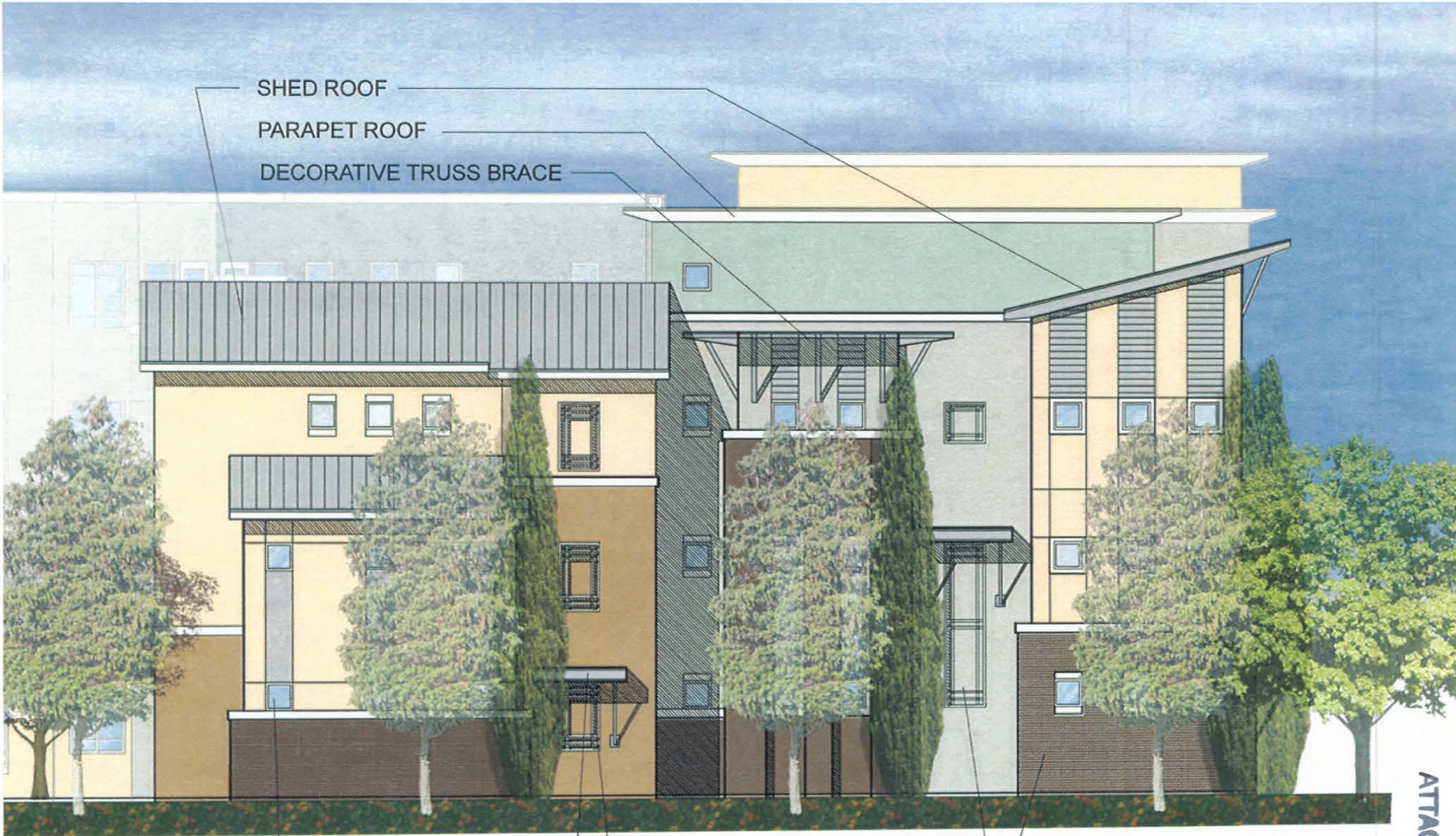


SHED ROOF

PARAPET ROOF

DECORATIVE TRUSS BRACE



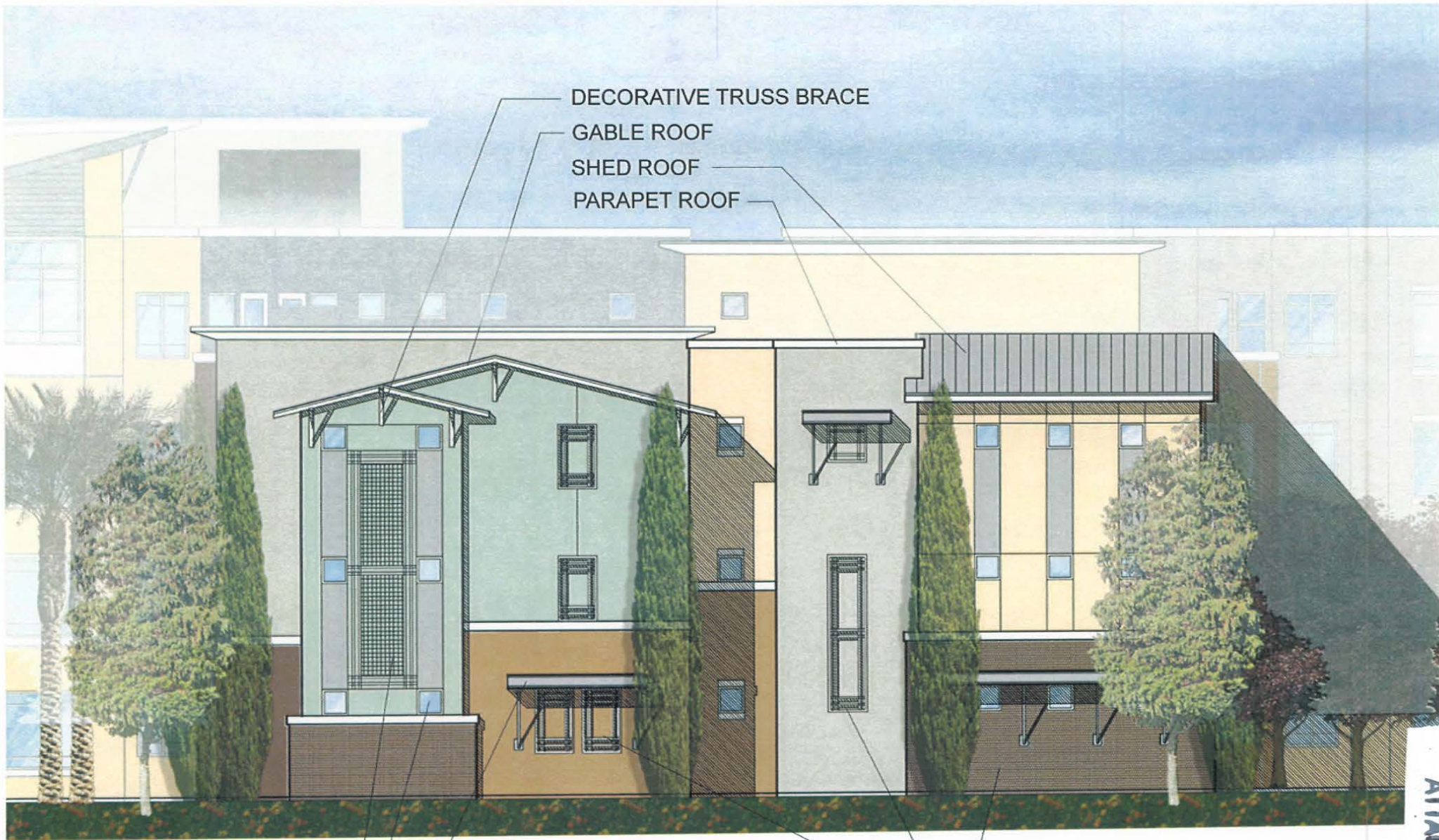
HIGH WINDOWS

DECORATIVE AWNING

DECORATIVE MOULDING

ENHANCED VENEER

DECORATIVE WALL RECESS



DECORATIVE TRUSS BRACE

GABLE ROOF

SHED ROOF

PARAPET ROOF

