

LANBLA, LLC

6th Annual Offsite

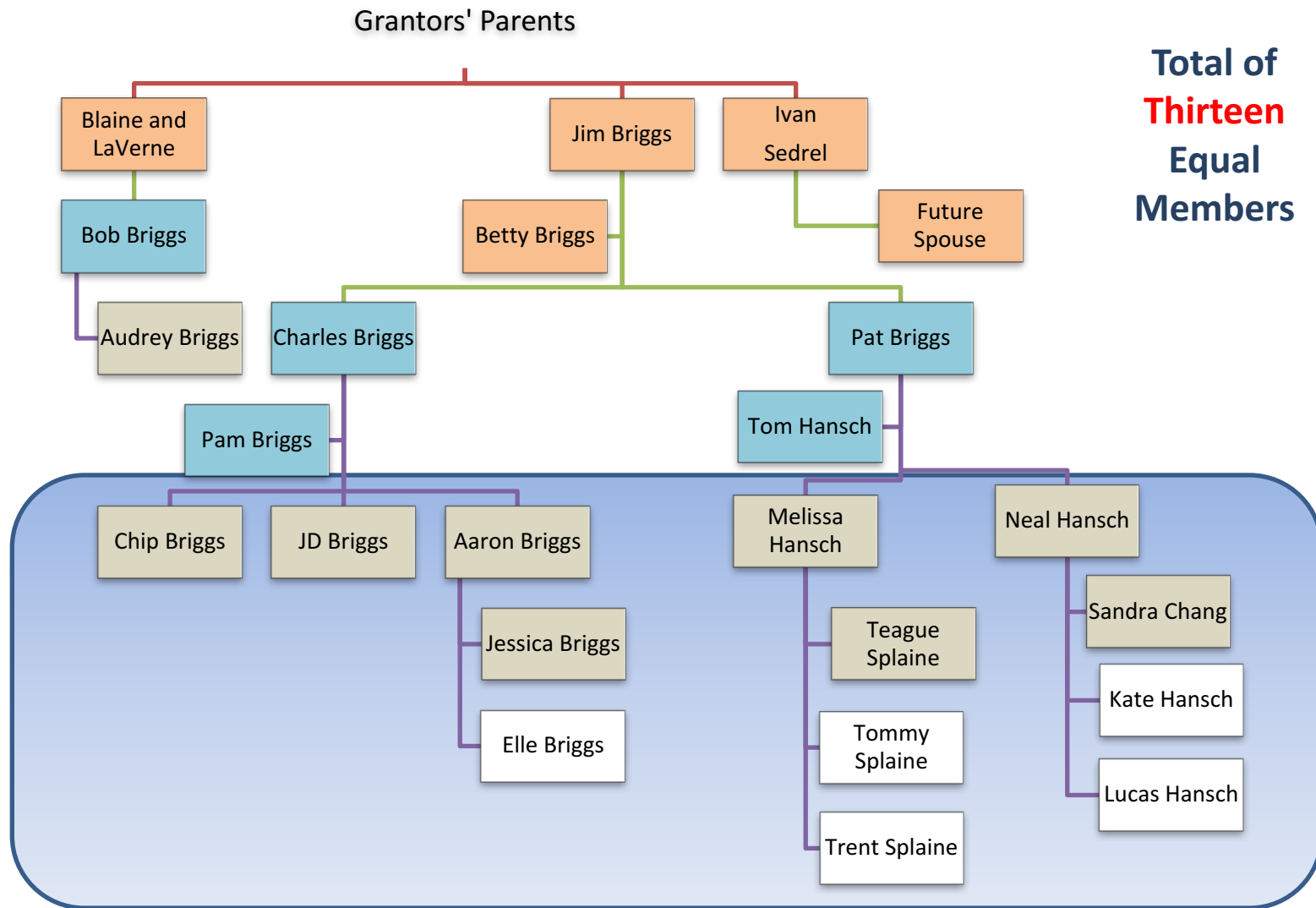


San Diego
November 2017

Agenda

- Membership Update
- Status of Investments
- Valuations & Cash Flows
- Day to Day Operations
- Charitable Giving
- Decisions For Partnership
- Next Annual Off-Site

