidy would be based on 75% of the NOFA maximum, including eligible boosts. As previously stated, developments with units that are subject to the RSO would receive 40% of the NOFA maximum, including eligible boosts.

The following table illustrates the comparison between the NOFA Maximum Subsidy limits for a sample 41 unit mixed-income development in a high cost area without RSO units versus the same development with units subject to the RSO:

NOFA MAXIMUM SUBSIDY

Bedrooms	Units	Maximum Base Subsidy per unit	Adjusted Max Subsidy per unit (includes 5% high cost boost)	Total
1 bedroom	20	\$107,500	\$112,875	\$2,257,500
2 bedroom	21	\$115,000	\$120,750	\$2,535,750
NOFA Max. Subsidy	41			\$4,793,250
Development without RSO units	41	75% of Adjusted Max. Subsidy		\$3,594,938
Development with RSO units	41	40% of Adjusted Max. Subsidy		\$1,917,300

Establishment of Recruitment Radius

LAHD staff investigated the feasibility of establishing a priority registration and/or leasing policy to provide community members residing within a certain radius of an AHTF project the first opportunity for tenancy.

Section 8212.2 of the State of California's HOME Program Regulations incorporates Section 8305 of the Department of Housing and Community Development (HCD) Uniform Multifamily Underwriting and Program Regulations (UMR), which prohibits tenant selection based on residency preferences except where accompanied by an equal preference for employment in the local area and applied to areas not smaller than municipal jurisdictions. The HOME Program Regulations stipulate that a deviation from the UMR may be requested on a case-by-case basis though the HCD may, at its sole discretion, approve or disapprove of such requests. Applicable sections of the California HOME Program Regulations and HCD Uniform Multifamily Underwriting and Program Regulations are provided as Attachments 2 and 3.

In order to allow residents an opportunity to apply for affordable housing in their immediate communities while complying with the aforementioned regulations, LAHD will modify its Affirmative Marketing Plan to include a requirement that developers perform increased local outreach efforts by advertising upcoming leasing opportunities in public facilities such as, but not limited to, faith-based organizations (churches, temples, synagogues, etc.), post offices, and markets within a certain radius of the development. This revision to the Affirmative Marketing Plan will be effective in 2010 Round 3 of the AHTF NOFA. Developers will be notified of the change in policy and LAHD's Occupancy Monitoring Unit will review the Plans to ensure that the new requirement is met.

Use of CRA 5% Tax Increment for Foreclosure Prevention and Homeownership

The Committee requested information regarding the possible use of the AHTF's CRA 5% funds for homeownership programs, specifically in relation to the Council District Seven Foreclosure Prevention Program, which was adopted by Council on May 13, 2009 (C.F. 09-0185). In response to Council's inquiries, LAHD provided information in a previous report back in March 2010 (C.F. 08-0689).

The AHTF Cooperation Agreement between the CRA/LA and LAHD provides for the funding of homeownership opportunities with some restrictions. The Agreement states that the 5% tax increment provided to LAHD for low and moderate income housing requires:

- 1) Use within a Redevelopment Project Area (unless a special finding of benefit is made by the CRA/LA Board and City Council);
- 2) Income restrictions for extremely low, very low, low and moderate income households; and
- 3) A 55-year affordability covenant for rental units or a 45-year affordability covenant for for-sale units in accordance with the provisions of Health and Safety Code Section 33334.3.

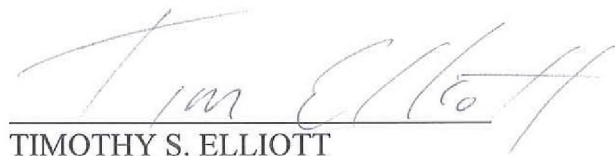
As part of the CD 7 Foreclosure Prevention Pilot Program, the CRA/LA was instructed to enter into a Memorandum of Understanding (MOU) with LAHD, authorizing the use of up to \$1 Million in CRA/LA Low and Moderate Housing Funds from the CD 7 Earthquake Disaster Assistance Project fund. As implementation of the pilot program progressed, it was discovered that many families would not meet the eligibility requirements of the funding source, which is more restrictive than the Home Affordable Modification Program (HAMP), the federal government's version of the foreclosure prevention program.

Due to the funding restrictions attached to the use of the aforementioned CRA/LA funds, it was determined that the Earthquake Disaster Assistance funds were not a viable source for this purpose and alternative funding was sought. On March 10, 2010, a Motion was presented to authorize the substitution of the Earthquake Disaster Assistance funds with CD 7 tax increment funds. However, it was soon discovered that the tax increment funds were equally restrictive and as a result, a Substitute Motion was presented on March 12, 2010, instructing the CRA/LA to de-obligate \$1 Million in AB 1290 funds previously allocated to the Sayre Fire Assistance Fund and Van Nuys Public Library and transfer an equal amount to the LAHD for the Council District Seven Foreclosure Prevention Program. Because the AB 1290 funds are less restrictive, it will make eligibility requirements consistent with HAMP and allow the pilot program to move forward.

FISCAL IMPACT:

For 2010 Round 3, a total of \$56.9 million is available in CDBG, DWP, HOME, HOPWA, Energy Efficiency and Conservation Block Grant, Local Housing Trust Fund (LHTFP), McKinney Bond proceeds and NSP2 funds. \$2,650,000 in General Funds were originally allocated in 2007 for the LHTFP. There are no additional impacts to the General Fund.

Prepared by:



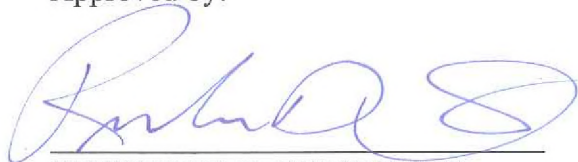
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Approved by:



RUSHMORE D. CERVANTES
Executive Officer



DOUGLAS GUTHRIE
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TE/lis

Attachments: 2010 Round 3 NOFA
HOME Regulations
CA HCD Uniform Multi-Family Regulations

CITY OF LOS ANGELES

**AFFORDABLE HOUSING TRUST FUND
2010 Round 3**

**NOTICE OF FUNDING AVAILABILITY
Neighborhood Stabilization & Energy Efficiency**

Source of Funds

**HOME Investment Partnerships Program (HOME)
Neighborhood Stabilization Program (NSP 2)
Energy Efficiency Block Grant (EEBG)**

September 16, 2010

**AFFORDABLE HOUSING TRUST FUND
2010 NOTICE OF FUNDING AVAILABILITY
ROUND 3**

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**AFFORDABLE HOUSING TRUST FUND
2010 ROUND 3 NOTICE OF FUNDING AVAILABILITY**

ATTACHMENTS AND EXHIBITS

Attachments (must be completed and submitted with application)

1. Assurances & Conditions Certification (*Sec. 1.15.3*)
2. Environmental Checklist (*Sec 2.3.6*)
3. Direct Construction Cost Summary – “Schedule of Values” (*Sec 2.7*)
4. Acquisition – Relocation Project Summary Assessment Form (*Sec 2.9*)
- 4a. Relocation Tenant Rent Roll (*Sec. 1.10.7*)
- 4b. Sample Relocation General Information Notices (*Sec. 1.10.7*)
- 4c. Form Letters Regarding Voluntary Acquisition (*Sec 2.5*)
5. LAHD Credit Check Authorization (*Sec 2.10*)
6. Form Letter Regarding Davis-Bacon/State Prevailing Wage (*Sec 2.11*)
7. Applicant(s)/Borrower(s) Certification Statement (*Sec 2.14*)
- 7b. List of Income Properties (*Sec. 2.12*)
- 7c. Members of Partnership Entities (*Sec. 2.2*)
8. Council Ofc. Support Letter and CRA Letter of Acknowledgement and Support (*Sec 2.4*)
9. Property Management Plan (*Sec. 2.15*)
10. Affordable Housing Referral Form – Los Angeles City Planning Department (*Sec. 2.6*)

Exhibits

1. Request for Information Form
2. LAHD Architectural Requirements
3. Los Angeles City Planning Department’s CEQA Process
4. LADWP/LAHD Sustainable Building Incentive Program
5. Map of South Los Angeles-Priority Area
6. Lead-Based Paint Hazard Remediation Incentive Program
7. HUD Section 3 Requirements
8. City of Industry Program Boundary Map

NSP Exhibits

- | | |
|-------|---|
| NSP1. | Green Communities Criteria Checklist |
| NSP2. | Project Criteria |
| NSP3. | Appraisal Requirements |
| NSP4. | Foreclosure Definitions Used In This NOFA |

EEBG Attachments and Exhibits

- EEBG Attachment 1. EEBG Application
EEBG Exhibit 1. Audit Protocol

City-owned Property Exhibits

- | | |
|-------|---------------------------------|
| COP1. | Appraisals |
| COP2. | Preliminary Title Reports |
| COP3. | Rehabilitation Work Description |

**AFFORDABLE HOUSING TRUST FUND
2010 NOTICE OF FUNDING AVAILABILITY**

INTRODUCTION

The purpose of this Notice of Funding Availability (NOFA) is to announce the availability of funding from the City of Los Angeles through the Los Angeles Housing Department (LAHD) to assist in the creation of affordable housing. The City's goal, through the Affordable Housing Trust Fund (AHTF), is to create housing for low and very-low income households within the City.

The housing created should not only provide additional housing opportunities, but should also attempt to revitalize neighborhoods and remove blight. Irrespective of the funding scenarios, all projects should seek to leverage limited City funding to the greatest extent possible. LAHD's funds must be used in a manner consistent with the regulations applicable to the leveraging source(s).

This NOFA will seek to prioritize projects that have the ability to move quickly from predevelopment into construction and completion. The funds provided under this NOFA are to be used to fill the financing gap between the projected Total Development Cost (TDC) of the project and other available funding sources.

Awards Available in 2010 Round 3

Funding sources available to subsidize projects under this NOFA include:

- \$8 million in HOME Investment Partnership funds;
- \$35 million in Neighborhood Stabilization Program 2 (NSP-2) funds;
- \$4.7 million in Energy Efficiency Block Grant (EEBG) funds;
- \$2.6 million in Local Housing Trust Fund Program (LHTFP);
- \$328,095 in Community Development Block Grant (CDBG) funds;
- \$1 million in Housing Opportunities for Person with AIDS (HOPWA) funds;
- \$219,165 in McKinney Bond proceeds;
- \$1.2 million in LADWP Sustainable Building Program funds;
- \$3.9 million in LADWP Infrastructure funding for Permanent Supportive Housing.

Additional resources available under this NOFA include the opportunity to acquire the following City-owned properties for long-term affordable multi-family rental housing:

<u>Address</u>	<u>Units</u>
2516 Eastlake Av. and 3211-3213 ½ Altura Walk	5
819 W. 4 th Street	10
851 W. 81 st Street	8
252 Rampart Blvd. BA0354	1
TOTAL	24

LAHD is seeking proposals from qualified and experienced developers for the acquisition, and rehabilitation of these properties. Rehabilitation financing is available from applicable funding sources under this NOFA.

HOME Investment Partnership Program

Eight (\$8) Million in HOME funds for 2010 Round 3 are available to privately funded mixed-income projects; i.e., those projects that have secured funding from sources other than the State, but are in need of gap financing through the AHTF.

Neighborhood Stabilization Program (NSP-2)

\$35 Million in NSP2 funds is being made available through this NOFA under the American Recovery and Reinvestment Act of 2009 (ARRA) is the funding source for NSP2. **All NSP2 funds awarded under this NOFA must be expended no later than December 31, 2011** to meet the first ARRA expenditure deadline. Additionally, all units financed with NSP must be restricted for occupancy by households whose incomes are at or below 50% AMI adjusted for household size (LH25 households) with rent and utilities totaling not more than 30% of 50% AMI (adjusted for household size). LAHD intends to issue tax-exempt bonds for qualified projects, therefore, projects submitted under this NOFA should be structured utilizing 4% Low Income Housing Tax Credits as applicable.

Properties must be purchased from a foreclosing entity that has clear title; properties where foreclosure proceedings have been completed and title has been transferred to an intermediary aggregator or servicer that is not an NSP grantee, sub-recipient, contractor, developer, or end user are also allowed. Properties that fall under the new expanded HUD definitions of foreclosed and abandoned (NSP Exhibit 4), must be able to demonstrate that they have site control and sales price approval from all lien holders when the application is submitted.

Up to \$10 million of the \$35 million in NSP2 funds can be for developments that utilize for non-foreclosed vacant properties in NSP2 areas. NSP2 funds may be used for construction or rehabilitation on these properties. Developers proposing to use vacant, non-foreclosed properties under NSP Eligible Use E or foreclosed properties purchased prior to applying for funds under this NOFA should be aware that retroactive reimbursement for property acquisition is not allowed.

Foreclosed or transferred properties where any member of the applicant/sponsor entity is a member of the *current* ownership entity do **not** qualify for NSP funding. Additionally, project sponsors must not acquire foreclosed or abandoned property nor undertake any other "choice limiting actions" until after the funding agreement with LAHD is executed and the property has received environmental clearance from LAHD. Project sponsors must use purchase option contracts when obtaining site control, utilize the appraisal requirements described in NSP Exhibit 3, and pay no more than 99% of current market value based on a NSP appraisal completed within 60 days of final purchase agreement.

NOTE: Current HUD guidance (June 2010) regarding mixed income projects requires that NSP funds are restricted for use on projects that consist entirely of NSP-eligible units. Units must be restricted to occupancy by households with incomes no higher than 120% AMI. A mixed income project is only eligible for NSP funding if the sponsor agrees to the aforementioned restriction. The "market rate" units will then be available only to households at or below 120% AMI.

Although HUD allows grantees to provide NSP funding to units serving households up to 120% AMI, **this NOFA will only provide funds for units serving LH25 households.**

Energy Efficiency and Conservation Block Grant (EECBG)

The City has been allocated direct formula funding under the American Recovery and Reinvestment Act of 2009 (ARRA) for the U.S. Department of Energy's (DOE) Energy Efficiency and Conservation Block Grant (EECBG). \$4.7 million has been allocated to LAHD for inclusion in this NOFA. The City's goal is to utilize these funds for the Energy Efficiency Retrofit Pilot Program. The goal of this program is to improve the energy and water efficiency in approximately ten (10) existing affordable multi-family housing developments by awarding a maximum of \$500,000 per project.

Sale of City-owned Properties

Through this NOFA, LAHD is requesting proposals (RFP) for the acquisition and rehabilitation of four City-owned properties. Selected applicants will enter into an Exclusive Right to Negotiate leading to a Disposition and Development Agreement, which will contain the loan amount and terms. Rehabilitation financing is available through other funding sources listed in this NOFA.

Application Overview

All technical assistance questions must be submitted by e-mail or fax using the attached Request for Information form (Exhibit 1). To ensure the fair and consistent distribution of information, all questions will be answered via a Question-and-Answer (Q&A) document available online at www.lacity.org/LAHD. No individual answers will be given. The Q&A document will be updated on a regular basis to ensure the prompt delivery of information. If you do not have access to the Internet, the Q&A document will be available by fax or by pick-up at the address listed on Part 5 of this NOFA.

One (1) complete original application and one (1) complete copy must be received by LAHD no later than 4:00 P.M., October 18, 2010 for EECBG proposals. Applications for City-owned Properties, Mixed-income, and NSP2 projects must be received no later than 4:00 P.M., November 19, 2010.

Applications must be submitted on forms provided or approved by LAHD and must not be modified. Applications received after the deadline will not be accepted for processing and shall be returned unopened. All applicants are encouraged to file their applications as early as possible. Applicants who file early will have the opportunity to amend their applications prior to the effective due date for the respective round in which they are competing. The LAHD reserves the right to waive minor technical deficiencies in the application. **Any modifications to the Timeline will be posted on the Web and e-mailed to person(s) on the AHTF mailing list.** Contact persons may be added to the mailing list by submitting a request to NOFA10@lacity.org. A copy of the NOFA is available on the Web at www.lacity.org/lahd.

**AFFORDABLE HOUSING TRUST FUND
2010 NOTICE OF FUNDING AVAILABILITY
TIMELINE**

	2010 AHTF	Round 3 Energy Efficiency Block Grant	Round 3 HOME NSP City Owned Properties
1	Stakeholder's Meeting	9/15/10	N/A
2	Draft NOFA posted	9/20/10	9/20/10
3	AHTF Bidders' Conference	9/29/10	9/22/10
4	AHTF Applications due no later than 4:00 p.m.	10/18/10	11/19/10
5	Preliminary Results	11/12/10	12/1/10
6	Last day to appeal	11/16/10	12/3/10
7	Appeals Hearing	11/18/10	12/7/10
8	Results Released	11/24/10	12/10/10
9	Final Scores and Funding Transmittal Released to Mayor's Office	12/1/10	12/15/11
10	Item scheduled for consideration by the HCED Committee	1/12/11	1/12/11
11	Item scheduled for consideration by the City Council	1/19/11	1/19/11
12	Mayor's concurrence	1/26/11	1/26/11
13	CDLAC Deadline		

PART 1 PROGRAM REGULATIONS

Through this Notice of Funding Availability (NOFA), the Los Angeles Housing Department intends to fund the acquisition, rehabilitation, construction and preservation of multi-family rental housing to address the needs of low and very-low income households. The City's ranking criteria will place emphasis on proposed projects that clearly demonstrate secured leveraging source funding and project sponsors that have a proven track record in developing projects on time and within budget.

1.1 Eligible Applicants

Applicants must comply with LAHD's funding source requirements. Applications will be accepted from non-profit developers, for-profit developers, joint ventures, LLCs and limited partnerships. LAHD **will not** accept applications from individuals or entities that have not met current obligations to the Department, as identified in LAHD's Business Policy. Applicants should resolve any delinquencies or other non-compliance issues **prior to** applying for financial assistance. Submittal of a proposed project by an applicant in non-compliance may result in disqualification of the project based on threshold criteria.

1.2 Eligible Projects

Eligible projects include buildings with existing or proposed affordability covenants with an initial term of not less than thirty (30) years.

Special needs groups may also apply under this NOFA. Special needs groups shall be defined as disabled households, survivors of physical abuse and chronically-ill persons, including those with HIV/AIDS.

NSP

Project must be located in a NSP-2 Target Area and immediately adjacent to residentially designated land uses.

EEBG

Existing multi-family affordable rental properties with initial affordability covenants of 30 years minimum that can achieve a 20% to 40% improvement in energy efficiency within the maximum loan amount of \$500,000.

1.3 Ineligible Projects

Projects proposing 9% tax credits or any competitive uncommitted deferred payment financing sources are not eligible to submit applications under this NOFA.

Mixed Income

Subsidy will **not** be available for projects where:

- More than 50% of the total units are to be income restricted
- Fewer than 50% of the LAHD assisted units have less than two bedrooms

- Fewer than 11 units will be restricted by LAHD
- Market rate rents are not at least 50% higher than affordable rents
- Projects currently subject to affordability covenants

NSP

- Mixed-income projects with unrestricted market rate units;
- Projects that do not propose restricting 100% of the NSP-funded units for households whose incomes are at or below 50% AMI adjusted for family size (HUD LH25);
- Any project that does not comply with NSP-2 regulations.

EEBG

Projects that cannot achieve a minimum 20% improvement in energy efficiency within the maximum loan amount.

1.4 Eligible Activities

Specific eligible activities are prescribed by LAHD's funding sources. Regulations vary by type of developer (for-profit or non-profit), funding source, and other sources of project financing present in the project. LAHD funds can generally be used for acquisition, predevelopment reimbursement and rehabilitation or construction related costs.

Funds are available for:

- Acquisition (please review items under 1.5 Ineligible Activities NSP), new construction, reconstruction, or rehabilitation of decent, safe rental housing of a modest (non-luxury) nature with suitable amenities and costs generally recognized as ordinary and necessary for the operation of the project. This includes real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs and relocation expenses. Any net reduction in the number of units must be necessary to improve habitability or marketability of the project.
- Construction and permanent financing expenses including demolition, off-site public improvements, construction bonds, and general contractor and subcontractor payments including overhead, profit and general conditions.

If a new construction project entails relocation or permanent displacement, the project must net a minimum of 100% more units (i.e., double) than the amount to be demolished.

1.5 Ineligible Activities

Ineligible activities include:

- Payment for the relocation of persons engaging in criminal activity or undocumented immigrants as defined by HUD in section 49 CFR Part 24

- The payment of delinquent taxes, fees or charges on properties to be assisted with federal funds
- Capital financing for the purpose of acquisition only or for the sole purpose of refinancing existing debt

NSP

- Funds cannot be used for permanent relocation.
- Retroactive reimbursement for property acquisition is not an eligible use; therefore, NSP funds cannot be used to repay the acquisition loan.

1.6 Rent Standards

All multi-family rental housing projects must use the appropriate TCAC Rent Standards for the types of units which are to be assisted with LAHD funding.

All Projects:

Regardless of the TCAC Rent Standards, rents for the affordable units must be set at least 10% below market rents in that neighborhood as established by a current independent appraisal or market study as required in Section 2.3.1 of this NOFA.

HOME

At least 20% of the units must be rented at 50% AMI.

NSP

Rent and utilities shall not be more than the appropriate TCAC Rent Standards for households whose incomes are at or below 50% AMI adjusted for family size.

1.7 Current Awards, Pending Applications

Proposals that have received an award of funding through the AHTF NOFA are not eligible to apply for funding. Exceptions to this rule will be granted only under the following conditions:

- The current AHTF commitment has been relinquished by the applicant prior to the new application deadline; **or**
- The project type (e.g. family, seniors, special needs) has not changed since the original AHTF commitment; **and**
- Any material changes to project development costs must have been demonstrably beyond the control of the applicant.

Projects that reapply for AHTF financing pursuant to this section will be scored and ranked and will compete on par with all other applicants in this round.

1.8 AHTF-Conditions of Commitment

The maximum term of any letter of commitment will be for one year.

1.9 Maximum Subsidy Limits

Maximum subsidy may only be calculated for those units which will be restricted at or below 60% (50% for NSP) of Area Median Income (AMI) for the Los Angeles Metropolitan Statistical Area. Special Needs subsidy is applied on a per-unit basis, not a per-bed basis.

The maximum LAHD loan available to any one project is \$14 million. In aggregate, the total outstanding loan amount to any one borrower, developer, or general partner may not exceed 5% of LAHD's loan portfolio balance. The borrower loan limits will be updated with each NOFA release.

BASE SUBSIDY LIMITS PER UNIT

Unit Type	Base Subsidy
0-Bdrm	\$100,000
1 bedroom	\$107,500
2 bedroom	\$115,000
3 bedroom	\$115,000
4 bedroom	\$115,000

NSP

Subsidy limits for NSP projects are 200% of the amounts listed above and are not eligible for the subsidy boosts outlined in Section 1.9.1.

EEBG

The maximum loan for EEBG funds shall be \$500,000 per project.

1.9.1 Subsidy Boosts

The base subsidy per-unit amounts may be increased if the project meets certain criteria that further the City's housing goals as described below. Subsidy boosts may be combined and applied cumulatively, but in no case shall exceed Section 221(d)(3) maximum per-unit subsidy limits under the HOME Program, as outlined in the table below.

HOME PROGRAM MAXIMUM SUBSIDY LIMITS

Bedrooms	HOME Maximum Subsidy
0	\$125,928
1	\$144,355
2	\$175,536
3	\$227,086
4+	\$249,271

1.9.1.1 South Los Angeles

Proposed projects situated within the South Los Angeles boundaries (Exhibit 5) shall be eligible for a 5% increase in the base subsidy limits

as outlined in Section 1.9. The geographic boundaries of South Los Angeles are defined as:

- Pico Boulevard to the North
- Alameda Avenue to the East
- Imperial Highway to the South
- La Cienega Boulevard to the West

1.9.1.2 TOD

Transit-Oriented Developments shall be eligible for a 5% increase in the base subsidy limits as outlined in Section 1.9. Projects must be located within one-quarter mile from a Transit Station serving:

- Heavy Rail (*METRO Red Line*) or
- Light Rail, or
- Bus Rapid Transit (*METRO Orange Line*)

as defined by Part 13 of Division 31 of the Health and Safety Code (commencing with Section 53560), which establishes the Transit Oriented Development Implementation Program, measured in a straight line from the nearest boundary of the Housing Development parcel to the outer boundary of the Transit Station site; and within one-quarter mile from a Transit Station, measured from the nearest boarding point of the Transit Station to the entrance of the residential structure in the Housing Development furthest from the Transit Station along a walkable route. The walkable route, after completion of the proposed Project, shall be free of negative environmental conditions that deter pedestrian circulation, such as barriers; stretches without sidewalks or walking paths; noisy vehicular tunnels; streets, arterials or highways without regulated crossings that facilitate pedestrian movement; or stretches without lighted streets.

For applications requesting the TOD subsidy boost, the following documentation is required:

- Scaled Distance Map and Parcel Map
- Bus/Train/Subway schedules

1.9.1.3 Balanced Communities

Developments located within a high income area shall be eligible for a 5% increase in the base subsidy limits as outlined in Section 1.9. The proposed development may qualify if:

- The location is within a census tract where the average income is at or above 100% of the Los Angeles-Long Beach-Santa Ana, CA Metropolitan Statistical Area median, as verified by census data; or
- The location is within a ½ mile radius where the average home sales prices are above 100% of the area median sales price for Los Angeles County, as published by the Standard & Poor's/Case-Shiller index of home prices or the California Association of Realtors.

1.9.1.4 New Generation Fund (NGF)/Supportive Housing Loan Fund (SHLF)
Projects that have received NGF or SHLF awards shall be eligible for a 5% increase in the base subsidy limits as outlined in Section 1.9.

1.9.1.5 Historic Properties
Buildings designated as eligible for the National Register of Historic Places shall be eligible for a 10% increase in the base subsidy limits as outlined in Section 1.9.

1.9.1.6 Extended Affordability Covenants
Projects not subject to any other regulatory agreements shall be eligible for 5% increase in the base subsidy outlined in Section 1.9, for each 10-year increment beyond the minimum 30-year covenant, up to 15% or 60 years.

1.9.2 Mixed Income Projects
Currently occupied projects applying for funding under this category will be eligible for subsidy amounts that are below the base subsidy limits outlined in Section 1.9.

Projects will be eligible for the subsidy boosts outlined in Section 1.9.1.

1.9.2.1 Occupied – Non-RSO Units
Occupied affordable units within mixed-income projects that are not subject to the City of Los Angeles Rent Stabilization Ordinance (RSO) are limited to 75% of the maximum base subsidy limits outlined in Section 1.9.

1.9.2.2 Occupied – RSO Units
Occupied units subject to the RSO are limited to 40% of the maximum base subsidy limits outlined in Section 1.9.

1.10 Density Bonus

Section 12.22 A.25 of the Planning and Zoning Code implements the State's Density Bonus Law (SB 1818) which sets forth provisions and procedures that allow housing developments to receive a density bonus and other incentives, provided a requisite number of dwelling units are set aside for Low or Very Low Income Households as

defined by Sections 50079.5 and 50105 of the California Health and Safety Code. These rent limits are based on calculations developed and published by HCD that are lower than IRS Code Section 42 LIHTC (TCAC), HOME or NSP rent limits.

Projects approved under Planning and Zoning Code Section 12.22-A.25 (including parking reductions) will implement the State Density Bonus Program, and are subject to the aforementioned lower rent limits published by the HCD.

Applications for projects seeking a Density Bonus, including reduced parking or any other incentives, must use the rent limits published by the HCD. Conditions of Approval for any Density Bonus project will require that prior to loan closing, a covenant is recorded that restricts the units to the HCD rent levels. Exceptions may be allowed pursuant to the Zoning Administrator's Interpretation Case No. ZA-2009-2676, Section 12.22-A, 25(d)(2) of the Los Angeles Municipal Code – Density Bonus Provisions. Such applicants are strongly encouraged to confirm the requirements with LAHD's Occupancy Monitoring Division prior to submitting an application under this NOFA. The Occupancy Monitoring Division can be reached at (213) 922-9664.

1.11 Loan Terms and Conditions

1.11.1 Type

Acquisition, Predevelopment and Construction or Permanent Financing only.

1.11.2 Interest Rate - The interest rate for all loans is 5% (simple interest). LAHD reserves the right to negotiate a higher or lower interest rate if it is found to be beneficial to the project.

1.11.3 Calculation of Interest - Simple interest will be calculated on the loan amount outstanding and based upon a 365-day year and actual number of days elapsed.

1.11.4 Payment - Interest will be paid from residual receipts of the project. Unpaid interest will be deferred and due at maturity of the loan.

1.11.5 Term – Thirty (30) Years. NSP Term is 40 years

1.11.6 Conditions for Conversion – LAHD will not allow a construction loan to convert to a permanent loan until the following conditions are met:

- Receipt of a Certificate of Occupancy, a Temporary Certificate of Occupancy or acceptable evidence of final sign-off from the Los Angeles Department of Building and Safety
- Achievement of 90% occupancy
- LAHD receipt of complete rent rolls with required occupancy monitoring forms and other documentation completed

- Evidence of application for property tax abatement if original proforma contemplated tax abatement
- Evidence that any conventional debt for the project has closed or will close concurrently

1.11.7 Relocation

Permanent displacement of the project site's residents is to be minimized. The cost of relocation will be considered in assessing the feasibility of the proposed development. A new construction project must net at minimum 100% more units than the amount to be demolished (i.e., double).

If the proposed site was occupied during the six months prior to or during purchase negotiations, a relocation plan must be submitted. The relocation plan must be completed and carried out by a qualified relocation consultant. A copy of the relocation agreement and consultant's resume/qualifications must also be submitted under this NOFA. The relocation plan must include at a minimum:

- A reasonable cost estimate;
- Identification of the number of households or businesses to be displaced;
- A current rent roll at the time of this application;
- Addresses of the required relocation notices; and,
- A description of the proposed advisory services to be provided to the displaced households/businesses.

All projects will be required to adhere to the Uniform Acquisition and Relocation Act of 1970 (URA), Section 104(d) of the Housing and Community Development Act of 1974, amended, and/or the City of Los Angeles' Rent Stabilization Ordinance (RSO), whichever is applicable to each individual household and is most financially beneficial to the individual household. Please note that at minimum, the RSO relocation benefit amount must be provided to each qualifying household where the federally-prescribed relocation assistance amounts are less than the current RSO-prescribed amount; however, federal funds that are granted through this NOFA can only reimburse relocation costs that are supportable by URA and Section 104(d) regulations. A completed Acquisition-Relocation Project Summary Assessment Form (Attachment 4) must be submitted with the NOFA application. A completed Relocation Tenant Rent Roll (Attachment 4a) must also be submitted, in both hard copy and Microsoft Excel format.

URA regulations require that persons who are scheduled to be displaced must be provided with a General Information Notice (GIN) (Attachment 4b) as soon as feasible. For the purposes of this NOFA, "as soon as feasible" is the application deadline date for NOFA applications. It is therefore required that copies of the General Information Notices sent to each of the tenants residing at the project site be submitted with the NOFA application, along with proof

that the notices were received by the intended recipients. In addition, the GIN must state that local, state, and/or federal regulations regarding relocation or displacement payments may apply. The exception to this requirement is if the developer can provide evidence of good cause as to why it was infeasible to issue GINs and provide proof of service at the time of NOFA application. In this instance, the developer must submit, along with the tenant rent roll, a written statement detailing why it was not feasible to serve the GINs. However in all cases, GINs must be served prior to receipt of the loan commitment, and evidence of such notices must be received by LAHD within 30 days of service to the displaced and/or property owner. If the project fails to secure a funding commitment, either through this NOFA or the chosen leveraging source(s), all GINs must be rescinded.

NSP

Funds cannot be used for permanent relocation.

EEBG / City Owned Properties

Not required at time of application.

1.11.8 Property Management

Skilled property management is critical to the success of affordable housing developments. At the time of application, candidates must submit a Property Management Plan (Attachment 9). This information will be used in the proposal evaluation process. Before LAHD will commit to funding any loan for a project selected through the NOFA process, the developer must submit the qualifications of its management entity. LAHD reserves the right to approve the property management firm for each project. If during the life of the project, LAHD determines that the costs associated with management of the property are higher than those for comparable projects, or that the property management company is not acting in good faith, LAHD may require a change in the property management provider.

1.11.9 Leasing Preference

For AHTF funded projects, the developer must ensure that leasing priority is granted in the following order prior to offering the units to the general public:

- To displaced tenants meeting income and other eligibility requirements *(for projects located within CRA/LA Redevelopment Areas only; please refer to California Health and Safety Code Section 33411.3)*
- To persons currently residing in the City of Los Angeles meeting income and other eligibility requirements

The developer is required to retain up-to-date records of the relocated/displaced tenants' addresses and to properly notify said tenants of lease-up information. Copies of the notices, with proof of delivery, must be

delivered to LAHD for all tenants that were listed in the Relocation Tenant Rent Roll.

In order to help house "situationally homeless" families, the Housing Authority of the City of Los Angeles (HACLA) has agreed to work with the LAHD in creating a process that facilitates giving preference in leasing to families referred by non-profit agencies providing social services under contract with HACLA. Please note that the "situationally homeless" families referred to these projects by HACLA contract agencies shall NOT demonstrate the need for intensive services. For all intents and purposes, leasing preference shall be extended to families that have experienced a recent, non-chronic episode of homelessness. Tenants would also be required to meet all of the projects occupancy requirements. The developer/property management company would not, however, be required to hold 10% of its units off-line if a sufficient number of qualified, priority referrals are not received along with the at-large pool of applicants.

1.11.10 Misrepresentations or Material Changes to the Project

Any changes regarding the borrowing entity or changes to the project's design, including but not limited to unit count, unit configuration, and/or financial structure of either the applicant or the project subsequent to the submittal of the AHTF application must receive LAHD's written approval, otherwise, LAHD reserves the right to withdraw its commitment. In the event misrepresentations are made regarding either the borrowing entity or the project, LAHD's commitment will be cancelled.

1.11.11 Equity Share

For any loan funded by the LAHD, if the borrower fails to perform within a specified period of time and the property is ultimately sold, LAHD will be entitled to a share in any appreciation that has occurred between the price paid at acquisition and the time of sale. LAHD's share in the appreciation will be equal to the proportion of the LAHD loan amount to the original purchase price of the property.

1.11.12 Repayment

Acquisition/Pre-development and Construction Loans - Payment of principal and interest will be deferred during the predevelopment and construction periods as long as the project is not in default.

Permanent Loans - Permanent Loans are generally repaid through a residual receipts note which allows the project to repay principal and accrued interest when adequate cash flow is available for distribution. LAHD receives its pro-rata share of the cash flow remaining after the following allowable deductions: (1) operating expenses calculated on a cash basis; (2) debt service on senior project debt; (3) payments to the operating reserve fund; (4) payments to the replacement reserve fund; (5) repayment of general partner loans; (6) deferred

developer fees; and (7) related party management fee up to fifteen thousand dollars (\$15,000).* LAHD will allow no other fees to be deducted prior to payment of residual receipts to the LAHD.

** The maximum allowable pre-approved related party management fee is up to \$15,000. This fee must be substantiated prior to the closing of the loan by the developer and cannot include charges for any office overhead for the development of the project or project operating expenses.*

1.11.13 Security

The LAHD loans will be evidenced by a promissory note and secured by a deed of trust.

1.11.14 Subordination

The LAHD may, at its discretion, subordinate repayment, security positions and affordability covenants to a conventional lender or other public agency lender.

1.11.15 Affordability Covenant/Regulatory Agreement

The affordability covenant remains in effect for no less than the agreed upon term, regardless of the date upon which the LAHD loan is fully repaid.

1.11.16 Default

The loan agreement will specify the events which may cause LAHD to declare the borrower in default. These events include, but are not limited to:

- Development or operational cost overruns
- Failure to construct the proposed project within the time agreed
- Breach of rent covenants
- Failure to maintain the property
- Failure to make agreed-upon loan repayments
- Failure to receive an LAHD approval prior to any change in ownership entity
- Breach of affirmative action, equal opportunity, contractor responsibility, equal benefits or MBE/WBE requirements
- Failure to submit annual financial statements certified by a certified public accountant
- Failure to comply with Davis-Bacon or Prevailing Wage requirements
- Failure to maintain appropriate insurance coverage
- Commencing construction (including demolition) without LAHD authorization
- Failure to abide by development and/or construction schedules
- Failure to maintain the project "in balance" during construction
- Bankruptcy
- Dissolution or insolvency of the ownership entity

1.12 Cost Guidelines

1.12.1 Purchase Price

The maximum allowable purchase price is the lower of either the purchase price of the property or the as-is appraised value as evidenced by an appraisal prepared by a California State Certified General Appraiser prepared not more than six months prior to the date of the property's acquisition. The appraisal may not determine property value based solely on sale of comparables financed by public agencies. Additionally, if the subject site is being sold by an entity related to the newly proposed ownership entity, any mark-up on the land costs must be clearly stated and will be subject to LAHD approval.

NSP

Maximum allowable purchase price must be at least 1% **below** the as-is appraised value as evidenced by an appraisal prepared by a California State Certified General Appraiser prepared not more than **60 days** prior to the date of the property's execution of the final site control document. Appraiser must use the HUD forms and follow the requirements in NSP Exhibit 3.

EEBG

Not required at time of application.

City-owned Properties

Purchase price must be the current appraised value, shown in Exhibit COP1.

1.12.2 Cost Controls

All contracts, including but not limited to Owner/Architect, Owner/Consultants and Owner/General Contractor must be approved by LAHD. All contract agreements entered into prior to submittal of an AHTF application are subject to LAHD review and approval.

Developers are required to submit a "Schedule of Values" for construction costs. These costs should take into consideration anticipated increases in construction labor and materials costs through the projected construction period. Applicants should not expect LAHD to fill any additional financing gaps that occur as a result of rising prices.

1.12.3 Competitive Bid

If at the time of application, the general contractor was not identified as part of the development team, the construction contract shall be awarded through a competitive bid process. The Borrower shall utilize a Request For Qualifications (RFQ) process (soliciting a minimum of three contractors). Awards will be made to the responsible firm whose proposal is most advantageous to the project with price and other factors considered. Criteria for selection should include, but not be limited to: the success of previous projects; experience and track record for completing projects on time and

within budget; amount of overhead and profit; ability of the general contractor to complete the job within the required time frame; contractor integrity; and, the breadth of financial and technical resources to support the project. The general contractor, construction contract, and any change orders issued thereunder, will be subject to the LAHD approval. If at the time of application, a general contractor has been selected and is identified as a member of the development team, the developer/ general contractor must provide a minimum of three (3) sub-bids of each major trade, including but not limited to site work, concrete, carpentry, drywall, plaster, mechanical, electrical and plumbing.

1.12.4 Disallowed Costs

The LAHD reserves the right to disallow any costs which it believes to be excessive, avoidable, unwarranted or disallowed pursuant to any and all funding guidelines. Additionally, LAHD will not approve a loan based on costs that are determined to be unreasonable or inconsistent with industry standards. Construction estimates will be reviewed at the time of application and any estimates that are considered to be excessively high or low may result in the rejection of the application.

1.12.5 Labor Compliance

All LAHD funded projects are subject to Davis-Bacon or State Prevailing Wage Requirements, depending on the funding source. Projects using both state and federal funds must pay workers the higher of the two wage rates for each labor category.

In accordance with both Davis-Bacon and State Prevailing Wage requirements, projects are subject to residential or commercial wage rates, depending on the size (height) of the structure. Projects over four stories must use the Commercial Wage Determination whereas projects four stories and under must use the Residential Wage Determination. **Project sponsors shall be responsible for determining the correct applicability of Davis-Bacon versus State Prevailing Wage and residential versus commercial wage scales.**

1.12.5.1 Davis-Bacon Wage Requirements

Assuming federal funds will be used as a funding source, all projects will be required to pay wages to laborers and mechanics at the Davis-Bacon wage rates when more than 11 units are funded with HOME monies and eight or more are funded with NSP or CDBG funds. In conformity with HOME, CDBG, or NSP regulations, projects utilizing LAHD funds will be subject to the payment of wages to laborers and mechanics at no less than the minimum wage rate specified in periodic wage determinations (Davis-Bacon Wages) by the Secretary of Labor. Please refer to the United States Department of Labor's website at:

<http://www.wdol.gov/dba.aspx#0>. Refer to "Building" (CA33) for Commercial Wage Rates; "Residential" (CA28) for Residential rates.

1.12.5.2 Prevailing Wage Requirements

Projects funded at any time in whole or in part with Community Redevelopment Agency (CRA/LA) funds are subject to State Prevailing Wage Requirements. Wage determinations can be found at the California Department of Industrial Relations website, at: http://www.dir.ca.gov/dlsr/statistics_research.html. For wage determinations, "General" = Commercial; "Residential" or "Special" = Residential.

1.12.5.3 NSP Wage Requirements

NSP funded projects that do not have State or CRA/LA funding for construction will utilize Davis-Bacon wage rates. State Prevailing Wage requirements will be waived for these projects.

1.13 Architectural Design

All projects applying for funding shall be subject to an architectural review. To be competitive, proposed projects should comply with LAHD Architectural Guidelines (Exhibit 2). Applicants must provide a written description of the project design, along with a minimum of two 24" x 36" sets of architectural plans. The exception to this requirement is for "cosmetic rehabilitation projects" or rehabilitation projects that do not involve structural changes or reconfiguration of existing units. The written project description should be consistent with the submitted design. For "cosmetic rehabilitation projects", applicants are required to submit a property needs assessment report or engineering inspection report as outlined in Section 2.3.5 of this NOFA. Aesthetic and environmental considerations will be considered during the review process. Projects that reflect community input and support and serve to enhance the surrounding community are encouraged.

If demolition of residential units is proposed, the applicant must explain why such an approach is necessary. Structures eligible for listing on the National Register of Historic Places may only be demolished subject to completion of environmental review and approval. Structures built before 1978, which require rehabilitation or demolition, will require a budget for lead and asbestos testing and abatement.

Applicants must inform the proposed project architect of LAHD's Architect Consent and Assignment policies as outlined in Exhibit 2.

NSP

The goal of the City of Los Angeles' NSP2 is to preserve and extend the supply of affordable housing to low and moderate-income residents. As part of this mission, the Los Angeles Housing Department (LAHD) is committed to using sustainable building practices on all of the properties receiving funding via the NSP2. LAHD will require that

new construction and rehabilitation projects receiving NSP2 funding must comply with the Enterprise Community Partners, Green Communities Criteria or the City of Los Angeles Building Codes whichever is higher.

Green Communities is the first national green building rating system developed specifically for developers of all types of affordable housing to be a rigorous yet holistic approach to deliver housing that will provide significant health, economic and environmental benefits. Green Communities is aligned with the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) Green Building Rating System®.

The Green Communities Criteria 2008 can be found at:

<http://www.practitionerresources.org/cache/documents/666/66641.pdf>, and the Green Communities Criteria Checklist can be found as Exhibit NSP1.

EEBG

Not required at time of application.

1.14 Supportive or Enhanced Services

Though not required for affordable housing developments, a coordinated services program would greatly benefit these types of projects. If supportive or enhanced services are proposed, a supportive services plan and budget are required and will be evaluated as part of assessing the long-term viability of the project. The supportive services plan should include the following:

- A description of the population the project intends to serve as well as their service needs.
- A description of the supportive or enhanced services to be provided, including the names of the agencies responsible for providing the services, evidence of the service provider's capability and experience (e.g., resume, list of clients, client recidivism rate, etc.).
- A description of the manner in which services will be provided (how, when, where and how often).
- A plan for funding the services accompanied by detailed Letters of Intent from service providers and/or funding sources indicating specific commitments to fund or provide the supportive services. If the applicant is a service provider using its own funds, include a letter indicating its capability and commitment.
- The applicant must identify the funding sources for the supportive services portion of the project. A separate budget must be submitted for this purpose.
- Income generated by the project may not be utilized to fund supportive services prior to the payment of residual receipts. However, depending on the program, borrowers are allowed to deduct either \$400 or \$800 per unit per year from cash flow to pay for service coordination, prior to calculating the residual receipt payment. Not more than \$400 per unit per year will be allowed towards funding supportive service coordination for special needs populations as defined in Section 1.2 on an annual basis. For projects serving seniors or other tenant

populations, not more than \$100 per unit per year service coordination deduction will be allowed.

- Inflation for the annual service coordination fee (on the \$400 or \$800 per unit, per year base) may be indexed according to the Consumer Price Index-All Urban Consumers for the Los Angeles/Riverside/Orange County areas (CPI). The calculation will be based on the change in the CPI over the previous calendar year, expressed and rounded to the nearest whole number.

1.15 Notices To Developers Regarding Environmental Review

The National Environmental Policy Act (NEPA) was established in 1969 to give environmental values appropriate consideration in decision-making with regard to federally-funded projects. Because you have applied for federal funds for your project, the environmental review process and clearance must meet the NEPA standards.

In addition, your project must meet the requirements of the California Environmental Quality Act (CEQA) and obtain CEQA clearance through the City of Los Angeles' Department of City Planning (Exhibit 3). Unfortunately, NEPA and CEQA environmental laws differ in their requirements. Project approval under CEQA does not constitute NEPA project approval (and vice-versa).

An initial award of funds does not constitute either a commitment of funds nor site approval until a satisfactory completion of a NEPA environmental review and receipt by the City of Los Angeles of a Release of Funds from the U.S. Department of Housing and Urban Development under 24 CFR Part 58. The provision of any funds to the project is conditioned on the City of Los Angeles Housing Department's determination to proceed with, modify or cancel the project based on the results of subsequent NEPA environmental review. Furthermore, the applicant shall not undertake or commit any funds to physical or choice-limiting actions, including further property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the NEPA environmental clearance. Violation of this provision may result in the denial of any funds under the agreement.

1.16 Other Public Benefit Requirements

1.16.1 Section 3 (Local Hiring); Minority Business Enterprises/Women Business Enterprises (MBE/WBE) Requirements

Applicants utilizing LAHD funds must ensure and certify that their general contractor, subcontractors and/or service providers will provide opportunities for employment to lower-income neighborhood residents in the City of Los Angeles. Further, to the greatest extent feasible, contracts in connection with these projects are to be awarded to local businesses. In addition, contractors, subcontractors and/or service providers will be expected to adhere to the City's Affirmative Action Requirements.

1.16.2 Article 34 Requirements

All projects must be in compliance with Article 34 of the California State Constitution.

1.16.3 Assurances and Conditions Certification

The authorized signatory(s) for each applicant organization must read the Assurances and Conditions outlined below and submit a completed Assurances and Conditions Certification form (Attachment 1). By doing so, the applicant acknowledges understanding of and agreement with the provisions that will be required at the time of contract negotiations.

1. **Affirmative Action:** The City's Administrative Code (Division 10, Chapter 1, Article 1, Section 10.8) establishes the affirmative action program for vendors doing business with the City. As a condition of contract award grantees will be required to comply with the provisions of the City's Affirmative Action program, including submission of the City's Affirmative Action form with an Affirmative Action Plan.
2. **Insurance:** The chosen contractor(s) must provide evidence of minimum insurance coverage requirements.
3. **Service Contract Worker Retention Ordinance and the Living Wage Ordinance (SCWRO and LWO):** The chosen contractor(s) shall comply with all Los Angeles Administrative Code (LAAC) Sections 10.36 et seq., SCWRO and LWO. A Declaration of Compliance must be approved by the Department of Public Works, Office of Contract Compliance prior to contract execution.
4. **Equal Benefits Ordinance (EBO):** The chosen contractor(s) must be certified as complying with the Los Angeles Administrative Code Section 10.8.2.1, EBO prior to the execution of any City Agreement. The EBO forms must be approved by the Department of Public Works, Office of Contract Compliance prior to contract execution.
5. **Certifications:** Applicant(s) shall provide copies of the following documents to the LAHD:
 - A. Certification Regarding Ineligibility, Suspension, and Debarment as required by Executive Order 12549.
 - B. Certification and Disclosure Regarding Lobbying. Contractor(s) shall also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially affects the accuracy of the information contained in any Disclosure Form previously filed by the Contractor(s).

6. **Proof of IRS Number (W-9):** All contractors are required to complete and submit the Proof of IRS Number (W-9) Form.
7. **Slavery Disclosure Ordinance:** Unless otherwise exempt, in accordance with the provisions of the Slavery Disclosure Ordinance, any contract awarded pursuant to this RFQ will be subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code.
8. **MBE/WBE/OBE Subcontractor /Supplier Information:** The Contractor shall submit the MBE/WBE/OBE Form and comply with the City's Minority Business Enterprise (ME), Women Business Enterprise (WBE), and other Business Enterprise (OBE) outreach requirements as appropriate.

1.17 Incentive Programs

1.17.1 **LAHD/LADWP Sustainable Building Incentive Program**

Proposed projects submitted for funding may qualify to receive additional funds to finance energy efficiency. To qualify, projects must exceed Title 24 Energy Standards by a minimum of 10% for new construction, or increase existing energy efficiency by at least 25% for rehabilitation projects. These increases in efficiency must relate to both electric usage and water conservation.

Projects that meet the above criteria and LAHD/LADWP Sustainable Building Incentive Program Requirements (See Exhibit 4) may be eligible for up to \$200,000 in additional funding (to fund "energy efficiency components"), the proceeds of which would be included as a part of the AHTF total commitment. These additional funds would not be subject to the subsidy loan limits outlined in Section 1.9 of this NOFA.

A letter of certification or energy calculations from the project architect or mechanical engineer must be submitted. Exhibit 4 explains the requirement for funding under the LAHD/LADWP Sustainable Building Incentive Program.

This incentive cannot be combined with EEBG funding.

1.17.2 **Lead-Based Paint Hazard Remediation Program**

LAHD will continue to make available the Lead-Based Paint Hazard Remediation Program as an additional financial incentive. Projects submitted for funding may qualify to receive additional funds to finance the remediation of lead-based paint hazards (See Exhibit 6). Projects that meet the program's requirements may receive up to \$4,500 per unit (a maximum of \$225,000 per project) in additional funding. These funds would not be subject to the subsidy limits outlined in Section 1.9.

PART 2 THRESHOLD REQUIREMENTS

For applications to be considered complete, they must contain all items listed (as applicable) on the application checklist. All proposed projects must meet the minimum LAHD-NOFA threshold requirements for new construction and/or rehabilitation projects. If an application does not meet these threshold requirements, it **will not** be considered for funding. Determination of completeness and compliance with thresholds and scoring of the application shall be based entirely on the documents contained in the application as of the filing deadline. No additional documents shall be accepted subsequent to the application filing date.

2.1 Application

Applicants must submit one original and one copy of a complete LAHD application with all applicable attachments.

EEBG

Applicants must submit two (2) complete LAHD applications and EEBG Questionnaires with all applicable attachments.

2.2 Organizational Documentation

2.2.1 Formation -

Applications must identify ALL members of the Development Team. The following documents (as applicable), must be submitted:

1. An organizational chart of the proposed ownership structure, supported by all required organizational documents for each entity shown on the chart, in addition to completing Attachment 7c, listing members of all partnership entities;
2. A current Business License issued by the City of Los Angeles;
 - A. WITH RESPECT TO A CORPORATION:
 - 1) Certificate of Good Standing issued by the Secretary of State, issued within six months prior to the NOFA application deadline
 - 2) Articles of Incorporation
 - 3) By-laws, which reflect as one of its purposes, the development and/or management of affordable housing
 - 4) Current list of Board of Directors
 - 5) A certified copy of a resolution of the Board of Directors, executed within 90 days of the NOFA application deadline. The resolution must include:

- a. Authorization to participate in the NOFA
 - b. Authorization to enter into and execute any and all contractual obligations, including but not limited to the City of Los Angeles Land Use Regulatory Agreement, Loan Agreement, and other documentation, as may be required by the City of Los Angeles
 - c. Names and offices of the authorized signatories who may act on behalf of the corporation, based on the required categories below
- 6) If the borrowing entity is a not-for-profit corporation, a copy of its 501C(3) or (4) designation must also be submitted

B. WITH RESPECT TO A CALIFORNIA LIMITED PARTNERSHIP:

- 1) A certified copy of the certificate of limited partnership (form LP-1) and any amendment thereto (form LP-2) recorded in public records
- 2) A full copy of the partnership agreement and any amendments
- 3) A satisfactory evidence of the consent of a majority in interest of the limited partners for the limited partnership to participate in the NOFA, and to enter into and execute any and all contractual obligations, including but not limited to the City of Los Angeles Land Use Regulatory Agreement, Loan Agreement, and other documentation, as may be required by the City of Los Angeles

C. WITH RESPECT TO A LIMITED LIABILITY COMPANY:

- 1) A copy of its operating agreement and any amendments thereto
 - 2) A certified copy of its Articles of Organization (LLD-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of article of organization (LLC-10) recorded in public records
-
3. Sample signature block to be used in execution of loan documents entered into with LAHD.

With respect to execution of any loan documents, pursuant to California Corporations Code §313 and *Snukal v. Flightways* (2000) 23 Cal. 4th 754), all documents executed or entered into by LAHD with a corporation (including LLCs) should have the signature of an officer in each of the following two categories:

- A. Chairman of the Board, President, or any Vice-President; and,

B. Secretary, any Assistant Secretary, Chief Financial Officer, or any Assistant Treasurer

2.2.2 Financials

Financial statements for the last three years (Balance Sheet, Income Statements, Cash Flow Statements with notes shall be submitted with the complete NOFA application) and as applicable, subsequent Quarterly Statements.

2.3 Reports

2.3.1 Appraisal

All applicants that will be requesting LAHD funds for acquisition expenditure reimbursement must submit an AS IS appraisal prepared not more than six months prior to the date of the property's acquisition. If the property has not been purchased, applicants must submit an AS IS appraisal prepared not more than six months prior to the date of the purchase contract. The appraisal must be prepared by a California State Certified General Appraiser. In addition, the appraisal may not determine property value based solely on sales comparables of properties financed by public agencies. If a residential income approach is not utilized, applicants may submit a separate market study completed within the last six (6) months.

NSP requirements are located in NSP Exhibit 2. Sponsors must be very careful to follow these requirements exactly; otherwise the project may not be eligible.

EEBG

Not required at time of application.

City Owned Properties

Not applicable.

2.3.2 Phase I or Phase I with required Phase II

Every application must include a Phase I Environmental Assessment which must follow the standards outlined in the American Standards of Testing and Materials (ASTM) standards (E 1527-05) to discover the potential presence of onsite and neighboring property contamination, (including but not limited to lead-based paint, asbestos, and methane). The completion date of the Phase I Assessment must be within the past six (6) months. If a project's Phase I Environmental Assessment indicates the need for further assessment, a Phase II report must be submitted. The applicant must include a cost estimate for any required remediation.

NSP and EEBG

Not required at time of application.

City Owned Properties

Not applicable.

2.3.3 Lead/Asbestos

All projects involving demolition of existing structures in advance of the rehabilitation or new construction work must submit an asbestos assessment and lead-based paint report completed within the past twelve (12) months. For new construction projects where there is complete demolition of all existing structures, the applicant may submit a letter in-lieu of a lead test report indicating that the presence of lead will be assumed and the appropriate federal, state, and local lead hazard abatement protocols will be followed. For occupied sites, assessment must include minimally-invasive sampling of readily-accessible surfaces. Testing for asbestos shall be subject to AQMD standards. For lead-based paint, testing and compliance shall be consistent with the standards outlined in HUD's "Guidelines for the Evaluation and Control of Lead-Based Paint Hazards in Housing" (June 1995), including chapter 7 - Lead-Based Paint Inspection (1997 Revision), which are the industry standard. If the assessment determines that lead is present, (except for new construction with complete existing structure demolition as indicated above), a Lead Abatement Plan must be submitted with the application.

EEBG

Not required at time of application.

City Owned Properties

Not applicable.

2.3.4 Soils Report

All new construction projects must submit a soils report completed within the past twenty-four (24) months for the purposes of evaluating the geo-technical engineering characteristics of the on site subsurface soils relative to the anticipated development. The report shall include: the description of the field exploration and laboratory tests performed; evaluation of soil liquefaction potential; conclusions and recommendations relating to construction of the proposed residential development based upon the analyses of data from exploration and testing programs; and, knowledge of the general and site-specific characteristics of the subsurface soils. Reports for sites occupied by structures must include subsurface investigations that are conducted in compliance with, and subject to, City of Los Angeles Department of Building and Safety standards.

NSP and EEBG

Not required at time of application.

City-owned Properties

Not applicable.

2.3.5 Engineering Inspection (for all rehabilitation projects)

All rehabilitation projects must submit a property needs assessment report or an engineering inspection report completed within the past twelve (12) months by a qualified engineer or building inspector, to identify the remaining life of all major systems including, but not limited to, plumbing, electrical, HVAC, foundation, and roof. The purpose of the inspection is to reduce the likelihood of unforeseen conditions which could substantially change the cost and/or scope of work approved. Additionally, LAHD may require that a cost certification be prepared to determine if the cost and scope of work identified by the developer matches those of the property inspector and engineering assessment. Should it be determined that the additional costs identified render the project infeasible, it will be the responsibility of the developer to secure non-City funds for the identified costs. If the developer is unable to do so, the LAHD commitment will be withdrawn. In order to score projects appropriately, any document submitted as proof of site control must permit access to the property for all inspections identified above. A code inspection will also be conducted by LAHD as part of its review process.

At-risk/rehab projects should also include work write-up, detailed specifications, schematic drawings, plot plan, floor plan, and a cost estimate.

NSP and EEBG

Not required at time of application.

City-owned Properties

Not applicable

2.3.6 Environmental Checklist and Historic Preservation

Applicants must submit a completed LAHD Environmental Checklist (Attachment 2) and all of the following supporting documentation (as applicable):

- Dated color photographs of the entire project site and all properties surrounding the project site. If the site includes existing structures, all sides of the building(s) shall be included;
- The project description must include information on whether the project area and environs contain any properties listed on the National Register of Historic Places, the State of California inventory of historic places, or local inventory of historic places; and

- Documents verifying whether properties exist that appear to be historic within the boundaries or within a ½ mile radius of the project.

Applicants are strongly advised to submit this documentation separately, in advance of the application deadline, to allow for maximum available time to complete the environmental review.

2.4 Community Support

Council Office Support

All applicants must submit a letter of support for commitment of City funds to the project from the Council Office(s) in which the project site(s) is/are located. The date of the letter must be within six (6) months prior to the application deadline date.

CRA/LA Letter of Acknowledgement and Support

Applicants must submit a CRA/LA Letter of Acknowledgment and Support for all proposed projects (Attachment 8). This letter is intended to ensure that the CRA/LA is aware of all potential projects within redevelopment project areas. The date of the letter must be within six (6) months prior to the application deadline date.

2.5 Site Control

At the time the application is filed, the applicant must demonstrate to LAHD's satisfaction that the property was acquired from the seller voluntarily and that the applicant has and will maintain control of the property for which a City loan is requested, through the period required by the identified leveraging source (HUD). A current title report (no more than 90 days old) must accompany site control documents. Evidence of site control may be demonstrated by any of the following documents:

- Fee title as demonstrated by a current title report (within 90 days of the application due date)
- Long-term leasehold interest (minimum term must equal the term of LAHD regulatory agreement)
- Option to purchase or lease (obtaining financing shall be the sole impediment to exercising the option)
- Executed land sale contract or other enforceable agreement for acquisition of the property
- An executed Disposition and Development Agreement (DDA) with a public agency (e.g., the Community Redevelopment Agency)

Because the LAHD will use federal funds in the Affordable Housing Trust Fund, each purchase option or purchase agreement submitted in fulfillment of this threshold requirement must contain an acknowledgement that even though government funds may be used in the acquisition of the property, the property will not be acquired through the use of eminent domain.

Documentation regarding the voluntary acquisition of the property shall consist of a Letter Regarding Voluntary Acquisition (Attachment 4c). The letter shall be typed on the Developer's/Applicant's letterhead and addressed to the seller/previous property owner, stating that the Developer/Applicant is interested in acquiring the property for a proposed project that may receive funding assistance from HUD, but that the Developer/Applicant does not have the authority to acquire the property through eminent domain. The letter must also include the offer amount, which must be representative of the current market value.

If the property has already been acquired, a retroactive Letter Regarding Voluntary Acquisition is required, regardless of the length of time the developer has been in possession of the property. The developer must provide the LAHD with the written notice that was sent to the seller, evidence that the seller received it, and documentation regarding the method used to determine the fair market value. If the developer is unable to provide the letter at the time of NOFA application, a statement of assurance must be submitted with the application, stating that all attempts will be made to meet the requirement prior to the issuance of an LAHD funding commitment.

NSP

Requirements for site control are listed in Attachment W. Sponsors must be very careful to follow these requirements exactly; otherwise the project may not be eligible.

City-owned Properties

Not applicable.

2.6 Zoning and Land Use Compliance

The applicant must demonstrate to LAHD's satisfaction that the project as proposed will be able to meet all zoning and land use requirements prior to the issuance of an LAHD funding commitment. These include but are not limited to general plan amendments, re-zonings and conditional-use permits. At the time of application, an Affordable Housing Referral Form (Attachment 10) must be submitted to LAHD, with project information completed by the project sponsor. LAHD will forward the form to the Los Angeles City Planning Department to verify whether the project as stated is appropriately zoned and in compliance with all zoning requirements and local land use ordinances. If a condition or requirement is pending, the project will be disqualified for violation of threshold criteria unless a public hearing is waived or scheduled prior to the issuance of an LAHD funding commitment.

2.7 Direct Construction Cost Summary and Design Use Criteria

All projects must submit a Direct Construction Cost Summary, "Schedule of Values" (Attachment 3) for the proposed work, prepared using the standard Construction Specification Institute (CSI) Division format for building components. Prices for labor must take into consideration the applicable wages (e.g., Davis-Bacon, State Prevailing Wage or other). As stated in Section 1.13 of this NOFA, a minimum of two 24" x 36" sets of architectural plans are required, except in the case of "cosmetic rehabilitation projects"

or rehabilitation projects that do not involve structural changes or reconfiguration of existing units.

2.8 Minimum Feasibility

All projects must demonstrate financial viability supported by a 15 year cash flow proforma which shows positive cash flow. Projects must use underwriting criteria in combination with LAHD guidelines detailed in Part 4 of this NOFA. Proformas submitted must be accompanied by funding commitments from all sources identified. Letters of commitment must also be submitted for any proposed deferred funding source.

NSP

Projects must demonstrate financial viability supported by a 20 year cash flow proforma which shows positive cash flow.

2.9 Relocation

If the proposed site was occupied during the six months prior to or during purchase negotiations, a relocation assessment must be submitted. The relocation assessment must be completed by a qualified relocation consultant and must include a detailed cost estimate based on compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (Uniform Act) and other HUD requirements including Section 104(d) of the Housing and Community Development Act. Applicants must also submit the Acquisition-Relocation Project Summary Assessment Form (Attachment 4), a completed Relocation Tenant Rent Roll in a hard copy and Microsoft Excel format (Attachment 4a), and a copy of the General Information Notice that was issued to each of the prospective displacees (Attachment 4b), along with proof of delivery. In addition, a copy of the relocation consultant's agreement and the consultant's resume/qualifications must be provided.

2.10 Defaults, Foreclosures and Citations

All applicants, including partners and principals, must disclose bankruptcies, defaults or foreclosures, conflicts of interest, and any event which could lead to a potential bankruptcy, by completing and submitting the LAHD Credit Check Authorization (Attachment 5). For the purposes of this NOFA, violation of terms, conditions and/or covenants, whether or not a Notice of Default has been recorded, is deemed a default. Failure to disclose an actual or potential bankruptcy, default or foreclosure or conflict of interest will result in the rejection of the application and/or will be considered an event of default in LAHD's loan documents. All code violations and their remediation on existing projects must also be disclosed. Additionally, LAHD's commitment of funds may be withdrawn if any of the aforementioned actions are discovered after the LAHD commitment is awarded.

If disclosure is made with respect to the above, the applicant must provide a complete explanation of the circumstances and current status. LAHD, in its sole discretion, will determine if the explanation is acceptable. An unacceptable history of delinquencies, bankruptcies, defaults or foreclosures, or conflicts of interest are all, singularly or in

combination, grounds for rejection of the application due to failure to meet threshold criteria.

2.11 Failure to Comply with Davis-Bacon

Applicants who have repeatedly attempted to avoid the payment of Davis-Bacon and/or State Prevailing wages, or who have been referred to the Department of Labor, the Department of Housing and Urban Development, the California Labor Commission or any other enforcement agency, may be disqualified. Additionally, any project that does not submit construction costs at the applicable Davis-Bacon/Prevailing wage level may also be disqualified. An applicant must submit written certification that they will comply with Davis Bacon or State Prevailing Wage requirements (Attachment 6).

2.12 LAHD Business Policy

The LAHD Business Policy provides direction concerning specific collection steps and renders applicants and their related partnerships ineligible for City assistance when the applicants are in non-compliance with their loan agreements or other contract(s) with the City of Los Angeles. Non-compliance includes but is not limited to any monetary or non-monetary compliance issues, such as failure to submit payments when due, failure to submit required financial statements in a timely manner, failure to submit documents verifying adherence to rent regulatory agreements when required, failure to comply with the requirements of any rent regulatory agreement or covenant, and failure to correct any building deficiency noted by any governmental agency in a timely manner. An application is deemed ineligible to compete for funding if any member of the applicant's ownership entity has an interest in a current project or projects that are in monetary or non-monetary default. Rehabilitation projects involving properties placed into LAHD's Rent Escrow Account Program (REAP) under the applicant's ownership and remaining out of compliance at the time of application are also ineligible to compete for funding.

In accordance with LAHD Business Policy, the applicant must provide at the time of NOFA application a list of ALL residential income properties located within Los Angeles City limits that the applicant and the applicant's partners and/or principals have (or previously had) a vested interest in, including all properties currently or previously owned by any of the aforementioned parties, regardless of funding source (Attachment 7b). The attachment must be submitted in both hard copy and Microsoft Excel formats.

LAHD will conduct a background check based on the information provided to determine if any outstanding financial statements, residual receipts payments, Rent Registration or Code (SCEP) fees; if there are unpaid property taxes, lapsed insurance or outstanding cited habitability violations, and/or if the property is in any of the City's compliance programs due to unabated habitability violations (i.e., REAP). Failure to disclose all applicable properties may result in disqualification of the application.

2.13 Contracts

Copies of all contracts entered into as part of the development of the proposed project must be submitted as part of the NOFA application and are subject to LAHD approval.

2.14 Untenable and Substandard Units

The "Applicant(s)/Borrower(s) Certification Statement" (Attachment 7), requires that the applicant list all residential income properties when the following are true: 1) the properties are owned by the applicant, 2) the properties are owned by any of the applicants' partners, or 3) the properties are those in which any of the applicants' principals have a vested interest in them. If one of those properties has substandard or untenable units, the application will not be reviewed or eligible for funding until the deficiencies are cured. If deficiencies are not resolved, the project will be rendered ineligible for failure to meet threshold criteria.

2.15 Property Management Plan

At the time of application, applicants must submit a management plan (Attachment 9). This information will be used in the proposal evaluation process. Before LAHD will commit to funding any loan for a project selected through the NOFA process, the developer must also submit the qualifications of its management entity, as well as all information required under Sections 1.11.7, 1.11.8, and 1.11.9 of this NOFA.

2.1.6 Energy Audit

EEBG applicants will be invited to submit Energy Audits after initial screening. Energy audit must be conducted by a certified professional satisfactory to LAHD.

The audit will determine baseline energy usage and establish a scope of work. If the scope of work cannot achieve a minimum 20% improvement in energy efficiency within the maximum loan amount and other sources are not available, the project may be deemed ineligible for funding.

PART 3 SELECTION CRITERIA

Each application will be evaluated and scored according to the criteria established by LAHD. LAHD will also consider the following factors during its final ranking and selection. Proposed projects that do not satisfy this NOFA's threshold requirements will not be evaluated.

3.1 Project Feasibility

This category will determine whether the project, as proposed, is financially feasible and demonstrates long-term viability as an affordable housing project in combination with LAHD guidelines detailed in Part 4 of these Regulations.

3.1.1 Assessment of Cost and LAHD Subsidy

The reasonableness of the estimated development costs will be analyzed in relation to the type and size of the development. LAHD staff and consultants will perform a detailed underwriting and cost estimating review of the submitted costs. Applicants must include comprehensive notes and assumptions with financial exhibits and detailed construction cost estimates in order for LAHD staff to perform an adequate and fair review of development costs.

As stated in Section 2.7, a *Direct Construction Cost Summary*, "*Schedule of Values*" (Attachment 3) must be provided with the application. Builder overhead, profit and general conditions/requirements are limited to 14% of the construction cost. Construction contingency allowances must be allocated outside the proposed construction contract amount, and should be between 5% and 10% of the total construction costs for new construction and between 10% and 15% for rehabilitation projects.

For proper evaluation of construction costs, it is recommended that the developer submit ALL pertinent information that impacts construction cost.

3.1.2 Assessment of Long-Term Viability

As stated in Section 2.8, all projects must demonstrate viability supported by a 15-year cash flow proforma (20 year cash flow proforma for NSP projects), which shows positive cash flow. The reasonableness of the operating expenses, reserves, and overall assumptions will be analyzed in relation to the type and size of the development. Operating subsidies reflected in the proforma must be supported by commitments which can reasonably be relied upon. The marketability of the project, in terms of how suitable the proposed rents are relative to the market, will also be taken into account in assessing long-term viability.

3.2 Architectural Design Review

At minimum, a Conceptual Design Submittal package is required with the application. For additional information regarding Architectural Design Review and submittal requirements, refer to Exhibit 2. All proposed projects will be evaluated on design issues related to site planning, common spaces/circulation and unit layout.

- Generally, for new construction, projects will be evaluated on design issues such as neighborhood compatibility, site amenities, circulation, crime prevention, aesthetics, interior spatial relationships, landscaping, design efficiency, unit/room layout and energy efficiency.
- Similarly, rehabilitation projects will be evaluated on design issues such as neighborhood improvement, site amenities, circulation, crime prevention, aesthetics, internal spatial relationships, landscaping, design efficiency and energy efficiency.

PART 4 UNDERWRITING GUIDELINES

4.1 Replacement Reserve

A minimum replacement reserve of \$300 dollars per unit, per year shall be set for all unit types, except senior units, which will be set at \$250 per unit, per year. However, if TCAC should adopt regulations that differ, the LAHD will have the authority to re-underwrite the project, prior to the closing of the loan, in order to be consistent with the identified primary leveraging source.

4.2 Operating Reserve

The operating reserve shall be established and capitalized up front with an amount equal to three (3) months of operating expenses and hard debt service. This amount must appear in the proforma development budget at the time of submission of the application and at loan closing. The actual operating reserve account must be established and fully funded within 120 days of completion of construction.

4.3 Debt Coverage Ratio

The Debt Coverage Ratio for the first year shall not be less than 1.10:1 or greater than 1.20:1, except where the applicable leveraging source regulations state otherwise. A ratio of at least 1.10:1 is required for the full projection period.

4.4 Maximization of Developer Fee

The maximum developer fee allowed by the identified leveraging source may be included in project costs. The maximum developer fee that may be eligible for payment from construction or permanent financing sources shall be one million, four hundred thousand dollars (\$1,400,000), with any unpaid developer fee balance to be paid from annual, excess cash available following the payment of all project operating costs, debt service, reserve deposits and administrative fees. However, no developer fee may be disbursed from any source without the approval of LAHD.

The recapture of the deferred developer's fee will be 15 years. Interest on deferred fees should be payable from the developer's share of residual receipts.

4.5 Consulting Fees

Consulting fees must not exceed \$100,000 and should be dependent upon the size and complexity of the project. Specific consulting services include: preparation of tax credit applications; preparation of LAHD applications and other public agency applications; preparation of applications for conventional financing, as well as provision of general development services such as the selection and coordination of the development team; loan documentation; and, processing local approvals and entitlements. Fees required for construction management are not included in this category.

If the developer performs development services for the project which could be contracted to a consultant (e.g., preparation of a Tax Credit application, obtaining entitlements), the developer is entitled to assign the consulting fees to its own organization. Applicants may not make side agreements with consultants which increase the consulting fees beyond the

amount shown on the consulting line item. All consultant contracts and fees charged by the developer (in excess of the development fee) to provide services to the project shall be reviewed and approved by LAHD for cost reasonableness.

4.6 Identities of Interest

An applicant must provide identification of any persons or entities (including affiliated entities) that plan to provide development or operational services to the proposed project in more than one capacity, and full disclosure of related parties, as defined.

Related party is defined to include:

- The brothers, sisters, spouse, ancestors, and direct descendants of a person;
- A person and corporation where that person owns more than 50% in value of the outstanding stock of that corporation;
- Two or more corporations that are connected through stock ownership with a common parent with stock possessing:
 - at least 50% of the total combined voting power of all classes that can vote, or
 - at least 50% of the total value of shares of all classes of stock of each of the corporations, or
 - at least 50% of the total value of shares of all classes of stock of at least one of the other corporations, excluding, stock owned directly by that other corporation, in computing voting power or value;
- A grantor and fiduciary of any trust;
- A fiduciary of one trust and a fiduciary of another trust, if the same person is a grantor of both trusts;
- A fiduciary of a trust and a beneficiary of that trust;
- A fiduciary of a trust and a corporation where more than 50% in value of the outstanding stock is owned by or for the trust or by or for a person who is a grantor of the trust;
- A person or organization and an organization that is tax-exempt under Subsection 501(a) of the Internal Revenue Code and that is affiliated with or controlled by that person or the person's family members or by that organization;
- A corporation and a partnership or joint venture if the same persons own more than:
 - 50% in value of the outstanding stock of the corporation; and
 - 50% of the capital interest, or the profits' interest, in the partnership or joint venture;

4.7 Amendment and Modification Fees

LAHD will impose a \$2,500 fee to cover costs associated with modifications and amendments when they are requested at the behest of the applicant.

PART 5 APPLICATION PROCESS AND REQUIREMENTS

5.1 General Rules

The following general rules will apply to all applications submitted under the Affordable Housing Trust Fund:

1. All applications must be received by the required date for each established round (See Timeline on page 4). Applicants are encouraged to submit their projects as early as possible.
2. All applications must follow the LAHD Application format.
3. Incomplete applications will not be considered for funding. It is the responsibility of the applicant to ensure completeness of their submittal.
4. Staff will begin reviewing and underwriting proposals as soon as they are received.
5. Applicants will be subject to a background check to ensure compliance with LAHD Business Policy.
6. The following documentation relevant to the proposed project must be submitted with all applications. The completion of all applicable parts of the LAHD-supplied application form is required, which includes, but is not limited to:

A. The Application form:

- Funding Round;
- Leveraging source if applicable;
- Applicant information including: applicant name; address; contact person; Federal Tax I.D. Number; City of Los Angeles Business License Number; borrowing entity; indication if CHDO or non-CHDO;
- Development Team information including: developer name; phone number; fax number; Federal Tax I.D. Number; City of Los Angeles Business License Number;
- Project characteristics including: project name; site address; site assessor's parcel number; Council District Number; census tract number; Federal Congressional District Number; State Assembly District Number; State Senate District Number; indication if the site is in a recognized Neighborhood Revitalization area; site dimensions; current zoning; labeled photographs of the subject property and all adjacent properties;
- Project Type including: type of LAHD incentive programs to which the project will be applying; number or type of units; and, relocation requirements;
- Sources of financing including interim financing and permanent financing;

- Requested subsidy amount including: maximum allowable subsidy per unit; total LAHD loan requested; total LAHD Gap requested per unit; and total subsidy leverage percentage;
- Uses of funds;
- Narrative description of proposed project;
- All other documents listed on the Table of Contents under the Application Attachments.

5.2 Application Scoring

Mixed Income

Maximum subsidy for mixed income projects shall be the lower of:

- Value of Covenant, or
- Maximum subsidy, described in Section 1.9 including eligible boosts.

Example: A mixed-income project in a high cost area proposing a 30-year affordability covenant (the required minimum):

Equivalent market rent per month for proposed unit:	\$1,700
Proposed HOME Limit @ 50% AMI:	- 818
Rent Reduction per Month:	\$882
x 12 months	x 12
Annual Income Reduction	\$10,584
/ .07 current market cap rate (open market rate of return)	÷ .07
= Value of Covenant per unit	\$151,200

Projects will be ranked according to the highest ratio of value of the covenant, relative to the maximum eligible loan amount.

NOFA MAXIMUM SUBSIDY VS. VALUE OF COVENANT (for sample project above)

Number of bedrooms	Units	Maximum Base Subsidy Per Unit	Adjusted Subsidy (with High Cost Boost)	Total
1 bedroom	20	\$107,500	\$112,875	\$2,257,500
2 bedroom	21	\$115,000	\$120,750	\$2,535,750
Maximum Subsidy	41			\$4,793,250
Value of Covenant	41	\$151,200		\$6,199,200

Ranking Ratio 129%

NSP and City-owned Properties

Projects will be ranked according to the lowest ratio of NSP or other funding requested relative to the maximum eligible loan amount.,

EEBG

LAHD will select up to 10 applicants/properties (plus five alternates) ranked by order of potential energy savings. Selected applicants will be invited to submit Energy Audits.

5.3 Application Submittal and Review

All applications will be evaluated by a team of reviewers consisting of LAHD staff and outside consultants.

Applications must be submitted on forms provided or approved by LAHD. Application forms must not be modified. A complete original application including one (1) copy, plus two (2) sets of the leveraging source application must be received by LAHD no later than **4:00 P.M. on October 18, 2010 for EEBG applications and November 19, 2010 for all other applications.** Applications received after the application-filing deadline will not be accepted for processing and will be returned unopened. Applications submitted through facsimiles or email will not be accepted.

Applications must be delivered to one of the following addresses:

Prior to October 18 (EEBG) and November 19, 2010 (other applications):	October 18 (EEBG) and November 19, 2010 (other applications):
Los Angeles Housing Department	Los Angeles Housing Department
Affordable Housing Trust Fund	First Floor Hearing Room
Attention: Mariano Napa, Manager	1200 W. 7 th Street
1200 W. 7 th Street, 8 th Floor	Los Angeles, CA 90017
Los Angeles, CA 90017	
Telephone: (213) 808-8596	

Applications shall be accepted only at the locations specified above. Applications delivered to locations other than those mentioned above shall not be considered for funding.

5.4 Appeal Process

Applicants who are unsuccessful may appeal LAHD's recommendations. LAHD will establish and implement an appeal process which incorporates outside panelists with experience in multifamily housing development. Specifically, LAHD will entrust the panelist with reviewing the AHTF scoring methodology for consistency and applicability with the NOFA criteria. The panel will have the authority to overturn LAHD's recommendation with a simple majority vote. In the event of a tie, the General Manager of the LAHD will cast the deciding vote.

5.5 City Council Approval Process and Timeline

Final score and ranking recommendations will be reviewed by the City Administrative Officer, the Chief Legislative Analyst, the appropriate City Council Committee(s) and ultimately, by the Mayor's Office and Council Members.

LAHD recommendations will be transmitted to the Housing, Community and Economic Development (HCED) Committee of the City Council for a public hearing.

5.6 Release of Funds

Due to the contingent nature of commitments made by LAHD through the AHTF, loan agreements will not be executed until all funding is in place or reasonably expected. However, in no event will LAHD be required to execute a loan agreement if after the specified funding cycles have elapsed, a funding gap exists for any reason, including cost increases, the withdrawal or reduction of a previous commitment, or deferred costs or fees.

ATTACHMENT 1
ASSURANCES AND CONDITIONS TO THE STATEMENT OF QUALIFICATIONS

An authorized signatory (s) for each applicant organization must read the Assurances and Conditions outlined below, and complete the attached signature block.

Affirmative Action: The City's Administrative Code (Division 10, Chapter 1, Article 1, Section 10.8) establishes the affirmative action program for vendors doing business with the City. As a condition of contract award grantees will be required to comply with the provisions of the City's Affirmative Action program, including submission of the City's Affirmative Action form with an affirmative action plan.

Insurance: The chosen contractor(s) must provide evidence of certain minimum insurance coverage requirements.

Service Contract Worker Retention Ordinance and the Living Wage Ordinance (SCWRO and LWO): The chosen contractor(s) shall comply with all Los Angeles Administrative Code (LAAC) Sections 10.36 et seq., SCWRO and LWO. A Declaration of Compliance must be approved by the Department of Public Works, Office of Contract Compliance prior to contract execution.

Equal Benefits Ordinance (EBO): The chosen contractor(s) must be certified as complying with the Los Angeles Administrative Code Section 10.8.2.1, EBO prior to the execution of any City Agreement. EBO forms must be approved by the Department of Public Works, Office of Contract Compliance prior to contract execution.

Certifications: Contractor(s) shall provide copies of the following documents to the City: a) Certification Regarding Ineligibility, Suspension, and Debarment as required by executive Order 12549; b) Certification and Disclosure Regarding Lobbying. Contractor(s) shall also file a Disclosure Form at the end of each calendar quarter in which there occurs any event requiring disclosure or which materially effects the accuracy of the information contained in any Disclosure Form previously filed by the Contractor(s).

Proof of IRS Number (W-9): All contractors are required to complete and submit proof of IRS Number (W-9) Form.

Slavery Disclosure Ordinance: Unless otherwise exempt, in accordance with the provisions of the Slavery Disclosure Ordinance, any contract awarded pursuant to this RFQ will be subject to the Slavery Disclosure Ordinance, Section 10.41 of the Los Angeles Administrative Code.

MBE/WBE/OBE Subcontractor /Supplier Information: The Contractor shall submit the MBE/WBE/OBE Form and comply with the City's Minority Business Enterprise (ME), Women Business Enterprise (WBE), and other Business Enterprise (OBE) outreach requirements as appropriate.

The applicant acknowledges understanding of and agreement with the provisions listed, which will be required at the time of contract negotiations.

Signature Of Person Legally Authorized To Sign For Firm

Date

Type or Print Name

Title

Firm Name _____

ATTACHMENT 2

LOS ANGELES HOUSING DEPARTMENT ENVIRONMENTAL & SECTION 106 HISTORIC REVIEW PROCEDURES (Major Projects – Rehab & New Construction of 5 units or more) ENVIRONMENTAL CHECKLIST

The following information must be provided in order to initiate an environmental assessment. Please follow the attached procedure when completing this form.

1. PROJECT NAME _____

PROJECT ADDRESS _____

**NAME OF DEVELOPER /
NON-PROFIT / OWNER** _____

**CONTACT PERSON /
PHONE NUMBER** _____

Council District # _____

APN _____

2. PROJECT DESCRIPTION (IMPORTANT – Please be specific when describing the project. Indicate whether the project will include acquisition, rehabilitation/repair, demolition, reconfiguration or new construction. Please include the number of buildings to be demolished, the number of new units, the current use and condition of proposed site.)

3. FLOOD ZONE

Is site located in a flood zone? ☐ Yes ☐ No If yes, please attach proof of insurance.

ARE ANY OF THE FOLLOWING PRESENT AT THE PROJECT SITE?

4. Asbestos? ☐ Yes ☐ No

5. Lead-Based Paint? ☐ Yes ☐ No

6. California Oak Trees? ☐ Yes ☐ No If Yes, attach photos

7. AGE OF BUILDING(S) Original date of construction _____ Age of building _____

8. ZONING COMPLIANCE

Will the project increase the density of units on the site? ☐ Yes ☐ No

Will the project comply with the existing zoning and district plan designations? ☐ Yes ☐ No

Will the project require any discretionary actions such as zoning variances, density bonus, parking variances, etc? ☐ Yes ☐ No

If Yes, what kind of action: _____

9. SITE PHOTOS OF THE BUILDING (required)

☐ Front ☐ Back ☐ Left ☐ Right ☐ Architectural features

10. SITE PHOTOS OF THE AREA (required)

☐ Each building on the same block ☐ Up the block ☐ Down the block
☐ Across the street ☐ Historical Points of Interest (within 1/2 mile radius)

Submitted by: _____ Date _____
Printed Name & Title: _____

FOR LAHD USE ONLY

A. PHASE I ENVIRONMENTAL SITE ASSESSMENT

Is the Phase I Assessment Attached?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Is the Phase I Assessment current (within 180 days)?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Is the Updated Phase I Assessment Attached?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A
Does the Phase I suggest for a Phase II or additional assessment?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
If suggested, is the Phase II or additional assessment Attached?	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> N/A

B. PROGRAM

☐ NOFA ☐ HOMEBUYERS ☐ CSP ☐ HDC ☐ Other _____

C. FUNDING AMOUNT & SOURCES

Funding sources _____ Funding Amount \$ _____ Funding Year _____
(CDBG, HOME, HOPEWA)

PACKAGE THE FOLLOWING ENVIRONMENTAL/ HISTORIC REVIEW SUPPORTING DOCUMENTS & FORWARD TO ENVIRONMENTAL SERVICES UNIT

<input type="checkbox"/> Environmental Checklist	<input type="checkbox"/> ZIMAS report	<input type="checkbox"/> All Photos
<input type="checkbox"/> Phase I/II Site Assessments	<input type="checkbox"/> Asbestos Report	<input type="checkbox"/> Lead-Based Paint Report
<input type="checkbox"/> Soil Report	<input type="checkbox"/> Flood Insurance (if applicable)	<input type="checkbox"/> Relocation Plan (if applicable)
<input type="checkbox"/> Zoning Compliance (i.e. EIR, MND or CEQA Exemption)		

Notes: _____

LAHD Project Monitor _____ Tel # _____
Address: 1200 W. 7th St., 8th Flr Los Angeles, CA 90017 Email: _____@lahd.lacity.org Fax: _____

FOR ENVIRONMENTAL STAFF USE ONLY:

Reviewed by: _____ Date received: _____

DIRECT CONSTRUCTION COST SUMMARY - "SCHEDULE OF VALUES"

ATTACHMENT 3

Instructions

The Developer and his/her Construction Estimator/Architect MUST complete this form as a NOFA submittal requirement. This form uses the MS Excel format with predetermined mathematical relationships. The developer is responsible for the accuracy of ALL information contained herein. LAHD will review this form to determine the "reasonableness" of the Direct Construction Cost.

Part 1 - This information must be consistent with the information provided in the NOFA application.

Part 2 - Complete the following for Direct Construction Cost using "Davis Bacon Wages" (or otherwise noted). DEVELOPERS WITH MIXED-USE PROJECTS ARE REQUIRED TO PROVIDE A "HOUSING" AND "NON-HOUSING" COST COMPONENT BREAKDOWN. Housing Component as used here, refers Construction Cost for the residential portion of a development including residential parking. Non-Housing Component refers to Construction cost for "non-residential" (or commercial) components. NOTE: Developer may provide any back-up information as necessary. LAHD will require a complete "schedule of values" prior to construction.

PART 1-Project Information

Project Name :			
Project Location :			
Developer:			
Contact Person:			
Contact Tel #:			
Architect:			
Type of Project:			
# Stories:			

UNIT MIX		
TYPE	QTY	AVG. AREA
SRO =		
1-BR=		
2-BR=		
3-BR=		
4-BR=		
Total # Units=	0	

AREA TABULATION	
Description	Area (sq ft)
1) Residential Units (area of units + area of common spaces) =	
2) Residential Parking (area of parking for residences) =	
3) Commercial Space (area of commercial space, if applicable) =	
4) Commercial Parking (area of parking for commercial, if applicable) =	
5) Gross Building Area (Provide the area of the proposed building(s))	
6) Area of Site (Provide the area of the proposed site for development)	

() NEW CONST	
() REHAB.	

PARKING INFORMATION	
Total Amount of Parking Spaces =	
Amount of Residential Spaces =	
Type of Parking =	

PART 2-Construction Budget

	DESCRIPTION	DEVELOPER ESTIMATE	
		Housing Component (residential units + residential parking)	Non-Housing Component Mixed-Use (commercial + commercial parking)
1	Demolition (a)	\$ -	\$ -
2	Toxic Abatement (b)	\$ -	\$ -
3	Off-Site Improvements (c)	\$ -	\$ -
4	Onsite Improvements (d)	\$ -	\$ -
5	Landscaping/Irrigation System (onsite) (e)	\$ -	\$ -
6	Parking (f)	\$ -	\$ -
7	Residential Construction (g)	\$ -	\$ -
8	Commercial Construction (h)	\$ -	\$ -
9	Contractor's Overhead & Profit (h)	\$ -	\$ -
10		SUB-TOTAL=	\$ -
11	General Conditions (i)	\$ -	\$ -
12	Performance & Payment Bond (j)	\$ -	\$ -
13		SUB-TOTAL=	\$ -
14	Construction Contingency (k)	\$ -	\$ -
15		TOTAL =	\$ -

Housing Component Cost per area of residential units. =	#VAL UEI /sf
Housing Component cost per residential unit. =	#EDIV/DI /unit

Prepared by _____ Date Prepared _____

Page of



FOR VACANT UNITS

Use extra sheets (if needed)

LOS ANGELES HOUSING DEPARTMENT (LAHD)
ACQUISITION - RELOCATION PROJECT
SUMMARY ASSESSMENT FORM

Proposed Project Name:

Applicant Submittal Date:

[Click here to enter a date.](#)

Project Address:

Brief Description of Development Project:

Instructions: Briefly describe existing site conditions—i.e. number and type of structures; number of units, including number of bedrooms per unit.

Instructions: Briefly describe proposed development project, including number of commercial and/or residential units and number of bedrooms.

Will there be any residential demolition? ☐ Yes ☐ No

Developer Information:

Name:	Phone No.:	Web Address:
	Fax No:	
Street Address:	City:	State:
		Zip:
Contact Person/ Title:	Phone No.:	E-mail:
	Fax No:	

Identify All Key Members Of Development Team:

Name of Project Manager:	Title:	Contact Information:
Name of Contractor:	Title:	Contact Information:
Name or Property Management:	Title:	Contact Information:
Name of Relocation Consultant:	Title:	Contact Information:

General Partner:

Non-Profit Organization?

☐ Yes ☐ No

If yes the following must be provided:

- ☐ Copy of City of Los Angeles Business Tax Exemption letter for Subject Property
- ☐ Copy of proof of nonprofit status for federal and or state
- ☐ Copy of bylaws

Acquisition:

Are photos of proposed project site (including all buildings, billboards, structures, etc.) acquired or to be acquired, attached?

☐ Yes ☐ No

Property Owner(s) Name:	Phone No.:	E-mail:
	Fax No:	
Street Address:	City:	State:
		Zip:

LOS ANGELES HOUSING DEPARTMENT (LAHD)
ACQUISITION - RELOCATION PROJECT
SUMMARY ASSESSMENT FORM

Proof of Site Control:

Identification of All Sellers:

Name(s)

Percentage of Ownership

Date ownership obtained

Has anyone on the Development Team had ownership interest in the subject property prior to project development?

☐ Yes ☐ No

If yes, explain on separate sheet of paper.

Date of First Written Offer to Acquire the Property(ies)

Instructions: Please provide a copy of executed real estate agreement. If offers were made for multiple properties, provide a date for each property.

Date of the Executed Purchase & Sale Agreement(s) or other form of real estate agreement

Instructions: If multiple properties are being acquired, provide a date for each property.

NOTE For each property acquired or in escrow, attach a copy of the Voluntary Acquisition Letter

Terms of Option(s)

Instructions: Briefly describe

Date acquired: If property is currently owned by the applicant, provide proof of ownership.

Will rents change after the project is built?

☐ Yes ☐ No

Describe project activity to date:

Are there plans to expand the project area and acquire additional properties? ☐ Yes ☐ No

Appraiser Information:

Name:

License No:

Firm Name:

Phone No.:

Web Address:

Fax No:

Street Address:

City:

State:

Zip:

Contact Person/ Title:

Phone No.:

E-mail:

Fax No:

If acquiring commercial property, did you or will you appraise and/ or purchase any business fixtures and equipment? (If yes, explain below)

☐ Yes ☐ No ☐ Not Applicable

Explanation:

Do you or will you assume any existing lease(es)? (If yes, explain the remaining terms for each existing lease below)

☐ Yes ☐ No ☐ Not Applicable

Explanation:

LOS ANGELES HOUSING DEPARTMENT (LAHD)
ACQUISITION - RELOCATION PROJECT
SUMMARY ASSESSMENT FORM

Relocation Data:

Rent Roll Inventory:

Current rent roll	<input type="checkbox"/> Attached	<input type="checkbox"/> Not Available/ Explanation Attached
6 months prior to date of this submittal	<input type="checkbox"/> Attached	<input type="checkbox"/> Not Available/ Explanation Attached
12 months prior to date of this submittal	<input type="checkbox"/> Attached	<input type="checkbox"/> Not Available/ Explanation Attached

Household Statistics

Number of households that will be displaced:	Number of Households with special needs:
Number of households that are low income:	Number of tenants over age 62 and/ or are disabled:
Number of potential undocumented persons:	

Business Statistics

Number of businesses that will be displaced:
Types of Businesses:

Briefly discuss any potential relocation concerns:

If you are proposing a rehabilitation project, BRIEFLY explain the nature, scope, and duration of the construction work to be performed:

LOS ANGELES HOUSING DEPARTMENT (LAHD)
ACQUISITION - RELOCATION PROJECT
SUMMARY ASSESSMENT FORM

Estimated Relocation Budget

Only complete the line items that apply to your project.