DECORATIVE SCREEN

HIGH WINDOWS

DECORATIVE AWNING

ENHANCED VENEER

DECORATIVE MOULDING

OUTDOOR FURNITURE/
SEATING AREA

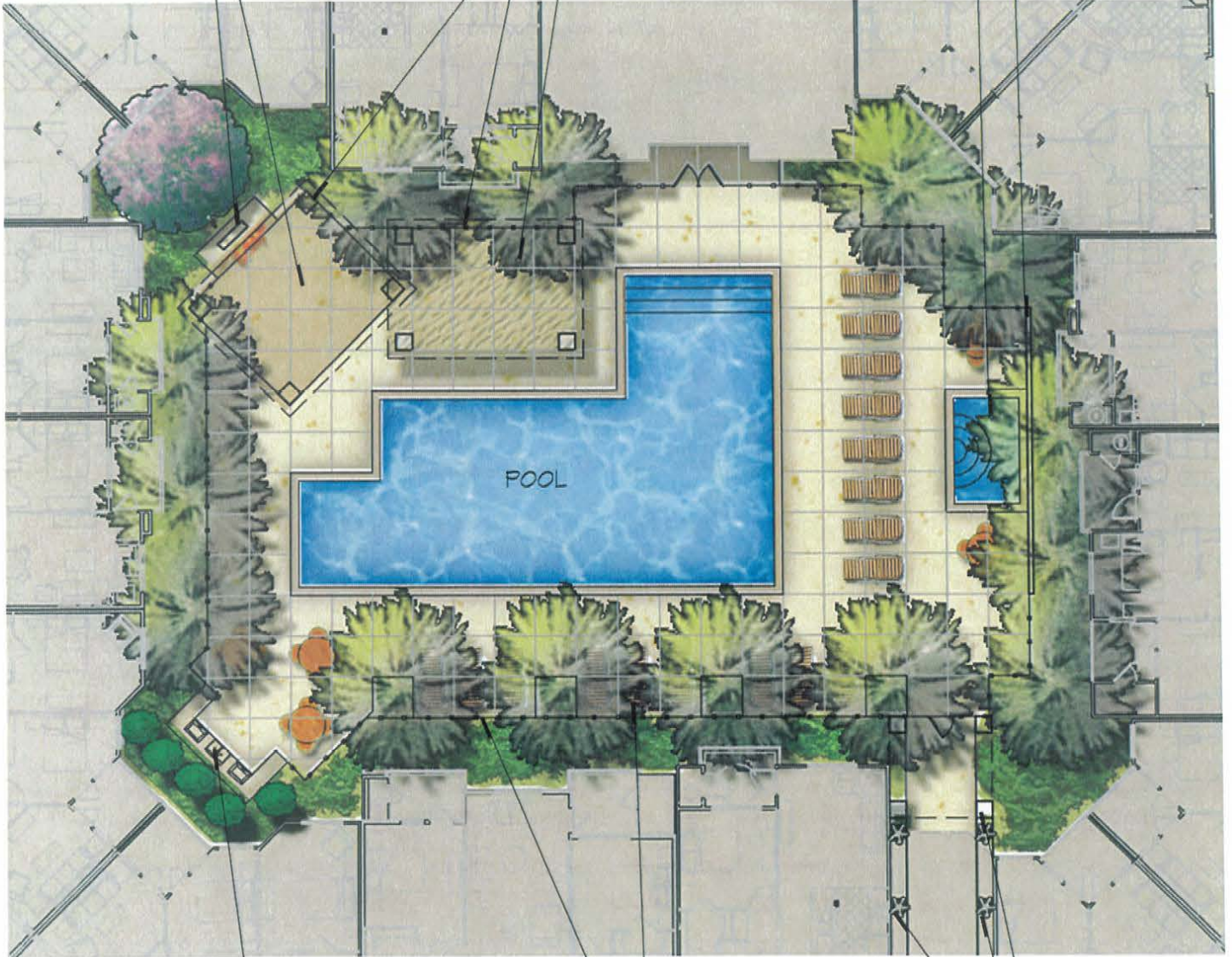
OUTDOOR FIREPLACE

OVERHEAD TRELLIS STRUCTURES

OUTDOOR LOUNGE CHAIRS

SPA

6' HT. SCREEN WALL



0 10 20
SCALE: 1"=20'