LANBLA Members in 2017



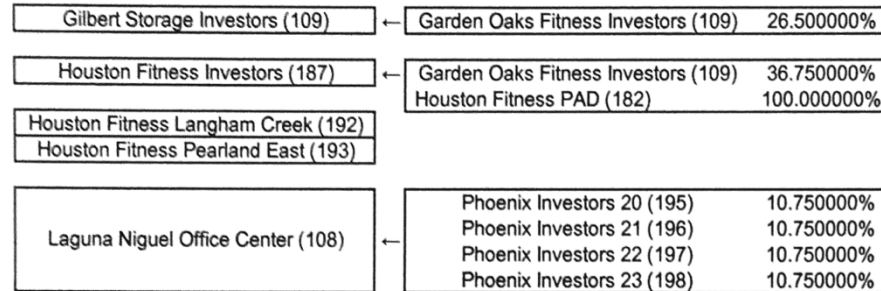
Member Additions – Gifting Process

	Prior to 6/30/15	As of 7/1/15	As of 1/1/16
Aaron Briggs	9.09%	8.29%	7.69%
Jessica Briggs		4.40%	7.69%
Elle Briggs		4.40%	7.69%
Charles Briggs	9.09%	8.29%	7.69%
James David Briggs	9.09%	8.29%	7.69%
Melissa Splaine	9.09%	8.29%	7.69%
Teague Splaine	9.09%	8.29%	7.69%
Thomas Splaine	9.09%	8.29%	7.69%
Trenton Splaine	9.09%	8.29%	7.69%
Neal Hansch	9.09%	8.29%	7.69%
Sandra Hansch	9.09%	8.29%	7.69%
Lucas Hyun Hansch	9.09%	8.29%	7.69%
Kate Hansch	9.09%	8.29%	7.69%
	100.00%	100.00%	100.00%

Member Additions – Gifting Process

Valuation of LANBLA Holdings			On 7/1/15	On 1/1/16
<i>As of 12/31/2014</i>		<i>\$4,707,367</i>		
Illiquidity Discount (25%)		\$1,176,842		
Effective Value of Holdings		\$3,530,525		
Value Per Member (#11)		\$320,957		
Value Gifted Per Member			\$14,122	
Total Value Gifted			\$155,343	
<i>As of 12/31/2015</i>		<i>\$4,707,367</i>		
Illiquidity Discount (25%)		\$1,176,842		
Effective Value of Holdings		\$3,530,525		
Value Gifted Per Member (#11)				\$10,567
Total Value Gifted				\$116,236
Resulting Value Per Member (#13)				\$271,579
Annual Gift Tax Exclusion		\$14,000		

Understanding Partnerships --> Properties



EXAMPLE- BLA&LA

	BOLD & Blue background = owns multiple LLCs	TIER #1	LA&BLA ownership of...	12/2015 Property Value			Property	LA&BLA %	LA&BLA \$	Comments
				Owns these Properties	Value	Selling Exps	Debt	Equity	Owns	
			Background color indicates owned by multiple LLCs							
11.33%	BLA&LA		Bell and new uplegs	\$ 12,000,000		\$ (7,000,000)	\$ 5,000,000	11.33%	\$ 566,700	\$ 2,436,810
			Union Hills	\$ 13,000,000		\$ (8,000,000)	\$ 5,000,000	11.33%	\$ 566,700	
			Scottsdale	\$ 14,000,000		\$ (2,500,000)	\$ 11,500,000	11.33%	\$ 1,303,410	
	CM Storage		San Juan Capistrano self storage	\$ 1,328,000	\$ -	\$ (356,000)	\$ 972,000	0.00%	\$ -	\$ -
			Pasadena self storage	\$ 2,417,000	\$ -	\$ (632,000)	\$ 1,785,000	0.00%	\$ -	
	Dallas #1		Grand Prairie LA Fitness	\$ 10,350,000	\$ (325,000)	\$ (6,300,000)	\$ 3,725,000	0.00%	\$ -	
	Dallas #2		Eules LA Fitness	\$ 10,700,000	\$ (350,000)	\$ (6,700,000)	\$ 3,650,000	0.00%	\$ -	
	Dallas #3		Lewisville LA Fitness	\$ 8,722,000		\$ (4,991,000)	\$ 3,731,000	0.00%	\$ -	CM Storage
	Fitness Investors San Antonio		LA Fitness San Antonio	\$ 9,896,000		\$ (5,074,000)	\$ 4,822,000	0.00%	\$ -	\$725 2nd
	Garden Oaks Fitness Investors		Garden Oaks Fitness	\$ 8,500,000	\$ (452,000)	\$ (4,902,000)	\$ 3,146,000	0.00%	\$ -	
	Gilbert Storage		Gilbert Storage	\$ 6,900,000		\$ (3,200,000)	\$ 3,700,000	0.00%	\$ -	\$ -
			Garden Oaks Fitness	\$ 8,500,000	\$ (452,000)	\$ (4,902,000)	\$ 3,146,000	0.00%	\$ -	Gilbert Storage