Budget Line Item	Cost
Residential Relocation	\$
URA	\$
Temporary vs. Permanent	\$
104(d)	\$
RSO	\$
Business Relocation	\$
Estimated Business Goodwill	\$
Fixtures and Equipment	\$
Consultant Fees	\$
Relocation	\$
Business Valuation	\$
Specialty Consultants	\$
Legal	\$
Other	\$
Total Estimated Cost	\$ 0

LOS ANGELES HOUSING DEPARTMENT (LAHD)
ACQUISITION – RELOCATION PROJECT
SUMMARY ASSESSMENT FORM

LAHD Reviewer Comments

Activity	Yes/ No	Comments
Is the Development Team clearly identified?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Are acquisition documents provided?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is the appraisal or other evidence of fair Market Value included?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is there any evidence of ownership conflicts of interest?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Are all activities connected to the site, including any prior property acquisition, identified?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is the Voluntary Acquisition Letter executed by the seller included?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Can the scope of the construction project realistically be completed in 12 months or less?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Have rent rolls been provided (for at least 6 months prior to the date of application)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Was the relocation plan submitted?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Were the GINs served (only check yes if proof of service was provided)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Is there a letter of reasonable explanation in the file (required only if no GIN was provided)?	<input type="checkbox"/> Yes <input type="checkbox"/> No	
Other:	<input type="checkbox"/> Yes <input type="checkbox"/> No	

MUST BE ON DEVELOPER'S / APPLICANT'S LETTERHEAD

Date

Recipient's Name
Street Address
City, State, Zip

GENERAL INFORMATION NOTICE - RESIDENTIAL TENANT NOT DISPLACED

Dear Salutation (i.e., Mr. Smith):

Developer/Entity serving notice is interested in rehabilitating the property you currently occupy at Project Address, City, State, Zip for a proposed project, which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) through the City of Los Angeles Housing Department under the HOME program.

The purpose of this notice is to inform you that you will not be displaced in connection with the proposed project. If the project application is approved and federal financial assistance provided, you may be required to move temporarily so that the rehabilitation can be completed. If you must move temporarily, suitable housing will be made available to you and you will be reimbursed for all reasonable out of pocket expenses, including moving costs and any increase in housing costs. You will be required to continue to pay your rent and comply with all other lease terms and conditions of your rental agreement.

Upon completion of the rehabilitation, you will be able to lease and occupy your present apartment, or another suitable, decent, safe and sanitary apartment in the same development under certain reasonable terms and conditions.

Under HOME program regulations, your monthly rent will remain the same upon your return to the development or, if increased, your new monthly rent and estimated average utility costs will not exceed:

- The total tenant payment as defined by HUD (under 24 CFR 5.628, or 2) if you are low income, or
- 30% of the monthly gross household income, if you are not low income.

If federal financial assistance is provided for the proposed project, you will be protected by a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). One of the URA protections of persons temporarily relocated is that such relocations shall not extend beyond one year. If the temporary relocation lasts more than one year, you will be contacted and offered all permanent relocation assistance as a displaced person under the URA or you may elect to remain in temporary housing until you are able to return to the property from which you moved. If you are permanently displaced, the relocation assistance payment would be in addition to any assistance you may

receive in connection with temporary relocation and will not be reduced by the amount of any temporary relocation assistance previously provided. You will also have the right to appeal the determination, if you feel that your application for assistance was not properly considered.

(NOTE: Pursuant to Public Law 105-117, aliens now lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

We urge you not to move at this time. If you choose to move, you will not be provided relocation assistance.

Please remember:

This is not a notice to vacate the premises.
This is not a notice of relocation eligibility.

You will be contacted soon so that we can provide you with more information regarding the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions regarding our plans, please contact Contact Name for developer or entity servicing notice, at Phone number of contact person, or Contact Person's Address, City, State, Zip.

Sincerely,

NAME OF PERSON SIGNING NOTICE (CAPS)
TITLE OF PERSON SIGNING NOTICE (CAPS)

Enclosure

Instructions and Special Notes to Developer/Applicant:

You must provide LAHD with documentation regarding the manner in which this notice was delivered (certified mail, return receipt requested, etc.), and the date of delivery.

MUST BE ON DEVELOPER'S / APPLICANT'S LETTERHEAD

Date

Recipient's Name
Street Address
City, State, Zip

GENERAL INFORMATION NOTICE - RESIDENTIAL TENANT TO BE DISPLACED

Dear Salutation (i.e., Mr. Smith):

Developer is interested in (Acquiring, Rehabilitating, Demolishing) the property you currently occupy at (address, City, State, Zip) for a proposed project which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) through the City of Los Angeles Housing Department under the HOME program.

The purpose of this notice is to inform you that you may be displaced as a result of the proposed project. This notice also serves to inform you of your potential rights as a displaced person under a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). You may be eligible for relocation assistance and payments under the URA, if the proposed project receives HUD funding and if you are displaced as a result of acquisition, rehabilitation, or demolition of the project.

This is not a notice to vacate the premises.

This is not a notice of relocation eligibility.

If it is determined that you are eligible for relocation assistance in the future, you may be eligible for: 1) Relocation advisory services including help to find another place to live; 2) At least 90 days advance written notice of the date you will be required to move; 3) Payment for your moving expenses; and 4) Replacement housing payments to enable you to rent, or if you prefer to purchase, a comparable replacement home. You will also have the right to appeal the determination, if you feel that your application for assistance was not properly considered. The enclosed HUD brochure, "Relocation Assistance to Tenants Displaced from Their Homes" provides an explanation of this assistance and other helpful information.

(NOTE: Pursuant to Public Law 105-117, aliens not lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

Please be advised that you should continue to pay your rent and meet any other obligations as specified in your lease agreement. Failure to do so may be cause for eviction. If you choose to move or if you are evicted prior to receiving a formal notice of relocation eligibility, you will not be eligible to receive relocation assistance. It is important for you to contact us before making any moving plans.

Again, this is not a notice to vacate the premises and does not establish your eligibility for relocation payments or assistance at this time. If it is determined that you will be displaced and are

required to vacate the premises in the future, you will be informed in writing. In the event that the proposed project does not proceed or if you are determined not to be displaced, you will also be notified in writing.

If you have any questions regarding this notice or the proposed project, please contact (name of contact, title, address, telephone number).

Sincerely,

NAME

Title

Enclosure

NOTE TO DEVELOPER: Include proof of delivery

MUST BE ON DEVELOPER'S / APPLICANT'S LETTERHEAD

To use as a template, click Ctrl-A, then click the F9 key.

Date

Recipient's Name
Street Address
City, State, Zip

GENERAL INFORMATION NOTICE - RESIDENTIAL TENANT NOT DISPLACED

Dear Salutation (i.e., Mr. Smith):

Developer/Entity serving notice is interested in rehabilitating the property you currently occupy at Project Address, City, State, Zip for a proposed project, which may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD) through the City of Los Angeles Housing Department under the HOME program.

The purpose of this notice is to inform you that you will not be displaced in connection with the proposed project. If the project application is approved and federal financial assistance provided, you may be required to move temporarily so that the rehabilitation can be completed. If you must move temporarily, suitable housing will be made available to you and you will be reimbursed for all reasonable out of pocket expenses, including moving costs and any increase in housing costs. You will be required to continue to pay your rent and comply with all other lease terms and conditions of your rental agreement.

Upon completion of the rehabilitation, you will be able to lease and occupy your present apartment, or another suitable, decent, safe and sanitary apartment in the same development under certain reasonable terms and conditions.

Under HOME program regulations, your monthly rent will remain the same upon your return to the development or, if increased, your new monthly rent and estimated average utility costs will not exceed:

- The total tenant payment as defined by HUD (under 24 CFR 5.628, or 2) if you are low income, or
- 30% of the monthly gross household income, if you are not low income.

If federal financial assistance is provided for the proposed project, you will be protected by a federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA). One of the URA protections of persons temporarily relocated is that such relocations shall not extend beyond one year. If the temporary relocation lasts more than one year, you will be contacted and offered all permanent relocation assistance as a displaced person under the URA or you may elect to remain in temporary housing until you are able to return to the property from which you moved. If you are permanently displaced, the relocation assistance payment would be in addition to any assistance you may

receive in connection with temporary relocation and will not be reduced by the amount of any temporary relocation assistance previously provided. You will also have the right to appeal the determination, if you feel that your application for assistance was not properly considered.

(NOTE: Pursuant to Public Law 105-117, aliens now lawfully present in the United States are not eligible for relocation assistance, unless such ineligibility would result in exceptional hardship to a qualifying spouse, parent, or child. All persons seeking relocation assistance will be required to certify that they are a United States citizen or national, or an alien lawfully present in the United States.)

We urge you not to move at this time. If you choose to move, you will not be provided relocation assistance.

Please remember:

This is not a notice to vacate the premises.
This is not a notice of relocation eligibility.

You will be contacted soon so that we can provide you with more information regarding the proposed project. If the project is approved, we will make every effort to accommodate your needs. In the meantime, if you have any questions regarding our plans, please contact Contact Name for developer or entity servicing notice, at Phone number of contact person, or Contact Person's Address, City, State, Zip.

Sincerely,

NAME OF PERSON SIGNING NOTICE (CAPS)
TITLE OF PERSON SIGNING NOTICE (CAPS)

Enclosure

Instructions and Special Notes to Developer/Applicant:

You must provide LAHD with documentation regarding the manner in which this notice was delivered (certified mail, return receipt requested, etc.), and the date of delivery.

SAMPLE VOLUNTARY ACQUISITION LETTER

MUST BE ON DEVELOPER'S / APPLICANT'S LETTERHEAD

Date

**Recipient Name
Street Address
City, State, Zip**

Dear [Recipient Name]:

[Name of Agency/Person acquiring property] is interested in acquiring the property you own at [property address, city, state, zip] for a proposed project that may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD). Please be advised that [Name of Agency/Person] does not have authority to acquire your property by eminent domain. In the event that we cannot reach an amicable agreement for the purchase of your property, we will not pursue this proposed acquisition.

We are prepared to offer you [offer amount] to purchase your property; we believe this amount represents the current market value of your property. Please contact us at your convenience if you are interested in selling your property.

Please note that, in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance.

If you have any questions about this notice or the proposed project, please contact [Contact Name, Title, Address, Phone Number].

Sincerely,

[YOUR NAME]
[YOUR TITLE]

Enclosure

Instructions and Special Notes:

You must provide LAHD with documentation regarding the manner in which this notice was delivered (certified mail, return receipt requested, etc.), and the date of delivery.

Tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be so informed per 49 CFR 24.2 (a)(15)(iv) – Initiations of negotiations, and 49 CFR 24 Appendix A – 24.2(a)(15)(iv).

This form meant to serve as a guide; it should be revised to reflect the circumstances of each acquisition.

SAMPLE RETROACTIVE VOLUNTARY ACQUISITION LETTER

MUST BE ON DEVELOPER'S / APPLICANT'S LETTERHEAD

Date

Recipient Name

Street Address

City, State, Zip

Dear [Recipient Name]:

On [date], [Name of Agency/Person acquiring property] purchased the property at [property address, city, state, zip], from [selling agency/person name] for a mutually-agreed upon amount of [sales price]. The negotiated sales price represented the market value of your property at the time of the sale.

You are receiving this letter because the property in question will be the site of a proposed project that may receive funding assistance from the U.S. Department of Housing and Urban Development (HUD). Federal property acquisition regulations require that you, as the seller of the property, be informed that [Name of Agency/Person] did not have authority to acquire your property by eminent domain. In the event that an amicable agreement for the purchase of your property had not been reached, we would not have pursued this acquisition.

Please note that, in accordance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA), owner-occupants who move as a result of a voluntary acquisition are not eligible for relocation assistance.

If you have any questions about this notice or the proposed project, please contact [Contact Name, Title, Address, Phone Number].

Sincerely,

[YOUR NAME]

[YOUR TITLE]

Enclosure

Instructions and Special Notes:

You must provide LAHD with documentation regarding the manner in which this notice was delivered (certified mail, return receipt requested, etc.), and the date of delivery.

Tenant-occupants displaced as a result of a voluntary acquisition may be entitled to URA relocation assistance and must be so informed per 49 CFR 24.2 (a)(15)(iv) – Initiations of negotiations, and 49 CFR 24 Appendix A – 24.2(a)(15)(iv).

This form meant to serve as a guide; it should be revised to reflect the circumstances of each acquisition.



Attachment 5

AFFORDABLE HOUSING TRUST FUND PROGRAM APPLICATION

LAHD CREDIT CHECK AUTHORIZATION

Instructions: Each general partner(s) and applicant(s) / project sponsor(s) must complete this Credit Check Authorization.

The information requested in the entire Affordable Housing Trust Fund Application is to be used by Los Angeles Housing Department (LAHD) to assess the applicant's creditworthiness. Information provided that is contained in public records cannot be withheld from disclosure under the California Public Records Act Gov. Code Sections 6250 and 6254. All other information may be required to be disclosed outside the agency by state and/or federal law.

Furnishing all information requested on this form is mandatory. Failure to provide such information may result in disqualification of the application or a withdrawal of LAHD's commitment.

CRIMINAL PENALTIES. Any person who shall knowingly make or cause to be made in writing, either directly or indirectly, any false statement, with the intent that it shall be relied upon, for the purpose of procuring the loan secured by real property, shall be guilty of a criminal offense, punishable by a fine not exceeding ten thousand dollars (\$10,000.00), or by imprisonment in a county jail not exceeding six months, or by both the fine and imprisonment. California Penal Code sections 532(a) and 532(f).

CONTINUING OBLIGATION. The applicant has a continuing obligation to provide LAHD with current and accurate information. Applicant must provide to LAHD all requested information; with an Applicant's Certification Statement for any individual or entity that LAHD, in its sole discretion, believes is necessary to evaluate the application (reasonably related to the applicant).

By signing below, authorization is hereby provided to LAHD to verify any and all information provided in the proposal, including, but not limited to, the organization's credit rating, status and payment history of real estate loans and performance on contracts with third parties. LAHD is further authorized to utilize photocopies of this authorization to obtain third party contractual and credit references and status of the organization's obligations. I understand that the confidentiality of the information I have furnished will be preserved except where disclosure of this information is required by applicable law.

CERTIFICATION/AUTHORIZATION. I/(we), the undersigned, certify that the information provided to LAHD in this AFFORDABLE HOUSING TRUST FUND NOTICE OF FUNDING APPLICATION (NOFA) is true and correct as of the date set forth below my/(our) signature on this application package and acknowledge that any false or misleading statements of the information contained may result in civil liability and liability for monetary damages to the lender, its agents, successors, and assigns, insurers and any other person who may suffer any loss due to reliance upon any false or misleading statements which I have made on this application.

NAME OF ENTITY

200__ AHTF NOFA ROUND __

By: _____

Print Name: _____

Its: _____

Date: _____

Attachment 6

**FORM LETTER REGARDING DAVIS-BACON/STATE PREVAILING WAGE
REQUIREMENTS**

(On Applicant's Letterhead)

Date

**Subject: 2009 AHTF NOFA Application
 Name of Project
 Project Address**

This letter affirms that the construction costs submitted with the 2009 AHTF NOFA application dated _____ for the subject project presumes the payment of Davis-Bacon and/or State Prevailing wages, in accordance with Sections 1.10.5, 1.10.6, and 2.11 of the aforementioned NOFA.

Sincerely,

**NAME OF AUTHORIZED SIGNATORY
Title**

Signature of Authorized Signatory

Attachment 7

AFFORDABLE HOUSING TRUST FUND PROGRAM APPLICATION

APPLICANT(S) / BORROWER(S) CERTIFICATION STATEMENT

Each general partner(s) and applicant(s) / project sponsor(s) must complete this certification statement. All questions must be answered. Do not leave any question unanswered. If not applicable, write "N/A" after the question. **If you answered "Yes" to any of the questions, please provide an explanation for each answer on a separate sheet and attach it to this certification statement.**

PROJECT NAME: _____

PROPOSED BORROWER'S NAME: _____

		YES	NO
1.	Has the applicant or any of its partners or principals been suspended, revoked, lapsed and/or terminated for any reason?	<input type="checkbox"/>	<input type="checkbox"/>
2.	Has the applicant or any of its partners or principals filed for bankruptcy? If yes, please explain and state the case number and whether the case was dismissed, discharged or is current.	<input type="checkbox"/>	<input type="checkbox"/>
3.	Has the applicant or any of its partners or principals defaulted on a financial obligation?	<input type="checkbox"/>	<input type="checkbox"/>
4.	Is there, or has there ever been, a settlement and/or judgment filed or a case pending against the applicant or any of its partners or principals?	<input type="checkbox"/>	<input type="checkbox"/>
5.	Has a lien ever been filed against real property owned by the applicant or any of its partners or principals as a result of a judgment, etc.?	<input type="checkbox"/>	<input type="checkbox"/>
6.	Is the applicant or any of its partners or principals currently subject to, or been notified that it may be subject to, and/ or ever been convicted of a felony or misdemeanor other than minor traffic violations and/or placed on probation, fined or given a suspended sentence in court?	<input type="checkbox"/>	<input type="checkbox"/>
7.	Has the applicant or any of its partners or principals ever been convicted of a misdemeanor, including but not limited to a conviction under local health, fire, environmental and/or building and safety laws, relating to the ownership and/or management of real property?	<input type="checkbox"/>	<input type="checkbox"/>
8.	Does the applicant have any employees or relatives who have close associations with current or former employees of the Los Angeles Housing Department (LAHD)?	<input type="checkbox"/>	<input type="checkbox"/>
9.	Are any current or former employees of LAHD currently employed by the applicant? Does the applicant currently employ relatives of any LAHD employees?	<input type="checkbox"/>	<input type="checkbox"/>
10.	Are there any LAHD current or former employees that have a financial interest in this project?	<input type="checkbox"/>	<input type="checkbox"/>

11.	Has the applicant or any of its partners failed to comply with Davis-Bacon wage requirements on any previous development projects?	<input type="checkbox"/>	<input type="checkbox"/>
12.	List any additional names or aliases, exercise of power of attorney and/or fiduciary trust capacities that you are currently using or have used in the past. If any, please explain. <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>		
13.	List all partnerships, corporations, joint ventures, and/or limited partnership entities, (including the applicant, if applicable), which you are currently or have been associated with, and designate whether you/were a principal and list your title and responsibilities, the purpose of the organization and its current status. <div style="border: 1px solid black; height: 40px; margin-top: 5px;"></div>		
14.	List ALL residential income properties (Attachment 7b) you currently own that are located within the City limits of LOS ANGELES. The Assessor's Parcel Number (APN's) are required for each property owned by the applicant and/or any of their partners, or in which any of their principals have a vested interest. This information will be used to determine: 1) whether the property has any outstanding Rent Registration or Code (SCEP) fees due to the City, and 2) whether the property has any outstanding cited habitability violations, and 3) if the property is in any of the City's compliance programs due to unabated habitability violations. In order to satisfy this requirement, applicants must complete and save Attachment 7b in a diskette, in MS Excel format, and submit the diskette with the application binder.		

CERTIFICATION/AUTHORIZATION. I/(we), the undersigned, certify that the information provided to LAHD in this AFFORDABLE HOUSING TRUST FUND application is true and correct as of the date set forth below my/(our) signature on this application package and acknowledge that any false or misleading statements of the information contained may result in civil liability and liability for monetary damages to the lender, its agents, successors, and assigns, insurers and any other person who may suffer any loss due to reliance upon any false or misleading statements which I have made on this application.

AHTF NOFA 20 Round

Name of Entity _____

Signature

Date

Type or Print Name

Title

ATTACHMENT 7b - CONTINUED

Page of

PROJECT NAME: _____
Project Address: _____
Developer/Project Owner: _____
Managing General Partner: _____

Additional Partner: _____
Additional Partner: _____

DO NOT LIST PROPERTIES LOCATED OUTSIDE THE CITY OF LOS ANGELES

Applicant/Partner* (List the name of entity who currently owns/ is vested in the listed property)	APN(s)* (All APN's associated with each location)	Property Name*	Property Address/es*	City/ Community*	Zip Code*	Lender (Check all that apply)*				Loan Number(s)	Loan Amount(s)	# of Units*	Year Built*	Date of Purchase*	Tenant Occupied at Date of Purchase? (Y or N)*
						CDD	CRA	LAHD	OTHER						

* Required field. If additional sheets are necessary, photocopy this form and complete all required information.

Extension:

Name of GP			
Mailing Address			
Tax ID Number			
Name on Tax Certificate			
City Business Number			
Indicate if:			
"Non-profit" / "LLC" / "LP"			
<i>If 501(c)(3) List Board Members and Executive Director/ President/ etc.</i>			
<i>IF Limited Liability Co., List Managing Members</i>			
<i>IF Limited Partnership, continue</i>			
Name of LP			
Mailing Address			
Tax ID Number			
Name on Tax Certificate			
City Business Number			

Attachment 8

(This form must be printed on Community Redevelopment Agency-LA Letterhead)

LETTER OF ACKNOWLEDGEMENT & SUPPORT

Project Name: _____

Project Address: _____

Name of Developer: _____

Mailing Address: _____

Telephone Number: _____

CRA REDEVELOPMENT PROJECT AREA STATUS:

The entire parcel upon which the above-mentioned project will be located is:

- ☐ Within the following Redevelopment Project Area:
- ☐ Contiguous to the following Redevelopment Project Area:
- ☐ Neither within nor contiguous to any CRA/LA Redevelopment Project Area.

CRA READINESS/FEASIBILITY CRITERIA:

Has the project completed the Agency's Design Review Requirements?

- ☐ Yes
- ☐ No
- ☐ Review Pending
- ☐ Not Applicable

As proposed, is the project consistent with the project area redevelopment plan?

- ☐ Yes
- ☐ No
- ☐ Unable to Determine based on Information Submitted
- ☐ Not Applicable

As proposed, and if applicable, is the project consistent with CRA Housing Design Guidelines?

- ☐ Yes
- ☐ No
- ☐ Review Pending
- ☐ Unable to Determine based on Information Submitted
- ☐ Not Applicable

As proposed, and if applicable, is the project consistent with Design for Development (DFD) or other project area specific Design Guidelines.

- ☐ Yes
- ☐ No
- ☐ Review Pending
- ☐ Unable to Determine based on Information Submitted
- ☐ Not Applicable

Are you aware of any other CRA policies or guidelines that would impact the construction of this project within the proposed redevelopment area?

- ☐ Yes Explain:
- ☐ No

Additional Comments: Are you aware of any discrepancies between the proposed application and the Agency application?

- ☐ Yes Explain:
- ☐ No

CRA RECOMMENDATION:

☐ Strongly Support ☐ No Position ☐ Oppose ☐ Strongly Oppose

Please Explain: _____

TO BE COMPLETED BY CRA REPRESENTATIVE:

Completed by: _____ Dated: _____

Signature: _____ Title: _____

Please visit the CRA website at www.CRALA.net to obtain copies of applicable policies, guidelines and specific redevelopment plans. You should specifically refer to the CRALA Project Area tab and the Housing Program tab.

ATTACHMENT 9
LOS ANGELES HOUSING DEPARTMENT
PROPERTY MANAGEMENT PLAN

Project Name: _____ **Total Number of Units:** _____

Project Address: _____ **No. of Restricted Units:** _____

Project Owner: _____

Owner's Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Contact Person: _____ **Position/Title:** _____

Daytime Phone: () _____ **Phone:** () _____ **Fax:** () _____

Mailing Address: _____ **City:** _____ **State:** _____ **Zip:** _____

Complete the Property Management Plan by providing the information requested. If a series of multiple choices are offered, respond with an "X" to all that apply. In responding to the "OTHER" category, attach a separate paper when needed. **Items that already have an "X" are mandatory.**

Financial Management

1. The following person(s) is/are responsible for the project's financial management:

(Name, Title/Position)

Her/His/Their duties include:

- _____ Collecting rents and other income.
- _____ Paying bills and tracking expenses (including taxes).
- _____ Purchasing equipment or supplies.
- _____ Preparation of the annual project budget. *(income, expenses, capital expenditures, funding of project reserves)*
- _____ Preparation of the annual financial audit.
- _____ Other _____

2. Describe how you will provide for financial reporting on your projects:

- a. Bookkeeping, accounting and financial reports will be performed by _____

- b. Financial reports will be prepared by _____ at least _____ times a
year and sent to _____, the project manager / owner. *(Circle one)*

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

Tenant Management

3. The following person is responsible for tenant management:

(Name, Title/Position)

Her/His duties include:

_____ Marketing vacant units	_____ Tenant screening
_____ Tenant selection	_____ Resolution of tenant problems
_____ Notice of rent delinquency	_____ Enforcement of House Rules <i>(Attach a copy)</i>
_____ Eviction	_____ Other _____

4. The following agreements between owner and tenant will be used:

 X Owner's lease agreement (ATTACH A SAMPLE OF THE AGREEMENT TO BE USED)

 X City's Mandatory Addendum to Lease or Rental Agreement (provided by the LAHD)

_____ Other agreements (IDENTIFY HERE AND ATTACH SAMPLES):

There are a total of _____ units restricted for occupancy by Low Income Households at affordable rent as stipulated in Regulatory Agreement No.: _____ and signed and dated _____.

Affirmative marketing describes the steps to be taken to provide information and otherwise attract eligible persons from all racial, ethnic and gender groups in the housing market area to the available housing. *(Read the Affirmative Marketing Goals and Procedures prior to filling out this section)*

6. To assure all restricted units are affirmatively marketed the Owner will accomplish the following:

 X Assure all advertising media includes a reference to "Equal Housing Opportunity".

_____ Where a significant number of persons in the community have limited fluency in the English language, provide marketing information and leases in the native language(s) of such persons.

 X Promptly notify applicants of their eligibility status and placement on a waiting list.

_____ Other *(Attach separate paper if needed:)* _____

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

7. Owner will market available rental units using the following methods: *(Pick at least one method in addition to newspaper ad)*

X Place ad in neighborhood and/or local newspaper. Identify specific papers:

_____ Place flyer or notice with churches, community organizations. Identify specific organizations and locations:

_____ Place flyer or notice with real estate associations. Identify specific associations:

_____ Other: _____

If no media advertisement is planned, give reason: _____

8. The following steps will be taken to inform and solicit applications from persons identified as least likely to apply for the restricted units without special outreach.

a. Based upon a review of the ethnic and racial distribution of the neighborhood surrounding the available units, the target group(s) least likely to apply without special outreach is (are) *(Pick one or more)*:

_____ African American/Black	_____ Native Hawaiian or other Pacific Islander
_____ American Indian/Alaskan Native	_____ Asian
_____ White	_____ Mexican/Chicano
_____ Cuban	_____ Puerto Rican
_____ Other Hispanic or Latino	_____ Non Hispanic or Latino

b. Planned outreach consists of the following actions:

_____ Placing notice(s) in newspapers(s) of general circulation.

(Examples of newspapers of general circulation include the Los Angeles Times, La Opinion, Nuestro Tiempo, The Sentinel, Daily News, Korean Times, Wave, Daily Journal).

Identify: _____

X Distributing flyers to social service or special purpose groups.

(A list of social service /special purpose group contacts is attached to this document as well as other forms and information to help you complete this item).

Attach the list of social service agencies you will contact to this document.

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

9. Affirmative marketing and outreach for filling vacant units will be documented in the following manner:
(Refer to Loan Document and Covenant for further information on record keeping requirements)

- X Maintenance of a file copy of media ads and or flyers.
- X Maintenance of file notes on who was contacted or where bulletins were posted.
- Making "How did you hear about this vacancy?" a question on the tenant application.
- Other: _____

10. Tenants for the restricted units will be selected in the following manner:

- Maintenance of a list by the date the application is received according to income group, and filling vacancies in application date order.
- X Screening of tenants through the use of credit history, tenant history, and references, if available, to determine suitability for occupancy.
- X Giving consideration to families eligible for public housing.
- X Giving preference to qualified households who have been displaced as a result of City of Los Angeles public projects, when other selection criteria are also met.
- Other applicant screening procedures: _____

11. X On behalf of the City, Owner will collect and submit to the City the following demographic information on all tenants occupying restricted units in the Project:

- X Income Level
- X Gender
- X Ethnicity

12. At initial occupancy, every sixth year, or upon request, income eligibility for each tenant in a restricted unit will be determined in the following manner:

- X Follow definition of income appropriate to the loan. (Definition of income is attached)
- X Have the applicant complete, sign and submit a Tenant Income and Rent Certification Form.
- X Calculate tenant income by reviewing source documentation (Check as applicable):
 - X Obtain employment check stubs.
 - X Verify SSI pension, AFDC payment, public assistance, and other income.
 - X Calculate and include income from assets.
 - Examine applicant income tax return.
 - Verify income with employer.
 - Other: _____

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

13. Annual recertification of each tenant's eligibility in a restricted unit will be determined in the following manner:

- ☒ Follow definition of income appropriate to the loan (*Definition of income is attached*).
- ☒ Have the applicant complete, sign and submit a Tenant Income and Rent Certification Form.
- Other: _____

14. Maximum allowable rents must be reduced if the tenant pays for utilities. Accordingly, which of the following utilities are paid by the tenant?

- | | |
|--|---|
| <input type="checkbox"/> Gas Heating | <input type="checkbox"/> Basic Electricity |
| <input type="checkbox"/> Gas Cooking | <input type="checkbox"/> Electric Cooking |
| <input type="checkbox"/> Gas Water Heating | <input type="checkbox"/> Electric Water Heating |
| <input type="checkbox"/> Water | <input type="checkbox"/> Electric Heating |
| <input type="checkbox"/> Trash/Garbage | <input type="checkbox"/> Air Conditioning |
| <input type="checkbox"/> Other: _____ | |

15. When there is at least one parking space per unit and/or ample parking available, as required by the zoning regulations for the City of Los Angeles, then parking is considered an entitlement when calculating maximum allowable rent. When there is less than one space per unit, parking can be considered an amenity. However, this amenity must be offered to tenants in restricted units. Accordingly, check one of the following:

- ☐ There is at least one parking space per unit and/or ample parking available as required by the City of Los Angeles zoning regulations.
- ☐ There is less than one parking space per residential unit. Parking will be offered to tenants on the following basis:
- ☐ Seniority
- ☐ Other: _____

16. To establish initial payment and adjust rental payments by a tenant in an assisted unit (increases or decreases), the Owner will take the following action:

- ☒ Rely upon the City to provide annual changes in maximum rent levels.
- ☒ Check annually, or as needed, with the City to verify maximum rent levels.
- ☒ Re-examine monthly utility allowances annually.
- ☒ Other: _____
- ☒ If rents increase 10% or more, tenants are notified in writing at least 60 days prior to the increase.

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

17. A unit not assisted with Program Funds, as stipulated in the Regulatory Agreement, will be charged market rate rent. Units assisted with Program Funds will be charged rent based on the area median income guideline, as stipulated in the Regulatory Agreement. The owner is required to verify the income eligibility of tenants in restricted units according to program guidelines (See Affordability and Compliance Reporting Requirements). If the tenant(s) fail to submit income information, the Owner will take the following action:

X Give notice to tenant(s) of payment increase to the full rental rate of the unit.

Other: _____

18. Security deposit refunds will be handled according to the following policy:

Security deposit, less repair costs, will be refunded within _____ days of the tenant vacating the unit.

Other: _____

19. Delinquent payment of rents and eviction proceedings will be handled according to the following procedure:

Grace period for late rents? If yes, how many days? _____

If rent is not collected within the designated grace period, the following action(s) will be taken:

Issue a "Notice To Pay or Quit".

If not satisfied, proceed with the Unlawful Detainer Process.

Retain an attorney to handle legal proceedings.

Other: _____

20. X Owner shall notify the tenant of the scheduled expiration date of rent restrictions associated with this unit and provide written evidence of such notice to the City. At a minimum, notices shall be given to the tenant at the following three periods: (a) prior to initial rental; (b) one year prior to the Covenant expiration date; and (c) 90 days prior to the Covenant expiration date.

21. If a unit must be vacated as a result of demolition, major rehabilitation, or for other reasons during the construction phase of your loan, payment of relocation fees to the tenant may be required. The following person will be responsible for giving the tenant the necessary notices and paying the relocation fees:

(Name and Title/Position, phone number)

22. Should willful destruction and/or other illegal activities occur in your units, the Owner will take the following action: (Check at least one):

Report the activity to appropriate authorities.

Initiate eviction proceedings if appropriate.

Other: _____

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

Maintenance Management

23. The Owner will provide for maintenance and repairs in the following manner:

- X All units will be inspected when tenants leave, as well as on an annual basis, using the attached review list. Repairs will be made as needed as well as prior to renting to a new occupant. A record of inspections and repairs will be maintained.

The following persons or companies will be responsible for the indicated maintenance services (must be completed):

_____ is the person/company responsible for performing routine maintenance and general repairs and for maintaining the City's Housing Quality Standards (*Attached*).

_____ is responsible for responding to routine emergencies.

_____ is responsible for major repairs of the building and equipment. At least annually the building exterior, common grounds and major systems (including plumbing, electrical, heating, roofing) will be inspected using the attached review list and repairs will be made as needed. A record of inspections and repairs will be retained. Adequate replacement reserves will be properly maintained.

_____ is responsible for garbage and trash collection.

24. Landscaping and grounds maintenance will be provided in the following manner:

Tree and shrub care _____

Lawn care _____

Lawn sprinklers _____

The person/company responsible for landscape maintenance is _____

Is a maintenance and grounds keeper provided? Yes _____ No _____

25. Methods of preventive security that will be used at the property:

_____ Fire alarms and extinguishers	_____ Security Doors
_____ Exterior lighting	_____ Electric gates
_____ Observation cameras	
_____ Other:	

26. _____ is the person responsible for maintaining property and liability insurance.

27. X Owner shall permit the City to enter and inspect the Project and all Project units for compliance with local habitability, safety and health code regulations. LAHD may give written notice to the Owner to correct the deficiencies within thirty (30) days.

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

Management Company Information

Check here if owner will manage property and no Management Company will be used. _____

If a Management Company will be used, complete the information below:

The following Management Company has been employed to carry out the duties described above:

Company Name: _____

Company Address: _____

Contact Person: _____ Position/Title: _____

Company Phone: _____ Company Fax: _____

Name of On-site Manager, if different: _____

Phone Number: _____ Fax Number: _____

Please attach the following information about the Management Company to this form:

- X Current number of units managed
- X Current number and type of units managed in Los Angeles
- X Number of years experience in property management
- X Three examples of properties of comparative size and location in Los Angeles
(Give Name and address of projects and name and phone number of contact persons)
- X Copy of agent's real estate license
- X Copy of Management Agreement between Owner and Management Company

OWNER'S STATEMENT OF MANAGEMENT PLAN ACCEPTANCE

I AGREE that the above-referenced property will be managed in the manner described above.

Owner (Signature)

Date of Signature

Owner (Print Name)

Owner (Phone No.)

Note: Each page of the Management Plan must be initialed by the Owner of the project to indicate knowledge and acceptance of the Plan's provisions.

AFFORDABLE HOUSING REFERRAL FORM

LOS ANGELES CITY PLANNING DEPARTMENT

This form is to serve as a referral to Planning Public Counter for affordable housing case filing purposes (in addition to the required Master Land Use Application and any other necessary documentation) and as a referral to LAHD, CRA, LA County, or other City agency for project status and entitlement need purposes. Please refer to Affordable Housing Referral Form (AHRF) Instructions Sheet for additional information on completing this form. This form shall be completed by the applicant and reviewed and signed by Planning staff.

CITY STAFF USE ONLY

Referral To:		
<input checked="" type="radio"/> Public Counter Filing	<input type="radio"/> LAHD Filing	<input type="radio"/> CRA <input type="radio"/> LA County <input type="radio"/> Other
NOTES:		
Planning Staff Name and Title:	Planning Staff Signature:	Date:

I. PROPOSED PROJECT

1. PROJECT LOCATION/ ZONING

Project Address: _____

Project Name: _____

Applicant Name and Contact Information: _____

Assessor Parcel Number(s): _____

Community Plan: _____ Number of Lots: _____ Lot size: _____ s.f.

Existing Zone: _____ Land Use Designation: _____

☐ Specific Plan ☐ HPOZ ☐ DRB ☐ Enterprise Zone ☐ CRA

☐ Q-condition/ D-limitation/ T-classification (please specify): _____

☐ Other pertinent zoning information (please specify): _____

2. PROPOSED PROJECT

Description of Proposed Project: _____

	Type of Use	Square Feet	# of Units
Existing ¹			
To be Demolished			
Proposed			
TOTAL			

3. APPLICATION STATUS & TYPE

A. Status of Application

- ☐ Not Required: Ministerial²
☐ Entitlement Case Required and needs to be filed with Planning
☐ Case Filed: (1) (2) (3)
 Case Number(s): _____
 Date Filed: _____
 Date Approved: _____
 End of Appeal Period: _____

B. Type of Application (please select only one)

Ministerial²	1. <input type="checkbox"/> Density Bonus (per LAMC 12.22.A.25, Ordinance 179,681) <i>(Please Complete Sections I, II & V)</i>	2. <input type="checkbox"/> Greater Downtown Housing Incentive Area (per LAMC 12.22.A.29, Ordinance 179,076) <i>(Please Complete Sections I, III & V)</i>	3. <input type="checkbox"/> Senior Independent Housing/ Assisted Living Care Housing/ Disabled Persons Housing (per LAMC 12.21.A.4.u, Ordinance 178,063) <i>(Please Complete Sections I, IV & V)</i>	4. <input type="checkbox"/> Other: <i>(Please Complete Sections I & V)</i>
	<input type="radio"/> LADBS- Ministerial o Density Increase o Parking Reductions (option 1 or 2)	<input type="radio"/> LADBS- Ministerial o Exempt from SPR	<input type="radio"/> LADBS- Ministerial	<input type="radio"/> LADBS- Ministerial : (please specify)
Discretionary³	<input type="radio"/> Density Bonus with Incentives ON the Menu (please specify)	<input type="radio"/> Site Plan Review	<input type="radio"/> Site Plan Review	<input type="radio"/> Discretionary (please specify)
	<input type="radio"/> Multiple entitlement with Incentives ON the Menu (please specify)	<input type="radio"/> Other entitlement	<input type="radio"/> Other entitlement	
	<input type="radio"/> Density Bonus with Incentives NOT ON the Menu ⁴ (please specify)			
	<input type="radio"/> Multiple entitlement with Incentives NOT ON the Menu ⁴ (please specify)			

4. DENSITY CALCULATION:

A. Base Density: Maximum density allowable per zoning

Lot size _____ sf. (a)
 Density allowable by zone _____ units/s.f. of lot area (b)
 Units allowed by right (Base Density) _____ units (c) [$c = a/b$, round down to whole number]

B. Maximum allowable Density Bonus: _____ units (d) [$d = c \times 1.35$, round up to whole number]

C. Proposed Project: Please indicate total number of Units as well as breakdown by levels of affordability set by each category (HCD or HUD). For information on HCD and HUD levels of affordability please contact Los Angeles Housing Department's Occupancy Monitoring Unit at (213) 808-8806 or occmmonitor@lahd.lacity.org.

	Total	HCD (State) ⁵	HUD (TCAC) ⁶
Market Rate	_____	N/A	N/A
Managers Unit(s)- Market Rate	_____	N/A	N/A
Very Low Income	_____	_____	_____
Low Income	_____	_____	_____
Moderate Income	_____	_____	N/A
Seniors- Market Rate	_____	N/A	N/A
Seniors- Very Low Income	_____	_____	_____
Seniors- Low Income	_____	_____	_____
Total # of Units per Category	_____	_____ (e)	_____ (f)
Percent of Affordable Units by Category	_____	_____ (g)	_____ (h)
		[g = e/c or e/i, whichever is less, c or i]	
		[h = f/c or f/i, whichever is less, c or i]	
TOTAL # of Units Proposed	_____ (i)		
Number of Density Bonus Units	_____ (j) [If $i > c$, then $j = i - c$; if $i < c$, then $j = 0$]		
Percent Density Bonus Requested	_____ (k) [$k = j/c$]		

5. SITE PLAN REVIEW CALCULATION: An application for Site Plan Review may be required for projects that meet the Site Plan Review threshold(s) as outlined in LAMC Section 16.05.C. unless otherwise exempted per Section 16.05.D. For Density Bonus projects involving bonus units, please use the formulas provided below to determine if the project meets Site Plan Review threshold for unit count. If project meets the threshold(s) but qualifies under the exemption criteria per Section 16.05.D please confirm exemption with Department of City Planning's Site Plan Review Unit at (213) 978-1219 and provide letter of Exemption signed by authorized Site Plan Review Section planner.

- ⑨ If number of Proposed units [(j) from above] is less than the number of By Right/ Base Density units [(c) from above, then:

(j) – existing units = _____

- YES, Site Plan Review is required, if Proposed units minus existing units is greater than or equal to 50
- NO, if Proposed units minus existing units is less than 50
- Exempt (please specify): _____

- ⑨ If number of Proposed units [(j) from above] is greater than the number of By Right/ Base Density units [(c) from above, then:

(c) – existing units = _____

- YES, Site Plan Review is required, if By Right/ Base Density units minus existing units is greater than or equal to 50
- NO, if By Right/ Base Density units minus existing units is less than 50
- Exempt (please specify): _____

II. DENSITY BONUS (LAMC Sec. 12.22.A.25, Ordinance 179,681)

6. HOUSING DEVELOPMENT PROJECT TYPE (please select one)

- ☐ (1) For Sale or Rental Housing with Low or Very Low Income Restricted Affordable Units
- ☐ (2) For Sale or Rental Senior Citizen Housing (Market Rate)
- ☐ (3) For Sale or Rental Senior Citizen Housing with Low or Very Low Income Restricted Affordable Units
- ☐ (4) For Sale Housing with Moderate Income Restricted Affordable Units

7. DENSITY BONUS OPTIONS (Please check all that apply)

- ☐ Land Donation
- ☐ Child Care
- ☐ Restricted Affordable Units Located Near Transit Stop/ Major Employment Center
- ☐ Common Interest Development with Low or Very Low Income Restricted Affordable Units for Rent
- ☐ Condominium Conversion
- ☐ Parking (Please choose only one option)

☐ Parking Option 1: Based on # of bedrooms, inclusive of Handicapped and Guest parking

	# of Units	Spaces/Unit	Parking Required	Parking Provided
0-1 Bedroom		1		
2-3 Bedrooms		2		
4 or more Bedrooms		2.5		
TOTALS				

☐ Parking Option 2: Reduced only for Restricted Affordable Units

	# of Units	Spaces/Unit	Parking Required'	Parking Provided'
Market Rate (Including Senior Market Rate)		Per code		
Restricted Affordable		1		
Very Low/ Low Income Senior or Disabled		.5		
Restricted Affordable in Residential Hotel		.25		
TOTALS				

8. INCENTIVES

A. Project Zoning Compliance & Incentives (Please check all that apply)

	Required/ Allowable	Proposed	ON Menu	OFF Menu
<input type="checkbox"/> (1) Yard/ Setback (each yard counts as 1 incentive)				
<input type="checkbox"/> Front			<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Rear			<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> Side(s)			<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (2) Lot Coverage			<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (3) Lot Width			<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (4) Floor Area Ratio			<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (5) Height/ # of Stories			<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (6) Open Space			<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (7) Density Calculation			<input type="radio"/>	<input type="radio"/>
<input type="checkbox"/> (8) Averaging (all count as 1 incentive)			<input type="radio"/>	<input type="radio"/>
FAR,				
Density,				
Parking,				
OS,				
Vehicular Access				
<input type="checkbox"/> Other (please specify):			<input type="radio"/>	<input type="radio"/>

TOTAL # of Incentives Requested:

B. Qualification for Incentives On the Menu: (Please check only one)

Incentives	% Very Low Income	% Low Income	% Moderate Income
One	<input type="radio"/> 5% to <10%	<input type="radio"/> 10% to <20%	<input type="radio"/> 10% to <20%
Two	<input type="radio"/> 10% to <15%	<input type="radio"/> 20% to <30%	<input type="radio"/> 20% to <30%
Three	<input type="radio"/> 15% or greater	<input type="radio"/> 30% or greater	<input type="radio"/> 30% or greater
3+	<input type="radio"/> (Specify):	<input type="radio"/> (Specify):	<input type="radio"/> (Specify):

9. **COVENANT:** All Density Bonus projects are required to prepare and record an Affordability Covenant to the satisfaction of the Los Angeles Housing Department's Occupancy Monitoring Unit before a building permit can be issued. To apply to LAHD to prepare a covenant, contact the Occupancy Monitoring Unit at (213) 808-8806 or occmonitor@lahd.lacity.org.

III. GREATER DOWNTOWN HOUSING INCENTIVE AREA (GDHIA)

(LAMC Sec 12.22 A.29, Ordinance 179,076)

10. ELIGIBILITY FOR FLOOR AREA BONUS

NOTE: Published affordability levels per the United States Department of Housing and Urban Development (HUD/TCAC). Please consult with Los Angeles Housing Department's Occupancy Monitoring Unit for additional information.

- ☐ (1) 5% of the total number of dwelling units provided for Very Low Income households; and
- ☐ (2) One of the following shall be provided:
 - ☐ 10% of the total number of dwelling units for Low Income households; or
 - ☐ 15% of the total number of dwelling units for Moderate Income households; or
 - ☐ 20% of the total number of dwelling units for Workforce Income households; and
- ☐ (3) Any dwelling unit or guest room occupied by a household earning less than 50% of the Area Median Income that is demolished or otherwise eliminated shall be replaced on a one-for-one basis within the Community Plan Area in which it is located.

11. INCENTIVES (Please check all that apply)

NOTE: Must meet all 3 eligibility requirement from above (#10).

- ☐ (1) A 35% increase in total floor area.
- ☐ (2) Open Space requirement pursuant to Section 12.21.G reduced by one-half, provided fee is paid.
- ☐ (3) No parking required for units for households earning less than 50% AMI.
- ☐ (4) No more than one parking space required for each dwelling unit.

12. ADDITIONAL INCENTIVES TO PRODUCE HOUSING IN THE GREATER DOWNTOWN HOUSING INCENTIVE AREA

- ☐ (a) No yard requirements except as required by the Urban Design Standards and Guidelines
- ☐ (b) Buildable area shall be the same as the lot area (for the purpose of calculating buildable area for residential and mixed-use)
- ☐ (c) Maximum number of dwelling units or guest rooms permitted shall not be limited by the lot area provisions as long as the total floor area utilized by guest rooms does not exceed the total floor area utilized by dwelling units.
- ☐ (d) No prescribed percentage of the required open space that must be provided as either common open space or private open space.

13. **SITE PLAN REVIEW:** Any residential (including Apartment Hotel or mixed-use) building located within the Greater Downtown Housing Incentive Area is required to complete a Site Plan Review unless otherwise exempted per LAMC Section 16.05.D. If project qualifies under the exemption criteria per Section 16.05.D please confirm exemption with Department of City Planning's Site Plan Review Unit at (213) 978-1219 and provide letter of Exemption signed by authorized Site Plan Review Section planner.

14. **COVENANT:** All GDHIA projects are required to prepare and record an Affordability Covenant to the satisfaction of the Los Angeles Housing Department's Occupancy Monitoring Unit before a building permit can be issued. To apply to LAHD to prepare a covenant, contact the Occupancy Monitoring Unit at (213) 808-8806 or occmonitor@lahd.lacity.org.

IV. SENIOR INDEPENDENT HOUSING/ ASSISTED LIVING CARE HOUSING/ DISABLED PERSONS HOUSING
(LAMC Sec. 12.21.A.4.u, Ordinance 178,063)

15. PARKING REDUCTION

- ☐ May be reduced to 50% of the number otherwise required by code if all of the following requirements are met:

16. ELIGIBILITY FOR REDUCED PARKING

- ☐ (1) Occupied by at least one person who is disabled or 62 years of age or older, except for management or maintenance personnel unit.
- ☐ (2) At least 10 square feet of indoor recreation space and at least 50 square feet of usable open space for each dwelling unit in the development, both available and accessible to all residents of the development.
- ☐ (3) Record a Covenant and Agreement with Building and Safety.

V. REQUIRED FOR ALL APPLICATIONS

17. ENVIRONMENTAL STATUS *(Please check only one)*

- ☐ Not Required: Ministerial *(CEQA does not apply-may proceed to Building and Safety, no Planning action required)*
- ☐ Not Filed: *(Please visit the Planning Public Counter and inquire about completing either an Environmental Assessment Form or a Categorical Exemption)*
- ☐ Filed:
- ☐ Categorical Exemption⁸ *(Please specify Class and Category):* _____
 - ☐ Statutory Exemption *(Please specify Type of Action):* _____
 - ☐ Negative Declaration⁸
 - ☐ Mitigated Negative Declaration^{8,9}
 - ☐ Environmental Impact Report⁸
 - ☐ Reconsideration of previous Environmental Review

(Please provide the following information for all filed cases)

Case Number: _____

Date Filed: _____

Date Completed: _____

End of Comment Period: _____

Date Adopted/ Certified: _____

Date Filed with County Clerk: _____

Exhausted All Appeals Date: _____

18. OTHER L.A.M.C. PROVISIONS *(Please check all that apply and give brief description)*

- ☐ Site Plan Review *(If applicable but Exempt, please provide letter of Exemption signed by authorized Site Plan Review Section planner)*
- ☐ Specific Plan Project Permit Compliance: _____
- ☐ CU: _____
- ☐ ZV: _____
- ☐ ZAA: _____
- ☐ Tract or Parcel Map: _____
- ☐ Other (please specify): _____

NOTES:

¹ Please provide certificate of occupancy

² Ministerial Projects (aka, "By-Right") do not require any discretionary Planning approvals. Developers of such housing file building plans with the Department of Building & Safety. Plans are checked for compliance with the Building Code and, when in compliance, permits are issued to begin construction.

³ Discretionary Projects require Planning decisions and approval.

⁴ Any waiver or modification of development standards not listed ON the menu of Incentives in the Density Bonus Ordinance.

⁵ HCD (State)= Published affordability levels per California Department of Housing and Community Development. Please consult with Los Angeles Housing Department's Occupancy Monitoring Unit for additional information.

⁶ HUD (TCAC)= Published affordability levels per the United States Department of Housing and Urban Development. Please consult with Los Angeles Housing Department's Occupancy Monitoring Unit for additional information.

⁷ Up to 40% of the required parking for the Restricted Affordable Units may be provided by compact stalls.

⁸ Need to file with County Clerk if applying for public funding. If applying for City of Industry (Los Angeles County) Funds please contact City of Industry for additional documentation required.

⁹ All projects applying for City of Industry (Los Angeles County) Funds need to prepare a Mitigation Monitoring Plan.



MAJOR PROJECTS DIVISION

1200 West 7th Street, 8th Floor, Los Angeles, CA 90017
tel 213.808.8936 | fax 213.808.8918
lahd.lacity.org



Antonio R. Villaraigosa, Mayor
Douglas Guthrie, General Manager

ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (EEBG) APPLICATION – PROPERTY INFORMATION QUESTIONNAIRE

Applicant Name: _____

Contact Name, Address, Phone Number and Email: _____

	PROPERTY #1	PROPERTY #2
Name/Address		
Housing type (family, senior, SRO, other)		
Affordability breakdown (% of AMI)		
# of buildings		
# of floors		
# of units		
# of bedrooms		
Total SF		
Common area SF		
Commercial space SF		
Year built		
Date of last rehab; what was done?		
Are units individually metered for electricity?		
Are units individually metered for gas?		
Are units individually metered for water?		
Who pays electricity? (owner/tenant)		
Who pays gas? (owner/tenant)		
Who pays water? (owner/tenant)		
Windows: single or double pane		
Has there been wall or roof insulation upgrades since construction completion? (If so, when and what)		
Age of space heating system		
Type of space heating? (gas room heaters, central furnace, individual forced-air units, electric baseboard, heat pump, hot-water/steam system, other)		
Age of space cooling system		

Type of cooling system? (split system, packaged AC, other, none)		
Age of domestic hot water system		
Type of domestic hot water system? (central without recirculation controls, central with recirculation controls, central with unknown controls, individual water heaters)		
Age of central ventilation system		
Has there been lighting retrofit work done in units and/or common areas?		
Statement of need for energy efficiency and water conservation upgrading (e.g. boiler needs to be replaced, etc.)		

Is there a plan to conduct a full rehab? If so, approximately when?		
What are the sources of financing in the project?		

☐ **Applicant is willing to take on debt to finance energy and water efficiency improvements.**

REQUIRED ATTACHMENTS:

- ☐ Past three years' audits for each property
- ☐ Year-to-date financial statement for each property
- ☐ Statement of replacement reserve balance for each property
- ☐ Two years of utility data (electric, water, gas)

IF AVAILABLE, please also submit:

- ☐ Capital Needs Assessment or Physical Needs Assessment
- ☐ Cost estimates or bids for energy efficiency and/or water conservation measures

Exhibit 1

Request for Information Form

If you have questions regarding requirements of the 2010 Affordable Housing Trust Fund NOFA, please submit them in writing to NOFA10@LAHD.LACITY.ORG or fax them to Mariano Napa at (213) 808-8910 and include the following information:

Name of Project: _____

Address of Project: _____

Name of Contact
Person: _____

Email Address of
Contact Person: _____

Section of Regulations, Exhibit or Attachment to Which Question Pertains:	Question(s):
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

=====

LAHD Use Only

Date Received: _____

Date Answered: _____

Answered By: _____

EXHIBIT 2

LAHD Architectural Requirements

Contact:

Alfred Muhammad

Architectural Unit, Major Projects Division
Los Angeles Housing Department,
1200 W 7th Street, Los Angeles CA 90017
Tel: (213) 808-8622, Fax: (213) 808-8918
EMAIL: amuhammad@lahd.lacity.org

Revision Date: 8/21/07

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<u>Part 1-a</u>	Mandatory Standards
<u>Part 2</u>	Architectural Fee Reimbursements, Conditions & Requirements
<u>Part 3</u>	Submittal Requirements for Architectural Design Review 1. Conceptual Development 2. Schematics Development 3. Construction Documents
<u>Part 4</u>	Assignment of Architect's Contract, Plans, Specifications, and Permits (With Architect's Consent and Certificate)

Part 1

ARCHITECTURAL DESIGN GUIDELINES

PURPOSE OF DOCUMENT

The purpose of this document is to inform developers, design professionals, and the public of the design review process that is required to acquire Los Angeles Housing Department (LAHD) funding for multi-family housing developments including the Permanent Supportive Housing Program (PSHP).

This is a guideline for architectural design issues, and represents an important step in acquiring LAHD financing for your development project.

These design guidelines are to promote and assist in the development of well-designed, quality, affordable housing in a cost effective manner.

Within the project, the design of the affordable units shall not be any different than for market rate units: The quality of spaces and material, number and size of rooms, amount of closet space, amenities available, etc, shall be the same as for market rate units.

This document is not intended to limit the designers' creativity to any particular solution. Designers and development teams are encouraged to find innovative and creative design solutions to affordable housing projects.

DESIGN REVIEW PROCESS

The design review process is initiated when a developer submits a completed LAHD application. See Part 3, for list of drawings and other documentation for complete design review submittals.

Design Review continues through out the application process, with reviews occurring at:

- Concept Phase (Submittal of Application)
- Schematic Design Phase,
- Construction Documents Phase.

Each submittal is reviewed by LAHD architectural unit staff and may be discussed in conference with the developer and architect. The developer and architect will receive a letter stating that the design conforms to the guidelines, or if further measures must be taken to successfully meet the design guidelines.

The design review process is concurrent with the proforma analysis, appraisal, loan underwriting, and land disposition process. These project reviews interact with and influence each other. Financial considerations are taken into account in the design review as design affects the value and financing of the project.

Not all of the following design criteria will be applicable to all projects, and some projects may require additional criteria. All applicable codes and ordinances will apply. Consult with all appropriate departments and agencies for requirements.

THE DESIGN REVIEW CRITERIA

SITE PLANNING

NEIGHBORHOOD/SITE CHARACTERISTICS

- Identify neighborhood characteristics: Land use, height, scale, massing of existing structures and relate proposed project to the characteristics found in the neighborhood.
- Identify and mitigate adverse impacts from adjacent use.
- Design landscaping and place building/s with relationships to adjacent uses and views.

DENSITY

- Provide functional and comfortable habitable units; usable indoor common areas; and meaningful, usable open spaces for the adults, adolescents, and children who will reside in the building.
- Provide visual relief by modulating the building footprint and building mass.
- Maintain or improve the pattern of building found within a neighborhood or community.

SURROUNDINGS

- Consider surrounding traffic with respect to safety, noise, and ease of circulation when locating buildings, landscape, pedestrian walkways, and driveways.
- Provide clear separation between pedestrian and vehicle traffic.
- Take adequate safety measures to assure child safety.

NOISE LEVELS

- Comply with State's Noise Insulation Standards (Cal Adm Code Title 25, Section 1092), and City of Los Angeles minimum acceptable noise level criteria for residential construction.
- Design to minimize impact from noise sources using landscape and architectural features.

LOT CONFIGURATION AND TOPOGRAPHY

- Consider size, slope and shape of property to achieve proper placement and density of building on lot.

NEIGHBORHOOD AMENITIES

- Consider adjacencies to cultural facilities if any, such as: museums, neighborhood and/or community parks, recreation areas, theaters, and sport venues.
- Preserve existing assets such as mature landscaping, and near or distant views, whenever possible.

ACCESS TO PUBLIC TRANSIT

- Consider logical pedestrian routes to public transportation such as bus, metro rail, and trains.
- Locate senior citizen housing within walking distance (1500 feet) of public transportation, where possible.

NEIGHBORHOOD PRESERVATION

- Respect the historic nature of the community and comply with "The Secretary of the Interior Standards for Rehabilitation and Guidelines for Rehabilitating Historic Buildings".
- Assure compatibility with the historical character of surrounding buildings to preserve the unique identity of the area.

BUILDING DESIGN (exterior)

SETBACKS

- Conform front, rear, & side setbacks to prevailing setbacks along street.
- Vary yard depths to provide visual interest and usable yard areas.

HEIGHT AND SCALE

- Relate height and scale of new construction to the prevailing height and scale of existing neighborhood buildings.
- The building should reflect human scale, integrate with, and enhance the surrounding neighborhood.

MASSING

- Break up the mass of the building by using a variety of shapes to express the volume of the building. For example, it may be appropriate to step back the facade of the building to allow for a lower building height at street level, and a taller building height toward the middle or rear of the property.

NEIGHBORHOOD COMPATIBILITY

- Complement the existing neighborhood by taking clues from existing structures to unify the streetscape of the neighborhood. When appropriate, relate facade design, roof shapes, size and rhythm of openings, materials and colors, and architectural style of new buildings to near by buildings.

MATERIALS AND COLORS

- Use materials that do not require expensive maintenance.
- Use of unconventional building materials are not discouraged, but building materials and colors should reinforce the residential character of the building.

ARCHITECTURAL STYLE

- Determine dominant architectural style of the neighborhood (e.g. California bungalow, Mediterranean, Spanish, post WWII era tract) and incorporate contextual elements of that style to create cohesion within neighborhood.
- Make a stylistic change for the better when a neighborhood has no cohesive architectural style or the surrounding structures are of a poor quality and style.
- Architectural embellishment is useful to give the building human scale, and provide

additional design interest and detail upon coming closer to the building.

- Bring architectural design elements to the sides and rear of the building - in addition to the front facade.

BUILDING / STREET CONNECTION

- Maintain building/street connection by avoiding elevating a building above a parking level at grade, which results in blank walls facing the street and adjacent properties (maximum elevation of first floor above sidewalk grade should not exceed four feet).
- Consider the expectation of the pedestrian walking by the building by including a sidewalk, front yard, entry steps, front door, and windows that are equated with residential neighborhoods.

OUTDOOR RECREATION AREA

- Determine residents' needs and design to accommodate intended use.
- Provide secure outdoor spaces for tenants and a play area for children especially for PSHP projects.
- Secure areas shall have good visual connection with other areas of building.
- Address the unique and important needs of the adolescent community by providing a safe and stimulating environment, but respecting their sense of autonomy and satisfying their educational and recreational needs.

LANDSCAPE/HARDSCAPE

- Use drought tolerant and California native plants, as much as possible.
- Design landscape in with low maintenance, durability, graffiti, security, noise, and view considerations in mind.
- Set back walls from sidewalk a minimum of eight inches to allow for landscape.

TRASH COLLECTION

- Trash collection should be unobtrusive and screened from view but convenient for all occupants of building.
- Consider trash chutes or compactors in larger scale buildings.
- Provide adequate space for recycling per Board of Public Works ISWMO guidelines, see Environmentally Responsive Design section of this document for additional information.

EASE OF MAINTENANCE

- Design should allow residents to carry out any routine maintenance with ease.
- Avoid using materials, landscaping, fixtures, or construction types that require excessive maintenance.

ENVIRONMENTALLY RESPONSIVE DESIGN

- Incorporate ecologically sound design principles that create quality living environments for housing residents by using renewable building methods and materials that are low energy consuming, non-toxic, site compatible, and non-destructive to the environment, as much as financially feasible.
- Specify building products with recycled content. Contact the City of Los Angeles' Board of

Public Works-Integrated Waste Management Office (213 978-0228) for more information regarding targeted goals for recycling, and recycled content materials.

- Specify energy efficient mechanical, electrical, and plumbing systems and energy and water conserving appliances and fixtures, as much as possible.
- Utilize passive solar design principles that can lower the building construction cost (smaller HVAC systems) and can lower the cost of living for the residents of the building (lower utility bills). Take advantage of prevailing breeze to allow for natural "through" ventilation. Maximize solar access in winter and minimize solar gain during summer.
- Contact the L.A. Department of Water & Power - Environmental Division (213 367-2261) for additional Information on Energy Efficiency.

HANDICAP ACCESS

- Conform to all applicable disabled access regulations.

VALUE ENGINEERING

- Integrate value engineering in the design process to build in economy from the beginning to avoid costly designs, and long-term problems from the point of view of the owner, manager, and end uses.
- When value engineering is applied after the design is essentially complete, it typically results in stripping the project of amenities, which might otherwise have been afforded - such as reasonable finishes, landscaping, and materials of higher quality and lower maintenance cost.

PARKING AREA

- Avoid letting garages, driveways and parking lots dominate the streetscape by placing them at the rear or side of the site to allow a majority of dwelling units to "front on" the street.
- Consider planting trees and shrubs to soften the overall impact of parking areas and to provide shade and noise reduction.
- Consider improving unavoidable blank walls with decorative artwork, display cases, vines, and good quality durable materials to minimize graffiti and deterioration.
- Minimize walking distance from parking area to building entries.
- Provide a well-lit, easily visible path to and from parking area as a security consideration.
- Design to minimize conflicts between vehicles and pedestrians.
- Consider separating bicycle and pedestrian paths from vehicular traffic.

BUILDING DESIGN (interior)

ENTRY CONDITION

- Provide well-defined, gracious, safe entry into building from street and parking area. Utilize transitional elements: steps, landings, porches, lamps, seating, doorways, and lobby area.
- Provide a front desk area that controls security for the building, including entry and exit

for guests, fire safety system monitoring, and communication with residents, for PSHP projects.

- Provide security at all entry conditions (see Design Guidelines: "Design Out Crime", January 1995).

COMMON LAUNDRY

- Location should be convenient to all units.
- Consider locating laundry rooms adjacent to recreation rooms or outdoor recreation areas to allow for supervision of children, or recreation while laundry is being done.
- Provide at least 1 washer and dryer for every 10 units.

RECREATION ROOM

- Determine resident need and design to accommodate intended use including adults, children and adolescents.
- Design recreation room, as with all common areas, to foster a sense of ownership by the tenants of the building.
- For PSHP projects provide;
 - a) Lounge space for residents to informally congregate and to build community.
 - b) Secure, indoor, flexible, recreational space for children who live in the building.
 - c) Indoor flexible common space that can be used for multi-task including community meetings, employment activities, including kitchen area for meal preparation.

UNIT ACCESS/CORRIDORS

- Provide natural light and ventilation in corridor areas and avoid long, double loaded corridors as much as possible.
- Consider separate access to public areas such as recreation rooms, and laundry facilities, from the private residential unit area.

UNIT ENTRANCE AREAS

- Unit entries should be prominent, visible, and easy to secure.
- Consider privacy, security, and changing hierarchy of space in the transition from public street or parking lot to private unit entries.
- Consider expanding side yards to allow access to individual unit entries.
- Minimize signage requirements with effective design.

UNIT MIX

- Locate large family units at building corners to take advantage of the additional exposure to exterior wall areas.

MANAGER'S UNIT AND OFFICE

- Consider a central location for the manager's unit and office, which will provide additional security for the building residents.
- Consider providing additional amenities for the manager's unit to attract the best possible manager(s) for the project to assure the long-term success of the project.
- Provide offices for property management and social service staff for PSHP projects.

UNIT SIZES AND STANDARDS

- The following room sizes are recommended;

SRO	350 sq. ft. min
Studio:	400-500 sq. ft.
1-Bedroom	500-700 sq. ft.
2-Bedroom	750 - 950 sq. ft.
3-Bedroom	1,000 – 1,200 sq. ft.
4-Bedroom	1,200 – 1,400 sq. ft.

- The minimum width of a bedroom shall be nine feet.

UNIT/ROOM ADJACENCIES

- Room adjacencies between units should be of like functions (i.e. bedrooms of one unit should be adjacent to bedrooms of the adjacent unit).
- Avoid designing bedrooms of one unit sharing a common wall with a bathroom of another unit.
- Avoid corridors and/or balconies directly above unit interiors below.
- Avoid incompatible adjacencies cause problems such as loss of privacy, noise and leakage problems, and conflict created between neighbors that management will have to deal with, and will eventually reflect in the marketability of the project.

PARTY WALL DESIGN

- Party walls are necessary to separate ownership in condominiums, or where greater isolation from noise and vibration from adjacent non-similar use is necessary.
- Typical apartment design can achieve unit separation with a double, staggered-stud wall construction of 2 x 6 plate and 2 x 4 studs.

UNIT/OPEN SPACE RELATIONSHIP

- Design private open space (e.g., patio or balcony) large enough to be used for their intended function and visible from the interior.

ELEVATORS

- All residential buildings with more than three floors of public access (Including garage) must have an elevator.
- Residential buildings housing the elderly or handicapped of two stories or more must have an elevator.

U NIT DESIGN

UNIT PLAN ROOM RELATIONSHIPS

- Provide kitchen facilities appropriate for the household size. Kitchen shall minimally include a refrigerator, range, kitchen sink, garbage disposal unit, and storage cabinets.
- Design circulation to avoid walking patterns that require passing through or across one

space to reach another.

- Minimize space devoted to circulation.
- Delineate public areas (entry, kitchen, dining, and living rooms) from private areas (bedrooms and bathrooms).
- Consider locating the kitchen near entry and avoid having the entrance corridor pass through kitchen.
- Provide distinct areas for dining and living and assure that these areas do not conflict with circulation or entries.
- Provide (at a minimum) a full bathroom, including lavatory, toilet, & tub/shower (or shower) in each unit
- Locate bathrooms in such a way that they are not visible from entry, and when the bathroom door is open, the interior of the bathroom is not visible from any public area within the unit.
- Consider separating the lavatory from the toilet/tub to allow use by more than one person at a time for bedrooms sharing bathrooms.
- Handicapped requirements must meet code.

LIGHT AND VENTILATION

- Provide operable windows in all bedrooms.
- Provide generous natural lighting and "through" ventilation, which creates a bright living environment with fresh air especially in the kitchen area.
- Consider using windows that provide greater "depth" in appearance and have greater energy efficiency.
- Vent kitchen hoods to building exterior.

STORAGE/CLOSET SPACE

- Provide coat and linen closets in addition to bedroom closet.
- Provide five foot by two foot minimum bedroom closet space per adult assuming two occupants per bedroom, and five feet per adult, and five feet per second or children's bedroom.
- Provide full base kitchen cabinets so that the undersides of sinks are not exposed.

FURNITURE LAY-OUT

- Ensure that all rooms can be reasonably furnished for the use intended.
- Consider available wall space, and/or adequate room size for furniture layout.
- Ensure that the dining area is sufficient size to accommodate additional chairs and a large table in large family units
- For PSHP projects provide fully furnished units including beds, kitchen table, with chairs, light fixtures, dressers and window coverings

FINISH MATERIALS

- Consider using materials, which facilitate the performance of routine maintenance tasks by the residents.
- Provide low maintenance, high durability materials.
- Avoid using mill finish, and pressboard cabinets.

APPLIANCES

- Stovetop ovens are required.
- Provide appliances, which do not require frequent care and maintenance.
- Locate water heater in a place that will reduce damage in case of leak or rupture.

HEATING AND AIR CONDITIONING

- Central heating and cooling systems are encouraged. Wall heaters are not allowed in new construction.
- Provide air conditioning throughout the building, in residential units, common areas, and offices, especially for PSHP projects.

R REFERENCE MATERIALS

1. GOOD NEIGHBORS - "HOUSING THAT SUPPORTS STABLE COMMUNITIES"- LOS ANGELES HOUSING DEPARTMENT.
2. CITY OF LOS ANGELES "CRIME PREVENTION THROUGHT ENVIRONMENTAL DESIGN" – (CPTED).
3. AFFORDABLE HOUSING INCENTIVES GUIDELINES - Implementing the Affordable Housing Incentives Program Ordinance No. 170,764.
4. RECYCLING
 - A Resource Guide to Recycled Content Construction Products
 - Construction and Demolition Waste Recycling Guide
 - Wood You Recycle?
 - Environmental Procedures Specification
 - "Recycling in LA's Multi-Family Complexes"

Part 1a

MANDATORY REQUIREMENTS

CONSTRUCTION STANDARDS

Applicants shall provide a "Statement of Intent" utilizing landscaping and construction materials that are compatible with the neighborhood in which the proposed project will be located, and that the architectural design and construction materials will provide for low maintenance and durability, as well as be suited to the environmental conditions to which the project will be subjected. Additionally, this Statement of Intent shall note that the following minimum specifications will be incorporated into the project design for all new construction projects:

- (A) Landscaping - A variety of plant and tree species that require low water use (California native plants preferred) shall be provided in sufficient quantities based on landscaping practices in the general market area and low maintenance needs.
- (B) Roofs - Roofing shall carry a three-year subcontractor guarantee and at least a 20-year manufacturer's warranty.
- (C) Exterior doors - Insulated or solid core, flush, paint or stain grade exterior doors shall be made of metal clad or hardwood faces, with a standard one-year guarantee and all six sides factory primed.
- (D) Appliances - Energy Star rated appliances, including but not limited to, refrigerators, dishwashers, and clothes washers shall be installed when such appliances are provided within Low-Income Units and/or in on-site community facilities.
- (E) Window coverings - Window coverings shall be provided and may include fire retardant drapes or blinds.
- (F) Water heater - For units with individual water heaters, minimum capacities are to be 30 gallons for one- and two-bedroom units and 40 gallons for three-bedroom units or larger.
- (G) Floor coverings - For light and medium traffic areas vinyl or linoleum shall be at least 3/32" thick; for heavy traffic areas it shall be a minimum 1/8" thick. A hard, water resistant, cleanable surface shall be required for all kitchen and bath areas. Carpet complying with U.S. Department of Housing and Urban Development/Federal Housing Administration UMD, or alternatively, cork, bamboo, linoleum, or hardwood floors shall be provided in all other floor spaces unless this requirement is specifically waived by the General Manager.
- (H) Use of Low Volatile Organic Compound (VOC) paints and stains (Non-flat: 150 gal or less, Flat: 50 g/l or less) for all interior surfaces where paints and stains are applied.

A project proposing rehabilitation of existing structures shall be exempt from the provisions of subsections (D) and (F) above, if the existing water heaters and appliances will remain. However, if an applicant does not propose to meet the requirements of this subsection, the project's Capital Needs Assessment must show that these standards are either unnecessary or excessively expensive.

SUSTAINABLE BUILDING METHODS

Projects must incorporate Sustainable Building Methods in order to be considered for funding. To determine sustainability, we have adopted a scoring system for which all projects must receive at least 8 points relative to the sustainable building methods listed below. To receive these points, the applicant and the project architect or mechanical engineer must certify in the application, which of the items will be included in the project's design and specifications, and further must certify at the project's placed-in-service date that the items have been included and/or that the energy efficiency standard has been met or exceeded. Please note that applicants who receive funding but fail to implement the Sustainable Building Methods as certified may be adversely scored in future funding request submissions.

- A new construction or adaptive reuse project that exceeds Title 24 energy standards by at least 10%. For a rehabilitation project not subject to Title 24, that reduces energy use on a per square foot basis by 25% as calculated using a methodology approved by the California Energy Commission. **(4 points)**
- For rehabilitation projects not subject to Title 24 requirements, use of fluorescent light fixtures for at least 75% of light fixtures or comparable energy lighting for the project's total lighting (including community rooms and any common space) throughout the compliance period. **(2 points)**
- Use of Energy Star rated ceiling fans in all bedrooms and living rooms; or use of a whole house fan; or use of an economizer cycle on mechanically cooled HVAC systems. **(2 points)**
- Use of water-saving fixtures or flow restrictors in the kitchen (2gpm or less) and bathrooms (1.5 gpm or less). **(1 point)**
- Use of at least one High Efficiency Toilet (1.3 gpf) or dual-flush toilet per unit. **(2 points)**
- Use of material for all cabinets, countertops and shelving that is free of added formaldehyde or fully sealed on all six sides by laminates and/or a low-VOC primer or sealant (150 g/l or less). **(1 point)**
- Use of no-VOC interior paint (5 g/l or less). **(1 point)**
- Use of CRI Green-label, low-VOC carpeting and pad and low-VOC adhesives 25 g/l or less. **(1 point)**
- Use of bathroom fans in all bathrooms that exhaust to the outdoors and are equipped with a humidistat sensor or timer. **(2 points)**
- Use of formaldehyde-free insulation. **(1 point)**
- Use of at least one of the following recycled materials at the designated levels: a) cast-in-place concrete (20% flyash); b) carpet (25%); c) road base, fill or landscape amendments

(30%). (1 point)

- Design the project to retain, infiltrate and/or treat on-site the first one-half inch of rainfall in a 24-hour period. (1 point)
- Include in the project specifications a Construction Indoor Air Quality Management plan that requires the following: a) protection of construction materials from water damage during construction; b) capping of ducts during construction; c) cleaning of ducts upon completion of construction; and d) for rehabilitation projects, implementation of a dust control plan that prevents particulates from migrating into occupied areas. (2 points)
- Project design incorporates the principles of Universal Design in at least half of the project's units by including: accessible routes of travel to the dwelling units with accessible 34" minimum clear-opening-width entry and interior doors with lever hardware and 42" minimum width hallways; accessible full bathroom on primary floor with 30" x 60" clearance parallel to the entry to 60" wide accessible showers with grab bars, anti-scald valves and lever faucet/shower handles, and reinforcement applied to walls around toilet for future grab bar installations; accessible kitchen with 30" x 48" clearance parallel to and centered on front of all major fixtures and appliances. (1 point)
- The proposed project will contain nonsmoking buildings or sections of buildings. Nonsmoking sections must consist of at least half the units within the building, and those units must be contiguous. (1 point)

Part 2

ARCHITECTURAL FEE REIMBURSEMENTS CONDITIONS & REQUIREMENTS

ARCHITECTURAL FEE REIMBURSEMENT

These conditions and requirements apply to projects where the contractual agreement between a Developer and the Los Angeles Housing Department (LAHD) provides for reimbursement of architectural costs.

GENERAL

Regardless of the written or verbal agreement(s) the Developer has already entered into with the Architect, LAHD will reimburse the Developer for costs of architectural services incurred only under the terms and conditions as called for in the AIA DOCUMENT B181: STANDARD FORM OF AGREEMENT BETWEEN OWNER AND ARCHITECT FOR HOUSING SERVICES, OR AIA DOCUMENT B141 STANDARD FORM OF AGREEMENT BETWEEN OWNER AND ARCHITECT, and under the conditions as described below. Variations from these terms and conditions will not be endorsed by LAHD. These variations shall become the sole responsibility and liability of the Developer.

Article 6 - USE OF ARCHITECT'S DRAWINGS

LAHD requires the Owner (borrower) to sign an "Assignment of Architect's Contract and Plans and Specifications and Permits" document, and requires the Architect to sign a "Consent and Certificate" document prior to funding the loan. These documents consent to the assignment of all plans and permits to the City of Los Angeles. The purpose of this assignment is to allow the City of Los Angeles to complete the project in the event of default by the borrower. The LAHD Assignment and Consent documents will supersede the stipulations of Article 6.1.

Article 11 - BASIS OF COMPENSATION

11.3.3. - Compensation for Additional Services (pre-approved by LAHD) performed by consultants: upon review of the appropriate material, LAHD will authorize payment(s) for these services at a maximum multiple of 1.1 times the amount billed to the Architect for such services.

REIMBURSABLES

11.4.1 - LAHD will authorize payment(s) for reimbursable expenses at a maximum multiple of 1.10 times the amount billed to the Architect for such services, and upon review of the appropriate back-up documentation. For those reimbursable expenses that require authorization in advance from the Developer (see Article 10.2 of the AIA Document B 181, or B141), LAHD will authorize payment(s) only for those expenses where the Developer has secured a pre-approval in writing from LAHD.

11.5: ADDITIONAL PROVISIONS

11.5.1 - Due to federal guidelines, LAHD is unable to reimburse interest on late or unpaid invoices.

PLEASE NOTE:

All architectural invoices must be submitted by the Developer and accompanied by a letter requesting reimbursement for architectural fee expense.

ARCHITECTURAL FEE GUIDELINES

The following schedule represents the maximum amount LAHD would typically allow for architectural work. This schedule is intended as a guide only. All architectural fees will be reviewed on a case-by-case basis taking into account the size, of the project, the scope of work, the experience of the architect, and any other factors, which might be pertinent.

Cost of Work (AIA- Ref.B141 Sect. 1.3-1997)	LAHD Max Architectural Fee Allowance (% of Cost)
0-\$250,000	10%
\$250,001 - \$500,000	9%
\$500,001 - \$1,000,000	8%
\$1,000,001 - \$2,500,000	7%
\$2,500,001 - \$5,000,000	6%
\$5,000,001 and above	5%

Insurance Requirement

For all LAHD financed projects which request reimbursement of architectural fee expenses, architects must submit proof of General and/or Professional Liability Insurance.

All projects require a minimum of \$250,000 coverage for General Liability Insurance. The amount of coverage should increase for projects of a larger size. All new construction or rehabilitation with structural improvements requires Professional Liability (Errors & Omissions) Insurance. Proof of insurance must be submitted to LAHD.

Architectural Payment

In order for LAHD to consider a proposed design and/or approve payment to the architect for the completion of drawings, the following drawings and documentation shall be submitted for review:

- Letter from the developer requesting payment for Architectural fee expense
- Detailed invoice of the services performed and letter from the architect stating the phase and level of completion of the plan set being submitted, and amount of payment requested.
- See Conceptual, Schematic Review, and/or Construction Reviews listed in Part 3.

For questions regarding this matter, please call Alfred Muhammad @ (213) 808 8622.

Part 3

SUBMITTAL REQUIREMENTS FOR ARCHITECTURAL DESIGN REVIEW

The items listed below are required in order for LAHD to review and approve the design of a project and/or approve architectural payment requests.

These requirements apply to any architectural submittal or architectural payment requests, except those, which have been already approved as of this date. This list includes:

- Submittal for **CONCEPTUAL PHASE**.
- Submittal for **SCHEMATIC PHASE**.
- Submittal for **CONSTRUCTION DOCUMENTS PHASE**.

PLEASE NOTE THAT A SUBMITTAL IS NOT REQUIRED FOR DESIGN DEVELOPMENT REVIEW, HOWEVER EVIDENCE OF WORK MUST BE PRESENTED FOR PAYMENT.

CONCEPTUAL REVIEW

In order for LAHD to review and consider the architectural and planning concept of a proposed project, except for "cosmetic rehabilitation projects" or rehabilitation projects that do not involve structural changes or reconfiguration of existing units*, the following drawings and documentation shall be submitted:

- Site plan (1/16" scale minimum)
 - Include lot dimensions and north arrow
- Floor plan(s) (1/8" scale minimum)
 - Include landscape concept
- Typical unit plan(s) (1/4" scale minimum) showing:
 - Square footage of unit(s)
 - Interior dimensions of all livable spaces
 - Furniture layout
- Major elevations and sections (1/8" scale minimum)
 - Include landscape concept
- Building program, or narrative description of the project
 - Include the needs of owners and end-users and how the proposed design facilitate these needs
 - A description of the site including but not limited to:
 - Surrounding use
 - Prevailing setbacks
 - Traffic patterns (if applicable)
 - Neighborhood amenities
 - Availability of public transportation
- Construction Cost Estimate, signed and dated

PLEASE NOTE:

1. All drawings shall be titled, and dated
2. Appropriate scale shall be indicated
3. Major dimensions shall be indicated
4. Provide two sets of FULL SIZE (24"x 36" minimum) drawings for review

* For "cosmetic rehabilitation projects" applicants are required to minimally submit 1) A "Property Needs Assessment" report or engineering inspection report, and 2) A "Schedule of Values" for the proposed work.

S SCHEMATIC REVIEW

ARCHITECTURAL DOCUMENTS PACKAGE

1. Title sheet including:
 - a. An index of all drawings submitted
 - b. A project description including but not limited to:
 - i. Construction and occupancy type
 - ii. Lot coverage, floor area ratio, and density
 - iii. Unit breakdown - unit mix
 - iv. Building zoning code analysis
 - v. Setbacks, variances
 - vi. Parking requirements
2. A vicinity map
3. Site survey

4. Site plan (1/16" scale minimum)
5. Floor plans (1/8" scale minimum)
6. Typical unit plans (1/4" scale minimum), showing:
 - i. Square footage of units
 - ii. Interior dimensions of all livable spaces
 - iii. Furniture lay-out
7. All exterior elevations (1/8" scale minimum)
8. At least two major sections (1/8" minimum)
9. Floor plan(s) of major project amenities
 - i. Community room,/recreation room, etc.
10. Construction Cost Estimate, signed and dated

PLEASE NOTE:

- i. All drawings shall be titled and dated
- ii. Appropriate scale shall be indicated
- iii. Major dimensions shall be indicated
- iv. A rendering and/or a rendered elevation is encouraged, especially for larger projects

The amount of payment will be based on the level of Completion as determined during the Architectural Review.

DESIGN DEVELOPMENT

(Not required for architectural review, however evidence of work must be submitted for reimbursement of architectural fees)

CONSTRUCTION DOCUMENT REVIEW

ARCHITECTURAL DOCUMENTS PACKAGE

1. Title sheet(s) including:
 - An index of all of the drawings submitted
 - Project description, data, requirements, and general notes
 - Vicinity map
 - The names, addresses, and phone numbers of all the consulting firms for the project.
2. Site survey.

3. Architectural drawings fully developed, coordinated & fully dimensioned including:
 - Site plan.
 - Demolition plan (if needed).
 - Foundation plans and details
 - Floor plan(s) for each level.
 - Roof plan.
 - Typical unit plans (drawn at a larger scale than floor plans).
 - Floor plans of any other major project amenities (1/4" scale minimum).
 - All exterior elevations.
 - Interior elevations (kitchen and bathrooms).
 - Sections and details.
4. Any other drawings or schedules necessary to implement and facilitate construction of the project
5. Fully developed coordinated plans from consulting firms Including:
 - Structural.
 - Mechanical.
 - Plumbing.
 - Electrical.
 - Landscape.
 - Irrigations.
 - Grading & drainage.
 - Civil plans, etc.
6. A set of specifications fully developed specifications.
7. Detail construction cost estimate OR construction bids dated and signed

PLEASE NOTE:

- All drawings shall be titled and appropriate scale indicated
- Each sheet shall be numbered, dimensioned, dated and the appropriate consulting firm logo included
- All drawings shall be coordinated with each other

Part 4

ASSIGNMENT OF ARCHITECT'S CONTRACT PLANS SPECIFICATIONS AND PERMITS (With Architect's Consent and Certificate)

ASSIGNMENT OF ARCHITECT'S CONTRACT AND PLANS AND SPECIFICATIONS AND PERMITS (With Architect's Consent and Certificate)

Sample form

FOR GOOD AND VALUABLE CONSIDERATION, receipt of which is hereby acknowledged _____, a California _____ (the "Borrower"), as security for the obligations incurred and to be incurred by Borrower pursuant to the Loan Agreement of _____, 2006 (the "Loan Agreement") between Borrower and the City of Los Angeles, a municipal corporation ("City"), relating to the financing of acquisition, predevelopment, construction and permanent expenses on certain real property located in the City of Los Angeles, County of Los Angeles, California (the "Site"), as described in the Loan Agreement, hereby assigns and transfers to the City of Los Angeles ("City"), its successors and assigns, all of (1) Borrower's rights in and to those certain Plans and Specifications together with all amendments, modifications, supplements, general conditions and addenda thereto relating to the Site, prepared pursuant to the Loan Agreement (the "Plans") by _____ ("Architect"), (2) Borrower's right, title and interest in that certain agreement dated _____, _____, between Borrower and Architect, a true and complete copy of which is attached hereto and incorporated herein by reference as Exhibit (the "Contract"), and (3) all permits to be obtained by or for the benefit of Borrower relating to the Plans or the Project ("Permits"). Architect consents to this Assignment, and has executed the Consent and Certificate attached hereto as Exhibit # and incorporated herein by this reference.

Neither this Assignment nor any action or actions on the part of the City shall constitute an assumption by the City of any of Borrower's obligations under the Contract unless and until the City shall have given written notice to Architect of its election to complete construction of the Project following a default by Borrower under the Loan Agreement. Borrower shall continue to be liable for all obligations under the Contract and Borrower hereby agrees to perform each and all such obligations. In the event of a default under the Loan Agreement, the City may elect to reassign its rights to the Plans, the Permits and the specifications under the Contract to any person or entity selected by the City to complete the Project. Such person or entity shall succeed to all of the rights of Borrower thereunder without the necessity of any consent from Borrower or Architect and the City shall have no liability for any failure of such person or entity to perform the obligations under the Contract. Provided, however, that in the event the City reassigns its rights to the Plans to another person or entity, the Architect's name shall not be used in connection therewith unless the Architect so approves in writing.

Borrower hereby represents and warrants to the City that (1) the Contract is in full force and effect with no defaults thereunder by either Borrower or Architect, (2) no event has occurred that would constitute a default under the Contract upon the giving of notice or the lapse of time or both, and (3) Borrower has made no previous assignment of, and granted no security interest in, its rights to the Plans, the Permits or the specifications under the Contract. Borrower agrees that (a) it will not assign, transfer or encumber its rights to the Plans, the Permits or under the Contract so long as any obligation under the Loan Agreement remains unsatisfied, (b) it will not agree to any amendment of the Contract without the prior written consent of the City, (c) it will not terminate the Contract or accept a surrender thereof, or waive, excuse, condone or in any manner release or discharge Architect of or from the obligations and agreements by Architect to be performed thereunder, in the manner and at the place and time specified therein without the prior written consent of the City, and (d) it will indemnify the City against any liabilities, losses, costs and expenses, including reasonable attorneys' fees, which may be incurred by the City as a result of the exercise of its rights under this Assignment.

The City shall have the right at any time (but shall have no obligation) to take in its name or in the name of Borrower or otherwise such action as the City may at the time or from time to time determine to be necessary to cure

any default under the Contract, to protect the rights of Borrower or the City thereunder, or enforce all rights of Borrower under the Contract, Borrower hereby irrevocably constitutes and appoints the City its true and lawful attorney in Borrower's name or in the City's name or otherwise to take all such action. The exercise of the City's rights hereunder shall not constitute a waiver of any of the remedies of the City under the Loan Agreement or any other document or agreement or otherwise existing at law or otherwise.

Executed this _____ day of _____, 200__

A California _____

By: _____

Its: A California _____

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

**ASSIGNMENT OF ARCHITECT'S CONTRACT
AND PLANS AND SPECIFICATIONS AND PERMITS
(With Architect's Consent and Certificate)
(_____ PROJECT)**

CONSENT AND CERTIFICATE

Pursuant to that certain assignment of Architect's Contract and Plans and Specifications and Permits (the "Assignment") executed by _____, a California _____ ("Borrower") on _____, _____, the undersigned, as Architect, hereby consents to the assignment by Borrower of the Plans (all defined terms herein shall have the meaning defined in the Assignment), the Permits and the Contract to the City of Los Angeles, a municipal corporation and charter city ("the City"), and to each and all of the terms and conditions of such attached assignment and confirms to the City that (a) the Contract constitutes the entire agreement between the undersigned and Borrower relating to the Project, (b) the Contract is in full force and effect with no defaults thereunder, (c) no event has occurred that would constitute a default under the Contract upon the giving of notice or the lapse of time or both, (d) no material modification shall be made in the Contract without the prior written consent of the City, (e) the undersigned agrees to be bound by the provisions of the Loan Agreement restricting the ability of Borrower to make changes in the Plans without the prior written consent of the City, (f) the undersigned is not aware of any prior assignment of the Plans, the Permits or the Contract by Borrower, and (g) a complete copy of the Plans and all Permits will be delivered to the City. The undersigned agrees that in the event of any default by Borrower under the Contract, the undersigned will give written notice to the City thereof and the City shall have the right, but not the obligation, to cure said default within sixty (60) days from the City's receipt of such notice.

The undersigned further agrees that in the event the City becomes the owner of the Project, or undertakes to complete construction thereof, or assigns its rights to the Plans, the Permits and the specifications under the Contract to another person or entity, or otherwise requires the use of the Plans, the Permits and the specifications, the City, its successors and assigns are authorized to use the Plans, the Permits and the specifications without additional cost or expense beyond that stated in the Contract, all rights under the Contract otherwise exercisable by Borrower may be exercised by the City or such successor or assign, and the undersigned will perform its obligations in conformity with the Contract for the benefit of the City, its successors or assigns.

In order to induce the City to enter into the Loan Agreement and make the advances contemplated therein, the undersigned certifies to the City as follows:

- (a) As represented in the Plans, the Development will comply with (1) all statutes, rules, regulations and ordinances of all governmental agencies having jurisdiction over the Project, including, without limitation, those relating to zoning, building, pollution control and energy use; (2) all applicable covenants, conditions and restrictions affecting the Site and the Project, and (3) the requirements of the appropriate board of fire underwriters.
- (b) Construction of the Project in accordance with the Plans will not result in any encroachment on any adjoining property or on any surface easement.
- (c) The Plans will include (1) any recommendations contained in any soil or other geological test performed on the Site, and (2) parking for cars sufficient to meet the requirements of all applicable statutes, rules, regulations, ordinances, tract map conditions and leases.
- (d) The undersigned is duly licensed to conduct its business in the jurisdiction where its services are to be performed and will maintain such license in full force and effect throughout the term of the Contract.

The City shall have the right at any time to use all plans, specifications and drawings from the Project

prepared by or for the undersigned for the Project, including, without limitation, the Plans, and the ideas, designs and concepts contained therein, without payment of any additional fees or charges to the undersigned for such use.

The undersigned hereby assigns to the City all of the undersigned's right, title and interest in, to and under all subcontracts which are now or hereafter entered into by the undersigned in furtherance of its obligations under the Contract; provided, however, that until a default occurs by the undersigned under the Contract, the City shall not exercise any rights in the subcontracts which are hereby assigned.

The undersigned acknowledges that the City is relying on, among other things, the Consent, confirmations, agreements and assurances provided herein in entering into the Loan Agreement and agreeing to advance funds thereunder to Borrower for construction of the Project.

DATED: _____, 200__.

ARCHITECT:

By: _____

Title: _____

EXHIBIT 3



City of Los Angeles Department of City Planning

Search

General Plan

Plans & Ordinances

Zoning Information

Case Information

Meetings & Hearings

Environmental

Historic Preservation

Neighborhood Councils

Housing Initiatives

Statistical Info.

Forms & Processes

Minor Planning Processes

Forms & Instructions

Public Comment Information

Publications

Contact Us



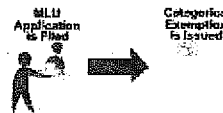
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CITY OF LOS ANGELES

California Environmental Quality Act (CEQA) Process

There are three Types of CEQA documents prepared by the Los Angeles Department of City Planning:

- Categorical Exemptions (CE)
- Negative Declarations (ND)
- Environmental Impact Reports (EIR).

Categorical Exemptions:



Negative Declarations/Mitigated Negative Declarations:



Environmental Impact Reports:



LEGEND

MLU: Master Land Use - EAF: Environmental Assessment Form - NOD: Notice of Determination -
NOP: Notice of Preparation - DEIR: Draft Environmental Impact Report - FEIR: Final Environmental Impact Report

1 See the City of Los Angeles California Environmental Quality Act Guidelines for a list of projects that are Categorical Exempt.

2 Notices are published in the Los Angeles Times on Thursdays.

3 Public Scoping Meetings will be held during the NOP comment period for Regionally Significant EIRs.

4 All CEQA challenges must be filed within thirty days of the NOD being filed with the County Clerk.

Exhibit 4

LOS ANGELES HOUSING DEPARTMENT (LAHD) & LOS ANGELES DEPARTMENT OF WATER AND POWER (LADWP) "SUSTAINABLE BUILDING INCENTIVE PROGRAM"

TO WHOM IT MAY CONCERN

In January of 2004, the Mayor and City Council approved an agreement between the Los Angeles Department of Water and Power (LADWP) and the Los Angeles Housing Department (LAHD), to provide funding for affordable housing developments. These funds are provided in the form of a loan to encourage the development of affordable multifamily housing units and promote energy efficiency. Projects that are approved for funding under the Affordable Housing Trust Fund (AHTF) high leverage program are eligible for funding.