BBQ COUNTER AND SINK

CHaise LOUNGE CHAIRS

OVERHEAD
ENTRY STRUCTURE

5' HT. TUBULAR STEEL
POOL FENCE

POTTED
PLANT SHELF

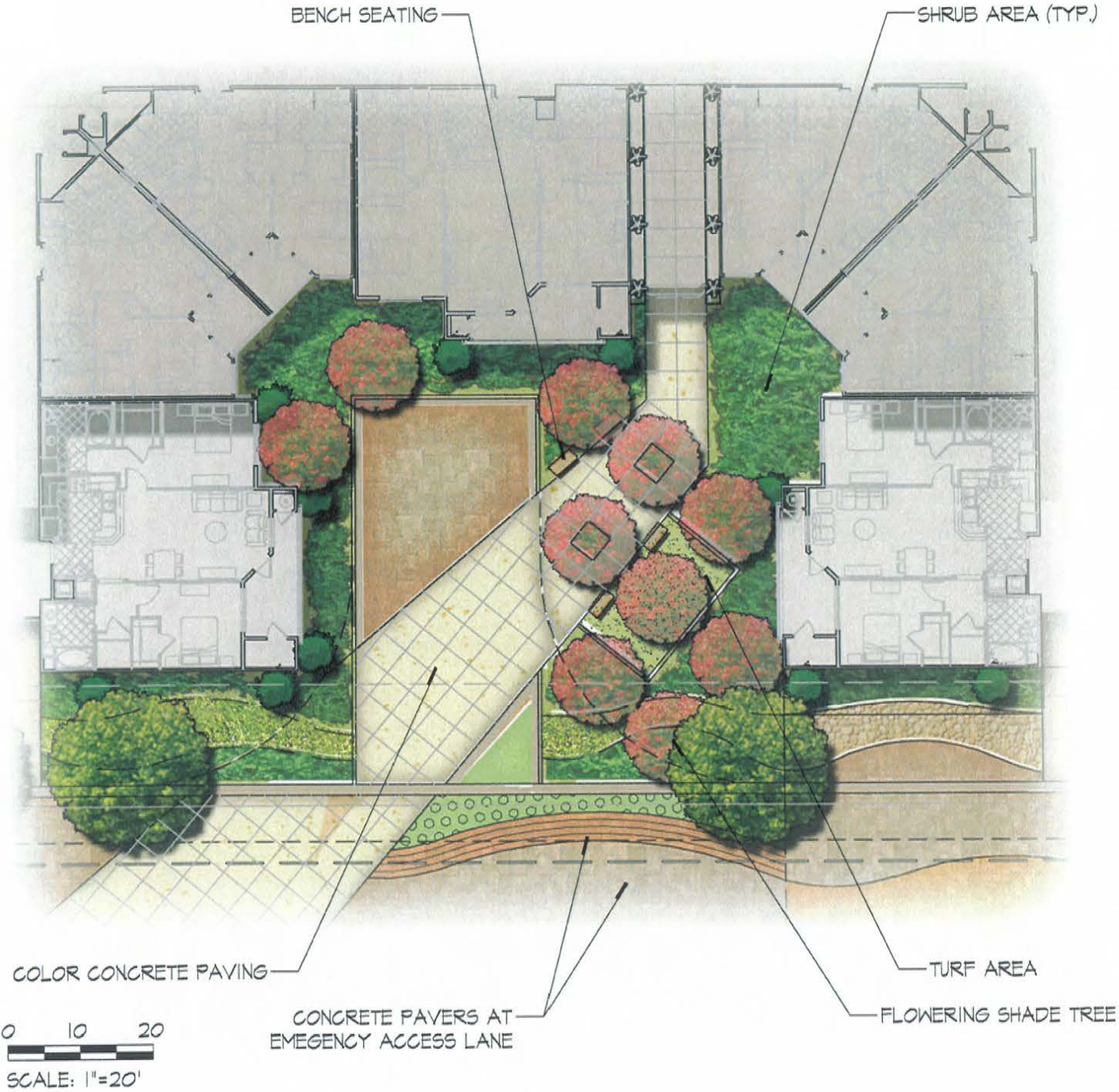
