



Estimated Income Fund I Equity:

Month/Year	October 2016	November 2016
Estimated Value of Fund Includes 3MM Cash	\$122,500,000	\$122,500,000
Third Party Debt	\$54,600,000	\$55,350,000
Estimated Total Equity of Fund	\$67,900,000	\$67,150,000
Members' Invested Capital (1A, 1B, 1C, 1D)	\$58,500,000	\$58,900,000

"As of November 30, 2016 our fund is estimated to be valued at \$122,500,000"



Upcoming Event

Seminar
Saturday, January 28th
Newport Beach

Strategic Holdings wishes
you a Happy Holiday
Season!!!

Strategic Holdings Monthly Update

Dear Investors,

We can't believe it's already December and 2017 is almost upon us. Here is an update on the fund and recent activity/transactions. We completed the last of the 3 acquisitions for 2016.

Camelot Apartments, 106 Castle Drive, Dothan Alabama

On October 28, 2016, Strategic Holdings purchased Camelot Apartments in Dothan, Alabama. Camelot is a 150-unit that is currently 93% occupied located in a well-maintained apartment community in the heart of Dothan. The property was purchased for \$6,285,000 and appraised for \$6,550,000, or

\$41,900 per unit, which calculates to a pro-forma cap rate of 8.0%. Built in 1976, the property consists of 7.8 acres improved with 12 residential buildings of brick and wood siding exteriors and amenities including tennis and basketball courts, a swimming pool, playground, laundry room, and an onsite leasing office and maintenance room. Prior to the sale, the seller renovated the exterior and 19 of the unit interiors. Strategic plans to renovate the remaining unit interiors at an estimated cost of \$3,500 per unit with the expectation of realizing a rental increase of \$65/unit/month. Dothan, known as the "Peanut

Capital of the World", is a town known as much for its agriculture (peanut, cotton & tomato) as it is for its tourism. Located 87 miles north of the Gulf Coast, the town plays host to hundreds of thousands of tourists each year as they pass through on their way to the emerald beaches of Panama City, Florida. Other demand drivers to the local economy include a nearby Michelin Tire plant, Dunbarton metal fabrication plant, a Twitchel plant, Southern nuclear power and an army aviation/helicopter training base.

Update on Meadow View

Meadow View is our 650 unit apartment complex in Newport News, Virginia. Since this property is one of our largest holdings in the fund, investors are always interested in the current updates as we wind down our renovations. In the previous newsletter, we mentioned that we're under contract to sell the 250 of the 650 units in December, 2016. At this time, the property is anticipated to close in February or March of 2017. The buyer is getting his financing from issuance of bonds by the Virginia Housing Development Authority (VHDA), and this process typically takes longer than your more traditional financing through banks or

Fannie Mae/Freddie Mac. We are continuing to finish the renovations for the 400 unit parcel which is still on target for First quarter 2017, and is currently 78% occupied.

Update on the Fund

This month, we anticipate closing on the sale of our Windsor Townhomes Apartment complex located at 4170 Altoona Drive, Dallas, Texas for \$11.15 million. We are anticipating a gain from the sale to be approximately \$4.9 million. We are also expecting approximately 1 million in net cash out refinance which we expect will be used to buy future acquisitions and finish up residual renovations. Our fund now holds 3 commercial real estate notes

and 19 apartment complexes. Referencing back to our fund at the beginning of the year, our portfolio estimated value was \$77,158,000 (as of Dec 31, 2015) with Investor Members capital at \$32,550,000. Today our fund is estimated to be valued at \$122,500,000 with Investor Members capital at \$58,500,000. We have successfully closed most of our Series and currently have Series 1A still available.

Ask Patty



We are looking forward to 2017 as we complete major renovations in our portfolio and continue to acquire value add type multi family apartments. Series 1A - 8.5% is currently available and is the only equity series open to new investments. Please contact me if you would like more information.



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