Interested applicants are required to submit a cover letter requesting "energy efficiency funds." All requests should describe the proposed sustainable component/s that qualify for funding, including but not limited to the cost of labor, materials and equipment. Additionally, applicants should provide a complete set of architectural drawings (including mechanical, electrical and plumbing) and Title 24 calculations. These documents will be reviewed jointly, by LAHD and LADWP, to determine eligibility.

Qualifying Criteria

1. **New Construction** projects must exceed Title 24 requirements by a minimum of 10%. A minimum of the 10% must be related to implementing electrical energy efficiency measures.
2. **Existing Construction** (Rehab. projects) must be 25% or more efficient. (A minimum of 50% of the 25% must be related to implementing electrical energy efficiency measures.)
3. Projects must implement water conservation measures including drought tolerant landscaping.
4. Developer must install a dedicated conduit (2 inches in diameter) from the telecommunications room to LADWP electric service points or any other mutually agreed upon location as feasible (see enclosed specs).

Funding

1. LADWP and LAHD will determine the funding priority order for all projects in accordance with respect to the established guidelines.
2. The maximum funding allowed for each project is \$200,000. Projects that qualify for less will receive less. Applicants are required to identify the cost of "energy efficiency" components (See sample shown).
3. Loan Terms and Conditions (Same as AHTF)
4. AHTF loan documents will be amended to include conditions of LAHD/LADWP sustainable building incentive program.
5. Projects that receive funding from LADWP Economic Development Program are not eligible to apply for any other standard rebates, loans, or grants offered by LADWP.

Additional Conditions

1. LADWP shall have the right to conduct follow-up inspections and verification of the funded design measures for each development project.
2. At project completion, the project's architect or mechanical engineer shall be required to certify that the building complies with the proposed energy efficient measures as indicated in the Title 24 calculation, or initial certification.
3. Applicant is required to procure a performance bond in the same manner as required by the LAHD to cover the installation of sustainable design measures used to qualify for funding from LADWP.

All requested and applicable documents must be submitted as soon as possible. If you have any questions or need assistance, please do not hesitate to contact Alfred Muhammad at (213) 808-8622.

Enclosed:

- Sample of Cost Estimate/Building components
- Specifications for LADWP dedicated conduit
- LADWP Affordable Housing Energy Efficiency Checklist

COST ESTIMATE-"SAMPLE"

SUSTAINABLE BUILDING CONSTRUCTION (Related to Energy Efficiency & Water Conservation)

Project: ABC Senior Apts.
123 W. Sunset L.A., CA

No of Units: 64
Estimated Const. Cost: \$4,000,000

Contact Person:
Tel:

CSI Division	Building Component	cost
7-Thermal Moisture & Protection	Insulation	\$ 34,971
8- Doors & Windows	Windows	\$ 67,800
11-Equipment	Refrigerators	\$ 26,880
	Electric Range	\$ 28,880
	Appliances	\$ 70,720
12-Furnishings	Refrigerators	\$ 7,945
15-Mechanical	heating pump system	\$ 160,000
	water tag tank	\$ 40,000
	Water C. system	\$ 49,085
	Solar PV system	\$ 78,500
16-Electrical	Lighting fixtures	\$ 52,891
	Lights-common area	\$ 12,271
	Lights-Landscaping	\$ 6,331
Subtotal		\$ 636,274.00
REQUESTED AMOUNT =		\$ (COMPLETE)

SPECIFICATION FOR 2" CONDUIT

A

The following requirements should be followed for an underground fiber optic service entry from a DWP substructure in the street or a dip-pole (distribution pole with conduit riser) to the telecommunications room of your typical 50 to 200 unit multi-residential complex.

1. Conduit type should be DB120 (minimum 2" diameter, see note 3).
2. All underground vertical or horizontal segments should be galvanized steel conduit.
3. 90 degree sweeps should be:
 - a. 2" conduit - 3' sweep minimum.
 - b. 3" conduit - 3' sweep minimum.
 - c. 4" conduit - 4' sweep minimum.
4. Conduit should be placed at a 2' minimum depth to the top of the conduit.
5. Conduit should be encased in concrete (3" minimum envelope).
6. On conduit runs exceeding 500' an intermediate hand hole should be placed for ease of cable installation.
7. Conduit should enter telecommunications room (see note 2) in an area where there is space for a 7'H x 19"W communications rack or a 2' x 2' wall mounted patch panel.
8. The conduit should terminate flush with the floor in a threaded steel coupling (with a plug).
9. In situations where the fiber optic cable enters the electrical room first, a minimum 2" EMT conduit should be provided from the electrical room to the telecommunications room.

- Note. Conduit penetration into the DWP substructure to be performed by DWP personnel only. DWP should have prior access agreement to have a presence in the telecommunications room. In lieu of an access agreement, the conduit should terminate in the electrical equipment room (where the revenue meters are located) with space allocated for a wall mounted junction box (2' x 2' x 6"). It is recommended that a 4" diameter conduit be used for ease of installation and for any future expansion. The cost difference for the increased conduit size is minimal.

B

The following requirements should be followed for overhead service drops of fiber optic cable.

1. DWP personnel will perform the installation on all overhead fiber optic cable service entries.
2. Typical overhead service entry installations would include 1.25" figure 8 inner-duct and 48 or 96 fiber cable.
3. Building attachment hardware to secure the service drop should be provided and installed by the building owner. The hardware type and location for installation should be coordinated with Fiber Optic Enterprise Engineering during building construction for new facilities and during job planning for rehabs or existing buildings.
4. A 12" x 12" x 8" NEMA 3R junction box should be installed by the building owner on the exterior of the building in close proximity to the building attachment hardware with a minimum of 2" EMT conduit from the junction box to the patch panel location (Electrical Room or Telecommunications Room). Care should be taken on placement of conduit entries into junction boxes that cable bends will not smaller than a 6" radius.
5. All other specifications for building interior to match what has been outlined in the underground specifications listed above.

Contact
Persons: *Imudiasie Aimiwwu*
Department of Water & Power (LADWP)
111 N. Hope Street, Rm 1540,
Los Angeles, CA 90012.
Tel. Tel: (213) 367 1418
e-mail : Imudiasie.Aimiwwu@ladwp.com

Alfred Muhammad
Los Angeles Housing Department (LAHD)
1200 W. 7th Street,
Los Angeles, CA 90012.
Tel. Tel: (213) 808 8622
e-mail: amuhammad@lahd.lacity.org

LADWP AFFORDABLE HOUSING ENERGY EFFICIENCY CHECKLIST

ELECTRICAL SYSTEMS

Electrical equipment

- High efficiency transformers and motors

Lighting

- New Generation T8 fluorescent lamps with electronic ballasts
- Compact Fluorescent Lamps (CFL)
- LED exit signs
- Integrate day lighting and electric lighting in task-oriented spaces, and gathering spaces
- Lay out lighting control zones to supplement daylight variation throughout the day and coordinate with HVAC zones and controls
- Lay out lighting control zones that allow photo sensors to be effectively located and keep manually switched areas small
- Use light color for reflective surfaces, preferably white

HEATING AND VENTILATION AND AIR CONDITIONING

- Select at least 12 SEER efficiency heating and cooling equipment rating to reduce energy consumption and demand
- Check for proper equipment sizing
- Check for proper sealing to minimize air leakage

APPLIANCES

- Specify and select Energy Star appliances that incorporate advanced technologies to use 10-50% less energy and water than standard models
 - Energy Star website can be visited at www.energystar.gov for information on selection, and manufacturers

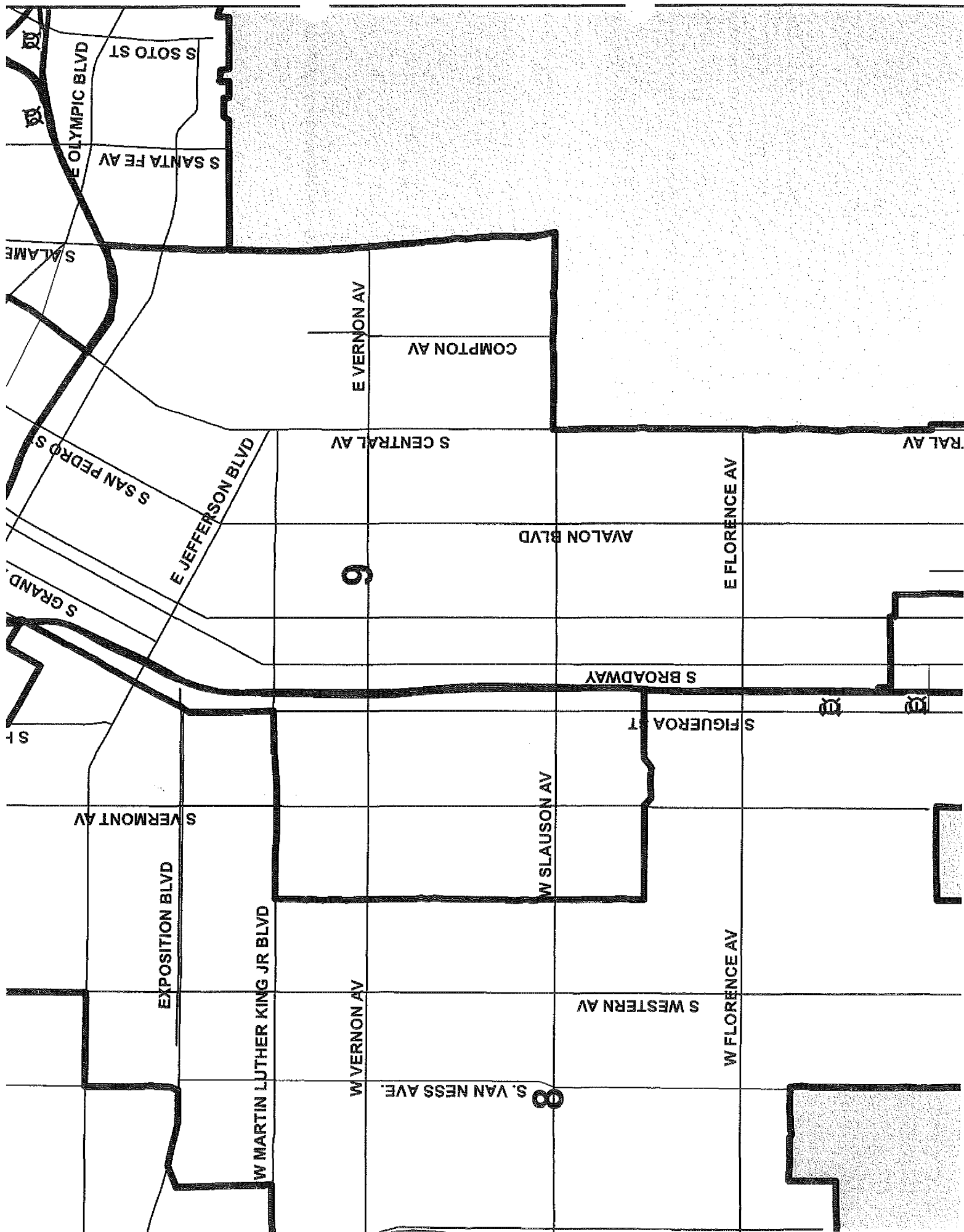


Exhibit 6

LOS ANGELES HOUSING DEPARTMENT LEAD-BASED PAINT HAZARD REMEDIATION INCENTIVE PROGRAM

Program Description

The Los Angeles Housing Department (LAHD) Lead-Based Paint Hazard Remediation Incentive Program (LHRP) operates pursuant to Title X of the Housing and Community Development Act of 1992, Section 1012 and 1013 of the Residential Lead-Based Paint Hazard Reduction Act of 1992. The LHRP provides funding, in the form of grants to promote HUD's affordable housing goals to remediate lead hazards in properties either occupied or destined to be occupied by low to moderate-income families. Multi-family housing projects that are approved for funding under the Affordable Housing Trust Fund (AHTF) high leverage program may be eligible for lead grants.

The LHRP undertakes lead hazard remediation activities to prevent families from being exposed to dangerous levels of lead-based paint, lead contaminated-soil or lead-contaminated dust. The LHRP typically operates independently of other divisions and removes, replaces or remediates lead hazards in and about the properties that is attributable to lead-based paint. However, when the LHRP operates with LAHD's rehabilitation loan programs, its funds are typically used to remove components containing lead-based paint, such as windows and doors, as well as to remediate surfaces with deteriorating lead-based paint while rehabilitation loan funds are used to replace the removed components.

Interested applicants are required to submit a cover letter requesting funds for lead-based paint hazard remediation & control to LAHD's Lead-Based Paint Unit located on the 9th Floor. **(Contact: Liseth Romero-Martinez @ (213) 808-8828 for additional information).** Include the amount of funds requested and the purpose for such funds. Additionally, applicants should provide a complete combination lead-based Paint Inspection and Risk Assessment testing report consistent with HUD's Guidelines For the Evaluation and Control of Lead-Based Paint Hazards in Housing (HUD Guidelines). LAHD staff will review these documents to determine the eligibility of the project for inclusion in the LHRP and feasibility of the costs.

Funding

1. LAHD will determine the funding priority order for all projects in accordance with the High Leverage Program guidelines and subject to the Mayor and City Council's approval.
2. The maximum funding allowed for each project is \$4,500/unit, not to exceed \$225,000 per project. Projects that qualify for less will receive less. Applicants are required to identify the cost of "lead based paint hazard remediation" for each component and shall provide the specifications and budget for review.

Eligibility Activities

1. Multi-family housing developments approved for funding under the AHTF.
2. Existing Rehabilitation-LAHD will provide funding for lead-based paint hazard remediation of **existing rehabilitation projects**.
3. Rehab activities of Single Room Occupancies (SRO's), zero-bedroom dwellings and efficiencies only to convert them to non- zero bedroom units
4. Removal of non-intact lead-based paint from surfaces or components of existing buildings undergoing demolition in preparation for development.

Ineligible Activities

1. Projects that do not receive funding under the AHTF.
2. Senior-only Housing Projects.
3. Housing exclusively for the Handicapped.
4. Rehab activities of Single Room Occupancies (SRO's), zero-bedroom dwellings and efficiencies.
5. Properties where all lead-based paint has been removed.
6. Cost for inspection, testing & developing specifications (soft-cost).
7. Housing constructed after January 1, 1978.

Additional Conditions

1. LAHD shall have the right to conduct follow-up inspections and verification of the funded design measures.
2. The developer shall be responsible for inspections, testing, work write-ups, monitoring and clearances; and shall provide all such reports to LAHD upon request. All work shall be performed in accordance with the governing regulations identified above and any and all applicable local, state or federal regulations in effect at the time of remediation.
3. At project completion, the project's architect or qualified industrial hygienist, shall be required to certify that the building complies the governing regulations.
4. Projects assisted with LHRP grants will be listed in a Lead-Safe Housing Registry and must market the units to families with children under six years old.

Exhibit 7

LOS ANGELES HOUSING DEPARTMENT SECTION 3 REQUIREMENTS

Goals

**30% Employment Opportunity To Los Angeles City Residents (Form 15); and
10% of Contract Dollar Awarded To Qualified Los Angeles Section 3 Business
Concerns (Form 15A)**

**TO BE COMPLETED BY ALL CONTRACTORS AND SUBS WHEN CONSTRUCTION STARTS
FORM 15 AND 15A SHOULD BE SUBMITTED MONTHLY**

Section 3 Requirements apply to **all** General Contractors and **all** Subcontractors who are performing construction on a job that has HUD money involved with total project costs of \$100,000 or more. Example: If project contract amount is \$150,000.00 and each sub is performing \$1,000 of work at project, they are not exempt from Section 3, all must complete forms because the total project cost is \$100,000 or more. This includes ALL Non-Davis Bacon and Davis-Bacon Projects.

Form 15 and 15A must be completed by General Contractor and Subcontractors and should be submitted with each Draw Request (Non Davis Bacon projects must be submitted once a month also) to the L.A. Housing Department Compliance Unit, 1200 W. 7th St., 8th floor, Los Angeles, CA 90017.

Form 15 should be completed for all L.A. City workers on the job. Identify the number of hours worked for the draw period submitted. If an employee works in another draw period, another Form 15 should be completed with the appropriate number of hours worked for that period. Worker should complete the bottom portion and sign to certify himself as a Section 3 employee. Worker may appear not to qualify based on the income limits, but we are aware that employee may not always receive prevailing wages or have periods when he/she are out of work. For this reason, **complete the Section 3 Form 15 on ALL workers who reside in the City of Los Angeles.**

Los Angeles residents pay utilities to the Department of Water and Power, have a Los Angeles Councilperson, and are serviced by the Los Angeles Police Department

Form 15A should be completed by ALL Contractors who utilize businesses that employ workers from Los Angeles City. When Prime/General Contractor contracts with a Los Angeles subcontractor, the Prime should complete the Form 15A on that sub showing the contract amt on the form. Also, General and Subcontractors should use Form 15A to report purchases made in the City of Los Angeles, or suppliers who have 30% of their employees who are L.A. City residents. Usually the qualifying basis on this form will be #2. Qualified businesses include stores in Los Angeles, such as Home Depot, Terry Lumber, Sinclair Paint, etc.

You may want to attend the monthly contractor orientation where this requirement and all Davis Bacon requirements are explained in detail. Call 213/808-8680 for an appointment to attend.

Revised: 2/14/05

LOS ANGELES HOUSING DEPARTMENT
1200 W. 7th St., 8th Floor, Los Angeles, CA 90017

**SECTION 3 LOS ANGELES EMPLOYEE INFORMATION AND CERTIFICATION
REPORT**

MONTHLY REPORTING PERIOD: _____

Indicate starting date to ending date that this form is reporting.

CONSTRUCTION SITE ADDRESS: _____

CONTRACTOR/SUBCONTRACTOR: _____

CONTRACTOR/SUBCONTRACTOR CONTACT PERSON: _____

TELEPHONE NUMBER: _____

A. GENERAL/SUBCONTRACTOR TO COMPLETE

NAME OF SECTION 3 EMPLOYEE: _____

ADDRESS OF SECTION 3 EMPLOYEE: _____

SOCIAL SECURITY # OF SECTION 3 EMPLOYEE: _____

TELEPHONE NO. OF SECTION 3 EMPLOYEE: _____

MALE: _____ OR FEMALE _____ TOTAL HRS WORKED: _____

HRLY WAGE: \$ _____ TRADE/CRAFT/JOB TITLE _____

ETHNIC CODE: _____

ETHNIC CODES:

1 - WHITE AMERICAN

2 - BLACK AMERICAN

3 - NATIVE AMERICAN

4 - HISPANIC AMERICAN

5 - ASIAN PACIFIC AMERICAN

B. SECTION 3 EMPLOYEE (LOS ANGELES RESIDENT) TO COMPLETE

I, _____, am a

resident at the following address: _____

ZIP CODE _____

By marking an "X" in this box G I certify that I have not earned more than the Section 3 annual income limits as indicated below: TOTAL FAMILY INCOME LIMITS PER HOUSEHOLD

1 PER	2 PER	3 PER	4 PER	5 PER	6 PER
\$33,300	\$38,100	\$42,850	\$47,600	\$51,400	\$55,200

We are aware employee will not always be on a prevailing wage project and may not earn the hourly wage indicated throughout the entire year. For this reason, please complete this form for all Los Angeles City residents.

SIGNATURE OF SECTION 3 EMPLOYEE _____

DATE _____

Revised: 2/14/05

LOS ANGELES HOUSING DEPARTMENT
1200 W. 7th St., 8th Floor, Los Angeles, CA 90017

CERTIFICATION OF SECTION 3 LOS ANGELES BUSINESS CONCERN
MONTHLY REPORTING PERIOD: _____

Indicate starting date to ending date that this form is reporting.

CONSTRUCTION SITE ADDRESS: _____

CONTRACTOR/SUBCONTRACTOR: _____

CONTRACTOR/SUBCONTRACTOR CONTACT PERSON: _____

TELEPHONE NUMBER: _____

Name of Business (where supplies purchased in Los Angeles) OR Name of Los Angeles
Subcontractor Utilized:

Address of Business _____

Telephone No. _____

Total Dollar Amount awarded to Qualified Los Angeles Section 3 Business \$ _____

(Prime should report total contract amt with sub, if the sub is within the City of L.A. or if sub has 30% of employees from L.A. area; OR for all supplies or purchases made by prime or sub from vendors/suppliers/businesses within the City of Los Angeles or Outside of Los Angeles, but who have 30% of their employees from the L.A. area.)

Business Ownership by Racial Ethnic Code (Fill in Appropriate Code No.): _____

RACIAL ETHNIC CODES:

- | | |
|----------------------------|-----------------------|
| 1 - WHITE AMERICAN | 2 - BLACK AMERICAN |
| 3 - NATIVE AMERICAN | 4 - HISPANIC AMERICAN |
| 5 - ASIAN PACIFIC AMERICAN | |

Qualifying Basis

Please indicate which qualifying basis applies:

- | | |
|----------|---|
| 1. _____ | 51 percent owned by L.A. City Section 3 low-income residents, or |
| 2. _____ | Permanent, full-time employees include at least 30% L.A. City Section 3 low-income residents, or |
| 3. _____ | Written commitment to subcontract more than 25% of dollar award from L.A.H.D., to business concerns who meet above number 1 and 2 Section 3 qualifications. |

I certify that the abovementioned business qualifies as a Section 3 Business as per the above checked off criteria.

Contractor/Subcontractor Authorized Signature _____

Date _____

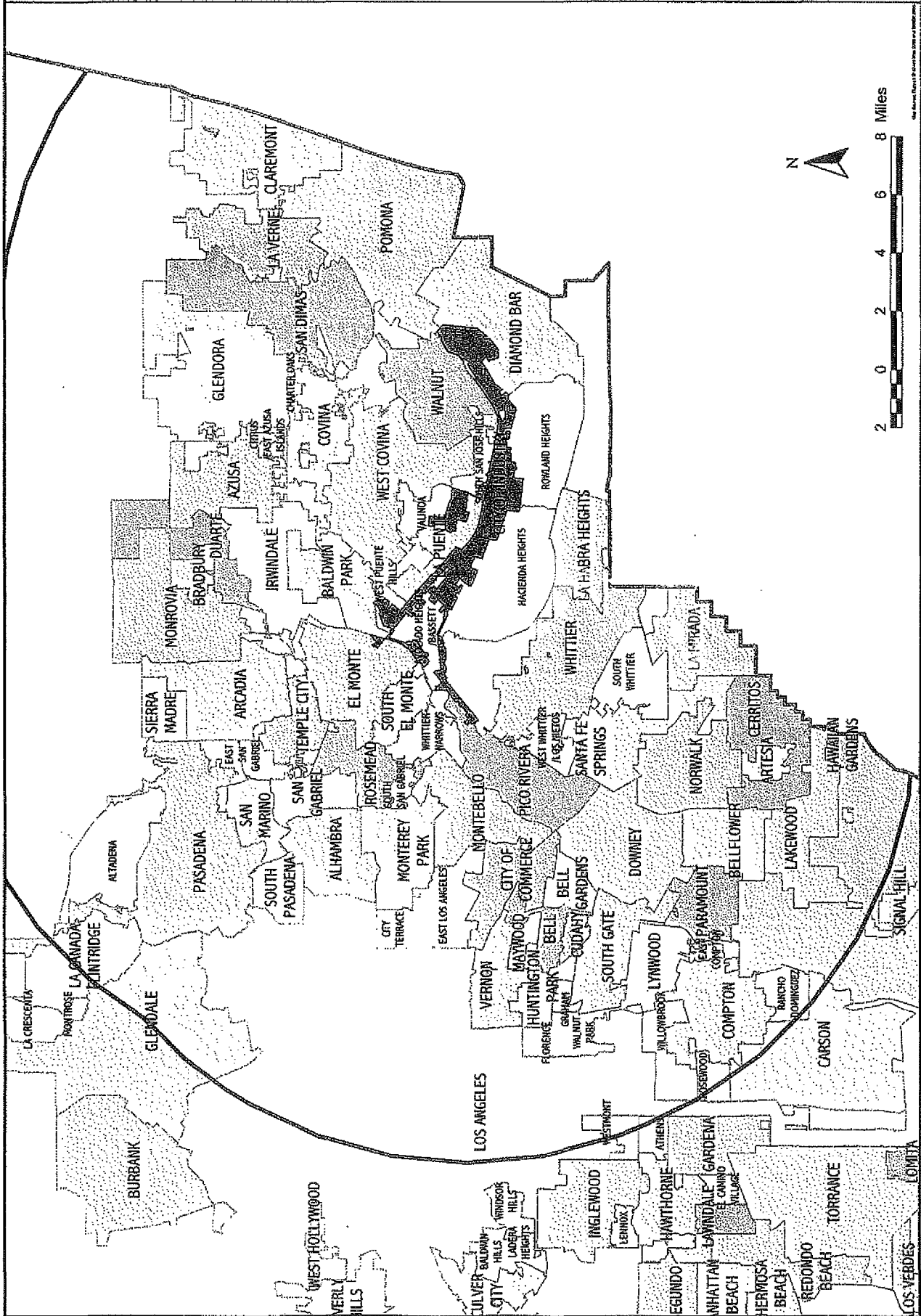
Revised: 2/14/05

Exhibit 8

City of Industry Program Boundary Map



County Areas
Unincorporated Area
Incorporated Area



Developer Name:

Project Name:

Address (Street/City/State):

Maximum Points

Yes	No	?			
Integrated Design					
			1.1	Green Development Plan Submit Green Development Plan outlining the integrated design approach used for this development that demonstrates involvement of the entire development team.	Mandatory
Site, Location and Neighborhood Fabric					
			2.1a	Smart Site Location: Proximity to Existing Development Provide site map demonstrating that the development is located on a site with access to existing roads, water, sewers and other infrastructure within or contiguous (having at least 25 percent of the perimeter bordering) to existing development.	Mandatory <i>except infill site or rehabs</i>
			2.1b	Smart Site Location: Protecting Environmental Resources - New Construction Do not locate new development within 100 feet of wetlands, critical slope areas, land identified as habitat for a threatened or endangered species; or on land previously used as public park land, land identified as prime farmland, or with elevation at or below the 100-year floodplain.	Mandatory <i>except infill site or rehabs</i>
			2.1c	Smart Site Location: Proximity to Services - New Construction Locate projects within a ¼ mile of at least two, or ½ mile of at least four community and retail facilities.	Mandatory <i>except infill site or rehabs</i>
			2.2	Compact Development: New Construction Achieve densities for new construction of at least six units per acre for detached/semi-detached houses; 10 for town homes; 15 for apartments.	Mandatory <i>except rehabs</i>
			2.3	Walkable Neighborhoods: Sidewalks and Pathways Connect project to the pedestrian grid. Include sidewalks or other all-weather pathways within a multifamily property or single-family subdivision linking residential development to public spaces, open spaces and adjacent development.	Mandatory
			2.4a	Smart Site Location: Passive Solar Heating/Cooling Orient building to make the greatest use of passive solar heating and cooling.	4
			2.4b	Smart Site Location: Grayfield, Brownfield or Adaptive Reuse Site Locate the project on a grayfield, brownfield or adaptive reuse site.	10
			2.5	Compact Development Increase average minimum densities to meet or exceed: seven units per acre for detached/semi-detached; 12 units for town homes; and 20 units for apartments.	5
			2.6	Walkable Neighborhoods: Connections to Surrounding Neighborhood Provide a site plan demonstrating at least three separate connections from the development to sidewalks or all-weather pathways in surrounding neighborhoods.	5
			2.7	Transportation Choices Locate project within ¼ mile radius of adequate public transit service, or ½ mile radius from an adequate fixed rail or ferry station.	12
Site Improvements					
			3.1	Environmental Remediation Conduct a Phase I Environmental Site Assessment and provide a plan for abatement if necessary.	Mandatory
			3.2	Erosion and Sedimentation Control Implement EPA's Best Management Practices for erosion and sedimentation control during construction referring to the EPA document, Storm Water Management for Construction Activities.	Mandatory
			3.3	Landscaping Provide a tree or plant list certified by the Architect or Landscape Architect, that the selection of new trees and plants are appropriate to the site's soils and microclimate and do not include invasive species. Locate plants to provide shading in the summer and allow for heat gain in the winter.	Mandatory <i>if providing landscaping</i>

3.4	Surface Water Management	
LH	Capture, retain, infiltrate and/or harvest the first ½ inch of rainfall that falls in a 24-hour period.	5
3.5	Storm Drain Labels	
	Label all storm drains or storm inlets to clearly indicate where the drain or inlet leads.	2
Yes No ?	Water Conservation	
4.1a	Water-Conserving Appliances and Fixtures: New Construction	
LH	Install water-conserving fixtures with the following minimum specifications: toilets – 1.3 GPF; showerheads – 2.0 GPM; kitchen faucets – 2.0 GPM; bathroom faucets – 2.0 GPM	Mandatory
4.1b	Water-Conserving Appliances and Fixtures: Moderate Rehabilitation	
LH	Install water-conserving fixtures with the following minimum specifications <i>for toilets and shower heads</i> and follow requirements for other fixtures wherever and whenever they are replaced: toilets – 1.3 GPF; showerheads – 2.0 GPF; kitchen faucets – 2.0 GPM; bathroom faucets – 2.0 GPM.	Mandatory
4.1c	Water-Conserving Appliances and Fixtures	
LH	Install water-conserving fixtures with the following minimum specifications: toilets – 1.1 GPF; showerheads – 1.75 GPM; kitchen faucets – 2.0 GPM; bathroom faucets – 1.5 GPM	5
4.2	Efficient Irrigation	
LH	If irrigation is necessary, use recycled gray water, roof water, collected site run-off, water from a municipal recycled water system, or a highly efficient irrigation system including all the following: system designed by EPA Water Sense professional; plant beds with a drip irrigation system; separately zoned turf and bedding types; a watering zone timer/controller; moisture sensor controller.	Mandatory <i>if irrigation is necessary</i>
Yes No ?	Energy Efficiency	
5.1a	Efficient Energy Use: New Construction	
LH	Meet Energy Star standards (single family and low rise residential); exceed ASHRAE 90.1-2004 by 15 percent; California-exceed Title 24 by 15 percent; Oregon, Washington, Idaho and Montana--meet Northwest Energy Star	Mandatory
5.1b	Efficient Energy Use: Moderate & Substantial Rehabilitation	
	Perform an energy analysis of existing building condition, estimate costs of improvements, implement measures that will improve building energy performance by 15 percent from pre-renovation figures.	Mandatory
5.2	Energy Star Appliances	
LH	If providing appliances, install Energy Star clothes washers, dishwashers and refrigerators.	Mandatory <i>if providing appliances</i>
5.3a	Efficient Lighting: Interior	
LH	Install the Energy Star Advanced Lighting Package in all interior units and use Energy Star or high-efficiency commercial grade fixtures in all common areas and outdoors.	Mandatory
5.3b	Efficient Lighting: Exterior	
LH	Install daylight sensors or timers on all outdoor lighting, including front and rear porch lights in single family homes.	Mandatory
5.4	Electricity Meter	
	Install individual or sub-metered electric meters.	Mandatory <i>(see full criteria for exceptions)</i>
5.5	Additional Reductions in Energy Use	
LH	Exceed the relevant Energy Star HERS score for low-rise residential buildings or exceed other standards by increased percentages.	Optional <i>(see full criteria)</i>
5.6a	Renewable Energy	
LH	Install PV panels, wind turbines or other renewable energy source to provide at least 10 percent of the project's estimated electricity demand.	15
5.6b	Photovoltaic (PV) Ready	
	Site, design, engineer and wire the development to accommodate installation of PV in the future.	2
Yes No ?	Materials Beneficial to the Environment	
6.1	Construction Waste Management	
LH	Develop and implement a construction waste management plan to reduce the amount of material sent to the landfill by at least 25 percent.	5
6.2	Recycled Content Material	
LH	Use materials with recycled content; provide calculation for recycled content percentage based on cost or value of recycled content in relation to total materials for project. Minimum recycled material must be 5 percent	14

			6.3	Certified, Salvaged and Engineered Wood	
			111	Commit to using at least 25 percent (by cost) wood products and materials that are salvaged wood, engineered framing materials or certified in accordance with the Forest Stewardship Council.	5
			6.4a	Water-Permeable Walkways	
			111	Use water-permeable materials in 50 percent or more of walkways.	5
			6.4b	Water-Permeable Parking Areas	
			111	Use water-permeable materials in 50 percent or more of paved parking areas.	5
			6.5a	Reduce Heat-Island Effect: Roofing	
			111	Use Energy Star-compliant and high-emissive roofing or install a "green" (vegetated) roof for at least 50 percent of the roof area; or a combination of high-albedo and vegetated roof covering 75 percent of the roof area.	5
			6.5b	Reduce Heat-Island Effect: Paving	
			111	Use light-colored, high-albedo materials and/or an open-grid pavement with a minimum Solar Reflective Index of 0.6 over at least 30 percent of the site's hardscaped area.	5
			6.5c	Reduce Heat-Island Effect: Plantings	
			111	Locate trees or other plantings to provide shading for at least 50 percent of sidewalks, patios and driveways within 50 feet of a home.	5
Yes	No	?	Healthy Living Environment		
			7.1	Low / No Volatile Organic Compounds (VOC) Paints and Primers	
			111	Specify that all interior paints and primers must comply with current Green Seal standards for low VOC limits.	Mandatory
			7.2	Low / No VOC Adhesives and Sealants	
			111	Specify that all adhesives must comply with Rule 1168 of the South Coast Air Quality Management District. Caulks and sealants must comply with Regulation 8, Rule 51 of the Bay Area Air Quality Management District.	Mandatory
			7.3	Urea Formaldehyde-free Composite Wood	
			111	Use particleboard and MDF that is certified compliant with the ANSI A208.1 and A208.2. If using nonrated composite wood, all exposed edges and sides must be sealed with low-VOC sealants.	Mandatory
			7.4	Green Label Certified Floor Coverings	
			111	Do not install carpets in below grade living spaces, entryways, laundry rooms, bathrooms, kitchens or utility rooms. If using carpet, use the Carpet and Rug Institute's Green Label certified carpet, pad and carpet adhesives.	Mandatory if providing floor coverings
			7.5a	Exhaust Fans – Bathroom	
			111	Install Energy Star-labeled bathroom fans that exhaust to the outdoors and are connected to a light switch and are equipped with a humidistat sensor or timer, or operate continuously.	Mandatory
			7.5b	Exhaust Fans – Kitchen: New Construction & Substantial Rehabilitation	
			111	Install power vented fans or range hoods that exhaust to the exterior.	Mandatory
			7.5c	Exhaust Fans – Kitchen: Moderate Rehabilitation	
			111	Install power vented fans or range hoods that exhaust to the exterior.	5
			7.6a	Ventilation: New Construction & Substantial Rehabilitation	
			111	Install a ventilation system for the dwelling unit, providing adequate fresh air per ASHRAE 62.1-2007 for residential buildings above 3 stories or ASHRAE 62.2 for single family and low-rise multifamily dwellings.	Mandatory
			7.6b	Ventilation: Moderate Rehabilitation	
			111	Install a ventilation system for the dwelling unit, providing adequate fresh air per ASHRAE 62.1-2007 for residential buildings above 3 stories or ASHRAE 62.2 for single family and low-rise multifamily dwellings.	10
			7.7	HVAC Sizing	
			111	Size heating and cooling equipment in accordance with the Air Conditioning Contractors of America Manual, Parts J and S, ASHRAE handbooks, or equivalent software.	Mandatory
			7.8	Water Heaters: Mold Prevention	
			111	Use tankless hot water heaters or install conventional hot water heaters in rooms with drains or catch pans with drains piped to the exterior of the dwelling and with non-water sensitive floor coverings.	Mandatory

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.9a	Materials in Wet Areas: Surfaces In wet areas, use materials that have smooth, durable, cleanable surfaces. Do not use mold-propagating materials such as vinyl wallpaper and unsealed grout.	Mandatory
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.9b	Materials in Wet Areas: Tub and Shower Enclosures Use fiberglass or similar enclosure or, if using any form of grouted material, use backing materials such as cement board, fiber cement board or equivalent (i.e., not paper-faced).	Mandatory
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.10a	Basements and Concrete Slabs: Vapor Barrier Provide vapor barrier under all slabs. For concrete floors either in basements or on-grade slab install a capillary break of 4 four inches of gravel over soil. Cover all gravel with 6 millimeter polyethylene sheeting moisture barrier with joints lapped one foot or more. On interior below grade walls, avoid using separate vapor barrier or below grade vertical insulation.	Mandatory
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.10b	Basements and Concrete Slabs – Radon: New Construction & Substantial Rehabilitation 1.1 In EPA Zone 1 and 2 areas, install passive radon-resistant features below the slab along with a vertical vent pipe with junction box available, if an active system should prove necessary. For substantial rehab, introduce radon-reduction measures if elevated levels of radon are detected.	Mandatory
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.11	Water Drainage Provide drainage of water to the lowest level of concrete away from windows, walls and foundations.	Mandatory
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.12	Garage Isolation 1.1 Provide a continuous air barrier between the conditioned (living) space and any unconditioned garage space. In single-family houses with attached garages, install a CO alarm inside the house on the wall that is attached to the garage and outside the sleeping area, and do not install air handling equipment in the garage.	Mandatory
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.13	Clothes Dryer Exhaust 1.1 Clothes dryers must be exhausted directly to the outdoors.	Mandatory
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.14	Integrated Pest Management 1.1 Seal all wall, floor and joint penetrations with low VOC caulking. Provide rodent-proof and corrosion-proof screens (e.g., copper or stainless steel mesh) for large openings.	Mandatory
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.15	Lead-Safe Work Practices: Moderate & Substantial Rehabilitation For properties built before 1978, use lead-safe work practices during renovation, remodeling, painting and demolition.	Mandatory
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.16	Healthy Flooring Materials: Alternative Sources Use non-vinyl, non-carpet floor coverings in all rooms.	5
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.17	Smoke-free Building Enforce a "no smoking" policy in all common and individual living areas in all buildings. See full criteria for "common area" definition.	2
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	7.18	Combustion Equipment (includes space & water-heating equipment) 1.1 Specify power vented or combustion sealed equipment. Install one hard-wired CO detector for each sleeping area, minimum one per floor.	Mandatory
Yes	No	?	Operations and Maintenance		
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8.1	Building Maintenance Manual 1.1 Provide a manual that includes the following: a routine maintenance plan; instructions for all appliances, HVAC operation, water-system turnoffs, lighting equipment, paving materials and landscaping, pest control and other systems that are part of each occupancy unit; an occupancy turnover plan that describes the process of educating the tenant about proper use and maintenance of all building systems.	Mandatory
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8.2	Occupant's Manual 1.1 Provide a guide for homeowners and renters that explains the intent, benefits, use and maintenance of green building features, along with the location of transit stops and other neighborhood conveniences, and encourages additional green activities such as recycling, gardening and use of healthy cleaning materials, alternate measures for pest control, and purchase of green power.	Mandatory
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	8.3	Homeowner and New Resident Orientation 1.1 Provide a walk-through and orientation to the homeowner or new resident using the Occupant Manual from 8-2 above that reviews the building's green features, operations and maintenance along with neighborhood conveniences.	Mandatory

NSP EXHIBIT 1: PROJECT REQUIREMENTS

Proposed Projects must --

- Be in NSP2 target area and adjacent to residentially zoned property within the area. Use of NSP funds must have a beneficial impact on the neighborhood. (Use LAHD website to check eligibility: <http://lahd.lacity.org/nsp>)
- Be purchased from a foreclosing entity who has clear title; properties where foreclosure proceedings have been completed and title has been transferred to an intermediary aggregator or servicer that is not an NSP grantee, subrecipient, contractor, developer, or end user are also allowed;
- If short sale or other process allowed by HUD, have a written commitment from the owner and all lien holders in regard to price and timing of acquisition;
- Be ready for tax-exempt bond financing, but for the award of City NSP funds;
- Have an acquisition price that is no greater than 99% of appraised value as determined by a State-certified general or residential appraiser using HUD required forms and formats;
- Be permanent housing (no shelters or group homes);
- Restrict units to households with incomes **at or below 50% AMI**; those with the most units and/or percentage of units in the property will receive additional points;
- Have site control but property must not be acquired until after funding award and NEPA environmental clearance have been received.
- Not have been previously acquired by the sponsor regardless of whether properties meet the definition of foreclosed or abandoned;
- Not be currently owned by a legal entity that includes any party applying for NSP funds;
- Be residential; cannot provide funds for commercial uses; mixed use might be ok, but only if applicant can demonstrate another source of funds for commercial;
- **Spend all NSP funds by January 1, 2012;**
- Meet LEED Silver standard or the requirements of the City of Los Angeles CALGreen Code (expected to be effective January 2011).



U.S. Department of Housing and Urban Development
Los Angeles Field Office, Region IX
611 West 6th Street, Suite 1100
Los Angeles, CA 90017-3101

HUD

Office of Community Planning and Development

Information Bulletin

Issue No. CPD-2009-3

February 17, 2009

MEMORANDUM FOR: Neighborhood Stabilization Program (NSP) Grantees

FROM: Robert G. Ilumin Deputy Director, Office of Community Planning and Development,
Los Angeles Field Office

SUBJECT: Acquisition and Relocation Requirements for the NSP Program

The Neighborhood Stabilization Program is moving ahead and grantees will soon begin acquiring and redeveloping foreclosed and abandoned properties. The purpose of this bulletin is to remind grantees of the NSP acquisition and relocation requirements. With significant exceptions, the NSP program requires compliance with the Uniform Relocation and Property Acquisition Act of 1970 and Section 104(d) of the Housing and Community Development Act of 1974. It is important for grantees to understand these significant exceptions.

Voluntary Acquisition

Acquisitions carried out under the NSP program will mostly, if not exclusively, qualify as exemptions under Subpart B of the URA regulations. These exempted acquisitions are referred to as "voluntary". To exempt acquisitions the grantee must follow 49 CFR 24.101(b). This section requires that a specifically worded letter be sent to the seller that basically states the property will not be taken under threat of eminent domain and shows the current appraised value of the property. This letter must be sent regardless of whether the buyer is a homeowner, a non-profit organization or a governmental entity and it applies even though the seller is a bank. HUD Headquarters staff has modified the sample letter in Handbook 1378 for the NSP program which addresses the alternative requirements. A copy of this letter is attached to this bulletin.

Establishing Property Value

An appraisal must be obtained for all properties purchased with NSP funds within 60 days of the final offer and it must meet the URA provisions at 49 CFR 24.103. HUD Headquarters has recently published guidance for appraisals which is attached to this information bulletin. **There have been no "special" arrangements with HUD made that would change this requirement.**

Appraisal Issues

1. Use of Existing Appraisal Formats- The NSP program does not require a specific appraisal format. Existing appraisal formats used by Fannie Mae, FHA, or the lenders may be used as long as the appraisal contains all the items listed in 49 CFR 24.103 and is dated within 60 days of the final offer. If the existing appraisal format does not have all the elements required by 49 CFR 24.103 then the missing information can be appended to it.

2. Group appraisals- Properties must be individually appraised. Properties may be grouped in bulk sales but appraisals must be done for each property.
3. Hiring Appraisers- 49 CFR 24.103(d) requires grantees to establish criteria for determining the minimum qualification of appraisers that is consistent with the scope of work for the assignment. If a contract appraiser is hired, he or she must be state licensed or certified and a scope of work is required. See the attached HUD Handbook 1378 Appendix 19, which has been revised by the field office for the NSP program, for a scope of work format. Please note the NSP program does not require appraisers to give property owners the opportunity to accompany them. Appendix 20 contains a sample appraisal agreement that grantees may modify for the NSP program.
4. Supervising the Appraisal Process- Grantees are responsible for ensuring that appraisers hired to appraise NSP properties understand the appraisal provisions of 49 CFR 24.103 and complete an appraisal that meets this standard. The Los Angeles Field Office (LAFO) advises against turning over the responsibility of hiring appraisers to a third party like a real estate broker and recommends that grantees implement procedures to ensure that all appraisals meet the URA standard. Although a review appraisal under 49 CFR 24.104 is not required; LAFO staff has developed the attached appraisal checklist which may be used to document appraisal compliance.

Discounted Value

For voluntary acquisitions subject to the URA, the letter to the seller shows the market value of the property and then the actual price paid is negotiated. The alternative NSP provisions require that: 1) the purchase price of each property is discounted by at least 5 percent and 2) the NSP aggregate program average discount is 15 percent. To document the aggregate discount, we recommend that the grantee develop a system to track all the acquisitions, the current appraised value and the final purchase price.

Recordkeeping

Grantees should ensure that acquisition files contain appropriate records to document compliance with the NSP acquisition provisions i.e., the required letter to the seller and any other correspondence, the appraisal, and evidence that the discount requirements are met. Files should also contain the title report, purchase agreement, escrow documents, and deed.

Section 104(d)

Compliance with Section 104(d) is triggered when NSP funds are used in a projects that involve the demolition or conversion of low income dwelling units to a use other than low income housing. See 24 CFR Part 42. The NSP program alternative One-for-One Replacement provision does not require the actual replacement of the housing, only the information regarding the units that will be removed from the inventory. All other Section 104(d) requirements, including relocation assistance, remain the same.

Relocation

Many acquisitions under the NSP will not require relocation as the homes will be vacant. Some projects, however, will involve relocating tenants displaced from foreclosed homes or properties being demolished, rehabilitated or redeveloped. Grantees should identify all persons occupying property early in the project process to determine their potential relocation liability. If relocation takes place the URA and/or Section 104(d) regulations will apply in their entirety.

For assistance with acquisition and relocation issues please call Ms. Jana Bickel, Relocation Specialist at 213-534-2581. For additional information on the NSP program, see the HUD NSP website at - <http://www.hud.gov/offices/cpd/communitydevelopment/programs/neighborhoodspg/>

U.S. Department of Housing and Urban Development (HUD)

Guide for Preparing an Appraisal Scope of Work

The Uniform Relocation Assistance and Real Property Acquisition Policies Act (URA) and its implementing regulations (49 CFR Part 24) set forth minimum requirements for real property acquisition appraisals for Federal and federally-assisted programs. Appraisals subject to the URA must be prepared according to these requirements. The acquiring agency may also have additional supplemental appraisal requirements which may be attached.

The acquiring agency has a legitimate role in contributing to the appraisal process, especially in developing the scope of work and defining the appraisal problem. The scope of work and development of an appraisal under these requirements depends on the complexity of the appraisal problem

The scope of work is a written set of expectations that form an agreement or understanding between the appraiser and the agency as to the specific requirements of the appraisal, resulting in a report to be delivered to the agency by the appraiser. It includes identification of the intended use and intended user; definition of fair market value; statement of assumptions and limiting conditions; and certifications. It should specify performance requirements, or it should reference them from another source, such as the agency's appraisal procedural manual. The scope of work must address the unique, unusual and variable appraisal performance requirements of the appraisal. Either the appraiser or the agency may recommend modifications to the initial scope of work, but both parties must approve changes.

SCOPE OF WORK: The appraiser must, at a minimum:

1. Provide an appraisal meeting the following definition of an appraisal found at 49 CFR 24.2(a)(3).

Appraisal. The term appraisal means a written statement independently and impartially prepared by a qualified appraiser setting forth an opinion of defined value of an adequately described property as of a specific date, supported by the presentation and analysis of relevant market information.

2. Please note the NSP program does not require appraisers to give property owners the opportunity to accompany them.
3. Perform an inspection of the subject property. The inspection should be appropriate for the Neighborhood Stabilization Program (NSP) -- that is, it is REO property -- and the scope of work should address:
 - The extent of the inspection and description of the neighborhood and proposed project area,
 - The extent of the subject property inspection, including interior and exterior areas,
 - The level of detail of the description of the physical characteristics of the property being appraised.
4. In the appraisal report, include an adequate description of the physical characteristics of the property being appraised (i.e., sketch of the property and provide the location and dimensions of any improvements) and a description of comparable sales. The appraisal report should also

include adequate photographs of the subject property and comparable sales, and provide location maps of the property and comparable sales

5. In the appraisal report, include items required by the acquiring agency, including but not limited to the following:

- Property right(s) to be acquired, e.g., fee simple, easement, etc.,
- Value being appraised (usually fair market value), and its definition
- Appraised as if free and clear of contamination (or as specified),
- Date of the appraisal report and the date of valuation,
- A realty/personalty report as required by 49 CFR 24.103(a)(2)(i),
- Known and observed encumbrances, if any,
- Title information,
- Location,
- Zoning,
- Present use, and
- At least a 5-year sales history of the property.

6. In the appraisal report, identify the highest and best use. If highest and best use is in question or different from the existing use, provide an appropriate analysis identifying the market-based highest and best use.

7. Present and analyze relevant market information. *(Specific requirements for market information should be included in the agency's appraisal procedural manual and should include research, analysis, and verification of comparable sales. Inspection of the comparable sales should also be specified.)*

8. In developing and reporting the appraisal, disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project. *(If necessary, the appraiser may cite the Jurisdictional Exception or Supplemental Standards Rules under USPAP to ensure compliance with USPAP while following this and other Uniform Act requirements.)*

9. Report his or her analysis, opinions, and conclusions in the appraisal report.

ADDITIONAL REQUIREMENTS FOR A SCOPE OF WORK:

INTENDED USE: This appraisal is to estimate the fair market value of the property, as of the specified date of valuation, for the proposed acquisition of the property rights specified (i.e., fee simple, etc.) for a Federally assisted project.

INTENDED USER: The intended user of this appraisal report is primarily the acquiring agency, but its funding partners may review the appraisal as part of their program oversight activities.

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DEFINITION OF FAIR MARKET VALUE: This is determined by State law. Fair market value, however, is generally defined as the price that a seller is willing to accept and a buyer is willing to pay on the open market in an arm's length transaction, and usually includes the following:

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

CERTIFICATION: The appraisal shall include a certification of the appraiser (see attached sample or insert agency's certification).

ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser shall state all relevant assumptions and limiting conditions. In addition, the acquiring agency may provide other assumptions and conditions that may be required for the particular appraisal assignment, such as:

- The data search requirements and parameters that may be required for the project.
- Identification of the technology requirements, including approaches to value, to be used to analyze the data.
- Need for machinery and equipment appraisals, soil studies, potential zoning changes, etc.
- Instructions to the appraiser to appraise the property "As Is" or subject to repairs or corrective action.
- As applicable include any information on property contamination to be provided and considered by the appraiser in making the appraisal.

CERTIFICATE OF APPRAISER – NSP SAMPLE

I hereby certify that:

1. On _____ date(s), I personally made a field inspection of the property herein appraised and have also personally made a field inspection of the comparable sales relied upon in making said appraisal. The property being appraised and the comparable sales relied upon in making this appraisal were as represented in the appraisal.
2. To the best of my knowledge and belief the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based is correct; subject to the limiting conditions therein set forth.
3. I understand that such appraisal may be used in connection with the acquisition of property for project utilizing U.S. Department of Housing and Urban Development Neighborhood Stabilization funds.
4. The appraisal has been made in conformity with appropriate laws, regulations, and policies and procedures applicable to appraisal of property for such purposes--- **specifically the requirements in the Uniform Relocation and Property Acquisition Act of 1970 regulations at 49 CFR 24.103.**
5. To the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under the established law of said State.
6. Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the project for which such property is acquired, or by the likelihood that the property would be acquired for such project, other than that due to physical deterioration within the reasonable control of the owner, was disregarded in determining the compensation for the property.
7. Neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.
8. I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised.
9. I have not revealed the findings and results of such appraisal to anyone other than the proper officials of the acquiring agency or officials of the U.S. Department of Housing and Urban Development and I will not do so until so authorized by said officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.
10. I have not given consideration to, or included in my appraisal, any allowance for relocation assistance benefits.

My opinion of the fair market value of the property to be acquired as of the _____ day of _____ 20____ is \$ _____ based upon my independent appraisal and the exercise of my professional judgment.

Name _____ Company _____
Signature _____ License # _____
Date _____

APPENDIX D: CHECKLIST FOR NSP Funded Appraisals (49 CFR 24.103)

1. Name of First Mortgage Lender: _____
2. Name of Grantee: Los Angeles Housing Department
3. Address of Property: _____
4. Name of Appraisal Company: _____
5. Name of Appraiser: _____
6. Appraiser Certification: _____
7. Physical Inspection- Outside and inside---no windshield survey only. An adequate description of the physical characteristics of the property being appraised.
 - ☐ Items identified as personal property
 - ☐ Property rights being obtained
 - ☐ A statement of the known and observed encumbrances
 - ☐ Title information
 - ☐ Location
 - ☐ Zoning
 - ☐ Present Use
 - ☐ Analysis of highest and best use
 - ☐ Five year sales history
 - ☐ Verification of sales by a party involved in the transaction
 - ☐ Adequate photographs
8. A description of comparable sales (Field inspection)
 - ☐ Physical characteristics
 - ☐ Legal characteristics
 - ☐ Economic factors
 - ☐ Parties to the transaction
 - ☐ Source and method of financing
 - ☐ Verification by a party involved in the transaction
 - ☐ Comparable sales are within six months
9. All relevant and reliable approaches to value consistent with Federal appraisal practices.
 - ☐ All applicable approaches to value considered and explanation of why certain approaches not used seems reasonable (See appendix a 24.103(a)(2) – in some cases an agency may choose to only require the sales approach; additionally the income approach likely wouldn't be applicable to most of these NSP acquisitions with some exceptions of course)
 - ☐ Analysis and reconciliation of approaches supports appraiser's opinion of value
10. Statement of value of real property:
 - ☐ Appraised Value
 - ☐ Basis of Value
 - ☐ Date of value

- ☐ Date of appraisal
☐ Signature and certification of the appraiser
☐ No NSP program discount applied to appraised value
11. ☐ No consideration of any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project other than due to physical deterioration

12. ☐ Owner retention of improvements discussed, if any

13. Includes a definition of fair market value as determined by State law and or "the price that a seller is willing to accept and a buyer is willing to pay on the open market in an arm's length transaction" with the following similar language:

- ☐ Buyer and seller are typically motivated;
☐ Both parties are well informed or well advised, each one acting in own best interest;
☐ A reasonable time is allowed for exposure in the open market;
☐ Payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and
☐ The price represents the normal consideration for the property sold
Unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

14. Statement of all relevant assumptions and limiting conditions including any ones that may be required for the particular appraisal assignment, such as:

- ☐ The data search requirements and parameters that may be required for the project.
☐ Identification of the technology requirements, including approaches to value, to be used to analyze the data
☐ Need for machinery/equipment appraisals, soil studies, potential zoning changes, etc.
☐ Instructions to the appraiser to appraise the property "As Is" or "subject to repairs or corrective action"
☐ Information on property contamination to be provided and considered by the appraiser in making the appraisal (if applicable)

Other

- ☐ Evidence of tenants: ☐ Yes, if so, list names. ☐ No
☐ HUD Appraiser Certification in File
☐ Appraiser met grantee's list of qualifications

Appraised Value_____	Date of Value_____	
Amount Offered_____	Date of Offer_____	%Discount_____
Final Purchase Price_____	Date of Purchase_____	% Final Discount_____

Record of Negotiations, Special Circumstances or Rationale for Purchase Price or Other Comments:

Name of Reviewer:_____

Date_____

**APPENDIX B: CERTIFICATE OF APPRAISER –
FOR PROSPECTIVE NSP PURCHASE**

I hereby certify that:

1. On _____ date(s), I personally made a field inspection of the property herein appraised and have also personally made a field inspection of the comparable sales relied upon in making said appraisal. The property being appraised and the comparable sales relied upon in making this appraisal were as represented in the appraisal.
2. To the best of my knowledge and belief the statements contained in the appraisal herein set forth are true, and the information upon which the opinions expressed therein are based is correct; subject to the limiting conditions therein set forth.
3. I understand that such appraisal may be used in connection with the acquisition of property for project utilizing U.S. Department of Housing and Urban Development Neighborhood Stabilization funds.
4. The appraisal has been made in conformity with appropriate laws, regulations, and policies and procedures applicable to appraisal of property for such purposes--- **specifically the requirements in the Uniform Relocation and Property Acquisition Act of 1970 regulations at 49 CFR 24.103.**
5. To the best of my knowledge no portion of the value assigned to such property consists of items which are non-compensable under the established law of said State.
6. Any decrease or increase in the fair market value of real property prior to the date of valuation caused by the project for which such property is acquired, or by the likelihood that the property would be acquired for such project, other than that due to physical deterioration within the reasonable control of the owner, was disregarded in determining the compensation for the property.
7. Neither my employment nor my compensation for making this appraisal and report are in any way contingent upon the values reported herein.
8. I have no direct or indirect present or contemplated future personal interest in such property or in any benefit from the acquisition of such property appraised.

9. I have not revealed the findings and results of such appraisal to anyone other than the first mortgage lender, the prospective buyer and/or his agent, the seller and/or his agent, the proper officials at the Los Angeles Housing Department or officials of the U.S. Department of Housing and Urban Development and I will not do so until so authorized by said officials, or until I am required to do so by due process of law, or until I am released from this obligation by having publicly testified as to such findings.
10. I have not given consideration to, or included in my appraisal, any allowance for relocation assistance benefits.

My opinion of the fair market value of the property to be acquired as of the _____ day of _____ 20 _____ is \$ _____ based upon my independent appraisal and the exercise of my professional judgment.

Name _____

Company _____

Signature _____

License # _____

Date _____

APPENDIX C
FEDERAL REGULATIONS
49 CFR 24.103
CRITERIA FOR APPRAISALS.

(a) *Appraisal requirements.* This section sets forth the requirements for real property acquisition appraisals for Federal and federally-assisted programs. Appraisals are to be prepared according to these requirements, which are intended to be consistent with the Uniform Standards of Professional Appraisal Practice (USPAP).¹ (*See* appendix A, §24.103(a).) The Agency may have appraisal requirements that supplement these requirements, including, to the extent appropriate, the Uniform Appraisal Standards for Federal Land Acquisition (UASFLA).²

¹ Uniform Standards of Professional Appraisal Practice (USPAP). Published by The Appraisal Foundation, a nonprofit educational organization. Copies may be ordered from The Appraisal Foundation at the following URL: <http://www.appraisalfoundation.org/html/USPAP2004/toc.htm>.

² The "Uniform Appraisal Standards for Federal Land Acquisitions" is published by the Interagency Land Acquisition Conference. It is a compendium of Federal eminent domain appraisal law, both case and statute, regulations and practices. It is available at <http://www.usdoj.gov/enrd/land-ack/toc.htm> or in soft cover format from the Appraisal Institute at <http://www.appraisalinstitute.org/econom/publications/Default.asp> and select "Legal/Regulatory" or call 888-570-4545.

(1) The Agency acquiring real property has a legitimate role in contributing to the appraisal process, especially in developing the scope of work and defining the appraisal problem. The scope of work and development of an appraisal under these requirements depends on the complexity of the appraisal problem.

(2) The Agency has the responsibility to assure that the appraisals it obtains are relevant to its program needs, reflect established and commonly accepted Federal and federally-assisted program appraisal practice, and as a minimum, complies with the definition of appraisal in §24.2(a)(3) and the five following requirements: (*See* appendix A, §§24.103 and 24.103(a).)

(i) An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), including items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property. (*See* appendix A, §24.103(a)(1).)

(ii) All relevant and reliable approaches to value consistent with established Federal and federally-assisted program appraisal practices. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of approaches to value used that is sufficient to support the appraiser's opinion of value. (*See* appendix A, §24.103(a).)

(iii) A description of comparable sales, including a description of all relevant physical, legal, and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction.

(iv) A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of the damages and benefits, if any, to the remaining real property, where appropriate.

(v) The effective date of valuation, date of appraisal, signature, and certification of the appraiser.

(b) *Influence of the project on just compensation.* The appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired, or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner. (*See* appendix A, §24.103(b).)

(c) *Owner retention of improvements.* If the owner of a real property improvement is permitted to retain it for removal from the project site, the amount to be offered for the interest in the real property to be acquired shall be not less than the difference between the amount determined to be just compensation for the owner's entire interest in the real property and the salvage value (defined at §24.2(a)(24)) of the retained improvement.

(d) *Qualifications of appraisers and review appraisers.* (1) The Agency shall establish criteria for determining the minimum qualifications and competency of appraisers and review appraisers. Qualifications shall be consistent with the scope of work for the assignment. The Agency shall review the experience, education, training, certification/licensing, designation(s) and other qualifications of appraisers, and review appraisers, and use only those determined by the Agency to be qualified. (*See* appendix A, §24.103(d)(1).)

(2) If the Agency uses a contract (fee) appraiser to perform the appraisal, such appraiser shall be State licensed or certified in accordance with title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) (12 U.S.C. 3331 *et seq.*).

[70 FR 611, Jan. 4, 2005, as amended at 70 FR 22611, May 2, 2005]

Guidance on NSP Appraisals – Voluntary Acquisitions

Acquisitions financed with NSP grant funds are subject to the URA, and its implementing regulations at 49 CFR Part 24, and the requirements set forth in the NSP Notice that was published in the Federal Register on October 6, 2008. HUD anticipates that most of these transactions will qualify as voluntary acquisitions under the applicable regulations of 49 CFR 24.101(b). The URA regulations do not specifically require appraisals in connection with voluntary acquisitions under 49 CFR 24.101(b). However, the NSP Notice requires appraisals to be performed with respect to the NSP funded acquisition of foreclosed upon homes and residential properties, even though they may be considered voluntary under the URA. In those cases, the URA appraisal requirements of 49 CFR 24.103 must be met. The following guidance on appraisals pertains to acquisitions of foreclosed upon homes and residential properties which meet the applicable voluntary acquisition requirements of 49 CFR 24.101(b) and reflects applicable URA requirements and the NSP requirements, including the URA appraisal requirements of 49 CFR 24.103.

1. The NSP grantee must ensure that the owner is informed in writing of what the grantee believes to be the market value of the property; and that the NSP grantee will not acquire the property if negotiations fail to result in a an amicable agreement (see 49 CFR 24.101(b)(1) & (b)(2)).
2. If NSP funds are to be used to acquire a foreclosed upon home or residential property (other than through donation), the grantee must ensure that the purchase price includes a discount from the value established by an appraisal that meets the following requirements:
 - a. The appraisal must have been completed within 60 days of the offer made for the property (we have advised that an initial offer can be made, subject to the completion of the appraisal within 60 days of a final offer).
 - b. The appraisal must meet the URA definition of an appraisal (see 49 CFR 24.2(a)(3) and the five following requirements (see 49 CFR 24.103(a)(2)):
 - i. An adequate description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, an adequate description of the remaining property), including items identified as personal property, a statement of the known and observed encumbrances, if any, title information, location, zoning, present use, an analysis of highest and best use, and at least a 5-year sales history of the property.
 - ii. All relevant and reliable approaches to value. If the appraiser uses more than one approach, there shall be an analysis and reconciliation of approaches to value used that is sufficient to support the appraiser's opinion of value.

- iii. A description of comparable sales, including a description of all relevant physical, legal, and economic factors such as parties to the transaction, source and method of financing, and verification by a party involved in the transaction.
 - iv. A statement of the value of the real property to be acquired and, for a partial acquisition, a statement of the value of the damages and benefits, if any, to the remaining real property, where appropriate.
 - v. The effective date of valuation, date of appraisal, signature, and certification of the appraiser.
 - c. The appraiser shall disregard any decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired or by the likelihood that the property would be acquired for the project, other than that due to physical deterioration within the reasonable control of the owner.
 - d. If the owner of a real property improvement is permitted to retain it for removal from the project site, the amount to be offered for the interest in the real property to be acquired shall be not less than the difference between the amount determined to be just compensation for the owner's entire interest in the real property and the salvage value (defined at §24.2(a)(24)) of the retained improvement.
3. The NSP grantee has a legitimate role in contributing to the appraisal process, especially in developing the scope of work and defining the appraisal problem. The scope of work and development of an appraisal under these requirements depends on the complexity of the appraisal problem. HUD's guide to preparing an appraisal scope of work under the URA is available in HUD Handbook 1378-Appendix 19 or through the following link:
- <http://www.hud.gov/offices/adm/hudclips/handbooks/cpdh/1378.0/1378x19CPDH.pdf>
- 4. The NSP grantee shall establish criteria for determining the minimum qualifications and competency of appraisers. Qualifications shall be consistent with the scope of work for the assignment. The NSP grantee shall review the experience, education, training, certification/licensing, designation(s) and other qualifications of appraisers, and use only those determined by the NSP grantee to be qualified.
 - 5. If the NSP grantee uses a contract (fee) appraiser to perform the appraisal, such appraiser shall be State licensed or certified in accordance with title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA) (12 U.S.C. 3331 *et seq.*).

Questions:

1. **Can the lender's appraisal be used if it is reviewed for compliance with the URA requirements?**

Yes, if it meets the requirements in 2-5 above.

2. **Must appraisals for the voluntary acquisition of NSP funded foreclosed upon homes and residential properties have a review appraisal performed?**

No. Although the URA criteria for appraisals refer to qualifications for review appraisers, the NSP grantee is not required to have a review appraisal performed in connection with voluntary acquisitions under 49 CFR 24.101(b).

3. **Must a scope of work be developed?**

Yes, if the NSP grantee is procuring the services of an appraiser (or requires someone else to procure those services) or is relying on a lender's (the owner of the foreclosed upon property) appraisal that is determined by the NSP grantee to meet above requirements. No, if the appraisal is performed by otherwise qualified in-house appraisal staff, although it is still advisable in such cases.

NSP Exhibit 4

Definition of "Foreclosed"			
Defined under October 6, 2008 Federal Register Notice		Defined under April 10, 2010 Federal Register Notice	
ALL factors must be present	Mortgage foreclosure proceedings have been completed	Only ONE factor must be present	Delinquency status at least 60 days delinquent
	Tax foreclosure proceedings have been completed		Tax payments are at least 90 days delinquent
	Deed in lieu of foreclosure has been completed		Foreclosure proceedings have been initiated or completed
			Foreclosure proceedings completed and title transferred to an aggregator or servicer

EXHIBIT "A"

Los Angeles Affordable Multifamily Retrofit Initiative AUDIT PROTOCOL: A METHODOLOGY FOR CONDUCTING AN INVESTMENT GRADE ENERGY AND WATER CONSERVATION AUDIT OF MULTIFAMILY PROPERTIES

I. Overview

The **Los Angeles Affordable Multifamily Retrofit Initiative** Audit Protocol (the "Protocol") is a tool that defines the required criteria for an audit to be used by loan underwriters to determine if energy and water conservation measures can be put in place to save enough money to pay for debt service that finances all, or some portion of, the improvements. It is imperative that the audit be of investment grade caliber, which means that its data and analysis is deemed reliable to take on the risk of lending money to the project. Since there is no current industry established protocol for what determines an investment grade audit for retrofitting multifamily buildings, the **Los Angeles Affordable Multifamily Retrofit Initiative** is establishing its own protocol that it will share with the affordable housing industry for implementation and ongoing refinement. Underlying this protocol are the principles of transparency, consistency, and accountability: data contained in the audit must be totally transparent in terms of methodology of collection and calculation; reports must be presented in a consistent manner, in terms of format and content; and persons completing the audit must be accountable for their work by adhering to protocol requirements, maintaining professional certifications, and providing quality assurance measures.

A key objective of the audit is to identify ways to save the maximum amount of energy and water at a property as cost efficiently as possible, with the goal of attaining a 25% overall reduction. In addition to trying to identify ways to save energy and water, the audit process must also conduct an evaluation of the integrity of the building to identify any deficiencies that could result in health and safety hazards to tenants, code violations, and/or degradation of building systems that jeopardize the long term viability of the building over a minimum ten year horizon.

Finally, the audit process will also identify green measures that may not have financial payback, but that improve comfort and indoor air quality and that create a safer and quieter home environment for the tenants and property management workers, and reduce the property's negative impact on the environment.

The outcome of the audit process is an assessment that clearly reports on:

- Current energy and water use
- Energy efficiency and water conservation measures that could be installed
- The physical condition of the property and recommended capital improvements that relate to the health, safety and viability of the property over at least a ten year period.

- Well integrated green measures that deliver not only energy efficiency and climate change mitigation, but also improved comfort, indoor air quality and create safer and quieter home environments
- A simple payback and life cycle cost analysis of each recommended energy efficiency and water conservation measure
- The total reduction in energy or water usage for the recommended measures
- The energy modeling software and assumptions used to make the projections
- The methodology of data collection and relevant calculations, as reasonably feasible
- A Quality Assurance and Verification Plan to be carried out upon completion of retrofit installations and possibly a 12 month monitoring inspection as well
- The qualifications and certifications of all persons who worked on the audit
- A representation that the Audit meets the Los Angeles Affordable Multifamily Retrofit Initiative Audit Protocol as defined here.

The Los Angeles Affordable Multifamily Retrofit Initiative Audit Protocol standards are derived from the following standards:

- Building Performance Institute, Inc. Technical Standards for Multifamily Building Analysts (2008)
- HERS II 2008 Technical Manual
- Title 24-2008 Standards for Residential and Non-residential Buildings
- HUD, Energy Conservation for Housing: A Workbook (1998)
- RESNET, RESNET Standards Chapter Seven, Comprehensive Home Energy Audit
- ASHRAE, Commercial Building Audit Standards (2004)

The three main processes that constitute the Los Angeles Affordable Multifamily Retrofit Initiative Audit Protocol standards include the on-site visit, the energy modeling and energy/water savings analysis, and reporting.

II. Auditor Qualifications

The Los Angeles Affordable Multifamily Retrofit Initiative Audit Protocol requires that auditors perform, at a minimum, the following seven tasks:

- 1) Energy modeling
- 2) Building assessment (limited to identifying safety, code and durability issues)
- 3) Diagnostic testing (see Attachment C)
- 4) Combustion appliance safety testing
- 5) Feasibility analysis for the installation of renewable energy retrofits
- 6) Construction cost estimating
- 7) Financial analysis that generates investment grade level information/data

In recognition that a single firm may not be able to fulfill all the requirements of this audit protocol, multi-disciplinary teams assembled for their complementary skill sets are welcome to apply. Potential team members may include, but are not limited to:

- HERS Rater
- BPI multifamily analyst
- General Contractor
- Architect
- Mechanical Engineer
- Electrical Engineer
- Certified Energy Manager (CEM)
- Energy modeler
- Title 24 Compliance consultant
- Certified Green Building Professional
- Retrocommissioning agent
- Renewable energy expert

At least one member of the team must either be HERS II or BPI multifamily analyst certified. Applicants who do not hold these certifications but can evidence equivalent training and experience will be considered on a case-by-case basis.

III. On-site Process (BPI 3.5¹).

The purpose of the on-site visit is to collect all necessary information to conduct an appropriate energy, water, health and environmental analysis, including sufficient information to inform an energy model. The intent is to interview property owners and managers, evaluate the building envelope, assess building airflow, inventory HVAC equipment, identify ventilation system, field verify fan operation, and perform other diagnostic testing.

1. Auditor Conduct Standards

- The Auditor shall comply with applicable professional standards for ethics as defined by the HERS Code of Ethics and/or Building Performance Institute Code of Ethics².

2. Scheduling the Site Visit and Tenant Notification

- Notification of tenants whose units will be inspected as part of the audit site visit will be the sole responsibility of property owner or their representative.
- The Auditor shall schedule the site visit(s) with the designated person(s) at a time that is convenient for the project contact person(s). The site visit should seek to cause minimal disruption to the tenants and neighbors at the project.

3. Site Visit Preparation

- The auditor shall complete the site preparation tasks as described in Attachment A

¹ The energy code or technical standard that has information related to the section is listed in parenthesis. For example, (BPI 3.5) refers to section 3.5 of BPI Multi Family Building Analyst Professional technical standards. HR=HERSII. T24=Title 24-2008. ASH=ASHRAE Commercial Building Audit Standards.

² Building Performance Institute, Code of Ethics, as referenced in section 1.1, BPI Standards for Multifamily Analysts (2008). Resnet (HERS raters) Code of Ethics as referenced at <http://www.resnet.us/standards/ethics>

- Review the Initial Building Assessment or similar screening report which establishes the building's eligibility to participate in the Initiative
- Review 12 months of prior utility bills (including gas, electric and water) to know annual utility cost by fuel type and seasonal variations. (BPI 1.7)
- Review as-built drawings (if available) and any other pertinent information about the site, the building and its systems, to be provided by Owner. (BPI 1.8)

4. Site Visit

The on-site energy and water audit shall be comprised of an in-person visit to the project by a qualified Auditor to complete the following tasks:

4.1 Project Interview(s) (BPI 1.9 through BPI 1.13)

The Auditor shall interview at least one of the following designated person(s) prior to or at the time of the site visit:

- Property Manager
- Maintenance Director or maintenance staff
- Owner or owner representative

The purpose of the interview(s) is to:

- Discuss project energy and water performance
- Discuss tenant comfort, health and safety and agree on a tenant synopsis for the site visit
- Discuss operations and maintenance procedures
- Address any other stakeholder questions or concerns

The interview shall include questioning on operations and maintenance issues and will address the issues including but not limited to those in Attachment B. If any project team member wishes their responses to remain confidential, the Auditor shall respect those requests.

4.2 Safety and Code Observations at the Site Visit (BPI 3.4)

If, during the course of the site visit, the Auditor observes the existence of an issue that, in his or her judgment, may be a building code violation or a potential threat to health or safety, the Auditor shall immediately notify the designated person(s) in the project application and/or any individuals that are present representing the owner.

4.3 Visual Inspection and Diagnostic Testing Protocols

The site visit shall involve visual inspections and diagnostic testing of the building envelope, HVAC, combustion safety, and lighting systems. All items listed in Attachments C and D, *as applicable*, will be performed during the site visits.

Attachment C identifies the categories for testing systems, a description of what is to be accomplished with each test, suggested testing protocols, equipment and certifications required for testing. Attachment D identifies the building categories to be inspected: building envelope, HVAC and domestic hot water, a description of what is to be inspected and inspection protocols.

The Auditor shall identify and record equipment specifications listed on the form attached as Attachment E. The equipment specifications will be used in the energy modeling and analysis phase of the audit.

If the operating parameters of HVAC equipment or lighting system are not known to a high degree of confidence, and this information is necessary for accurate energy cost savings analysis, the auditor may suggest short term monitoring of the systems to measure the actual operating conditions. The intent is to better inform the energy cost savings analysis. The Auditor must decide what is to be observed and measured and with what confidence and precision.

4.4 Dwelling Unit Sampling Protocols

At least one in seven of every dwelling unit type (defined as having same/similar floor plan), with representation from differing building floors and including all four building orientations shall be inspected. In no case shall the inspection of units be less than 10% of total units. A larger sampling may be necessary depending upon funding source needs and other special circumstances. In accordance with Attachment A, Auditor will ensure that a discussion of unit sampling addresses special building circumstances that may result in an increased level of unit inspections and testing.

4.5 Renewable Energy

The on-site inspection will also examine, evaluate and propose recommendations for the incorporation of renewable energy opportunities, including but not limited to, photovoltaics and solar hot water.

IV. Energy Modeling and Analysis Process (BPI 2.11 – BPI 2.17)

An energy model of the building's pre- and post-retrofit performance shall be completed using building plans, initial inspection data, and diagnostic data collected during the on-site visits. The energy model is used to estimate annual energy consumption and energy cost savings of potential energy conservation measures. Current operating schedules verified on-site are to be used for energy and energy cost savings estimates. Operating schedules embedded in Title 24 software are used for compliance analysis.

All major assumptions used to develop the energy model and analysis must be clearly stated in the final report. Reporting emphasis should be placed on the assumptions that have the most impact on estimated energy savings. Occasionally, some building features may be inaccessible, such as crawl space insulation values. When certain building features can not be physically verified, values from Table R3-50, Default Assumptions for Existing Buildings in the 2008 Title 24 Alternative Calculation Method manual, shall be used as default conditions in the energy model and analysis.

Additional modeling requirements include:

1. *Energy Modeling Software Requirements:*

- Energy Pro and TREAT currently approved for low-rise and high-rise.

- The modeling software shall use hourly heating and cooling load calculations based on ASHRAE fundamentals (BPI 3.5)
 - To maintain connection with weatherization program and other subsidy programs, the Auditor must use energy modeling software or other utility analysis that complies with the project's local weatherization or other subsidy program requirements.
 - Permission required prior to utilizing other energy modeling software.
2. *Ordering of Energy Efficiency Measures:* the loading order of energy efficiency measures in the energy modeling analysis shall be structured so that improvements to the building envelope and interior lighting are modeled prior to improvements to the HVAC system. The intent of this loading order requirement is to capture all of the potential effects of envelope and lighting energy efficiency measures on cooling and heating loads and subsequent investigation into impact of energy efficiency measures pertaining to HVAC equipment.
 3. *Utility Rates:* the energy consultant shall model the building using the current local utility rate schedules as verified during review of utility bills. The local utility rate may have to be created in the energy modeling software. Energy cost savings calculated outside of the modeling software shall be based on actual utility rates used by the building. An average or "blended" utility rate, accounting for monthly service and time-of-use charges, shall not be used to calculate energy cost savings.
 4. *Model Calibration:* the energy model for buildings that are master metered shall be calibrated to actual utility billing data. Modeled baseline energy consumption shall be calibrated to monthly utility bills for a minimum of twelve months. The intent is to establish the modeling results verified for consistency and accuracy.
 - The energy model estimates of electricity and natural gas should calibrate to actual monthly consumption to within 10%.
 - TMY 30 year average weather data can be used in lieu of actual year weather, which may be difficult to obtain.
 - Any adjustments made to the building description inputs used to calibrate the simulated building to actual energy usage shall be justified with explicit, transparent information and documented in this section of the audit report.
 5. *Exceptional Calculations:* Energy conservation measures not directly modeled with the energy modeling software can be calculated outside of the program provided that generally accepted engineering calculations and methodologies are used. Interactive effects must be accounted for in exceptional calculations. The methodologies, assumptions, and constants used in the exceptional calculations must be clearly documented in the final report. Sources of deemed savings must be referenced.
 6. *Sampling for Energy Analysis:* If the project is comprised of multiple buildings, the whole building-simulation shall include at least one example of each building type. If units are individually metered and billed, the Auditor should sample at least one kind of each unit, consistent with BPI Technical Standard 2.2 (Utility Usage Analysis) and BPI Technical Standard 3.1 (Sampling Procedures).

V. Written Report³

Auditor shall prepare a written report which will have the following features:

Section 1: Executive Summary

The Executive Summary shall summarize the major findings of the audit, including:

- Basic building characteristics such as unit count, building construction type, number of stories, year built, total building area identified by use (residential, community/common, commercial), history of previous retrofits or rehabs, and other significant building features,
- Overall physical condition of the building (good, fair, or poor with respect to structural integrity, maintenance and repair)
- Recommended energy efficiency and water conservation measures
- Recommended green measures and other capital improvements needed to ensure long term integrity of building
- Estimate of cost to install each recommended measure (to include prevailing wages)
- An excel spreadsheet of all recommended measures and their cost, to accompany the report,
- Projected savings from implementing each energy efficiency and water conservation measure both in dollars and KWh and Therm
- Comparison of total projected savings to existing energy use/cost,
- Savings to Investment Ratio⁴ of each measure
- Projected carbon footprint reduction
- Date of the site visit
- Names of the individuals interviewed

Section 2: Narrative

This section shall include a written narrative that describes existing property conditions in the following categories:

- Site
- Building Envelope including roof and windows
 - Air flow
 - Insulation
 - Ducts
- Building Mechanical and Electrical Systems, including (when applicable):
 - Heating systems
 - Ventilation systems

³ If it is determined prior to issuance of the final report that a recommendation conflicts with local, state and national codes and regulations, the recommendation shall be revised or removed from the report.

⁴ Utility savings times estimated useful life divided by upfront cost of measure

- Cooling systems
- Electrical systems
- Elevators
- Mechanical Room, including (when applicable):
 - Boilers
 - Domestic Hot Water
 - Plumbing Systems
- Common areas including community rooms/kitchens, lobbies, corridors, and commercial spaces
- Dwelling Units, as relates to: health and safety, energy efficiency and water conservation

The Auditor shall include in the narrative information from the site visit to verify the building drawings. If the site conditions do not match design conditions, the site conditions shall be used for analysis and reporting (BPI Standard 3.3 Blueprint Evaluation/Site Visit). This section will include information on equipment specifications in accordance with Attachment E.

Section 3: Photo Documentation

This section of the report should include photo documentation of the subject property, specifically targeted toward describing the relevant physical conditions and energy efficiency and water conservation measures.

Section 4: Description of Energy Efficiency, Water Conservation, Green and Capital Improvement Recommendations

This section will provide information on each recommended measure and improvement, including, but not limited to:

- Description of measures and recommended loading order
- Rationale for recommendation
- Estimated useful life of existing component
- Recommendation for timing of implementing the measure/replacement/improvement
- Identification of how cost estimate was derived (including source of cost information, unit pricing, take-off used)
- In the absence of renewable energy opportunities, explain why these are not recommended
- Non-energy related benefits of the recommended measures such as health and safety, improved indoor air quality, and increased resident comfort

Auditors will present this information as an Optimal Green Improvement Plan that includes the most cost-effective combination of recommended measures and improvements factoring in loading order, available funding, estimated useful life of existing equipment/systems and property owner goals.

This section will include the results of the diagnostic testing conducted on-site and describe how the test results informed the rationale for the above recommendations. Auditors may also offer

recommendations for the retrocommissioning of certain existing equipment based on diagnostic test results.

This section of the report will also include a summary of the combustion analysis testing completed during the energy audit. For all audited dwelling units, include the results of combustion safety testing and identify if action was warranted as a result of the combustion safety testing. Report recommendations to include CO detectors to the extent the dwelling units don't have them installed.

Section 5: Energy and Water Audit and Analysis

a. Energy and Water Analysis Methodology

This section of the report should summarize the energy modeling approach and other calculation methods used in the energy and water analysis. Include name and version of energy modeling software used and indicate if exceptional calculations are used to estimate energy and energy cost savings. Provide a summary of the approach, and detailed calculations, used in any exceptional calculations used for analysis.

b. Utility Analysis and End use Breakdown

This section shall describe the applicable end use(s) for each type of fuel at the project and present a visual breakdown of annual energy and energy cost by fuel type.

- the Auditor shall graph energy usage for each fuel type for a minimum of 12 months (BPI 2.8).
- the Auditor shall review the utility rate structure to determine if it seems appropriate for the project (BPI 2.10; 5.6).
- the Auditor shall make a recommendation for further investigation if the Auditor finds that the rate structure does not match the utility data (BPI 2.10).

c. Source of Information

This section briefly describes all sources of information used to inform the analysis including:

- The source and scope of utility billing data supplied to the Auditor including the data source, the data duration in months over which the data covers, and whether the Auditor received copies of the actual utility bills or electronic interval data.
- Construction cost information used in economic analysis
- Report if building plans or site verified data was used in the analysis
- Report any discrepancies between plans and verified conditions.
- Utility rate and schedules
- Source of deemed energy savings

d. Energy Model Inputs and Assumptions

The audit shall clearly state any assumptions used when analyzing energy and water utility data. (BPI 2.14). This section of the report shall include an "Input Assumptions Table" which reports an overview of all model inputs for both the standard case and proposed case energy models.

This table should also highlight building components that were analyzed as potential energy conservation measures and those having greatest impact on final energy cost savings estimates. The "Input Assumptions Table" will be in the form of Attachment "F."

e. Energy Model Documentation

Provide final energy model input and output files used to report energy and energy cost. A log of all final justified adjustments made to the energy model during the calibration process must also be submitted in the final report.

Section 6: Energy Efficiency and Water Conservation Cost/Benefit Analyses

This section shall include the individual cost/benefit worksheets for each recommended energy efficiency and water conservation measure. The worksheets should show implementation cost, energy and water consumption and financial savings, simple payback, and incremental payback (as applicable).

Section 7: Quality Assurance and Verification Plan

This section shall include a written plan that outlines the recommended process for the visual inspection of all newly installed components, and verification of their performance both at the completion of construction and twelve months thereafter. This Plan shall be in accordance with the "Post Measure Installation Verification, Inspection and Test Out Requirements for Project Quality Assurance," attached as Attachment "G."

Section 8: Qualifications and Certifications

This section shall include a description of the qualifications and professional certification of any person who worked to produce it.

Section 9: Representation

This section shall include a representation from an officer or owner of the firm conducting the audit that the audit meets the Los Angeles Affordable Multifamily Retrofit Initiative Audit Protocol without exception and that the final audit report has been reviewed for quality assurance purposes by a principal or officer of the firm.



MAJOR PROJECTS DIVISION

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lahd.lacity.org



Antonio R. Villaraigosa, Mayor
Douglas Guthrie, General Manager

ENERGY EFFICIENCY AND CONSERVATION BLOCK GRANT (EEBG) APPLICATION – PROPERTY INFORMATION QUESTIONNAIRE

Applicant Name: _____

Contact Name, Address, Phone Number and Email: _____

	PROPERTY #1	PROPERTY #2
Name/Address		
Housing type (family, senior, SRO, other)		
Affordability breakdown (% of AMI)		
# of buildings		
# of floors		
# of units		
# of bedrooms		
Total SF		
Common area SF		
Commercial space SF		
Year built		
Date of last rehab; what was done?		
Are units individually metered for electricity?		
Are units individually metered for gas?		
Are units individually metered for water?		
Who pays electricity? (owner/tenant)		
Who pays gas? (owner/tenant)		
Who pays water? (owner/tenant)		
Windows: single or double pane		
Has there been wall or roof insulation upgrades since construction completion? (If so, when and what)		
Age of space heating system		
Type of space heating? (gas room heaters, central furnace, individual forced-air units, electric baseboard, heat pump, hot-water/steam system, other)		
Age of space cooling system		

Type of cooling system? (split system, packaged AC, other, none)		
Age of domestic hot water system		
Type of domestic hot water system? (central without recirculation controls, central with recirculation controls, central with unknown controls, individual water heaters)		
Age of central ventilation system		
Has there been lighting retrofit work done in units and/or common areas?		
Statement of need for energy efficiency and water conservation upgrading (e.g. boiler needs to be replaced, etc.)		

Is there a plan to conduct a full rehab? If so, approximately when?		
What are the sources of financing in the project?		

☐ **Applicant is willing to take on debt to finance energy and water efficiency improvements.**

REQUIRED ATTACHMENTS:

- ☐ Past three years' audits for each property
- ☐ Year-to-date financial statement for each property
- ☐ Statement of replacement reserve balance for each property
- ☐ Two years of utility data (electric, water, gas)

IF AVAILABLE, please also submit:

- ☐ Capital Needs Assessment or Physical Needs Assessment
- ☐ Cost estimates or bids for energy efficiency and/or water conservation measures

Gold Coast Appraisals, Inc.
Real Estate Valuation

Case Number:
File Number: 10195000

***** INVOICE *****

File Number: 10195000

08/25/2010

Los Angeles Housing Department
Asset Management
1200 W. 7th St. Cube 808J
Los Angeles, CA 90017

Borrower: Los Angeles Housing Department

Invoice #: 10195000
Order Date: 08/16/2010
Reference/Case#: WAN# AP100025
PO Number:

252 S Rampart Avenue
Los Angeles, CA 90057

Single Family \$400.00

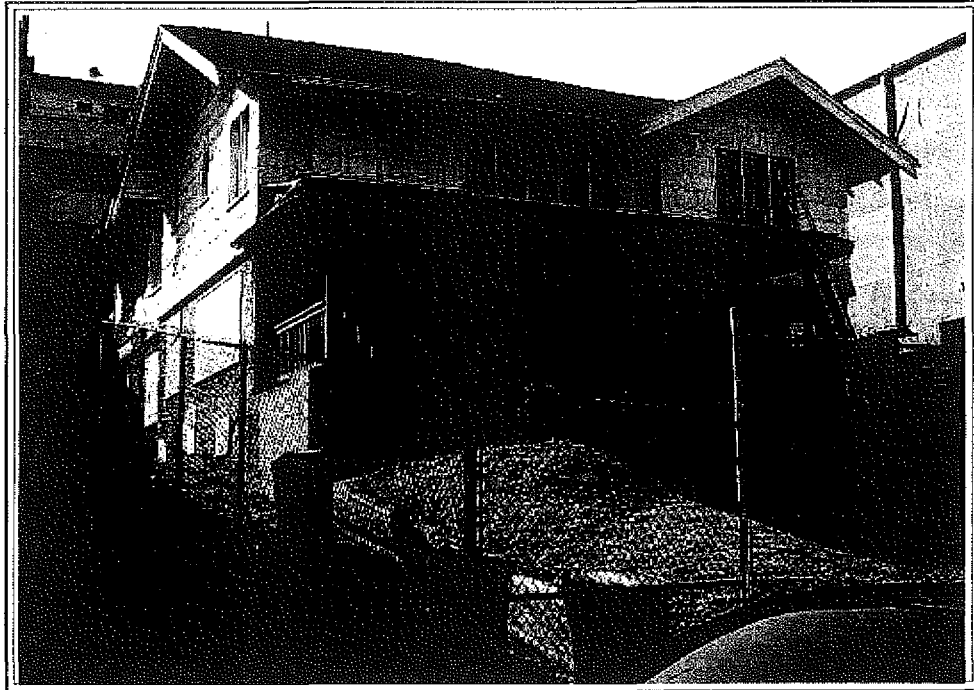
Invoice Total:	\$400.00
State Sales Tax @	-
Deposit	\$0.00
Deposit	\$0.00
Amount Due	\$400.00

Terms: Due upon receipt

Please make Check Payable To:
Gold Coast Appraisals, Inc.
11506 E. Telegraph Rd., Suite 214
Santa Fe Springs, CA 90670

Fed. I.D. #: 330461807

APPRAISAL OF



A Single Family Residence

LOCATED AT:

252 S Rampart Avenue
Los Angeles, CA 90057

FOR:

Los Angeles Housing Department
1200 W. 7th St. Cube 808J
Los Angeles, CA 90017

BORROWER:

Los Angeles Housing Department

AS OF:

August 17, 2010

BY:

Mr. Mark Gandara
Portfolio Management
Los Angeles Housing Department
1200 W. 7th St.
Los Angeles, CA 90017

Dear Mr. Gandara:

At your request, I completed my analysis of the property identified as:

252 S. Rampart Ave.
Los Angeles, CA 90057

Regardless of who pays for the attached appraisal, it has been prepared for our client: The client intends to use this report for estimate the AS-IS fair market value of the property as of the August 17, 2010. For this assignment, the improvements were inspected on August 17, 2010, and the date of value is August 17, 2010.

The attached Summary Appraisal Report has been prepared in accordance with your standards as well as the reporting requirements and the Uniform Standards of Professional Appraisal Practice (USPAP). The final value reported in the attached report is the "AS IS" value as of date of value.

This appraisal may not be used or relied upon by anyone other than the above-mentioned client for any purpose whatsoever, without the express written consent of the appraiser. If the client provides anyone else with a copy of this report, such as a borrower etc., that person(s) may not be entitled to rely upon its contents when making any decisions about the property. As such the following limiting condition applies:

"Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, new, sales, or other media without the written consent and appeal of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or the MAI, SRA or SRPA designation. Furthermore, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of any one, but the client, the client shall make such party(s) aware of all the assumptions and limiting conditions of the assignment."

This appraisal assignment is a Summary Appraisal Report under Standards Rule 2-2(b), as defined in the Uniform Standards of Professional Appraisal Practice (USPAP) of an appraisal performed under Standard Rule 1 of the USPAP.

Should you have any questions regarding the analysis or conclusions of value found in the attached report please contact me.

Sincerely,



Hee K. Yi
Certified General Appraiser
AG 035644 Expires 11/16/2010

The Los Angeles Housing Department is the intended user of this report. For this assignment, the improvements were inspected on August 17, 2010, and the date of value is August 17, 2010.

INTENDED USERS

The client intends to use this report for estimate the AS-IS fair market value of the property as of the August 17, 2010.

TYPE OF APPRAISAL REPORT

As specified in the most current version of the Uniform Standards of Professional Appraisal Practice (USPAP), this is a Summary Appraisal Report.

DATE OF INSPECTION AND DATE OF REPORT

This property was viewed on August 17, 2010 and the report was written on August 24, 2010.

COMPETENCY PROVISION

As of the date of this assignment, Hee K. Yi meets the continuing education requirements for a Certified General Appraiser for the State of California.

CONFIDENTIALITY

The appraiser must be aware of, and comply with, all confidentiality and privacy laws and regulations applicable in an assignment. Disclosure of confidential information is permissible to professional peer review committees, except when such disclosure to a committee would violate applicable law or regulation. Confidential Information means information that is either identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or classified as confidential or private by applicable law or regulation.

SCOPE OF THE APPRAISAL ASSIGNMENT

Data sources include NDC data, MLS, and appraiser's files. Whenever possible, sales were verified with the buyer, seller, real estate agent, or lender. If data could not be verified through a party involved in the transaction and the data appeared to be consistent with other data, it was used in the analysis. In all cases of data verification, I assumed that the information obtained is correct and accurate.