RECREATION AREA

PALLADIUM AT AERO

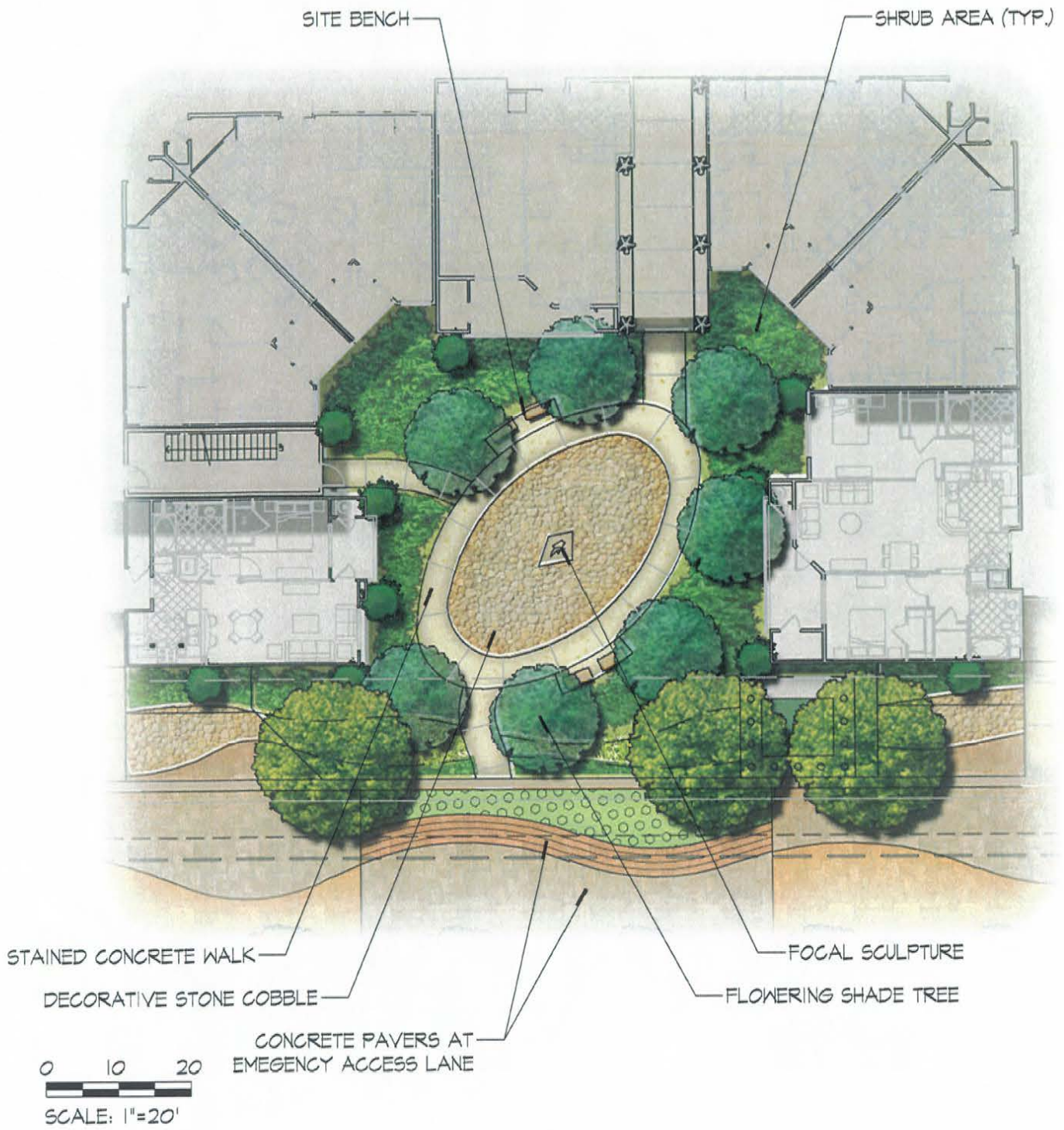
SAN DIEGO, CALIFORNIA



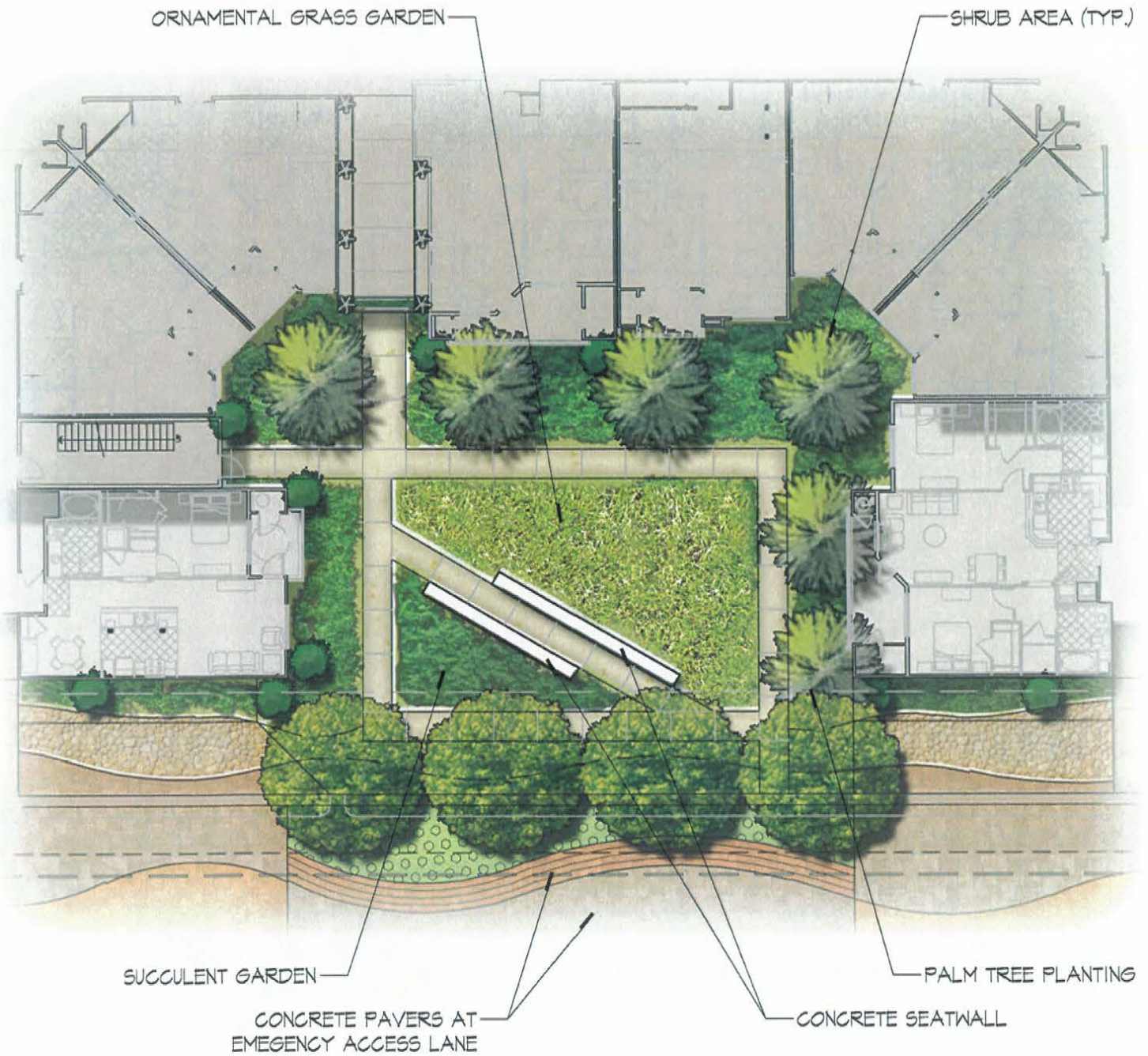