Our Portfolio – Plain English

	B	C	D	E	F	G	H	I	P
15								LANBLA	
16								Effective	
17	LANBLA Ownership %ages			32.40%	38.70%	19.98%	11.84%	Ownership	
18				<u>of Rancho Yorba</u>	<u>of Santa Clara</u>	<u>of Phoenix #4</u>	<u>Laguna Niguel</u>	TOTAL	Name of Project
19	Empire TIC			2.19%	4.59%	1.97%		8.74%	Empire SW
20	Houston Fitness Langham Creek			0.99%	2.07%	0.89%		3.95%	LA Fitness Langham
21	Houston Fitness Pearland East			2.05%	4.31%	1.85%		8.21%	LA Fitness Pearland
22	Phoenix #20	The %s to the right are inclusive of Phoenix #8's positions		0.47%	0.98%	0.42%	1.27%	3.13%	Orthologic
23	Phoenix #21			0.47%	0.98%	0.42%	1.27%	3.13%	Sonora Quest
24	Phoenix #22			0.47%	0.98%	0.42%	1.27%	3.13%	Wells Fargo
25	Phoenix #23			0.47%	0.98%	0.42%	1.27%	3.13%	DHL
26	Phoenix #24			0.73%	1.52%	0.65%		2.90%	Advo
27	Phoenix #25		0.73%	1.52%	0.65%		2.90%	Reserve Papago	
28	Prescott Investors		5.0%					5.00%	Prescott land
29	BLA & LA - Scottsdale								
30	BLA & LA - Bell								

* Figures are not current.

Partnership Income 2017 YTD

Name and Vesting	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	Special	Total
102 - Rancho Yorba Partnership						ACH
94200 Limited Partner	6,804.00	6,804.00	6,804.00			20,412.00
103 - Santa Clara East Partnership						ACH
94200 Limited Partner	15,286.50	15,286.50	15,286.50			45,859.50
108 - Laguna Niguel Office Center						ACH
94200 Limited Partner	7,105.26	7,105.26	7,105.26			21,315.78
119 - Phoenix Investors #4						ACH
94200 Limited Partner	6,293.70	6,293.70	6,293.70			18,881.10
187 - Houston Fitness Inv. LP						ACH
94200 Limited Partner	159.76	159.76	159.76			479.28
Totals for 5 Investments	35,649.22	35,649.22	35,649.22			106,947.66

* Does NOT include BLA&LA. Added approx. \$25K in June, \$25K in Sept.