The appraiser viewed only the interior and exterior of the property on August 17, 2010. The appraiser noted both the positive and negative external features of the property. Visual exterior deferred maintenance was also considered as well as any exterior upgrades made to the structure. The appraiser did not do an interior inspection; therefore, the electrical components, the heating and cooling system, or the plumbing were not tested; the appraiser assumed that they were in working order. The appraiser assumed that there was no termite or dryrot damage to the interior components of the structure. The appraiser only took note of any obvious termite or dryrot damage. The appraiser did not inspect the roof, attic, or the crawl space. The appraiser assumed that these components did not suffer from any deferred maintenance. Only those characteristics of the property that are relevant to its valuation will be shown in the report.

The appraiser took exterior pictures of the subject's improvements. Pictures of upgrades and deferred maintenance items are included in the report. Scenes of the subject street are also included.

The appraiser relied on the County Assessor's information to ascertain the subject's lot size and living size areas as a guide in estimating the legally permitted square footage of the buildings residing on the lot. The appraiser also relied on the County Assessor's information in order to report the APN number and the legal description. If the client provides a title report, it is reviewed and taken into consideration with respect to easements, covenants, restrictions, and other encumbrances. The appraiser did not research the presence of such items independently. If a title report is not provided by the client, the appraiser will rely on the observation of any apparent easements or restrictions.

The appraiser viewed the neighborhood to ascertain its boundaries. The appraiser noted any positive or negative external features that may have an impact on value. The appraiser selected comparable sales data that is deemed appropriate for this assignment. Data was selected within 3-6 months from date of value. If there is insufficient data, the appraiser searched as far back as 18 months for sales. The appraiser may expand the search for data to other competing neighborhoods, but this is done only when there is insufficient data within the subject's neighborhood. The appraiser also considered listings as a possible comparable in order to reflect current market conditions. The appraiser viewed the data used in this analysis from street and took photographs of each comparable.

The appraisal problem did not warrant an intensive highest and best use study. Given the nature of the subject real estate, my conclusion of highest and best use was based on logic and observed evidence.

The Comparison Approach is the primary methodology used in estimating the value of the subject property. A GRM analysis does not provide any insight into value because residential properties in this neighborhood are purchased for owner use rather than as a rental. The Cost Approach is not considered a valid indicator by realtors, sellers or buyers. However, It is included as a test of reasonableness against the Comparison Approach.

The following market value definition supersedes the definition found in the printed form.

This appraisal has been prepared in accordance with the definition of fair market value as found in App.19-1[03/07]1378CHG-8 Appendix 19.

The price that a seller is willing to accept and a buyer is willing to pay on the open market in an arm's length transaction, whereby

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider his or her own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto;
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

DEFINITION OF REAL ESTATE TERMS

FEE SIMPLE INTEREST OR ESTATE: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

LEASED FEE ESTATE: An ownership interest held by a landlord with the rights of use and occupancy conveyed by a lease to others. The rights of the lessor (leased fee owner) and the leased fee are specified by the contract terms contained within the lease.

EXTRAORDINARY ASSUMPTIONS

The typical assumptions for this valuation are found in the printed form. In this particular analysis, the appraiser has not inspected the interior of the subject or the comparables.

ADDITIONAL ASSUMPTIONS

- 1)The appraiser reserves the right to amend this report if undisclosed facts are given to the appraiser after completion of this report.
- 2)The appraiser assumes no responsibility for changes in market conditions which might require a change in the appraised value.

APPRAISER'S HISTORICAL ACTIVITY

The appraiser has not performed a valuation of this property during the past 36 months.

AMERICAN WITH DISABILITIES ACT (ADA).

This property is not designed to accommodate handicapped users.

ENVIRONMENTAL HAZARDS EXAMPLE: LEAD BASED PAINT & ASBESTOS

Due to the age of the building, lead based paint and or asbestos may be present. An expert should be retained to ascertain their presence. Our inspection revealed that there is no cracked or peeling paint.

EXPOSURE AND MARKETING TIME

If a property is properly priced, in reasonably good condition and properly marketed by a local licensed real estate agent, a realistic time on the market and exposure to the market will be 30 to 60 days.

ECONOMIC CONDITIONS WARNING

The the present time, real estate values are in a state of flux caused in part by the sub-prime lending market coupled with a weak economy. Thus, the values shown in this report are only valid as of the date of the appraisal. The value shown in the report may change should their be a steeper decline in the economy.

SUBJECT		Map Reference 634C1		Census Tract 2086.20	
Neighborhood Name		Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant		Special Assessments \$ None	
Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)		PUD		HOA \$ <input type="checkbox"/> per year <input type="checkbox"/> per month	
Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Reliance Transaction <input checked="" type="checkbox"/> Other (describe)					
Lender/Client Los Angeles Housing Department		Address 1200 W. 7th St. Cube 808J, Los Angeles, CA 90017			
Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input type="checkbox"/> No					
Report data source(s) used, offering price(s), and date(s). This property is not listed on MLS. It is part of the First Look Program to allow government agencies to purchase the property before being marketed to the general public.					
I <input type="checkbox"/> did <input checked="" type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed. This client is using this valuation to negotiate a purchase price and has not yet made an offer for the property.					
Contract Price \$		Date of Contract		Is the property seller the owner of public record? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Data Source(s)			
If Yes, report the total dollar amount and describe the items to be paid.					
Note: Race and the racial composition of the neighborhood are not appraisal factors.					
Neighborhood Characteristics		One-Unit Housing Trends		One-Unit Housing	
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural		Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining		PRICE AGE	
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%		Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply		\$ (000) (yrs)	
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow		Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths		130 Low 60	
Neighborhood Boundaries Santa Monica Blvd. to the north, 110 Fwy. to the east, Wilshire Blvd. to the south and Western Ave. to the west.		1,200 High 97		Commercial 10 %	
		350 Pred. 86		Other %	
Neighborhood Description This neighborhood is comprised of older single family, multi-family, and commercial properties. Some of the properties have undergone renovation with new kitchens and bathrooms. Maintenance levels range from average to good with a few scattered properties that show deferred maintenance. Public transportation is available along major thoroughfares.					
Market Conditions (including support for the above conclusions) The local economy is suffering from a high unemployment rate that has been hovering around 12.5%. However, recently the entertainment and the import/export sectors are showing signs of recovery and are again hiring new or recalling furloughed workers. Despite some rebound in the economy, foreclosure transactions are still occurring throughout the region in all types of properties. Office, retail and industrial vacancies have been slowly rising.					
Dimensions See attached plat map		Area 7000 SF		Shape Rectangular	
Specific Zoning Classification R4		Zoning Description Multi-Family Dwelling		View None	
Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)					
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.					
Utilities Public Other (describe)		Public Other (describe)		Off-site Improvements—Type Public Private	
Electricity <input checked="" type="checkbox"/> <input type="checkbox"/>		Water <input checked="" type="checkbox"/> <input type="checkbox"/>		Street asphalt <input checked="" type="checkbox"/> <input type="checkbox"/>	
Gas <input checked="" type="checkbox"/> <input type="checkbox"/>		Sanitary Sewer <input checked="" type="checkbox"/> <input type="checkbox"/>		Alley None <input type="checkbox"/> <input type="checkbox"/>	
FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		FEMA Flood Zone X		FEMA Map # 060137/06037C	
				FEMA Map Date 09/26/2008	
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.					
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe. A title report has not been reviewed for any adverse easements, encroachments, or deed restrictions. A visual inspection of the site revealed that there are typical utility easements present. No encroachments were readily observable from the public street.					
GENERAL DESCRIPTION		FOUNDATION		EXTERIOR DESCRIPTION materials/condition	
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit		<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space		Foundation Walls Wood/Avg	
# of Stories Two		<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement		Exterior Walls Stucco/Avg	
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit		Basement Area 0 sq. ft.		Roof Surface Composite/Avg	
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.		Basement Finish %		Gutters & Downspouts Unknown	
Design (Style) Conventional		<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump		Window Type Aluminum/Avg	
Year Built 1913		Evidence of <input type="checkbox"/> Infestation		Storm Sash/Insulated None Noted	
Effective Age (Yrs) 40		<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement		Screens Aluminium/Avg	
Attic <input type="checkbox"/> None		Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant		Amenities <input type="checkbox"/> WoodStove(s) #	
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs		<input type="checkbox"/> Other Fuel Gas		<input type="checkbox"/> Fireplace(s) #	
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle		Cooling <input type="checkbox"/> Central Air Conditioning		<input type="checkbox"/> Patio/Deck <input checked="" type="checkbox"/> Porch	
<input type="checkbox"/> Finished <input type="checkbox"/> Heated		<input type="checkbox"/> Individual <input type="checkbox"/> Other		<input type="checkbox"/> Pool <input type="checkbox"/> Other	
Appliances <input type="checkbox"/> Refrigerator <input type="checkbox"/> Range/Oven		<input type="checkbox"/> Dishwasher <input type="checkbox"/> Disposal <input type="checkbox"/> Microwave		<input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe) None	
Finished area above grade contains:		8 Rooms		6 Bedrooms	
Additional features (special energy efficient items, etc.).		None		3 Bath(s)	
				3,568 Square Feet of Gross Living Area Above Grade	
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). We made extra assumption that the home will be in excellent condition after rehab. The subject is overall in very poor condition. The house is not habitable. There are no facilities in the kitchen and baths. The floors and walls of all the area are unfinished. *****The property will be appraised under hypothetical condition.					
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. No adverse conditions were observed that affects the soundness of the property.					

Proximity to Subject		2.1 Miles		0.85 Miles		1.9 Miles	
Sale Price	\$		\$ 450,000	\$	570,000	\$	479,500
Sale Price/Gross Liv. Area	\$	0.00 sq. ft.	\$ 9.06 sq. ft.	\$	163.79 sq. ft.	\$	155.48 sq. ft.
Data Source(s)		MLS, Realist and NDC Data		MLS, Realist and NDC Data		MLS, Realist and NDC Data	
Verification Source(s)		MLS# P734281 doc# 1038642		MLS#Mrm-H10001044 Doc#210882		MLS#Ciw-09370415 Doc#1218147	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions		Conventional		50% Down 50% 1st		Conventional	
Date of Sale/Time		07/28/2010		02/17/2010		08/10/2009	
Location	Suburban	Suburban		Superior	-30,000	Suburban	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	7000 SF	7150		6229		7500	
View	None	None		None		None	
Design (Style)	Conventional	Conventional		Conventional		Conventional	
Quality of Construction	Average	Average		Average		Average	
Actual Age	97+/- Years	96		102		89	
Condition	Excellent	Fair	60,000	Excellent		Average	40,000
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	10,000	Total Bdrms. Baths	10,000	Total Bdrms. Baths	5,000
Room Count	8 6 3	6 4 3		6 4 3		7 5 3	
Gross Living Area	50.00 3,568 sq. ft.	3,019 sq. ft.	27,500	3,480 sq. ft.	4,400	3,084 sq. ft.	24,200
Basement & Finished Rooms Below Grade	None None	None None		None None		None None	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FWA	FWA		FWA		FWA	
Energy Efficient Items	Typical	Typical		Typical		Typical	
Garage/Carport	None	1 Car Garage	2,500	None		None	
Porch/Patio/Deck	Porch	Porch		Porch		Porch	
Net Adjustment (Total)		[X] + [] -	\$ 100,000	[] + [X] -	\$ 15,600	[X] + [] -	\$ 69,200
Adjusted Sale Price of Comparables		Net Adj. 22.2% Gross Adj. 22.2%	\$ 550,000	Net Adj. -2.7% Gross Adj. 7.8%	\$ 554,400	Net Adj. 14.4% Gross Adj. 14.4%	\$ 548,700

I ☒ did ☐ did not research the sale or transfer history of the subject property and comparable sales. If not, explain _____

My research ☒ did ☐ did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) **NDC Data and Realist**

My research ☒ did ☐ did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) **NDC Data and Realist**

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
Date of Prior Sale/Transfer	04/28/2010 (foreclosure)	06/17/2009 (foreclosure)	12/10/2009 (foreclosure)	10/08/2008 (foreclosure)
Price of Prior Sale/Transfer	\$124,773	\$661,004	\$430,027	\$819,801
Data Source(s)	NDC Doc# 572189	NDC Doc# 910993	NDC Doc# 1875462	NDC Doc# 1800505
Effective Date of Data Source(s)	August 17, 2010	August 17, 2010	August 17, 2010	August 17, 2010

Analysis of prior sale or transfer history of the subject property and comparable sales **Presently most of the transactions in the subject's neighborhood are the result of foreclosures. Some have now been listed with a real estate agent and are posted on MLS and are being offered at prices that reflect an "As Is" condition. Many are in fair to poor condition but some have previously been remodeled and are in good to excellent condition. Hence, there will often be a recent foreclosure transaction.**

Summary of Sales Comparison Approach. It was necessary to locate sales that may be further than a one mile radius in order to find transactions that are more like the subject. All the comparables are inferior to the subject in size therefore upward adjustments were made. Comp 1, 3, 4, and 5 need to be adjusted upward for their inferior living size. Most weight is given to Comp 2 because it has the least net and gross adjustment. The property will be appraised under hypothetical condition. Therefore the cost of construction will be deducted from the value after rehab. As cost of \$50.00 per sq.ft. of cost to cure is applied to subject in its after rehab condition in order to arrive at its "as is" condition. This \$50 per sq.ft. cost is based on a rehab cost of 1447 sq.ft. duplex located in Inglewood.

\$554,000 (value after rehab)
- \$178,400 (construction cost of rehab)
\$ 376,000 (rounded, As of value of August 17, 2010)

Indicated Value by Sales Comparison Approach \$ 376,000

Indicated Value by: Sales Comparison Approach \$376,000 Cost Approach (if developed) \$ 392,900 Income Approach (if developed) \$

Comparison Approach was given most weight as it best reflects the actions of the typical buyers. Cost Approach was given secondary emphasis providing additional support. The Income Approach was not considered applicable or reliable as most properties in the area are owner occupied.

This appraisal is made ☐ "as is," ☐ subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed,

☒ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed. ☐ subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed.

other purposes is not intended by the appraiser. Nothing set forth in the appraisal should be relied upon for the purpose of determining the amount or type of insurance coverage to be placed on the subject property. The appraiser assumes no liability for and does not guarantee that any insurable value estimate inferred from this report will result in the subject property being fully insured for any loss that may be sustained. The appraiser recommends that an insurance professional be consulted. Further, the cost approach may not be a reliable indication of replacement or reproduction cost for any date other than the effective date of this appraisal due to changing costs of labor and materials and due to changing building codes and governmental regulations and requirements.

The 2010-11 USPAP Additional Certification

The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.

I have not provided any services with respect to this property in the last 36 months.

The signature found on the certification page located in this report applies to this statement.

COST APPROACH TO VALUE (not required by Fannie Mae)

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) Because this is a fully developed residential neighborhood there are no meaningful land sales. Therefore land value was estimated via abstraction.

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input checked="" type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE	= \$	100,000
Source of cost data Marshall Valuation Service	Dwelling 3,568 Sq. Ft. @ \$ 185.00	= \$	660,080
Quality rating from cost service D Effective date of cost data 08/17/2010	Sq. Ft. @ \$	= \$	
Comments on Cost Approach (gross living area calculations, depreciation, etc.)			
Marshall Valuation Service provided the replacement cost estimates. The effective age/life methodology determined the depreciation. In this fully developed neighborhood the abstraction methodology gives a reasonable indication of land value	Garage/Carport 0 Sq. Ft. @ \$	= \$	0
	Total Estimate of Cost-New	= \$	660,080
	Less 70 Physical Functional External		
	Depreciation \$377,188	= \$ (377,188)
	Depreciated Cost of Improvements	= \$	282,892
	"As-is" Value of Site Improvements	= \$	10,000
Estimated Remaining Economic Life (HUD and VA only) 30 Years	INDICATED VALUE BY COST APPROACH	= \$	392,900

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM) The Income Approach does not apply to residential properties which are primarily purchased for owner occupancy rather than for rental occupancy.

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? ☐ Yes ☐ No Unit type(s) ☐ Detached ☐ Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project

Total number of phases Total number of units Total number of units sold
Total number of units rented Total number of units for sale Data source(s)

Was the project created by the conversion of an existing building(s) into a PUD? ☐ Yes ☐ No If Yes, date of conversion.

Does the project contain any multi-dwelling units? ☐ Yes ☐ No Data source(s)

Are the units, common elements, and recreation facilities complete? ☐ Yes ☐ No If No, describe the status of completion.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

appraisal report.

2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to

of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before the appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.

3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.

4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.

5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature Hee K. Yi
Name Hee K. Yi
Company Name Gold Coast Appraisals, Inc.
Company Address 11506 E. Telegraph Rd., Ste 214
Santa Fe Springs, CA 90670
Telephone Number 562-651-1058
Email Address corporate@goldcoastappraisals.com
Date of Signature and Report 08/24/2010
Effective Date of Appraisal August 17, 2010
State Certification # AG035644
or State License # _____
or Other (describe) _____ State # _____
State CA
Expiration Date of Certification or License 11/16/2010

ADDRESS OF PROPERTY APPRAISED

252 S Rampart Avenue
Los Angeles, CA 90057

APPRAISED VALUE OF SUBJECT PROPERTY \$ 376,000

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____
Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY

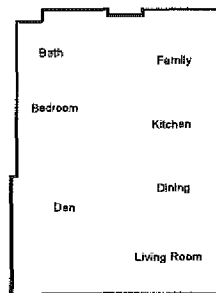
☐ Did not inspect subject property
☐ Did inspect exterior of subject property from street
Date of Inspection _____
☐ Did inspect interior and exterior of subject property
Date of Inspection _____

Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 169.81 sq. ft.		\$ 179.42 sq. ft.		\$ sq. ft.	
Data Source(s)	M Realist and NDC Data			MLS			
Verification Source(s)	MLS# Mm-H09122254 Doc#924945			MLS# F1853024			
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing		25% Down		Not Applicable			
Concessions		75% 1st		Not Applicable			
Date of Sale/Time		07/08/2010		Listing			
Location	Suburban	Suburban		Similar			
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple			
Site	7000 SF	7492		6098			
View	None	None		None			
Design (Style)	Conventional	Conventional		Conventional			
Quality of Construction	Average	Average		Average			
Actual Age	97+/- Years	91		112			
Condition	Excellent	Average	40,000	Average	40,000		
Above Grade	Total Bdrms Baths	Total Bdrms Baths	-5,000	Total Bdrms Baths	5,000	Total Bdrms Baths	
Room Count	8 6 3	9 7 3		7 5 4	-3,000		
Gross Living Area 50.00	3,568 sq. ft.	2,650 sq. ft.	45,900	2,536 sq. ft.	51,600	sq. ft.	
Basement & Finished	None	None		None			
Rooms Below Grade	None	None		None			
Functional Utility	Average	Average		Average			
Heating/Cooling	FWA	FWA		FWA			
Energy Efficient Items	Typical	Typical		Typical			
Garage/Carport	None	None		None			
Porch/Patio/Deck	Porch	Porch		Porch			
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 80,900		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 93,600		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 0	
Adjusted Sale Price		Net Adj. 18.0%		Net Adj. 20.6%		Net Adj. 0.0%	
of Comparables		Gross Adj. 20.2% \$ 530,900		Gross Adj. 21.9% \$ 548,600		Gross Adj. 0.0% \$ 0	

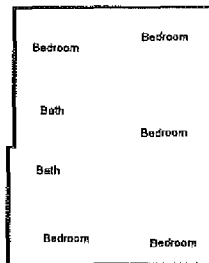
ITEM	SUBJECT	COMPARABLE SALE NO. 4	COMPARABLE SALE NO. 5	COMPARABLE SALE NO. 6
Date of Prior Sale/Transfer	04/28/2010 (foreclosure)	No sale within 36 months	No sale within 36 months	
Price of Prior Sale/Transfer	\$124,773	Not Applicable	Not Applicable	
Data Source(s)	NDC Doc# 572189	NDC Data	NDC Data	
Effective Date of Data Source(s)	August 17, 2010	August 17, 2010	August 17, 2010	

Summary of Sales Comparison Approach

First Floor



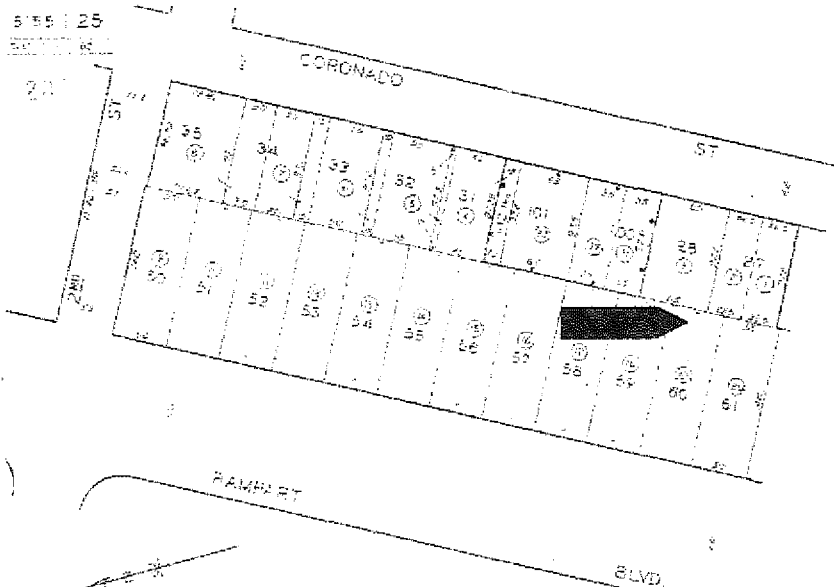
Second Floor



Sketch by Apex IV Windows™

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLA1	First Floor	1867.50	1867.50
GLA2	Second Floor	1700.00	1700.00

LIVING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
12.0	x	51.0	612.00
4.5	x	49.0	220.50
20.0	x	50.0	1000.00
1.0	x	21.0	21.00
1.0	x	14.0	14.00
Second Floor			
21.0	x	37.5	787.50
25.0	x	36.5	912.50

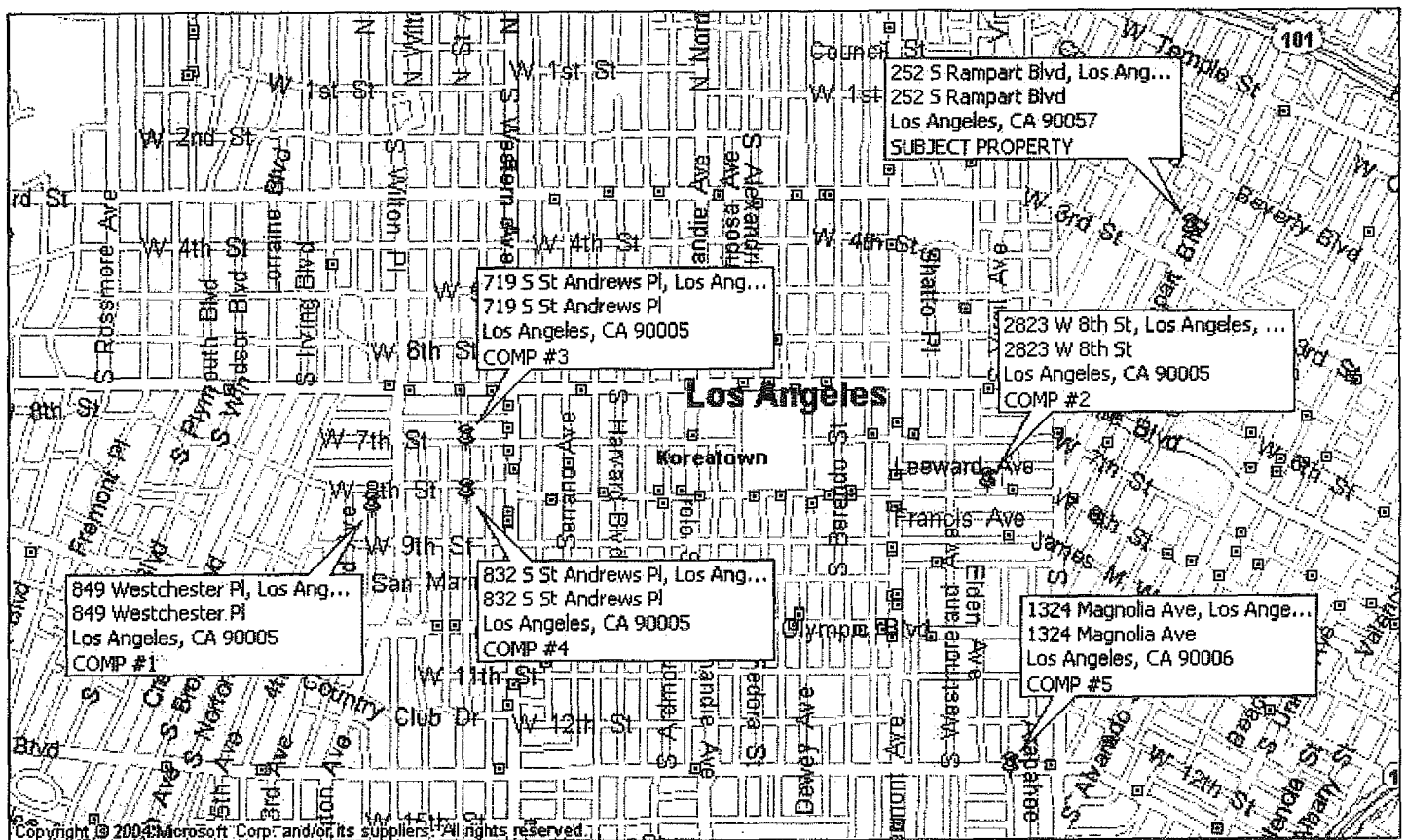


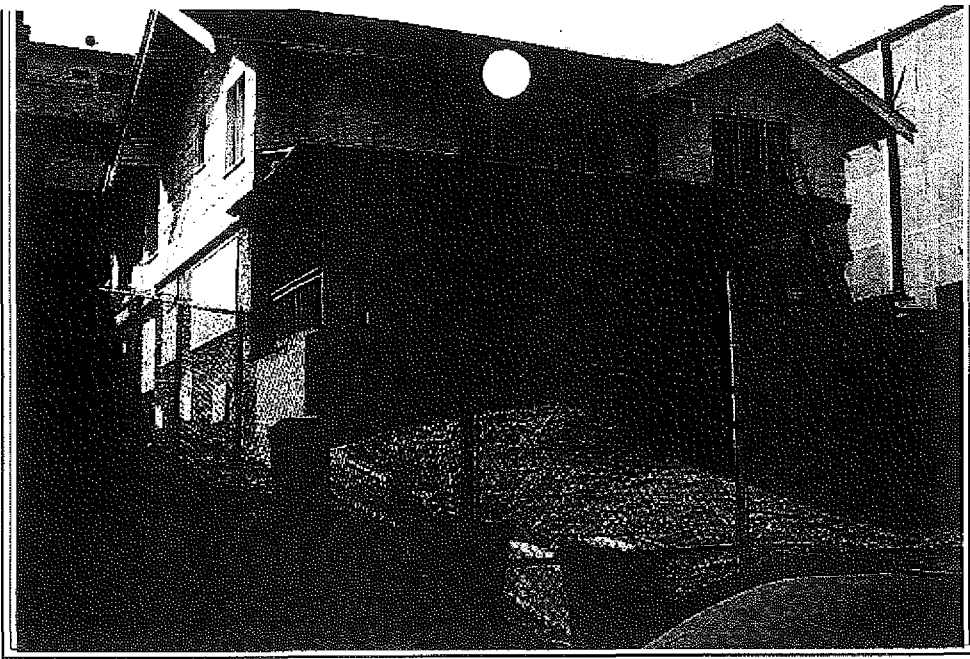
1955
 RAMPART HEIGHTS DIVISION A
 M.B. 10-70
 TRACT NO. 91
 M.B. 13-112

THE CITY OF DENVER, COLORADO

RECORDED

GROSS LIVING AREA (GLA)		3,568	
Area	Area	% of GLA	% of A
Living	3,568		100.00
Level 1	1,868	52.35	52.35
Level 2	1,700	47.65	47.65
Level 3	0	0.00	0.00
Other	0	0.00	0.00
Basement	0		
Garage	0		



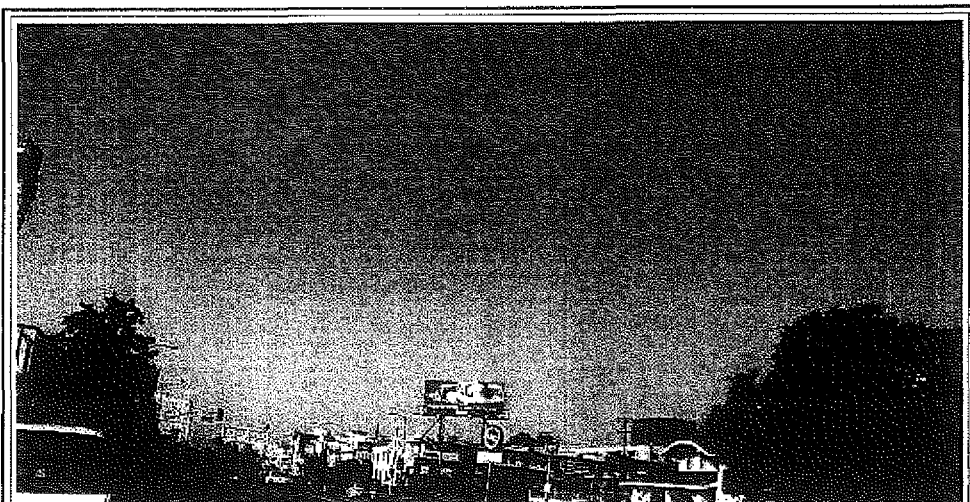


FRONT VIEW OF
SUBJECT PROPERTY

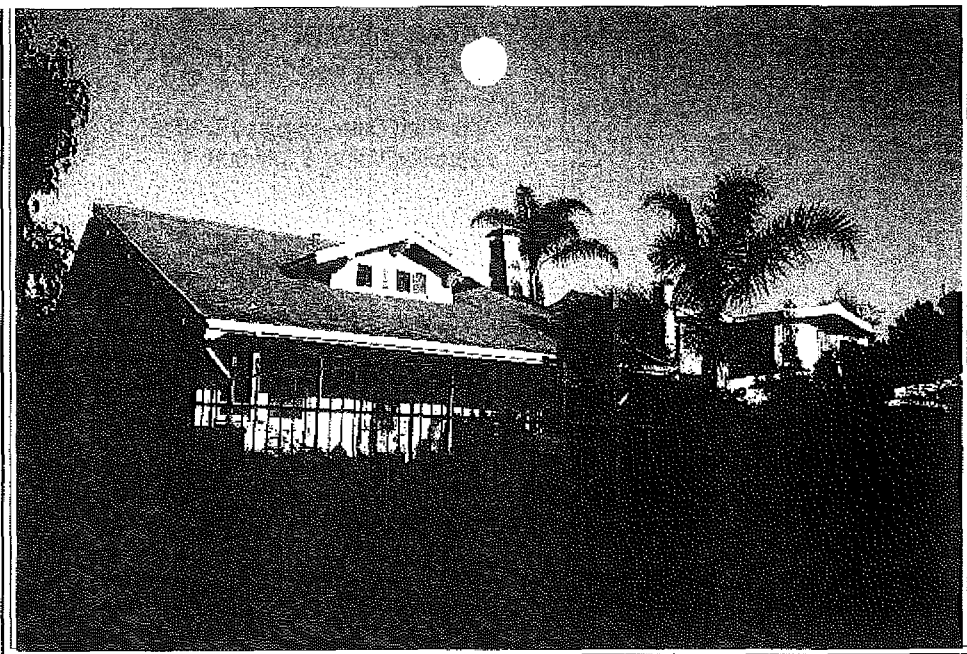
Appraised Date: August 17, 2010
Appraised Value: \$ 376,000



REAR VIEW OF
SUBJECT PROPERTY

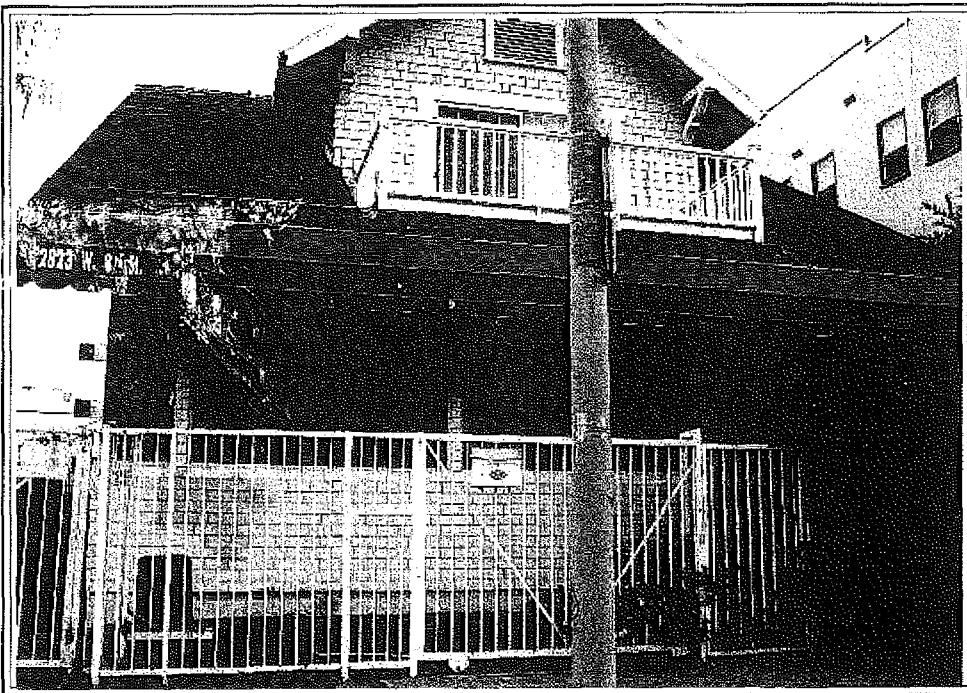


STREET SCENE



COMPARABLE SALE #1

849 Westchester Pl.
Los Angeles, CA 90005
Sale Date: 07/28/2010
Sale Price: \$ 450,000



COMPARABLE SALE #2

2823 W. 8th St.
Los Angeles, CA 90005
Sale Date: 02/17/2010
Sale Price: \$ 570,000



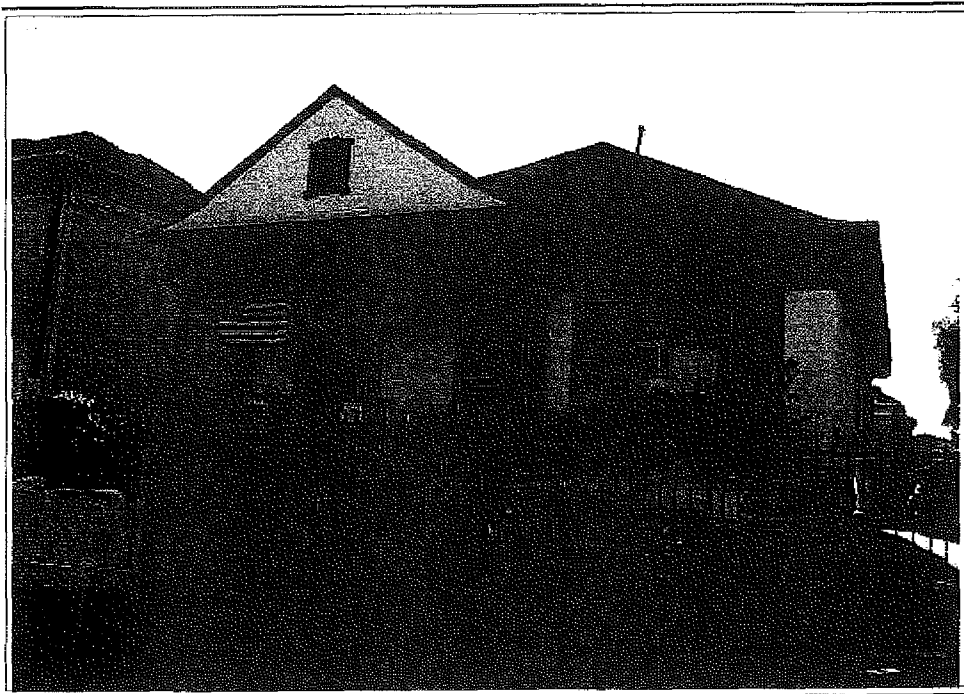
COMPARABLE SALE #3

719 S. St. Andrew Pl.
Los Angeles, CA 90005
Sale Date: 08/10/2009
Sale Price: \$ 479,500



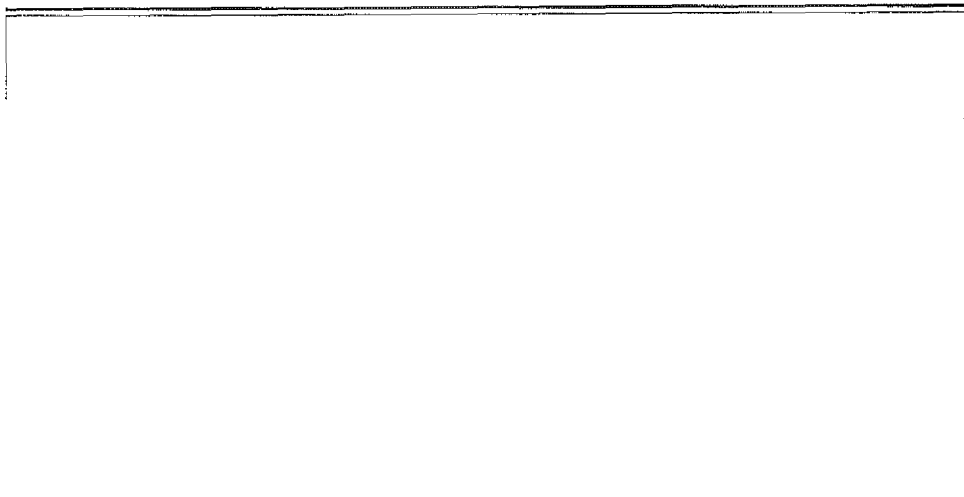
COMPARABLE SALE #4

832 S. St. Andrew Pl.
Los Angeles, CA 90005
Sale Date: 07/08/2010
Sale Price: \$ 450,000



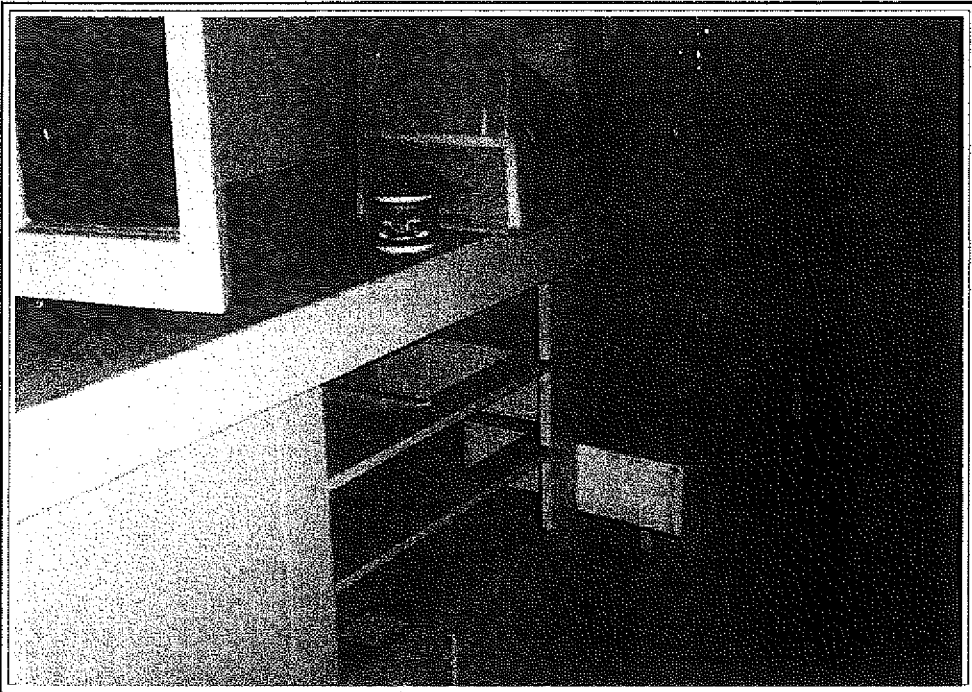
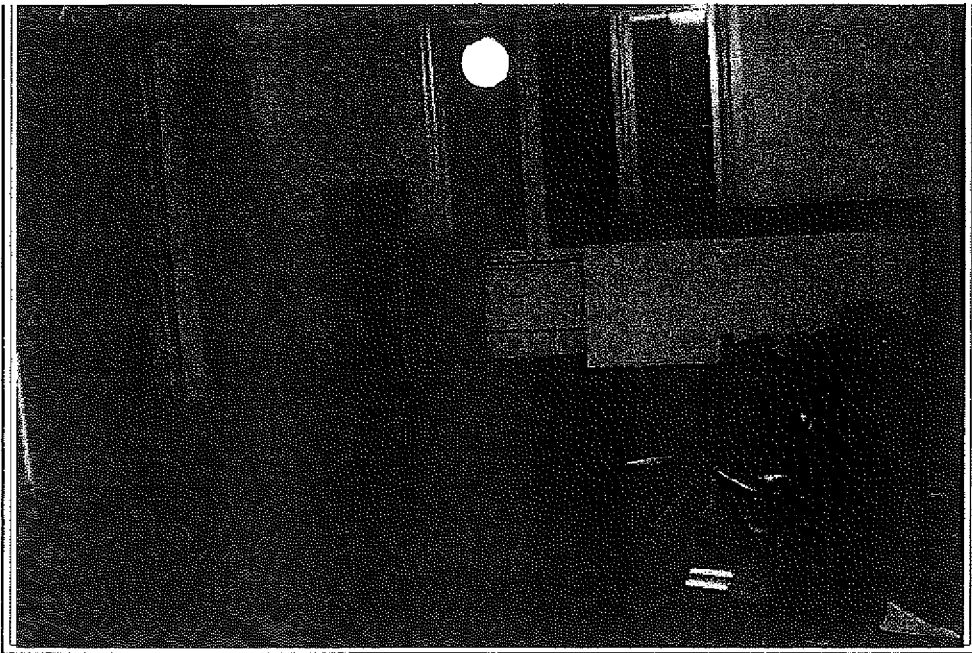
COMPARABLE SALE #5

1324 Magnolia Ave.
Los Angeles, CA 90006
Sale Date: Listing
Sale Price: \$ 455,000

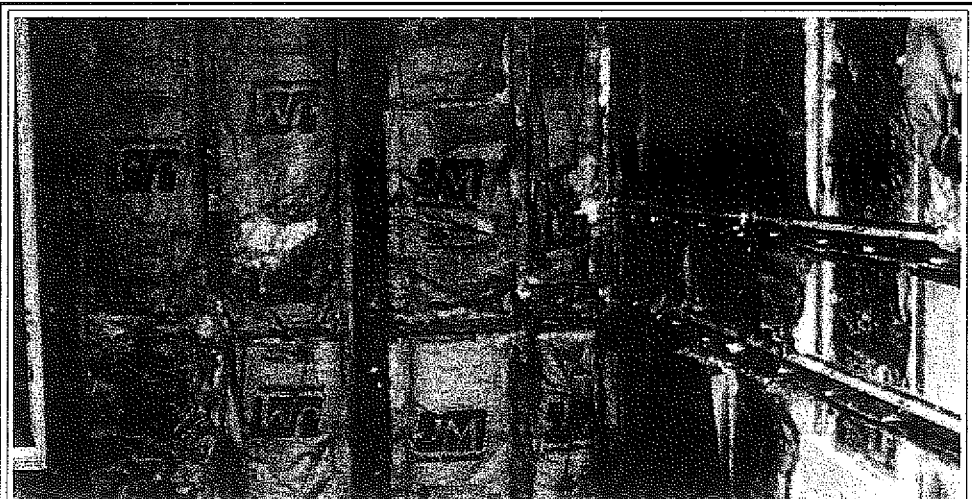


COMPARABLE SALE #6

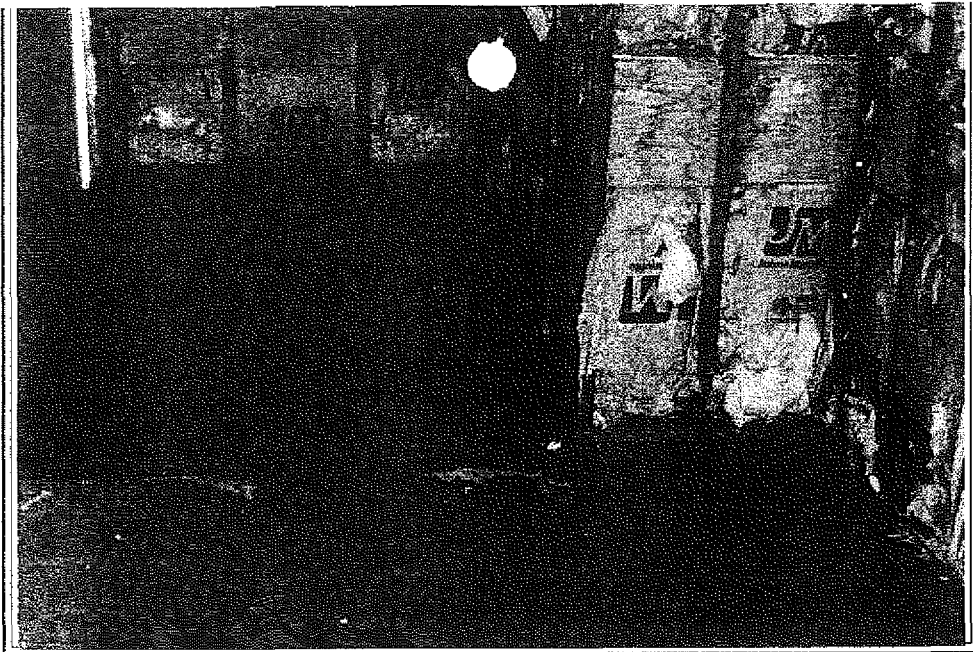
Sale Date:
Sale Price: \$



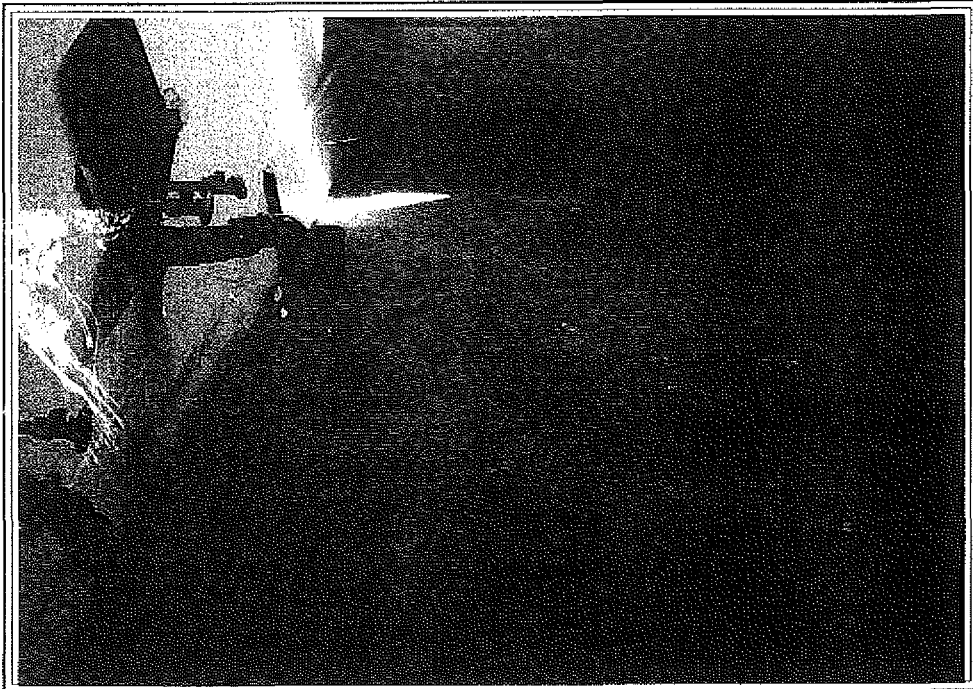
Kitchen



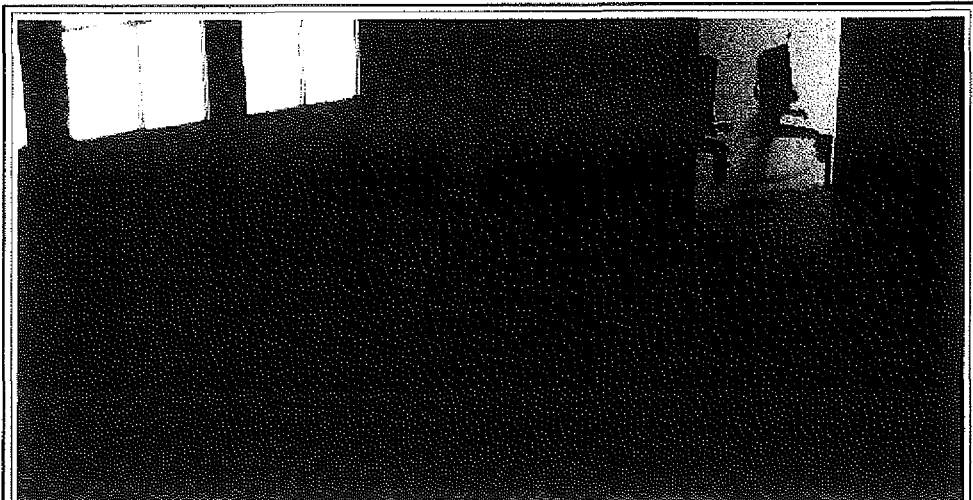
Bedroom
Uninhabitable



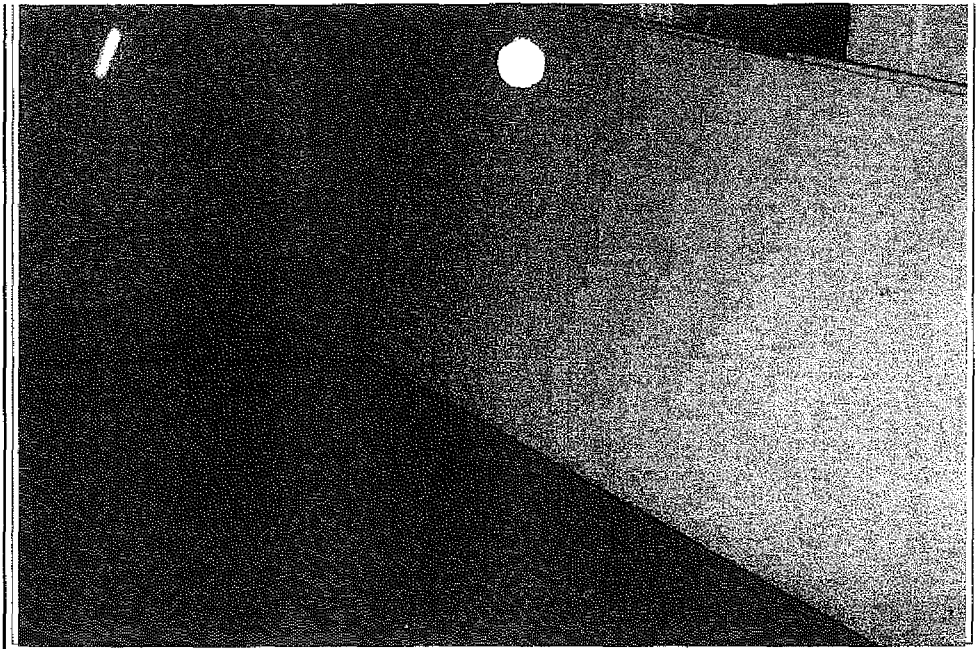
Uninhabitable



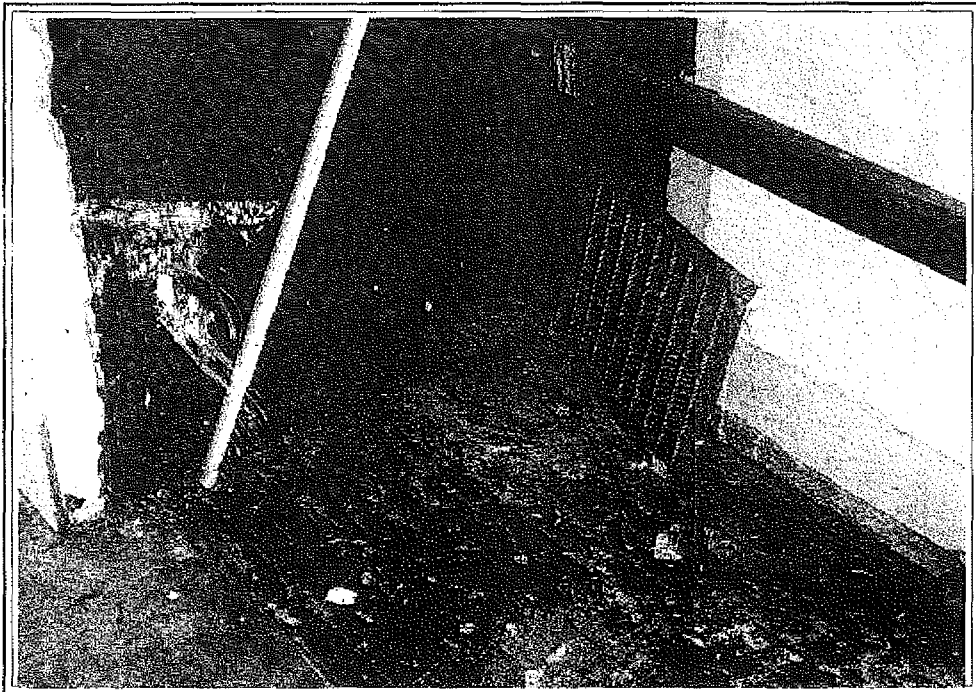
Bathroom
Uninhabitable



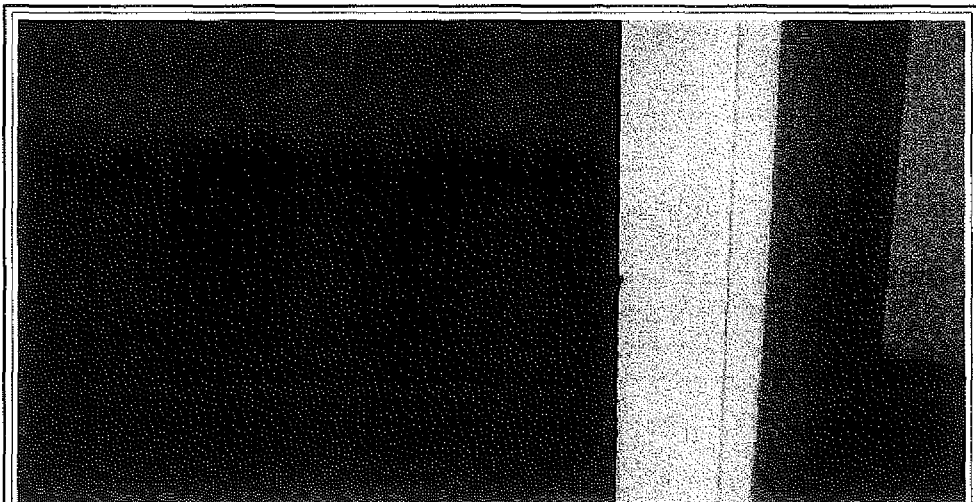
Bedroom
Uninhabitable



Uninhabitable



Uninhabitable Conditions



Possible Closet

APPRAISAL OF



10 Unit Multi-Family Property

LOCATED AT:

819 W 4th Street
San Pedro, CA 90731

FOR:

Los Angeles Housing Department
1200 W. 7th St. Cube 808J
Los Angeles, CA 90017

BORROWER:

AS OF:

August 17, 2010

BY:

Hee K. Yi
Certified General Appraiser

Mark Gandara
Los Angeles Housing Department
1200 W. 7th St. Cube 808J
Los Angeles, CA 90017

Dear Mr. Gandara:

At your request, I completed my analysis of the property identified as:

819 W 4th Street
San Pedro, CA 90731

Regardless of who pays for the attached appraisal, it has been prepared for our client: The Los Angeles Housing Department. The client intends to use this report for estimate the As-Is fair market value of the property as of the August 17, 2010. For this assignment, the improvements were inspected on August 17, 2010, and the date of value is August 17, 2010.

The attached Summary Appraisal Report has been prepared in accordance with your standards as well as the reporting requirements and the Uniform Standards of Professional Appraisal Practice (USPAP). The final value reported in the attached report is the "AS IS" value-as of date of value.

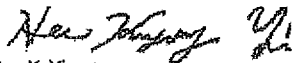
This appraisal may not be used or relied upon by anyone other than the above-mentioned client for any purpose whatsoever, without the express written consent of the appraiser. If the client provides anyone else with a copy of this report, such as a borrower etc., that person(s) may not be entitled to rely upon its contents when making any decisions about the property. As such the following limiting condition applies:

"Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, new, sales, or other media without the written consent and appeal of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or the MAI, SRA or SRPA designation. Furthermore, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of any one, but the client, the client shall make such party(s) aware of all the assumptions and limiting conditions of the assignment."

This appraisal assignment is a Summary Appraisal Report under Standards Rule 2-2(b), as defined in the Uniform Standards of Professional Appraisal Practice (USPAP) of a complete appraisal performed under Standard Rule 1 of the USPAP.

Should you have any questions regarding the analysis or conclusions of value found in the attached report please contact me.

Sincerely,


Hee K. Yi
Certified General Appraiser
AG035644 Expires 11/16/2010

Borrower:	File No.: 10197000
Property Address: 819 W 4th Street	Case No.:
City: San Pedro	State: CA Zip: 90731
Lender: Los Angeles Housing Department	

INTENDED USE

The Los Angeles Housing Department is the intended user of this report. For this assignment, the improvements were inspected on August 17, 2010, and the date of value is August 17, 2010.

INTENDED USERS

The client intends to use this report for estimate the As-Is fair market value of the property as of the August 17, 2010.

TYPE OF APPRAISAL REPORT

As specified in the most current version of the Uniform Standards of Professional Appraisal Practice (USPAP), this is a Summary Appraisal Report.

DATE OF INSPECTION AND DATE OF REPORT

This property was viewed on August 17, 2010 and the report was written on August 26, 2010.

COMPETENCY PROVISION

As of the date of this assignment, Hee K. Yi meets the continuing education requirements for a Certified General Appraiser for the State of California.

CONFIDENTIALITY

The appraiser must be aware of, and comply with, all confidentiality and privacy laws and regulations applicable in an assignment. Disclosure of confidential information is permissible to professional peer review committees, except when such disclosure to a committee would violate applicable law or regulation. Confidential information means information that is either identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or classified as confidential or private by applicable law or regulation.

SCOPE OF THE APPRAISAL ASSIGNMENT

Data sources include NDC data, MLS, and appraiser's files. Whenever possible, sales were verified with the buyer, seller, real estate agent, or lender. If data could not be verified through a party involved in the transaction and the data appeared to be consistent with other data, it was used in the analysis. In all cases of data verification, I assumed that the information obtained is correct and accurate.

The appraiser viewed only the interior and exterior of the property from the street on August 17, 2010. The appraiser noted both the positive and negative external features of the property. Visual exterior deferred maintenance was also considered as well as any exterior upgrades made to the structure. The appraiser did not do an interior inspection; therefore, the electrical components, the heating and cooling system, or the plumbing were not tested; the appraiser assumed that they were in working order. The appraiser assumed that there was no termite or dryrot damage to the interior components of the structure. The appraiser only took note of any obvious termite or dryrot damage. The appraiser did not inspect the roof, attic, or the crawl space. The appraiser assumed that these components did not suffer from any deferred maintenance. Only those characteristics of the property that are relevant to its valuation will be shown in the report.

The appraiser took exterior pictures of the subject's improvements. Pictures of upgrades and deferred maintenance items are included in the report. Scenes of the subject street are also included.

The appraiser relied on the County Assessor's information to ascertain the subject's lot size and living size areas as a guide in estimating the legally permitted square footage of the buildings residing on the lot. The appraiser also relied on the County Assessor's information in order to report the APN number and the legal description. If the client provides a title report, it is reviewed and taken into consideration with respect to easements, covenants, restrictions, and other encumbrances. The appraiser did not research the presence of such items independently. If a title report is not provided by the client, the appraiser will rely on the observation of any apparent easements or restrictions.

The appraiser viewed the neighborhood to ascertain its boundaries. The appraiser noted any positive or negative external features that may have an impact on value. The appraiser selected comparable sales data that is deemed appropriate for this assignment. Data was selected within 6 months from date of value. If there is insufficient data, the appraiser searched as far back as 18 months for sales. The appraiser may expand the search for data to other competing neighborhoods, but this is done only when there is insufficient data within the subject's neighborhood. The appraiser also considered listings as a possible comparable in order to reflect current market conditions. The appraiser viewed the data used in this analysis from street and took photographs of each comparable.

The appraisal problem did not warrant an intensive highest and best use study. Given the nature of the subject real estate, my conclusion of highest and best use was based on logic and observed evidence.

The Comparison Approach is the primary methodology used in estimating the value of the subject property. A GRM analysis provides a reality check against the Comparison Approach conclusion. The Cost Approach is not considered a valid indicator by realtors, sellers or buyers.

Borrower:		File No.: 10197000
Property Address: 819 W 4th Street		Case No.:
City: San Pedro	State: CA	Zip: 90731
Lender: Los Angeles Housing Department		

USPAP MARKET VALUE DEFINITION:

The following market value definition supersedes the definition found in the printed form.

This appraisal has been prepared in accordance with the definition of fair market value as found in App.19-1[03/07]1378CHG-8 Appendix 19.

The price that a seller is willing to accept and a buyer is willing to pay on the open market in an arm's length transaction, whereby

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider his or her own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto;
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

DEFINITION OF REAL ESTATE TERMS

FEE SIMPLE INTEREST OR ESTATE: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

LEASED FEE ESTATE: An ownership interest held by a landlord with the rights of use and occupancy conveyed by a lease to others. The rights of the lessor (leased fee owner) and the leased fee are specified by the contract terms contained within the lease.

EXTRAORDINARY ASSUMPTIONS

The typical assumptions for this valuation are found in the printed form. In this particular analysis, the appraiser has not inspected the interior of the subject or the comparables.

ADDITIONAL ASSUMPTIONS

- 1)The appraiser reserves the right to amend this report if undisclosed facts are given to the appraiser after completion of this report.
- 2)The appraiser assumes no responsibility for changes in market conditions which might require a change in the appraised value.

APPRAISER'S HISTORICAL EXPERIENCE

The appraiser has not valued this property during the last 36 months.

AMERICAN WITH DISABILITIES ACT (ADA).

This property is not designed to accommodate handicapped users.

ENVIRONMENTAL HAZARDS EXAMPLE: LEAD BASED PAINT & ASBESTOS

Due to the age of the building, lead based paint and or asbestos may be present. An expert should be retained to ascertain their presence. Our inspection revealed that there is no cracked or peeling paint.

EXPOSURE AND MARKETING TIME

If a property is properly priced, in reasonably good condition and properly marketed by a local licensed real estate agent, a realistic time on the market and exposure to the market will be 30 to 60 days.

ECONOMIC CONDITIONS WARNING

The present time, real estate values are in a state of flux caused in part by the sub-prime lending market coupled with a weak economy. Thus, the values shown in this report are only valid as of the date of the appraisal. The value shown in the report may change should there be a steeper decline in the economy.

GOLD COAST APPRAISALS, INC.

Borrower:		File No.: 10197000
Property Address: 819 W 4th Street		Case No.:
City: San Pedro	State: CA	Zip: 90731
Lender: Los Angeles Housing Department		

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 Property Address: 819 W 4th Street Case No.:
 City: San Pedro State: CA Zip: 90731
 Lender: Los Angeles Housing Department

SUMMARY OF ADJUSTMENTS

INPUT SECTION	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Mean
	819 W. 4th St.	627 Bay View	300 E. 1st	444 W. 1st St.	1080 N. Centre	204 S. Grand	536 W. 23rd	
Sale Date	10/28/2009	12/04/2009	03/01/2009	Listing	Listing	Listing	Listing	
Number Units	10	9	8	6	10	6	6	
Number Rooms	24	27	18	15	30	17	18	
Building Area (sq)	5,153	5,680	4,082	2,234	4,230	2,818	4,330	
Potential Gross Income	\$ 57,780	\$ 65,104	\$ 66,806	\$ 63,348	\$ 79,344	\$ 62,664	\$ 61,200	
Average Unit Size	515	638	582	457	423	466	722	
TRANSACTION ADJUSTMENTS								
Selling Price	\$ 1,177,000	\$ 1,255,000	\$ 1,480,000	\$ 845,000	\$ 696,000	\$ 666,000	\$ 666,000	
Financing	Conventional	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Time	Deed of Value	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Property Rights	Fee Simple	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Condition of Sale	Conventional	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Cash Equivalent Price	\$ 1,177,000	\$ 1,255,000	\$ 1,480,000	\$ 845,000	\$ 696,000	\$ 666,000	\$ 666,000	
Gross Income Multiplier	0.00	13.85	7.33	8.62	10.66	9.02	11.38	12.10

INCOME RATIO ADJUSTMENTS TO THE PHYSICAL INDICATORS

Per Unit Analysis								
Gross Income/Unit	\$ 662	\$ 769	\$ 804	\$ 889	\$ 851	\$ 870	\$ 860	
Sale Price/Unit	\$ 130,276	\$ 70,833	\$ 82,000	\$ 94,500	\$ 94,187	\$ 115,833	\$ 115,833	
Adjustment Factor	0.8117	0.9320	0.9622	0.7262	0.8540	0.5671	0.5671	
Adjusted Price/Unit	\$ 79,507	\$ 42,458	\$ 40,282	\$ 67,817	\$ 52,150	\$ 65,988	\$ 65,988	58.812

Per Room Analysis								
Gross Income/Room	\$ 281	\$ 283	\$ 289	\$ 278	\$ 220	\$ 307	\$ 290	
Sale Price/Room	\$ 43,583	\$ 23,871	\$ 28,750	\$ 38,187	\$ 33,239	\$ 48,011	\$ 48,011	
Adjustment Factor	0.7642	0.7472	0.7230	0.6126	0.6547	0.7182	0.7182	
Adjusted Price/Room	\$ 33,316	\$ 17,642	\$ 20,786	\$ 25,733	\$ 21,705	\$ 27,422	\$ 27,422	26.40

Per Sq. Ft. Analysis								
Gross Income/SF	\$ 0.92	\$ 1.23	\$ 1.18	\$ 1.53	\$ 1.86	\$ 1.70	\$ 1.18	
Sale Price/SF	\$ 217.88	\$ 103.84	\$ 201.49	\$ 189.78	\$ 193.83	\$ 105.61	\$ 105.61	
Adjustment Factor	0.7286	0.7581	0.4788	0.8562	0.9198	0.7981	0.7981	
Adjusted Price/SF	\$ 158.91	\$ 81.35	\$ 96.95	\$ 162.10	\$ 178.81	\$ 84.50	\$ 84.50	112.60

RANGES	Low	High						
GIM	7.33	13.85						
Adjusted Price/Unit	\$ 42,358	\$ 76,697						
Adjusted Price/Room	\$ 27,442	\$ 35,410						
Adjusted Price/SF	\$ 81.45	\$ 150.81						

VALUE INDICATIONS	Selected Unit Value	Subject Indicator	Value Estimate	Rounded	
GIM	7.50	\$ 57,780	\$ 433,650	\$ 433,650	
Price/Unit	\$ 43,000	10	\$ 430,000	\$ 430,000	
Price/Room	\$ 18,000	24	\$ 432,000	\$ 432,000	
Price/SF	\$ 82.00	5,153	\$ 422,416	\$ 423,000	

INDICATED VALUE: \$ 430,000

The above chart depicts an adjustment for price per unit, room and square foot by taking the ratio of the subject's gross income and the comparable's gross income on a per unit, room and square foot basis. The resulting factor is multiplied by the comparable's price per unit, room and square foot. The factors represent a composite adjustment for the differences in the physical characteristics of the comparables when compared to the subject. This mathematical procedure assumes that the real differences represent the differences in physical characteristics. For example, a project with a pool may rent for \$10 more than the subject which does not have a pool and because the price per unit, room and square foot will be adjusted downward to reflect the superior physical characteristics of the comparable.

Price Per Unit Analysis
 The range of price/unit is \$42,358 to \$79,887. The concluded rate is \$43,000.

Price Per Room Analysis
 The range of price/room is \$17,642 to \$35,410. The concluded rate is \$18,000.

Price Per Sq. Ft. Analysis
 The range of price/sq. ft. is \$81.45 to \$150.81. The concluded rate is \$82.

GIM Analysis
 The GIM range is 7.33 to 13.85. The concluded rate is 7.50.

Value Conclusion
 For the GIM Analysis, the adjusted Gross Annual Economic Income is applied because as of the comparable's gross income reflects tenant paid gas. Of all the sale parameters in this analysis, buyers and sellers purchase apartments based on GIM and price per unit.

APPRAISAL REPORT RESIDENTIAL INCOME PROPERTY

PROPERTY IDENTIFICATION

Borrower/Client _____
 Property Address 819 W 4th Street
 City San Pedro County Los Angeles State CA
 Legal Description APN: 7451-024-900: Mirador Tract No 3; Map book 5, Page 84, City of Los Angeles, County of Los Angeles

File No. 10197000
 Map Reference 824B5
 Census Tract No. 2968.00
 Zip Code 90731

Current Sale Price (if applicable) \$ Not Applicable Date of Sale Not Applicable Loan Requested \$ Not Applicable

Terms of Sale Not Applicable

Property Rights Appraised: ☒ Fee ☐ Leasehold (attach completed Lease Analysis FHLMC/FNMA Form 461)

Lender Los Angeles Housing Department Lender's Address 1200 W. 7th St. Cube 808J, Los Angeles, CA 90017

Instructions to Appraiser: The purpose of this Appraisal is to estimate the current Market Value of the Subject Property. The Definition of Market Value is the highest price in terms of money which a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in cash or its equivalent; (5) financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale; (6) the price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction. ("Real Estate Appraisal Terminology," published 1975).

Note: FHLMC-FNMA do not consider the racial composition of a neighborhood to be a relevant factor and it must not be considered in the appraisal.

Other Information: Provide to values with and without regulatory agreement

Appraisal requested from: Gold Coast Appraisals Inc Date 5/1/2010 By: Los Angeles Housing Department

ATTACHMENTS

If this Appraisal is made for FHLMC, attach items 1, 2, 5, 6, and 7. Attach additional sheets and check box if considered appropriate for this Appraisal.

- | | |
|---|--|
| 1. <input checked="" type="checkbox"/> Descriptive photographs of subject property | 8. <input checked="" type="checkbox"/> Map(s) <u>Rents and Sales</u> |
| 2. <input checked="" type="checkbox"/> Descriptive photographs of street scene | 9. <input checked="" type="checkbox"/> Plot plan or survey |
| 3. <input checked="" type="checkbox"/> Photographs of <u>Rents and Sales</u> | 10. <input type="checkbox"/> Qualifications of Appraiser |
| 4. <input type="checkbox"/> Aerial Photograph | 11. <input type="checkbox"/> Lease Analysis FHLMC/FNMA Form 461 (required if leasehold interest appraised) |
| 5. <input checked="" type="checkbox"/> Sketch or floor plan of typical units | 12. <input type="checkbox"/> Summary of reciprocal agreements with other owners for use of parking, driveways, recreational facilities, private streets (required if applicable) |
| 6. <input type="checkbox"/> Owner's current certified rent roll if existing or, pro forma if proposed or incomplete | 13. <input type="checkbox"/> |
| 7. <input type="checkbox"/> Owner's income and expense statement _____ or pro forma income and expense statement | 14. <input type="checkbox"/> |
| | 15. <input type="checkbox"/> |

SUMMARY OF SALIENT FEATURES

TOTAL NUMBER OF APARTMENT UNITS	10
CONSTRUCTION: <input checked="" type="checkbox"/> Existing Property, Approx. Year Built <u>1924</u> <input type="checkbox"/> Proposed Construction <input type="checkbox"/> Under Construction	
DATE OF APPRAISED VALUE	<u>August 17, 2010</u>
ESTIMATED MARKET VALUE (Unfurnished) (SEE PAGE 8 FOR CONDITIONS AND REQUIREMENTS)	\$ <u>266,000</u>
Value: Per Unit \$ <u>26,600</u> , Per Room \$ <u>11,083</u> , Per Sq. Ft. of Building Area \$ <u>51.62</u>	
GROSS ANNUAL INCOME MULTIPLIER	<u>4.46</u>
OVERALL CAPITALIZATION RATE	<u>11.79%</u>
FORECASTED GROSS ANNUAL ECONOMIC INCOME	\$ <u>69,580.00</u>
VACANCIES: Actual No. Vacant <u>4</u> Percentage of Total Units <u>40%</u>	
Projected Percentage of Forecasted Gross Annual Economic Income	<u>5.00%</u>
FORECASTED ANNUAL EXPENSE AND REPLACEMENT RESERVES (<u>42.38%</u> of Forecasted Gross Annual Economic Income)	\$ <u>25,250.00</u>
FORECASTED NET ANNUAL INCOME FROM REAL PROPERTY	\$ <u>31,351</u>
PARKING RATIO	<u>0.50</u> spaces/unit

SUMMARY OF NEIGHBORHOOD AND PROPERTY

Neighborhood	Good	Aver.	Fair	Poor	Property	Good	Aver.	Fair	Poor
Employment Stability of Immediate Location		<input checked="" type="checkbox"/>			Architectural Attractiveness		<input checked="" type="checkbox"/>		
Convenience to Employment Centers		<input checked="" type="checkbox"/>			Landscaping		<input checked="" type="checkbox"/>		
Protection from Detrimental Conditions		<input checked="" type="checkbox"/>			Quality of Construction (Materials & Finish)		<input checked="" type="checkbox"/>		
Adequacy of Shopping Facilities		<input checked="" type="checkbox"/>			Condition of Exterior	<input checked="" type="checkbox"/>			
Adequacy of Public Transportation		<input checked="" type="checkbox"/>			Condition of Interior	<input checked="" type="checkbox"/>			
Adequacy of Utilities		<input checked="" type="checkbox"/>			Room Size and Layout		<input checked="" type="checkbox"/>		
Police and Fire Protection		<input checked="" type="checkbox"/>			Closets and Storage		<input checked="" type="checkbox"/>		
Recreational Facilities		<input checked="" type="checkbox"/>			Light and Ventilation		<input checked="" type="checkbox"/>		
Property Compatibility		<input checked="" type="checkbox"/>			Overall Livability		<input checked="" type="checkbox"/>		
General Appearance of Properties		<input checked="" type="checkbox"/>			Compatibility to Neighborhood		<input checked="" type="checkbox"/>		
Appeal to Market		<input checked="" type="checkbox"/>			Overall Appeal and Marketability		<input checked="" type="checkbox"/>		

The subject is located in a fully developed mature neighborhood that is bounded on the north by the Capitol Drive; on the east by Harbor Blvd., on the south by 25th Street and on the west by Western Avenue. Torrance, Lomita, Gardena, Harbor City, Wilmington, Rancho Palos Verdes and Long Beach are several designated neighborhoods that reside in the subject's market area. The secondary streets in this area are improved with single and small multi-family dwellings that are in size, age and architecture. Maintenance levels are range from average to good. Many of the older residential improvements have been remodeled or have upgrades. The major thoroughfares are improved with small commercial developments that also vary in age, size and design. Public bus service is available along the major thoroughfares. Residents in this area can access employment centers throughout the Los Angeles basin via the 110 freeways. Public and private schools and universities, hospitals, libraries etc. are conveniently located throughout this area.

AREA DATA

The ☒ City ☐ County ☐ Area population is approximately 4,065,000
 Population: ☒ Increasing 0 % per year ☐ Stable ☐ Decreasing % per year
 Describe the economic base which contributes a major influence on the stability of real estate Manufacturing, government services, import and export trade, as well as tourism have a major impact on the local economy. The recent downturn in the real estate industry has had a huge impact on local consumer confidence which impacted local spending and hence a negative impact on the retail real estate sectors.

Discuss employment stability Due to the weak economy the unemployment rate within the city of Los Angeles has exceeded 12.2% as of June 2010. The unemployment rate of Los Angeles County is 12.4% and for the State is 12.3%. This is slightly higher than the overall rate of 9.7% for the U.S.

Rent Control: ☒ Yes ☐ No. It is applicable to units constructed prior to 1978
 Are local Government Agencies discouraging apartment development? ☐ Yes ☒ No. Comment The City is encouraging mixed use (commercial/residential) developments on many of the under utilized commercial zoned sites.

General comments, if applicable Due to the weak economy construction financing has placed a damper on new residential and commercial development. The City of Los Angeles has obtained stimulus money from the Federal Government for the stabilization and preservation of neighborhoods impacted by high residential foreclosure activity.

NEIGHBORHOOD AND MARKETING AREA

Type: ☐ Urban ☒ Suburban ☐ Rural Property Values: ☐ Increasing ☒ Stable ☐ Declining.
 Present Land Use: Built up 100 % Single Family 80 % Condominiums 5 % Apartments 5 % Commercial 10 % Industrial %

Change in Present Land Use: ☒ Not Likely ☐ Likely or ☐ Taking Place From _____ to _____
 Comment, if applicable Single and multi-family dwellings are located on the secondary streets while commercial developments reside on the major thoroughfares.

Describe overall property appeal and maintenance level Overall the maintenance level is average to good and the overall appeal is average. Due to the water shortage, Los Angeles has a very restrictive yard watering program which has caused the exterior appeal of many developments to be less than typical in overall appeal.

Describe any incompatible land uses (if none, so state) Because this neighborhood is reaching full maturity, there is an occasional new development in both the commercial and residential zoned areas.

Single Family: Price range \$ 165,000 to \$ 570,000 Predominant \$ 364,000 Age 22 yrs. to 107 yrs. Predominant 82 yrs.
 Apartments: Predominant range in immediate area (excluding extremes) Walk-up Elevator
 Number of units in each building 2-15 units 20-40 units
 Age 40-90 years 40-90 years
 Height (number of stories) 2 stories 3-4 stories
 Condition Average Good
 Rental range by unit type:
 Unit Types: 2-0-1 \$ 550-750 \$ 550-750
 3-1-1 \$ 750-1100 \$ 750-1100
 4-2-1 \$ 1000-1300 \$ 1000-1300
 5-3-2 \$ 1300-2000 \$ 1300-2000

Comment on any unusual aspects of the above ranges The typical multi-family improvement houses 1 and 2 bedroom units. The 3 and 4 bedroom units are primarily found among the detached single family or condominium rentals.

Est. neighborhood apartment vacancy rate 5 % ☐ Decreasing ☐ Stable ☐ Increasing. Rent levels are ☐ Increasing ☒ Stable ☐ Decreasing
 Describe the unit type(s) by number of bedrooms and rental range that are in the greatest tenant demand: The greatest demand is for the units in the lower rental range which is generally found among older projects. Renters seeking 3 and 4 bedroom units prefer to rent single family dwellings.

Describe the unit type(s) by number of bedrooms and rental range that are in oversupply All unit types are in demand at this time.

Describe potential for additional units in area considering land availability, zoning, utilities, etc. The neighborhood is fully developed and the only availability of land comes from redevelopment of the properties that have exceeded their economic and physical life. Both the City as well as the County of Los Angeles are providing various different programs for redevelopment and readapted uses for residential, multi-family and commercial properties.

Describe the unsatisfied demand for additional units in area by type and rental The demand for 3 and 4 bedroom dwellings is primarily met by detached single family rentals.

Is population of relevant market area of insufficient size, diversity and financial ability to support subject property and its amenities? No ☐ If yes, specify.
The population in this market area is sufficient in size, diversity and financial ability to support the rental rates commanded by these properties.

Item	Distance from Subject Property	Access or Convenience			
		Good	Aver.	Fair	Poor
Public Transportation	1/2 to 3/4 mile		X		
Employment Centers	5-10 miles		X		
Shopping Facilities	1-5 miles		X		
Grammar Schools	1-2 miles		X		
Freeway Access	5-10 miles		X		

Describe any probable changes in the economic base of neighborhood which would either favorably or adversely affect apartment rentals (e.g. employment centers, zoning) Regardless to the unemployment rate, there is no anticipated softening in the demand for housing. Traditionally, this area has had a strong demand even in economic recessions. This is due to the growing population and influx of international population.

General comments including either favorable or unfavorable elements not mentioned (e.g. public parks, view, noise, parking congestion) This neighborhood has a strong sense of community and it has all of the necessary infrastructure that appeals to a social and economic diverse population.

SITE

Dimensions See attached plat map

Area 6181 Sq. Ft. or Acres

Zoning (classification, uses, and densities permitted) RD1.5: Restricted density multiple dwelling zone. The RD1.5 density requirement allows 1 unit for every 1,500 square feet of land area. The subject is a legal non-conforming use because of lack of parking spaces and density.

Present improvements ☒ do ☐ do not conform to zoning regulations.

Highest and best use: ☒ Present use ☐ Other (specify) _____

Site Improvements: ☐ Public Water ☐ Private Well ☒ Public Sewer ☐ Septic Tank ☒ Storm Sewer ☒ Sidewalk
☒ Curbs ☒ Gutters ☐ Alley ☒ Street Lights ☒ Electricity ☒ Gas
☐ Underground Electricity and Telephone ☐

Access By: ☒ Public Street ☐ Private Road

Street Surface: Concrete

Maintained By: ☒ Municipality ☐ Private Association (attach summary of Association documents)

Ingress and egress (adequacy and safety) Adequate pedestrian and vehicular access from 4th Street.

Lot sketch showing lot dimensions, distance to nearest corner, and the location of and nearby detrimental conditions.

Topography, view amenity, lot drainage, flood condition, slopes, etc. This level lot has adequate lot drainage. There is no view amenity. It is not in a flood zone.

Flood Zone: X, Parcel No. 060137/06037C/2031F, Map date: 09/26/2008

Easements or encroachments on site and off site (if any) The site has utility easements which do not impair the development of the site.

Is the property located within a HUD identified Special Flood Hazard Area? No

Favorable or unfavorable conditions not mentioned above including any nonconforming use(s) of present improvements. A Preliminary Title Report is not available for the appraiser to review for adversities; however, no adverse easements or encroachments noted at the time of inspection. All utilities are available to the site and the site has good utility.

DESCRIPTION OF IMPROVEMENTS

ITEM	DESCRIPTION
Foundation	Concrete
Basic Structural System	Wood Frame
Exterior Walls	Stucco
Roof Covering	Composition with tile trim
Interior Walls	Drywall
Floor Covering	Carpeting and Vinyl
Ceiling Heights of Units	Finished Floor to Finished Ceiling is 7'4" + Ft.
Bath Floor and Walls	Vinyl and drywall
Insulation	To Code as of time of Construction
Soundproofing	To Code as of time of Construction
Heating system, Central or Individual & Fuel	FWA
Air Conditioning System, Central or Individual & Fuel	None
Hot Water Heater(s)	One main water heater
Built-in Kitchen Appliances	None
Elevator (No.)	None
Plumbing Fixtures	Adequate
Security Features	None

Construction: ☒ Existing ☐ Proposed ☐ Under Construction
 Type Project: ☒ Walk-up ☐ Elevator ☐ Row or Townhouse
☐ Other (Specify) _____

No. of Bldgs. 1 No. of Stories 3 No. of Units 10
 Gross Bldg. Area 5,153 Sq. Ft. Density 29.04 Units per Acre

OVERALL IMPROVEMENT RATING

	Good	Aver.	Fair	Poor
Architectural Attractiveness		X		
Quality of Construction		X		
Condition of Exterior	X			
Condition of Interior	X			
Rooms Size and Unit Layout		X		
Kitchen Facilities		X		
Closets and Storage		X		
Soundproofing Adequacy		X		
Insulation Adequacy		X		
Electrical Service Adequacy		X		

Comment on items rated fair or poor and items not covered above *****Even though the subject is overall in very poor condition, above chart reflect after rehab condition. The subject suffers from major deferred maintenance for many years.

Effective Age 40 Years. Est. Remaining Economic Life 30 Yrs.

PARKING: Total Spaces 6 In Buildings 5 In Garage (separate) _____ In Carport _____ Open (on-site) _____
 Parking Ratio 0.50 Space(s)/Unit. Discuss parking adequacy and convenience to apartment units T

Driveways, curbing, sidewalks, lighting (adequacy and condition) Overall the driveways, curbing, sidewalks and lighting is adequate and does not suffer from any major deferred maintenance.

Describe recreational facilities None/Typical

Describe basement, lobby, garage, laundry, and other building items not described above There is no laundry facility on subject's site

Comment if any of the above items or other building items are inadequate or are in below average condition The wall heaters of all the units don't work. The lower 2 vacant single units (No. 1 and 2) have extensive flood damage therefore those are not habitable. The other two single vacant units (No. 6 and 3) have severe drain damage and also not habitable.

Recommended observable repairs: (List repairs, painting, termite treatment, etc. you recommend be made to the improvements to make the property readily marketable; if none, so state). The exterior of the building needs painting. The roof of the 5 car garages are damaged and not able to be utilized. All the units require new flooring and painting.

General comments if applicable: We made extraordinary assumptions that the units will be in excellent condition after rehab. The subject is overall in very poor condition. Some of the units have severe flood and drain damage. These units have no kitchen and bath facilities. *****The property will be appraised under hypothetical condition

LAND VALUE ESTIMATE: (Include comparable land data if available and appropriate for this appraisal)

Comments and Reconciliation: In this fully developed mature neighborhood, there are very few if any land sales.

IMPROVEMENTS-ESTIMATED REPRODUCTION COST NEW

	Sq. Ft. @ \$	
	Sq. Ft. @ \$	
	Sq. Ft. @ \$	
	Sq. Ft. @ \$	
	Sq. Ft. @ \$	
	Sq. Ft. @ \$	
Carports	Sq. Ft. @ \$	
Garage	Sq. Ft. @ \$	
Porches, patios, balconies, stairs, etc.		
Fences, walls		
Paving, walks and lighting		
Landscaping		
Recreational facilities		
Total Estimated Reproduction Cost New of Improvements		
Less Total Depreciation		
Depreciated Value of the Improvements		
Add Estimated Land Value		
Indicated Value by the Cost Approach (IN FEE SIMPLE)* Rounded to		

* If property involves leased land, show calculations for fee interest.

Indicated Value of Leasehold Interest by the Cost Approach	\$
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COMPARABLE RENTAL DATA

Comparables selected are the most recent rentals, similar and proximate, known to the undersigned, that a tenant of subject property would have given consideration to renting.

ITEM	COMPARABLE No. 1				COMPARABLE No. 2				COMPARABLE No. 3			
Address	236 W. 14th St. San Pedro, CA 90731				527 W. 15th St. San Pedro, CA 90731				2041 S. Pacific Ave. San Pedro, CA 90731			
Proximity to subd.												
Map Code	824C6				824B6							
Date of rental survey	08/17/2010				08/17/2010				08/17/2010			
Brief description of property improvements	No. Units 23 No. Vac. N/A Yr. Bk. 1926				No. Units 10 No. Vac. N/A Yr. Bk. 1926				No. Units 19 No. Vac. N/A Yr. Bk. 1987			
	Multi-Family				Multi-Family				Multi-Family			
Quality & condition	Quality Average Condition Average				Quality Average Condition Average				Quality Average Condition Good			
	Unit Rm. Count	Size	Monthly Rent		Unit Rm. Count	Size	Monthly Rent		Unit Rm. Count	Size	Monthly Rent	
Individual unit breakdown	Tot. BR b	Sq. Ft.	\$	per sq. ft.	Tot. BR b	Sq. Ft.	\$	per sq. ft.	Tot. BR b	Sq. Ft.	\$	per sq. ft.
	2-0-1	363	595	1.64	2-0-1	400	550	1.38	2-0-1	500	650	1.30
Utilities, furniture and amenities included in rent	Tenant pays gas, trash, electricity				Tenant pays gas, electricity				Tenant pays gas, electricity			
	owner pays water				owner pays water				owner pays water			
Comparison to subject	Condition: Inferior				Condition: Inferior				Condition: Similar			
	Age: Similar				Age: Similar				Age: Newer			
	Amenities: Superior				Amenities: Superior				Amenities: Superior			
	Location: Similar				Location: Similar				Location: Similar			

General comments (including any rental concessions) if applicable: The rents shown above are from recently rented or from vacant apartments available for lease. This property is subject to the rent control ordinance of the City of Los Angeles.

MONTHLY RENT SCHEDULE - SUBJECT PROPERTY

Rental schedule is shown by type of units. Scheduled rents are actual rentals for an existing property, or projected rents for a proposed or incomplete building. Economic rents are forecasted rents to indicate the fair market rental the subject units would command if available for rent on the open market.

No. of Units	Unit Rm Count Tot. BR b	Total Rooms	Sq. Ft. Area Per Unit	No. Units Vacant	SCHEDULED RENTS				ECONOMIC RENTS			
					Per Unit		Total Rents	Per Unit	Total Rents	Per Unit	Total Rents	Per Sq. Ft. or Room
					Unfurn.	Furn.		Unfurn.	Furn.			
4	2-0-1	8	363	4	\$ 0.00		\$ 0	\$ 600		\$ 2,400	1.65	\$ 300.00
3	3-1-1	9	481	0	400.00		1,200	400		1,200	0.83	133.33
1	3-1-1	3	481	0	480.00		480	480		480	1.00	160.00
1	2-0-1	2	363	0	485		485	485		485	1.34	242.50
1	2-0-1	2	363	0	400		400	400		400	1.10	200.00
10	TOTAL	24		4			\$ 2,565			\$ 4,965		

OTHER MONTHLY INCOME

Parking	\$		\$	
Laundry Income	\$		\$	
Commercial Space	\$		\$	
	\$		\$	
	\$		\$	
Total Gross Monthly Income	\$	2,565	\$	4,965
Total Gross Annual Income	\$	30,780	\$	59,580.00

Utilities included in scheduled (actual) rents: ☒ Water ☒ Gas ☐ Heat ☐ Electric ☐ Air Conditioning ☒ Trash
 Utilities included in economic rents: ☒ Water ☒ Gas ☐ Heat ☐ Electric ☐ Air Conditioning ☒ Trash

If proposed projected under construction, the rent up time necessary, after completion, to lease 80% of the units at the projected economic rents is estimated to be _____ months.

Comments (including any rental concessions in scheduled rents, or anticipated in economic rents; if none, so state). The subject's rent assumes that the units are in rent ready condition. Therefore, the cost to cure will be deducted from the value in order to reflect the AS IS condition. There is no laundry facility on subject's site, thus no laundry income was reported. The subject is located in rent control area therefore the actual rate for the occupied units and the market rate for the vacant units were used in estimating the subject's stabilized gross income.

MARKET APPROACH

The market data selected are the most recent sales of properties, similar and proximate to subject, known to the appraiser, that a buyer of subject property would have given consideration to purchasing. In the absence of actual sales, listings of comparable properties may be used but an explanation must be included in the "Comments" section below.