WESTCORE / WERMERS PROPERTIES



COURTYARD #1

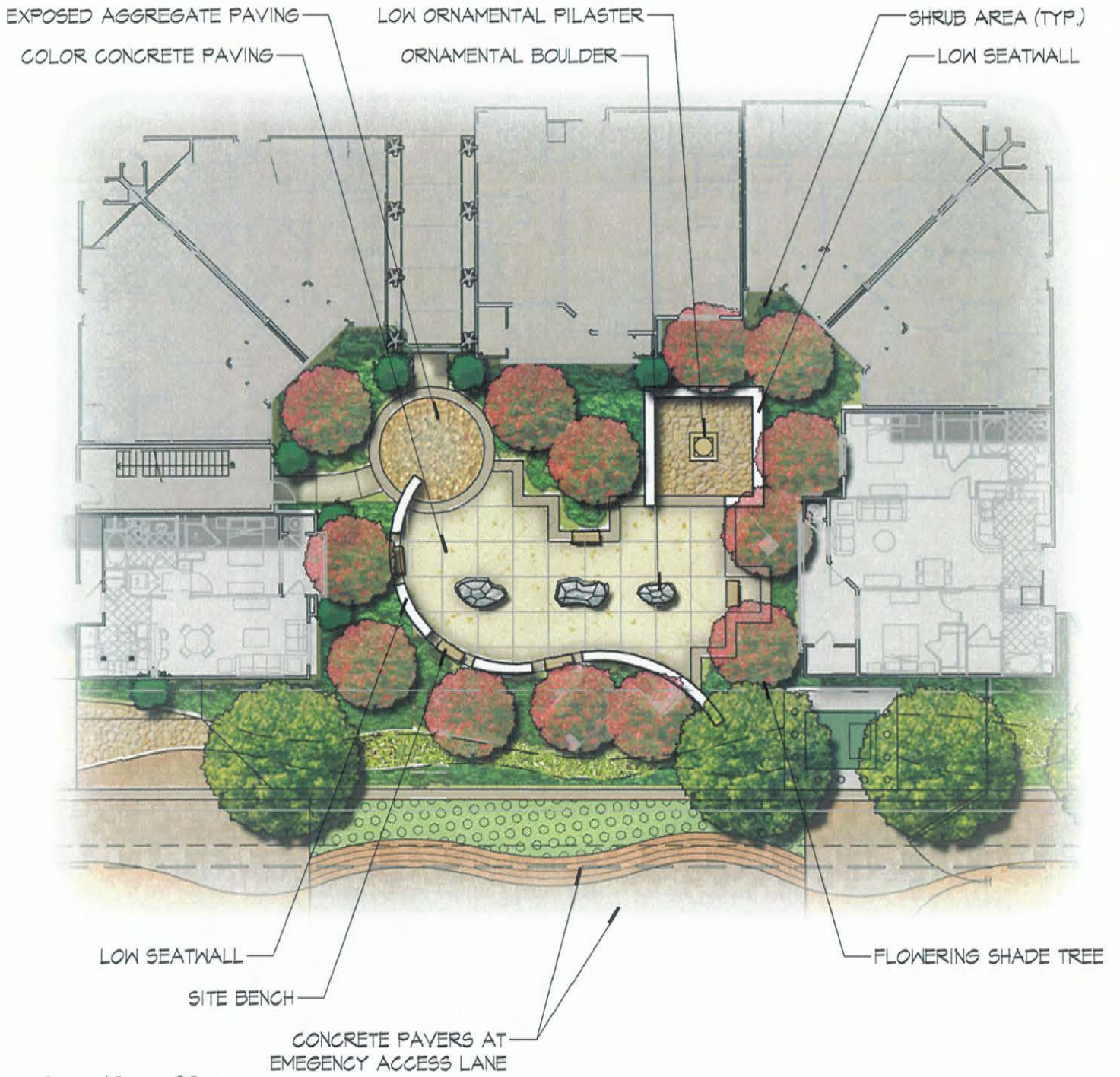


COURTYARD #2



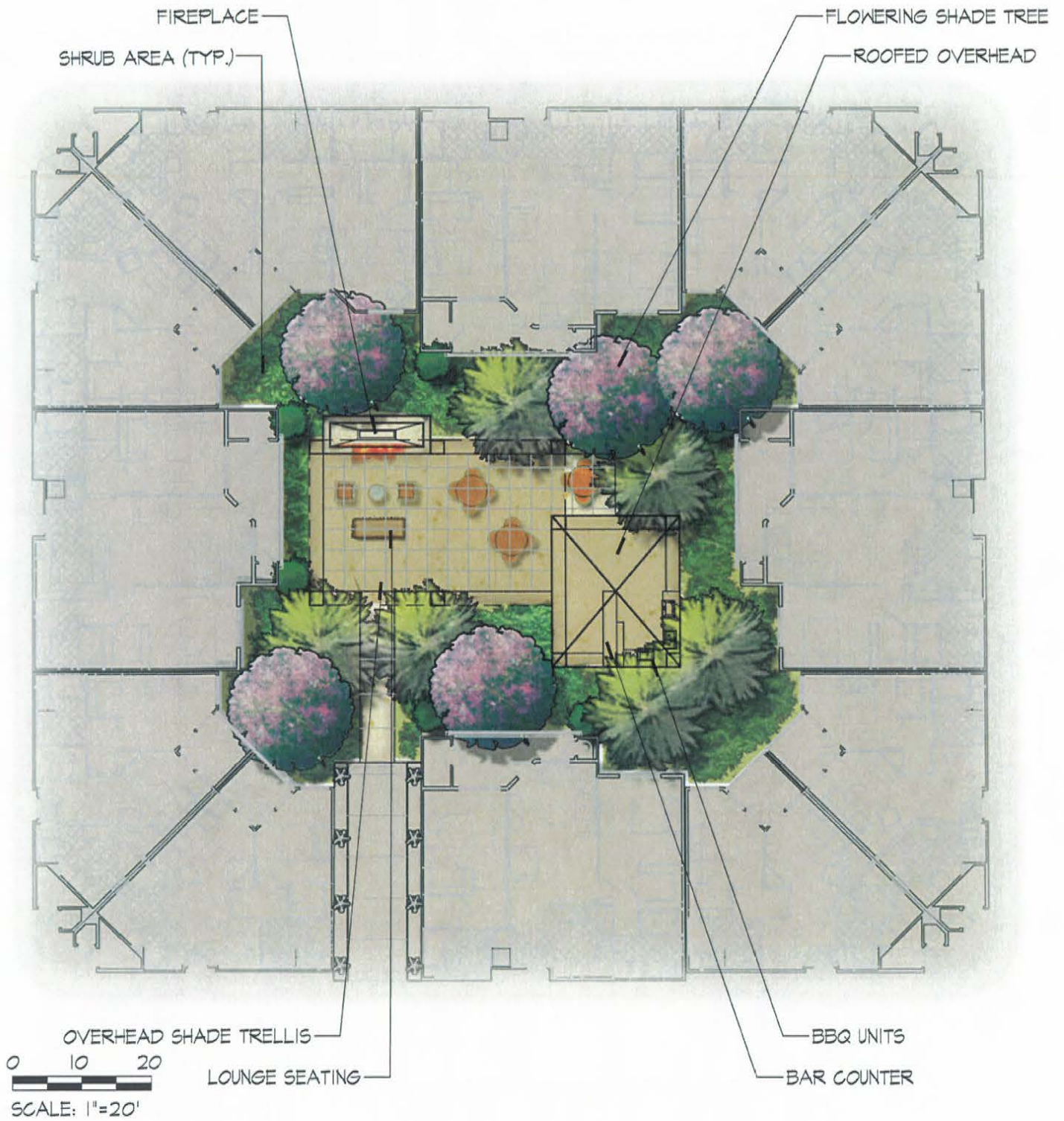
0 10 20
SCALE: 1"=20'

