

Vista Village

Property Location:

1805 West Cortez Street
Phoenix, Arizona 85029

PAM Real Estate Group, LLC

3740 Carillon Point
Kirkland, Washington 98033
Phone: 425-213-1900

MEB Management Services

1215 East Missouri
Phoenix, Arizona 85014

Important Points:

- **Sale pending.**
- **Occupancy at 98%.**
- **Rents have improved to \$649 & \$659 per month.**

WE HAVE ACCEPTED AN OFFER TO SELL VISTA VILLAGE FOR \$3,300,000.

We have accepted an offer to sell Vista Village for \$3.3 million. Provided the buyer removes their financing contingency, the sale is expected to close late June. The Phoenix valley continues to feature growth in all sectors including business, jobs, and rental rates. We have seen an increased demand from investors for smaller, good quality, multifamily property. Vista Village is a nicely upgraded and well maintained property that pushes all the right buttons for many buyers. When we acquired the property in early 2011 we projected a sale in 10 years at \$2.795 million. This current sale represents a significant premium over the projected sale and it is being accomplished in fewer years. We will be paying a loan prepayment penalty, but we feel the sale price is significant enough to mitigate that cost. Profit and invested principal will be distributed approximately 30 days after closing. The time is needed to pay any remaining expenses and to prepare and review final accounting,

Our property management company, MEB, continues to meet or exceed our expectations with Vista



An attractive and well maintained pool for residents.

Village and other properties.

The Colliers International real estate firm reports continued strength in the Phoenix area's multifamily market. Vacancy rates stand at 5.7%, down from 13% in 2009. Renters moved into 2,800 units during the quarter, up 15% from 1Q 2014. According to Colliers, there have been 6,200 apartments rented in the past 12 months in the Phoenix region. That demand has pushed up rents an average of 2.2% valley wide in the first quarter with average rents of \$837.

According to the Phoenix Business Journal, the Phoenix unemployment rate dropped to 5.4% from

5.9% last month, which is lower than the national average of 5.5%. US Bank reported that nine of eleven sectors gained jobs last month and last year, which is the strongest performance since 2007. In terms of the number of employees, professional and business services added the most jobs of any employment sector.

Attached is an Audited Financial Statement for the period ending December 31, 2014. These statements were audited by Loveridge Hunt & Co., PLLC in accordance with the standards of the Public Company Accounting Oversight Board and are being delivered to you within 120 days of year's end.