ITEM	SUBJECT	COMPARABLE No. 1	COMPARABLE No. 2	COMPARABLE No. 3																																																																						
Address	819 W 4th Street San Pedro	927 Bay View Ave. Wilmington, CA 90744	909 E. L St Wilmington, CA 90744	965 W. 1st St. San Pedro, CA 90731																																																																						
Proximity to subject																																																																										
Map code	824B5	794D6	794F5	824A4																																																																						
Lot size	6181	7013	4092	7497																																																																						
Brief description of building	No. Units: 10 No. Vac.: 4 Year Built: 1924 Type: Walk-up	No. Units: 9 No. Vac.: 0 Year Built: 1963 Type: Walk-up	No. Units: 6 No. Vac.: 0 Year Built: 1930 Type: Walk-up	No. Units: 5 No. Vac.: 0 Year Built: 1920 Type: Walk-up																																																																						
Improvements	Wood frame/stucco	Wood frame/stucco	Wood frame/stucco	Wood frame/stucco																																																																						
Quality	Average	Average	Average	Average																																																																						
Condition	Excellent	Average	Good	Excellent																																																																						
Recreational facilities	None	None	None	None																																																																						
Pool	None	None	None	None																																																																						
Parking	5 Space(s)	3 Car Garage/6open	4 Carport	2 Car garage																																																																						
Tenant appeal	Average	Average	Average	Average																																																																						
GBA	5153	5560	4092	2284																																																																						
Avg Sq. Ft/ Unit	515	618	682	457																																																																						
Total Rooms	24	27	18	16																																																																						
Unit breakdown	<table border="1"> <thead> <tr> <th>No. of Units</th> <th colspan="4">UNIT ROOM COUNT</th> </tr> <tr> <th></th> <th>Tot.</th> <th>BR</th> <th>b</th> <th></th> </tr> </thead> <tbody> <tr> <td>4</td> <td>3</td> <td>1</td> <td>1</td> <td></td> </tr> <tr> <td>6</td> <td>2</td> <td>0</td> <td>1</td> <td></td> </tr> </tbody> </table>	No. of Units	UNIT ROOM COUNT					Tot.	BR	b		4	3	1	1		6	2	0	1		<table border="1"> <thead> <tr> <th>No. of Units</th> <th colspan="4">UNIT ROOM COUNT</th> </tr> <tr> <th></th> <th>Tot.</th> <th>BR</th> <th>b</th> <th></th> </tr> </thead> <tbody> <tr> <td>9</td> <td>3</td> <td>1</td> <td>1</td> <td></td> </tr> </tbody> </table>	No. of Units	UNIT ROOM COUNT					Tot.	BR	b		9	3	1	1		<table border="1"> <thead> <tr> <th>No. of Units</th> <th colspan="4">UNIT ROOM COUNT</th> </tr> <tr> <th></th> <th>Tot.</th> <th>BR</th> <th>b</th> <th></th> </tr> </thead> <tbody> <tr> <td>6</td> <td>3</td> <td>1</td> <td>1</td> <td></td> </tr> </tbody> </table>	No. of Units	UNIT ROOM COUNT					Tot.	BR	b		6	3	1	1		<table border="1"> <thead> <tr> <th>No. of Units</th> <th colspan="4">UNIT ROOM COUNT</th> </tr> <tr> <th></th> <th>Tot.</th> <th>BR</th> <th>b</th> <th></th> </tr> </thead> <tbody> <tr> <td>1</td> <td>4</td> <td>2</td> <td>1</td> <td></td> </tr> <tr> <td>4</td> <td>3</td> <td>1</td> <td>1</td> <td></td> </tr> </tbody> </table>	No. of Units	UNIT ROOM COUNT					Tot.	BR	b		1	4	2	1		4	3	1	1	
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Util. paid by owner	Gas and Water	Water and Trash	Water and Trash	Water																																																																						
Data source	Inspection	MLS# Mrm-S09031965	MLS# Mrm-S09084380	MLS# Mrm-S09131230																																																																						
Price	\$ Not Applicable [X] Unit [] F	\$ 725,000 [X] Unit [] F	\$ 425,000 [X] Unit [] F	\$ 460,000 [X] Unit [] F																																																																						
Sale-Listing-Offer		NDC Doc# 1612611	NDC Doc# 1837706	NDC Doc# 261355																																																																						
Date of sale	Not Applicable	10/28/2009	12/04/2009	03/01/2010																																																																						
Terms (including conditions of sale and financing terms)	Not Applicable	Conventional	Conventional	50% Down 50% 1st																																																																						
Complete as many of the following as possible using data effective at time of sale																																																																										
Gross Annual Income	\$ 30,780	\$ 57,780	\$ 85,104	\$ 58,008																																																																						
Gross Ann. Inc. Multi. (1)	0.00	0.00	8.52	7.33																																																																						
Net Annual Income	\$ 31,351	\$ 50,553	\$ 50,553	\$ 40,880																																																																						
Expense Percentage (2)	100.00	45.74%	40.60 %	100.00 %																																																																						
Overall Cap. Rate (3)	0.00	0.00%	6.97	0.00%																																																																						
Price per unit	\$ 0.00	\$ 80,555.56	\$ 70,833.33	\$ 92,000.00																																																																						
Price per room	\$ 0.00	\$ 26,851.85	\$ 23,611.11	\$ 28,750.00																																																																						
Price gross bldg. area	\$ 0.00 /sq. ft. bldg. area	\$ 130.40 /sq. ft. bldg. area	\$ 103.66 /sq. ft. bldg. area	\$ 201.40 /sq. ft. bldg. area																																																																						
COMMENTS	Rent Control Adjusted to reflect tenant pay gas =\$57,780	Rent Control	Rent Control	Rent Control																																																																						
COMPARISON TO SUBJECT	Similar	Similar	Similar	Similar																																																																						
VALUE INDICATORS FOR THE SUBJECT PROPERTY	Indicated Gross Income Multiplier 7.50 X Gross Annual Economic Income \$ 57,780			\$ 433,350																																																																						
	Indicated Value Per Unit \$ 43,000.00 X 10 Units			\$ 430,000																																																																						
	Indicated Value Per Room \$ 18,000.00 X 24 Rooms			\$ 432,000																																																																						
	Indicated Value Per Sq. Ft. of Gross Bldg. Area \$ 82.00 X 5,153 sq. ft. Bldg. Area			\$ 422,546																																																																						
	Indicated Overall Capitalization Rate			7.50 %																																																																						
(1) Sale Price + Gross Annual Income (2) Total Annual Expenses + Total Gross Annual Income (3) Net Annual Income + Price																																																																										
RECONCILIATION: *****The property is appraised under hypothetical condition. Therefore the cost of construction will be deducted from the value after rehab.																																																																										
The subject is located in a fully developed area of Los Angeles where a majority of the apartments are typically 6 to 12 unit projects. In order to locate buildings that are similar to the subject in age and size, it is necessary to select data from areas of neighboring communities that have demographics and real estate values that are similar to the subject's location. *****For the GIM Analysis, the adjusted Gross Annual Economic income is applied because all of the comparables' gross income reflects tenant paid gas. ****See the adjustment grid for analysis of the comparison approach indicators and reconciliation.																																																																										
INDICATED VALUE BY MARKET APPROACH																																																																										
Rounded to				\$ 430,000																																																																						
				\$ 430,000																																																																						

GOLD COAST APPRAISALS, INC.
RECONCILIATION AND VALUE CONCLUSION

10197000

Indicated Value by the Cost Approach \$ Not Applicable
 Indicated Value by the Market Approach \$ 430,000
 Indicated Value by the Income Approach \$ 418,000

FINAL RECONCILIATION The Comparison Approach and The Income Approach are good value indicators for an apartment building of the subject size. Both the Income and Comparison Approach are given equal consideration in arriving at a current market value.

*****The property is appraised under hypothetical condition. Therefore the cost of construction will be deducted from the value after rehab. The construction cost of \$158,582 is applied in it's after rehab condition in order to arrive at its "as is" condition. The construction cost is provided by the client.

\$425,000 (value after rehab)

- \$158,582 (construction cost of rehab)

\$ 266,000 (rounded, As of value of August 17, 2010)

CONDITIONS AND REQUIREMENTS OF APPRAISAL (include required repairs, replacements, painting, termite inspections, etc.): We made extraordinary assumptions that the units will be in excellent condition after rehab. The subject is overall in very poor condition. Some of the units have severe flood and drain damage. These units have no kitchen and bath facilities.
 *****The property is appraised under hypothetical condition. This appraisal is a summary report per USPAP.

VALUATION: This Appraisal is based upon the definition of Market Value, the Certification, the Contingent and Limiting Conditions, and the requirements that are stated in this report. As a result of my investigation and analysis, my estimate of Market Value of the subject property as of August 17, 2010 is.....

\$ 266,000

Date 08/27/2010

Appraiser

Hee K. Yi

AG035644

CA

11/16/2010

If Applicable, complete the following

Date

Appraiser

Expires

Date

☐ Supervising or

☐ Review Appraiser

☐ Did

☐ Did not physically inspect property.

CERTIFICATION: The Appraiser certifies and agrees that

1. The Appraiser has no present or contemplated future interest in the property appraised and neither the employment to make this Appraisal, nor the compensation for it, is contingent upon the appraised value of the property.
2. The Appraiser has no personal interest in or bias with respect to the subject matter of the appraisal report or the participants to the sale. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owner or occupants of the property appraised, or upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
3. The Appraiser has personally inspected the property, both inside and out and has made an exterior inspection of all comparable sales listed herein. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraiser has not knowingly withheld any significant information.
4. All contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analyses, opinions, and conclusions contained in this report).
5. This Appraisal Report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.
6. All conclusions and opinions concerning the real estate that are set forth in the Appraisal Report were prepared by the Appraiser whose signature appears above on this Appraisal Report, unless indicated as "Review Appraiser." No changes of any item of the Appraisal Report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.

CONTINGENT AND LIMITING CONDITIONS: The certification of the appraiser appearing in this Appraisal Report is subject to the following conditions and

1. The Appraiser assumes no responsibility for matters of legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property.
3. The Appraiser is not required to give testimony or appear in court because of having made this Appraisal with reference to the property in question, unless arrangements have been made beforehand.
4. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other Appraisal and are invalid if so used.
5. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
7. Disclosure of the contents of this Appraisal Report is governed by the By-laws and regulations of the professional appraiser organizations with which the Appraiser is affiliated.
8. Neither all nor any part of the contents of this report, or copy thereof (including conclusions as to property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected) shall be used for any purposes by anyone but the client shown on Page 1 of this report, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department agency, or instrumentality of the United States or of any State or of the District of Columbia, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.
9. On all Appraisals involving proposed construction, the Appraisal Report and value conclusion are contingent upon completion of the proposed improvements in accordance with the plans and specifications prepared by

_____ with a last revision date of _____ which have been initiated and dated by the Appraiser.

Comparables selected are the most recent rentals, similar and proximate, known to the undersigned, that a tenant of subject property would have given consideration to renting.

This Form was produced on the AGI Development Rapidforms TM system (800) 234-8727

SUPPLEMENTAL SALES COMPARISON ANALYSIS

The market data selected are the most recent sales of properties, similar and proximate to subject, known to the appraiser, that a buyer of subject property would have given consideration to purchasing. In the absence of actual sales, listings of comparable properties may be used but an explanation must be included in the "Comments" section below.

ITEM	SUBJECT	COMPARABLE No. 4	COMPARABLE No. 5	COMPARABLE No. 6
Address	819 W 4th Street San Pedro	10205 S. Centre St. San Pedro, CA 90731	224 S. Grand Ave. San Pedro, CA 90731	536 W. 23rd St. San Pedro, CA 90731
Proximity to subject				
Map code	824B5	824C5	824A3	824B7
Lot size	8181	6750	5009	5100
Brief description of building	No. Units: 10 No. Vac.: 4 Year Built: 1924	No. Units: 10 No. Vac.: 0 Year Built: 1919	No. Units: 6 No. Vac.: 0 Year Built: 1925	No. Units: 6 No. Vac.: 0 Year Built: 1923
Improvements	Type: Walk-up Wood frame/stucco	Type: Walk-up Wood frame/stucco	Type: Walk-up Wood frame/stucco	Type: Walk-up Wood frame/stucco
Quality	Average	Average	Average	Average
Condition	Excellent	Excellent	Average	Good
Recreational facilities	None	None	None	None
Pool	None	None	None	None
Parking	5 Space(s)	4 Car Garage	1 Car Garage	2 Car Garage
Tenant appeal	Average	Average	Average	Good
GBA	5153	4230	2918	4330
Avg Sq. Ft/ Unit	615	423	486	722
Total Rooms	24	30	17	18
Unit breakdown	No. of Units	No. of Units	No. of Units	No. of Units
	UNIT ROOM COUNT	UNIT ROOM COUNT	UNIT ROOM COUNT	UNIT ROOM COUNT
	Tot. BR b	Tot. BR b	Tot. BR b	Tot. BR b
	4 3 1 1	10 3 1 1	1 4 2 1	1 4 2 1
Unit breakdown	No. of Units	No. of Units	No. of Units	No. of Units
	UNIT ROOM COUNT	UNIT ROOM COUNT	UNIT ROOM COUNT	UNIT ROOM COUNT
	Tot. BR b	Tot. BR b	Tot. BR b	Tot. BR b
	6 2 0 1		3 3 1 1	4 3 1 1
Unit breakdown	No. of Units	No. of Units	No. of Units	No. of Units
	UNIT ROOM COUNT	UNIT ROOM COUNT	UNIT ROOM COUNT	UNIT ROOM COUNT
	Tot. BR b	Tot. BR b	Tot. BR b	Tot. BR b
			2 2 0 1	1 2 0 1
Util. paid by owner	Gas and Water	Water	Water	Water
Data source	Inspection	MLS# Mrm-S09029511	MLS# Mrm-S10072865	MLS# Mrm-V10080064
Price	\$ Not Applicable [X] Unf. [] F	\$ 845,000 [X] Unf. [] F	\$ 565,000 [X] Unf. [] F	\$ 695,000 [X] Unf. [] F
Sale-Listing-Offer	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Date of sale	Not Applicable	Listing	Listing	Listing
Terms (including conditions of sale and financing terms)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Complete as many of the following as possible using data effective at time of sale				
Gross Annual Income	\$ 30,780 57,780	\$ 79,344	\$ 62,864	\$ 61,200
Gross Ann. Inc. Mult. (1)	0.00 0.00	10.65 0.00	9.02 0.00	11.36 0.00
Net Annual Income	\$ 31,351	\$ 80,234	\$ 42,194	\$
Expense Percentage (2)	100.00 45.74%	24.08 0.00%	32.67 0.00%	100.00 %
Overall Cap. Rate (3)	0.00 0.00%	7.13 0.00%	7.47 0.00%	0.00 0.00%
Price per unit	\$ 0.00	\$ 84,500.00	\$ 94,166.67	\$ 115,833.33
Price per room	\$ 0.00	\$ 28,166.67	\$ 33,235.29	\$ 38,611.11
Price gross bldg. area	\$ 0.00 /sq. ft. bldg. area	\$ 199.76 /sq. ft. bldg. area	\$ 193.63 /sq. ft. bldg. area	\$ 160.51 /sq. ft. bldg. area
COMMENTS	Rent Control	Rent Control	Rent Control	Rent Control
	Adjusted to reflect tenant pay gas = \$57,780			
COMPARISON TO SUBJECT	Age	Similar	Similar	Similar
	Average Unit Size	Inferior	Similar	Superior
	Unit Mix	Inferior	Superior	Superior
	Common Amenities	Similar	Similar	Similar
COMPARISON TO SUBJECT	Location	Similar	Similar	Superior

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the Appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISERS CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 819 W 4th Street, San Pedro, CA, 90731

APPRAISER:

Signature: [Signature]
 Name: Hee K. Yi
 Date Signed: 08/27/2010
 State Certification #: AG035844
 or State License #: AG002824
 State: CA
 Expiration Date of Certification or License: 11/16/2010

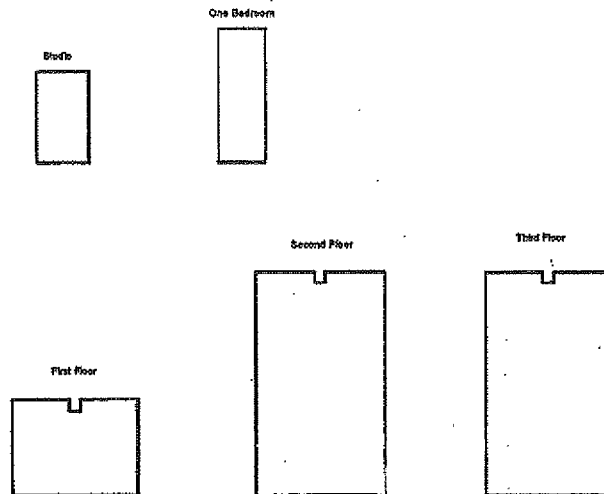
SUPERVISORY APPRAISER (only if required)

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: AG035844
 State: CA
 Expiration Date of Certification or License: _____

☐ Did ☐ Did Not Inspect Property

FLOORPLAN

Borrower: File No.: 10197000
 Property Address: 819 W 4th Street Case No.:
 City: San Pedro State: CA Zip: 90731
 Lender: Los Angeles Housing Department



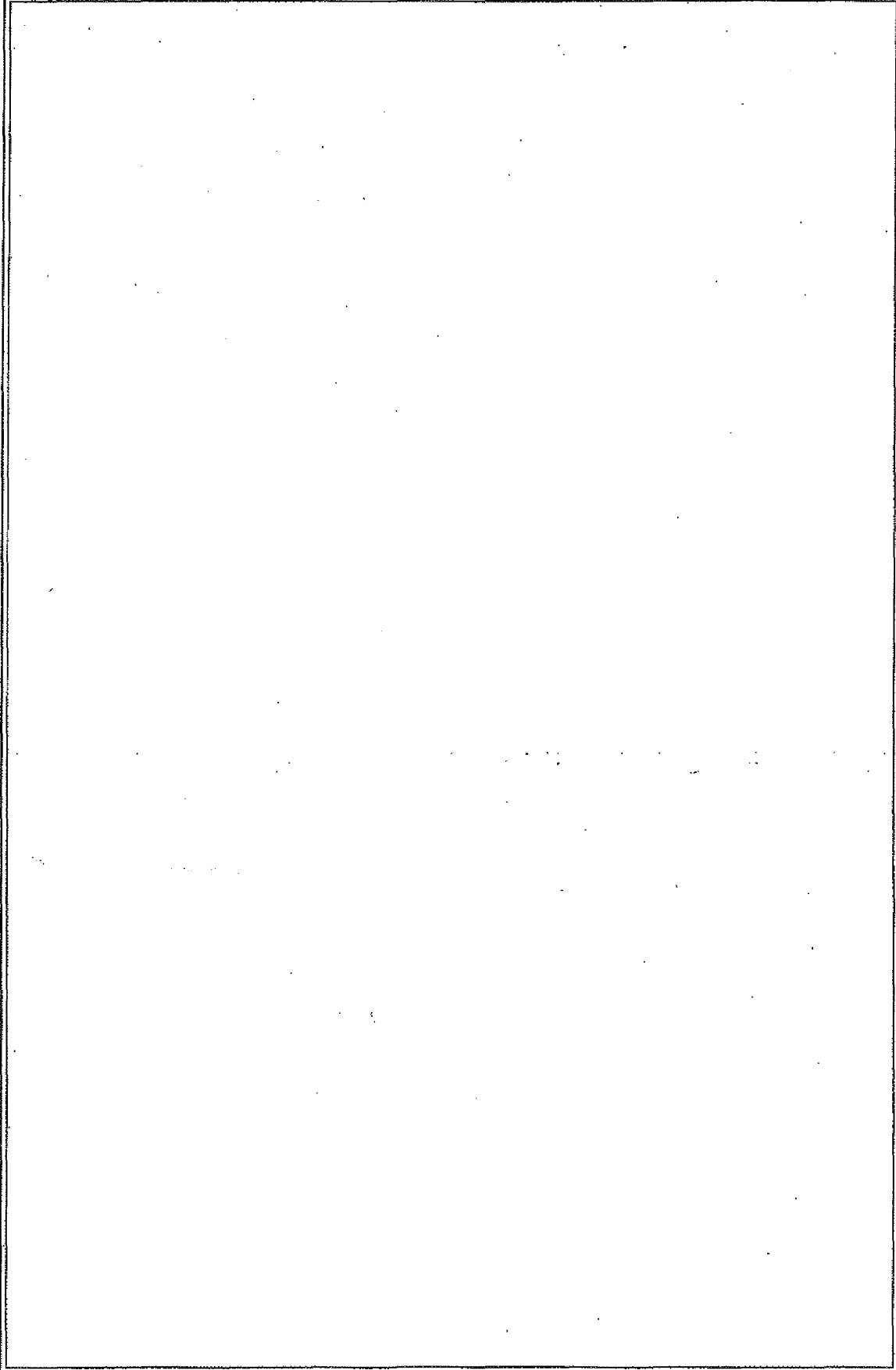
Sketch by Apex IV Windows™

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
GLA1	First Floor	901.00	901.00
GLA2	Second Floor	2126.00	2126.00
GLA3	Third Floor	2126.00	2126.00
OTE	Studio Unit	362.50	
	One Bedroom Unit	481.00	843.50
TOTAL LIVABLE (rounded)			5153

LIVING AREA BREAKDOWN		
Breakdown		Subtotals
First Floor		
23.0 x	35.0	805.00
3.0 x	16.0	48.00
3.0 x	16.0	48.00
Second Floor		
35.0 x	58.0	2030.00
3.0 x	16.0	48.00
3.0 x	16.0	48.00
Third Floor		
35.0 x	58.0	2030.00
3.0 x	16.0	48.00
3.0 x	16.0	48.00
9 Areas Total (rounded)		5153

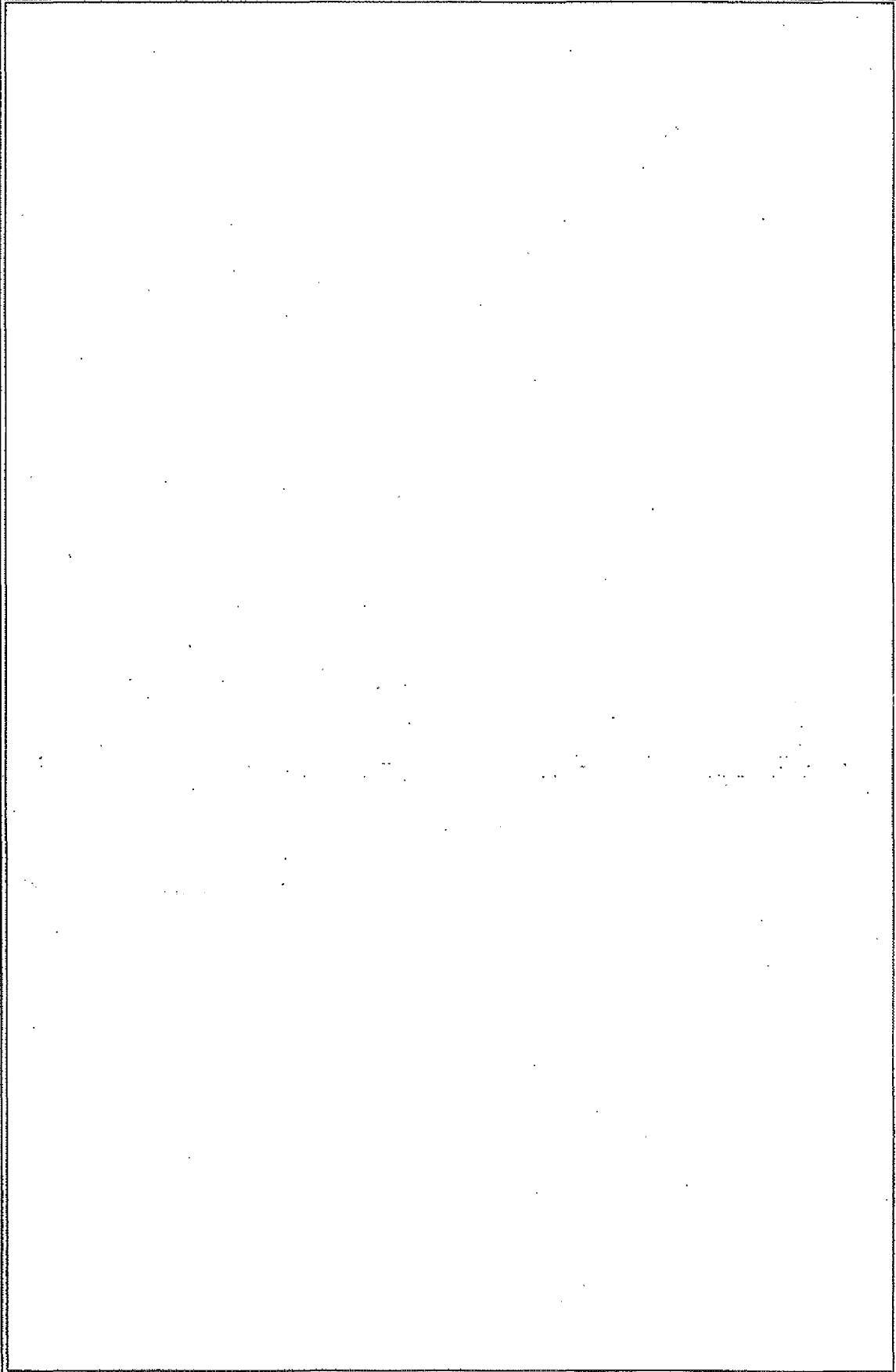
PLAT MAP

Borrower:	File No.: 10197000
Property Address: 819 W 4th Street	Case No.:
City: San Pedro	State: CA Zip: 90731
Lender: Los Angeles Housing Department	



LOCATION MAP

Borrower:		File No.: 10197000
Property Address: 819 W 4th Street		Case No.:
City: San Pedro	State: CA	Zip: 90731
Lender: Los Angeles Housing Department		

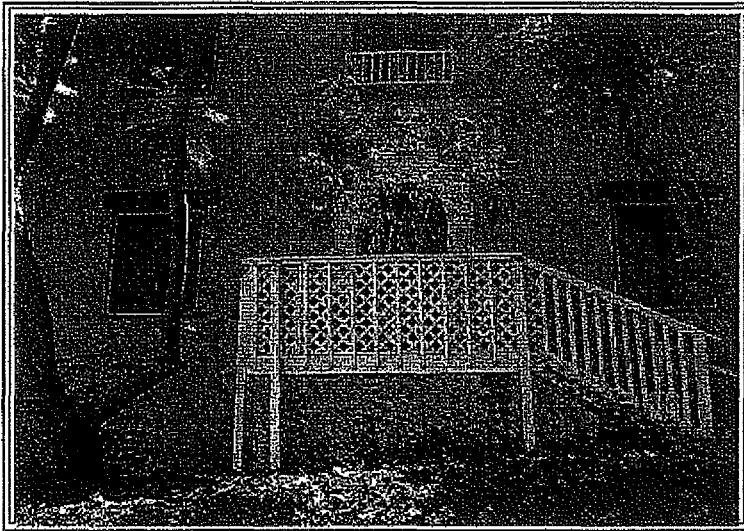


Borrower:		File No.: 10197000
Property Address: 819 W 4th Street		Case No.:
City: San Pedro	State: CA	Zip: 90731
Lender: Los Angeles Housing Department		

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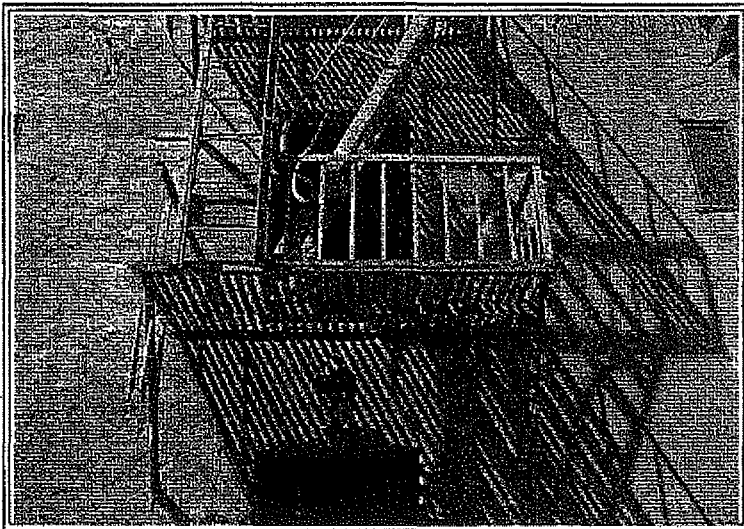
SUBJECT PROPERTY PHOTO ADDENDUM

Borrower:	File: 10197000
Property Address: 819 W 4th Street	Case No.:
City: San Pedro	State: CA Zip: 90731
Lender: Los Angeles Housing Department	

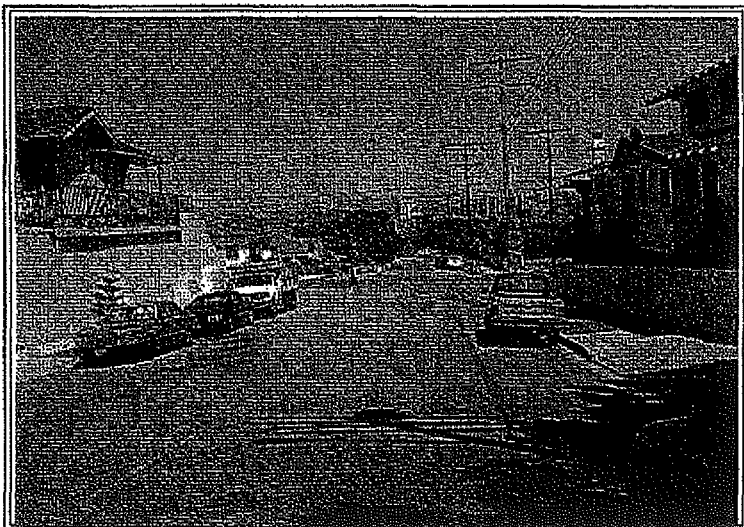


FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: August 17, 2010
Appraised Value: \$ 266,000



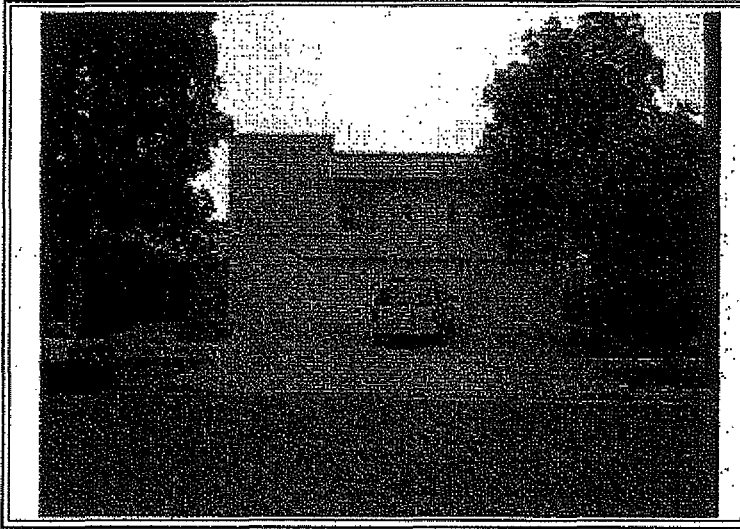
REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower:		File No.: 10197000
Property Address: 819 W 4th Street		Case No.:
City: San Pedro	State: CA	Zip: 90731
Lender: Los Angeles Housing Department		



COMPARABLE SALE #1

927 Bay View Ave.
Wilmington, CA 90744
Sale Date: 10/28/2009
Sale Price: \$ 725,000



COMPARABLE SALE #2

909 E. I. St.
Wilmington, CA 90744
Sale Date: 12/04/2009
Sale Price: \$ 425,000



COMPARABLE SALE #3

965 W. 1st St.
San Pedro, CA 90731
Sale Date: 03/01/2010
Sale Price: \$ 460,000

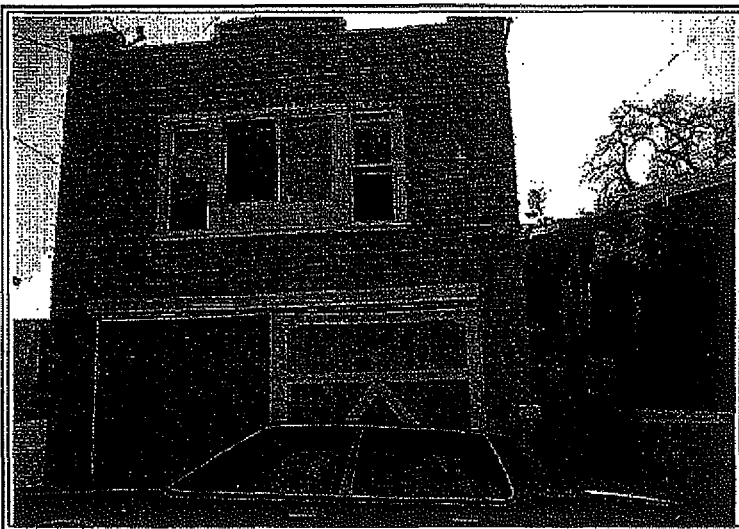
COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower:	File	10197000
Property Address: 819 W 4th Street	Case No.:	
City: San Pedro	State: CA	Zip: 90731
Lender: Los Angeles Housing Department		



COMPARABLE SALE #4

10205 S. Centre St.
San Pedro, CA 90731
Sale Date: Listing
Sale Price: \$ 845,000



COMPARABLE SALE #5

224 S. Grand Ave.
San Pedro, CA 90731
Sale Date: Listing
Sale Price: \$ 585,000

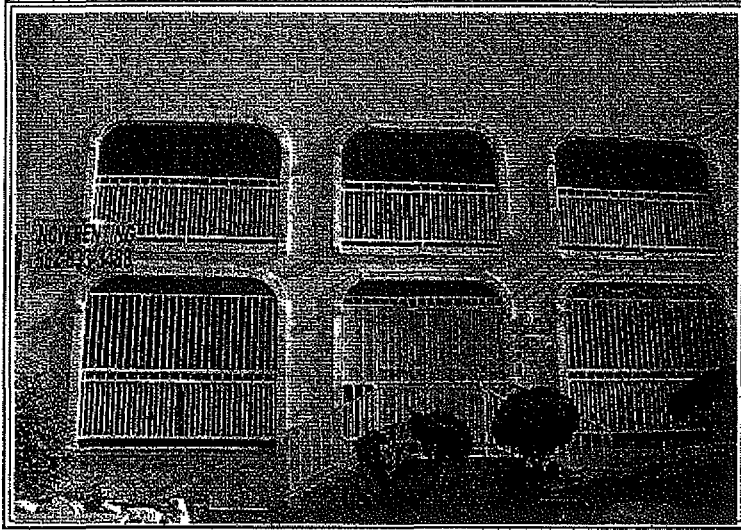


COMPARABLE SALE #6

536 W. 23rd St.
San Pedro, CA 90731
Sale Date: Listing
Sale Price: \$ 695,000

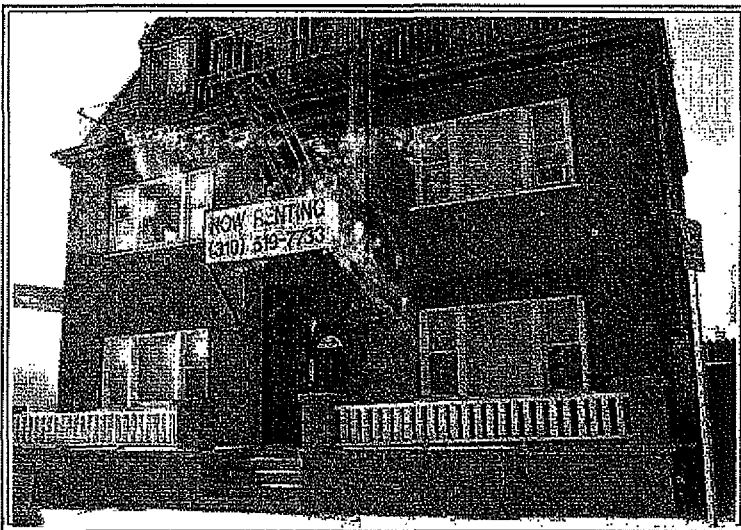
COMPARABLE RENTALS PHOTO ADDENDUM

Borrower:	File No. 10197000
Property Address: 819 W 4th Street	Case No.:
City: San Pedro	State: CA Zip: 90731
Lender: Los Angeles Housing Department	



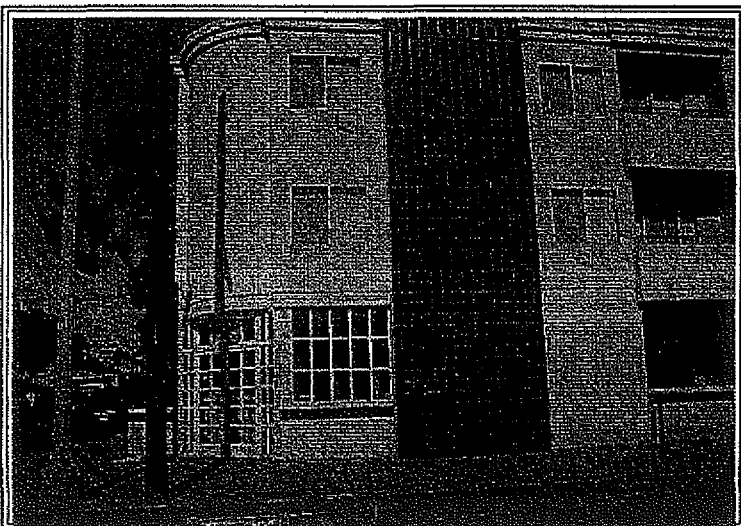
COMPARABLE RENTAL #1

236 W. 14th St.
San Pedro, CA 90731



COMPARABLE RENTAL #2

527 W. 15th St.
San Pedro, CA 90731



COMPARABLE RENTAL #3

2041 S. Pacific Ave.
San Pedro, CA 90731

COMPARABLE RENTALS PHOTO ADDENDUM

Borrower:	File No.: 10197000
Property Address: 819 W 4th Street	Case No.:
City: San Pedro	State: CA Zip: 90731
Lender: Los Angeles Housing Department	



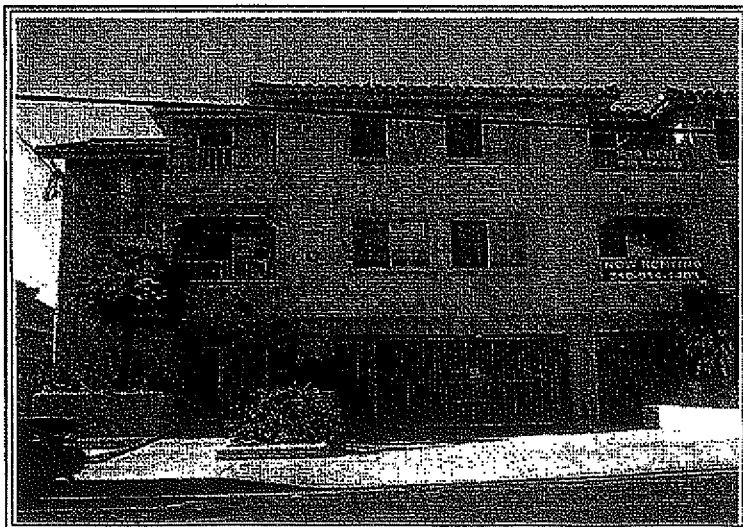
COMPARABLE RENTAL #4

647 W. 5th St.
San Pedro, CA 90731



COMPARABLE RENTAL #5

1131 S. Beacon St.
San Pedro, CA 90731



COMPARABLE RENTAL #6

643 W. 7th st.
San Pedro, CA 90731

Borrower:	File No.: 10197000
Property Address: 819 W 4th Street	Case No.:
City: San Pedro	State: CA Zip: 90731
Lender: Los Angeles Housing Department	



Typical Living Room

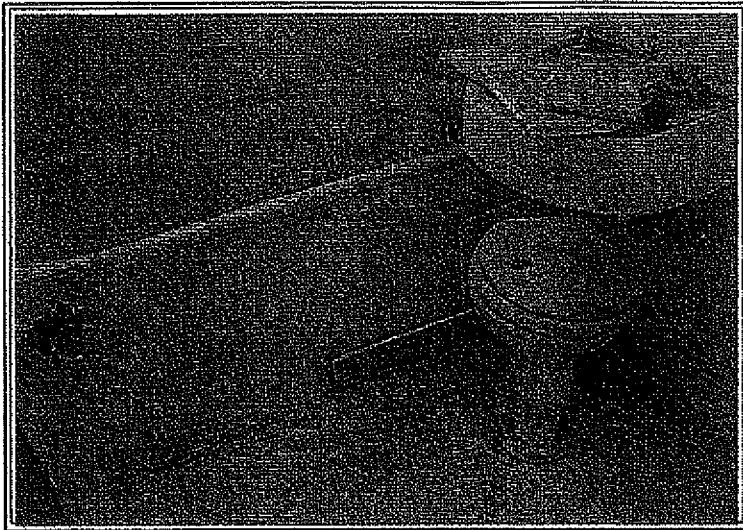


Typical Kitchen

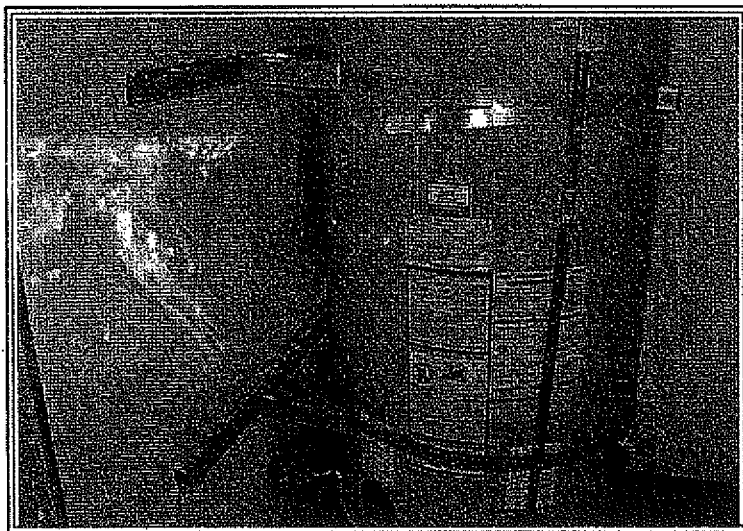


Typical Bedroom

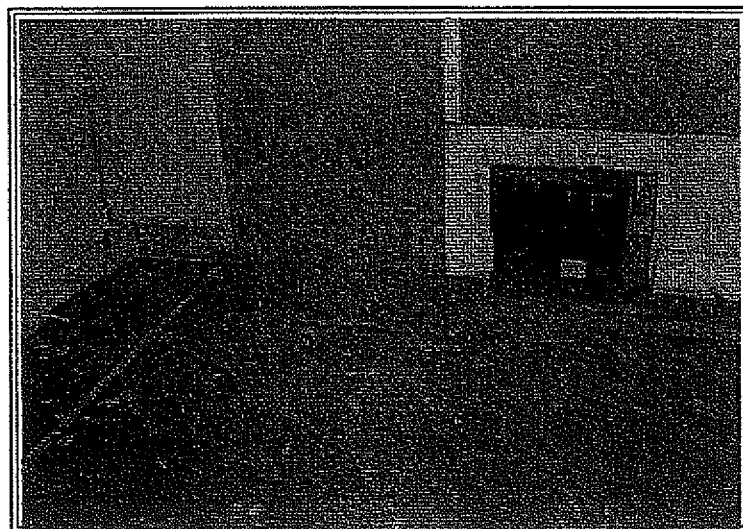
Borrower:	File	10197000
Property Address: 819 W 4th Street	Case No.:	
City: San Pedro	State: CA	Zip: 90731
Lender: Los Angeles Housing Department		



Typical Bathroom



Water Heater



Water Damaged Unit

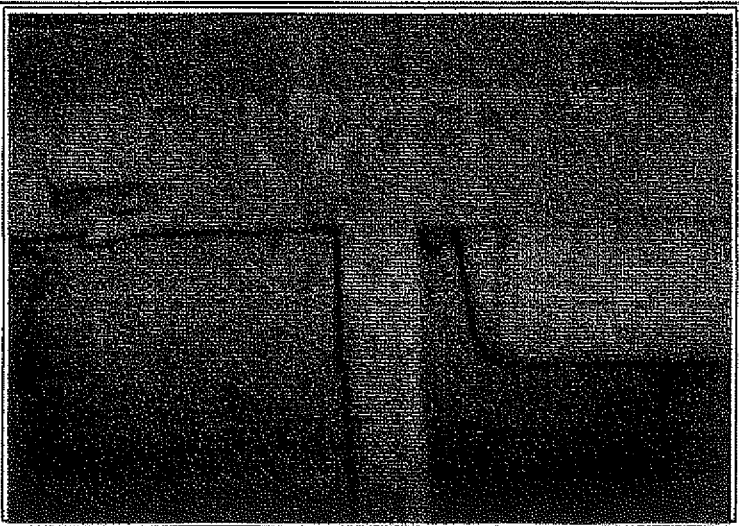
Borrower:		File No.: 10197000
Property Address: 819 W 4th Street		Case No.:
City: San Pedro	State: CA	Zip: 90731
Lender: Los Angeles Housing Department		



Water Damaged Bathroom



Water Damaged

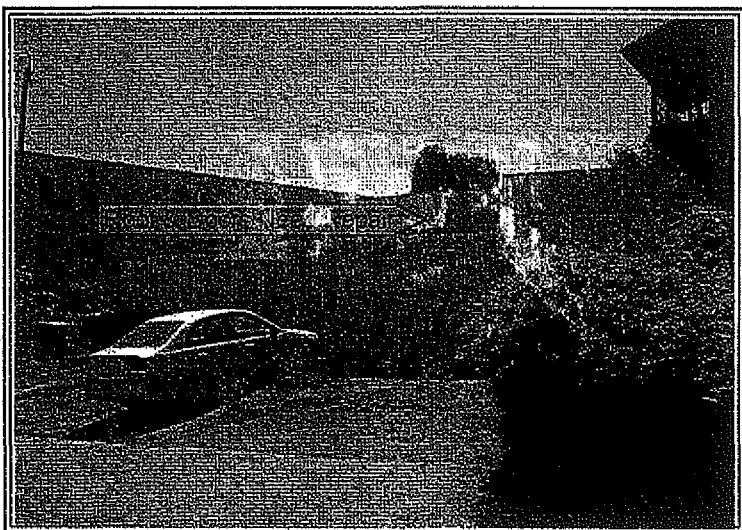


Water Damaged

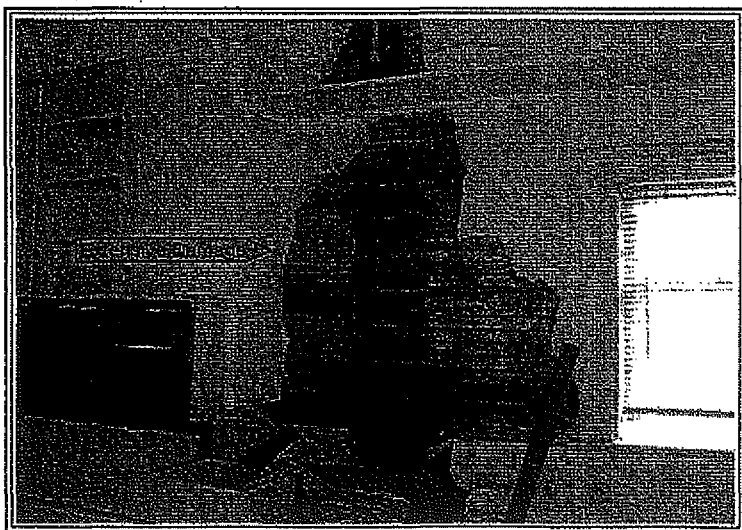
Borrower:	File No.: 10197000
Property Address: 819 W 4th Street	Case No.:
City: San Pedro	State: CA Zip: 90731
Lender: Los Angeles Housing Department	



Water Damaged Kitchen



Garage



Damaged Unit

APPRAISAL OF



8 UNIT MULTIFAMILY PROPERTY

LOCATED AT:

851 W 81st Street
Los Angeles, CA 90044

FOR:

Los Angeles Housing Department
1200 W. 7th St. Cube 808J
Los Angeles, CA 90017

BORROWER:

AS OF:

August 17, 2010

BY:

Hee K. Yi
Certified General Appraiser

Mark Gandara
Los Angeles Housing Department
1200 W. 7th St. Cube 808J
Los Angeles, CA 90017

Dear Mr. Mark Gandara,

At your request, I completed my analysis of the property identified as:

851 W 81st Street
Los Angeles, CA 90044

Regardless of who pays for the attached appraisal, it has been prepared for our client: The Los Angeles Housing Department. The client intends to use this report for estimate the AS-is fair market value of the property as of the August 17, 2010. For this assignment, the improvements were inspected on August 17, 2010, and the date of value is August 17, 2010.

The attached Summary Appraisal Report has been prepared in accordance with your standards as well as the reporting requirements and the Uniform Standards of Professional Appraisal Practice (USPAP). The final value reported in the attached report is the "AS IS" value as of date of value.

This appraisal may not be used or relied upon by anyone other than the above-mentioned client for any purpose whatsoever, without the express written consent of the appraiser. If the client provides anyone else with a copy of this report, such as a borrower etc., that person(s) may not be entitled to rely upon its contents when making any decisions about the property. As such the following limiting condition applies:

"Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, new, sales, or other media without the written consent and appeal of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or the MAI, SRA or SRPA designation. Furthermore, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of any one, but the client, the client shall make such party(s) aware of all the assumptions and limiting conditions of the assignment."

This appraisal assignment is a Summary Appraisal Report under Standards Rule 2-2(b), as defined in the Uniform Standards of Professional Appraisal Practice (USPAP) of a complete appraisal performed under Standard Rule 1 of the USPAP.

Should you have any questions regarding the analysis or conclusions of value found in the attached report please contact me.

Sincerely,


Hee K. Yi
Certified General Appraiser
AG 035644 Expires 11/16/2010

Borrower:	File No.: 10196000
Property Address: 851 W 81st Street	Case No.:
City: Los Angeles	State: CA Zip: 90044
Lender: Los Angeles Housing Department	

INTENDED USE

The Los Angeles Housing Department is the intended user of this report. For this assignment, the improvements were inspected on August 17, 2010, and the date of value is August 17, 2010.

INTENDED USERS

The client intends to use this report to estimate the As-Is fair market value of the property as of the August 17, 2010.

TYPE OF APPRAISAL REPORT

As specified in the most current version of the Uniform Standards of Professional Appraisal Practice (USPAP), this is a Summary Appraisal Report.

DATE OF INSPECTION AND DATE OF REPORT

This property was viewed on August 17, 2010 and the report was written on August 26, 2010.

COMPETENCY PROVISION

As of the date of this assignment, Hee K. Yi meets the continuing education requirements for a Certified General Appraiser for the State of California.

CONFIDENTIALITY

The appraiser must be aware of, and comply with, all confidentiality and privacy laws and regulations applicable in an assignment. Disclosure of confidential information is permissible to professional peer review committees, except when such disclosure to a committee would violate applicable law or regulation. Confidential information means information that is either identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or classified as confidential or private by applicable law or regulation.

SCOPE OF THE APPRAISAL ASSIGNMENT

Data sources include NDC data, MLS, and appraiser's files. Whenever possible, sales were verified with the buyer, seller, real estate agent, or lender. If data could not be verified through a party involved in the transaction and the data appeared to be consistent with other data, it was used in the analysis. In all cases of data verification, I assumed that the information obtained is correct and accurate.

The appraiser viewed only the interior and exterior of the property from the street on August 17, 2010. The appraiser noted both the positive and negative external features of the property. Visual exterior deferred maintenance was also considered as well as any exterior upgrades made to the structure. The appraiser did not do an interior inspection; therefore, the electrical components, the heating and cooling system, or the plumbing were not tested; the appraiser assumed that they were in working order. The appraiser assumed that there was no termite or dryrot damage to the interior components of the structure. The appraiser only took note of any obvious termite or dryrot damage. The appraiser did not inspect the roof, attic, or the crawl space. The appraiser assumed that these components did not suffer from any deferred maintenance. Only those characteristics of the property that are relevant to its valuation will be shown in the report.

The appraiser took exterior pictures of the subject's improvements. Pictures of upgrades and deferred maintenance items are included in the report. Scenes of the subject street are also included.

The appraiser relied on the County Assessor's information to ascertain the subject's lot size and living size areas as a guide in estimating the legally permitted square footage of the buildings residing on the lot. The appraiser also relied on the County Assessor's information in order to report the APN number and the legal description. If the client provides a title report, it is reviewed and taken into consideration with respect to easements, covenants, restrictions, and other encumbrances. The appraiser did not research the presence of such items independently. If a title report is not provided by the client, the appraiser will rely on the observation of any apparent easements or restrictions.

The appraiser viewed the neighborhood to ascertain its boundaries. The appraiser noted any positive or negative external features that may have an impact on value. The appraiser selected comparable sales data that is deemed appropriate for this assignment. Data was selected within 6 months from date of value. If there is insufficient data, the appraiser searched as far back as 18 months for sales. The appraiser may expand the search for data to other competing neighborhoods, but this is done only when there is insufficient data within the subject's neighborhood. The appraiser also considered listings as a possible comparable in order to reflect current market conditions. The appraiser viewed the data used in this analysis from street and took photographs of each comparable.

The appraisal problem did not warrant an intensive highest and best use study. Given the nature of the subject real estate, my conclusion of highest and best use was based on logic and observed evidence.

The Comparison Approach is the primary methodology used in estimating the value of the subject property. A GRM analysis provides a reality check against the Comparison Approach conclusion. The Cost Approach is not considered a valid indicator by realtors, sellers or buyers.

Borrower:		File No.: 10196000
Property Address: 851 W 81st Street		Case No.:
City: Los Angeles	State: CA	Zip: 90044
Lender: Los Angeles Housing Department		

USPAP MARKET VALUE DEFINITION:

The following market value definition supersedes the definition found in the printed form.

This appraisal has been prepared in accordance with the definition of fair market value as found in App.19-1[03/07]1378CHG-8 Appendix 19.

The price that a seller is willing to accept and a buyer is willing to pay on the open market in an arm's length transaction, whereby

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider his or her own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto;
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

DEFINITION OF REAL ESTATE TERMS

FEE SIMPLE INTEREST OR ESTATE: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

LEASED FEE ESTATE: An ownership interest held by a landlord with the rights of use and occupancy conveyed by a lease to others. The rights of the lessor (leased fee-owner) and the leased fee are specified by the contract terms contained within the lease.

EXTRAORDINARY ASSUMPTIONS

The typical assumptions for this valuation are found in the printed form. In this particular analysis, the appraiser has not inspected the interior of the subject or the comparables.

ADDITIONAL ASSUMPTIONS

- 1)The appraiser reserves the right to amend this report if undisclosed facts are given to the appraiser after completion of this report.
- 2)The appraiser assumes no responsibility for changes in market conditions which might require a change in the appraised value.

APPRAISER'S HISTORICAL EXPERIENCE

The appraiser has not valued this property during the last 36 months.

AMERICAN WITH DISABILITIES ACT (ADA).

This property is not designed to accommodate handicapped users.

ENVIRONMENTAL HAZARDS EXAMPLE: LEAD BASED PAINT & ASBESTOS

Due to the age of the building, lead based paint and or asbestos may be present. An expert should be retained to ascertain their presence. Our inspection revealed that there is no cracked or peeling paint.

EXPOSURE AND MARKETING TIME

If a property is properly priced, in reasonably good condition and property marketed by a local licensed real estate agent, a realistic time on the market and exposure to the market will be 30 to 60 days.

ECONOMIC CONDITIONS WARNING

The the present time, real estate values are in a state of flux caused in part by the sub-prime lending market coupled with a weak economy. Thus, the values shown in this report are only valid as of the date of the appraisal. The value shown in the report may change should their be a steeper decline in the economy.

GOLD COAST APPRAISALS, INC.

Borrower:		File No.: 10196000
Property Address: 851 W 81st Street		Case No.:
City: Los Angeles	State: CA	Zip: 90044
Lender: Los Angeles Housing Department		

Borrower:
 Property Address: 851 W 81st Street
 City: Los Angeles
 Lender: Los Angeles Housing Department

File No.: 10198000
 Case No.:
 State: CA Zip: 90044

SUMMARY OF ADJUSTMENTS

INPUT SECTION	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Mean
Sale Date	8/1/01	7/25/01	7/10/01	8/11/01	8/11/01	8/11/01	8/11/01	8/11/01
Number Units	8	8	8	7	7	7	7	7.5
Number Rooms	35	30	18	27	33	30	30	28
Building Area (sf)	7,704	7,582	3,040	2,827	3,468	7,253	5,159	5,159
Potential Gross Income	\$ 59,520	\$ 81,588	\$ 70,932	\$ 38,298	\$ 98,400	\$ 176,109	\$ 27,004	
Average Unit Size	974	948	840	404	781	725	845	

TRANSACTION ADJUSTMENTS

Selling Price	\$ 850,000	\$ 838,000	\$ 330,000	\$ 800,000	\$ 845,000	\$ 845,000	\$ 845,000	
Financing	Conventional	Conventional	Conventional	Conventional	Conventional	Conventional	Conventional	
Time	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	
Condition of Sale	Conventional	Conventional	Conventional	Conventional	Conventional	Conventional	Conventional	
Cash Equivalent Price	\$ 850,000	\$ 838,000	\$ 330,000	\$ 800,000	\$ 845,000	\$ 845,000	\$ 845,000	
Gross Income Multiplier	0.00	0.46	7.64	8.62	8.29	7.22	8.44	7.77

INCOME RATIO ADJUSTMENTS TO THE PHYSICAL INDICATORS

Per Unit Analysis								
Gross Income/Unit	\$ 820	\$ 850	\$ 988	\$ 458	\$ 1,136	\$ 888	\$ 302	
Sale Price/Unit	\$ 86,250	\$ 88,167	\$ 47,143	\$ 45,714	\$ 54,500	\$ 81,233	\$ 81,233	
Adjustment Factor	0.7294	0.8299	1.3496	0.5456	0.8405	0.7731	0.7731	
Adjusted Price/Unit	\$ 82,971	\$ 84,088	\$ 64,088	\$ 45,789	\$ 54,123	\$ 82,806	\$ 82,806	57.784

Per Room Analysis								
Gross Income/Room	\$ 142	\$ 227	\$ 453	\$ 178	\$ 341	\$ 255	\$ 229	
Sale Price/Room	\$ 28,000	\$ 44,883	\$ 12,222	\$ 13,182	\$ 22,287	\$ 23,211	\$ 23,211	
Adjustment Factor	0.6256	0.2880	1.2504	0.5682	0.6580	0.6580	0.6580	
Adjusted Price/Room	\$ 14,389	\$ 12,849	\$ 14,708	\$ 10,713	\$ 12,384	\$ 14,389	\$ 14,389	13.328

Per Sq. Ft. Analysis								
Gross Income/SF	\$ 0.64	\$ 0.60	\$ 1.17	\$ 0.78	\$ 1.45	\$ 1.20	\$ 1.24	
Sale Price/SF	\$ 26,141	\$ 106.35	\$ 116.73	\$ 108.73	\$ 118.47	\$ 128.07	\$ 128.07	
Adjustment Factor	0.7111	0.8470	0.5059	0.4614	0.4912	0.6181	0.6181	
Adjusted Price/SF	\$ 18,573	\$ 89.89	\$ 58.12	\$ 49.43	\$ 58.05	\$ 65.01	\$ 65.01	56.73

RANGES	Low	High						
GIM	6.29	8.62						
Adjusted Price/Unit	\$ 46,782	\$ 84,088						
Adjusted Price/Room	\$ 10,713	\$ 14,708						
Adjusted Price/SF	\$ 40.43	\$ 26.12						

VALUE INDICATIONS	Selected Unit Value	Subject Indicator	Value Estimate	Rounded
GIM	7.50	\$ 80,520	\$ 445,400	\$ 447,000
Price/Unit	\$ 57,000	\$ 8	\$ 450,000	\$ 450,000
Price/Room	\$ 13,000	\$ 35	\$ 455,000	\$ 455,000
Price/SF	\$ 59.00	7.784	\$ 452,052	\$ 450,000

INDICATED VALUE: \$ 450,000

The above chart depicts an adjustment for price per unit, room and square foot by taking the ratio of the subject's gross income and the comparable's gross income on a per unit, room and square foot basis. The resulting factor is multiplied by the comparable's price per unit, room and square foot. The factors represent a composite adjustment for the differences in the physical characteristics of the comparables when compared to the subject. This mathematical procedure assumes that the unit differences represent the differences in physical characteristics. For example, a project with a poor view, rent for \$10 more than the subject which does not have a pool and hence should be price per unit, room and square foot will be adjusted downward to reflect the superior physical characteristics of the comparable.

Price Per Unit Analysis
 The range of price/unit is \$46,782 to \$84,088. The concluded rate is \$57,000.

Price Per Room Analysis
 The range of price/room is \$10,713 to \$14,708. The concluded rate is \$13,000.

Price Per Sq. Ft. Analysis
 The range of price/sq. ft. is \$40.43 to \$26.12. The concluded rate is \$59.

GIM Analysis
 The GIM range is 6.29 to 8.62. The concluded rate is 7.50.

Value Conclusion
 Of all the value parameters in this analysis, buyers and sellers purchase apartments based on GIM and price per unit.

APPRAISAL REPORT RESIDENTIAL INCOME PROPERTY

PROPERTY IDENTIFICATION		File No. 10196000																
Borrower/Client		Map Reference 704B2																
Property Address 851 W 81st Street		Census Tract No. 2383.10																
City Los Angeles	County Los Angeles	State CA																
Legal Description APN: 8032-003-018 ; Sunny Side Park Addition Lot 132; Map book 6, Page 198, City of Los Angeles, County of Los Angeles		Zip Code 90044																
<p>Current Sale Price (if applicable) \$ <u>Not Applicable</u> Date of Sale <u>Not Applicable</u> Loan Requested \$ <u>Not Applicable</u></p> <p>Terms of Sale <u>Not Applicable</u></p> <p>Property Rights Appraised: <input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold (attach completed Lease Analysis FHLMC/FNMA Form 461)</p> <p>Lender <u>Los Angeles Housing Department</u> Lender's Address <u>1200 W. 7th St. Cube 808J, Los Angeles, CA 90017</u></p> <p>Instructions to Appraiser: The purpose of this Appraisal is to estimate the current Market Value of the Subject Property. The Definition of Market Value is the highest price in terms of money which a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in cash or its equivalent; (5) financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale; (6) the price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction. ("Real Estate Appraisal Terminology," published 1975).</p> <p>Note: FHLMC-FNMA do not consider the racial composition of a neighborhood to be a relevant factor and it must not be considered in the appraisal.</p> <p>Other Information: <u>Provide to values with and without regulatory agreement</u></p> <p>Appraisal requested from <u>Gold Coast Appraisals Inc</u> Date <u>5/1/2010</u> By: <u>Los Angeles Housing Department</u></p> <p align="center">ATTACHMENTS</p> <p>If this Appraisal is made for FHLMC, attach items 1, 2, 5, 6, and 7. Attach additional sheets and check box if considered appropriate for this Appraisal.</p> <table border="0"> <tr> <td>1. <input checked="" type="checkbox"/> Descriptive photographs of subject property</td> <td>8. <input checked="" type="checkbox"/> Map(s) <u>Rents and Sales</u></td> </tr> <tr> <td>2. <input checked="" type="checkbox"/> Descriptive photographs of street scene</td> <td>9. <input checked="" type="checkbox"/> Plot plan or survey</td> </tr> <tr> <td>3. <input checked="" type="checkbox"/> Photographs of <u>Rents and Sales</u></td> <td>10. <input type="checkbox"/> Qualifications of Appraiser</td> </tr> <tr> <td>4. <input type="checkbox"/> Aerial Photograph</td> <td>11. <input type="checkbox"/> Lease Analysis FHLMC/FNMA Form 461 (required if leasehold interest appraised)</td> </tr> <tr> <td>5. <input checked="" type="checkbox"/> Sketch or floor plan of typical units</td> <td>12. <input type="checkbox"/> Summary of reciprocal agreements with other owners for use of parking, driveways, recreational facilities, private streets (required if applicable)</td> </tr> <tr> <td>6. <input type="checkbox"/> Owner's current certified rent roll if existing or, pro forma if proposed or incomplete</td> <td>13. <input type="checkbox"/></td> </tr> <tr> <td>7. <input type="checkbox"/> Owner's income and expense statement or pro forma income and expense statement</td> <td>14. <input type="checkbox"/></td> </tr> <tr> <td></td> <td>15. <input type="checkbox"/></td> </tr> </table>			1. <input checked="" type="checkbox"/> Descriptive photographs of subject property	8. <input checked="" type="checkbox"/> Map(s) <u>Rents and Sales</u>	2. <input checked="" type="checkbox"/> Descriptive photographs of street scene	9. <input checked="" type="checkbox"/> Plot plan or survey	3. <input checked="" type="checkbox"/> Photographs of <u>Rents and Sales</u>	10. <input type="checkbox"/> Qualifications of Appraiser	4. <input type="checkbox"/> Aerial Photograph	11. <input type="checkbox"/> Lease Analysis FHLMC/FNMA Form 461 (required if leasehold interest appraised)	5. <input checked="" type="checkbox"/> Sketch or floor plan of typical units	12. <input type="checkbox"/> Summary of reciprocal agreements with other owners for use of parking, driveways, recreational facilities, private streets (required if applicable)	6. <input type="checkbox"/> Owner's current certified rent roll if existing or, pro forma if proposed or incomplete	13. <input type="checkbox"/>	7. <input type="checkbox"/> Owner's income and expense statement or pro forma income and expense statement	14. <input type="checkbox"/>		15. <input type="checkbox"/>
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SUMMARY OF SALIENT FEATURES	
TOTAL NUMBER OF APARTMENT UNITS	8
CONSTRUCTION: <input checked="" type="checkbox"/> Existing Property, Approx. Year Built <u>1963</u> <input type="checkbox"/> Proposed Construction <input type="checkbox"/> Under Construction	
DATE OF APPRAISED VALUE	<u>August 17, 2010</u>
ESTIMATED MARKET VALUE (unfurnished) (SEE PAGE 8 FOR CONDITIONS AND REQUIREMENTS)	\$ <u>440,000</u>
Value: Per Unit \$ <u>55,000</u> , Per Room \$ <u>12,571</u> , Per Sq. Ft. of Building Area \$ <u>58.45</u>	
GROSS ANNUAL INCOME MULTIPLIER	<u>7.39</u>
OVERALL CAPITALIZATION RATE	<u>7.29%</u>
FORECASTED GROSS ANNUAL ECONOMIC INCOME	\$ <u>59,520.00</u>
VACANCIES: Actual No. Vacant <u>3</u> Percentage of Total Units <u>0</u> %	
Projected Percentage of Forecasted Gross Annual Economic Income <u>5.00</u> %	\$ <u>2,976</u>
FORECASTED ANNUAL EXPENSE AND REPLACEMENT RESERVES (<u>41.13</u> % of Forecasted Gross Annual Economic Income)	\$ <u>24,480.00</u>
FORECASTED NET ANNUAL INCOME FROM REAL PROPERTY	\$ <u>32,064</u>
PARKING RATIO	<u>0.88</u> spaces/unit

SUMMARY OF NEIGHBORHOOD AND PROPERTY											
Neighborhood		Good	Aver.	Fair	Poor	Property		Good	Aver.	Fair	Poor
Employment Stability of Immediate Location			X			Architectural Attractiveness			X		
Convenience to Employment Centers			X			Landscaping			X		
Protection from Detrimental Conditions			X			Quality of Construction (Materials & Finish)			X		
Adequacy of Shopping Facilities			X			Condition of Exterior			X		
Adequacy of Public Transportation			X			Condition of Interior				X	
Adequacy of Utilities			X			Room Size and Layout			X		
Police and Fire Protection			X			Closets and Storage			X		
Recreational Facilities			X			Light and Ventilation			X		
Property Compatibility			X			Overall Livability			X		
General Appearance of Properties			X			Compatibility to Neighborhood			X		
Appeal to Market			X			Overall Appeal and Marketability			X		

The subject is located in a fully developed mature neighborhood that is bounded on the north by the Slauson Avenue; on the east by Central Ave., on the south by 105 Fwy. and on the west by Western Avenue and city of Inglewood. Athens, Willowbrook, Westmont, Inglewood, Graham and Watts are several designated neighborhoods that reside in the subject's market area. The secondary streets in this area are improved with single and small multi-family dwellings that are in size, age and architecture. Maintenance levels are range from average to good. Many of the older residential improvements have been remodeled or have upgrades. The major thoroughfares are improved with small commercial developments that also vary in age, size and design. Public bus service is available along the major thoroughfares. Residents in this area can easily access employment centers throughout the Los Angeles basin via the 110, 105, 405 and 10 freeways. Public and private schools and universities, hospitals, libraries etc. are conveniently located throughout this area.

AREA DATA

The ☒ City ☐ County ☐ Area population is approximately 4,065,000
 Population: ☒ Increasing ☐ 0 % per year ☐ Stable ☐ Decreasing ☐ % per year
 Describe the economic base which contributes a major influence on the stability of real estate Manufacturing, government services, import and export trade, as well as tourism have a major impact on the local economy. The recent downturn in the real estate industry has had a huge impact on local consumer confidence which impacted local spending and hence a negative impact on the retail real estate sectors.
 Discuss employment stability Due to the weak economy the unemployment rate within the city of Los Angeles has exceeded 12.2% as of June 2010. The unemployment rate of Los Angeles County is 12.4% and for the State is 12.3%. This is slightly higher than the overall rate of 9.7% for the U.S.
 Rent Control: ☒ Yes ☐ No. It is applicable to units constructed prior to 1978
 Are local Government Agencies discouraging apartment development? ☐ Yes ☒ No. Comment The City is encouraging mixed use (commercial/residential) developments on many of the under utilized commercial zoned sites.
 General comments, if applicable Due to the weak economy construction financing has placed a damper on new residential and commercial development. The City of Los Angeles has obtained stimulus money from the Federal Government for the stabilization and preservation of neighborhoods impacted by high residential foreclosure activity.

NEIGHBORHOOD AND MARKETING AREA
 Type: ☐ Urban ☒ Suburban ☐ Rural. Property Values: ☐ Increasing ☒ Stable ☐ Declining.
 Present Land Use: Built up 100 % Single Family 85 % Condominiums 5 % Apartments 5 % Commercial 5 % Industrial 5 %
 Change in Present Land Use: ☒ Not Likely ☐ Likely or ☐ Taking Place From _____ to _____
 Comment, if applicable Single and multi-family dwellings are located on the secondary streets while commercial developments reside on the major thoroughfares.
 Describe overall property appeal and maintenance level Overall the maintenance level is average to good and the overall appeal is average. Due to the water shortage, Los Angeles has a very restrictive yard watering program which has caused the exterior appeal of many developments to be less than typical in overall appeal.
 Describe any incompatible land uses (if none, so state) Because this neighborhood is reaching full maturity, there is an occasional new development in both the commercial and residential zoned areas.

Single Family: Price range \$ 50,000 to \$ 425,000 Predominant \$ 180,000 Age 4 yrs. to 105 yrs. Predominant 84 yrs.
 Apartments: Predominant range in immediate area (excluding extremes) _____ Walk-up _____ Elevator _____
 Number of units in each building _____ units _____ units
 Age _____ years _____ years
 Height (number of stories) _____ stories _____ stories
 Condition _____ Average _____ Good
 Rental range by unit type:
 Unit Types: 3-1-1 \$ 800-950 \$ 800-950
4-2-1 \$ 900-1200 \$ 900-1200
5-3-2 \$ 1200-1800 \$ 1200-1800
6-4-2 \$ 1800-2500 \$ 1800-2500
 Comment on any unusual aspects of the above ranges: The typical multi-family improvement houses 1 and 2 bedroom units. The 3 and 4 bedroom units are primarily found among the detached single family or condominium rentals.

Est. neighborhood apartment vacancy rate 5 % ☐ Decreasing ☐ Stable ☐ Increasing. Rent levels are ☐ Increasing ☒ Stable ☐ Decreasing
 Describe the unit type(s) by number of bedrooms and rental range that are in the greatest tenant demand The greatest demand is for the units in the lower rental range which is generally found among older projects. Renters seeking 3 and 4 bedroom units prefer to rent single family dwellings.
 Describe the unit type(s) by number of bedrooms and rental range that are in oversupply All unit types are in demand at this time.

Describe potential for additional units in area considering land availability, zoning, utilities, etc. The neighborhood is fully developed and the only availability of land comes from redevelopment of the properties that have exceeded their economic and physical life. Both the City as well as the County of Los Angeles are providing various different programs for redevelopment and readapted uses for residential, multi-family and commercial properties.
 Describe the unsatisfied demand for additional units in area by type and rental The demand for 3 and 4 bedroom dwellings is primarily met by detached single family rentals.

Is population of relevant market area of insufficient size, diversity and financial ability to support subject property and its amenities? No If yes, specify _____
 The population in this market area is sufficient in size, diversity and financial ability to support the rental rates commanded by these properties.

Item	Distance from Subject Property	Access or Convenience			
		Good	Aver.	Fair	Poor
Public Transportation	<u>1/2 to 3/4 mile</u>		X		
Employment Centers	<u>5-10 miles</u>		X		
Shopping Facilities	<u>1-5 miles</u>		X		
Grammar Schools	<u>1-2 miles</u>		X		
Freeway Access	<u>5-10 miles</u>		X		

Describe any probable changes in the economic base of neighborhood which would either favorably or adversely affect apartment rentals (e.g. employment centers, zoning) Regardless to the unemployment rate, there is no anticipated softening in the demand for housing. Traditionally, this area has had a strong demand even in economic recessions. This is due to the growing population and influx of international population.

General comments including either favorable or unfavorable elements not mentioned (e.g. public parks, view, noise, parking congestion) This neighborhood has a strong sense of community and it has all of the necessary infrastructure that appeals to a social and economic diverse population.

SITE

Dimensions See attached plat map Area 9278 Sq. Ft. or Acres
 Zoning (classification, uses, and densities permitted) R3: Multiple Dwelling Zone: Residential development is allowed but it must be in accordance with the R3 Multiple Dwelling Zoning. 1 unit for every 800 to 1,200 square feet of land area. The subject is a legal non-conforming use because of lack of parking space.
 Present Improvements ☒ do ☐ do not conform to zoning regulations.
 Highest and best use: ☒ Present use ☐ Other (specify) _____

Site Improvements: ☐ Public Water ☐ Private Well ☒ Public Sewer ☐ Septic Tank ☒ Storm Sewer ☒ Sidewalk
☒ Curbs ☒ Gutters ☐ Alley ☒ Street Lights ☒ Electricity ☒ Gas
☐ Underground Electricity and Telephone ☐ _____
 Access By: ☒ Public Street ☐ Private Road Street Surface: Concrete
 Maintained By: ☒ Municipality ☐ Private Association (attach summary of Association documents)

Ingress and egress (adequacy and safety) Adequate pedestrian and vehicular access from 81st Street

Lot sketch showing lot dimensions, distance to nearest corner, and the location of and nearby detrimental conditions.

Topography, view amenity, lot drainage, flood condition, slopes, etc. This level lot has adequate lot drainage. There is no view amenity. It is not in a flood zone.

Flood Zone: X; Map No. 060137/06037C/1785F, Map date: 09/26/2008

Easements or encroachments on site and off site (if any) The site has utility easements which do not impair the development of the site.

Is the property located within a HUD identified Special Flood Hazard Area? No

Favorable or unfavorable conditions not mentioned above including any nonconforming use(s) of present improvements. The subject site is an interior level lot. The site conforms to the area and is adjacent to other similarly improved sites. The site is a typical lot, which conforms to other similarly improved sites. No other adverse conditions, easements or encroachments were noted with typical utility easements observed.

DESCRIPTION OF IMPROVEMENTS

ITEM	DESCRIPTION
Foundation	Concrete
Basic Structural System	Wood Frame
Exterior Walls	Stucco
Roof Covering	Composition with tile trim
Interior Walls	Drywall
Floor Covering	Carpeting and Vinyl
Ceiling Heights of Units	Finished Floor to Finished Ceiling is 7'4" + FL
Bath Floor and Walls	Vinyl and drywall
Insulation	To Code as of time of Construction
Soundproofing	To Code as of time of Construction
Heating system, Central or Individual & Fuel	Gas fired forced air short duct system in each unit
Air Conditioning System, Central or Individual & Fuel	None
Hot Water Heater(s)	Main water heater
Built-in Kitchen Appliances	No Kitchen Appliances
Elevator (No.)	None
Plumbing Fixtures	Adequate
Security Features	Secured gated parking and secured gated pedestrian access

Construction: ☒ Existing ☐ Proposed Approx. Year Built 1963
☐ Under Construction
 Type Project: ☒ Walk-up ☐ Elevator ☐ Row or Townhouse
☐ Other (Specify) _____

No. of Bldgs. One No. of Stories 2 No. of Units 8
 Gross Bldg. Area 7,794 Sq. Ft. Density 36.3 Units per Acre

OVERALL IMPROVEMENT RATING

	Good	Aver.	Fair	Poor
Architectural Attractiveness		X		
Quality of Construction		X		
Condition of Exterior		X		
Condition of Interior			X	
Rooms Size and Unit Layout		X		
Kitchen Facilities			X	
Closets and Storage		X		
Soundproofing Adequacy		X		
Insulation Adequacy		X		
Electrical Service Adequacy		X		

Comment on items rated fair or poor and items not covered above The subject is overall in fair condition. Most units will require flooring replacement. The interiors of some units are in need of paint. The one of the vacant units are in very poor condition. The flooring of bedroom and living room are unfinished.

Effective Age 15 Years. Est. Remaining Economic Life 35 Yrs.

PARKING: Total Spaces 7 In Buildings 3 In Garage (separate) In Carport 4 Open (on-site)
 Parking Ratio 0.88 Space(s)/Unit. Discuss parking adequacy and convenience to apartment units

Driveways, curbing, sidewalks, lighting (adequacy and condition) Overall the driveways, curbing, sidewalks and lighting is adequate and does not suffer from any major deferred maintenance.

Describe recreational facilities None/Typical

Describe basement, lobby, garage, laundry, and other building items not described above There is laundry facility on subject's site

Comment if any of the above items or other building items are inadequate or are in below average condition The subject is overall in fair condition.

Recommended observable repairs: (List repairs, painting, termite treatment, etc. you recommend be made to the improvements to make the property readily marketable; if none, so state). The and interior and exterior of building is in need of paint.

General comments if applicable: We inspected all the units.

COMPARABLE RENTAL DATA

Comparables selected are the most recent rentals, similar and proximate, known to the undersigned, that a tenant of subject property would have given consideration to renting.

ITEM	COMPARABLE No. 1				COMPARABLE No. 2				COMPARABLE No. 3			
Address	1240 W. 105th St. Los Angeles, CA 90044				821 W. 93rd St. Los Angeles, CA 90044				11421 S. New Hampshire Los Angeles, CA 90044			
Proximity to subj.	1.7 Miles				1.0 Miles				2.4 Miles			
Map Code	704A5				704A4				704A7			
Date of rental survey	08/17/2010											
Brief description of property improvements	No. Units 42 No. Vac. N/A Yr. Bt. 1965 Multi-Family				No. Units 7 No. Vac. 1 Yr. Bt. 1964 Multi-Family				No. Units 10 No. Vac. 1 Yr. Bt. 1953 Multi-Family			
Quality & condition	Quality Average Condition Good				Quality Average Condition Average				Quality Average Condition Average			
	Unit Rm. Count	Size	Monthly Rent		Unit Rm. Count	Size	Monthly Rent		Unit Rm. Count	Size	Monthly Rent	
	Tot. BR b	Sq. Ft.	\$	per sq. ft.	Tot. BR b	Sq. Ft.	\$	per sq. ft.	Tot. BR b	Sq. Ft.	\$	per sq. ft.
	3-1-1	600	750	1.25	3-1-1	600	800	1.33	4-2-1	840	950	1.13
Individual unit breakdown												
Utilities, furniture and amenities included in rent	Tenant pays gas, electricity owner pays water and trash				Tenant pays gas, electricity owner pays water and trash				Tenant pays gas, electricity owner pays water and trash			
Comparison to subject	Condition: Superior				Condition: Similar				Condition: Similar			
	Age: Similar				Age: Similar				Age: Similar			
	Amenities: Similar				Amenities: Similar				Amenities: Similar			
	Location: Similar				Location: Similar				Location: Similar			

General comments (including any rental concessions) if applicable: The rents shown above are from recently rented or from vacant apartments available for lease. This property is subject to the rent control ordinance of the City of Los Angeles. Therefore actual rents for the occupied units and market rents for the vacant units were used in estimating the subject's stabilized gross income.

MONTHLY RENT SCHEDULE - SUBJECT PROPERTY

Rental schedule is shown by type of units. Scheduled rents are actual rentals for an existing property, or projected rents for a proposed or incomplete building. Economic rents are forecasted rents to indicate the fair market rental the subject units would command if available for rent on the open market.

No. of Units	Unit Rm. Count	Total Rooms	Sq. Ft. Area Per Unit	No. Units Vacant	SCHEDULED RENTS			ECONOMIC RENTS			
					Per Unit		Total Rents	Per Unit		Total Rents	Per Sq. Ft. or Room
					Unfurn.	Furn.		Unfurn.	Furn.		
1	5-3-2	5	996	0	\$ 647.00		\$ 647	\$ 647		\$ 647	0.65
1	4-2-1	4	839	1	0.00		0	950		950	1.13
1	4-2-1	4	839	0	404.00		404	404		404	0.48
1	5-3-2	5	996	0	546		546	546		546	0.55
1	5-3-2	5	996	0	198		198	198		198	0.20
1	5-3-2	5	996	0	472		472	472		472	0.47
1	4-2-1	4	839	1	0		0	950		950	1.13
1	3-1-1	3	612	1	0		0	750		750	1.23
8	TOTAL	35		3			\$ 2,267			\$ 4,917	

OTHER MONTHLY INCOME

Parking	\$		\$	
Laundry Income	\$	43	\$	43
Commercial Space	\$		\$	
	\$		\$	
	\$		\$	
Total Gross Monthly Income	\$	2,310	\$	4,960
Total Gross Annual Income	\$	27,720	\$	59,520.00

Utilities included in scheduled (actual) rents: ☒ Water ☐ Gas ☐ Heat ☐ Electric ☐ Air Conditioning ☒ Trash
 Utilities included in economic rents: ☒ Water ☐ Gas ☐ Heat ☐ Electric ☐ Air Conditioning ☒ Trash
 If proposed projected under construction, the rent up time necessary, after completion, to lease 80% of the units at the projected economic rents is estimated to be _____ months.

Comments (including any rental concessions in scheduled rents, or anticipated in economic rents; if none, so state). The subject's rent assumes that the units are in rent ready condition. The actual laundry income is used for this analysis.

MARKET APPROACH

The market data selected are the most recent sales of properties, similar and proximate to subject, known to the appraiser, that a buyer of subject property would have given consideration to purchasing. In the absence of actual sales, listings of comparable properties may be used but an explanation must be included in the "Comments" section below.

ITEM	SUBJECT	COMPARABLE No. 1	COMPARABLE No. 2	COMPARABLE No. 3
Address	851 W 81st Street Los Angeles	735 W. 78th St. Los Angeles, CA 90044	710 W. 82nd St. Los Angeles, CA 90044	3834 Maple Ave. Los Angeles, CA 90011
Proximity to subject		0.2 Miles	0.3 Miles	3.5 Miles
Map code	704B2	704B1	704B2	674C2
Lot size	9278	7013	9278	4573
Brief description of building improvements	No. Units: 8 No. Vac.: 3 Year Built: 1983 Type: Walk-up Wood frame/stucco	No. Units: 8 No. Vac.: 0 Year Built: 1984 Type: Walk-up Wood frame/stucco	No. Units: 6 No. Vac.: 0 Year Built: 1952 Type: Walk-up Wood frame/stucco	No. Units: 7 No. Vac.: 0 Year Built: 1959 Type: Walk-up Wood frame/stucco
Quality	Average	Average	Average	Average
Condition	Fair	Excellent	Average	Average
Recreational facilities	None	None	None	None
Pool	None	None	None	None
Parking	3 Car garage/4 carport	8 Parking Spaces	8 Parking Spaces	4 Parking Spaces
Tenant appeal	Average	Average	Average	Average
GBA	7794	7582	5040	2827
Avg Sq. Ft/ Unit	974	948	840	565
Total Rooms	35	30	12	27
Unit breakdown	No. of Units: 4 UNIT ROOM COUNT: Tot. 5, BR 3, b 2	No. of Units: 6 UNIT ROOM COUNT: Tot. 4, BR 2, b 1	No. of Units: 6 UNIT ROOM COUNT: Tot. 4, BR 2, b 1	No. of Units: 6 UNIT ROOM COUNT: Tot. 4, BR 2, b 1
Unit paid by owner	Water and Trash	Water and Trash	Water and Trash	Water and Trash
Data source	Inspection	MLS# Chw-09375599	MLS# Chw-09382993	MLS# Chw-10422355
Price	\$ Not Applicable [X] Unf. [] F	\$ 890,000 [X] Unf. [] F	\$ 535,000 [X] Unf. [] F	\$ 330,000 [X] Unf. [] F
Sale-Listing-Offer		NDC Doc# 1417141	NDC Doc# 1355813	NDC Doc# 487689
Date of sale	Not Applicable	09/21/2009	09/11/2009	04/09/2010
Terms (including conditions of sale and financing terms)	Not Applicable	42% Down 58% 1st	25% Down 75% 1st	21% Down 75% 1st
Complete as many of the following as possible using data effective at time of sale				
Gross Annual Income	\$ 27,720 59,520	\$ 81,588	\$ 70,992	\$ 38,296
Gross Ann. Inc. Mult.(1)	0.00 0.00	8.46 0.00	7.54 0.00	8.62 0.00
Net Annual Income	\$ 32,064	\$ 50,288	\$ 43,592	\$ 24,647
Expense Percentage (2)	100.00 48.13%	38.36 %	38.60 %	35.64 0.00%
Overall Cap. Rate (3)	0.00 0.00%	7.29 0.00%	8.15 0.00%	7.47 0.00%
Price per unit	\$ 0.00	\$ 88,250.00	\$ 89,186.67	\$ 47,142.86
Price per room	\$ 0.00	\$ 23,000.00	\$ 22,291.67	\$ 12,222.22
Price gross bldg. area	\$ 0.00 /sq. ft. bldg. area	\$ 91.00 /sq. ft. bldg. area	\$ 106.15 /sq. ft. bldg. area	\$ 116.73 /sq. ft. bldg. area
COMMENTS	Rent Control	Rent Control	Rent Control	Rent Control
COMPARISON TO SUBJECT	Similar	Similar	Similar	Similar
VALUE INDICATORS FOR THE SUBJECT PROPERTY	Indicated Gross Income Multiplier 7.50 X Gross Annual Economic Income \$ 59,520 \$ 446,400 Indicated Value Per Unit \$ 57,000.00 X 8 Units \$ 456,000 Indicated Value Per Room \$ 13,000.00 X 35 Rooms \$ 455,000 Indicated Value Per Sq. Ft. of Gross Bldg. Area \$ 58.00 X 7,794 sq. ft. Bldg. Area \$ 452,052 Indicated Overall Capitalization Rate 7.50 %			
(1) Sale Price - Gross Annual Income (2) Total Annual Expenses + Total Gross Annual Income (3) Net Annual Income - Price				
RECONCILIATION: The subject is located in a fully developed area of Los Angeles where a majority of the apartments are typically 6 to 12 unit projects. In order to locate buildings that are similar to the subject in age and size, it is necessary to select data from areas of Los Angeles that have demographics and real estate values that are similar to the subject's location. ***See the adjustment grid for analysis of the comparison approach indicators and reconciliation.				
INDICATED VALUE BY MARKET APPROACH \$ 450,000				
Rounded to \$ 450,000				

GOLD COAST APPRAISALS, INC.
RECONCILIATION AND VALUE CONCLUSION

10196000

Indicated Value by the Cost Approach \$ N/A
 Indicated Value by the Market Approach \$ 450,000
 Indicated Value by the Income Approach \$ 428,000

FINAL RECONCILIATION The Comparison Approach and The Income Approach are good value indicators for an apartment building of the subject size. The Apartment Expense Guideline handbook is given good consideration in the development of the forecasted income, expenses and net operating income. Because the actual expenses provided by the client was not used because it had minimal information. The forecasted expenses are typical of the subject's unit mix, age and overall size. The capitalization rate is market abstracted with recent data to reflect investors actions for building having similar tenant appeal. All sales are located within the immediate and competitive neighborhoods in the Los Angeles. The cost approach is not applied for this analysis due to no land sales in the subject's market. Both the Income and Comparison Approach are given equal consideration in arriving at a current market value.

CONDITIONS AND REQUIREMENTS OF APPRAISAL (include required repairs, replacements, painting, termite inspections, etc.):
 appraised "as-is" with no conditions. This appraisal is a summary report per USPAP

The subject property is

VALUATION: This Appraisal is based upon the definition of Market Value, the Certification, the Contingent and Limiting Conditions, and the requirements that are stated in this report. As a result of my investigation and analysis, my estimate of Market Value of the subject property as of August 17, 2010 is

\$ 440,000

Date August 17, 2010

Appraiser

Hee K. Yi
 AG035644

CA

11/16/2010

If Applicable, complete the following

Date _____ Appraiser _____

Expires

Date _____ ☐ Supervising or ☐ Review Appraiser
☐ Did ☐ Did not physically inspect property.

CERTIFICATION: The Appraiser certifies and agrees that

1. The Appraiser has no present or contemplated future interest in the property appraised and neither the employment to make this Appraisal, nor the compensation for it, is contingent upon the appraised value of the property.
2. The Appraiser has no personal interest in or bias with respect to the subject matter of the appraisal report or the participants to the sale. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owner or occupants of the property appraised, or upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
3. The Appraiser has personally inspected the property, both inside and out and has made an exterior inspection of all comparable sales listed herein. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraiser has not knowingly withheld any significant information.
4. All contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analyses, opinions, and conclusions contained in this report).
5. This Appraisal Report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.
6. All conclusions and opinions concerning the real estate that are set forth in the Appraisal Report were prepared by the Appraiser whose signature appears above on this Appraisal Report, unless indicated as "Review Appraiser." No changes of any item of the Appraisal Report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.

CONTINGENT AND LIMITING CONDITIONS: The certification of the appraiser appearing in this Appraisal Report is subject to the following conditions and

1. The Appraiser assumes no responsibility for matters of legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as to the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property.
3. The Appraiser is not required to give testimony or appear in court because of having made this Appraisal with reference to the property in question, unless arrangements have been made beforehand.
4. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other Appraisal and are invalid if so used.
5. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
7. Disclosure of the contents of this Appraisal Report is governed by the By-laws and regulations of the professional appraiser organizations with which the Appraiser is affiliated.
8. Neither all nor any part of the contents of this report, or copy thereof (including conclusions as to property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected) shall be used for any purposes by anyone but the client shown on Page 1 of this report, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department agency, or instrumentality of the United States or of any State or of the District of Columbia, without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the Appraiser.
9. On all Appraisals involving proposed construction, the Appraisal Report and value conclusion are contingent upon completion of the proposed improvements in accordance with the plans and specifications prepared by _____

with a last revision date of _____ which have been initialed and dated by the Appraiser.

LAND VALUE ESTIMATE: (Include comparable land data if available and appropriate for this appraisal)

ITEM	COMPARABLE NO. 4	COMPARABLE NO. 5	COMPARABLE NO. 6
Address or Location			
Proximity to subject			
Zoning			
Dimensions or Size			
Shape			
Topography			
Utilities			
Location			
Price			
Sale-Listing-Offer			
Date of Sale			
Sale per sq. ft. or unit			
Comparison to subject			
Indicated per sq. ft. or per unit value of subject			

SUPPLEMENTAL RENTAL DATA ANALYSIS

Comparables selected are the most recent rentals, similar and proximate, known to the undersigned, that a tenant of subject property would have given consideration to renting.

ITEM	COMPARABLE No. 4				COMPARABLE No. 5				COMPARABLE No. 6			
Address	637 W. 79th St. Los Angeles, CA 90044				11730 Berendo Ave. Los Angeles, CA 90044				5950 S. Figueroa St. Los Angeles, CA 90003			
Proximity to subj.	0.4 Miles				2.6 Miles				1.5 Miles			
Map Code	704B1				704A7				674B6			
Date of rental survey	08/17/2010				08/17/2010				08/17/2010			
Brief description of property	No. Units 8 No. Vac. 1 Yr. Bk. 1964 Multi-Family				No. Units 3 No. Vac. 1 Yr. Bk. 1957 Multi-Family				No. Units 4 No. Vac. 1 Yr. Bk. 1908 Multi-Family			
Improvements												
Quality & condition	Quality Average Condition Average				Quality Average Condition Good				Quality Average Condition Good			
Individual unit breakdown	Unit Rm. Count	Size	Monthly Rent		Unit Rm. Count	Size	Monthly Rent		Unit Rm. Count	Size	Monthly Rent	
	Tot. BR b	Sq. Ft.	\$	per sq. ft.	Tot. BR b	Sq. Ft.	\$	per sq. ft.	Tot. BR b	Sq. Ft.	\$	per sq. ft.
	4-2-1	840	995	1.18	5-3-1	895	1,395	1.56	5-3-1	880	1,450	1.65
Utilities, furniture and amenities included in rent	Tenant pays gas, electricity owner pays water and trash				Tenant pays gas, electricity owner pays water and trash				Tenant pays gas, electricity owner pays water and trash			
Comparison to subject	Condition: Similar				Condition: Superior				Condition: Superior			
	Age: Similar				Age: Similar				Age: Inferior			
	Amenities: Similar				Amenities: Similar				Amenities: Similar			
	Location: Similar				Location: Similar				Location: Similar			

SUPPLEMENTAL SALES COMPARISON ANALYSIS

The market data selected are the most recent sales of properties, similar and proximate to subject, known to the appraiser, that a buyer of subject property would have given consideration to purchasing. In the absence of actual sales, listings of comparable properties may be used but an explanation must be included in the "Comments" section below.