COURTYARD #3

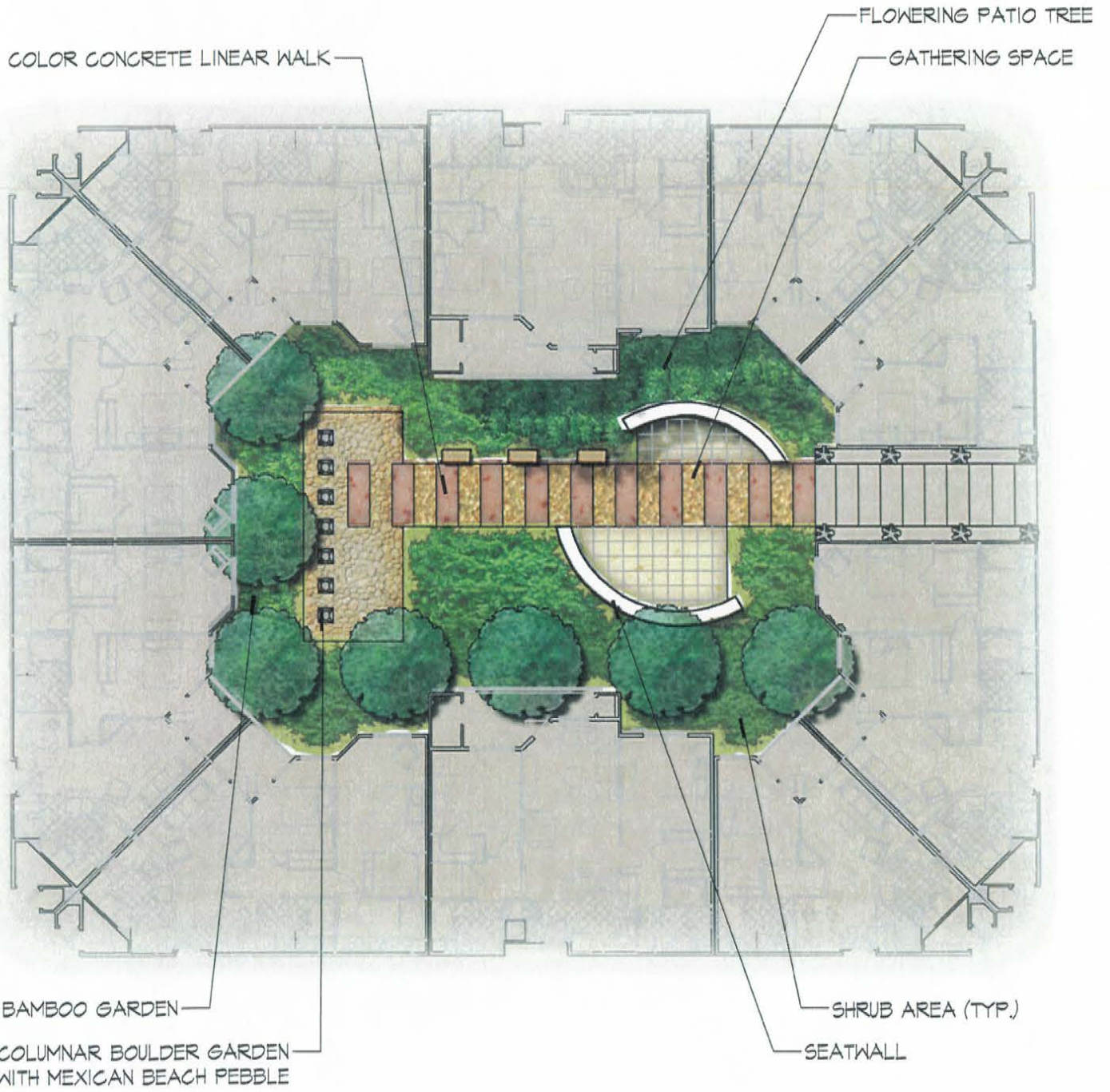


0 10 20
SCALE: 1"=20'

