**Exhibit B**

**QUALIFIED CAPITAL IMPROVEMENTS**

The following is the initial list of Qualified Capital Improvements:

<table>
<thead>
<tr>
<th>INTERIOR IMPROVEMENTS</th>
<th>EXTERIOR IMPROVEMENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Additional bathroom or rooms</td>
<td>Deck-wood</td>
</tr>
<tr>
<td>Appliances</td>
<td>Storage facility</td>
</tr>
<tr>
<td>Plumbing fixtures</td>
<td>Rain gutter</td>
</tr>
<tr>
<td>Plumbing upgrades</td>
<td>Brick and concrete flatwork</td>
</tr>
<tr>
<td>Sauna</td>
<td>Solar panels</td>
</tr>
<tr>
<td>Vacuum system</td>
<td>Walkway</td>
</tr>
<tr>
<td>Wet bar</td>
<td>Patio</td>
</tr>
<tr>
<td>Shower door/tub enclosure</td>
<td>Patio cover</td>
</tr>
<tr>
<td>Mirror</td>
<td>Wood fencing</td>
</tr>
<tr>
<td>Mirrored wardrobe door</td>
<td>Wall/masonry</td>
</tr>
<tr>
<td>Heating &amp; air-conditioning</td>
<td>Landscaping</td>
</tr>
<tr>
<td>Fireplace</td>
<td>Irrigation system</td>
</tr>
<tr>
<td>Electrical wiring</td>
<td>Pool/Spa</td>
</tr>
<tr>
<td>Lighting fixture</td>
<td>Barbecue</td>
</tr>
<tr>
<td>Insulation</td>
<td>Arbor/trellis</td>
</tr>
<tr>
<td>Carpentry, finish</td>
<td>Lighting</td>
</tr>
<tr>
<td>Garage Conversion</td>
<td>Fountain/Waterfall</td>
</tr>
<tr>
<td>Cabinet</td>
<td>Rock scaping</td>
</tr>
<tr>
<td>Hardware</td>
<td>Paint</td>
</tr>
<tr>
<td>Tile upgrade</td>
<td>Wall addition</td>
</tr>
<tr>
<td>Wall addition</td>
<td>Door addition</td>
</tr>
<tr>
<td>Intercom</td>
<td>Intercom</td>
</tr>
<tr>
<td>Window addition</td>
<td>Window addition</td>
</tr>
<tr>
<td>Flooring</td>
<td>Flooring</td>
</tr>
<tr>
<td>Carpet Counter</td>
<td>Carpet Counter</td>
</tr>
<tr>
<td>tops Window</td>
<td>tops Window</td>
</tr>
<tr>
<td>covering Wall</td>
<td>covering Wall</td>
</tr>
<tr>
<td>covering Garage</td>
<td>covering Garage</td>
</tr>
<tr>
<td>storage Closet</td>
<td>storage Closet</td>
</tr>
<tr>
<td>system Security</td>
<td>system Security</td>
</tr>
</tbody>
</table>

**Note:** Exterior improvements generally also require HAC recommendation to Landowner prior to installation.

Landowner shall have the right to add or delete items from the list of Qualified Capital Improvements, from time to time, and Landowner may solicit Homeowner comments on
items that may be added or deleted from the list; however, additions or deletions shall be
made by Landowner in its sole and absolute discretion.

Homeowner is hereby advised that if an improvement is made to the Home that is not a
Qualified Capital Improvement, the cost or value of such improvement will not be part of the
Maximum Resale Price of your Home. Therefore, if Homeowner wishes to have such an
improvement added to the list of Qualified Capital Improvements, before such improvement
is made, Homeowner should comply with the procedures established by Landowner (a
description of which will be maintained in Landowner’s offices) for requesting that said
improvement be added to the list of Qualified Capital Improvements. Landowner shall have
the right to approve or disapprove said type of improvement as a Qualified Capital
Improvement in Landowner’s sole and absolute discretion.

**GROUND LEASE APPRAISAL PROCEDURE**

**15.4.3 Appraisal Procedures**

The appraised value of Qualified Capital Improvement shall be determined as follows:

**15.4.3.1**

Not more than thirty (30) days prior to the commencement of the process of selling the
Home, Homeowner shall notify Landowner of the proposed sale and the Qualified Capital
Improvements Homeowner desires to have included in the Maximum Resale Price.

**15.4.3.2**

Homeowner shall then select a Qualified Appraiser from a list of Qualified Appraisers
supplied by Landowner. Homeowner may request that Landowner review the qualifications
and experience of appraiser(s) not on such list and add such appraisers to the list as
Landowner deems appropriate. Whether any particular appraiser is added to the list shall be
determined by Landowner in its sole and absolute discretion. The cost of such appraisal shall
be paid by Homeowner and shall be added to the Maximum Resale Price.

**15.4.3.3**

The appraised value determined by the Qualified Appraiser shall apply, unless Homeowner
notifies Landowner, within five (5) days after the receipt of the appraisal, that the appraisal is
unsatisfactory.

**15.4.3.4**

If Homeowner notifies Landowner that the appraisal is unsatisfactory, then Homeowner may
choose another Qualified Appraiser.

**15.4.3.5**

If the amount of the appraised value determined by the second Qualified Appraiser differs by
less than twenty-five percent (25%) of the amount of the appraised value determined by the
first appraisal, whether higher or lower, the average of the two appraisals shall apply. If the
amount of the second appraisal is higher than the amount of the first appraisal, Landowner
shall pay the cost of the second appraisal; and if the second appraisal is lower than the
amount of the first appraisal, Homeowner shall pay the cost of the second appraisal. If the
amount of the second appraisal differs by more than twenty-five percent (25%) of the amount
of the first appraisal, whether higher or lower, Landowner shall pay for a third appraisal and the mean of the three appraisals shall apply.

15.4.3.6

The remaining depreciated value of any Improvement replaced by a Qualified Capital Improvement shall be deducted from the appraised value of the Qualified Capital Improvements.

15.4.3.7

In no event, however, shall the appraised value of the Qualified Capital Improvements exceed twenty-five percent (25%) of the purchase price Homeowner paid for the Home multiplied by the Fractional Change in the Resale Price Index.

Approved Appraisers for University Gables

The below mentioned appraisers are experienced in ground leased for-sale affordable housing programs and have done appraisals for the UCI program and CSU Fullerton ASC.

1.) Gordon Schumacher (also partner John Hoopes)
   (949) 757-1393
   (949) 757-1296 fax
   H&S Appraisal Ser., Inc.
   18022 Cowan, Suite 202C
   Irvine, CA 92614
   Certification #AR004807
   hsappraisal@sbcglobal.net

2.) John Byer (949)
   752-1958 (949)
   637-3641 cell
   5100 Birch Street #200
   Newport Beach, CA 92660
   Certification #AG004140
   Jbyer1948@aol.com

3.) Matt Morita
   (714) 840-1386
   Coastline Appraisal Service
   4872 Tiara Drive, #103
   Huntington Beach, CA 92649
   Certification #AR005035
   coastlineapp@aol.com

Pre-Sale Fix U Costs (University Gables Ground Lease Section 15.4.2.4)

The reasonable out-of-pocket costs (approved by Landowner) of incidental repairs and minor renovations made to the Home within ninety (90) days prior to the commencement of the
process of selling the Home in order to improve the appearance of the Home, not to exceed five percent (5%) of the sum of the indexed original purchase price (i.e., the sum of the amounts derived from subsections 15.4.1 and 15.4.2). Homeowner shall be required to deliver to Landowner written documentation satisfactory to Landowner to evidence said costs.