ITEM	SUBJECT	COMPARABLE No. 4	COMPARABLE No. 5	COMPARABLE No. 6
Address	851 W 81st Street Los Angeles	622 W. 75th St. Los Angeles, CA 90044	727 W. 82nd St. Los Angeles, CA 90044	8200 S. Hoover St. Los Angeles, CA 90044
Proximity to subject		0.6 Miles	0.3 Miles	0.1 Miles
Map code	704B2	704B1	704B2	704B2
Lot size	9278	7013		
Brief description of building	No. Units: 8 No. Vac.: 3 Year Built: 1963 Type: Walk-up	No. Units: 7 No. Vac.: 0 Year Built: 1963 Type: Walk-up	No. Units: 10 No. Vac.: 0 Year Built: 1963 Type: Walk-up	No. Units: 8 No. Vac.: 0 Year Built: 1920 Type: Walk-up
Improvements	Wood frame/stucco	Wood frame/stucco	Wood frame/stucco	Wood frame/stucco
Quality	Average	Average	Average	Average
Condition	Fair	Average	Average	Good
Recreational facilities	None	None	None	None
Pool	None	None	None	None
Parking	3 Car garage/4 carport	4 Parking Spaces	10 Parking Spaces	8 Parking Spaces
Tenant appeal	Average	Average	Average	Good
GBA	7794	5468	7255	5159
Avg Sq. Ft/ Unit	974	781	726	646
Total Rooms	35	33	38	28
Unit breakdown	No. of Units	No. of Units	No. of Units	No. of Units
	Tot.	Tot.	Tot.	Tot.
	BR	BR	BR	BR
	b	b	b	b
Unit paid by owner	Water and Trash	Water and Trash	Water and Trash	Water and Trash
Data source	Inspection	MLS# P735929	MLS# Clw-10467917	MLS# P717052
Price	\$ Not Applicable [X] Unf. [] F	\$ 600,000 [X] Unf. [] F	\$ 845,000 [X] Unf. [] F	\$ 649,900 [X] Unf. [] F
Sale-Listing-Offer	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Date of sale	Not Applicable	Pending	Pending	Listing
Terms (including conditions of sale and financing terms)	Not Applicable	Not Applicable	Not Applicable	Not Applicable
Complete as many of the following as possible using data effective at time of sale				
Gross Annual Income	\$ 27,720 59,520	\$ 95,400	\$ 116,109	\$ 77,004
Gross Ann. Inc. Mult.(1)	0.00 0.00	6.29 0.00	7.29 0.00	8.44 0.00
Net Annual Income	\$ 32,064	\$	\$ 76,584	\$ 69,594
Expense Percentage (2)	100.00 46.13%	100.00 %	34.06 0.00%	9.62 %
Overall Cap. Rate (3)	0.00 0.00%	0.00 0.00%	9.06 0.00%	10.71 0.00%
Price per unit	\$ 0.00 0.00	\$ 85,714.29	\$ 84,500.00	\$ 81,237.50
Price per room	\$ 0.00 0.00	\$ 18,181.82	\$ 22,236.84	\$ 23,210.71
Price gross bldg. area	\$ 0.00 /sq. ft. bldg. area	\$ 109.73 /sq. ft. bldg. area	\$ 116.47 /sq. ft. bldg. area	\$ 125.97 /sq. ft. bldg. area
COMMENTS	Rent Control	Rent Control	Rent Control	Rent Control
COMPARISON TO SUBJECT	Age	Similar	Similar	Inferior
	Average Unit Size	Inferior	Inferior	Inferior
	UR/CMR	Similar	Similar	Similar
	Common Amenities	Similar	Similar	Similar
	Location	Similar	Similar	Similar

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the Appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISERS CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 851 W 81st Street, Los Angeles, CA, 90044

APPRAISER:

SUPERVISORY APPRAISER (only if required)

Signature: *Hee K. Yi*
 Name: Hee K. Yi
 Date Signed: August 17, 2010
 State Certification #: AG035844
 or State License #: AG002824
 State: CA
 Expiration Date of Certification or License: 11/16/2010

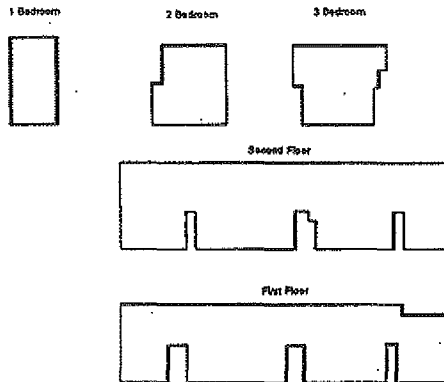
Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: AG035844
 State: CA
 Expiration Date of Certification or License: _____

☐ Did ☐ Did Not Inspect Property

Certified General Appraiser

FLOORPLAN

Borrower:	File No.: 10198000
Property Address: 851 W 81st Street	Case No.:
City: Los Angeles	State: CA Zip: 90044
Lender: Los Angeles Housing Department	



Sketch by Apex IV Windows™

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Total
GBA1	First Floor	3648.50	3648.50
GBA2	Second Floor	4145.00	4145.00
OTH	1 Bedroom Unit	632.00	
	2 Bedroom Unit	839.00	
	3 Bedroom Unit	996.00	2447.00
TOTAL BUILDING (rounded)			7794

BUILDING AREA BREAKDOWN			
Breakdown			Subtotals
First Floor			
14.5	x	39.0	565.50
12.0	x	56.5	678.00
15.0	x	20.0	300.00
15.0	x	32.5	487.50
4.0	x	38.5	154.00
16.5	x	72.0	1188.00
14.5	x	19.0	275.50
Second Floor			
19.0	x	78.0	1482.00
4.0	x	34.0	136.00
15.0	x	39.0	585.00
11.0	x	31.0	341.00
19.5	x	29.5	575.25
19.5	x	21.0	409.50
14.5	x	25.5	369.75
14.5	x	17.0	246.50
15 Areas Total (rounded)			7794

PLAT MAP

Borrower:

File No.: 10196000

Property Address: 851 W 81st Street

Case No.:

City: Los Angeles

State: CA

Zip: 90044

Lender: Los Angeles Housing Department

LOCATION MAP

Bottomer:

Property Address: 851 W 81st Street

City: Los Angeles

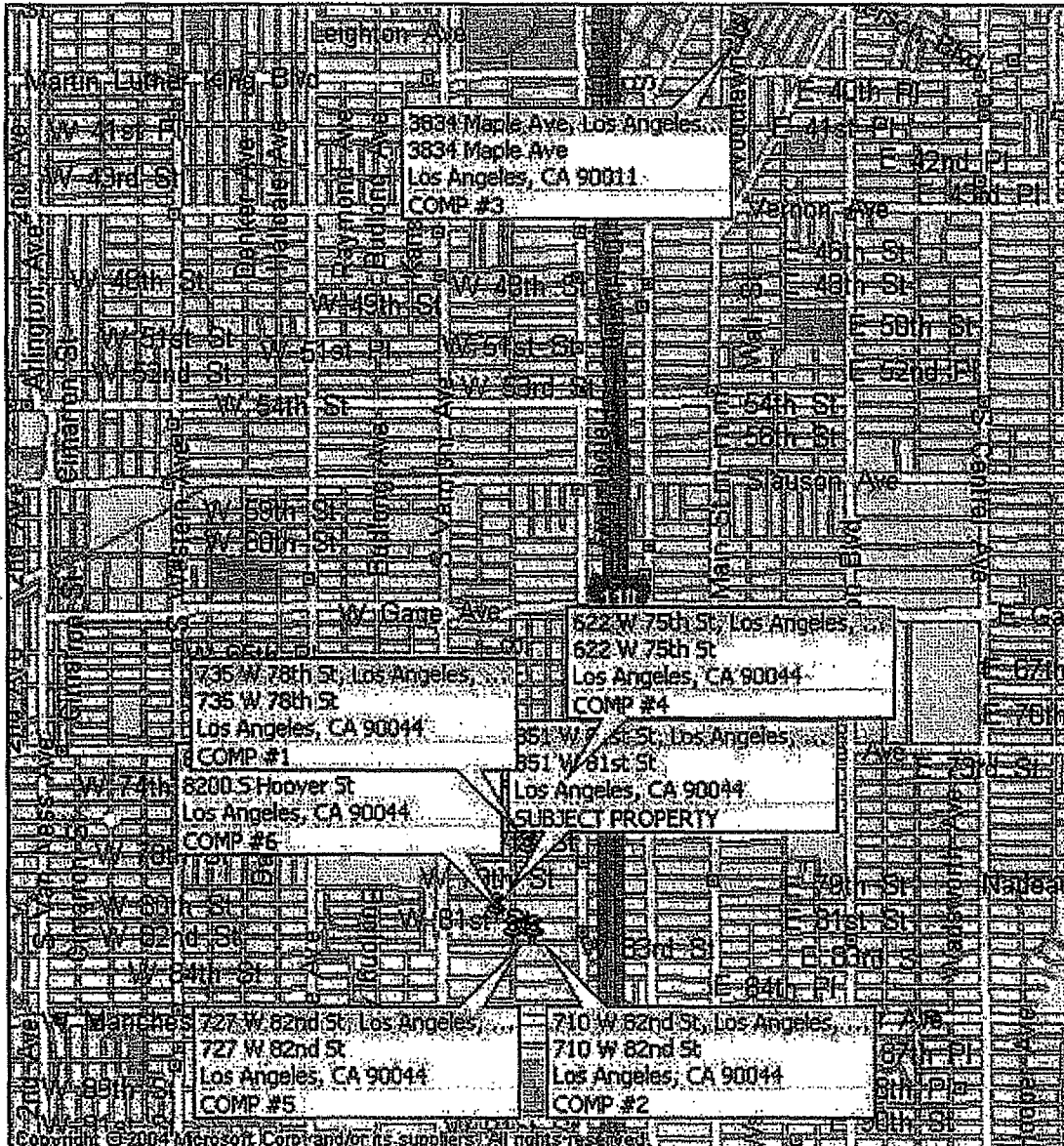
Lender: Los Angeles Housing Department

File No.: 10196000

Case No.:

State: CA

Zip: 90044

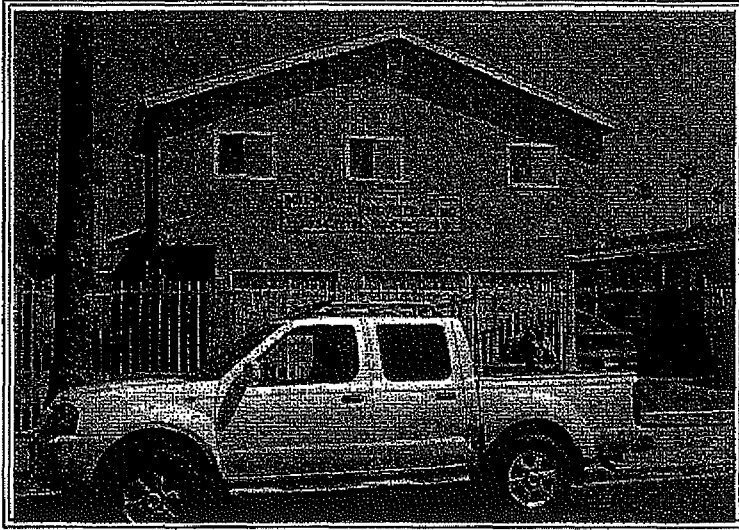


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File No.: 10198000
Case No.:
Zip: 90044

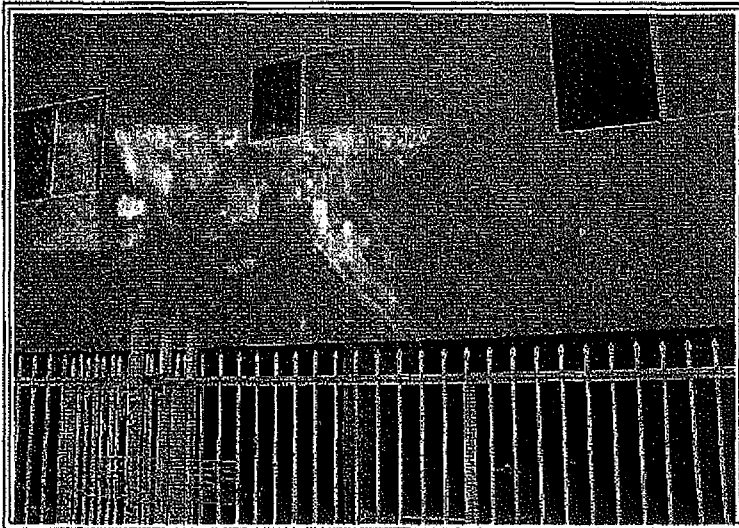
SUBJECT PROPERTY PHOTO ADDENDUM

Borrower:	File No.: 10186000
Property Address: 851 W 81st Street	Case No.:
City: Los Angeles	State: CA Zip: 90044
Lender: Los Angeles Housing Department	

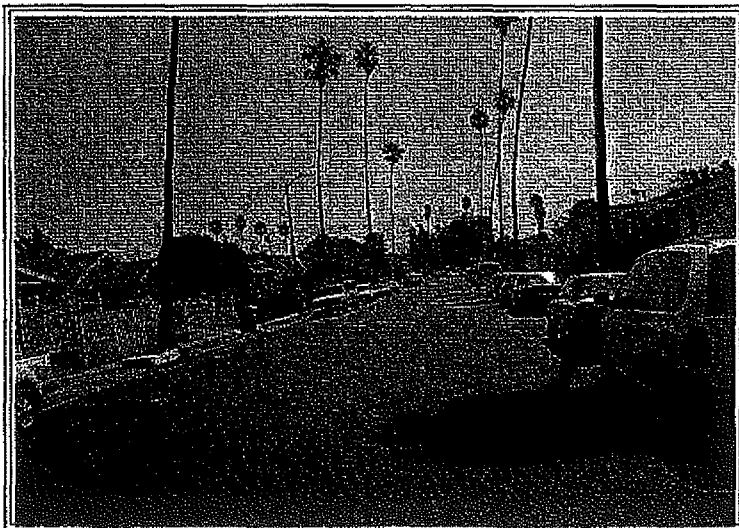


FRONT VIEW OF
SUBJECT PROPERTY

Appraised Date: August 17, 2010
Appraised Value: \$ 440,000



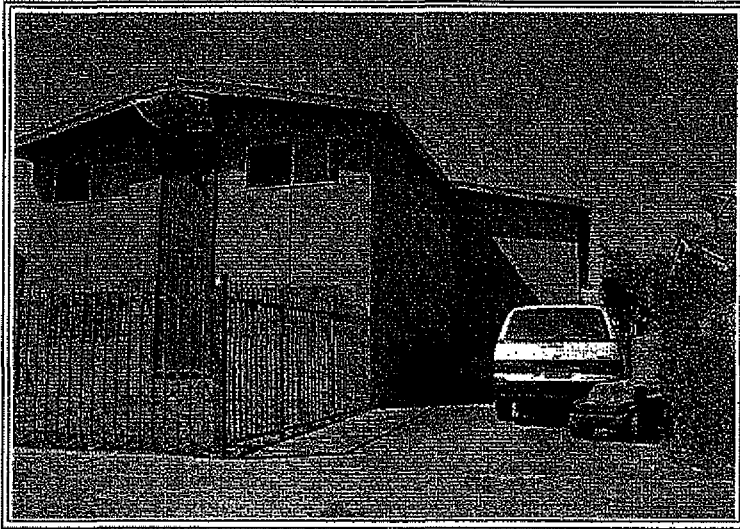
REAR VIEW OF
SUBJECT PROPERTY



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower:	File No.: 10196000
Property Address: 851 W 81st Street	Case No.:
City: Los Angeles	State: CA Zip: 90044
Lender: Los Angeles Housing Department	



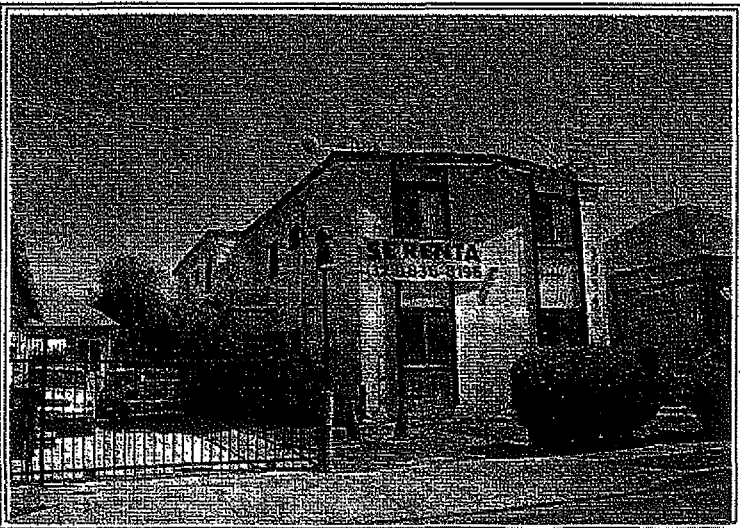
COMPARABLE SALE #1

735 W. 78th St.
Los Angeles, CA 90044
Sale Date: 09/21/2009
Sale Price: \$ 690,000



COMPARABLE SALE #2

710 W. 82nd St.
Los Angeles, CA 90044
Sale Date: 09/11/2009
Sale Price: \$ 535,000



COMPARABLE SALE #3

3834 Maple Ave.
Los Angeles, CA 90011
Sale Date: 04/09/2010
Sale Price: \$ 330,000

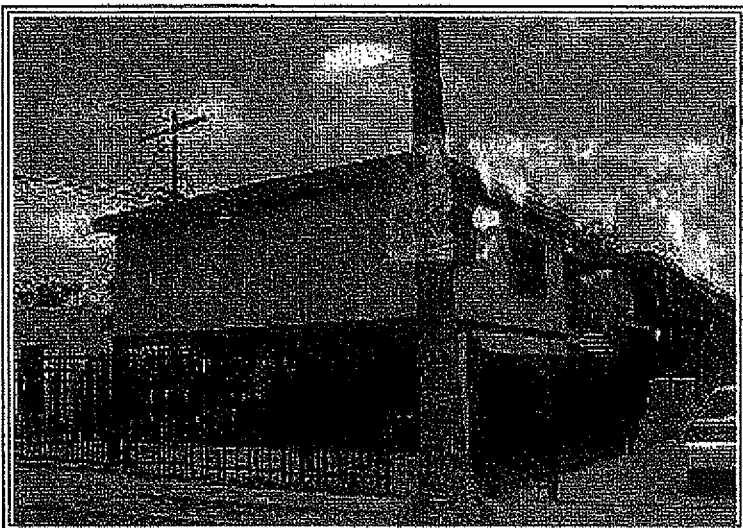
COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower:	File No. 10196000
Property Address: 851 W 81st Street	Case No.:
City: Los Angeles	State: CA Zip: 90044
Lender: Los Angeles Housing Department	



COMPARABLE SALE #4

822 W. 75th St.
Los Angeles, CA 90044
Sale Date: Pending
Sale Price: \$ 600,000



COMPARABLE SALE #5

727 W. 82nd St.
Los Angeles, CA 90044
Sale Date: Pending
Sale Price: \$ 845,000



COMPARABLE SALE #6

8200 S. Hoover St.
Los Angeles, CA 90044
Sale Date: Listing
Sale Price: \$ 649,900

COMPARABLE RENTALS PHOTO ADDENDUM

Borrower:	File No.: 10196000
Property Address: 851 W 81st Street	Case No.:
City: Los Angeles	State: CA Zip: 90044
Lender: Los Angeles Housing Department	



COMPARABLE RENTAL #1

1240 W. 105th St.
Los Angeles, CA 90044



COMPARABLE RENTAL #2

821 W. 93rd St.
Los Angeles, CA 90044



COMPARABLE RENTAL #3

11421 S. New Hampshire
Los Angeles, CA 90044

COMPARABLE RENTALS PHOTO ADDENDUM

Borrower:	File No. 0198000
Property Address: 851 W 81st Street	Case No.:
City: Los Angeles	State: CA Zip: 90044
Lender: Los Angeles Housing Department	



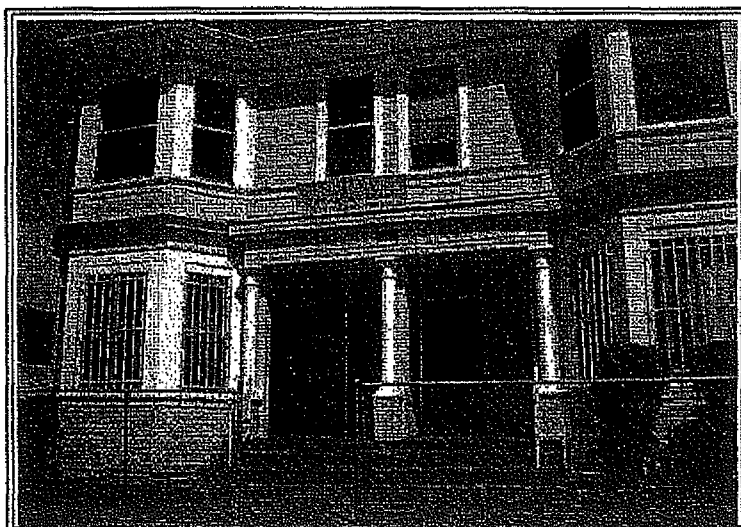
COMPARABLE RENTAL #4

637 W. 79th St.
Los Angeles, CA 90044



COMPARABLE RENTAL #5

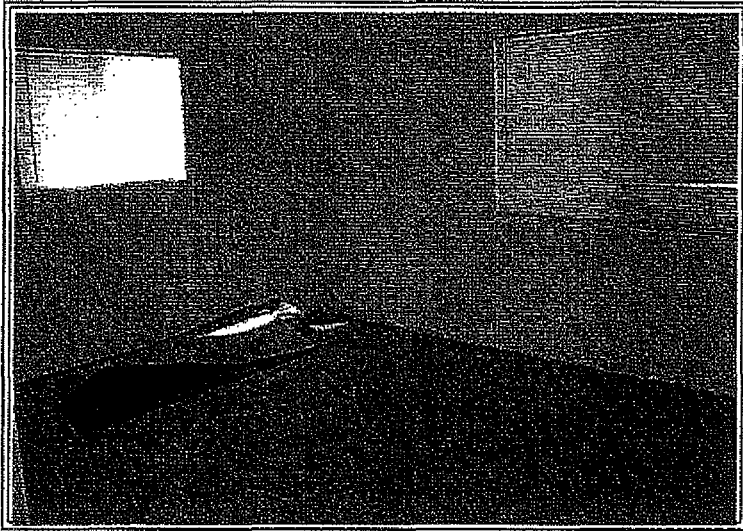
11730 Berendo Ave.
Los Angeles, CA 90044



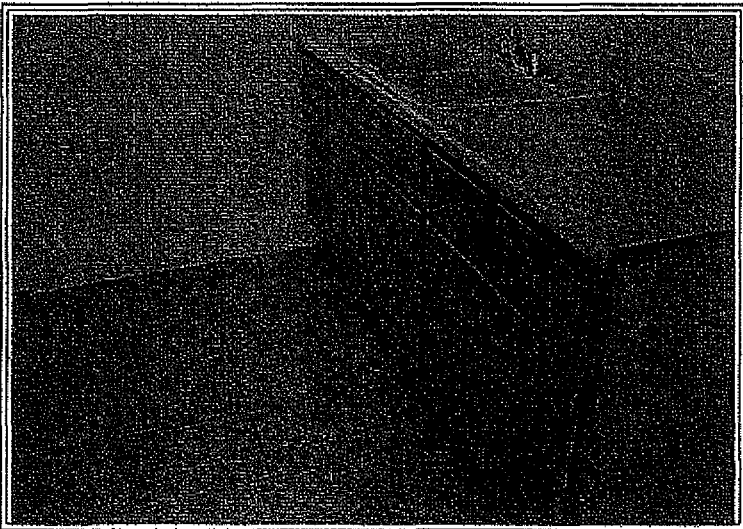
COMPARABLE RENTAL #6

5950 S. Figueroa St.
Los Angeles, CA 90003

Borrower:	File No.: 10196000
Property Address: 851 W 81st Street	Case No.:
City: Los Angeles	State: CA Zip: 90044
Lender: Los Angeles Housing Department	



Typical Living Room

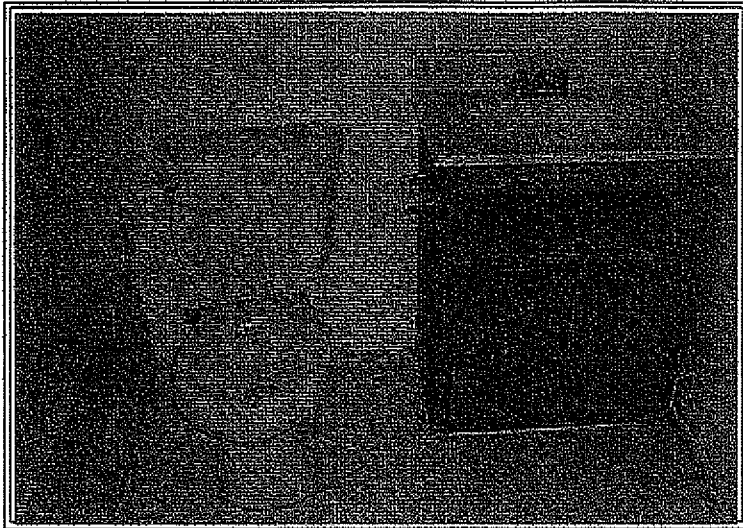


Typical Kitchen

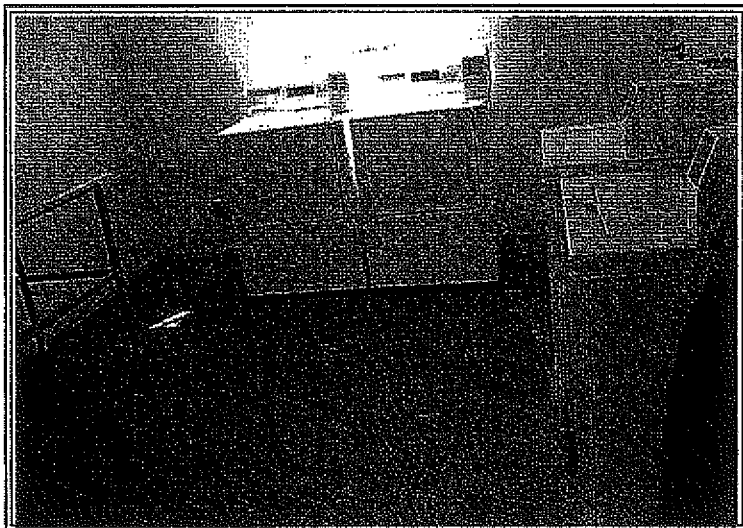


Typical Bedroom

Borrower:	File: 10196000
Property Address: 851 W 81st Street	Case No.:
City: Los Angeles	State: CA Zip: 90044
Lender: Los Angeles Housing Department	



Typical Bathroom



Laundry Area

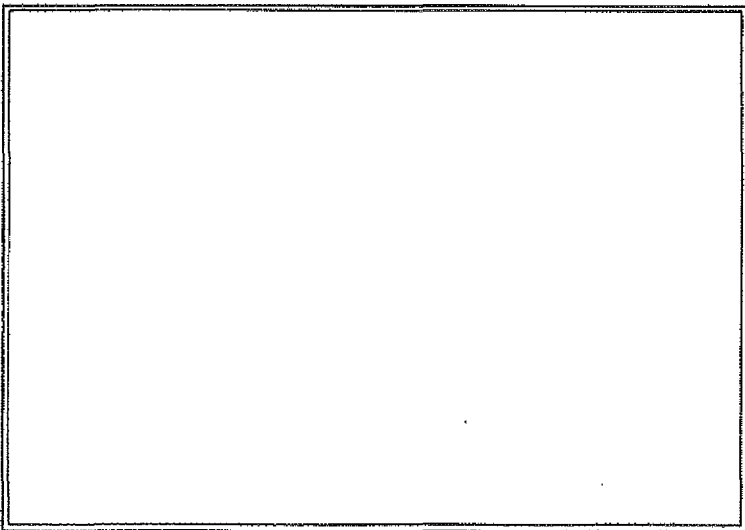
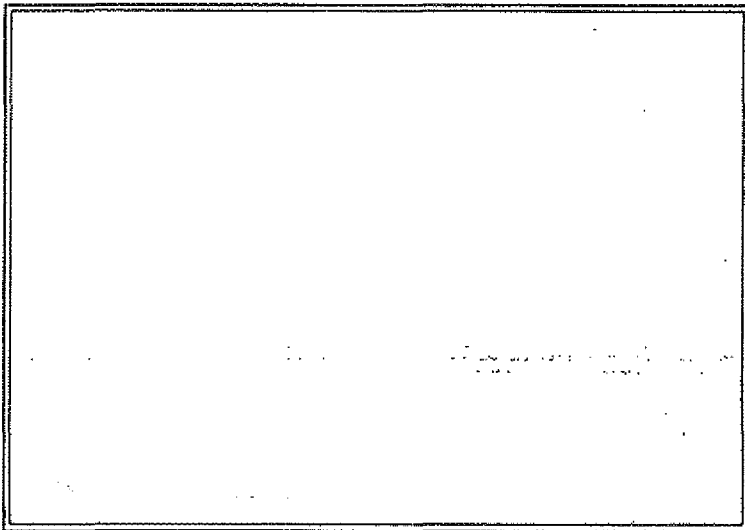


Meters

Borrower:	File No.: 10198000
Property Address: 851 W 81st Street	Case No.:
City: Los Angeles	State: CA Zip: 90044
Lender: Los Angeles Housing Department	



Meters



APPRAISAL OF



5 Unit Multi-Family Property

LOCATED AT:

2516 Eastlake Avenue
Los Angeles, CA 90031

FOR:

Los Angeles Housing Department
1200 W. 7th St. Cube 808J
Los Angeles, CA 90017

BORROWER:

AS OF:

August 17, 2010

BY:

Mark Gandara
Los Angeles Housing Department
1200 W. 7th St. Cube 808J
Los Angeles, CA 90017

Dear Mr. Gandara:

At your request, I completed my analysis of the property identified as:

2516 Eastlake Ave. and 3211 -3213 1/2 Altura Way
Los Angeles, CA 90031

Regardless of who pays for the attached appraisal, it has been prepared for our client: the Los Angeles Housing Department. The client intends to use this report for estimate the As-Is fair current market value of the property as of the August 17, 2010. For this assignment, the improvements were inspected on August 17, 2010, and the date of value is August 17, 2010.

The attached Summary Appraisal Report has been prepared in accordance with your standards as well as the reporting requirements and the Uniform Standards of Professional Appraisal Practice (USPAP). The final value reported in the attached report is the "AS IS" value as of date of value.

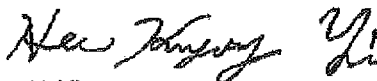
This appraisal may not be used or relied upon by anyone other than the above-mentioned client for any purpose whatsoever, without the express written consent of the appraiser. If the client provides anyone else with a copy of this report, such as a borrower etc., that person(s) may not be entitled to rely upon its contents when making any decisions about the property. As such the following limiting condition applies:

"Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, new, sales, or other media without the written consent and appeal of the author, particularly as to valuation conclusions, the identity of the appraiser or firm with which the appraiser is connected, or any reference to the Appraisal Institute or the MAI, SRA or SRPA designation. Furthermore, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of any one, but the client, the client shall make such party(s) aware of all the assumptions and limiting conditions of the assignment."

This appraisal assignment is a Summary Appraisal Report under Standards Rule 2-2(b), as defined in the Uniform Standards of Professional Appraisal Practice (USPAP) of a complete appraisal performed under Standard Rule 1 of the USPAP.

Should you have any questions regarding the analysis or conclusions of value found in the attached report please contact me.

Sincerely,



Hee K. Yi
Certified General Appraiser
AG 035644 Expires 11/16/2010

The Los Angeles Housing Department is the intended user of this report. For this assignment, the improvements were inspected on August 17, 2010, and the date of value is August 17, 2010.

INTENDED USERS

The client intends to use this report to estimate the As-Is fair market value of the property as of the August 17, 2010.

TYPE OF APPRAISAL REPORT

As specified in the most current version of the Uniform Standards of Professional Appraisal Practice (USPAP), this is a Summary Appraisal Report.

DATE OF INSPECTION AND DATE OF REPORT

This property was viewed on August 17, 2010 and the report was written on August 26, 2010.

COMPETENCY PROVISION

As of the date of this assignment, Hee K. Yi meets the continuing education requirements for a Certified General Appraiser for the State of California.

CONFIDENTIALITY

The appraiser must be aware of, and comply with, all confidentiality and privacy laws and regulations applicable in an assignment. Disclosure of confidential information is permissible to professional peer review committees, except when such disclosure to a committee would violate applicable law or regulation. Confidential Information means information that is either identified by the client as confidential when providing it to an appraiser and that is not available from any other source; or classified as confidential or private by applicable law or regulation.

SCOPE OF THE APPRAISAL ASSIGNMENT

Data sources include NDC data, MLS, and appraiser's files. Whenever possible, sales were verified with the buyer, seller, real estate agent, or lender. If data could not be verified through a party involved in the transaction and the data appeared to be consistent with other data, it was used in the analysis. In all cases of data verification, I assumed that the information obtained is correct and accurate.

The appraiser viewed only the interior and exterior of the property from the street on August 17, 2010. The appraiser noted both the positive and negative external features of the property. Visual exterior deferred maintenance was also considered as well as any exterior upgrades made to the structure. The appraiser did not do an interior inspection; therefore, the electrical components, the heating and cooling system, or the plumbing were not tested; the appraiser assumed that they were in working order. The appraiser assumed that there was no termite or dryrot damage to the interior components of the structure. The appraiser only took note of any obvious termite or dryrot damage. The appraiser did not inspect the roof, attic, or the crawl space. The appraiser assumed that these components did not suffer from any deferred maintenance. Only those characteristics of the property that are relevant to its valuation will be shown in the report.

The appraiser took exterior pictures of the subject's improvements. Pictures of upgrades and deferred maintenance items are included in the report. Scenes of the subject street are also included.

The appraiser relied on the County Assessor's information to ascertain the subject's lot size and living size areas as a guide in estimating the legally permitted square footage of the buildings residing on the lot. The appraiser also relied on the County Assessor's information in order to report the APN number and the legal description. If the client provides a title report, it is reviewed and taken into consideration with respect to easements, covenants, restrictions, and other encumbrances. The appraiser did not research the presence of such items independently. If a title report is not provided by the client, the appraiser will rely on the observation of any apparent easements or restrictions.

The appraiser viewed the neighborhood to ascertain its boundaries. The appraiser noted any positive or negative external features that may have an impact on value. The appraiser selected comparable sales data that is deemed appropriate for this assignment. Data was selected within 6 months from date of value. If there is insufficient data, the appraiser searched as far back as 18 months for sales. The appraiser may expand the search for data to other competing neighborhoods, but this is done only when there is insufficient data within the subject's neighborhood. The appraiser also considered listings as a possible comparable in order to reflect current market conditions. The appraiser viewed the data used in this analysis from street and took photographs of each comparable.

The appraisal problem did not warrant an intensive highest and best use study. Given the nature of the subject real estate, my conclusion of highest and best use was based on logic and observed evidence.

The Comparison Approach is the primary methodology used in estimating the value of the subject property. A GRM analysis provides a reality check against the Comparison Approach conclusion. The Cost Approach is not considered a valid indicator by realtors, sellers or buyers.

THE FOLLOWING MARKET VALUE DEFINITION SUPERSEDES THE DEFINITION FOUND IN THE PRINTED FORM.

This appraisal has been prepared in accordance with the definition of fair market value as found in App.19-1[03/07]1378CHG-8 Appendix 19.

The price that a seller is willing to accept and a buyer is willing to pay on the open market in an arm's length transaction, whereby

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider his or her own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto;
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

DEFINITION OF REAL ESTATE TERMS

FEE SIMPLE INTEREST OR ESTATE: Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

LEASED FEE ESTATE: An ownership interest held by a landlord with the rights of use and occupancy conveyed by a lease to others. The rights of the lessor (leased fee owner) and the leased fee are specified by the contract terms contained within the lease.

EXTRAORDINARY ASSUMPTIONS

The typical assumptions for this valuation are found in the printed form. In this particular analysis, the appraiser has not inspected the interior of the subject or the comparables.

ADDITIONAL ASSUMPTIONS

- 1)The appraiser reserves the right to amend this report if undisclosed facts are given to the appraiser after completion of this report.
- 2)The appraiser assumes no responsibility for changes in market conditions which might require a change in the appraised value.

APPRAISER'S HISTORICAL EXPERIENCE

The appraiser has not valued this property during the last 36 months.

AMERICAN WITH DISABILITIES ACT (ADA).

This property is not designed to accommodate handicapped users.

ENVIRONMENTAL HAZARDS EXAMPLE: LEAD BASED PAINT & ASBESTOS

Due to the age of the building, lead based paint and or asbestos may be present. An expert should be retained to ascertain their presence. Our inspection revealed that there is no cracked or peeling paint.

EXPOSURE AND MARKETING TIME

If a property is properly priced, in reasonably good condition and properly marketed by a local licensed real estate agent, a realistic time on the market and exposure to the market will be 30 to 60 days.

ECONOMIC CONDITIONS WARNING

The the present time, real estate values are in a state of flux caused in part by the sub-prime lending market coupled with a weak economy. Thus, the values shown in this report are only valid as of the date of the appraisal. The value shown in the report may change should their be a steeper decline in the economy.

City Los Angeles County Los Angeles State CA Zip Code 90031
Legal Description APN: 5208-008-901; Alturz w Tract Lot 2; Map book 12, Page 88, City of Angeles, County of Los Angeles

Current Sale Price (if applicable) \$ Not Applicable Date of Sale Not Applicable Loan Requested \$ Not Applicable

Terms of Sale Not Applicable

Property Rights Appraised: ☒ Fee ☐ Leasehold (attach completed Lease Analysis FHLMC/FNMA Form 461)

Lender Los Angeles Housing Department Lender's Address 1200 W. 7th St. Cube 808J, Los Angeles, CA 90017

Instructions to Appraiser: The purpose of this Appraisal is to estimate the current Market Value of the Subject Property. The Definition of Market Value is the highest price in terms of money which a property will bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in cash or its equivalent; (5) financing, if any, is on terms generally available in the community at the specified date and typical for the property type in its locale; (6) the price represents a normal consideration for the property sold unaffected by special financing amounts and/or terms, services, fees, costs, or credits incurred in the transaction. ("Real Estate Appraisal Terminology," published 1975).

Note: FHLMC-FNMA do not consider the racial composition of a neighborhood to be a relevant factor and it must not be considered in the appraisal.

Other Information: Provide to values with and without regulatory agreement

Appraisal requested from Gold Coast Appraisals Inc Date 5/1/2010 By: Los Angeles Housing Department

ATTACHMENTS

If this Appraisal is made for FHLMC, attach items 1, 2, 5, 6, and 7. Attach additional sheets and check box if considered appropriate for this Appraisal.

- | | |
|---|--|
| 1. <input checked="" type="checkbox"/> Descriptive photographs of subject property | 8. <input checked="" type="checkbox"/> Map(s) <u>Rents and Sales</u> |
| 2. <input checked="" type="checkbox"/> Descriptive photographs of street scene | 9. <input checked="" type="checkbox"/> Plot plan or survey |
| 3. <input checked="" type="checkbox"/> Photographs of <u>Rents and Sales</u> | 10. <input type="checkbox"/> Qualifications of Appraiser |
| 4. <input type="checkbox"/> Aerial Photograph | 11. <input type="checkbox"/> Lease Analysis FHLMC/FNMA Form 461 (required if leasehold interest appraised) |
| 5. <input checked="" type="checkbox"/> Sketch or floor plan of typical units | 12. <input type="checkbox"/> Summary of reciprocal agreements with other owners for use of parking, driveways, recreational facilities, private streets (required if applicable) |
| 6. <input type="checkbox"/> Owner's current certified rent roll if existing or, pro forma if proposed or incomplete | 13. <input type="checkbox"/> |
| 7. <input type="checkbox"/> Owner's income and expense statement _____ or pro forma income and expense statement | 14. <input type="checkbox"/> |
| | 15. <input type="checkbox"/> |

SUMMARY OF SALIENT FEATURES

TOTAL NUMBER OF APARTMENT UNITS 5
CONSTRUCTION: ☒ Existing Property, Approx. Year Built _____ ☐ Proposed Construction ☐ Under Construction
DATE OF APPRAISED VALUE August 17, 2010
ESTIMATED MARKET VALUE (Unfurnished) (SEE PAGE 8 FOR CONDITIONS AND REQUIREMENTS) \$ 380,000
Value: Per Unit \$ 76,000 , Per Room \$ 23,750 , Per Sq. Ft. of Building Area \$ 97.01
GROSS ANNUAL INCOME MULTIPLIER 9.04
OVERALL CAPITALIZATION RATE 6.09%
FORECASTED GROSS ANNUAL ECONOMIC INCOME \$ 42,048.00
VACANCIES: Actual No. Vacant 2 Percentage of Total Units 0 %
Projected Percentage of Forecasted Gross Annual Economic Income 5.00 % \$ 2,102
FORECASTED ANNUAL EXPENSE AND REPLACEMENT RESERVES (39.95 % of Forecasted Gross Annual Economic Income) \$ 16,800.00
FORECASTED NET ANNUAL INCOME FROM REAL PROPERTY \$ 23,146
PARKING RATIO 0.40 spaces/unit

SUMMARY OF NEIGHBORHOOD AND PROPERTY

Neighborhood	Good	Aver.	Fair	Poor	Property	Good	Aver.	Fair	Poor
Employment Stability of Immediate Location		X			Architectural Attractiveness		X		
Convenience to Employment Centers		X			Landscaping		X		
Protection from Detrimental Conditions		X			Quality of Construction (Materials & Finish)		X		
Adequacy of Shopping Facilities		X			Condition of Exterior		X		
Adequacy of Public Transportation		X			Condition of Interior			X	
Adequacy of Utilities		X			Room Size and Layout		X		
Police and Fire Protection		X			Closets and Storage		X		
Recreational Facilities		X			Light and Ventilation		X		
Property Compatibility		X			Overall Livability		X		
General Appearance of Properties		X			Compatibility to Neighborhood		X		
Appeal to Market		X			Overall Appeal and Marketability		X		

The subject is located in a fully developed mature neighborhood that is bounded on the north by 110 Pasadena Fwy.; on the east by F Fremont Ave., on the south by Mission Rd. and on the west by 5 Golden State Fwy. Highland Park, China Town, Little Tokyo, Boyle Heights, South Pasadena, San Marino, and Alhambra are several designated neighborhoods that reside in the subject's market area. The secondary streets in this area are improved with single and small multi-family dwellings that are in size, age and architecture. Maintenance levels are range from average to good. Many of the older residential improvements have been remodeled or have upgrades. The major thoroughfares are improved with small commercial developments that also vary in age, size and design. Public bus service is available along the maior thoroughfares. Residents in this area can easily access employment centers throughout the Los Angeles basin via the F

2010. The unemployment rate of Los Angeles County is 12.4% and for the State is 12.3%. This is slightly higher than the overall rate of 9.7% for the U.S.

Rent Control: ☒ Yes ☐ No.

It is applicable to units constructed prior to 1978

Are local Government Agencies discouraging apartment development?

☐ Yes ☒ No.

Comment The City is encouraging mixed use (

commercial/residential) developments on many of the under utilized commercial zoned sites.

General comments, if applicable Due to the weak economy construction financing has placed a damper on new residential and commercial development. The City of Los Angeles has obtained stimulus money from the Federal Government for the stabilization and preservation of neighborhoods impacted by high residential foreclosure activity.

NEIGHBORHOOD AND MARKETING AREA

Type: ☐ Urban ☒ Suburban ☐ Rural. Property Values: ☐ Increasing ☒ Stable ☐ Declining.

Present Land Use: Built up 100 %. Single Family 85 % Condominiums 5 % Apartments 5 % Commercial 5 % Industrial %

Change in Present Land Use: ☒ Not Likely ☐ Likely or ☐ Taking Place From to

Comment, if applicable Single and multi-family dwellings are located on the secondary streets while commercial developments reside on the major thoroughfares.

Describe overall property appeal and maintenance level Overall the maintenance level is average to good and the overall appeal is average. Due to the water shortage, Los Angeles has a very restrictive yard watering program which has caused the exterior appeal of many developments to be less than typical in overall appeal.

Describe any incompatible land uses (if none, so state) Because this neighborhood is reaching full maturity, there is an occasional new development in both the commercial and residential zoned areas.

Single Family: Price range \$ 35,000 to \$ 410,000 Predominant \$ 205,000 . Age 54 yrs. to 125 yrs. Predominant 91 yrs.

Apartments: Predominant range in immediate area (excluding extremes)

Walk-up

Elevator

	Walk-up	Elevator
Number of units in each building	2-15	20-40
Age	40-70	20-40
Height (number of stories)	2	3-4
Condition	Average	Good

Rental range by unit type:

Unit Types:	3-1-1	4-2-1	5-3-2	6-4-2
	\$ 650-950	\$ 900-1500	\$ 1500-1800	\$ 1800-2500

Comment on any unusual aspects of the above ranges The typical multi-family improvement houses 1 and 2 bedroom units. The 3 and 4 bedroom units are primarily found among the detached single family or condominium rentals.

Est. neighborhood apartment vacancy rate 5 %. ☐ Decreasing ☐ Stable ☐ Increasing. Rent levels are ☐ Increasing ☒ Stable ☐ Decreasing

Describe the unit type(s) by number of bedrooms and rental range that are in the greatest tenant demand The greatest demand is for the units in the lower rental range which is generally found among older projects. Renters seeking 3 and 4 bedroom units prefer to rent single family dwellings.

Describe the unit type(s) by number of bedrooms and rental range that are in oversupply All unit types are in demand at this time.

Describe potential for additional units in area considering land availability, zoning, utilities, etc. The neighborhood is fully developed and the only availability of land comes from redevelopment of the properties that have exceeded their economic and physical life. Both the City as well as the County of Los Angeles are providing various different programs for redevelopment and readapted uses for residential, multi-family and commercial properties.

Describe the unsatisfied demand for additional units in area by type and rental The demand for 3 and 4 bedroom dwellings is primarily met by detached single family rentals.

Is population of relevant market area of insufficient size, diversity and financial ability to support subject property and its amenities? No If yes, specify. The population in this market area is sufficient in size, diversity and financial ability to support the rental rates commanded by these properties.

Item	Distance from Subject Property
Public Transportation	1/2 to 3/4 mile
Employment Centers	5-10 miles
Shopping Facilities	1-5 miles
Grammar Schools	1-2 miles
Freeway Access	5-10 miles

Access or Convenience			
Good	Aver.	Fair	Poor
	X		
	X		
	X		
	X		
	X		

Describe any probable changes in the economic base of neighborhood which would either favorably or adversely affect apartment rentals (e.g. employment centers, zoning) Regardless to the unemployment rate, there is no anticipated softening in the demand for housing. Traditionally, this area has had a strong demand even in economic recessions. This is due to the growing population and influx of international population.

Site Improvements: ☐ Public Water ☐ Fire Well ☒ Public Sewer ☐ Septic Tank ☒ Storm Sewer ☒ Sidewalk
☒ Curbs ☒ Gutters ☐ Alley ☒ Street Lights ☒ Electricity ☒ Gas
☐ Underground Electricity and Telephone ☐
Access By: ☒ Public Street ☐ Private Road Street Surface: Concrete
Maintained By: ☒ Municipality ☐ Private Association (attach summary of Association documents)
Ingress and egress (adequacy and safety) Adequate pedestrian and vehicular access from Eastlake Avenue.

Lot sketch showing lot dimensions, distance to nearest corner, and the location of and nearby detrimental conditions.

Topography, view amenity, lot drainage, flood condition, slopes, etc. This level lot has adequate lot drainage. There is no view amenity. It is not in a flood zone.
Flood Zone: X, Map no. 060137/06037C/1629F, Map date: 09/26/2008
Easements or encroachments on site and off site (if any) The site has utility easements which do not impair the development of the site.

Is the property located within a HUD Identified Special Flood Hazard Area? No
Favorable or unfavorable conditions not mentioned above including any nonconforming use(s) of present improvements. A Preliminary Title Report is not available for the appraiser to review for adversities; however, no adverse easements or encroachments noted at the time of inspection. All utilities are available to the site and the site has good utility.

DESCRIPTION OF IMPROVEMENTS

ITEM	DESCRIPTION
Foundation	Concrete
Basic Structural System	Wood Frame
Exterior Walls	Stucco
Roof Covering	Composition with tile trim
Interior Walls	Drywall
Floor Covering	Carpeting and Vinyl
Ceiling Heights of Units	Finished Floor to Finished Ceiling is 7'4" + Ft.
Bath Floor and Walls	Vinyl and drywall
Insulation	To Code as of time of Construction
Soundproofing	To Code as of time of Construction
Heating system, Central or Individual & Fuel	FWA in each unit
Air Conditioning System, Central or Individual & Fuel	None
Hot Water Heater(s)	1 Main water heater
Built-in Kitchen Appliances	None
Elevator (No.)	
Plumbing Fixtures	Adequate
Security Features	None

Construction: ☒ Existing ☐ Proposed ☐ Under Construction
Type Project: ☒ Walk-up ☐ Elevator ☐ Row or Townhouse
☐ Other (Specify) _____
No. of Bldgs. 2 No. of Stories 2 No. of Units 5
Gross Bldg. Area 3,917 Sq. Ft. Density 14.52 Units per Acre

OVERALL IMPROVEMENT RATING

	Good	Aver.	Fair	Poor
Architectural Attractiveness		X		
Quality of Construction		X		
Condition of Exterior		X		
Condition of Interior			X	
Rooms Size and Unit Layout		X		
Kitchen Facilities		X		
Closets and Storage		X		
Soundproofing Adequacy		X		
Insulation Adequacy		X		
Electrical Service Adequacy		X		

Comment on items rated fair or poor and items not covered above The subject is overall in fair condition. Most units will require flooring replacement and painting.

Effective Age 40 Years. Est. Remaining Economic Life 30 Yrs.

PARKING: Total Spaces 2 In Buildings 2 In Garage (separate) _____ In Carport _____ Open (on-site) _____
Parking Ratio 0.40 Space(s)/Unit. Discuss parking adequacy and convenience to apartment units The front house has two car garage however, the other units have no parking spaces. Street parking is available.

Driveways, curbing, sidewalks, lighting (adequacy and condition) Overall the driveways, curbing, sidewalks and lighting is adequate and does not suffer from any major deferred maintenance.

Describe recreational facilities None/Typical

Describe basement, lobby, garage, laundry, and other building items not described above There is no laundry facility on subject's site

Comment if any of the above items or other building items are inadequate or are in below average condition The subject is overall in fair condition.

Recommended observable repairs: (List repairs, painting, termite treatment, etc. you recommend be made to the improvements to make the property readily marketable; if none, so state). Most units will require flooring replacement and painting.

Map Code	635A1				595F5				595E6			
Date of rental survey	08/17/2010				08/17/2010				08/17/2010			
Brief description of property improvements	No. Units 20 No. Vac. N/A Yr.Blt. 1927 Multi-Family				No. Units 12 No. Vac. N/A Yr.Blt. 1959 Multi-Family				No. Units 19 No. Vac. N/A Yr.Blt. 1953 Multi-Family			
Quality & condition	Quality Average Condition Average				Quality Average Condition Average				Quality Average Condition Average			
Individual unit breakdown	Unit Rm.Count	Size	Monthly Rent		Unit Rm.Count	Size	Monthly Rent		Unit Rm.Count	Size	Monthly Rent	
	Tot. BR b	Sq.Ft.	\$	per sq. ft.	Tot. BR b	Sq.Ft.	\$	per sq. ft.	Tot. BR b	Sq.Ft.	\$	per sq. ft.
	3-1-1	560	650	1.16	3-1-1	515	725	1.41	3-1-1	590	750	1.27
Utilities, furniture and amenities included in rent	Tenant pays gas, electricity owner pays water and trash				Tenant pays gas, electricity owner pays water and trash				Tenant pays gas, electricity owner pays water and trash			
Comparison to subject	Condition: Superior				Condition: Superior				Condition: Superior			
	Age: Superior				Age: Superior				Age: Superior			
	Amenities: Similar				Amenities: Superior				Amenities: Superior			
	Location: Similar				Location: Similar				Location: Similar			

General comments (including any rental concessions) if applicable: The rents shown above are from recently rented or from vacant apartments available for lease. The two bedroom unit size is larger than the comparables. Therefore \$1,450 is appropriate for the 2 bedroom unit. The rental rate of \$725 is appropriate for the one bedroom unit.

MONTHLY RENT SCHEDULE - SUBJECT PROPERTY

Rental schedule is shown by type of units. Scheduled rents are actual rentals for an existing property, or projected rents for a proposed or incomplete building.

Economic rents are forecasted rents to indicate the fair market rental the subject units would command if available for rent on the open market.

No. of Units	Unit Rm Count Tot. BR b	Total Rooms	Sq. Ft. Area Per Unit	No. Units Vacant	SCHEDULED RENTS			ECONOMIC RENTS				
					Per Unit		Total Rents	Per Unit		Total Rents	Per Sq. Ft. or Room	
					Unfurn.	Furn.		Unfurn.	Furn.			
1	4-2-1	4	1,667	1	\$ 0.00	\$	\$ 0	\$	\$ 1,450	\$ 1,450	0.87	\$ 362.50
1	3-1-1	3	563	0	400.00		400		400	400	0.71	133.33
1	3-1-1	3	563	0	372.32		372		372	372	0.66	124.00
1	3-1-1	3	563	0	557		557		557	557	0.99	185.67
1	3-1-1	3	563	1	0		0		725	725	1.29	241.67
5	← TOTAL →	16		2			\$ 1,329			\$ 3,504		

OTHER MONTHLY INCOME

Parking	\$		\$	
Laundry Income	\$		\$	
Commercial Space	\$		\$	
	\$		\$	
	\$		\$	
Total Gross Monthly Income	\$	1,329	\$	3,504
Total Gross Annual Income	\$	15,948	\$	42,048.00

Utilities included in scheduled (actual) rents: ☒ Water ☐ Gas ☐ Heat ☐ Electric ☐ Air Conditioning ☒ Trash
 Utilities included in economic rents: ☒ Water ☐ Gas ☐ Heat ☐ Electric ☐ Air Conditioning ☒ Trash

If proposed projected under construction, the rent up time necessary, after completion, to lease 80% of the units at the projected economic rents is estimated to be _____ months.

Comments (including any rental concessions in scheduled rents, or anticipated in economic rents; if none, so state). There is no laundry facility on subject's site, thus no laundry income was reported. This property is subject to the rent control ordinance of the City of Los Angeles. Therefore

	Los Angeles	Los Angeles, CA 90031	Los Angeles, CA 90031	Los Angeles, CA 90031																	
Proximity to subject		0.3 Miles	0.5 Miles	0.6 Miles																	
Map code	595B7	595A7	595A6	635B1																	
Lot size	7497	9016	8220	8189																	
Brief description of building improvements	No. Units: <u>5</u> No. Vac.: <u>2</u> Year Built: <u>1916</u> Type: <u>Walk-up</u> Wood frame/stucco	No. Units: <u>6</u> No. Vac.: <u>0</u> Year Built: <u>1959</u> Type: <u>Walk-up</u> Wood frame/stucco	No. Units: <u>5</u> No. Vac.: <u>0</u> Year Built: <u>1959</u> Type: <u>Walk-up</u> Wood frame/stucco	No. Units: <u>6</u> No. Vac.: <u>0</u> Year Built: <u>1950</u> Type: <u>Walk-up</u> Wood frame/stucco																	
Quality	Average	Average	Average	Average																	
Condition	Fair	Good	Good	Average																	
Recreational facilities	None	None	None	None																	
Pool																					
Parking	2 Space(s)	12 Parking spaces	8 Parking Spaces	3 Parking Spaces																	
Tenant appeal	Average	Average	Average	Average																	
GBA	3917	3795	3672	4014																	
Avg Sq. Ft/ Unit	783	633	612	669																	
Total Rooms	16	20	19	20																	
Unit breakdown	No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT							
		Tot.	BR	b		Tot.	BR	b		Tot.	BR	b		Tot.	BR	b					
	1	4	2	2	2	4	2	1	1	4	2	1	2	4	2	1					
	4	3	1	1	4	3	1	1	5	3	1	1	4	3	1	1					
Util. paid by owner	Water and Trash			Water and Trash			Water and Trash			Water and Trash											
Data source	Inspection			MLS# Mrm-W08062340			MLS# Clw-09414547			MLS# Mrm-A09112795											
Price	\$ Not Applicable <input checked="" type="checkbox"/> Unf. <input type="checkbox"/> F			\$ 500,000 <input checked="" type="checkbox"/> Unf. <input type="checkbox"/> F			\$ 586,000 <input checked="" type="checkbox"/> Unf. <input type="checkbox"/> F			\$ 610,000 <input checked="" type="checkbox"/> Unf. <input type="checkbox"/> F											
Sale-Listing-Offer				NDC Doc# 1683604			NDC Doc# 316899			NDC Doc# 081136											
Date of sale	Not Applicable			11/06/2009			02/20/2010			01/20/2010											
Terms (Including conditions of sale and financing terms)	Not Applicable			Conventional			Conventional			50% Down 50% 1st											
Complete as many of the following as possible using data effective at time of sale																					
Gross Annual Income	\$	15,948	42,048	\$	37,152		\$	64,342		\$	45,960										
Gross Ann. Inc. Mult.(1)		0.00	0.00		13.46	0.00		9.11	0.00		13.27	0.00									
Net Annual Income	\$		23,146	\$	29,392		\$	42,211		\$	34,276										
Expense Percentage (2)		100.00	44.95%		20.89	%		34.40	%		25.42	%									
Overall Cap. Rate (3)		0.00	0.00%		5.88	0.00%		7.20	0.00%		5.62	0.00%									
Price per unit	\$		0.00	\$		83,333.33	\$		97,666.67	\$		101,666.67									
Price per room	\$		0.00	\$		25,000.00	\$		30,842.11	\$		30,500.00									
Price gross bldg. area	\$		0.00 /sq. ft. bldg. area	\$		131.75 /sq. ft. bldg. area	\$		159.59 /sq. ft. bldg. area	\$		151.97 /sq. ft. bldg. area									
COMMENTS	Rent Control			Rent Control			Rent Control			Rent Control											
COMPARISON TO SUBJECT	Age:			Superior			Superior			Superior											
	Average Unit Size			Inferior			Inferior			Inferior											
	Unit Mix			Similar			Similar			Similar											
	Common Amenities			Similar			Similar			Similar											
	Location			Similar			Similar			Similar											
VALUE INDICATORS FOR THE SUBJECT PROPERTY	Indicated Gross Income Multiplier <u>9.50</u> X Gross Annual Economic Income \$ <u>42,048</u> \$ <u>399,456</u>																				
	Indicated Value Per Unit \$ <u>80,000.00</u> X <u>5</u> Units \$ <u>400,000</u>																				
	Indicated Value Per Room \$ <u>25,000.00</u> X <u>16</u> Rooms \$ <u>400,000</u>																				
	Indicated Value Per Sq. Ft. of Gross Bldg. Area \$ <u>105.00</u> X <u>3,917</u> sq. ft. Bldg. Area \$ <u>411,285</u>																				
	Indicated Overall Capitalization Rate <u>6.50</u> %																				

(1) Sale Price÷Gross Annual Income

(2) Total Annual Expenses÷Total Gross Annual Income

(3) Net Annual Income÷Price

RECONCILIATION: The subject is located in a fully developed area of Los Angeles where a majority of the apartments are typically 6 to 12 unit projects. In order to locate buildings that are similar to the subject in age and size, it is necessary to select data from areas of Los

2. Other taxes or assessments		
3. Insurance	1,700	\$0.45/sq.ft. for fire insurance only
4. Licenses	250	rent control fee, health and safety inspection fee
5. Unsubordinated ground rent		

OPERATIONAL EXPENSES:

6. Fuel	\$	\$	
7. Gas			No Laundry facility
8. Electricity		200	minimal exterior lighting
9. Water & Sewer		2,000	
10. Trash removal		600	
11. Pest control		280	
12. Building maintenance & repairs		2,000	Assumes prior continuous maintenance program
13. Interior & exterior decorating		250	1 turn over per year
14. Cleaning expenses		130	1 turn over per year
15. Supplies		150	
16. Elevator maintenance			
17. Pool maintenance			
18. Parking area maint. & snow removal			
19. Gardening		600	very small yard
20. Nonresident management		2,400	6% of EGI
21. Resident manager's salary (No.)			
22. Resident manager's apt. allowance			
23. Custodian's salary (No.)			
24. Custodian's apt. allowance			
25. Engineer's salary (No.)			
26. Elevator operator's salary (No.)			
27. Telephone operator's salary (No.)			
28. Security personnel's salary (No.)			
29. Other salaries (No.)			
30. Payroll taxes			
31. Advertising		100	
32. Telephone			
33. Legal & audit		250	
34. Leased furniture			
35. Miscellaneous		200	
36.			

REPLACEMENT RESERVES:

37. Carpeting & drapes	\$	\$ 500	
38. Ranges & refrigerators			No kitchen appliance
39. Dishwashers & disposals			
40. Individual heating & AC units		500	
41. Hot water heaters		300	
42. Roof		90	

TOTAL EXPENSES & REPLACEMENT RESERVES \$ 0 \$ 16,800.00 \$3,330 per unit \$4.25 per Sq. Ft.

Comments (Identify items by number): The client provided the actual income and expense report but it had minimal information. Therefore, all expenses are forecasted based on information published by the "Apartment Expense Guidelines"

Total Gross Annual Economic Income (See Rent Schedule)		\$ 42,048
Less Forecasted Vacancy and Collection Loss (5.00 %)		\$(2,102)
Effective Gross Annual Income		\$ 39,946
Less Forecasted Annual Expenses and Replacement Reserves (39.95 % of Total Gross Annual Economic Income)		\$(16,800.00)
Net Annual Income from Total Property		\$ 23,146
Less Return on and Recapture of Depreciated Value of Furnishings (\$ @ %)		\$()
Net Annual Income from Real Property		\$ 23,146

Detail clearly method and mathematics of capitalizing Net Annual Income from Real Property A market derived capitalization rate of 6.5% is applied to the forecasted net operating income which is based on market rent and typical operating expenses.

NOI/Cap Rate = Value Estimate

\$23,146 (NOI) /6.5% (Cap Rate) = \$356,092

FINAL RECONCILIATION The Comparison Approach and The Income Approach are good value indicators for an apartment building of the subject size. The Apartment Expense Guideline handbook is given good consideration in the development of the forecasted income, expenses and net operating income. The client provided the actual income and expense report but it had minimal information. Therefore, all expenses are forecasted based on information published by the "Apartment Expense Guidelines". The forecasted expenses are typical of the subject's unit mix, age and overall size. The capitalization rate is market abstracted with recent data to reflect investors actions for building having similar tenant appeal. All sales are located within the immediate and competitive neighborhoods in the Los Angeles. The cost approach is not applied for this analysis due to no land sales in the subject's market. Both the Income and Comparison Approach are given equal consideration in arriving at a current market value.

CONDITIONS AND REQUIREMENTS OF APPRAISAL (include required repairs, replacements, painting, termite inspections, etc.):
 appraised "as-is" with no conditions. This appraisal is a summary report per USPAP.

The subject property is

VALUATION: This Appraisal is based upon the definition of Market Value, the Certification, the Contingent and Limiting Conditions, and the requirements that are stated in this report. As a result of my investigation and analysis, my estimate of Market Value of the subject property as of August 17, 2010 IS

\$ 380,000

Date August 17, 2010

Appraiser

Hee K. Yi
 AG035644

CA

11/16/2010

If Applicable, complete the following

Date

Appraiser

Expires

Date



Supervising or



Review Appraiser



Did



Did not physically inspect property.

CERTIFICATION: The Appraiser certifies and agrees that

1. The Appraiser has no present or contemplated future interest in the property appraised and neither the employment to make this Appraisal, nor the compensation for it, is contingent upon the appraised value of the property.
2. The Appraiser has no personal interest in or bias with respect to the subject matter of the appraisal report or the participants to the sale. The "Estimate of Market Value" in the appraisal report is not based in whole or in part upon the race, color, or national origin of the prospective owner or occupants of the property appraised, or upon the race, color or national origin of the present owners or occupants of the properties in the vicinity of the property appraised.
3. The Appraiser has personally inspected the property, both inside and out and has made an exterior inspection of all comparable sales listed herein. To the best of the Appraiser's knowledge and belief, all statements and information in this report are true and correct, and the Appraiser has not knowingly withheld any significant information.
4. All contingent and limiting conditions are contained herein (imposed by the terms of the assignment or by the undersigned affecting the analyses, opinions, and conclusions contained in this report).
5. This Appraisal Report has been made in conformity with and is subject to the requirements of the Code of Professional Ethics and Standards of Professional Conduct of the appraisal organizations with which the Appraiser is affiliated.
6. All conclusions and opinions concerning the real estate that are set forth in the Appraisal Report were prepared by the Appraiser whose signature appears above on this Appraisal Report, unless indicated as "Review Appraiser." No changes of any item of the Appraisal Report shall be made by anyone other than the Appraiser, and the Appraiser shall have no responsibility for any such unauthorized change.

CONTINGENT AND LIMITING CONDITIONS: The certification of the appraiser appearing in this Appraisal Report is subject to the following conditions and

1. The Appraiser assumes no responsibility for matters of legal nature affecting the property appraised or the title thereto, nor does the Appraiser render any opinion as the title, which is assumed to be good and marketable. The property is appraised as though under responsible ownership.
2. Any sketch in this report may show approximate dimensions and is included to assist the reader in visualizing the property. The Appraiser has made no survey of the property.
3. The Appraiser is not required to give testimony or appear in court because of having made this Appraisal with reference to the property in question, unless arrangements have been made beforehand.
4. The distribution of the total valuation in this report between land and improvements applies only under the existing program of utilization. The separate valuations for land and building must not be used in conjunction with any other Appraisal and are invalid if so used.
5. The Appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. The Appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such factors.
6. Information, estimates, and opinions furnished to the Appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the Appraiser can be assumed by the Appraiser.
7. Disclosure of the contents of this Appraisal Report is governed by the By-laws and regulations of the professional appraiser organizations with which the Appraiser is affiliated.
8. Neither all nor any part of the contents of this report, or copy thereof (including conclusions as to property value, the identity of the Appraiser, professional designations, reference to any professional appraisal organizations, or the firm with which the Appraiser is connected) shall be used for any purposes by anyone but the client shown on Page 1 of this report, the mortgagee or its successors and assigns, mortgage insurers, consultants, professional appraisal organizations, any state or federally approved financial institution, any department agency, or instrumentality of the United States or of any State or of the District of Columbia without the previous written consent of the Appraiser; nor shall it be conveyed by anyone to the public through advertising, public

Dimensions or Size			
Shape			
Topography			
Utilities			
Location			
Price			
Sale-Listing-Offer			
Date of Sale			
Sale per sq. ft. or unit			
Comparison to subject			
Indicated per sq. ft. or per unit value of subject			

This image shows a single sheet of white paper with horizontal blue or grey ruling lines. The lines are evenly spaced and run across the width of the page. There is no handwriting or other markings on the paper.

Map Code	595A7				595F6				595D6			
Date of rental survey	08/17/2010				08/17/2010				08/17/2010			
Brief description of property improvements	No. Units	10	No. Vac.	N/A	Yr. Blt.	1981	No. Units	2	No. Vac.	1	Yr. Blt.	1924
	Multi-Family				Duplex (detached)				Duplex (detached)			
Quality & condition	Quality Average Condition Good				Quality Average Condition Average				Quality Average Condition Average			
	Unit Rm.Count	Size	Monthly Rent		Unit Rm.Count	Size	Monthly Rent		Unit Rm.Count	Size	Monthly Rent	
Individual unit breakdown	Tot. BR b	Sq.Ft.	\$	per sq. ft.	Tot. BR b	Sq.Ft.	\$	per sq. ft.	Tot. BR b	Sq.Ft.	\$	per sq. ft.
	4-2-1	700	1,250	1.79	4-2-1	966	1,450	1.50	4-2-1	900	1,400	1.56
Utilities, furniture and amenities included in rent	Tenant pays gas, electricity				Tenant pays gas, electricity				Tenant pays gas, electricity			
	owner pays water and trash				owner pays water and trash				owner pays water and trash			
Comparison to subject	Condition: Superior				Condition: Superior				Condition: Superior			
	Age: Superior				Age: Superior				Age: Superior			
	Amenities: Similar				Amenities: Similar				Amenities: Similar			
	Location: Similar				Location: Similar				Location: Similar			

Map code	595B7	635A1	635A1	595B7												
Lot size	7497	7013														
Brief description of building improvements	No. Units: 5 No. Vac.: 2 Year Built: 1916 Type: Walk-up Wood frame/stucco	No. Units: 5 No. Vac.: 0 Year Built: 1905 Type: Walk-up Type: Walk-up	No. Units: 8 No. Vac.: 0 Year Built: 1915 Type: Walk-up Type: Walk-up	No. Units: 4 No. Vac.: 1 Year Built: 1925 Type: Walk-up Type: Walk-up												
Quality	Average	Average	Average	Average												
Condition	Fair	Average	Average	Good												
Recreational facilities	None	None	None	None												
Pool																
Parking	2 Space(s)	4 Parking Spaces	4 Parking Spaces	6 Parking Spaces												
Tenant appeal	Average															
GBA	3917	3836	4372	2455												
Avg Sq. Ft/ Unit	783	767	547	614												
Total Rooms	16	17	23	13												
Unit breakdown	No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT			No. of Units	UNIT ROOM COUNT		
		Tot.	BR	b		Tot.	BR	b		Tot.	BR	b		Tot.	BR	b
	1	4	2	2	1	5	3	1.5	1	2	0	1	1	4	2	1
	4	3	1	1	4	3	1	1	7	3	1	1	3	3	1	1
Util. paid by owner	Water and Trash			Water and Trash			Water and Trash			Water and Trash			Water and Trash			
Data source	Inspection			MLS# Clw-10466315			MLS# Clw-10456341			MLS# P738056						
Price	\$ Not Applicable <input checked="" type="checkbox"/> Unf. <input type="checkbox"/> F			\$ 525,000 <input checked="" type="checkbox"/> Unf. <input type="checkbox"/> F			\$ 499,000 <input checked="" type="checkbox"/> Unf. <input type="checkbox"/> F			\$ 329,000 <input checked="" type="checkbox"/> Unf. <input type="checkbox"/> F						
Sale-Listing-Offer				Not Applicable			Not Applicable			Not Applicable						
Date of sale	Not Applicable			Pending			Listing			Listing						
Terms (Including conditions of sale and financing terms)	Not Applicable			Not Applicable			Not Applicable			Not Applicable						
Complete as many of the following as possible using data effective at time of sale																
Gross Annual Income	\$	15,948	42,048	\$	53,956		\$	44,670		\$	32,400					
Gross Ann. Inc. Mult.(1)		0.00	0.00		9.73	0.00		11.17	0.00		10.15	0.00				
Net Annual Income	\$		23,146	\$	36,885		\$	25,536		\$						
Expense Percentage (2)		100.00	44.95%		31.64	0.00%		42.83	0.00%		100.00	%				
Overall Cap. Rate (3)		0.00	0.00%		7.03	0.00%		5.12	0.00%		0.00	0.00%				
Price per unit	\$		0.00	\$	105,000.00		\$	62,375.00		\$	82,250.00					
Price per room	\$		0.00	\$	30,882.35		\$	21,695.65		\$	25,307.69					
Price gross bldg. area	\$	0.00 /sq. ft. bldg. area		\$	136.86 /sq. ft. bldg. area		\$	114.14 /sq. ft. bldg. area		\$	134.01 /sq. ft. bldg. area					
COMMENTS	Rent Control			Rent Control			Rent Control			Rent Control						

[illegible]

SUMMARY OF ADJUSTMENTS

	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5	Sale 6	Mean
INPUT SECTION								
	2516 Eastlake Ave.	2685 Sichel	3219 N. Griffin	2044 Hancock	2322 Sichel	2716 Manitou	2521 Eastlake	
Sale Date		11/06/2009	02/20/2010	01/20/2010	Pending	Listing	Listing	
Number Units	5	6	6	6	5	8	4	
Number Rooms	16	20	19	20	17	23	13	
Building Area (sf)	3,917	3,795	3,672	4,014	3,836	4,372	2,455	
Potential Gross Income	\$ 42,048	\$ 37,152	\$ 64,342	\$ 45,960	\$ 53,966	\$ 44,670	\$ 32,400	
Average Unit Size	783	633	612	669	767	547	514	
TRANSACTION ADJUSTMENTS								
Selling Price	\$ 500,000	\$ 566,000	\$ 610,000	\$ 525,000	\$ 496,000	\$ 329,000		
Financing	Conventional	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Time	Date of Value	0.00%	0.03%	0.00%	0.00%	0.00%	0.00%	
Property Rights	Fee Simple	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Condition of Sale	Conventional	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
Cash Equivalent Price	\$ -	\$ 500,000	\$ 566,000	\$ 610,000	\$ 525,000	\$ 496,000	\$ 329,000	
Gross Income Multiplier	0.00	13.46	9.11	13.27	9.73	11.17	10.15	11.15
INCOME RATIO ADJUSTMENTS TO THE PHYSICAL INDICATORS								
Per Unit Analysis								
Gross Income/Unit	\$ 701	\$ 516	\$ 894	\$ 638	\$ 899	\$ 465	\$ 675	
Sale Price/Unit	\$ 83,333	\$ 97,667	\$ 101,667	\$ 105,900	\$ 62,375	\$ 82,250		
Adjustment Factor	1.3585	0.7841	1.0987	0.7798	1.5075	1.0385		
Adjusted Price/Unit	\$ 113,208	\$ 76,581	\$ 111,702	\$ 81,879	\$ 94,030	\$ 85,417	\$ 93,803	
Per Room Analysis								
Gross Income/Room	\$ 219	\$ 165	\$ 282	\$ 192	\$ 264	\$ 162	\$ 208	
Sale Price/Room	\$ 25,000	\$ 30,842	\$ 30,500	\$ 30,882	\$ 21,698	\$ 25,308		
Adjustment Factor	1.4129	0.7766	1.1406	0.8295	1.3519	1.0529		
Adjusted Price/Room	\$ 35,323	\$ 23,952	\$ 34,788	\$ 25,617	\$ 29,331	\$ 26,647	\$ 29,276	
Per Sq. Ft. Analysis								
Gross Income/SF	\$ 0.89	\$ 0.82	\$ 1.46	\$ 0.65	\$ 1.17	\$ 0.85	\$ 1.10	
Sale Price/SF	\$ 131.75	\$ 159.55	\$ 151.97	\$ 136.86	\$ 114.14	\$ 134.01		
Adjustment Factor	1.0854	0.6056	0.9368	0.7607	1.0471	0.8091		
Adjusted Price/SF	\$ 143.00	\$ 97.29	\$ 142.07	\$ 104.11	\$ 119.52	\$ 108.43	\$ 119.12	
RANGES								
	Low	High						
GIM	9.11	13.46						
Adjusted Price/Unit	\$ 76,581	\$ 113,208						
Adjusted Price/Room	\$ 23,952	\$ 35,323						
Adjusted Price/SF	\$ 97.29	\$ 143.00						
VALUE INDICATIONS								
	Selected Unit Value	Subject Indicator	Value Estimate	Rounded				
GIM	9.50	\$ 42,048	\$ 399,456	\$ 400,000				
Price/Unit	\$ 60,000	5	\$ 400,000	\$ 400,000				
Price/Room	\$ 25,000	16	\$ 400,000	\$ 400,000				
Price/SF	\$ 125.00	3.917	\$ 411,285	\$ 412,000				

INDICATED VALUE: \$ 400,000

The above chart depicts an adjustment for price per unit, room and square foot by taking the ratio of the subject's gross income and the comparable's gross income on a per unit, room and square foot basis. The resulting factor is multiplied by the comparable's price per unit, room and square foot. The factors represent a composite adjustment for the differences in the physical characteristics of the comparables when compared to the subject. This mathematical procedure assumes that the rent differences represent the differences in physical characteristics. For example, a project with a pool may rent for \$10 more than the subject which does not have a pool and hence each the price per unit, room and square foot will be adjusted downward to reflect the superior physical characteristics of the comparable.

Price Per Unit Analysis
The range of price/unit is \$76,581 to \$113,208. The concluded rate is \$80,000.

Price Per Room Analysis
The range of price/room is \$23,952 to \$35,323. The concluded rate is \$25,000.

Price Per Sq. Ft. Analysis
The range of price/sq.ft. is \$97.29 to \$143.00. The concluded rate is \$105.

GIM Analysis
The GIM range is 9.11 to 13.65. The concluded rate is 9.50.

Value Conclusion
Of all the sale parameters in this analysis: buyers and sellers purchase apartments based on GIM and price per unit

directed by market stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the Appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s).

to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.

2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.

3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.

4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.

5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.

6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.

7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.

8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.

9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 2516 Eastlake Avenue, Los Angeles, CA, 90031

APPRAISER:

SUPERVISORY APPRAISER (only if required)

Signature: Hee K. Yi

Signature: _____

Name: Hee K. Yi

Name: _____

Date Signed: August 17, 2010

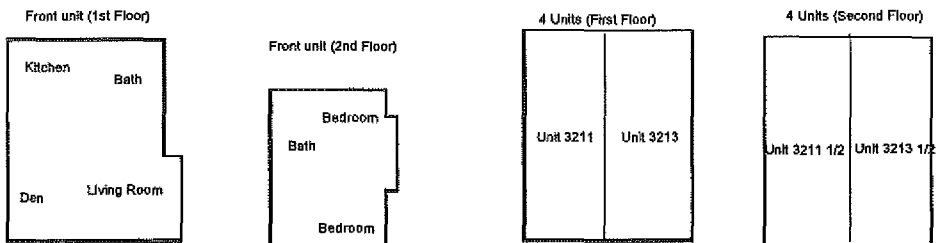
Date Signed: _____

State Certification #: AG035644

State Certification #: _____

or State License #: AG002824

or State License #: AG025844



Sketch by Apex IV Windows™

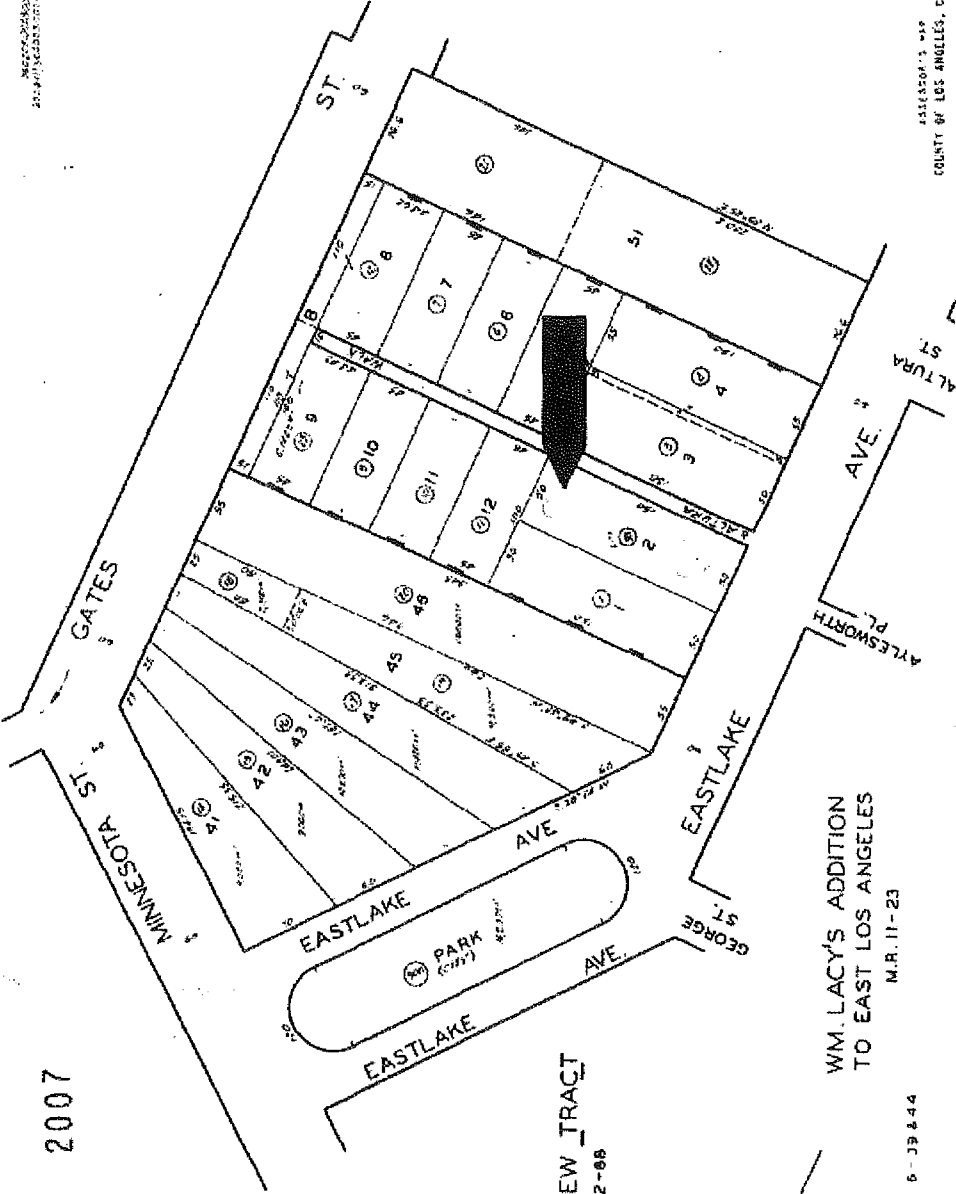
AREA CALCULATIONS SUMMARY			
Code	Description	Size	Totals
OTH	2516 Eastlake	1053.00	
	2516 second fr	614.00	
	4 units (3211-3213)	1125.00	
	4 units second fr	1125.00	3917.00

AREA BREAKDOWN	
Breakdown	Subtotals

5208 | 8
SCALE 1" = 60'

2007

REVIS
SECTION 14
COUNTY OF LOS ANGELES, CALIF.



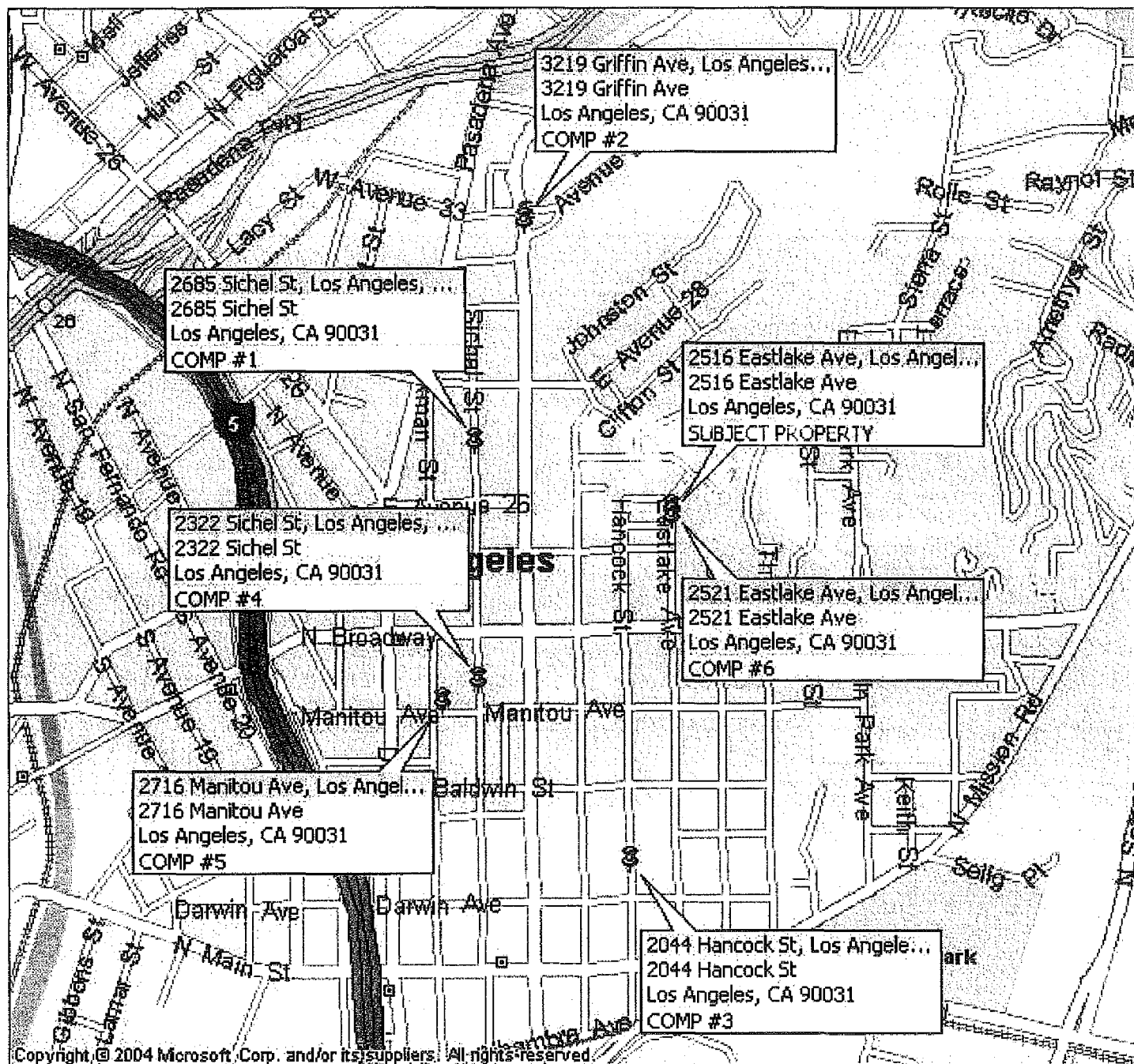
ALTURA VIEW TRACT
M.B. 12-88

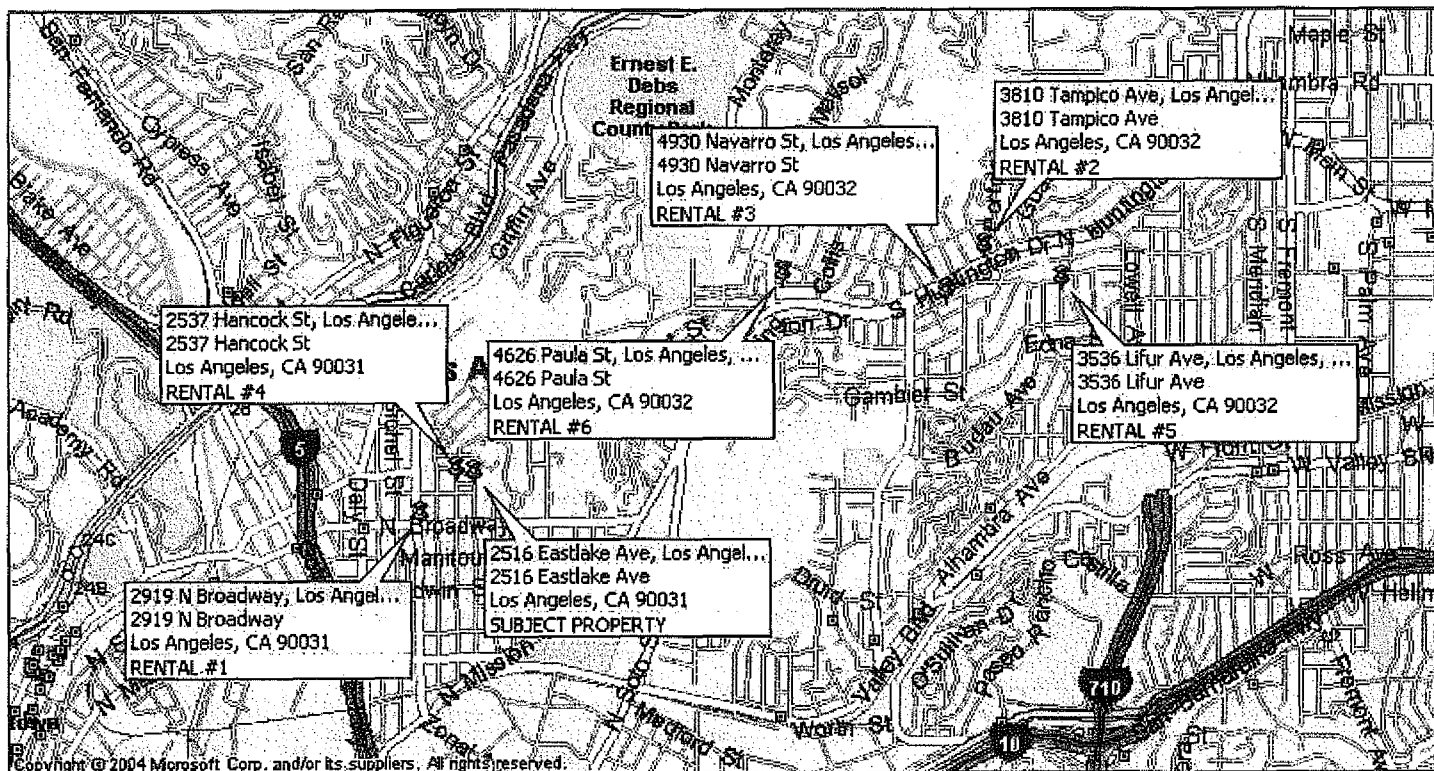
CODE
4

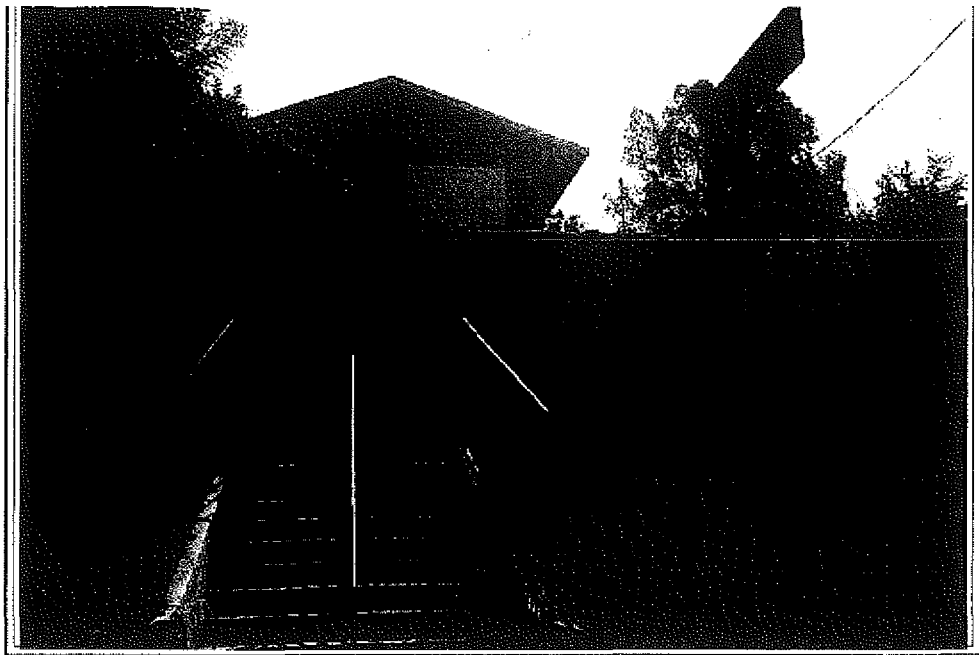
WM. LACY'S ADDITION
TO EAST LOS ANGELES
M.B. 11-23

FOR PREL. ASSUMT. SEC. 5 - 39 & 44

SECTION 14
COUNTY OF LOS ANGELES, CALIF.