COURTYARD #4

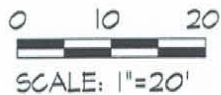
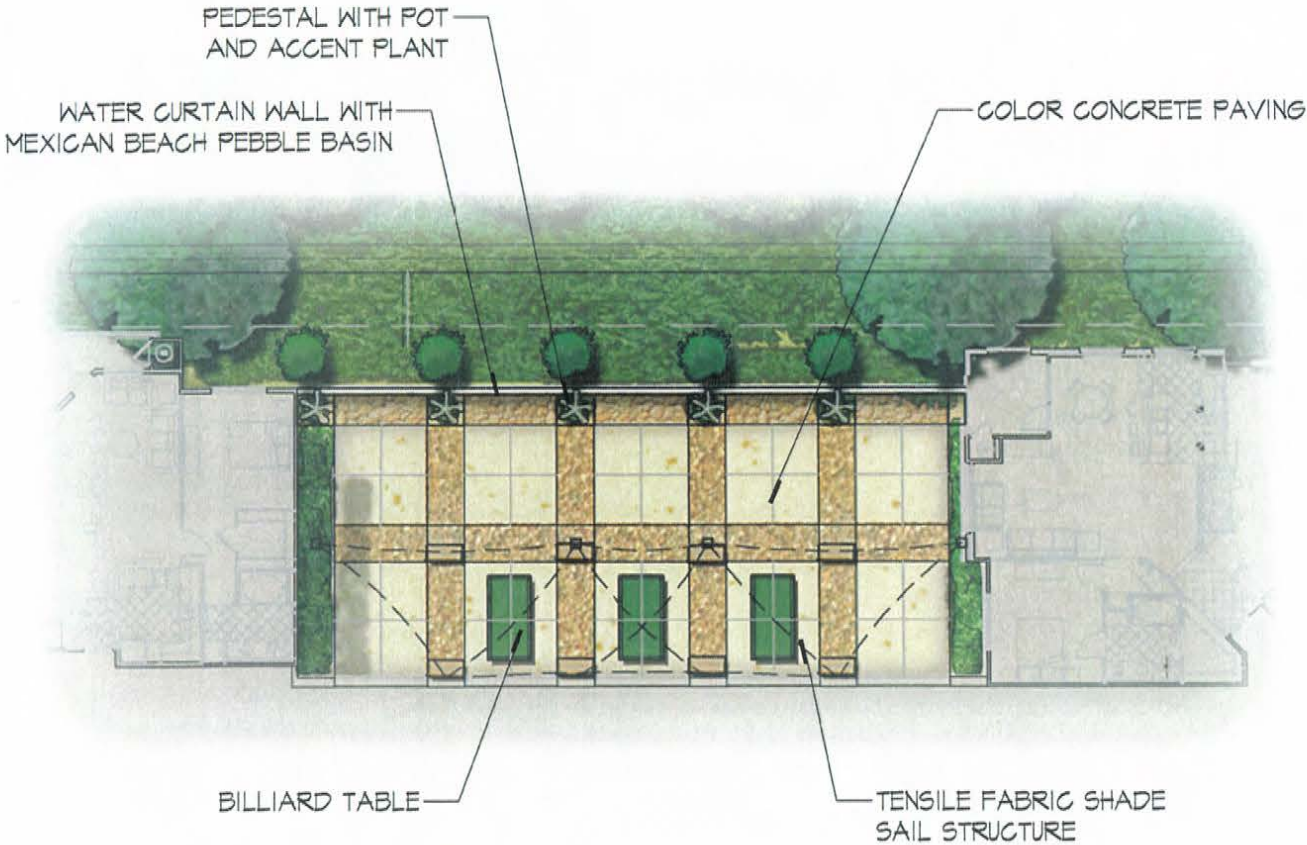


COURTYARD #5



0 10 20
SCALE: 1"=20'

COURTYARD #6



COURTYARD #7

Draft Kearny Mesa Community Plan Amendment

(available under separate cover)

West Aero Drive Land Use Study - 2008

(available under separate cover)

Palladium Project Market Feasibility Study

(available under separate cover)

Palladium at Aero
Collocation/Conversion Suitability Factors
(App.C, EP-3, General Plan)

Project Location: The project site is located at the southwest corner of Aero Drive and Sandrock Road, within the Kearny Mesa Community Planning Area, (Assessor Parcel Number: 421-050-07, 08 & 10).

Area Characteristics – The Aero Drive Land Use study provides a full discussion of the area characteristics. In general, the south side of Aero Drive between Kearny Villa Road to Ruffin Road was initially planned and zoned for industrial uses; however, commercial and institutional users has occupied most of the facilities within the area. The north side of Aero Drive through the same segment is developed with Montgomery Field, commercial, retail and office between Sandrock Road and Afton Road. Approximately 500 feet south of Aero Drive, within the Serra Mesa Community, is residential development (primarily single-family). The site and the other properties abutting Aero Drive are zoned industrial.

The proximity of residential abutting the southern property line of the site restricts the type of industrial users allowed along Aero Drive. The existing buildings on-site and found abutting Aero Drive are underutilized and functionally obsolete. The market study prepared for the project indicates that future industrial users will not be attracted to this area.

Since many of the traditional industrial users have relocated to other areas, generally class-B offices and warehouse users occupy the buildings/facilities. The uses abutting Aero Drive are a combination of office, medical, commercial, institutional, religion, retail, parks/open space, public uses (school and library), and industrial/warehouse.

Parcel size and configuration – Fronting Aero Drive, the project site consists of three adjoining parcels, totaling 7.52 acres. The largest of the three parcels is located on the corner of Aero Drive and Sandrock Road. West of the largest parcel are two parcels that are situated mid-block of Afton Road and Sandrock Road. North of the property is Aero Drive and Montgomery Field, to the east is office buildings, to the south is single-family residential, and to the west is commercial. The physical condition of the site is relatively flat and the combined parcels are rectangular.

The majority of parcels along Aero Drive are single ownership. However, abutting Aero Drive, there are three ownerships of conjoined parcels. Westcore Sandrock LLC, owns three parcels of 7.52 acres, Reynolds/ Murray own two parcels of 5.6 acres, and Aero Vault Venture owns two parcels of 7.71 acres. These parcels total 20.83 acres along Aero Drive.

Transportation access - The site is conveniently located to SR-163, (2/3 miles), I-805, (1 mile) and I-15 (1 ½ miles), the proximity to these freeways is desirable for industrial users, and residential development.

Long term market trends - As explained in the 2008 West Aero Drive Land Use Study, Kearny Mesa has one of the lowest industrial vacancy rates in the county, and according to Burnham

Real Estate 2007 Third Quarter Summary, Kearny Mesa still remains the lowest industrial vacancy rate of any of San Diego County's major industrial submarkets. However, the market study completed for the project and the surrounding area indicated that non-industrial uses such as office, residential, and some retail are likely to replace the remaining industrial users.

Transit Availability - Kearny Villa Road, Aero Drive, and other roadways surrounding the site are served by existing public transit routes (including bus stops adjacent to the site) and bicycle lanes. Kearny Mesa is serviced by MTS routes 20/20A/20B, 27, 120, 25, 928, 960, and 870. These routes travel as far north as North County Fair and University Towne Center, south to Downtown 3rd Avenue and Broadway, east to Santee and El Cajon and west to the beach areas. The locality of Kearny Mesa offers many access points to travel around the county, which is convenient for both residents and employees.

Impact on Industrial Lands - According to the City of San Diego General Plan, Economic Prosperity Element, Figure EP-1: Kearny Mesa, the subject property is designated as "Other Industrial Land," not Prime Industrial Land. Since the proposed project is not in close proximity to Prime Industrial lands, there should be no impact to the most significant industrial users in the area. The majority of land uses along Aero Drive are non-industrial, commercial, retail establishments, or institutional facilities. The site and the properties abutting Aero Drive between Kearny Villa and Ruffin Road, except the library site, are designated for industrial/warehouse/office land uses; however, the site abuts residential along the southern boundary of the property. As identified in the West Aero Drive Land Use Study, the majority of the businesses are not traditional industrial uses and some existing industrial buildings have converted to other uses.

Significance of Residential/Employment Component - The location of the site is within one of San Diego's subregional employment areas. The provision of 412 units of high density housing maximizes the residential development capacity of the site and provides workforce housing in an employment center. No employment uses, with the exception of a small retail component are retained or proposed as part of the proposal.

Residential Support Facilities - The site is located in the geographic center of San Diego. Its centralized location is convenient to restaurants, shopping centers including Albertsons, Food for Less and Vons (1 ½ to 2) miles; Angier Elementary School (½ mile); Wegeforth Elementary School (½ mile); William Taft Middle School (1 mile); Cubberly Elementary School (1 ¼ mile); Kearny High School (1 ½ mile); Cabrillo Heights Park (2/3 mile); Serra Mesa Recreation center (½ mile); Kearny Mesa Recreation Center (1 ½ miles); Qualcomm Stadium (2 ¼ mile); Mission and Fashion Valley Mall (3 ½ miles); Kearny Mesa Library (½ mile); and Sharp and Children's Hospital (1 ½ mile). The site is centrally located near major roadways and freeways, which offers easy access to employment in Kearny Mesa, or other employment areas.

Airport Land Use Compatibility - Montgomery Field is located north of the proposed site. The site is not within the Airport Influence zone. In addition, the site is located outside the flight activity zone and 60dB CNEL noise contours, which is conditionally compatible with the Airport Land Use Compatibility Plan. The project was submitted the project under the FAA Part 77 (form 4760-1) for FAA review and received a "Determination of No Hazard to Air Navigation"

on November 15, 2007. In addition, the San Diego County Regional Airport Authority stated that "This project is located outside the adopted Airport Influence Area (AIA) of Montgomery Field. Therefore, staff review of the proposed project indicates that an ALUC consistency determination is not required at this time. However, a new ALUCP for Montgomery Field is being prepared which may adjust the AIA boundaries and apply different compatibility criteria to future projects in this area." The San Diego County Airport Authority is in the process of updating the ALUCPs and is anticipated to be adopted by the end of 2008.

Public Health – The proximity of air contaminants and hazardous waste storage is discussed in the "separation of uses" section of this attachment. Other potential health impacts to future residents include noise, dust, and truck traffic. The site is not within the 60dB CNEL noise contour as stated above. Truck traffic is not excessive on Aero Drive since most of the area no longer supports industrial uses and the large industrial areas to the northeast (north of Aero Drive near Ruffin Road) do not need to travel on this portion of Aero Drive to access all of the freeways.

Public Facilities - The site is approximately 2/3 of a mile away from the Fire Station 28 located at Kearny Villa Road and Aero Drive and the Eastern Division Police Department, which is located at Aero Drive and Ruffin Road. According to San Diego Fire-Rescue Department, Fire Station 28 can maintain adequate service to serve the proposed project density once the applicants mitigates the impact by contributing a percentage to a new truck or engine. The San Diego Police Department was unable to quote an emergency response time, since there are many variables to take into account. Other public facilities, such as hospitals are within 1 ½ miles of the site, elementary, junior high, and high schools are approximately ½-1 ½ miles away from the site. There are adequate public utilities (sewer and water). The San Diego School District has indicated the schools which would serve the proposed project have the available capacity to accommodate growth. Again, see the Aero Drive Land Use study for additional details.

Separation of Uses – The San Diego County Air Pollution Control District requires permits for all facilities which have the potential to emit toxic substances. Included in this attachment, is a map and list of permits which indicates that there are six active permits for facilities within one-quarter mile of the project boundaries, primarily for emergency engines and generators. An aviation gasoline dispensing facility is located more than 1000 ft. from the subject site within Montgomery Field Airport.

The San Diego County Department of Environmental Health records the hazardous materials that either generate or store hazardous waste on-site. It was found that there are 10 active hazardous permits in proximity to the project site; 5 other/Research & Development, 1 institutional, 4 medical related. There are 14 inactive hazardous permits found within proximity to the project site. Located at 8593 Aero Drive, the San Diego Blood Bank currently leases space on the project site. The site has an active permit for hazardous waste that is either generated, stored, and/or an inventory; but does not release toxins into the ground or air. The County of San Diego Site Assessment Mitigation has record of Moore Printed Circuits, which previously operated at 8575 Aero Drive, where Canyon Pottery Company currently exists. The soil at the site contains copper, lead, and solvents from electroplating activities. The property owner removed most of

the soil; however, contaminated soil under the building foundation was left in place. The Department of Toxic Substances Control is overseeing the site investigation and cleanup. There is no threat to neighboring properties or groundwater from the contamination remaining at the site.