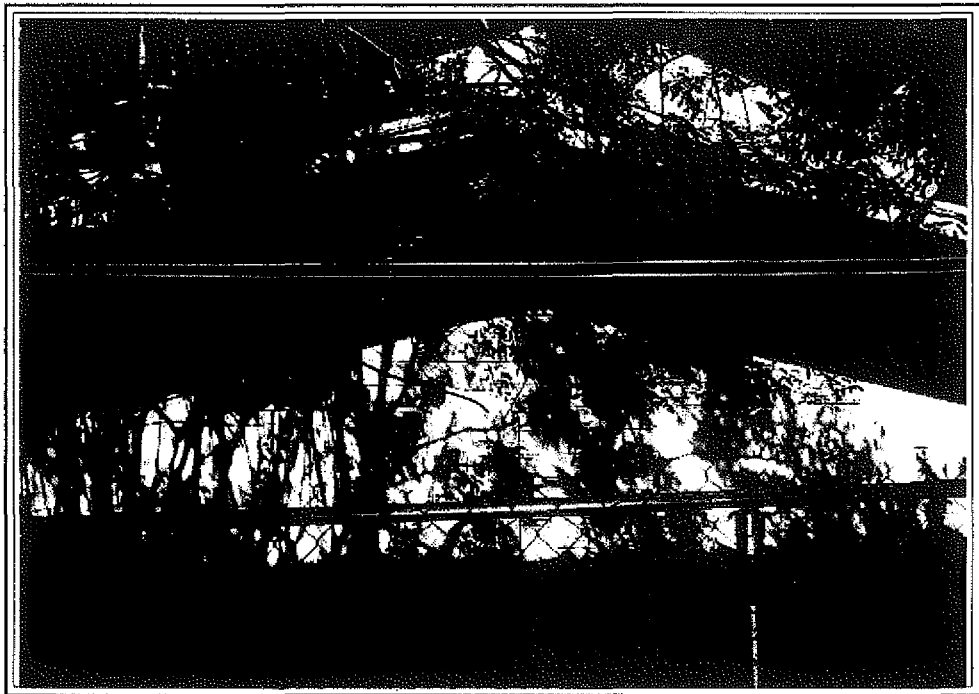




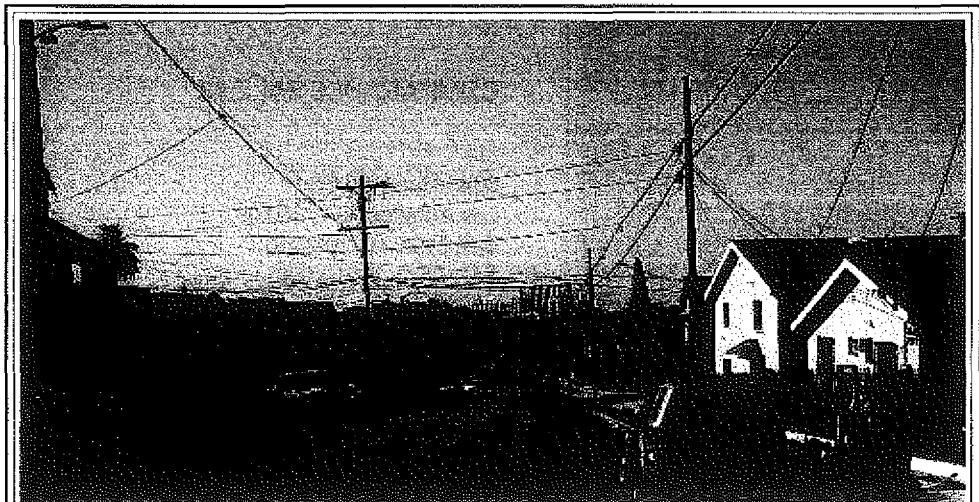


FRONT VIEW OF
SUBJECT PROPERTY

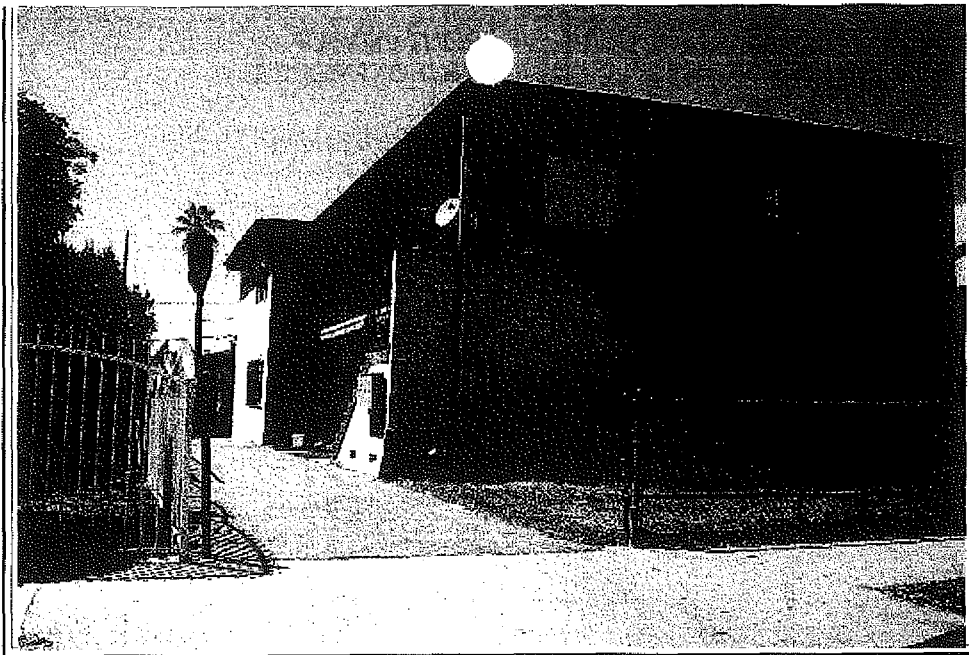
Appraised Date: August 17, 2010
Appraised Value: \$ 380,000



REAR VIEW OF
SUBJECT PROPERTY

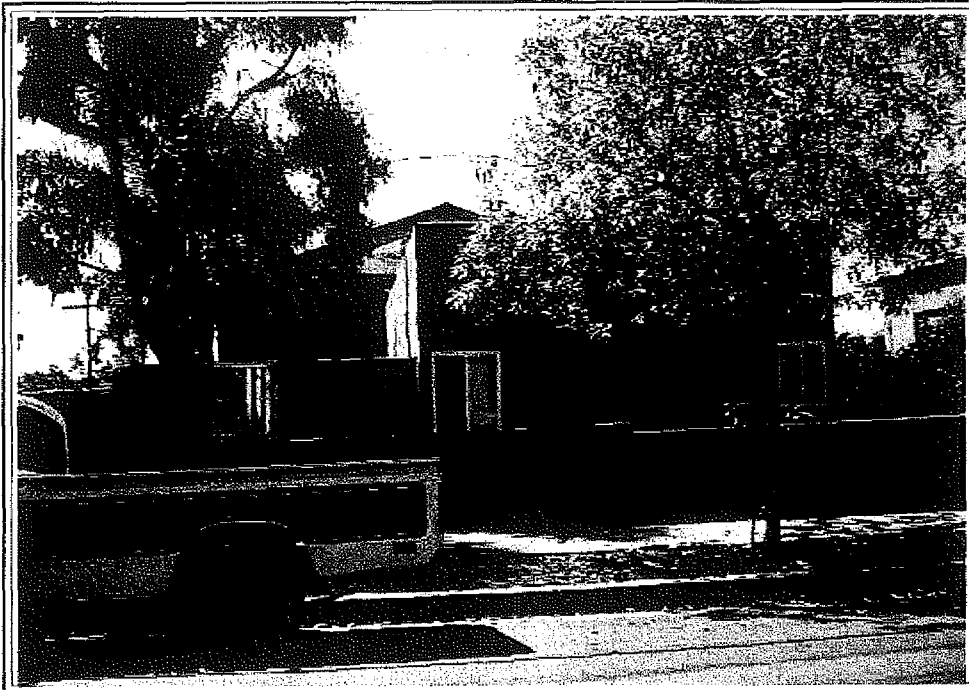


STREET SCENE



COMPARABLE SALE #1

2685 Sichel St.
Los Angeles, CA 90031
Sale Date: 11/06/2009
Sale Price: \$ 500,000



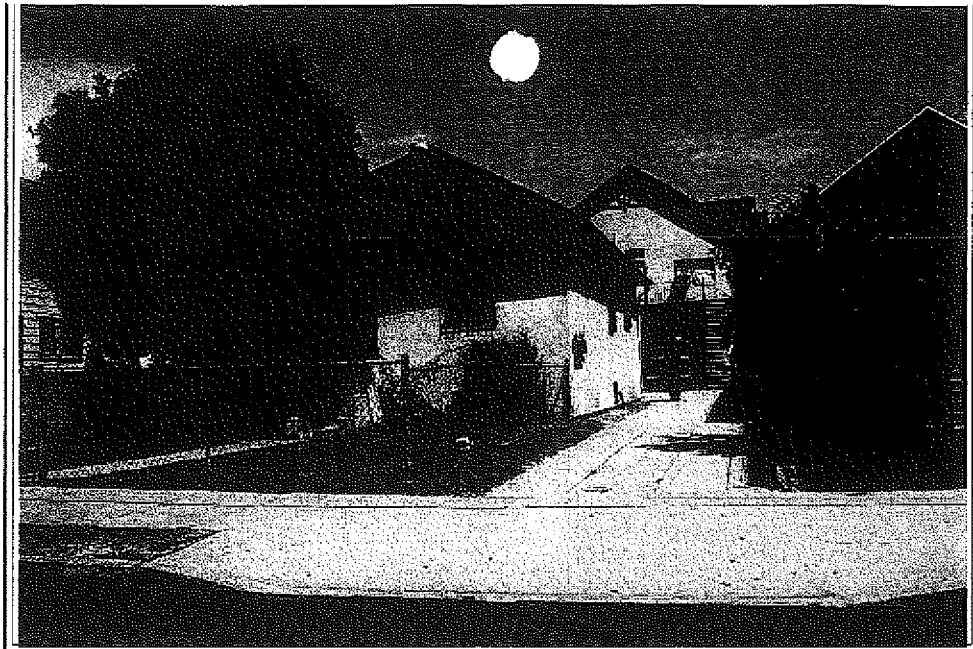
COMPARABLE SALE #2

3219 N. Griffin Ave.
Los Angeles, CA 90031
Sale Date: 02/20/2010
Sale Price: \$ 586,000



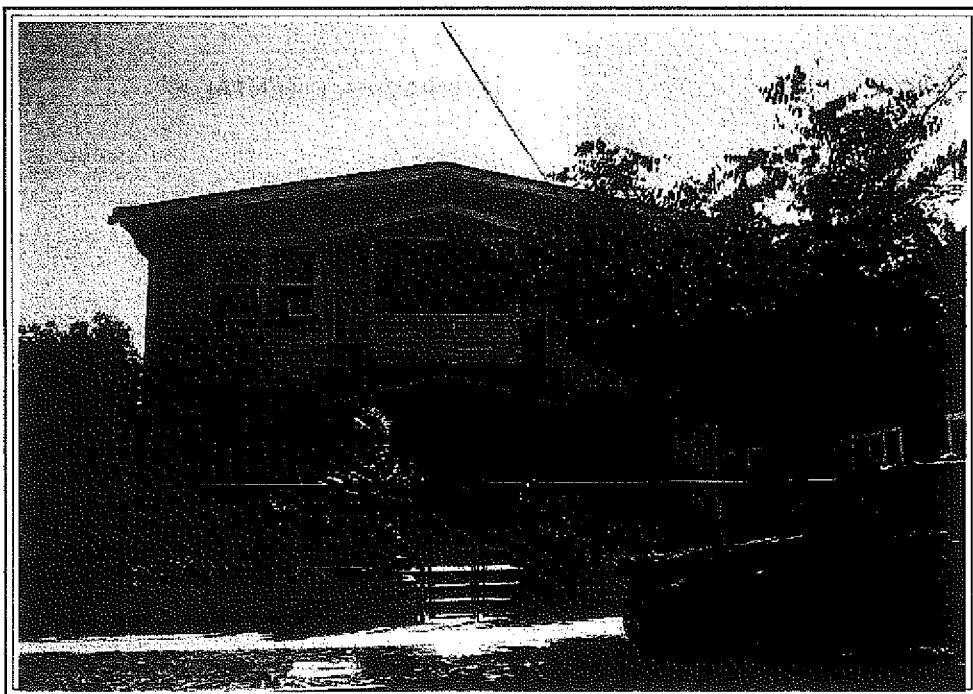
COMPARABLE SALE #3

2044 Hancock St.
Los Angeles, CA 90031
Sale Date: 01/20/2010
Sale Price: \$ 610,000



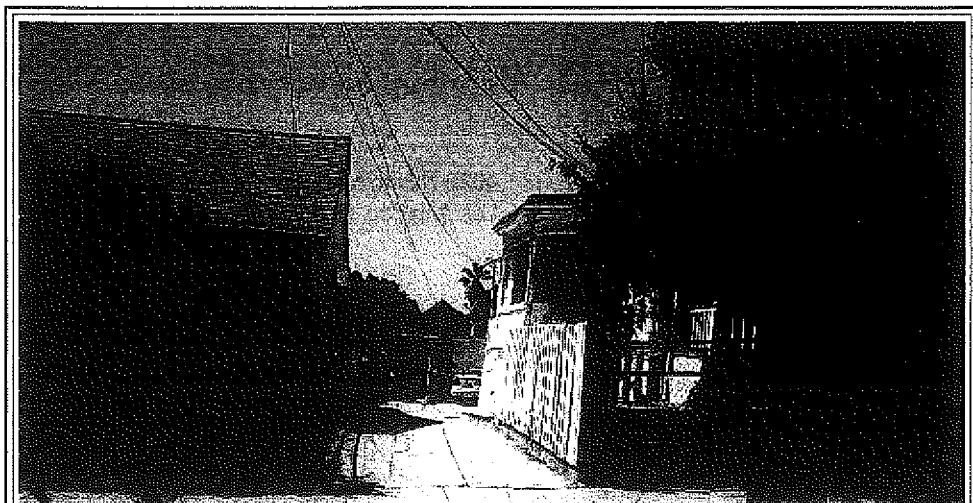
COMPARABLE SALE #4

2322 Sichel St.
Los Angeles, CA 90031
Sale Date: Pending
Sale Price: \$ 525,000



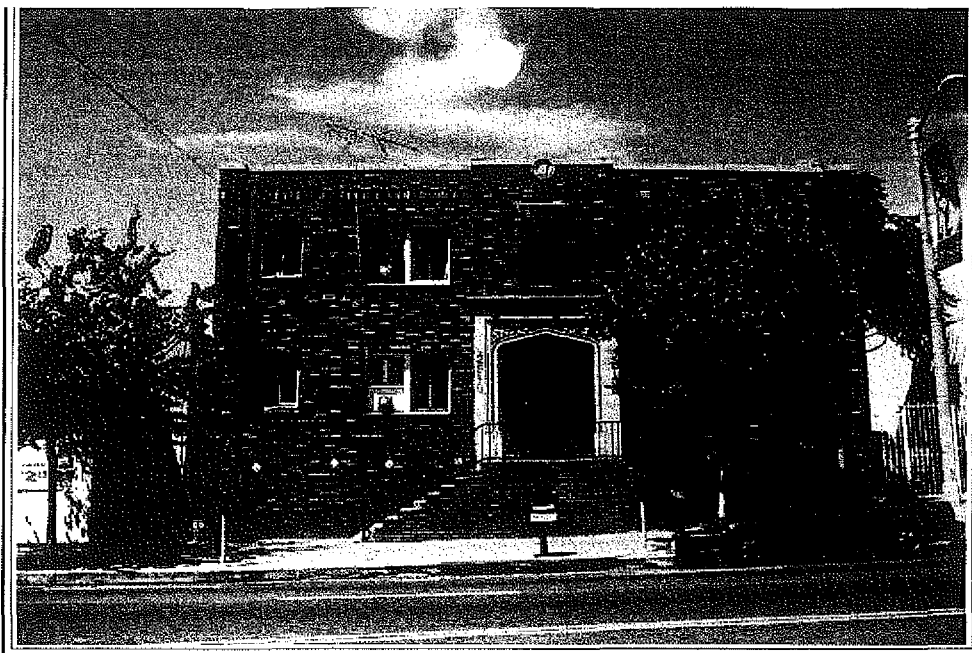
COMPARABLE SALE #5

2716 Manitou Ave.
Los Angeles, CA 90031
Sale Date: Listing
Sale Price: \$ 499,000



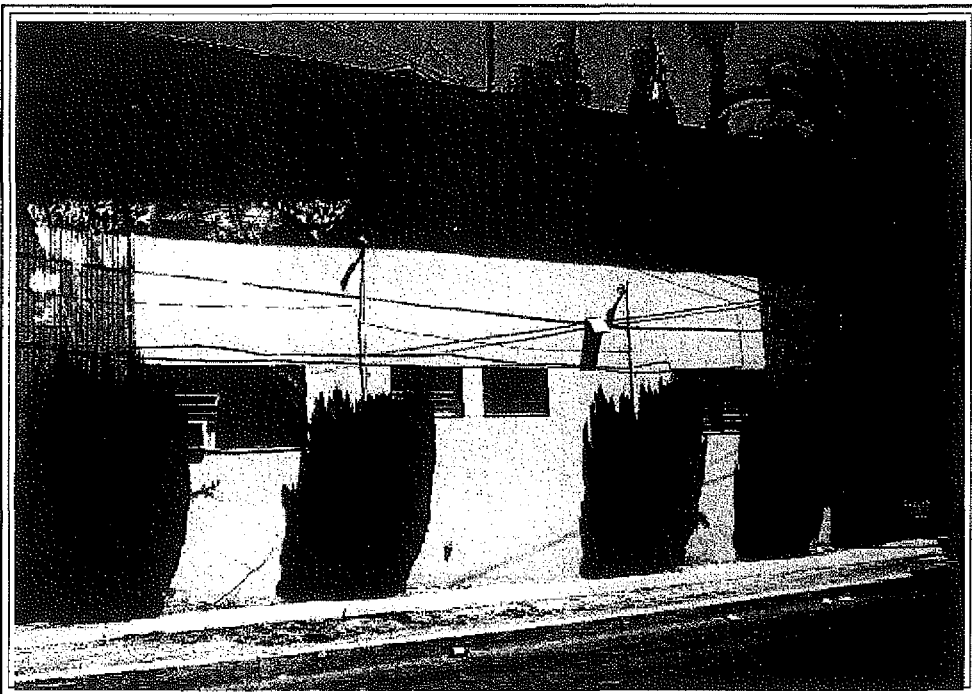
COMPARABLE SALE #6

2521 Eastlake Ave.
Los Angeles, CA 90031
Sale Date: Listing
Sale Price: \$ 329,000



COMPARABLE RENTAL #1

2919 N. Broadway
Los Angeles, CA 90031



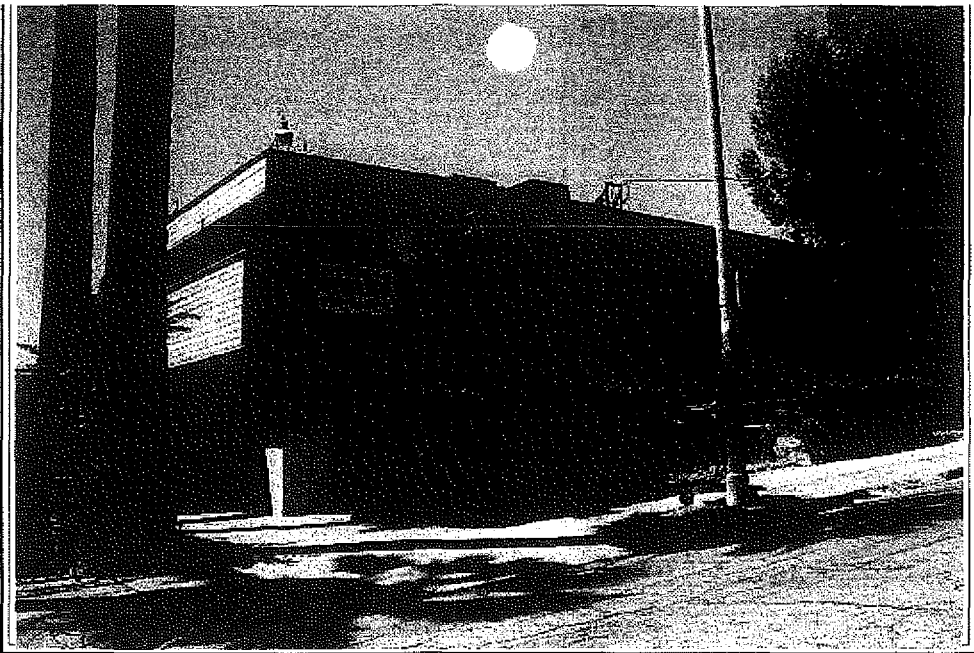
COMPARABLE RENTAL #2

3810 Tampico Ave.
Los Angeles, CA 90032



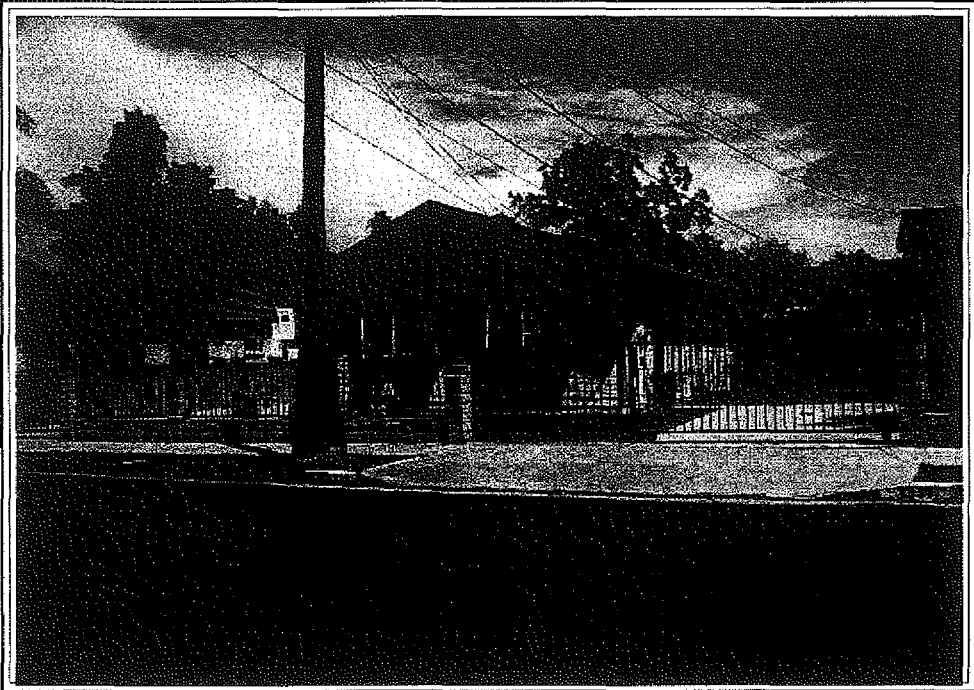
COMPARABLE RENTAL #3

4930 Navarro St.
Los Angeles, CA 90032



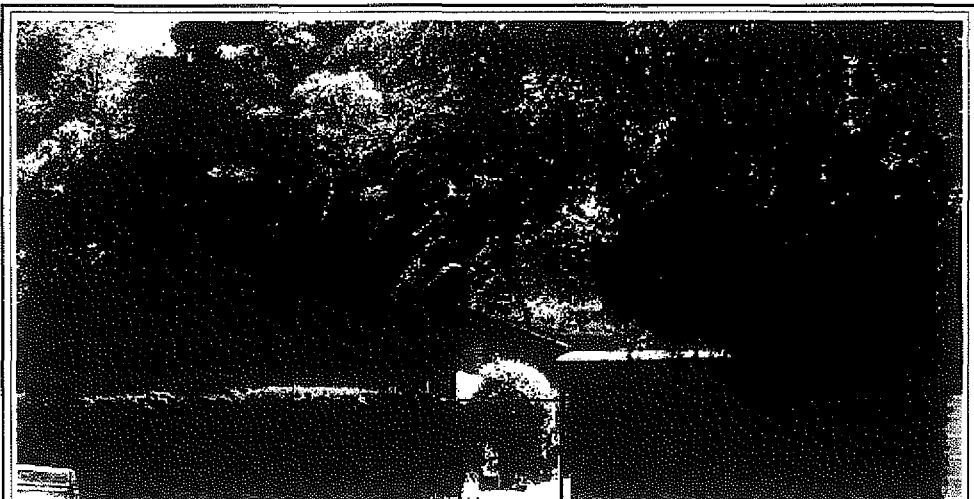
COMPARABLE RENTAL #4

2537 Hancock St.
Los Angeles, CA 90031



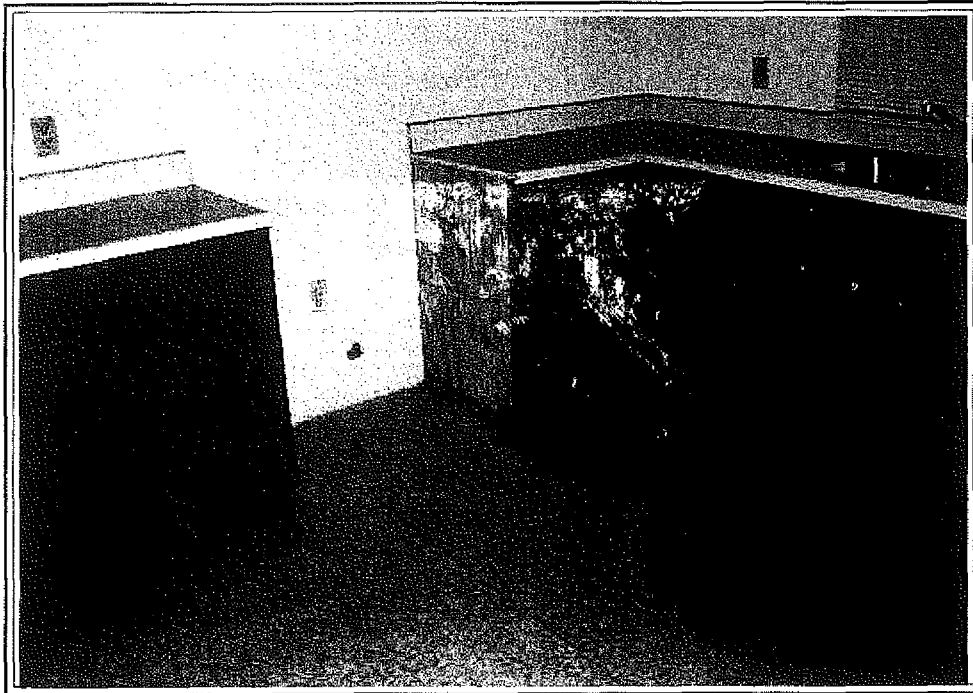
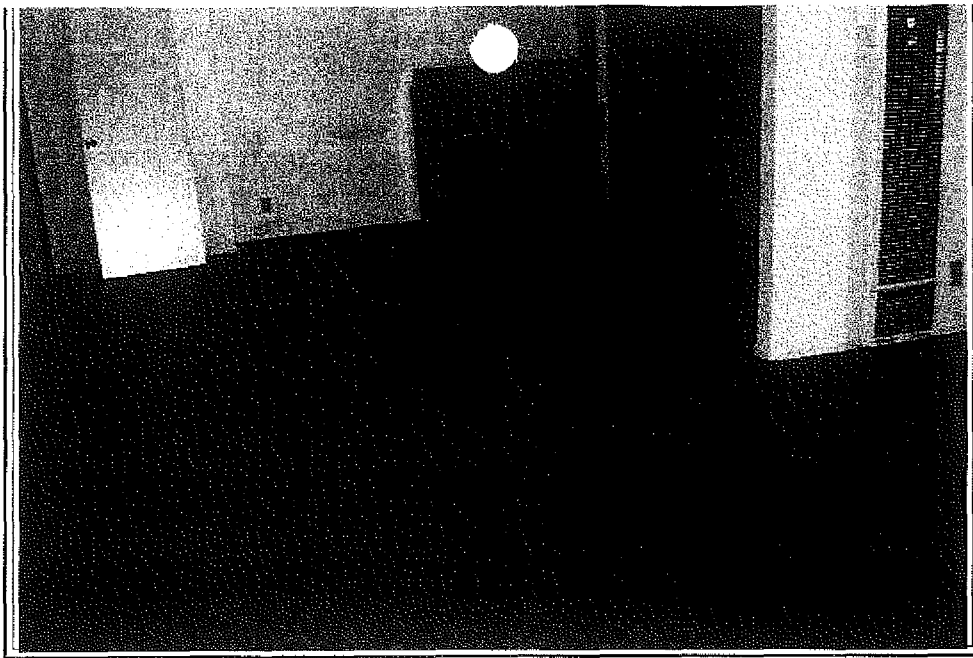
COMPARABLE RENTAL #5

3536 Lifur Ave.
Los Angeles, CA 90032

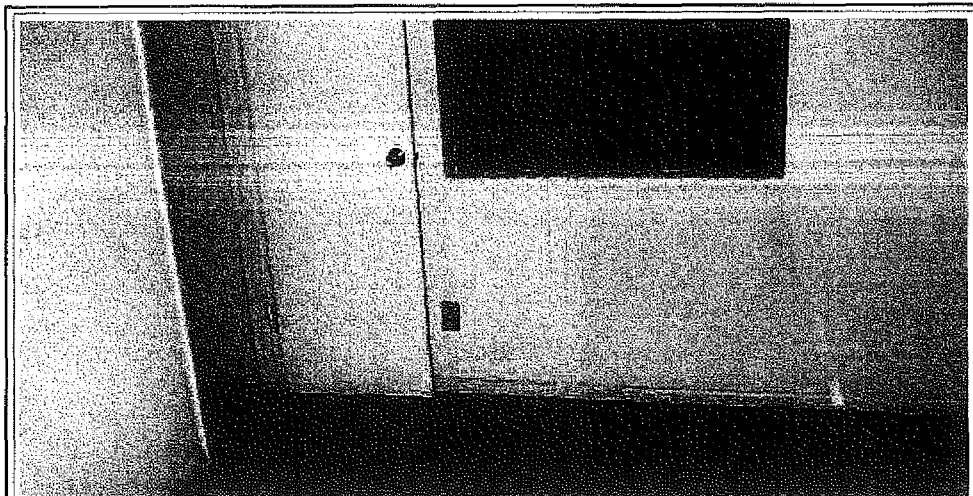


COMPARABLE RENTAL #6

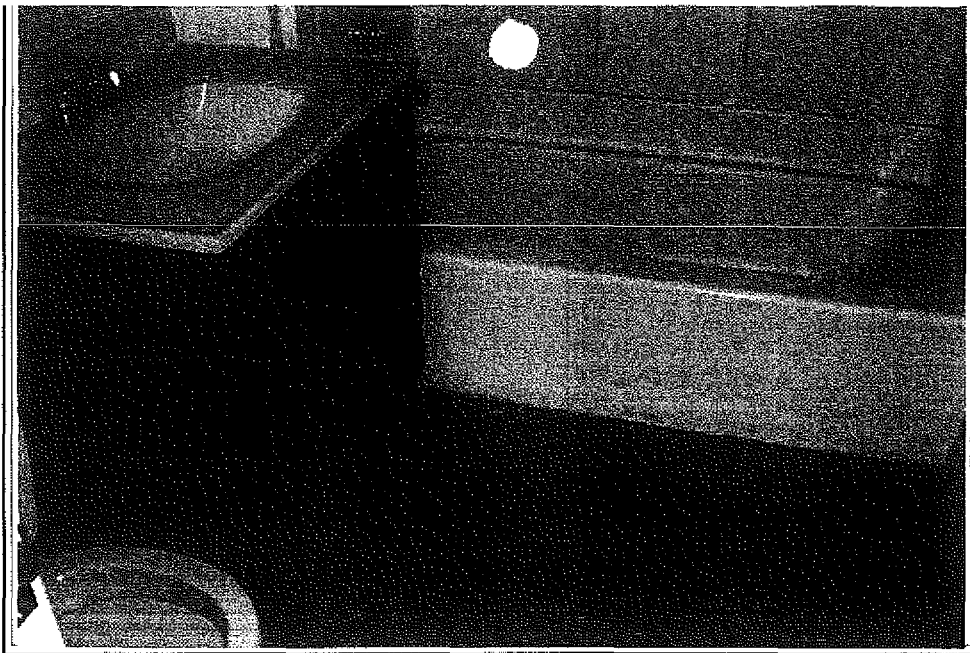
4626 Paula St.
Los Angeles, CA 90032



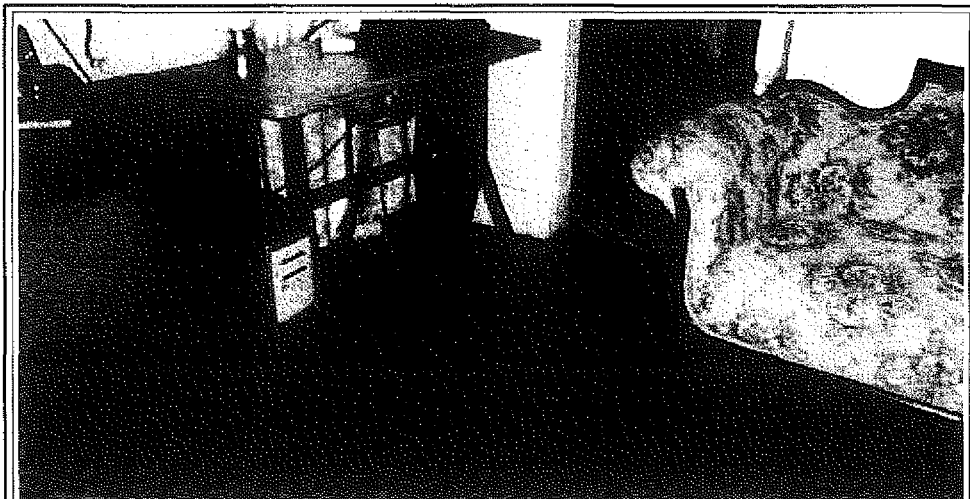
Kitchen SFR



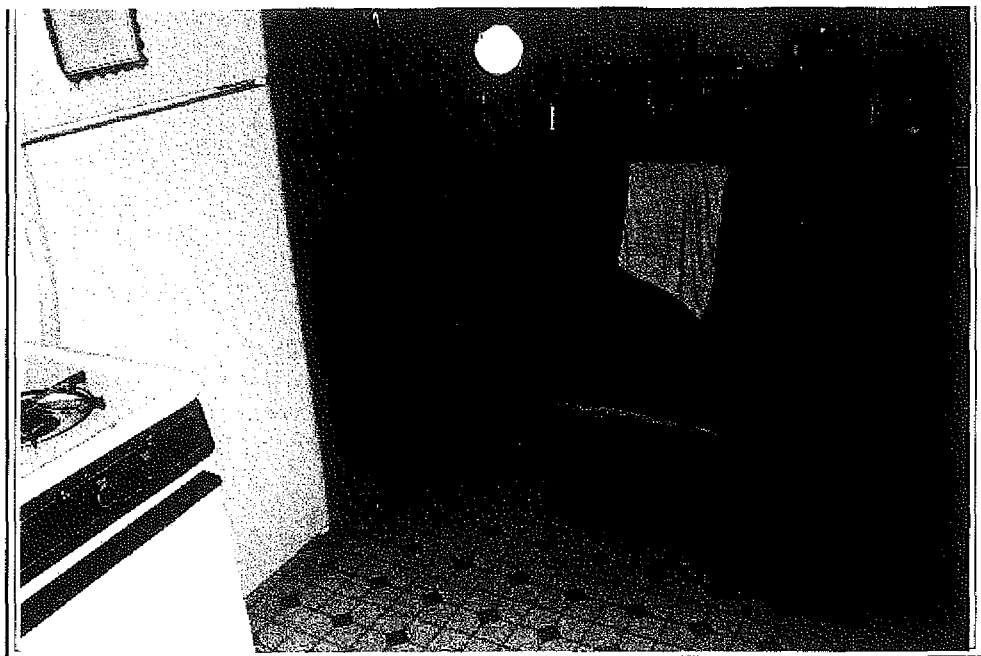
Bedroom SFR



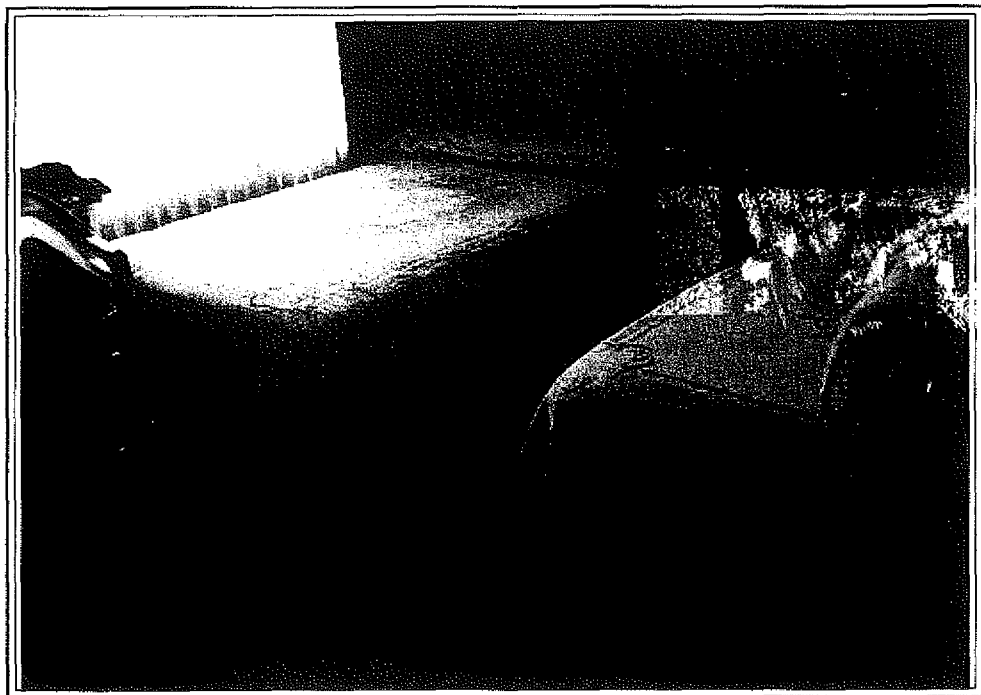
Quadruplex



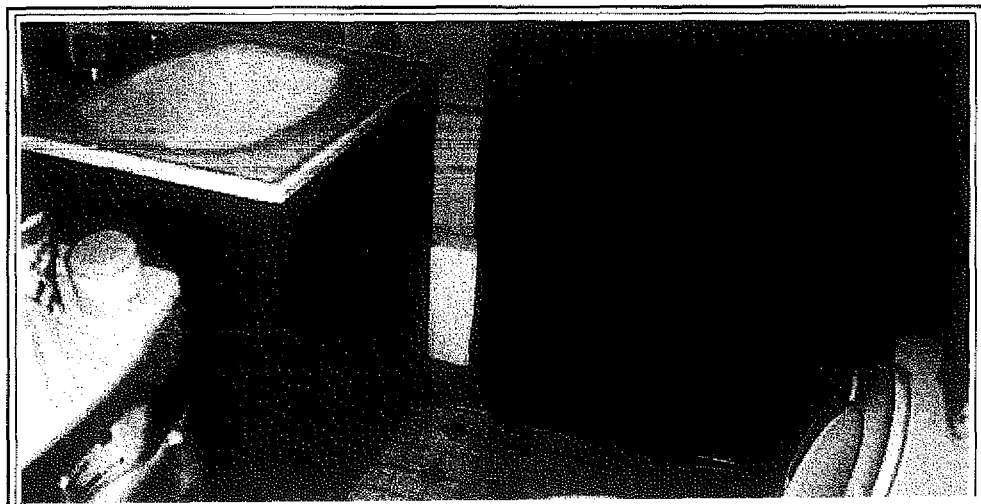
Typical Living Room
Quadruplex



Quadruplex



Typical Bedroom
Quadruplex



Typical Bathroom
Quadruplex



Orange Coast Title Company

3536 Concours Drive, Suite 120
Ontario, CA 91764
909-987-5433

PRELIMINARY REPORT

City of Los Angeles Housing Dept
1200 W. 7th Street, 9th Floor
Los Angeles, CA 90017

Attention: Jimmy Newsom
Property address: 252 S Rampart Blvd, Los Angeles, CA 90057

Your no.: TS100029
Order no.: 140-1185100-32

Dated: July 26, 2010

In response to the above referenced application for a policy of title insurance, **Orange Coast Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit B attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit B. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters, which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a binder or commitment should be requested.

Dated as of July 16, 2010 at 7:30 AM

Manny Villalobos, Title Officer
Ph: 909-987-5433
Email: mannyv@octitle.com
Fax: 909-297-2547

The form of policy of title insurance contemplated by this report is:

C.L.T.A. Standard Coverage Policy - 1990 (Owners Policy or Joint Protection)

SCHEDULE "A"

The estate or interest in the land hereinafter described or referred to covered by this report is:

A fee.

Title to said estate or interest at the date hereof is vested in:

City of Los Angeles.

The land referred to in this report is situated in the County of Los Angeles, State of California, and is described as follows:

Lot 60, of Tract 91 in the City of Los Angeles, State of California, as per map recorded in Book 13, page 112 of Maps, in the office of the County Recorder of said County.

Assessor's Parcel Number(s): 5155-025-19

SCHEDULE "B"

At the date hereof exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy form would be as follows:

- 1 General and Special taxes for the fiscal year 2010-2011, including any assessments collected with taxes. A lien not yet payable.

First installment due and payable November 1, 2010, delinquent if not paid by 12/10/10

Second installment due and payable February 1, 2011, delinquent if not paid by 4/10/11

- 2 The following taxes have all been paid and are reported for proration purposes only. General and Special taxes for the fiscal year 2009-2010.

Total amount	\$309.05
1st installment	\$154.53
2nd installment	\$154.52
Code area	00067
Parcel No.	5155-025-019
Exemption	\$497,874.00

- 3 The lien of defaulted real property taxes and any subsequent delinquencies

Delinquent Year	Parcel	Bill	Installment	Tax Amount
2007	5155-025-019	Regular	Both	\$534.75

Amount to redeem for:

July, 2010	\$813.75
August, 2010	\$821.77
Sept., 2010	\$829.79

- 4 Assessment no.: 0000
 District: City of Los Angeles
 Created for: Demolition
 Issued: March 14, 2008
 Original amount: **\$2,380.00**
 Unpaid balance: **\$Unknown**

This assessment is collected with taxes.

- 5 The Lien of supplemental taxes if any, assessed pursuant to the provisions of section 75, et seq of the revenue and taxation code of the state of California

- 6 An easement for purposes herein stated, and rights incidental thereto as set forth in an instrument
 Recorded: 2/11/1910 in Book 4052 page 117 of Deeds \, as Instrument No. Not shown, of Official Records.
 For: Utilities and incidental purposes
 Affects: The rear 5 feet of said land

- 7 A Deed of Trust to secure the indebtedness of
 Amount: **\$208,000.00**
 Trustor: **National Center For Immigrants' Rights, Inc., a California non-profit corporation**
 Trustee: **Ticor Title Insurance, a California corporation**
 Beneficiary: **The Community Redevelopment Agency of the City of Los Angeles, California**
 Dated: 9/22/1988
 Recorded: 9/29/1988 as Instrument No. 88 1573412, Official Records.

- 8 An instrument, upon the terms and conditions contained therein
 Entitled: "Agreement Containing Covenants Affecting Real Property"
 Dated: 09/22/1988
 Executed by and between: The Community Redevelopment Agency of the City of Los Angeles and National Center For Immigrants' Rights, Inc., a California non-profit Corporation
 Recorded: 9/29/1988 as Instrument No 88-1573413, Official Records.
- 9 An instrument, upon the terms and conditions contained therein
 Entitled: "Security Agreement and Lien (Real Property) (with subordination clause)"
 Recorded: 12/22/1989 as Instrument No. 89-2062060, Official Records.
- 10 An instrument entitled "notice of building(s), structure(s) or premises classified as either hazardous, substandard or a nuisance - abatement proceedings" executed by City of Los Angeles, recorded 1/16/2004 as Instrument No. 04 0119816, Official Records.
- 11 Notice of power to sell tax defaulted property for non-payment of taxes for the fiscal year 2000-2001.
 Default no.: 5155 025 019
 Original amount: \$172.29
 Recorded: 7/24/2006 as Instrument No. 06 1624644, Official Records.
- 12 An instrument, upon the terms and conditions contained therein
 Entitled: "Notice of Declaration of Public Nuisance"
 Recorded: 12/22/2006 as Instrument No. 2006-2856800, Official Records.
- 13 A Certificate of Lien for the cost of demolition of a dangerous and substandard building, recorded 03/14/2008, as Instrument No. 2008439610, Official Records.
- 14 An instrument, upon the terms and conditions contained therein
 Entitled: "Notice of Pending Lien"
 Recorded: 7/6/2009 as Instrument No. 20091007122, Official Records.

End Schedule B

"NOTES AND REQUIREMENTS SECTION"

Note No. 1

California Revenue and Taxation Code Section 18662, effective January 1, 1994 and by amendment effective January 1, 2003, provides that the buyer in all sales of California Real Estate may be required to withhold 3 and 1/3% of the total sales price as California State Income Tax, subject to the provisions of the law as therein contained.

NOTE NO. 2 PAYOFF INFORMATION:

Note: this company does require current beneficiary demands prior to closing.

If the demand is expired and a correct demand cannot be obtained, our requirements will be as follows:

- A. If this company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. The amount of this hold will be over and above the verbal hold the lender may have stipulated.
- B. If this company cannot obtain a verbal update on the demand, will either pay off the expired demand or wait for the amended demand, at the discretion of the escrow.
- C. In the event that a payoff is being made to a servicing agent for the beneficiary, this company will require a complete copy of the servicing agreement prior to close.

Note No. 3

If this company is requested to disburse funds in connection with this transaction, chapter 598, statutes of 1989 mandates hold periods for checks deposited to escrow or sub-escrow accounts. The mandatory hold is one business day after the day deposited. Other checks require a hold period from three to seven business days after the day deposited.

Notice Regarding Your Deposit of Funds

California Insurance Code Sections 12413 *et. Seq.* Regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow and sub-escrow accounts and be available for withdrawal prior to disbursement. Funds deposited with the Company by wire transfer may be disbursed upon receipt. Funds deposited with the Company via cashier's checks drawn on a California based bank may be disbursed the next business day after the day of deposit. If funds are deposited with by other methods, recording or disbursement may be delayed. All escrow and sub-escrow funds received by the Company will be deposited with other funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The Company and/or its parent company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with the financial institution, and the Company shall have no obligation to account to the depositing party in any manner for the value of, or to pay such party, any benefit received by the Company and/or its parent Company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the Company and/or its parent company and earnings on investments made on the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the Company for its services in connection with the escrow or sub-escrow. If funds are to be deposited with **Orange Coast Title Company** by wire transfer, they should be wired to the following bank/account:

Wiring Instructions for This Office:

Citizens Business Bank
301 Vanderbilt Way
San Bernardino, CA 92408
Account No. 245121776
ABA 122234149
Credit to the account of Orange Coast Title Builder Services
Reference Title Order No. 140-1185100-32
and Manny Villalobos, title officer

Attention

Please note that this preliminary report now has an extra copy of the legal description on a separate sheet of paper. There are no markings on the page. The idea is to provide you with a legal description that can be attached to other documents as needed.

Thank you for your support of **Orange Coast Title Company**. We hope that this makes your job a little easier.

Exhibit "A"

Lot 60, of Tract 91 in the City of Los Angeles, State of California, as per map recorded in Book 13, page 112 of Maps, in the office of the County Recorder of said County.

Exhibit B (Revised 01-01-08)**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990 EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
- Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
- Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01/01/08) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning: a. building, b. zoning, c. Land use d. improvements on the Land, e. Land division, f. environmental protection. This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date. This Exclusion does not limit the coverage described in Covered Risk 16, 17, 18, 19 or 24.
- The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
- The right to take the Land by condemning it, unless: a. a notice of exercising the right appears in the Public Records at the Policy Date; or b. the taking happened before the Policy Date and is binding on You if You bought the Land without knowing of the taking.
- Risks: a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records; b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date; c. that result in no loss to You; or d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8, d, 22, 23, 24 or 25.
- Failure to pay value for Your Title.
- Lack of a right: a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and b. in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

* For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 18:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 19:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 21:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning: * land use * improvements on the land * land division * environmental protection. This Exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This Exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
- The right to take the land by condemning it, unless: *a notice of exercising the right appears in the public records *on the Policy Date *the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
- Title Risks: *that are created, allowed, or agreed to by you *that are known to you, but not to us, on the Policy Date - unless they appeared in the public records *that result in no loss to you *that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks.
- Failure to pay value for your title.
- Lack of a right: *to any land outside the area specifically described and referred to in Item 3 of Schedule A OR *in streets, alleys, or waterways that touch your land. This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

ALTA LOAN POLICY (10-17-92) WITH ALTA ENDORSEMENT-FORM 1 COVERAGE EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
- Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
- Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
- Any claim, which arises out of the transaction creating the interest of the mortgage insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on: (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure: (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are

shown by the public records.

2006 ALTA LOAN POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- (1) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to: (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5. (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Defects, liens, encumbrances, adverse claims, or other matters: (a) created, suffered, assumed, or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
- Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
- Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is: (a) a fraudulent conveyance or fraudulent transfer, or (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
- Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b). The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

- (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

ALTA OWNER'S POLICY (10-17-92) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy, or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
- Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on: (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure: (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- (1) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to: (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5. (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Defects, liens, encumbrances, adverse claims, or other matters: (a) created, suffered, assumed, or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
- Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is (a) a fraudulent conveyance or fraudulent transfer, or (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
- Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

- (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at: (a) The time of the advance; or (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of Interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

Orange Coast Title Company PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information that you provide to us. Therefore, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means.
- Information we receive from providers of services to us, such as appraisers, appraisal management companies, real estate agents and brokers and insurance agencies (this may include the appraised value, purchase price and other details about the property that is the subject of your transaction with us).
- Information about your transactions with us, our Affiliated Companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Opting Out

We may also share the information we collect about you within our family of companies (our "Affiliated Companies"). We may also provide this information to companies that perform marketing or other services on our behalf, or on behalf of our Affiliated Companies ("Service Providers"). However, we will not share this information with our Affiliated Companies or our Service Providers if you choose to opt out, in writing. To opt out, please use the form entitled "Request Not to Share Nonpublic Personal Information", which is attached hereto. This form provides instructions on how to request us not to share information with third parties.

Please be aware that Orange Coast Title Company and its Affiliated Companies maintain high standards to safeguard nonpublic, personal information, and do not rent or sell such information. Please note, however, that unless you opt out in writing, our Affiliated Companies and Service Providers will have access to the information in our files.

Other Important Information

We reserve the right to modify or supplement this Privacy Policy at any time. If our Privacy Policy changes, we will provide the new Privacy Policy and the ability to opt out (as required by law) before the new policy becomes effective.

REQUEST NOT TO SHARE NONPUBLIC PERSONAL INFORMATION

Please read the following information carefully.

Orange Coast Title Company may share nonpublic, personal information we collect about you within our family of companies (our "Affiliated Companies"). We may also provide this information to companies that perform marketing or other services on our behalf, or on behalf of our Affiliated Companies ("Service Providers"). By sharing this information, we can better understand your service needs. We can then send you notification of new products and services offered by Orange Coast Title Company, its Affiliated Companies or its Service Providers that you may not otherwise know about.

However, you may prohibit the sharing of non-public personal information within our Affiliated Companies, or with any third parties at any time. If you would like to limit disclosures of non-public, personal information about you as described herein, please check the appropriate box or boxes to indicate your privacy choices, and return this form to us at the address below.

- _____ Please do not share personal information about me with non-affiliated third parties.
- _____ Please do not share personal information about me with any of your Affiliated Companies except as necessary to effect, administer, process, service or enforce a transaction requested or authorized by me.
- _____ Please do not contact me with offers of products or services by mail.
- _____ Please do not contact me with offers of products or services by e-mail.
- _____ Please do not contact me with offers of products or services by telephone.

Name

Company Name

Address

Address

City, State, Zip

City, State, Zip

Phone Number

Phone Number

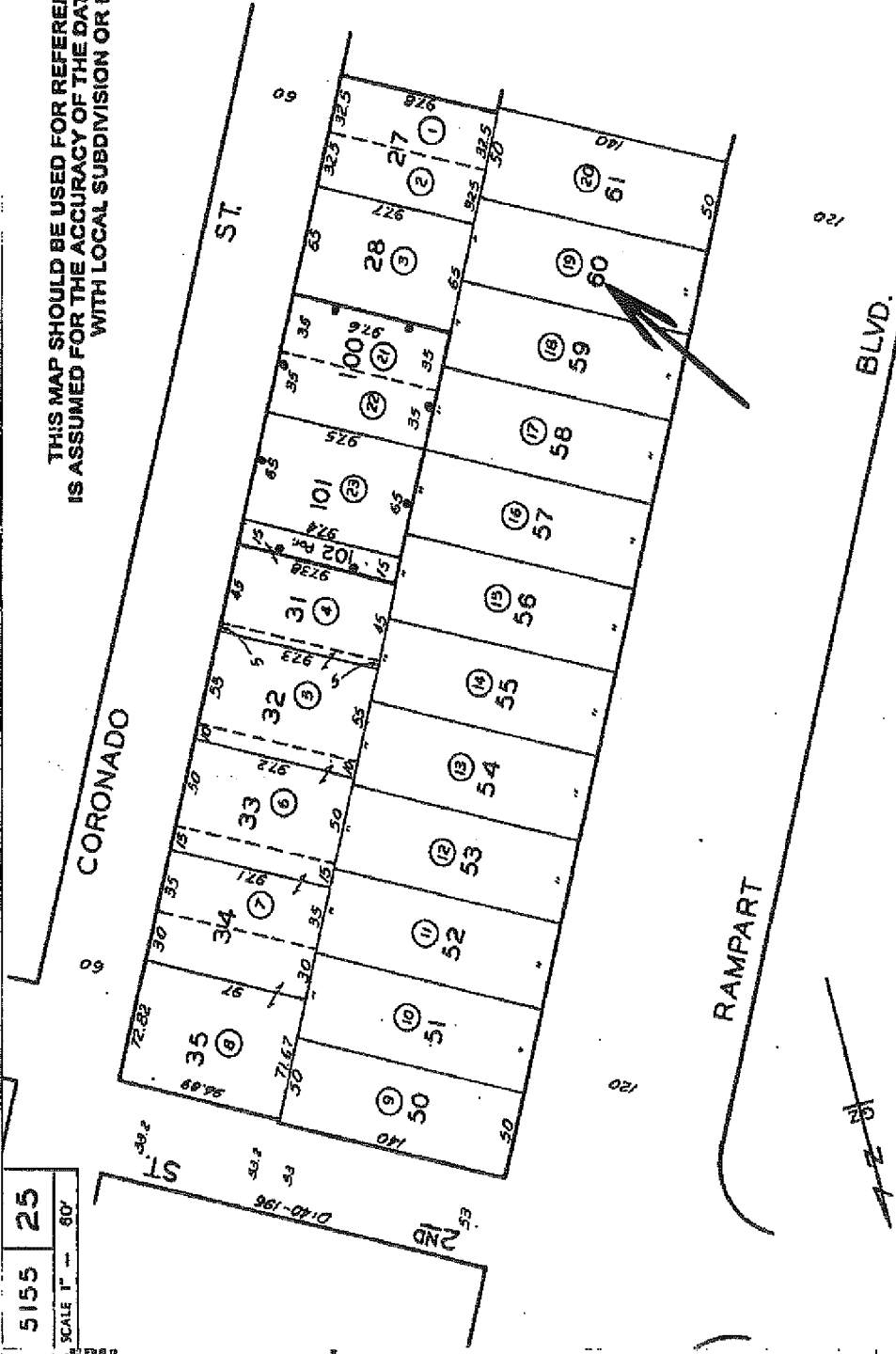
E-mail address

E-mail address

Orange Coast Title Company
3536 Concours Drive, Suite 120
Ontario, CA 91764
909-987-5433

600307

THIS MAP SHOULD BE USED FOR REFERENCE PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.



RAMPART HEIGHTS DIVISION A TRACT NO. 91
M.B.10-70 M.B.13-112

CODE 87

FOR PREV. ASSMT. SEE: 1564-25

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.



Orange Coast Title Company

3536 Concourse Drive, Suite 120
Ontario, CA 91764
909-987-5433

Order No. 140-1185101-32

PRELIMINARY REPORT

City of Los Angeles Housing Dept
1200 W. 7th Street, 9th Floor
Los Angeles, CA 90017

Attention:	Jimmy Newsom	Your no.:	TS100030
Property address:	819 W 4th St, , in the City of Los Angeles, area of San Pedro, CA 90731	Order no.:	140-1185101-32

Dated: July 27, 2010

In response to the above referenced application for a policy of title insurance, **Orange Coast Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit B attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit B. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters, which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a binder or commitment should be requested.

Dated as of July 19, 2010 at 7:30 AM

Manny Villalobos, Title Officer
Ph: 909-987-5433
Email: mannyv@octitle.com
Fax: 909-297-2547

The form of policy of title insurance contemplated by this report is:

C.L.T.A. Standard Coverage Policy - 1990 (Owners Policy or Joint Protection)

SCHEDULE "A"

The estate or interest in the land hereinafter described or referred to covered by this report is:

A fee.

Title to said estate or interest at the date hereof is vested in:

Los Angeles Housing Department.

The land referred to in this report is situated in the County of Los Angeles, State of California, and is described as follows:

Lot 11 in Block "Q" of Mirador Tract No. 3, in the City of Los Angeles, County of Los Angeles, State of California, as per Map on File in book 5, page(s) 84 of Maps, in the office of the County Recorder of said County.

Together with that Portion of vacated alley that would attach by operation of law, as abandoned by Resolution to vacate No. 83-21875, recorded January 25, 1984 as Instrument No. 84-0103037, Official Records.

Assessor's Parcel Number(s): 7451-024-900

SCHEDULE "B"

At the date hereof exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy form would be as follows:

- 1 General and Special taxes for the fiscal year 2010-2011, including any assessments collected with taxes. A lien not yet payable.

First installment due and payable November 1, 2010, delinquent if not paid by 12/10/10
Second installment due and payable February 1, 2011, delinquent if not paid by 4/10/11
- 2 General and special city and/or county taxes, bonds or assessments which may become due on said land, if and when title to said land is no longer vested in a governmental or quasi-governmental agency
- 3 The Lien of supplemental taxes if any, assessed pursuant to the provisions of section 75, et seq of the revenue and taxation code of the state of California
- 4 An easement for purposes herein stated, and rights incidental thereto as set forth in an instrument
Recorded: In Book 880 and Page 61 of Deeds
For: Water pipes and incidental purposes
Affects: said land.
- 5 Covenants, conditions and restrictions in an instrument recorded in Book 2836, Page(s) 170 of Deeds, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin unless and only to the extent said covenant (a) is exempt under chapter 42, section 3604 of the United States code or (b) relates to handicap but does not discriminate against handicapped persons.

"NOTE: section 12955 of the government code provide the following: if this document contains any restriction based on race, color, religion, sex, familial status, marital status, disability, national origin, or ancestry, that restriction violates state and federal fair housing laws and is void, and may be removed pursuant to Section 12955 of the government code. Lawful restriction under state and federal law on the age of occupants in senior housing for older persons shall not be construed as restriction based on familial status."
- 6 An easement for purposes herein stated, and rights incidental thereto as provided in an instrument
Recorded: January 25, 1984 as Instrument No. 1984-103037, Official Records
For: Public utilities and incidental purposes
In favor of: City of Los Angeles
Affects: more particularly described in the above mentioned.

NOTE: Reference is made to said document for full particulars.
- 7 "NOTE: Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact your title officer immediately for further review".

End Schedule B

"NOTES AND REQUIREMENTS SECTION"

Note No. 1

California Revenue and Taxation Code Section 18662, effective January 1, 1994 and by amendment effective January 1, 2003, provides that the buyer in all sales of California Real Estate may be required to withhold 3 and 1/3% of the total sales price as California State Income Tax, subject to the provisions of the law as therein contained.

NOTE NO. 2 PAYOFF INFORMATION:

Note: this company does require current beneficiary demands prior to closing.

If the demand is expired and a correct demand cannot be obtained, our requirements will be as follows:

- A. If this company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. The amount of this hold will be over and above the verbal hold the lender may have stipulated.
- B. If this company cannot obtain a verbal update on the demand, will either pay off the expired demand or wait for the amended demand, at the discretion of the escrow.
- C. In the event that a payoff is being made to a servicing agent for the beneficiary, this company will require a complete copy of the servicing agreement prior to close.

Note No. 3

If this company is requested to disburse funds in connection with this transaction, chapter 598, statutes of 1989 mandates hold periods for checks deposited to escrow or sub-escrow accounts. The mandatory hold is one business day after the day deposited. Other checks require a hold period from three to seven business days after the day deposited.

Notice Regarding Your Deposit of Funds

California Insurance Code Sections 12413 *et. Seq.* Regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow and sub-escrow accounts and be available for withdrawal prior to disbursement. Funds deposited with the Company by wire transfer may be disbursed upon receipt. Funds deposited with the Company via cashier's checks drawn on a California based bank may be disbursed the next business day after the day of deposit. If funds are deposited with by other methods, recording or disbursement may be delayed. All escrow and sub-escrow funds received by the Company will be deposited with other funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The Company and/or its parent company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with the financial institution, and the Company shall have no obligation to account to the depositing party in any manner for the value of, or to pay such party, any benefit received by the Company and/or its parent Company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the Company and/or its parent company and earnings on investments made on the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the Company for its services in connection with the escrow or sub-escrow. If funds are to be deposited with **Orange Coast Title Company** by wire transfer, they should be wired to the following bank/account:

Wiring Instructions for This Office:

**Citizens Business Bank
301 Vanderbilt Way
San Bernardino, CA 92408
Account No. 245121776
ABA 122234149
Credit to the account of Orange Coast Title Builder Services
Reference Title Order No. 140-1185101-32
and Manny Villalobos, title officer**

Attention

Please note that this preliminary report now has an extra copy of the legal description on a separate sheet of paper. There are no markings on the page. The idea is to provide you with a legal description that can be attached to other documents as needed.

Thank you for your support of **Orange Coast Title Company**. We hope that this makes your job a little easier.

Exhibit "A"

Lot 11 in Block "Q" of Mirador Tract No. 3, in the City of Los Angeles, County of Los Angeles, State of California, as per Map on File in book 5, page(s) 84 of Maps, in the office of the County Recorder of said County.

Together with that Portion of vacated alley that would attach by operation of law, as abandoned by Resolution to vacate No. 83-21875, recorded January 25, 1984 as Instrument No. 84-0103037, Official Records.

Exhibit B (Revised 01-01-08)**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY – 1990 EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
- Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
- Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01/01/08) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning: a. building, b. zoning, c. Land use d. improvements on the Land, e. Land division, f. environmental protection. This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date. This Exclusion does not limit the coverage described in Covered Risk 16, 17, 18, 19 or 24.
- The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
- The right to take the Land by condemning it, unless: a. a notice of exercising the right appears in the Public Records at the Policy Date, or b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
- Risks: a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records; b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date; c. that result in no loss to You; or d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8, d, 22, 23, 24 or 25.
- Failure to pay value for Your Title.
- Lack of a right: a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and b. in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

• For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 18:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 19:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 21:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning: * land use * improvements on the land * land division * environmental protection. This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
- The right to take the land by condemning it, unless: * a notice of exercising the right appears in the public records * on the Policy Date * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
- Title Risks: * that are created, allowed, or agreed to by you * that are known to you, but not to us, on the Policy Date - unless they appeared in the public records * that result in no loss to you * that first affect your title after the Policy Date - this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks.
- Failure to pay value for your title.
- Lack of a right: * to any land outside the area specifically described and referred to in Item 3 of Schedule A OR * in streets, alleys, or waterways that touch your land. This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

5 of Covered Title Risks.

ALTA LOAN POLICY (10-17-92) WITH ALTA ENDORSEMENT-FORM 1 COVERAGE EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
- Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
- Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
- Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on: (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure: (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are

shown by the public records.

2006 ALTA LOAN POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to: (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5. (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
 - Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
 - Defects, liens, encumbrances, adverse claims, or other matters: (a) created, suffered, assumed, or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
 - Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
 - Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
 - Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is: (a) a fraudulent conveyance or fraudulent transfer, or (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
 - Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records.
- This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b). The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

- (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

ALTA OWNER'S POLICY (10-17-92) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
- Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on: (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure: (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to: (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5. (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Defects, liens, encumbrances, adverse claims, or other matters: (a) created, suffered, assumed, or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
- Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is (a) a fraudulent conveyance or fraudulent transfer; or (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
- Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

- (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at: (a) The time of the advance; or (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

Orange Coast Title Company PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information that you provide to us. Therefore, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means.
- Information we receive from providers of services to us, such as appraisers, appraisal management companies, real estate agents and brokers and insurance agencies (this may include the appraised value, purchase price and other details about the property that is the subject of your transaction with us).
- Information about your transactions with us, our Affiliated Companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Opting Out

We may also share the information we collect about you within our family of companies (our "Affiliated Companies"). We may also provide this information to companies that perform marketing or other services on our behalf, or on behalf of our Affiliated Companies ("Service Providers"). However, we will not share this information with our Affiliated Companies or our Service Providers if you choose to opt out, in writing. To opt out, please use the form entitled "Request Not to Share Nonpublic Personal Information", which is attached hereto. This form provides instructions on how to request us not to share information with third parties.

Please be aware that Orange Coast Title Company and its Affiliated Companies maintain high standards to safeguard nonpublic, personal information, and do not rent or sell such information. Please note, however, that unless you opt out in writing, our Affiliated Companies and Service Providers will have access to the information in our files.

Other Important Information

We reserve the right to modify or supplement this Privacy Policy at any time. If our Privacy Policy changes, we will provide the new Privacy Policy and the ability to opt out (as required by law) before the new policy becomes effective.

REQUEST NOT TO SHARE NONPUBLIC PERSONAL INFORMATION

Please read the following information carefully.

Orange Coast Title Company may share nonpublic, personal information we collect about you within our family of companies (our "Affiliated Companies"). We may also provide this information to companies that perform marketing or other services on our behalf, or on behalf of our Affiliated Companies ("Service Providers"). By sharing this information, we can better understand your service needs. We can then send you notification of new products and services offered by Orange Coast Title Company, its Affiliated Companies or its Service Providers that you may not otherwise know about.

However, you may prohibit the sharing of non-public personal information within our Affiliated Companies, or with any third parties at any time. If you would like to limit disclosures of non-public, personal information about you as described herein, please check the appropriate box or boxes to indicate your privacy choices, and return this form to us at the address below.

- _____ Please do not share personal information about me with non-affiliated third parties.
- _____ Please do not share personal information about me with any of your Affiliated Companies except as necessary to effect, administer, process, service or enforce a transaction requested or authorized by me.
- _____ Please do not contact me with offers of products or services by mail.
- _____ Please do not contact me with offers of products or services by e-mail.
- _____ Please do not contact me with offers of products or services by telephone.

Name

Company Name

Address

Address

City, State, Zip

City, State, Zip

Phone Number

Phone Number

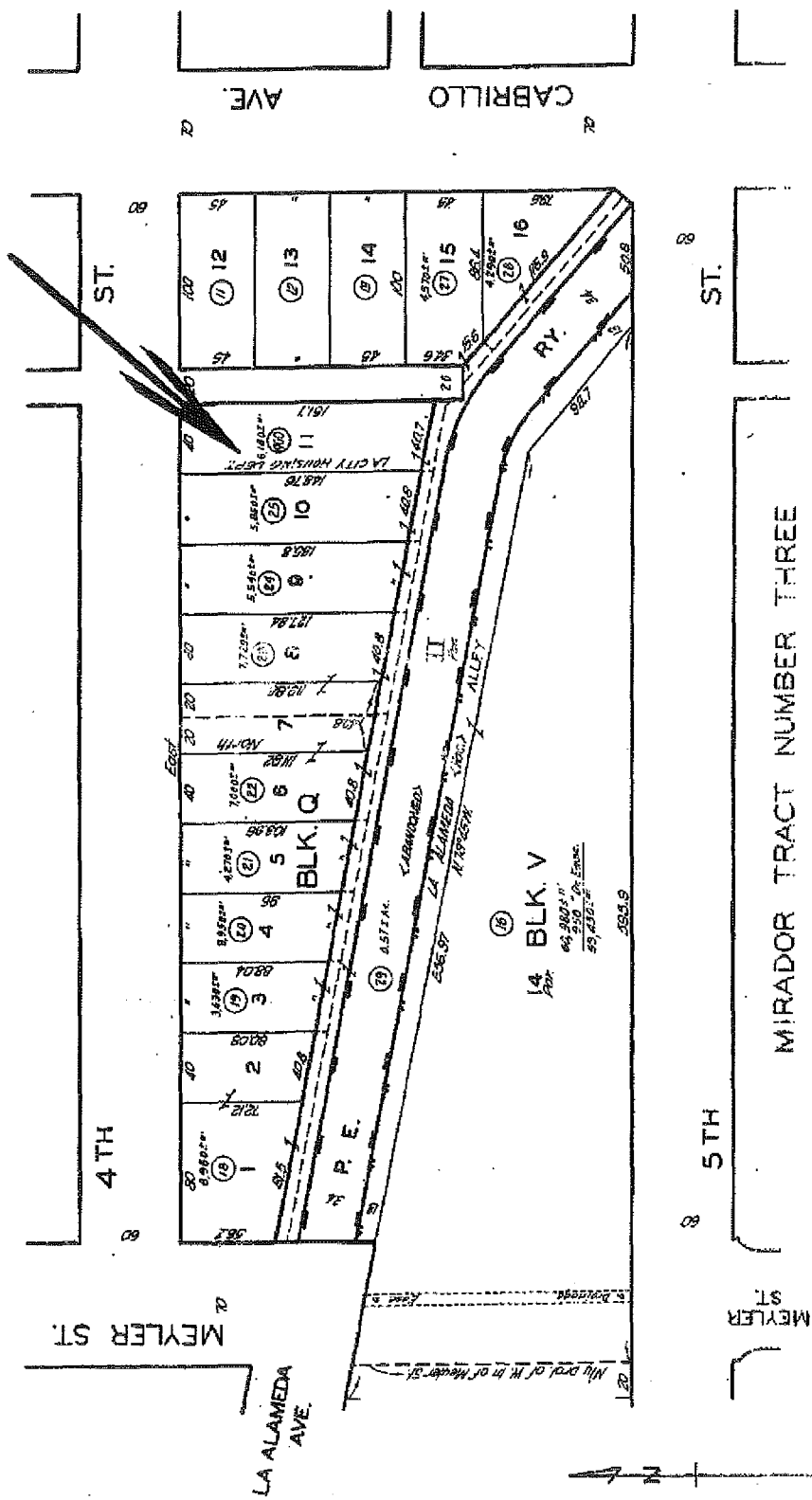
E-mail address

E-mail address

Orange Coast Title Company
3536 Concours Drive, Suite 120
Ontario, CA 91764
909-987-5433

REVISED
7/24/07
ASSESSOR'S MAP
APPROVED 7/24/07

7451 24 2007
SCALE 1" = 60'



MIRADOR TRACT NUMBER THREE
VALAMBROSA TRACT
SUBDIVISION OF LOT 14
OF ORIGINAL PARTITION OF
THE RANCHO LOS PALOS VERDES
M.B. 10-109
L.S. 1-47

NOV 21 2006
ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.

THIS MAP SHOULD BE USED FOR REFERENCE PURPOSES ONLY. NO LIABILITY
IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. PARCELS MAY NOT COMPLY
WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

FOR PREP. ASSUMT. SEE 2008-1, 7 & 4.



Orange Coast Title Company

3536 Concourse Drive, Suite 120
Ontario, CA 91764
909-987-5433

Order No. 140-1185103-32

PRELIMINARY REPORT

City of Los Angeles Housing Dept
1200 W. 7th Street, 9th Floor
Los Angeles, CA 90017

Attention: Jimmy Newsom
Property address: 851 W 81st St, Los Angeles, CA 90044

Your no.: TS100032
Order no.: 140-1185103-32

Dated: July 26, 2010

In response to the above referenced application for a policy of title insurance, **Orange Coast Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit B attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit B. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters, which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a binder or commitment should be requested.

Dated as of July 16, 2010 at 7:30 AM

Manny Villalobos, Title Officer
Ph: 909-987-5433
Email: mannyv@octitle.com
Fax: 909-297-2547

The form of policy of title insurance contemplated by this report is:

C.L.T.A. Standard Coverage Policy - 1990 (Owners Policy or Joint Protection)

SCHEDULE "A"

The estate or interest in the land hereinafter described or referred to covered by this report is:

A fee.

Title to said estate or interest at the date hereof is vested in:

City of Los Angeles.

The land referred to in this report is situated in the County of Los Angeles, State of California, and is described as follows:

Lot 132 of Sannyside Park Addition, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 4, Page 198 of Maps, in the office of the County Recorder.

Assessor's Parcel Number(s): 6032-003-018

SCHEDULE "B"

At the date hereof exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy form would be as follows:

- 1 General and Special taxes for the fiscal year 2010-2011, including any assessments collected with taxes. A lien not yet payable.

First installment due and payable November 1, 2010, delinquent if not paid by 12/10/10
Second installment due and payable February 1, 2011, delinquent if not paid by 4/10/11
- 2 The following taxes have all been paid and are reported for proration purposes only. General and Special taxes for the fiscal year 2009-2010.

Total amount	\$923.33
1st installment	\$491.67
2nd installment	\$481.66
Code area	00212
Parcel No.	6032-003-018
Exemption	\$202,350
- 3 The Lien of supplemental taxes if any, assessed pursuant to the provisions of section 75, et seq of the revenue and taxation code of the state of California
- 4 An instrument, upon the terms and conditions contained therein
 Entitled: Notice of Building(s), Structure(s), or Premises Placed into the REst Escrow Account Program (Reap)
 Recorded: March 21, 2008 as Instrument No. 2008-0494348, Official Records.
- 5 "NOTE: Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact your title officer immediately for further review".
- 6 Rights of parties in possession of said land by reason of unrecorded leases, if any. Please forward said leases for our examination.

End Schedule B

"NOTES AND REQUIREMENTS SECTION"**Note No. 1**

California Revenue and Taxation Code Section 18662, effective January 1, 1994 and by amendment effective January 1, 2003, provides that the buyer in all sales of California Real Estate may be required to withhold 3 and 1/3% of the total sales price as California State Income Tax, subject to the provisions of the law as therein contained.

NOTE NO. 2 PAYOFF INFORMATION:

Note: this company does require current beneficiary demands prior to closing.

If the demand is expired and a correct demand cannot be obtained, our requirements will be as follows:

- A. If this company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. The amount of this hold will be over and above the verbal hold the lender may have stipulated.
- B. If this company cannot obtain a verbal update on the demand, will either pay off the expired demand or wait for the amended demand, at the discretion of the escrow.
- C. In the event that a payoff is being made to a servicing agent for the beneficiary, this company will require a complete copy of the servicing agreement prior to close.

Note No. 3

If this company is requested to disburse funds in connection with this transaction, chapter 598, statutes of 1989 mandates hold periods for checks deposited to escrow or sub-escrow accounts. The mandatory hold is one business day after the day deposited. Other checks require a hold period from three to seven business days after the day deposited.

Notice Regarding Your Deposit of Funds

California Insurance Code Sections 12413 *et. Seq.* Regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow and sub-escrow accounts and be available for withdrawal prior to disbursement. Funds deposited with the Company by wire transfer may be disbursed upon receipt. Funds deposited with the Company via cashier's checks drawn on a California based bank may be disbursed the next business day after the day of deposit. If funds are deposited with by other methods, recording or disbursement may be delayed. All escrow and sub-escrow funds received by the Company will be deposited with other funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The Company and/or its parent company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with the financial institution, and the Company shall have no obligation to account to the depositing party in any manner for the value of, or to pay such party, any benefit received by the Company and/or its parent Company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the Company and/or its parent company and earnings on investments made on the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the Company for its services in connection with the escrow or sub-escrow. If funds are to be deposited with **Orange Coast Title Company** by wire transfer, they should be wired to the following bank/account:

Wiring Instructions for This Office:

**Citizens Business Bank
301 Vanderbilt Way
San Bernardino, CA 92408
Account No. 245121776
ABA 122234149
Credit to the account of Orange Coast Title Builder Services
Reference Title Order No. 140-1185103-32
and Manny Villalobos, title officer**

Attention

Please note that this preliminary report now has an extra copy of the legal description on a separate sheet of paper. There are no markings on the page. The idea is to provide you with a legal description that can be attached to other documents as needed.

Thank you for your support of **Orange Coast Title Company**. We hope that this makes your job a little easier.

Exhibit "A"

Lot 132 of Sannyside Park Addition, in the City of Los Angeles, County of Los Angeles, State of California, as per map recorded in Book 4, Page 198 of Maps, in the office of the County Recorder.

Exhibit B (Revised 01-01-08)**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990 EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy; (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
- Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable business laws of the state in which the land is situated.
- Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01/01/08) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning: a. building, b. zoning, c. Land use d. improvements on the Land, e. Land division, f. environmental protection. This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date. This Exclusion does not limit the coverage described in Covered Risk 16, 17, 18, 19 or 24.
- The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
- The right to take the Land by condemning it, unless: a. a notice of exercising the right appears in the Public Records at the Policy Date; or b. the taking happened before the Policy Date and is binding on You if You bought the Land without knowing of the taking.
- Risks: a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records; b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date - c. that result in no loss to You; or d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8, d, 22, 23, 24 or 25.
- Failure to pay value for Your Title.
- Lack of a right: a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and b. in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

* For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 18:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 19:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 21:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning: * land use * improvements on the land * land division * environmental protection. This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
- The right to take the land by condemning it, unless: * a notice of exercising the right appears in the public records * on the Policy Date * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
- Title Risks: * that are created, allowed, or agreed to by you * that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records * that result in no loss to you * that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks.
- Failure to pay value for your title.
- Lack of a right: * to any land outside the area specifically described and referred to in Item 3 of Schedule A OR * in streets, alleys, or waterways that touch your land. This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

5 of Covered Title Risks.

ALTA LOAN POLICY (10-17-92) WITH ALTA ENDORSEMENT-FORM 1 COVERAGE EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy; (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
- Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
- Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
- Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on: (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer, or (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure: (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are

shown by the public records.

2006 ALTA LOAN POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to: (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5. (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Defects, liens, encumbrances, adverse claims, or other matters: (a) created, suffered, assumed, or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
- Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection truth-in-lending law.
- Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is: (a) a fraudulent conveyance or fraudulent transfer, or (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
- Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b). The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

- Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

ALTA OWNER'S POLICY (10-17-92) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
- Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on: (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure: (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from

Coverage in a Standard Coverage Policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to: (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5. (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Defects, liens, encumbrances, adverse claims, or other matters: (a) created, suffered, assumed, or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
- Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is (a) a fraudulent conveyance or fraudulent transfer; or (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
- Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

- (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land, (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part, or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at: (a) The time of the advance; or (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of Interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

Orange Coast Title Company PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information that you provide to us. Therefore, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means.
- Information we receive from providers of services to us, such as appraisers, appraisal management companies, real estate agents and brokers and insurance agencies (this may include the appraised value, purchase price and other details about the property that is the subject of your transaction with us).
- Information about your transactions with us, our Affiliated Companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Opting Out

We may also share the information we collect about you within our family of companies (our "Affiliated Companies"). We may also provide this information to companies that perform marketing or other services on our behalf, or on behalf of our Affiliated Companies ("Service Providers"). However, we will not share this information with our Affiliated Companies or our Service Providers if you choose to opt out, in writing. To opt out, please use the form entitled "Request Not to Share Nonpublic Personal Information", which is attached hereto. This form provides instructions on how to request us not to share information with third parties.

Please be aware that Orange Coast Title Company and its Affiliated Companies maintain high standards to safeguard nonpublic, personal information, and do not rent or sell such information. Please note, however, that unless you opt out in writing, our Affiliated Companies and Service Providers will have access to the information in our files.

Other Important Information

We reserve the right to modify or supplement this Privacy Policy at any time. If our Privacy Policy changes, we will provide the new Privacy Policy and the ability to opt out (as required by law) before the new policy becomes effective.

REQUEST NOT TO SHARE NONPUBLIC PERSONAL INFORMATION

Please read the following information carefully.

Orange Coast Title Company may share nonpublic, personal information we collect about you within our family of companies (our "Affiliated Companies"). We may also provide this information to companies that perform marketing or other services on our behalf, or on behalf of our Affiliated Companies ("Service Providers"). By sharing this information, we can better understand your service needs. We can then send you notification of new products and services offered by Orange Coast Title Company, its Affiliated Companies or its Service Providers that you may not otherwise know about.

However, you may prohibit the sharing of non-public personal information within our Affiliated Companies, or with any third parties at any time. If you would like to limit disclosures of non-public, personal information about you as described herein, please check the appropriate box or boxes to indicate your privacy choices, and return this form to us at the address below.

- _____ Please do not share personal information about me with non-affiliated third parties.
- _____ Please do not share personal information about me with any of your Affiliated Companies except as necessary to effect, administer, process, service or enforce a transaction requested or authorized by me.
- _____ Please do not contact me with offers of products or services by mail.
- _____ Please do not contact me with offers of products or services by e-mail.
- _____ Please do not contact me with offers of products or services by telephone.

Name

Company Name

Address

Address

City, State, Zip

City, State, Zip

Phone Number

Phone Number

E-mail address

E-mail address

Orange Coast Title Company
3536 Concours Drive, Suite 120
Ontario, CA 91764
909-987-5433



Orange Coast Title Company

3536 Concours Drive, Suite 120
Ontario, CA 91764
909-987-5433

PRELIMINARY REPORT

City of Los Angeles Housing Dept
1200 W. 7th Street, 9th Floor
Los Angeles, CA 90017

Attention: Jimmy Newsom
Property address: 2516 N Eastlake Ave, Los Angeles, CA 90031

Your no.: TS100031
Order no.: 140-1185102-32

Dated: July 23, 2010

In response to the above referenced application for a policy of title insurance, **Orange Coast Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit B attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit B. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters, which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a binder or commitment should be requested.

Dated as of July 19, 2010 at 7:30 AM

Manny Villalobos, Title Officer
Ph: 909-987-5433
Email: mannyv@octitle.com
Fax: 909-297-2547

The form of policy of title insurance contemplated by this report is:

A.L.T.A Homeowner's Policy (1/01/08) A.L.T.A. Loan Policy (06-17-06) with A.L.T.A. Endorsement - Form 1 Coverage

SCHEDULE "A"

The estate or interest in the land hereinafter described or referred to covered by this report is:

A Fee.

Title to said estate or interest at the date hereof is vested in:

City of Los Angeles

The land referred to in this report is situated in the County of Los Angeles, State of California, and is described as follows:

Lot 2 of Altura View Tract as per Map recorded in Book 12 Page 88 of Maps in the Office of the County Recorder of said County ("Property").

Assessor's Parcel Number(s): 5208-008-901

SCHEDULE "B"

At the date hereof exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy form would be as follows:

- 1 General and Special taxes for the fiscal year 2010-2011, including any assessments collected with taxes. A lien not yet payable.

First installment due and payable November 1, 2010, delinquent if not paid by 12/10/10
Second installment due and payable February 1, 2011, delinquent if not paid by 4/10/11
- 2 General and special city and/or county taxes, bonds or assessments which may become due on said land, if and when title to said land is no longer vested in a governmental or quasi-governmental agency
- 3 The Lien of supplemental taxes if any, assessed pursuant to the provisions of section 75, et seq of the revenue and taxation code of the state of California
- 4 "NOTE: Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact your title officer immediately for further review".
- 5 Rights of parties in possession of said land by reason of unrecorded leases, if any. Please forward said leases for our examination.
- 6 Several liens and or judgments have been identified against parties with similar names which may affect this transaction. In order to provide a completed title report, we must receive a completed statement of information from all parties involved in this transaction.

End Schedule B

"NOTES AND REQUIREMENTS SECTION"**Note No. 1**

California Revenue and Taxation Code Section 18662, effective January 1, 1994 and by amendment effective January 1, 2003, provides that the buyer in all sales of California Real Estate may be required to withhold 3 and 1/3% of the total sales price as California State Income Tax, subject to the provisions of the law as therein contained.

NOTE NO. 2 PAYOFF INFORMATION:

Note: this company does require current beneficiary demands prior to closing.

If the demand is expired and a correct demand cannot be obtained, our requirements will be as follows:

- A. If this company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. The amount of this hold will be over and above the verbal hold the lender may have stipulated.
- B. If this company cannot obtain a verbal update on the demand, will either pay off the expired demand or wait for the amended demand, at the discretion of the escrow.
- C. In the event that a payoff is being made to a servicing agent for the beneficiary, this company will require a complete copy of the servicing agreement prior to close.

Note No. 3

If this company is requested to disburse funds in connection with this transaction, chapter 598, statutes of 1989 mandates hold periods for checks deposited to escrow or sub-escrow accounts. The mandatory hold is one business day after the day deposited. Other checks require a hold period from three to seven business days after the day deposited.

Notice Regarding Your Deposit of Funds

California Insurance Code Sections 12413 *et. Seq.* Regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow and sub-escrow accounts and be available for withdrawal prior to disbursement. Funds deposited with the Company by wire transfer may be disbursed upon receipt. Funds deposited with the Company via cashier's checks drawn on a California based bank may be disbursed the next business day after the day of deposit. If funds are deposited with by other methods, recording or disbursement may be delayed. All escrow and sub-escrow funds received by the Company will be deposited with other funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The Company and/or its parent company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with the financial institution, and the Company shall have no obligation to account to the depositing party in any manner for the value of, or to pay such party, any benefit received by the Company and/or its parent Company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the Company and/or its parent company and earnings on investments made on the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the Company for its services in connection with the escrow or sub-escrow. If funds are to be deposited with **Orange Coast Title Company** by wire transfer, they should be wired to the following bank/account:

Wiring Instructions for This Office:

**Citizens Business Bank
301 Vanderbilt Way
San Bernardino, CA 92408
Account No. 245121776
ABA 122234149**

**Credit to the account of Orange Coast Title Builder Services
Reference Title Order No. 140-1185102-32
and Manny Villalobos, title officer**



Orange Coast Title Company

3536 Concourse Drive, Suite 120
Ontario, CA 91764
909-987-5433

Attention:

Borrower:

Lenders supplemental report

The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented in order to reflect the following additional items relating to the issuance of an American Land Title Association loan policy form as follows:

A. This report is preparatory to this issuance of an American Land Title Association loan policy of title insurance. This report discloses nothing, which would preclude the issuance of said American land title association loan policy of title insurance with endorsement no. 100 attached thereto.

B. The improvements on said land are designated as:

A multiple family residence

2516 N Eastlake Ave, in the City of Los Angeles, County of Los Angeles, State of California.

C. Our search of the public records revealed conveyance(s) affecting said land recorded within 24 months of the date of this report are as follows:

None.

Attention

Please note that this preliminary report now has an extra copy of the legal description on a separate sheet of paper. There are no markings on the page. The idea is to provide you with a legal description that can be attached to other documents as needed.

Thank you for your support of **Orange Coast Title Company**. We hope that this makes your job a little easier.

Exhibit "A"

Lot 2 of Altura View Tract as per Map recorded in Book 12 Page 88 of Maps in the Office of the County Recorder of said County ("Property").

Exhibit B (Revised 01-01-08)**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990 EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
- Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
- Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01/01/08) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning: a building, b. zoning, c. Land use d. improvements on the Land, e. Land division, f. environmental protection. This Exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date. This Exclusion does not limit the coverage described in Covered Risk 16, 17, 18, 19 or 24.
- The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
- The right to take the Land by condemning it, unless: a. a notice of exercising the right appears in the Public Records at the Policy Date; or b. the taking happened before the Policy Date and is binding on You if You bought the Land without Knowing of the taking.
- Risks: a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records; b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date; c. that result in no loss to You; or d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8, d, 22, 23, 24 or 25.
- Failure to pay value for Your Title.
- Lack of a right: a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and b. in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- * For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	Your Deductible Amount	Our Maximum Dollar Limit of Liability
Covered Risk 16:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 18:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 19:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 21:	% of Policy Amount or \$ _____ (whichever is less)	\$ _____

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning: * land use * improvements on the land * land division * environmental protection. This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
- The right to take the Land by condemning it, unless: * a notice of exercising the right appears in the public records * on the Policy Date * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
- Title Risks: * that are created, allowed, or agreed to by you * that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records * that result in no loss to you * that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks
- Failure to pay value for your title.
- Lack of a right: * to any land outside the area specifically described and referred to in Item 3 of Schedule A OR * in streets, alleys, or waterways that touch your land. This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

ALTA LOAN POLICY (10-17-92) WITH ALTA ENDORSEMENT-FORM 1 COVERAGE EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
- Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
- Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
- Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on: (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer, or (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure: (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

shown by the public records.

2006 ALTA LOAN POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to: (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5. (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters: (a) created, suffered, assumed, or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is: (a) a fraudulent conveyance or fraudulent transfer, or (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b). The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

ALTA OWNER'S POLICY (10-17-92) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
4. Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on: (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer, or (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure: (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or judgement or lien creditor. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

1. Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
2. Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
3. Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to: (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5. (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters: (a) created, suffered, assumed, or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is (a) a fraudulent conveyance or fraudulent transfer, or (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

1. (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
2. Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
3. Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at: (a) The time of the advance; or (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of Interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

Orange Coast Title Company PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information that you provide to us. Therefore, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means.
- Information we receive from providers of services to us, such as appraisers, appraisal management companies, real estate agents and brokers and insurance agencies (this may include the appraised value, purchase price and other details about the property that is the subject of your transaction with us).
- Information about your transactions with us, our Affiliated Companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Opting Out

We may also share the information we collect about you within our family of companies (our "Affiliated Companies"). We may also provide this information to companies that perform marketing or other services on our behalf, or on behalf of our Affiliated Companies ("Service Providers"). However, we will not share this information with our Affiliated Companies or our Service Providers if you choose to opt out, in writing. To opt out, please use the form entitled "Request Not to Share Nonpublic Personal Information", which is attached hereto. This form provides instructions on how to request us not to share information with third parties.

Please be aware that Orange Coast Title Company and its Affiliated Companies maintain high standards to safeguard nonpublic, personal information, and do not rent or sell such information. Please note, however, that unless you opt out in writing, our Affiliated Companies and Service Providers will have access to the information in our files.

Other Important Information

We reserve the right to modify or supplement this Privacy Policy at any time. If our Privacy Policy changes, we will provide the new Privacy Policy and the ability to opt out (as required by law) before the new policy becomes effective.

REQUEST NOT TO SHARE NONPUBLIC PERSONAL INFORMATION

Please read the following information carefully.

Orange Coast Title Company may share nonpublic, personal information we collect about you within our family of companies (our "Affiliated Companies"). We may also provide this information to companies that perform marketing or other services on our behalf, or on behalf of our Affiliated Companies ("Service Providers"). By sharing this information, we can better understand your service needs. We can then send you notification of new products and services offered by Orange Coast Title Company, its Affiliated Companies or its Service Providers that you may not otherwise know about.

However, you may prohibit the sharing of non-public personal information within our Affiliated Companies, or with any third parties at any time. If you would like to limit disclosures of non-public, personal information about you as described herein, please check the appropriate box or boxes to indicate your privacy choices, and return this form to us at the address below.

- _____ Please do not share personal information about me with non-affiliated third parties.
- _____ Please do not share personal information about me with any of your Affiliated Companies except as necessary to effect, administer, process, service or enforce a transaction requested or authorized by me.
- _____ Please do not contact me with offers of products or services by mail.
- _____ Please do not contact me with offers of products or services by e-mail.
- _____ Please do not contact me with offers of products or services by telephone.

Name

Company Name

Address

Address

City, State, Zip

City, State, Zip

Phone Number

Phone Number

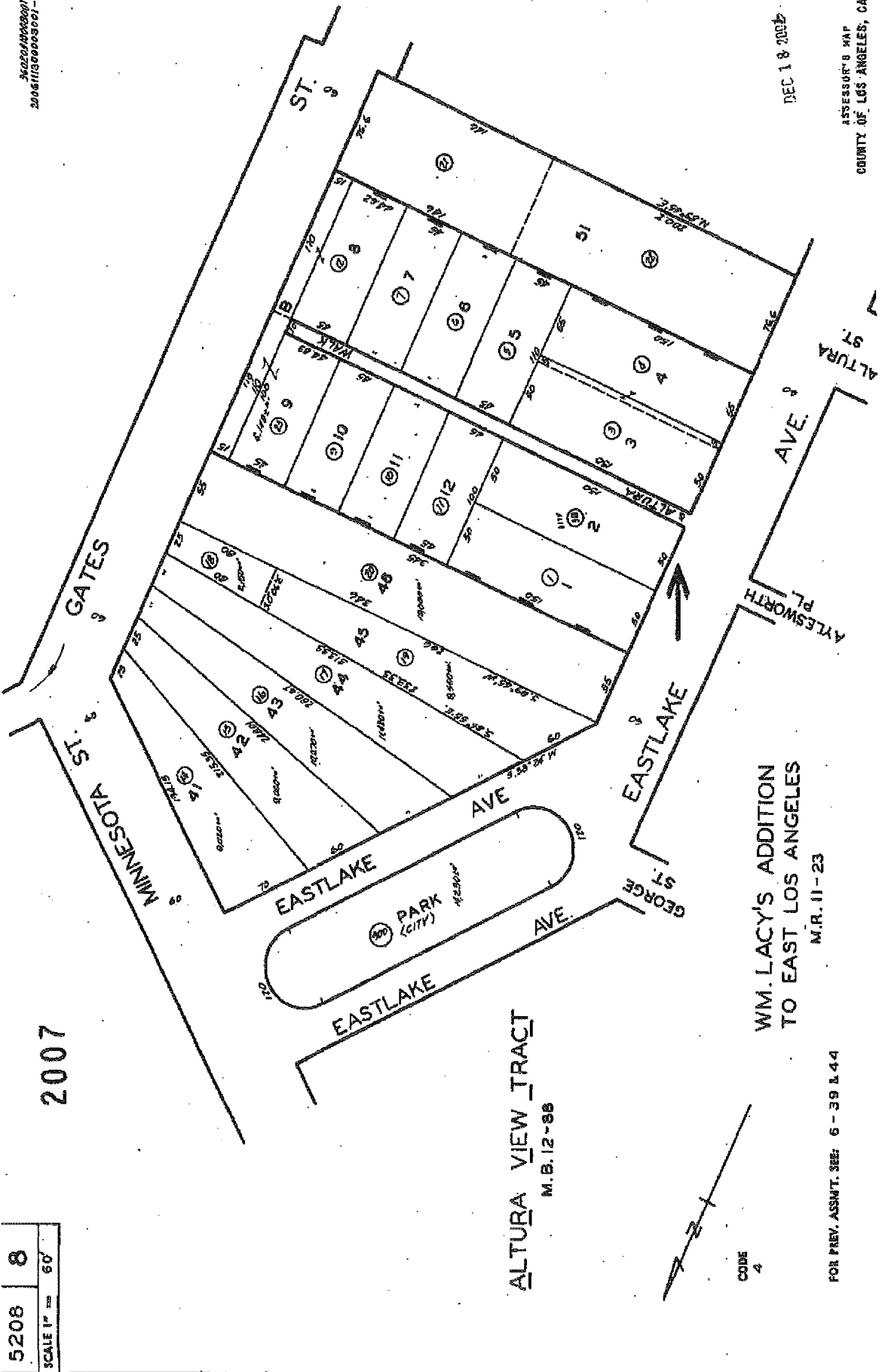
E-mail address

E-mail address

Orange Coast Title Company
3536 Concours Drive, Suite 120
Ontario, CA 91764
909-987-5433

REVIS
360204000001-04
2008111300000001-04

NOT TO BE USED FOR THE PURPOSES OF THE MAP ACT, CHAPTER 1, ARTICLE 1, SECTION 1, WITHOUT CONFORMANCE WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.





Orange Coast Title Company

3536 Concourse Drive, Suite 120
Ontario, CA 91764
909-987-5433

Order No. 140-1185102-32

PRELIMINARY REPORT

City of Los Angeles Housing Dept
1200 W. 7th Street, 9th Floor
Los Angeles, CA 90017

Attention: Jimmy Newsom
Property address: 2516 N Eastlake Ave, Los Angeles, CA 90031

Your no.: TS100031
Order no.: 140-1185102-32

Dated: July 23, 2010

In response to the above referenced application for a policy of title insurance, **Orange Coast Title Company** hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a policy or policies of title insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit B attached. The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit B. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit B of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters, which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a binder or commitment should be requested.

Dated as of July 19, 2010 at 7:30 AM

Manny Villalobos, Title Officer
Ph: 909-987-5433
Email: mannyv@octitle.com
Fax: 909-297-2547

The form of policy of title insurance contemplated by this report is:

A.L.T.A Homeowner's Policy (1/01/08) A.L.T.A. Loan Policy (06-17-06) with A.L.T.A. Endorsement - Form 1 Coverage

SCHEDULE "A"

The estate or interest in the land hereinafter described or referred to covered by this report is:

A Fee.

Title to said estate or interest at the date hereof is vested in:

City of Los Angeles

The land referred to in this report is situated in the County of Los Angeles, State of California, and is described as follows:

Lot 2 of Altura View Tract as per Map recorded in Book 12 Page 88 of Maps in the Office of the County Recorder of said County ("Property").

Assessor's Parcel Number(s): 5208-008-901

SCHEDULE "B"

At the date hereof exceptions to coverage in addition to the printed exceptions and exclusions contained in said policy form would be as follows:

- 1 General and Special taxes for the fiscal year 2010-2011, including any assessments collected with taxes. A lien not yet payable.

 First installment due and payable November 1, 2010, delinquent if not paid by 12/10/10
 Second installment due and payable February 1, 2011, delinquent if not paid by 4/10/11
- 2 General and special city and/or county taxes, bonds or assessments which may become due on said land, if and when title to said land is no longer vested in a governmental or quasi-governmental agency
- 3 The Lien of supplemental taxes if any, assessed pursuant to the provisions of section 75, et seq of the revenue and taxation code of the state of California
- 4 "NOTE: Please be advised that our search did not disclose any open Deeds of Trust of record. If you should have knowledge of any outstanding obligation, please contact your title officer immediately for further review".
- 5 Rights of parties in possession of said land by reason of unrecorded leases, if any. Please forward said leases for our examination.
- 6 Several liens and or judgments have been identified against parties with similar names which may affect this transaction. In order to provide a completed title report, we must receive a completed statement of information from all parties involved in this transaction.

End Schedule B

"NOTES AND REQUIREMENTS SECTION"

Note No. 1

California Revenue and Taxation Code Section 18662, effective January 1, 1994 and by amendment effective January 1, 2003, provides that the buyer in all sales of California Real Estate may be required to withhold 3 and 1/3% of the total sales price as California State Income Tax, subject to the provisions of the law as therein contained.

NOTE NO. 2 PAYOFF INFORMATION:

Note: this company does require current beneficiary demands prior to closing.

If the demand is expired and a correct demand cannot be obtained, our requirements will be as follows:

- A. If this company accepts a verbal update on the demand, we may hold an amount equal to one monthly mortgage payment. The amount of this hold will be over and above the verbal hold the lender may have stipulated.
- B. If this company cannot obtain a verbal update on the demand, will either pay off the expired demand or wait for the amended demand, at the discretion of the escrow.
- C. In the event that a payoff is being made to a servicing agent for the beneficiary, this company will require a complete copy of the servicing agreement prior to close.

Note No. 3

If this company is requested to disburse funds in connection with this transaction, chapter 598, statutes of 1989 mandates hold periods for checks deposited to escrow or sub-escrow accounts. The mandatory hold is one business day after the day deposited. Other checks require a hold period from three to seven business days after the day deposited.

Notice Regarding Your Deposit of Funds

California Insurance Code Sections 12413 *et. Seq.* Regulates the disbursement of escrow and sub-escrow funds by title companies. The law requires that funds be deposited in the title company escrow and sub-escrow accounts and be available for withdrawal prior to disbursement. Funds deposited with the Company by wire transfer may be disbursed upon receipt. Funds deposited with the Company via cashier's checks drawn on a California based bank may be disbursed the next business day after the day of deposit. If funds are deposited with by other methods, recording or disbursement may be delayed. All escrow and sub-escrow funds received by the Company will be deposited with other funds in one or more non-interest bearing escrow accounts of the Company in a financial institution selected by the Company. The Company and/or its parent company may receive certain direct or indirect benefits from the financial institution by reason of the deposit of such funds or the maintenance of such accounts with the financial institution, and the Company shall have no obligation to account to the depositing party in any manner for the value of, or to pay such party, any benefit received by the Company and/or its parent Company. Those benefits may include, without limitation, credits allowed by such financial institution on loans to the Company and/or its parent company and earnings on investments made on the proceeds of such loans, accounting, reporting and other services and products of such financial institution. Such benefits shall be deemed additional compensation of the Company for its services in connection with the escrow or sub-escrow. If funds are to be deposited with **Orange Coast Title Company** by wire transfer, they should be wired to the following bank/account:

Wiring Instructions for This Office:

**Citizens Business Bank
301 Vanderbilt Way
San Bernardino, CA 92408
Account No. 245121776
ABA 122234149
Credit to the account of Orange Coast Title Builder Services
Reference Title Order No. 140-1185102-32
and Manny Villalobos, title officer**



Orange Coast Title Company

3536 Concourse Drive, Suite 120
Ontario, CA 91764
909-987-5433

Attention:

Borrower:

Lenders supplemental report

The above numbered report (including any supplements or amendments thereto) is hereby modified and/or supplemented in order to reflect the following additional items relating to the issuance of an American Land Title Association loan policy form as follows:

- A. This report is preparatory to this issuance of an American Land Title Association loan policy of title insurance. This report discloses nothing, which would prelude the issuance of said American land title association loan policy of title insurance with endorsement no. 100 attached thereto.
- B. The improvements on said land are designated as:

A multiple family residence

2516 N Eastlake Ave, in the City of Los Angeles, County of Los Angeles, State of California.
- C. Our search of the public records revealed conveyance(s) affecting said land recorded within 24 months of the date of this report are as follows:

None.

Attention

Please note that this preliminary report now has an extra copy of the legal description on a separate sheet of paper. There are no markings on the page. The idea is to provide you with a legal description that can be attached to other documents as needed.

Thank you for your support of Orange Coast Title Company. We hope that this makes your job a little easier.

Exhibit "A"

Lot 2 of Altura View Tract as per Map recorded in Book 12 Page 88 of Maps in the Office of the County Recorder of said County ("Property").

Exhibit B (Revised 01-01-08)**CALIFORNIA LAND TITLE ASSOCIATION STANDARD COVERAGE POLICY - 1990 EXCLUSIONS FROM COVERAGE**

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building or zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien, or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) whether or not recorded in the public records at Date of Policy, but created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage or for the estate or interest insured by this policy.
- Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with the applicable doing business laws of the state in which the land is situated.
- Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any claim, which arises out of the transaction vesting in the insured the estate of interest insured by this policy or the transaction creating the interest of the insured lender, by reason of the operation of federal bankruptcy, state insolvency or similar creditors' rights laws.

EXCEPTIONS FROM COVERAGE - SCHEDULE B, PART I

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests, or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

CLTA HOMEOWNER'S POLICY OF TITLE INSURANCE (01/01/08) ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes ordinances, laws and regulations concerning: a. building, b. zoning, c. Land use and d. improvements on the Land, e. Land division, f. environmental protection. This exclusion does not apply to violations or the enforcement of these matters if notice of the violation or enforcement appears in the Public Records at the Policy Date. This Exclusion does not limit the coverage described in Covered Risk 16, 17, 18, 19 or 24.
- The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at the Policy Date.
- The right to take the Land by condemning it, unless: a. a notice of exercising the right appears in the Public Records at the Policy Date; or b. the taking happened before the Policy Date and is binding on You if You bought the Land without knowing of the taking.
- Risks: a. that are created, allowed, or agreed to by You, whether or not they appear in the Public Records; b. that are Known to You at the Policy Date, but not to Us, unless they appear in the Public Records at the Policy Date; c. that result in no loss to You; or d. that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8, d, 22, 23, 24 or 25.
- Failure to pay value for Your Title.
- Lack of a right: a. to any Land outside the area specifically described and referred to in paragraph 3 of Schedule A; and b. in streets, alleys, or waterways that touch the Land. This Exclusion does not limit the coverage described in Covered Risk 11 or 21.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows:

- For Covered Risk 14, 15, 16 and 18, Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.
- The deductible amounts and maximum dollar limits shown on Schedule A are as follows:

	<u>Your Deductible Amount</u>	<u>Our Maximum Dollar Limit of Liability</u>
Covered Risk 16:	____ % of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 18:	____ % of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 19:	____ % of Policy Amount or \$ _____ (whichever is less)	\$ _____
Covered Risk 21:	____ % of Policy Amount or \$ _____ (whichever is less)	\$ _____

AMERICAN LAND TITLE ASSOCIATION RESIDENTIAL TITLE INSURANCE POLICY (6-1-87) EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

- Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning: * land use * improvements on the land * land division * environmental protection. This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date. This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
- The right to take the land by condemning it, unless: * a notice of exercising the right appears in the public records * on the Policy Date * the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking.
- Title Risks: * that are created, allowed, or agreed to by you * that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records * that result in no loss to you * that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks.
- Failure to pay value for your title.
- Lack of a right: * to any land outside the area specifically described and referred to in Item 3 of Schedule A OR * in streets, alleys, or waterways that touch your land. This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

ALTA LOAN POLICY (10-17-92) WITH ALTA ENDORSEMENT-FORM 1 COVERAGE EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy (except to the extent that this policy insures the priority of the lien of the insured mortgage over any statutory lien for services, labor or material or to the extent insurance is afforded herein as to assessments for street improvements under construction or completed at Date of Policy); or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the insured mortgage.
- Unenforceability of the lien of the insured mortgage because of the inability or failure of the insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the land is situated.
- Invalidity or unenforceability of the lien of the insured mortgage, or claim thereof, which arises out of the transaction evidenced by the insured mortgage and is based upon usury or any consumer credit protection or truth in lending law.
- Any statutory lien for services, labor or materials (or the claim of priority of any statutory lien for services, labor or materials over the lien of the insured mortgage) arising from an improvement or work related to the land which is contracted for and commenced subsequent to Date of Policy and is not financed in whole or in part by proceeds of the indebtedness secured by the insured mortgage which at Date of Policy the insured has advanced or is obligated to advance.
- Any claim, which arises out of the transaction creating the interest of the mortgagee insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on: (i) the transaction creating the interest of the insured mortgagee being deemed a fraudulent conveyance or fraudulent transfer; or (ii) the subordination of the interest of the insured mortgagee as a result of the application of the doctrine of equitable subordination; or (iii) the transaction creating the interest of the insured mortgagee being deemed a preferential transfer except where the preferential transfer results from the failure: (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgment or lien creditor. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are

shown by the public records.

2006 ALTA LOAN POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to: (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5. (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Defects, liens, encumbrances, adverse claims, or other matters: (a) created, suffered, assumed, or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
- Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
- Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
- Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is: (a) a fraudulent conveyance or fraudulent transfer, or (b) a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
- Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b). The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

- (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

ALTA OWNER'S POLICY (10-17-92) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to: (i) the occupancy, use, or enjoyment of the land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the land; (iii) a separation in ownership or a change in the dimensions or area of the land or any parcel of which the land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the land has been recorded in the public records at Date of Policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the public records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the insured claimant; (b) not known to the Company, not recorded in the public records at Date of Policy, but known to the insured claimant and not disclosed in writing to the Company by the insured claimant prior to the date the insured claimant became an insured under this policy; (c) resulting in no loss or damage to the insured claimant; (d) attaching or created subsequent to Date of Policy; or (e) resulting in loss or damage which would not have been sustained if the insured claimant had paid value for the estate or interest insured by this policy.
- Any claim, which arises out of the transaction vesting in the insured the estate or interest insured by this policy, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that is based on: (i) the transaction creating the estate or interest insured by this policy being deemed a fraudulent conveyance or fraudulent transfer; or (ii) the transaction creating the estate or interest insured by this policy being deemed a preferential transfer except where the preferential transfer results from the failure: (a) to timely record the instrument of transfer; or (b) of such recordation to impart notice to a purchaser for value or a judgement or lien creditor. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage Policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) which arise by reason of:

- Taxes or assessments which are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the public records. Proceedings by a public agency which may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the public records.
- Any facts, rights, interests or claims which are not shown by the public records but which could be ascertained by an inspection of the land or which may be asserted by persons in possession thereof.
- Easements, liens or encumbrances, or claims thereof, which are not shown by the public records.
- Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the public records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b) or (c) are shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

- (a) Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to: (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions, or location of any improvement erected on the Land; (iii) the subdivision of land; or (iv) environmental protection; or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5. (b) Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
- Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
- Defects, liens, encumbrances, adverse claims, or other matters: (a) created, suffered, assumed, or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or (e) resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
- Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is: (a) a fraudulent conveyance or fraudulent transfer, or (b) a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
- Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A. The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

- (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
- Any facts, rights, interests, or claims that are not shown in the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
- Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
- Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and that are not shown by the Public Records.
- (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (10/13/01) EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy and the Company will not pay loss or damage, costs, attorneys' fees or expenses which arise by reason of:

- (a) Any law, ordinance or governmental regulation (including but not limited to building and zoning laws, ordinances, or regulations) restricting, regulating, prohibiting or relating to: (i) the occupancy, use, or enjoyment of the Land; (ii) the character, dimensions or location of any improvement now or hereafter erected on the Land; (iii) a separation in ownership or a change in the dimensions or areas of the Land or any parcel of which the Land is or was a part; or (iv) environmental protection, or the effect of any violation of these laws, ordinances or governmental regulations, except to the extent that a notice of the enforcement thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy. (b) Any governmental police power not excluded by (a) above, except to the extent that a notice of the exercise thereof or a notice of a defect, lien or encumbrance resulting from a violation or alleged violation affecting the Land has been recorded in the Public Records at Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 12, 13, 14, and 16 of this policy.
- Rights of eminent domain unless notice of the exercise thereof has been recorded in the Public Records at Date of Policy, but not excluding from coverage any taking which has occurred prior to Date of Policy which would be binding on the rights of a purchaser for value without knowledge.
- Defects, liens, encumbrances, adverse claims or other matters: (a) created, suffered, assumed or agreed to by the Insured Claimant; (b) not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy; (c) resulting in no loss or damage to the Insured Claimant; (d) attaching or created subsequent to Date of Policy (this paragraph does not limit the coverage provided under Covered Risks 8, 16, 18, 19, 20, 21, 22, 23, 24, 25 and 26); or (e) resulting in loss or damage which would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.

4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of the Insured at Date of Policy, or the inability or failure of any subsequent owner of the indebtedness, to comply with applicable doing business laws of the state in which the Land is situated.
5. Invalidity or unenforceability of the lien of the Insured Mortgage, or claim thereof, which arises out of the transaction evidenced by the Insured Mortgage and is based upon usury, except as provided in Covered Risk 27, or any consumer credit protection or truth in lending law.
6. Real property taxes or assessments of any governmental authority which become a lien on the Land subsequent to Date of Policy. This exclusion does not limit the coverage provided under Covered Risks 7, 8(e) and 26.
7. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This exclusion does not limit the coverage provided in Covered Risk 8.
8. Lack of priority of the lien of the Insured Mortgage as to each and every advance made after Date of Policy, and all interest charged thereon, over liens, encumbrances and other matters affecting the title, the existence of which are Known to the Insured at: (a) The time of the advance; or (b) The time a modification is made to the terms of the Insured Mortgage which changes the rate of interest charged, if the rate of interest is greater as a result of the modification than it would have been before the modification. This exclusion does not limit the coverage provided in Covered Risk 8.
9. The failure of the residential structure, or any portion thereof to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This exclusion does not apply to violations of building codes if notice of the violation appears in the Public Records at Date of Policy.

Orange Coast Title Company PRIVACY POLICY

We Are Committed to Safeguarding Customer Information

In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information – particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information that you provide to us. Therefore, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability

This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity.

Types of Information

Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means.
- Information we receive from providers of services to us, such as appraisers, appraisal management companies, real estate agents and brokers and insurance agencies (this may include the appraised value, purchase price and other details about the property that is the subject of your transaction with us).
- Information about your transactions with us, our Affiliated Companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information

We request information from you for our own legitimate business purposes and not for benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis.

Former Customers

Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security

We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Opting Out

We may also share the information we collect about you within our family of companies (our "Affiliated Companies"). We may also provide this information to companies that perform marketing or other services on our behalf, or on behalf of our Affiliated Companies ("Service Providers"). However, we will not share this information with our Affiliated Companies or our Service Providers if you choose to opt out, in writing. To opt out, please use the form entitled "Request Not to Share Nonpublic Personal Information", which is attached hereto. This form provides instructions on how to request us not to share information with third parties.

Please be aware that Orange Coast Title Company and its Affiliated Companies maintain high standards to safeguard nonpublic, personal information, and do not rent or sell such information. Please note, however, that unless you opt out in writing, our Affiliated Companies and Service Providers will have access to the information in our files.

Other Important Information

We reserve the right to modify or supplement this Privacy Policy at any time. If our Privacy Policy changes, we will provide the new Privacy Policy and the ability to opt out (as required by law) before the new policy becomes effective.

REQUEST NOT TO SHARE NONPUBLIC PERSONAL INFORMATION

Please read the following information carefully.

Orange Coast Title Company may share nonpublic, personal information we collect about you within our family of companies (our "Affiliated Companies"). We may also provide this information to companies that perform marketing or other services on our behalf, or on behalf of our Affiliated Companies ("Service Providers"). By sharing this information, we can better understand your service needs. We can then send you notification of new products and services offered by Orange Coast Title Company, its Affiliated Companies or its Service Providers that you may not otherwise know about.

However, you may prohibit the sharing of non-public personal information within our Affiliated Companies, or with any third parties at any time. If you would like to limit disclosures of non-public, personal information about you as described herein, please check the appropriate box or boxes to indicate your privacy choices, and return this form to us at the address below.

- _____ Please do not share personal information about me with non-affiliated third parties.
- _____ Please do not share personal information about me with any of your Affiliated Companies except as necessary to effect, administer, process, service or enforce a transaction requested or authorized by me.
- _____ Please do not contact me with offers of products or services by mail.
- _____ Please do not contact me with offers of products or services by e-mail.
- _____ Please do not contact me with offers of products or services by telephone.

Name

Company Name

Address

Address

City, State, Zip

City, State, Zip

Phone Number

Phone Number

E-mail address

E-mail address

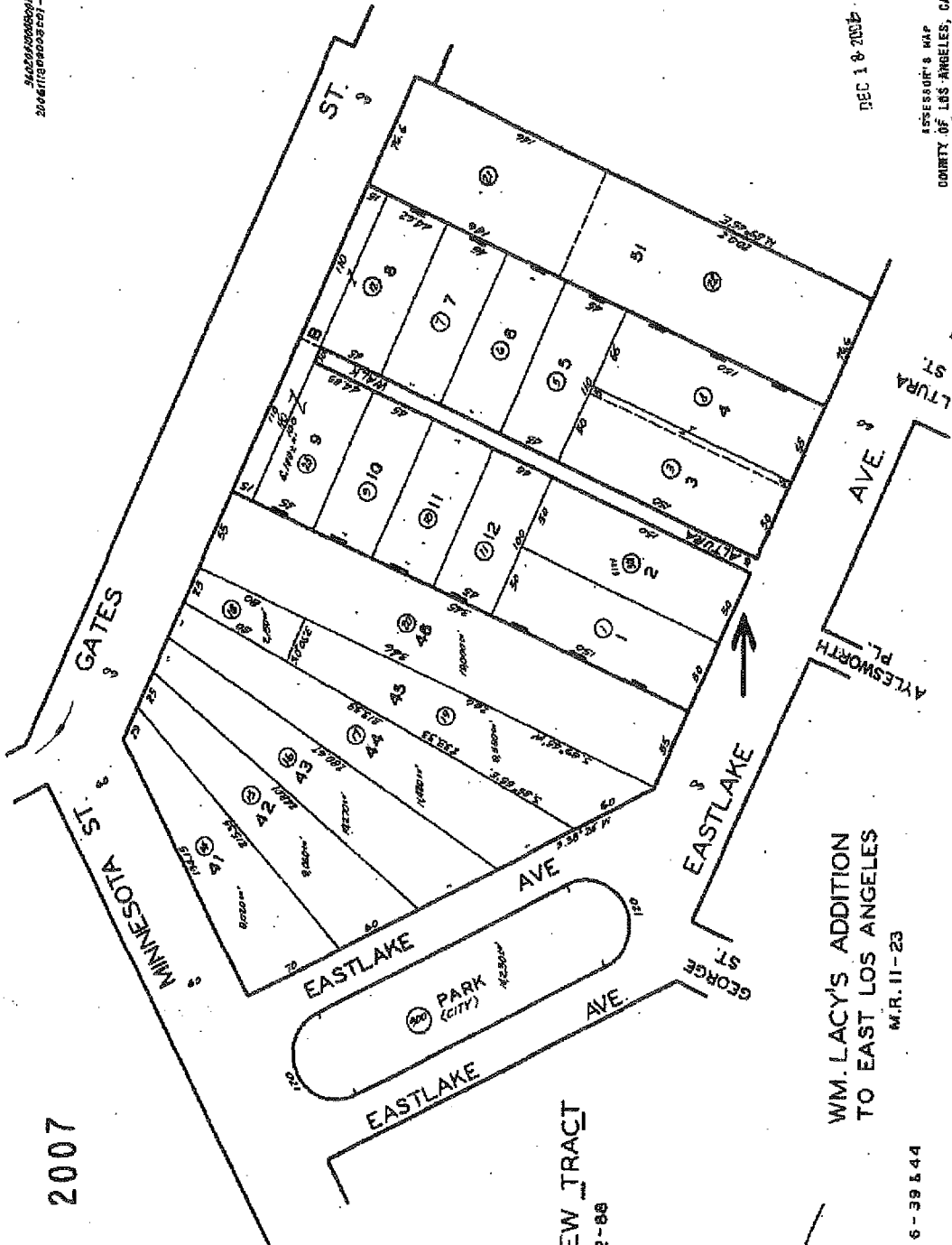
Orange Coast Title Company
3536 Concours Drive, Suite 120
Ontario, CA 91764
909-987-5433

THIS MAP SHOULD BE USED FOR REFERENCE PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. PARCELS MAY NOT COMPLY WITH LOCAL SUBDIVISION OR BUILDING ORDINANCES.

REVIS
5402612000001-04
200611180000001-04

DEC 18 2006

ASSESSOR'S MAP
COUNTY OF LOS ANGELES, CALIF.



2007

5208 | 8
SCALE 1" = 60'

ALTURA VIEW TRACT
M.B. 12-88

WM. LACY'S ADDITION
TO EAST LOS ANGELES
M.R. 11-23

FOR PREV. ASSMT. SEE: 6-39 & 44

INTER-DEPARTMENTAL MEMORANDUM

TO: TIM ELLIOTT, COMMUNITY HOUSING PROGRAM MANAGER

FROM: ALFRED MUHAMMAD, SUPERVISOR ARCHITECTURAL UNIT

DATE: AUGUST 30, 2010

REGARDING: CITY OWNED PROPERTY REVIEW
(851 W. 81ST STREET, 2516 N. EASTLAKE AVE & 3211-3213 ½ ALTURA WALK,
252 RAMPART BLVD., 819 W. 4TH STREET)

CC: MARIANO NAPA, AHTF DIRECTOR

Property Summary:

<u>ADDRESS:</u>	<u>PROPERTY TYPE</u>	<u>No. of Units</u>	<u>ESTIMATED REHABILITATION COST</u>
2516 N. Eastlake Ave. & 3221 - 3213 ½ Altura Walk, Los Angeles, CA	2 Story, SFD & 4 Unit rental on hillside lot	5	\$ 384,867.00
252 Rampart Blvd, Los Angeles, CA	2 story SFD, 5 Bedrooms	1	\$ 364,790.00
851 W. 81 st Street, Los Angeles, CA	2 Story, 8 Unit Apartments	8	\$ 492,465.00
819 W. 4 th Street, San Pedro, CA	10 Unit Rental	10	\$ 800,707.23
TOTAL		24	\$ 2,042,829.23

INTER-DEPARTMENTAL MEMORANDUM



TO: ALFRED MUHAMMAD, ARCHITECTURAL ASSOCIATE IV
FROM: MANUEL M. JUATCO, CONSTRUCTION ESTIMATOR
DATE: AUGUST 25, 2010
REGARDING: CITY OWNED PROPERTY - 2516 N. EASTLAKE AVE. & 3211-3213 1/2 ALTURA WALK, LOS ANGELES CA 90031
CC: ARMANDO LOYA, REHAB CONSTRUCTION SPECIALIST II

Construction Budget Estimate

We have completed our estimate for the above project for the "direct construction cost". LAHD's estimated is \$384,867 which includes cost for General Conditions / Requirements, Bond, liability Insurance and construction contingency.

Our cost estimate is based on jobsite inspection, photos & assessment report by Armando Loya on the date 8-20-2010.

The project is a rehabilitation of an existing 2-story house at the front of the property with a four one bedroom unit building towards the rear of the property. The craftsman home has mostly cosmetic work on the inside that need to be addressed and a stair case on the side yard that need to be replaced as well as the brick fireplace that needs to be repaired or torn down.

The four units building at the rear of the property needs major rehab work to the units as well as a retaining wall to the rear that need to be provided. The slope at the rear of the property is failing and a retaining wall at the property line should be provided. Total gut rehab is needed for the four units at the back of the property.

Attached is a copy of our cost estimate for the project, should you have questions or concerns, please do not hesitate to call.

If you have any questions on the above, you may reach me at (213) 808-8952.



Los Angeles Housing Department
LAHD

DIRECT CONSTRUCTION COST SUMMARY



For: **LAHD**
Project: **LAHD**
Address: **LAHD**

Instructions

The Developer and/or Construction Estimator/Architect MUST complete this form as a NOFA submitted requirement. This form uses the IRS Equal Form with predetermined mathematical relationships. The developer is responsible for the accuracy of ALL information contained herein. LAHD will review this form to determine if the information provided in the NOFA application.

Part 1 - This information must be consistent with the information provided in the NOFA application.

Part 2 - Complete the following for Direct Construction Cost using "Davis Bacon Wages" for otherwise noted. DEVELOPERS WITH MIXED-USE PROJECTS ARE REQUIRED TO PROVIDE A "HOUSING" AND "NON-HOUSING" COST COMPONENT BREAKDOWN. (Developer may provide any back-up information as needed here, either Construction Cost for the residential portion of a development including residential parking, Non-Housing Component refers to Construction cost for "non-residential" (or commercial) component.) (NOTE: Developer may provide any back-up information as needed here, either Construction Cost for the residential portion of a development including residential parking, Non-Housing Component refers to Construction cost for "non-residential" (or commercial) component.)

LAHD will review a complete Schedule of Values prior to construction.

PART 1: Project Information

Project Name:	City Owned Property		
Project Location:	2518 N. Exsultate Ave. & 3211-3213 1/2 Alhura Walk, Los Angeles, Ca. 90031		
Developer:	0	QTY	Avg Area
Contact Person:	0	4	576
Contact Tel #:	0	1	1435
Architect:	0		
Type of Project:	Rehabilitation Assessment		
# Stories:	2		78

UNIT/AREA		AREABUILDING	
Type	QTY	Description	Area (sq ft)
1	0	Residential Units (rental or owner-occupied)	
2	0	Residential Parking (rental or owner-occupied)	
3	0	Commercial Space (rental or owner-occupied)	
4	0	Commercial Parking (rental or owner-occupied)	
5	0	Commercial Space (rental or owner-occupied)	
6	0	Commercial Parking (rental or owner-occupied)	
7	0	Commercial Space (rental or owner-occupied)	
8	0	Commercial Parking (rental or owner-occupied)	
9	0	Commercial Space (rental or owner-occupied)	
10	0	Commercial Parking (rental or owner-occupied)	
11	0	Commercial Space (rental or owner-occupied)	
12	0	Commercial Parking (rental or owner-occupied)	
13	0	Commercial Space (rental or owner-occupied)	
14	0	Commercial Parking (rental or owner-occupied)	
15	0	Commercial Space (rental or owner-occupied)	
16	0	Commercial Parking (rental or owner-occupied)	
17	0	Commercial Space (rental or owner-occupied)	

() NEW CONST
(X) REHABILITATION
No Plans, last photos: 8/20/2010
PARKING INFORMATION
Total Number of Parking Spaces Provided: Existing
Number of Residential Parking Spaces Required
Type of Parking: 2-Car Garage

Construction Budget

DESCRIPTION		LAHD ESTIMATE	
		TOTAL CONST.	Non-Housing Component
1	Demolition (a) = Allowance	\$ 11,729	\$ 11,729
2	Toxic Abatement (b)	17,500	17,500
3	On-site Improvements (c)	392	392
4	On-site Improvements (d)	23,005	23,005
5	Landscaping/Irrigation System (onsite) (e)	15,226	15,226
6	Parking (f)	8,800	8,800
7	Residential Construction (g)	219,139	219,139
8	Commercial Construction (h)	-	-
9	Contractor's Overhead & Profit (i)	233,791	233,791
10		23,503	23,503
11	General Conditions / Requirements (j)	317,295	317,295
12	Performance & Payment Bond (k)	17,827	17,827
13	Liability Insurance (l)	5,876	5,876
14	Construction Contingency (m)	2,938	2,938
15		343,736	343,736
16		41,131	41,131
17		384,867	384,867
TOTAL DIRECT CONSTRUCTION COST			
SUB-TOTAL =		\$ 233,791	\$ 233,791
SUB-TOTAL =		\$ 317,295	\$ 317,295
SUB-TOTAL =		\$ 343,736	\$ 343,736
SUB-TOTAL =		\$ 41,131	\$ 41,131
TOTAL =		\$ 384,867	\$ 384,867

Housing Component Cost per area of residential units. =	\$97.58/sf
Housing Component cost per residential unit. =	\$76,973/unit

Prepared & Estimated by: M. Justico
Date Prepared: 8/29/2010



Budgetary Cost Breakdown Conceptual Estimate

City of Los Angeles Housing Department -
Housing Development Division/Construction Unit



Andrea B. Villanueva, Mayor
Doreen F. Peters, Director of Housing

Part 1 Project Information

Project Name : City Owned Property

Project Location : 2516 N. Eastlake Ave. & 3211-3213 1/2 Altura
Walk, Los Angeles, Ca. 90031

Developer :
Contact Person :
Contact Tel # :
Architect :

Type of Project : Rehabilitation Assessment
Bldg. Gross Area (SF) : 3,940
Total Site Area (SF) : 7,506.80

Unit Mix	# of Units	Avg. Floor Area (SF)
0-BR(SRO)		
1-BR	4	576
2-BR	1	1,635
3-BR		
Total =	5	788

Description: Sites consist of a craftsman style two story house at the front of the property with a four one bedroom unit building towards the rear of the property.

CHECK ONE BELOW

Renovation / Rehabilitation (☒)
New Construction (☐)

No Plans, just photos: 8/28/2010
Prepared & Est. by: M. Justo
Approx. Constr. Sched. (Months): 2
Date Prepared: 8/28/2010
Revision No.: 0

"Schedule of Values"

Part 2 Construction Cost Breakdown

LAHD
Date Prepared: 8/25/2010

REMARKS / COMMENTS

Item #	CSI	ITEM	Quantity	Unit (as a 1, etc.)	Unit Price (\$)	TOTAL	
1	Division 1 (General Requirements & Conditions)	Project Management	92		289,781.25	\$	17,627
2		Site Supervision					
3		Temporary telephone / fax					
4		Dumper & disposal					
5							
6		SUB-TOTAL (DIVISION 1)		(See Summary of Completion)		\$	17,627
7	Division 2 (Sitework)	Landscape Area / Open area - Approx. new Sod	2,783	SF	6.50	\$	18,228
8		Mobilization	1	LS	5,000.00		5,000
9		Cont. clean-up (1 man @ \$40/hr for prof. done)	1	WKS	175.00		1,400
10		Final Clean-up	5,340	SF	0.25		1,335
11		Off-site Sitework - power steam wash cleaning	850	SF	1.11		942
12							
13							
14							
15		Selective Demolition				\$	11,729
16		Demo (a) Units Floor Finishes	3,940	SF	1.00		3,940
17		Demo / remove (a) Bathroom & Kitchen Cabinets say	75	Units	1,280.00		9,600
18		Demo / remove (a) walls/screens say	10	EA	70.00		700
19		Demo / remove (a) Drs./Partitions say	68	SF	1.99		1,352
20		Demo / remove (a) Partitions/Closet say	14	LF	12.00		168
21		Demo / remove (a) Handrails @ int. stair say	48	LF	1.00		48
22		Demo / remove (a) Fascia Section say	12	LF	5.00		60
23							
24							
25		SUB-TOTAL (DIVISION 2)				\$	36,226
26	Division 3 (Concrete)	Repair & re-stucco Port stairs retaining wall say 3" LF	54	LF	120.00	\$	6,480
27		Repair Retaining Wall at Garage & Waterproof say 10" LF. Allow	800	SF	15.00		12,000
28		New Retaining Wall foundations @ rear prop. Say allow.	100	LF	200.00		20,000
29							
30		SUB-TOTAL (DIVISION 3)				\$	34,480
31	Division 4 (Masonry)	Provide New Retaining Walls @ rear of the property say Allow.	1,400	SF	15.50	\$	21,700
32		Fireplace Ext. Brick Finish to be refurbish, say Allow.	1	LS	2,600.00		2,600
33							
34		SUB-TOTAL (DIVISION 4)				\$	24,300
35	Division 5 (Metal)	Ex. Back Stair & Guardrails need to be repair or replace, say Allow.	2	Fit	1,200.00	\$	2,400.00
36		Repair or replace (a) Handrail say	128	LF	25.00		3,200
37		Repair (a) Guardrails say Allow.	1	LS	2,500.00		2,500.00
38							
39		SUB-TOTAL (DIVISION 5)				\$	8,100
40	Division 6 (Wood & Plastics)	ROUGH CARPENTRY:				\$	6,970
41		New Cripple Wall Along w/ (a) wall say allow.	100	SF	23.80	\$	2,380
42		New Stair say	1	Fit	1,200.00		1,200
43		New Partitions say Allow.	36	LF	12.00		432
44		Install New Doors & Hardware say Allow.	5	EA	100.00		500
45		Misc. repair & Clean-up @ Great room - Allow.	1	LS	2,000.00		2,000
46							
47		FINISH CARPENTRY:				\$	783
48		Provide (n) core Base say allow.	305	LF	2.50		763
49							
50	Division 7 (Thermal Moisture & Protection)	CABINET/CASEWORK:				\$	13,980
51		F & I (a) base & upper cabinets say	5	Units	2,790.00		13,950
52							
53		SUB-TOTAL (DIVISION 6)				\$	21,653
54							
55	Division 7 (Thermal Moisture & Protection)	ROOFING:					
56		Strip (a) roofing, install (n) 40 yr. Class "A" composition roofing @ (a) plywood sheathing	20	SQ	272.50	\$	5,450
57		Resurface Garage & Deck w/ elastomeric urethane coating	800	SF	3.50		2,800
58							
59		FLASHING & SHEET METAL:				\$	2,000
60		Ex. Gutters & Downspouts repair & repaint - Allow.	400	LF	5.00		2,000
61							
62		CAULKING & SEALANTS:				\$	1,125
63		Bathrooms: caulk tub/shower space	5	EA	75.00		375
64		Bathrooms: caulk tub/shower enclosure	5	EA	75.00		375
65		Kitchen: caulk gap at sink	5	EA	75.00		375
66		SUB-TOTAL (DIVISION 7)				\$	15,283

Project: 2516 N. Eastlake

"Schedule of Values"

Part 2		Construction Cost Breakdown		LAHD				REMARKS / COMMENTS	
				Date Prepared: 8/25/2010					
Item #	CSI	ITEM	Quantity	Unit (as s.f. etc.)	Unit Price (\$)	TOTAL			
73	Division 8 (Doors & Windows)	DOORS & FRAMES / INSTALLATIONS			\$ 0.100				
74		Remove & replace (a) entry doors / hardware say	6	EA	826.00	\$	3,100		
75		Subsequent install new bi-fold doors at closet say	6	EA	500.00	\$	3,000		
76									
77		GLASS WINDOWS & SCREENS			\$ 7,520				
78		Replace (a) existing windows	18	EA	470.00	\$	7,520		
79									
80		SUB-TOTAL (DIVISION 8)				\$	13,620		
81	Division 9 (Finishes)	LATH & PLASTER FIN. SYSTEMS			\$ 3,250				
82		Ex. Plaster / Stucco Fin - Hot Wash / Fog Coat / or Re-paint	7,000	SF	1.00	\$	7,000		
83		Patch & repair (a) int. walls - Allow.	5	Unit	240.00	\$	1,200		
84									
85		GYPSUM OR VINYL FIN. SYSTEMS			\$ 5,180				
86		Patch & repair (a) walls / ceilings of units - say 24% Allow.	5	Unit	788.00	\$	3,940		
87		Bedroom repair / paint ceiling	6	Bedrooms	240.00	\$	1,440		
88									
89		RESILIENT FLOOR FINISH SYSTEMS			\$ 8,248				
90		12" x 12" sustainable VCT or Linoleum (over exist. Plywd. sub-flo)	78	Unit	915.00	\$	7,137		
91		F & I floor carpet / pad w/ recycled content	5	Unit	761.71	\$	3,809		
92		F & I 2" padded wood base	6	Unit	182.80	\$	763		
93									
94		PAINTING FINISH SYSTEMS			\$ 2,908				
95		Re-paint int. unit walls / ceilings	5	Unit	239.40	\$	1,197		
96		Re-paint int. doors / frames	11	EA	100.00	\$	1,100		
97		Re-paint (a) wood base	6	Unit	124.80	\$	624		
98									
99		SUB-TOTAL (DIVISION 9)				\$	22,716		
100	Division 10 (Specialties)	SIGNAGE ACCESS.							
101		Provide new unit # & exit signs - Allow.	3	EA	45.00	\$	135		
102		FIRE EXTINGUISHERS & CAB.							
103		Provide new fire extinguishers & cab. - Allow.	5	Unit	380.00	\$	1,900		
104		TOILET & BATH ACCESS.							
105		New medicine cabinet / mirror / towel bar / TP holder / shower rod	5	EA	694.00	\$	3,470		
106									
107		SUB-TOTAL (DIVISION 10)				\$	4,705		
108	Division 11 (Equipment)	KITCHEN replace appliances (Ref., Stove & DW)	6	EA	1,302.00	\$	7,812		
109		Kitchen replace exhaust system (hood)	6	EA	894.00	\$	5,364		
110									
111		SUB-TOTAL (DIVISION 11)				\$	13,176		
112									
113	Division 12 (Paintings)	WINDOW TREATMENT							
114		R/R (a) Mini Blinds - Allow.	16	Unit	100.00	\$	1,600		
115									
116		SUB-TOTAL (DIVISION 12)				\$	1,600		
117	Division 13 (Special Construction)	Abatement - report only	2	Unit	2,500.00	\$	5,000		
118		Toilet Room Mold Removals - say	5	Unit	2,500.00	\$	12,500		
119									
120		SUB-TOTAL (DIVISION 13)				\$	17,500		
121									
122	Division 14 (Conveying System)								
123									
124		SUB-TOTAL (DIVISION 14)				\$	0		
125									
126	Division 15 (Mechanical)	PLUMBING			\$ 33,489				
127		Water heater for 6-Units (80 Gal. Capacity) Allow.	6	EA	2,900.00	\$	17,400		
128		F & I (a) exhaust shut-off gas valve to building say	2	EA	750.00	\$	1,500		
129		Install new plumbing rough-ins	5	Unit	1,600.00	\$	7,900		
130		Install discharge pipe at water heater	6	EA	168.00	\$	790		
131		Strip water heater to comply w/ min. standards	6	EA	280.00	\$	1,680		
132		Bathroom repair sink drain stop	8	EA	78.00	\$	624		
133		Kitchen replace garbage disposal	6	EA	400.00	\$	2,400		
134		Kitchen replace sink faucet overbridge	6	EA	160.00	\$	960		
135		Bathroom repair tub/shower valve	6	EA	200.00	\$	1,200		
136		Gas re-routing for Fireplaces, Ranges & Dryers	11	EA	75.00	\$	825		
137		PLUMBING FIXTURES			\$ 20,605				
138		F & I (a) tub/shower surround w/ drain & control	6	EA	2,930.00	\$	14,880		
139		F & I (a) water closet	6	EA	745.00	\$	3,655		
140		F & I (b) 30" vanity sink & lav set	6	EA	1,600.00	\$	9,600		
141		F & I (c) kitchen sink w/ faucet & dispose	6	EA	760.00	\$	4,560		
142									
143		HIGH SPRINKLER SYSTEM; existing to be repaired	3,940	SF	1.50	\$	5,910		
144									
145		HVAC							
146		Repair (a) Heating Units for each unit in building	5	EA	280.00	\$	1,400		
147		Air conditioning system for each unit in bldg. - excluded							
148									
149		SUB-TOTAL (DIVISION 15)				\$	70,116		
150	Division 16 (Electrical)	ELECTRICAL EQUIP. INSTALL.			\$ 6,880				
151		Replace (a) Conventional GFCI receptacles	3	EA	80.00	\$	400		
152		Rewiring (a) electrical	5	Unit	1,200.00	\$	6,000		
153		Ex. Smoke detectors - replace	8	EA	80.00	\$	480		
154									
155		LIGHTING FIX. EXT. - LAMP			\$ 750				
156		Ex. Cfg. mount ext. light - repair or Replace, say	3	EA	250.00	\$	750		
157									
158		SUB-TOTAL (DIVISION 16)				\$	7,830		
159		TOTAL (ALL DIVISIONS)				\$	311,419		
160									
161		Contractor's Overhead & Profit			8.00%				
162		Liability Insurance			1.00%				
163		Performance & Payment Bond			2.00%				
164		Contingency (15%)			14.00%				
165									
166		TOTAL COST (GROSS) =	3,940	SF	\$97.68	\$	384,857		
				No. of Units =		Ave. Cost Per Unit =	\$		
				Factor					
				For Total Development Cost of the Project - Allow. =	1.3358	\$130.48	\$		

Area of Computation

8/25/2010

No Plans, just photos: 8/20/2010

Description	Architect / Dev.		L.A.H.D.		SF	Bldg. Ht. LF	Perim. Walls (Plaster) SF		Common Party Walls		2-Hr. Walls	
	Area	SF	Area	SF			LF	SF	LF	SF	SF	SF
Front 2-Story House; 2-BR, 1Ba.; built 1916	1,636.00		1,636.00			20	160	3,200.00				
Rear 4-Unit Bldg. w/ 1-BR, 1Ba.; built 1924	2,304.00		2,304.00			20	180	3,600.00				
2-Car Garage						10	50	200.00				
Grand Total Gross Bldg. Areas =	3,940.00		3,940.00				230.00	3,800.00				
Lot Area (SF) = say	7,506.80		7,506.80									
Lot Coverage =	1,970.00		1,970.00									
Open Area =	5,536.80		5,536.80									
Landscape Area, (Area covered) (SF) =	2,768.40		2,768.40									
Plaster Walls = 7,000.00 SF												
Plaster = 777.78 SY												

Unit Breakdown	Detail	Architect / Developer		L.A.H.D.		Total Area SF	Unit Quantity EA	Area/Unit SF/EA	Total Area SF	Balconies SF	Guardrails LF
		Unit Quantity EA	Area/Unit SF/EA	Unit Quantity EA	Area/Unit SF/EA						
Unit 1-BR, 1Ba.											
Front 2-Story house; 2-BR, 1Ba.											
TOTAL UNITS		0									



Antonio R. Villaraigosa, Mayor
Douglas Guthrie, General Manager

INTRA-DEPARTMENTAL MEMORANDUM

TO: ALFRED MUHAMMAD, ARCHITECTURAL UNIT
FROM: SALVADOR YAYA, CONSTRUCTION ESTIMATOR
DATE: AUGUST 25, 2010
CC: TIM ELLIOT, AHTF PROGRAM MANAGER
REGARDING: 252 RAMPART BLVD., LOS ANGELES, CA 90057

PROJECT COST ESTIMATE REVIEW

As of August 25, 2010 Staff has conducted an "in-house" preliminary cost estimate and examined the information provided by Armando Loya (RCS II).

The "Total Direct Construction Cost" construction budget of LAHD estimated is \$364,790.00 (considering Davis Bacon Wages, and includes a 14% construction contingency allowance, liability insurance and Payment and Performance Bond.

The 2-story 3,594 square foot home sits on small hilltop of a 7,000 square foot site area, with six bedrooms and three bathrooms, with a north side driveway leading to a detached garage.

The scope of work is based upon a previous date of July 1998, for work to be done in the front and rear of the home. The scope indicates that plumbing, heating, fire alarm, and electrical work will be performed. The Development Cost Breakdown does not list any plumbing, heating, fire alarm, and electrical work. However, the breakdown does give a total (excluding these items) of \$202,834.00. In the previous Scope of Work, the amount given does not add up to the total, which would typically be less expensive than multiple stories to rehab. Similar project costs in the past (1-3 year) range from \$255,514 – \$399,250 per home, with detached garage.

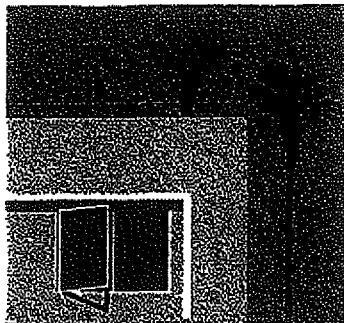
Summary

Staff has not visited the site since Dec 01, 2008. The project appears to have been abandoned for quite awhile. There was no power available at the site at the time of visit.

As a result of the above findings we cannot adequately assess the scope of work without having an approved set of plans. The materials that have been provided are also not consistent and are inadequate for LAHD's architectural and construction review. For this property to get final occupancy, it will cost approximately \$364,790.00 to rehabilitate with proper plans and scope of work.

If there are any questions, please call me at 8-8924.

Enclosed: Cost Estimate (per CSI format) and RSmeans cost pricing, with a detailed parcel information



Los Angeles Housing Department **LAHD**



Antonio R. Villaraigosa, Mayor
Douglas Guthrie, General Manager

LOS ANGELES HOUSING DEPARTMENT

A Property and Construction Consultancy

Garland Bulling
1200 W. 7th Street 8th Floor
LOS ANGELES, CA
90017

BASIS OF THE ESTIMATE

The project consists of a Rehab 2-story building comprising of residential Type V housing with open driveway parking, with 6 bedroom units and various site improvements.

The estimate is based upon measured approximate quantities and built-up rates prepared from the following documentation received 25 August 2010 (unless noted otherwise):

Construction Cost Breakdown, for comparison purposes.

Where information was not available, assumptions and allowances have been made, based where possible on discussions with the architect and construction manager.

Pricing is based on June 2010 RS means costs. A Design & Pricing Contingency has not been included in the estimate. This is considered a co-related, soft cost, which is not considered a Direct Construction Cost.

All costs are estimated on the basis of that of RSM means cost current pricing. methodology has been used to establish a fair and reasonable bid value, at current prices.

ITEMS SPECIFICALLY EXCLUDED

Rock excavation.

Loose, soft and hard furnishings

Murals and works of art.

Tenant relocation during construction phase

Removal of underground hazardous material ,if present Methane Zoneing report by "Zimas"

ITEMS SPECIFICALLY EXCLUDED (continued)

Work outside site boundaries unless noted otherwise.

Upgrade to existing site utilities, unless noted otherwise.

Statutory Authorities' charges, contributions and compliance orders.

Professional fees

Items marked as "Excl." in the estimate.

Escalation beyond June 2010

SCOPE NARRATIVE

The following is a point by point narrative outlining the scope of work as interpreted from the documents provided and discussions with design consultants.

02 : Sitework

Clear and grub overall site.

Partial rough and fine grading to finished levels.

Ramped concrete driveway down to basement parking, including new entry approach

Soft landscaping allowance.

Site lighting.

BASIS OF THE ESTIMATE

03 : Concrete

Partial reinforced concrete slab on grade including foundations.

SCOPE NARRATIVE (continued)

Lightweight concrete floor construction over decking to upper levels.

Cast-in-place concrete stairs including handrails.

05 : Metals

Miscellaneous steel allowance (plates, imbeds, etc.)

Guardrail to exterior walkways.

06 : Woods & Plastics

Some new wood stud partition walls.

Partial structural wood floor and roof framing.

07 : Thermal and Moisture Protection

Fire protection, sealant and caulking.

Insulation to exterior walls, demising walls and 1/3 of interior walls.

08 : Doors and Windows

Wood framed exterior windows.

New entrance doors to all apartments including frame, hardware and paint finish.

New interior doors to all rooms including frame, hardware and paint finish.

New fully glazed sliding wardrobe doors to all bedrooms.

SCOPE NARRATIVE (continued)

09 : Finishes

Stucco exterior wall system.

One layer of painted gypsum wallboard to either side of all partition walls within rooms.

One layer of painted gypsum wallboard to interior face of exterior wall.

New carpet or resilient flooring throughout including base.

New resilient flooring including base to rooms, excluding bedrooms.

Sealant coat to exterior concrete walkways.

BASIS OF THE ESTIMATE

Partial new ceilings to house.

New bathroom accessories to all including toilet paper holder and towel rails.

New fire extinguishers located at exterior walkway

New mailboxes.

Ceiling fans to each living room or rooms.

Directional signage allowance, including ADA requirements.

Vanity unit to house bathrooms.

Fixed shelving to linen cupboards and coat room in house.

Kitchen cabinets including counter tops and overhead cupboards.

Common area fitout allowance.

11 : Equipment

New residential appliances including garbage disposal, dishwasher, gas stove/range with hood and refrigerator.

SCOPE NARRATIVE (continued)

12 : Furnishings

New horizontal blinds to house.

Allowance for common furnishings.

15 : Mechanical

New plumbing fixtures including associated piping to House.

Rain water drainage allowance including gutters, downspouts, flashings, etc.

HVAC allowance to house and common areas.

New fire sprinkler system to house.

16 : Electrical

New service and distribution, lighting and branch wiring & communications and security throughout.



AREA SUMMARY				
DESCRIPTION	AREA (SF)	NUMBER OF ROOMS	SUB-TOTAL (SF)	TOTAL (SF)
P1 - Ground Floor / Lower Parking/ Upper Parking				200
Common Areas	200	0	200	
P2 - First Floor				1,883
Common Areas	1,714	4	1,714	
1 -	169	1	169	
2	0	0	0	
P3 - Second Floor				1,711
Common Areas	1,001	0	1,001	
1 - Bedroom	169	1	169	
2 - Bedroom	169	1	169	
3 - Bedroom	169	1	169	
4 - Bedroom	203	1	203	
5 - Bedroom	0	1	0	
Exterior Walkway	0	0	0	
TOTAL				3,594
One Bedroom Units		6		
Parking Area Square Footage	200			
Common Areas Square Footage	2,915			

3,916



CSI DIVISION SUMMARY

ACTIVITY		COST	COST/SF (\$)
Gross Floor Area	3,594 SF		
02 : SITEWORK		73,238	20.38
03 : CONCRETE		10,978	3.05
04 : MASONRY		0	0.00
05 : METALS		3,718	1.03
06 : WOOD & PLASTICS		7,515	2.09
07 : THERMAL & MOISTURE PROTECTION		44,378	12.35
08 : DOORS & WINDOWS		0	0.00
09 : FINISHES		90,133	25.08
10 : SPECIALTIES		0	0.00
11 : EQUIPMENT		2,756	0.77
12 : FURNISHINGS		22,091	6.15
13 : SPECIAL CONSTRUCTION		0	0.00
14 : CONVEYING SYSTEMS		0	0.00
15 : MECHANICAL		23,086	6.42
16 : ELECTRICAL		667	0.19
SUB-TOTAL : TRADES		\$278,558	\$78
General Conditions	6%	16,713	4.65
Contractor's Overheads & Profit	8%	22,285	6.20
Performance & payment Bond	2%	5,571	1.55
Liability Insurance	1%	2,786	0.78
Construction Contingency	14%	38,998	10.85
TOTAL ESTIMATED CONSTRUCTION COST : JUNE 2003		\$364,911	\$102

UNIFORMAT ELEMENTAL SUMMARY

ACTIVITY	COST (\$)	COST/SF (\$)
A : SUBSTRUCTURE	\$2,845	\$0.79
<u>A10 : FOUNDATIONS</u>	<u>\$2,788</u>	
A1010 : Standard Foundations	\$0	
A1020 : Special Foundations	\$0	
A1030 : Slab On Grade	\$2,788	
<u>A20 : BASEMENT CONSTRUCTION</u>	<u>\$57</u>	
A2010 : Basement Excavation	\$57	
A2020 : Basement Walls	\$0	
B : SHELL	\$19,617	\$5.46
<u>B10 : SUPERSTRUCTURE</u>	<u>\$12,099</u>	
B1010 : Floor Construction	\$12,099	
B1020 : Roof Construction	\$0	
<u>B20 : EXTERIOR ENCLOSURE</u>	<u>\$7,518</u>	
B2010 : Exterior Walls	\$7,518	
B2020 : Exterior Windows	\$0	
B2030 : Exterior Doors	\$0	
<u>B30 : ROOFING</u>	<u>\$0</u>	
B3010 : Roof Coverings	\$0	
B3020 : Roof Openings	\$0	
C : INTERIORS	\$76,928	\$21.40
<u>C10 : INTERIOR CONSTRUCTION</u>	<u>\$65,850</u>	
C1010 : Partitions	\$47,048	
C1020 : Interior Doors	\$0	
C1030 : Fittings	\$18,802	
<u>C20 : STAIRS</u>	<u>\$1,875</u>	
C2010 : Stair Construction	\$1,875	
C2020 : Stair Finishes	\$0	
<u>C30 : INTERIOR FINISHES</u>	<u>\$9,204</u>	
C3010 : Wall Finishes	\$5,520	
C3020 : Floor Finishes	\$3,594	
C3030 : Ceiling Finishes	\$90	
D : SERVICES	\$23,753	\$6.61
<u>D10 : CONVEYING</u>	<u>\$0</u>	
D1010 : Elevators & Lifts	\$0	
D1020 : Escalators & Moving Walks	\$0	
D1090 : Other Conveying Systems	\$0	
<u>D20 : PLUMBING</u>	<u>\$14,662</u>	
D2010 : Plumbing Fixtures	\$11,815	
D2020 : Domestic Water Distribution	\$1,210	
D2030 : Sanitary Waste	\$1,837	
D2040 : Rain Water Drainage	\$0	
D2090 : Other Plumbing Systems	\$0	
<u>D40 : FIRE PROTECTION</u>	<u>\$8,424</u>	
D4010 : Sprinklers	\$8,424	
D4020 : Standpipes	\$0	
D4030 : Fire Protection Specialties	\$0	
D4090 : Other Fire Protection Systems	\$0	

UNIFORMAT ELEMENTAL SUMMARY

ACTIVITY	COST (\$)	COST/SF (\$)
D50 : ELECTRICAL	\$667	
D5010 : Electrical Service & Distribution	\$423	
D5020 : Lighting & Branch Wiring	\$243	
D5030 : Communications & Security	\$1	
D5090 : Other Electrical Systems	\$0	
E : EQUIPMENT & FURNISHINGS	\$82,177	\$22.87
E10 : EQUIPMENT	\$2,756	
E1010 : Commercial Equipment	\$0	
E1020 : Institutional Equipment	\$0	
E1030 : Vehicular Equipment	\$0	
E1090 : Other Equipment	\$2,756	
E20 : FURNISHINGS	\$79,421	
E2010 : Fixed Furnishings	\$79,421	
E2020 : Movable Furnishings	\$0	
G : BUILDING SITEWORK	\$73,145	\$20.35
G10 : SITE PREPARATION	\$0	
G1010 : Site Clearing	\$93	
G1020 : Site Demolition & Relocations	\$0	
G1030 : Site Earthwork	\$0	
G1040 : Hazardous Waste Remediation	\$0	
G20 : SITE IMPROVEMENTS	\$6,645	
G2010 : Roadways	\$0	
G2020 : Parking Lots	\$0	
G2030 : Pedestrian Paving	\$860	
G2040 : Site Development	\$5,715	
G2050 : Landscaping	\$70	
G30 : SITE CIVIL / MECHANICAL UTILITIES	\$5,000	
G3010 : Water Supply	\$5,000	
G3020 : Sanitary Sewer	\$0	
G3030 : Storm Sewer	\$0	
G3040 : Heating Distribution	\$0	
G3050 : Cooling Distribution	\$0	
G3060 : Fuel Distribution	\$0	
G3090 : Other Site Mechanical Utilities	\$0	
G40 : SITE ELECTRICAL UTILITIES	\$81,500	
G4010 : Electrical Distribution	\$30,000	
G4020 : Site Lighting	\$31,500	
G4030 : Site Communications & Security	\$0	
G4090 : Other Site Electrical Utilities	\$0	
G90 : OTHER SITE CONSTRUCTION	\$0	
G9010 : Service Tunnels	\$0	
G9090 : Other Site Systems	\$0	
SUB-TOTAL : TRADES	\$278,466	\$77
Z : GENERAL	\$86,324	\$24.02
General Conditions	\$16,708	
6%		

UNIFORMAT ELEMENTAL SUMMARY

ACTIVITY		COST (\$)	COST/SF (\$)
Overheads & Profit	8%	\$22,277	
Liability Insurance	1%	\$2,785	
Performance & Payment Bond	2%	\$5,569	
Escalation	0%	\$0	
Construction Contingency	14%	\$38,985	
Phasing Requirements	0%	\$0	
GFA	3,594 SF		
TOTAL ESTIMATED CONSTRUCTION COST : JUNE 2003		\$364,790	\$101

CSI DIVISION : 02 : SITEWORK

DESCRIPTION	UNIT	QTY	RATE	VALUE
G1010 : Site Clearing 93				
Clear and grub site	SF	925	0.10	93
G2030 : Pedestrian Paving 860				
Paving to outdoor recreational area	SF	200	4.00	800
Perimeter site paving	SF	15	4.00	60
G2040 : Site Development 5,715				
CMU perimeter fencing including foundations and stucco finish	SF	0	20.00	0
Concrete ramp at entry including supporting wall and foundations	SF	25	18.00	450
Ramped concrete driveway	SF	200	12.00	2,400
Entrance staircase	EA	1	2,800.00	2,800
Precast concrete wheelstops	EA	1	65.00	65
G2050 : Hazardous material				
Hazardous Remediation/Lead & Asbestos	SF	0	13.00	0
G2050 : Landscaping 70				
Soft landscaping allowance	Item	14	5.00	70
G3010 : Water Supply 5,000				
Water supply allowance including fire lines	Item	1	5,000.00	5,000
G3020 : Sanitary Sewer 0				
Sanitary sewer allowance	Item		51,000.00	0
G3030 : Storm Sewer 0				
Storm sewer allowance	Item		88,000.00	0
G4010 : Electrical Distribution 30,000				
Site electrical distribution allowance including transformer and hookups	Item	1	30,000.00	30,000
G4020 : Site Lighting 31,500				
Site lighting allowance	Item	1	31,500.00	31,500
TOTAL : 02 : SITEWORK \$				73,230

CSI DIVISION : 03 : CONCRETE

DESCRIPTION	UNIT	QTY	RATE	VALUE
A1030 : Slab On Grade 2,788				
Reinforced concrete slab on grade including foundations	SF	200	13.94	2,788
A2010 : Basement Excavation 57				
Backfill including compaction and sub-drainage	CY	3	19.00	57
Waterproofing to basement walls	SF	0	5.08	0
B1010 : Floor Construction 6,258				
Reinforced upper floor slab including supports to first floor	SF	200	21.00	4,200
Lightweight concrete flooring over and including decking to upper floor slabs	SF	200	9.00	1,800
Allowance for structural support at cantilever	SF	5	51.50	258
C2010 : Stair Construction 1,875				
Cast-in-place concrete interior stairs including handrail and balustrade	FT/R	1	1,025.00	1,025
Cast-in-place concrete exterior stairs including concrete pans, handrail and balustrade	FT/R	1	850.00	850
TOTAL : 03 : CONCRETE S				10,973

CSI DIVISION : 04 : MASONRY

DESCRIPTION	UNIT	QTY	RATE	VALUE
B2010 : Exterior Walls 0				
Decorative CMU wall Scored ground face concrete masonry unit (CMU), 2000 psi, 2 to 5 scores, 12" thick, includes mortar and horizontal joint reinforcing every other course, excludes scaffolding, grout and vertical reinforcing	SF	0	19.60	0
C1010 : Partitions 0				
CMU demising walls, Acoustical slotted concrete masonry unit (CMU), partition, 2000 psi, 8" thick, type RSC/RF, includes mortar, excludes scaffolding, horizontal reinforcing, vertical reinforcing and grout	SF	0	18.90	0
TOTAL : 04 : MASONRY'S				0

CSI DIVISION : 05 : METALS

DESCRIPTION	UNIT	QTY	RATE	VALUE
B1010 : Floor Construction 3,718				
Miscellaneous steel allowance	SF	3,594	1.03	3,718
B2010 : Exterior Walls 0				
42" High wrought iron guardrail to upper level walkways	LF	0	88.00	0
TOTAL : 05 : METALS \$				3,718

CSI DIVISION : 06 : WOOD & PLASTICS

DESCRIPTION	UNIT	QTY	RATE	VALUE
B1010 : Floor Construction 2,124				
Structural wood floor framing	SF	200	8.20	1,640
Two layers of gypboard fixed to underside of floor framing	SF	200	2.42	484
B1020 : Roof Construction 0				
Structural wood roof framing (measured flat on plan)	SF	0	12.85	0
Two layers of gypboard fixed to underside of roof framing	SF	0	2.42	0
Structural wood roof framing over top level exterior walkway	SF	0	14.05	0
B2010 : Exterior Walls 3,006				
Wood stud framing to exterior walls	SF	600	5.01	3,006
C1010 : Partitions 2,385				
Wood stud partitions to demising walls	SF	450	5.30	2,385
Wood stud framing to interior walls	SF	0	4.86	0
TOTAL : 06 : WOOD & PLASTICS \$				7,515

CSI DIVISION : 07 : THERMAL & MOISTURE PROTECTION

DESCRIPTION	UNIT	QTY	RATE	VALUE
B2010 : Exterior Walls 714				
Batt insulation to exterior stud walls - R 19	SF	600	1.19	714
C1010 : Partitions 43,664				
Batt insulation to demising stud walls R- 19	SF	450	1.19	536
Batt insulation to interior apartment stud walls (assume 1/3 of total walls will require insulation)	SF	0	1.19	0
Fire protection, sealant and caulking	LF	3,594	12.00	43,128
TOTAL : 07 : THERMAL & MOISTURE PROTECTION \$				44,378

CSI DIVISION : 08 : DOORS & WINDOWS

DESCRIPTION	UNIT	QTY	RATE	VALUE
B2020 : Exterior Windows 0				
Aluminum framed entrance storefront	SF	0	57.00	0
Aluminum framed exterior windows	SF	0	42.50	0
B2030 : Exterior Doors 0				
Premium for fully glazed pair of entrance doors	EA	0	2,250.00	0
Solid core single entrance door including frame, hardware and paint finish	EA	0	1,125.00	0
Pair of solid core doors including frame, hardware and paint finish to trash enclosure	EA	0	2,750.00	0
C1010 : Partitions 0				
Aluminum framed interior window	SF	0	34.00	0
C1020 : Interior Doors 0				
Single interior door including frame, hardware and paint finish	EA	0	1,025.00	0
Sliding fully glazed closet door including frame and hardware	LF	0	55.00	0

TOTAL : 08 : DOORS & WINDOWS \$

0

CSI DIVISION : 09 : FINISHES

DESCRIPTION	UNIT	QTY	RATE	VALUE
B2010 : Exterior Walls 3,798				
Stucco wall system to exterior stud wall	SF	600	6.33	3,798
Stucco wall system to exterior masonry wall at fourth level	SF	0	6.33	0
B3010 : Roof Coverings 0				
New built-up roof covering including plywood structural diaphragm (measured flat on plan)	SF	0	10.00	0
New built-up roof covering including plywood structural diaphragm (measured flat on plan) over top level exterior walkway	SF	0	10.00	0
C1010 : Partitions 999				
Gypsum wallboard to either side of stud wall at demising stud partitions (acoustical requirements)	SF	900	1.11	999
C1030 : Fittings 18,802				
Bathroom accessories (towel rail, toilet paper holder and shower curtain rod)	EA	12	400.00	4,800
Fire extinguishers (assume located at exterior walkways)	EA	1	224.00	224
Mailboxes	EA	1	104.00	104
Ceiling fan to living room	EA	6	281.00	1,686
Mirrors to bathrooms - 36" x 24" with Steel square frame	EA	3	196.00	588
Curtain allowance to units	EA	16	400.00	6,400
Signage allowance	Item	1	5,000.00	5,000
C3010 : Wall Finishes 5,520				
Painted gypsum wallboard to demising stud partitions including base	SF	900	2.30	2,070
Painted gypsum wallboard to interior unit stud walls including base	SF	900	2.30	2,070
Painted gypsum wallboard to interior face of exterior stud walls including base	SF	600	2.30	1,380
Painted gypsum wallboard to interior face of exterior masonry walls including base (excluding parking areas)	SF	0	2.30	0
C3020 : Floor Finishes 3,594				
Sealant coat to exterior walkways	SF	0	1.48	0

CSI DIVISION : 09 : FINISHES

DESCRIPTION	UNIT	QTY	RATE	VALUE
Carpet flooring including base	SF	120	3.59	431
Vinyl/linoeum flooring including base	SF	879	3.60	3,163
<u>C3030 : Ceiling Finishes</u> 90				
New ceilings to all unit and common areas	SF	30	3.00	90
<u>E2010 : Fixed Furnishings</u> 57,330				
Vanity unit to bathrooms	EA	3	450.00	1,350
Fixed shelving to linen cupboards and coat room	EA	12	165.00	1,980
Kitchen cabinets including counter tops and overhead shelving	LF	16	375.00	6,000
Common area fitout including lobby and recreation room	Item	1	48,000.00	48,000
TOTAL : 09 : FINISHES \$				90,133

CSI DIVISION : 11 : EQUIPMENT

DESCRIPTION	UNIT	QTY	RATE	VALUE
E1090 : Other Equipment 2,756				
Garbage disposal	EA	1	210.00	210
Dishwasher	EA	1	635.00	635
Gas stove/range with hood	EA	1	951.00	951
Refrigerator	EA	1	960.00	960
TOTAL : 11 : EQUIPMENT \$				2,756

CSI DIVISION : 12 : FURNISHINGS

DESCRIPTION	UNIT	QTY	RATE	VALUE
E2010 : Fixed Furnishing 22,091				
Horizontal blinds to all windows	SF	410	5.10	2,091
Allowance for common furnishings	Item	1	20,000.00	20,000
TOTAL : 12 : FURNISHINGS \$				22,091

CSI DIVISION : 14 : CONVEYING SYSTEMS

DESCRIPTION	UNIT	QTY	RATE	VALUE
D1010 : Elevators and Lifts 0				
Five stop hydraulic elevator including cab finish	EA	0	69,000.00	0
Additional Stop after -2 min →	EA. Add		9,925.00	
D1090 : Other Conveying Systems 0				
Trash chute	LF	0	94.50	0
TOTAL : 14 : CONVEYING SYSTEMS :				0

CSI DIVISION : 15 : MECHANICAL

DESCRIPTION	UNIT	QTY	RATE	VALUE
<u>D2010 : Plumbing Fixtures</u> 11,615				
Water closet	EA	2	885.00	1,770
Lavatory	EA	3	735.00	2,205
Bath including fiberglass surround	EA	2	1,275.00	2,550
Double bowl kitchen sink to apartments	EA	2	845.00	1,690
Single bowl sink to room	EA	1	715.00	715
Domestic water heater (assume 50 gallon capacity)	EA	1	1,275.00	1,275
Floor drains	EA	3	470.00	1,410
<u>D2020 : Domestic Water Distribution</u> 1,210				
Water supply to plumbing fixtures	EA	11	110.00	1,210
Hookups for common washers/dryers in Community Rooms	Item		6,500.00	0
<u>D2030 : Sanitary Waste</u> 1,837				
Waste and vent pipework to plumbing fixtures	EA	11	167.00	1,837
<u>D2040 : Rain Water Drainage</u> 0				
Rain water drainage including gutters, downspouts, flashings, etc.	SF	0	1.25	0
<u>D4010 : Sprinklers</u> 8,424				
Fire sprinkler system to apartments	SF	3,600	2.34	8,424
TOTAL : 15 : MECHANICAL 5				23,086

CSI DIVISION : 16 : ELECTRICAL

DESCRIPTION	UNIT	QTY	RATE	VALUE
D5010 : Electrical Service and Distribution 423				
Service and distribution within apartments and common areas	SF	1	2.87	3
Service and distribution to parking areas	SF	0	2.47	0
Service and distribution to exterior walkways	SF	200	2.10	420
D5020 : Lighting and Branch Wiring 243				
Lighting and branch wiring within apartments	SF	1	7.22	7
Lighting and branch wiring to parking areas	SF	0	3.02	0
Lighting and branch wiring to exterior walkways	SF	200	1.18	236
D5030 : Communications and Security 1				
Communications and security	SF	1	1.40	1
TOTAL : 16 : ELECTRICAL \$				667

CostWorks 2010 Quarter 1 - 252 S. Rampart Blvd.

Preliminary Cost Report

Project Name: 252 S. Rampart Blvd.

Model Type: Economy 2 Story, Wood Siding - Wood Frame

Living Area (S.F.): 3594

Perimeter (L.F.): 179

Basement: Not Included

Location: Los Angeles, CA

Data Release: 2010 Qtr 1

Wage Rate: Resi

Costs are derived from a building model with basic components. Scope differences and local market conditions can cause costs to vary significantly.

	\$Cost/ Per S.F.	\$ Total Cost	% Of Sub-Total
2 Foundation			9.1%
2.04 Footing	0.69	2475	
2.08 Block Wall	3.26	11700	
2.2 Floor Slab	1.84	6600	
3 Framing			15.8%
3.02 Floor Framing (Wood)	3.14	11300	
3.48 Partition Framing	1.82	6550	
4 Exterior Walls			19.2%
4.08 Wood Siding	6.59	23700	
4.2 Insulation	0.9	3250	
4.4 Sliding Window	4.56	16400	
4.52 Entrance Door	0.97	3500	
4.6 Storm Door & Window	0.27	955	
5 Roofing			3.2%
5.04 Gable End Roofing	2.2	7900	
6 Interiors			28.5%
6.04 Drywall & Thinfoat Wall	7.32	26300	
6.08 Drywall & Thinfoat Ceiling	2.73	9825	
6.2 Interior Door	5.09	18300	
6.6 Carpet	3.03	10900	
6.64 Flooring	0.51	1850	
6.9 Stairways	0.95	3425	
7 Specialties			1.6%
7.08 Kitchen	0.47	1700	
7.12 Appliances	0.67	2425	
8 Mechanical			6.9%
8.12 Three Fixture Bathroom	1.11	3975	
8.6 Gas Fired Heating/Cooling	3.7	13300	
9 Electrical			2.7%
9.1 Electric Service	0.33	1175	
9.3 Wiring Device	1.52	5475	
10 Overhead			13.0%
10 Contractor's overhead and profit.	9.02	32400	
Total less Mods, Adjs, Alts, & Upgrades	62.69	225380	
Mods, Adjs, Alts, & Upgrades	14.75	53177.6	
Total	77.44	278557.6	100.0%



MAJOR PROJECTS DIVISION

Los Angeles Housing Department

LAHD

INTER-DEPARTMENTAL MEMORANDUM



Antonio R. Villaraigosa, Mayor
Douglas Guirre, General Mgr

TO: ALFRED MUHAMMAD, ARCHITECTURAL ASSOCIATE IV
FROM: MANUEL M. JUATCO, CONSTRUCTION ESTIMATOR
DATE: AUGUST 26, 2010
REGARDING: CITY OWNED PROPERTY –
851 W. 81ST STREET, LOS ANGELES CA 90044
CC: ARMANDO LOYA, REHAB CONSTRUCTION SPECIALIST II

Construction Budget Estimate

We have completed our estimate for the above project for the "direct construction cost". LAHD's estimated is **\$492,465** which includes cost for General Conditions / Requirements, Bond, liability Insurance and construction contingency.

Our cost estimate is based on jobsite inspection, photos & assessment reports by Armando Loya on the date 8-19-2010.

The project is a rehabilitation of an existing 2-story 8-Unit Apartments with small to large family units on a single lot. Three of the units were vacant at the time of inspection. The units that we were able to gain access to are an indication of the condition of all the units.

To date, little maintenance and improvements to the premises since the units were built.

The following items need to be addresses in order to bring the units back up to presentable condition.

- Kitchen and bath remodel
- New flooring and subflooring
- New paint through out the units
- New landscape
- Exterior paint or re-stucco

Attached is a copy of our cost estimate for the project, should you have questions or concerns, please do not hesitate to call.

Please note that a copy of our cost review and comments should not be sent directly to the developer. If you have any questions on the above, you may reach me at (213) 808-8952.



Los Angeles Housing Department

DIRECT CONSTRUCTION COST SUMMARY



Adolfo R. Villanueva, Mayor
LAHD (LA) 1000 Main Street, 10th Floor

Instructions

The Developer and either Construction Estimator/Architect MUST complete this form as a NOFA application. This form uses the AS Estel format with predetermined mathematical relationships. The developer is responsible for the accuracy of ALL information contained herein. LAHD will review this form to determine the "reasonableness" of the Direct Construction Cost.

Part 1 - This information must be completed with the information provided in the NOFA application.

Part 2 - Complete the following for Direct Construction Cost using "Davis Bacon Wages" for otherwise noted. DEVELOPERS WITH MIXED-USE PROJECTS ARE REQUIRED TO PROVIDE A HOUSING AND NON-HOUSING COST COMPONENT BREAKDOWN. Housing Component cost is used here, unless Construction Cost for the residential portion of a development including residential parking. Non-Housing Component refers to construction cost for "non-residential" for commercial/retail/office/industrial/warehouse/other. Developer may provide any back-up information as necessary. LAHD will require a complete "Schedule of Values" prior to construction.

Part 1 - Project Information

Project Name :	City Owned Property
Project Location :	351 W. 81st Street, Los Angeles, Ca. 90044
Developer :	0
Contact Person :	0
Contact Tel # :	0
Architect :	0
Type of Project :	Rehabilitation Assessment
# Stories :	2

Construction Budget

DESCRIPTION	LAHD ESTIMATE	
	TOTAL CONST.	Non-Housing Component
1 Demolition (a) = Allowance	\$ 35,296	\$ 35,296
2 Toxic Abatement (b)	\$ 32,500	\$ 32,500
3 On-Site Improvements (c)	392	392
4 On-Site Improvements (d)	25,298	25,298
5 Landscaping/Irrigation System (onsite) (e)	15,678	15,678
6 Parking (f)	1,500	1,500
7 Residential Construction (g)	265,264	265,264
8 Commercial Construction (h)	-	-
9 Contractor's Overhead & Profit (i)	\$ 379,927	\$ 379,927
10	\$ 30,074	\$ 30,074
11 SUB-TOTAL =	\$ 405,002	\$ 405,002
12 General Conditions / Requirements (j)	22,558	22,558
13 Performance & Payment Bond (k)	7,519	7,519
14 Liability Insurance (l)	3,759	3,759
15 SUB-TOTAL =	\$ 439,838	\$ 439,838
16 Construction Contingency (m)	52,830	52,830
17 TOTAL =	\$ 492,485	\$ 492,485

Housing Component Cost per area of residential units. =	\$68.40/sf
Housing Component cost per residential unit. =	\$91,568/unit

Prepared & Estimated by: M. Juato

Date Prepared: 3/26/2010



Budgetary Cost Breakdown

City of Los Angeles Housing Department -
Housing Development Division/Construction Unit



Architect: R. Williams, Mayor
Deputy: L. Williams, General Manager

Part 1 Project Information

Project Name : City Owned Property

Project Location : 851 W. 81st Street, Los Angeles, Ca. 90044

Developer :

Contact Person :

Contact Tel #. :

Architect :

Type of Project : Rehabilitation Assessment

Bldg. Gross Area (SF) : 7,200

Total Site Area (SF) : 9,301.00

Unit #	# of Units	Avg. Floor Area (SF)
0-BR(SRO)-		
1-BR-		
say 2-BR-	4	750
say 3-BR-	4	1,050
Total =	8	900

CHECK ONE BELOW

Renovation / Rehabilitation (☒)

New Construction (☐)

No Plans, just photos: 8/15/2010

Prepared & Est. by: M. Justo

Approx. Constr. Sched. (Months): 2

Date Prepared: 8/28/2010

Revision No.: 0

Description: This consist of a two story, 8-Unit rental property for small to large family units on a single lot.

The following items need to be addressed to be presentable:

1. Kitchen & bath remodel

2. new flooring & subflooring

3. new paint through out the units

4. new landscape

5. Exterior paint or stucco

"Schedule of Values"

Part 2 Construction Cost Breakdown

L.A.H.D.

Date Prepared: 8/28/2010

REMARKS / COMMENTS

Item #	CSI	ITEM	Quantity	Unit (as L.A.H.D.)	Unit Price (\$)	TOTAL	REMARKS / COMMENTS
1	Division 1 (General Requirements & Conditions)	Project Management	6%		375,927.48	\$	22,556
2		Site Supervision					
3		Temporary telephone / fax					
4		Dumper & disposal					
5							
6		SUB-TOTAL (DIVISION 1)-			(See Summary of Components)	\$	22,556
7	Division 2 (Sitework)	Landscape Area / Open area - Approx. new Sod	2,851	SF	5.00	\$	14,255
8		Mobilization	1	LS	5,000.00	\$	5,000
9		Coord. clean-up (1 man @ \$100/wk for prod. duration)	12	WKS	175.00	\$	2,100
10		Final Clean-Up	7,200	SF	0.25	\$	1,800
11		On-site generator - power steam wash cleaning	350	SF	1.12	\$	392
12							
13		Deconstructive Demolition					
14		Demo (e) Units Floor Finishes	7,200	SF	1.00	\$	7,200
15		Demo / remove (e) Bathroom & Kitchen say	12	Units	2,000.00	\$	24,000
16		Demo / remove (e) Drs./Partitions say allow.	8	Units	900.00	\$	7,200
17		Demo / remove (e) Drs./Closets say	40	LF	12.00	\$	480
18		Demo / remove (e) Handrails @ Int. Stair say	95	LF	1.00	\$	95
19		Demo / remove (e) Panels Section - allow.	128	LF	5.00	\$	640
20							
21							
22		SUB-TOTAL (DIVISION 2)-				\$	60,392
23							
24	Division 3 (Concrete)						
25							Concrete not used
26							
27		SUB-TOTAL (DIVISION 3)-				\$	
28							
29	Division 4 (Masonry)						
30							No Masonry work is used
31							
32		SUB-TOTAL (DIVISION 4)-				\$	
33							
34	Division 5 (Metal)	Ex. Stair Guards/Rails/Handrails say Allow.	4	Pcs	1,500.00	\$	6,000.00
35		New Handrail say	32	LF	25.00	\$	800.00
36							
37		SUB-TOTAL (DIVISION 5)-				\$	2,200
38							
39	Division 6 (Wood & Plastic)	ROUGH CARPENTRY:					
40		New Cripple Wall Allow w/ (e) wall say	100	SF	23.50	\$	2,350
41		New Shear wall sheathing say	1,600	SF	1.50	\$	2,400
42		Repair (e) Stair say	3	Pcs	850.00	\$	2,550
43		Repair (e) Partitions say	95	LF	12.00	\$	1,140
44		Remove & Replace (e) Doors & Hardware say allow.	8	EA	450.00	\$	3,600
45		Also repair - Allow.	1	LS	1,000.00	\$	1,000
46							
47		FINISH CARPENTRY:					
48		Provide (n) cove Base say	488	LF	2.50	\$	1,220
49							
50		CABINET/WAREHOUSES:					
51		P & I (n) base & upper cabinets say	8	Units	2,790.00	\$	22,320
52							
53		SUB-TOTAL (DIVISION 6)-				\$	37,970
54							
55	Division 7 (Thermal Moisture & Protection)	ROOFING:					
56		Strip (e) roofing, install (n) 40 yr. Class "A" composition roofing o	36	BQ	272.50	\$	9,810
57		(e) plywood sheathing					
58							
59		FLASHING & SHEET METALS:					
60		Ex. Gutters & Downspouts repair & repaint - Allow.	320	LF	5.00	\$	1,600
61							Allowance
62		PAINTING & SEALANTS:					
63		Bathrooms - caulk tub/shower apert	12	EA	75.00	\$	900
64		Bathrooms - caulk tub/shower enclosure	12	EA	75.00	\$	900
65		Kitchen - caulk gap at sink	6	EA	75.00	\$	450
66							
67		SUB-TOTAL (DIVISION 7)-				\$	13,310

"Schedule of Values"

Part 2 Construction Cost Breakdown			LAHD				REMARKS / COMMENTS				
			Date Prepared: 8/26/2010								
Item #	CSI	ITEM	Quantity	Unit (S.A.L. etc.)	Unit Price (\$)	TOTAL					
66	Division 8 (Doors & Windows)	DOORS & FRAMES/INSTALLATIONS:			\$	0.490					
67		Remove & replace (e) entry doors / hardware say	8	EA	620.00	\$	4,960				
68		R/R (e) Auto. Garage Overhead Doors	3	EA	500.00		1,500				
69											
70		GLASS WINDOWS & SCREENS:				\$	1.800				
71		Replace (n) existing windows screens say allow	30	EA	50.00		1,800				
72											
73		SUB-TOTAL (DIVISION 8)				\$	6,260				
74	Division 9 (Finishes)	LATH & PLASTER-FIN. SYSTEMS:			\$	7.700					
75		Ex. Plaster / Stucco Fin. - Hot Wash / Fog Coat / or Re-paint	6,700	SF	1.00	\$	6,700				
76		Patch & repair (e) walls - Allow	8	Unit	250.00		2,000				
77											
78		GYPSUM BOARD-FIN. SYSTEMS:				\$	20.000				
79		Paint & repair (e) walls / ceilings of units - say 24% Allow	8	Unit	2,500.00		20,000				
80		Bedroom: repair / paint ceiling	20	EA	250.00		5,000				
81											
82		RESIDENT FLOOR FINISH SYSTEMS:				\$	7.500				
83		12"x12" sustainable VCT (over exist. Floor, sub-floor)	8	Unit	181.25		1,450				
84		F & I new carpet / pad w/ required content	8	Unit	618.87		4,951				
85		F & I, 2" painted wood base	8	Unit	162.50		1,300				
86											
87		PAINING FINISH SYSTEMS:				\$	7.654				
88	Re-paint (e) unit walls / ceilings	3	Unit	432.00		1,296					
89	Re-paint (e) doors/frames	32	EA	100.00		3,200					
90	Re-paint (e) wood base	8	Unit	124.50		996					
91											
92		SUB-TOTAL (DIVISION 9)				\$	43,098				
93	Division 10 (Specialties)	SIGNAGE SIGNS:									
94		Provide new unit e & exit signs - Allow	10	EA	45.00	\$	450				
95		FIRE EXTINGUISHERS & CAB.									
96		Provide new fire extinguishers & cab. - Allow	8	Unit	350.00		2,800				
97		TOILET & BATH SIGNS:									
98		New machine cabinet / mirror / towel bar / TP holder / shower to	12	EA	364.00		4,368				
99											
100		SUB-TOTAL (DIVISION 10)				\$	7,618				
101	Division 11 (Equipment)	Kitchen: replace appliances (Ref., stove & DW)	8	EA	1,802.00	\$	14,416				
102		Kitchen: replace exhaust system (hood)	8	EA	834.00		6,672				
103											
104		SUB-TOTAL (DIVISION 11)				\$	21,088				
105											
106	Division 12 (Furnishings)	WINDOW TREATMENT:									
107		R/R (e) Mini Blinds - Allow	30	Unit	100.00	\$	3,000				
108											
109		SUB-TOTAL (DIVISION 12)				\$	3,000				
110	Division 13 (Special Construction)										
111		Abatement - report only	1	Unit	2,500.00	\$	2,500				
112		Take Room Mold Remediation - say	12	Unit	2,500.00		30,000				
113											
114		SUB-TOTAL (DIVISION 13)				\$	32,500				
115	Division 14 (Conveying System)										
116											
117											
118			SUB-TOTAL (DIVISION 14)				\$				
119	Division 15 (Mechanical)	PLUMBING:			\$	61.650					
120		Water heater for 8-Units (30 Gal. Capacity)	8	EA	3,500.00	\$	28,000				
121		F & I (e) seismic shut-off gas valve to building	1	EA	750.00		750				
122		Install new plumbing rough-in	8	Unit	1,600.00		12,800				
123		Install discharge pipe at water heater	8	EA	150.00		1,200				
124		Stop water heater to comply w/ min. standards	8	EA	250.00		2,000				
125		Basin: repair sink drain stop	12	EA	75.00		900				
126		Kitchen: replace garbage disposal	8	EA	400.00		3,200				
127		Kitchen: replace sink faucet on bridge	8	EA	150.00		1,200				
128		Basin: repair submittal valve	12	EA	200.00		2,400				
129											
130		PLUMBING FIXTURES:				\$	67.748				
131		F & I (n) Turnover surround w/ drain & control	12	EA	2,930.00		35,160				
132		F & I (n) vanity	12	EA	709.00		8,508				
133		F & I (e) 30" vanity sink & lav set	12	EA	1,500.00		18,000				
134		F & I (n) kitchen sink w/ faucet & disposer	8	EA	768.00		6,144				
135											
136		FIRE SPRINKLER SYSTEM: existing to be refurbished	7,200	SF	1.50		10,800				
137											
138	HVAC:										
139	Repair (e) Heating Units for each unit in building	8	EA	250.00		2,000					
140	Air conditioning system for each unit in bldg. - excluded										
141		SUB-TOTAL (DIVISION 15)				\$	132,148				
142	Division 16 (Electrical)	ELECTRICAL/EQUIP. INSTALL:			\$	4.180					
143		Replace (e) Conventional GFCI receptacles	12	EA	80.00	\$	960				
144		Ex. Smoke detectors - replace	10	EA	80.00		800				
145											
146		LIGHTING FIX. EX. - LAMPS:				\$	1.000				
147	Ex. Ch. mount ext. light - repair / Adjust, say	4	EA	250.00		1,000					
148											
149		SUB-TOTAL (DIVISION 16)				\$	2,760				
150	TOTAL (ALL DIVISIONS)						\$	308,483			
151	Contractor's Overhead & Profit							30,074			
152	Liability Insurance							3,750			
153	Performance & Payment Bond							7,518			
154	Contingency (L3)							32,553			
155	TOTAL COST (GROSS) =						7,200	SF	\$68.40	\$	492,485
			No. of Units = 8		Ave. Cost Per Unit =						
			Factor		1.3368		\$81.27		\$		687,535
For Total Development Cost of the Project - Allow, =											

**City of Los Angeles Housing Department-Housing
Development Bureau (MP) / Construction Unit**

Project Information

Unit for	0-BR	6
	1-BR	4
	2-BR	
	3-BR	
	4-BR	
	OTHER	
Total # Units		10

New Construction{ }

Part 2

Remarks/Comments

Page 1 of 8

55							
56							
57							
58	Division 7 (Thermal Moisture & Protection)	Roofing (criquets and drains)	21	per sq	700	\$14,700.00	
59						\$0.00	
60						\$0.00	
61						\$0.00	
62						SUB-TOTAL (DIVISION 7)=	\$14,700.00
63							
64	Division 8 (Doors & Windows)	Windows (installed)	58		456	\$26,448.00	
65							
66							
67							
68						SUB-TOTAL (DIVISION 8)=	\$26,448.00
69							
70							
71							
72	Division 9 (Finishes)	Exterior Stucco Repair/Color Coat		Lump Sum		\$30,000.00	
73		Exterior Paint		Lump Sum		\$9,400.00	
74		Interior Paint	18800	s.f	2	\$39,480.00	
75		Gyp Wallboard System	15040	s.f	2	\$33,088.00	
76		VCT flooring (Substrate Inc.)	222	s.y.	25	\$5,805.50	
77		Carpet (Substrate Inc.)	112	s.y.	40	\$4,480.00	
78							
79						SUB-TOTAL (DIVISION 9)=	\$122,053.50
80							
81	Division 10 (Specialties)	Exit Signage	5		560	\$2,800.00	
82						\$0.00	
83						\$0.00	
84						\$0.00	
85						\$0.00	
86						\$0.00	
87						\$0.00	
88						SUB-TOTAL (DIVISION 10)=	\$2,800.00
89							
90							
91	Division 11 (Equipment)					\$0.00	
92						\$0.00	
93						\$0.00	
94						SUB-TOTAL (DIVISION 11)=	\$0.00
95							
96							
97							
98	Division 12 (Furnishings)					\$0.00	
99						\$0.00	
100						\$0.00	
101						\$0.00	
102						SUBTOTAL (DIVISION 12)=	\$0.00
103							
104							
105	Division 13 (Special Construction)	Termite Treatment		Lump Sum		\$5,000.00	
106		Asbestos Abatement		Lump Sum		\$10,000.00	
107		Lead Based Paint Abatement		Lump Sum		\$12,000.00	
108						\$0.00	
109						SUB-TOTAL (DIVISION 13)=	\$27,000.00
110							
111	Division 14 (Conveying Systems)					\$0.00	
112						\$0.00	
113						\$0.00	
114						\$0.00	
115						SUB-TOTAL (DIVISION 14)=	\$0.00
116							

117						
118						
119						
120		Toilets (low flush)	10	each	450	\$4,500.00
121		Kitchen Faucets	10	each	220	\$2,200.00
122		Kitchen Sinks	10	each	400	\$4,000.00
123		Disposals	10	each	120	\$1,200.00
124						\$0.00
125		Bathroom Sinks	10	each	175	\$1,750.00
126		New Tube and Surrounds	10	each	1200	\$12,000.00
127		Mixer Valves and Faucets	10	each	850	\$8,500.00
128		Shower Heads (low flow)	10	each	85	\$850.00
129		Individual Gas Meters w/ eq shut-off	10	each	550	\$5,500.00
130		New Main line Water Supply	45	ft	120	\$5,400.00
131		Drain/Waste/Vent	10	each/unit	1510	\$15,100.00
132						
133						
134		HVAC	10	each	5500	\$55,000.00
135						
136						\$0.00
137						
138						
139						
140						
141						
142		Interior Duplex Outlets	160	each	130	\$20,800.00
143		Interior Switches	76	each	130	\$9,880.00
144		Interior Surface Mounted Fixtures	76	each	225	\$17,100.00
145		Telephone Jacks	18	each	150	\$2,700.00
146		Television Jacks	18	each	150	\$2,700.00
147		Sub Panels	11	each	1000	\$11,000.00
148		Meter and Main Switch Gear Feeders	1	each	14500	\$14,500.00
149		Main Building Electrical	1	each	4500	\$4,500.00
150		Exterior and Interior Lights	60	each	225	\$13,500.00
151		Intercom / Door Release	1	each	2500	\$2,500.00
152		Smoke Detectors	20	each	275	\$5,500.00
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158		Overhead & Profit				\$50,201.08
159		Insurance & Bonds				\$12,550.27
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