Our Portfolio As of 12/31/14

Project	Current %	Date Acquired	Orig. Cost (Pur.Price)	Current Net Value*	Encumbrance	Equity
102 Rancho Yorba Partnership	32.40000	12/22/1997	\$590,133	\$962,125	(\$510,368)	\$451,756
103 Santa Clara East Partnership	38.70000	12/22/1997	\$1,237,217	\$2,017,357	(\$1,070,098)	\$947,259
108 Laguna Niguel Office Center	11.84210	2/1/2008	\$1,232,598	\$876,564	(\$370,730)	\$505,834
119 Phoenix Investors #4	19.98000	12/22/1997	\$531,083	\$865,287	(\$458,990)	\$406,297
131 BLA & LA, LLC	11.33460	10/15/1996	\$1,550,775	\$3,159,236	(\$951,657)	\$2,207,580
181 Prescott Investors No. 1, LLC	5.00000	5/1/2009	\$15,700	\$363,877	(\$188,488)	\$175,389
187 Houston Fitness Inv. LP	0.15000	11/1/2005	\$24,810	\$32,476	(\$19,223)	\$13,253
Total for: LANBLA LLC			\$5,182,315	\$8,276,922	(\$3,569,555)	\$4,707,367

Our Portfolio As of 12/31/15

Project	Current %	Date Acquired	Orig. Cost (Pur.Price)	Current Net Value*	Encumbrance	Equity
102 Rancho Yorba Partnership	32.40000	12/22/1997	\$590,133	\$1,052,810	(\$619,796)	\$433,014
103 Santa Clara East Partnership	38.70000	12/22/1997	\$1,237,217	\$2,207,535	(\$1,299,563)	\$907,973
108 Laguna Niguel Office Center	11.84210	2/1/2008	\$1,232,598	\$1,069,241	(\$579,665)	\$489,576
119 Phoenix Investors #4	19.98000	12/22/1997	\$531,083	\$946,873	(\$557,466)	\$389,407
131 BLA & LA, LLC	11.33460	10/15/1996	\$1,550,775	\$4,276,261	(\$1,780,122)	\$2,496,140
181 Prescott Investors No. 1, LLC	5.00000	5/1/2009	\$15,700	\$331,835	(\$188,488)	\$143,347
187 Houston Fitness Inv. LP	0.15000	11/1/2005	\$24,810	\$32,950	(\$18,597)	\$14,354
Total for: LANBLA LLC			\$5,182,315	\$9,917,505	(\$5,043,696)	\$4,873,809

Our Portfolio As of 12/31/16

Project	Current %	Date Acquired	Orig. Cost (Pur.Price)	Current Net Value*	Encumbrance	Equity
102 Rancho Yorba Partnership	32.40000	12/22/1997	\$590,133	\$1,083,540	(\$642,431)	\$441,109
103 Santa Clara East Partnership	38.70000	12/22/1997	\$1,237,217	\$2,271,959	(\$1,347,018)	\$924,941
108 Laguna Niguel Office Center	11.84210	2/1/2008	\$1,232,598	\$1,074,498	(\$598,648)	\$475,850
119 Phoenix Investors #4	19.98000	12/22/1997	\$531,083	\$974,525	(\$577,842)	\$396,683
131 BLA & LA, LLC - Scottsdale	11.33460	10/15/1996	\$1,015,454	\$1,580,723	(\$137,376)	\$1,443,347
181 Prescott Investors No. 1, LLC	5.00000	5/1/2009	\$15,700	\$331,835	(\$188,488)	\$143,347
187 Houston Fitness Inv. LP	0.15000	11/1/2005	\$24,810	\$32,925	(\$17,942)	\$14,983
115 BLA & LA - 32nd Street	11.33460	10/28/2016	\$510,057	\$527,739	(\$331,388)	\$196,351
240 BLA & LA - 99th Ave.	11.33460	9/15/2016	\$0	\$969,108	(\$542,343)	\$426,765
140 Phoenix #26 - Union Hills, LLC	10.76787	12/17/2014	\$1,306,930	\$1,349,214	(\$851,313)	\$497,901
Total for: LANBLA LLC			\$6,463,982	10,196,067	(\$5,234,788)	\$4,961,279

Cash Flow & Taxable Income Estimates 2017

Investor: LANBLA LLC

Limited Partner

94200 Limited Liability Company
LANBLA, LLC, a California limited liability company

Project	Current %	Taxable Income (Loss)		Cash Distributions
		Federal	State	Amount
102 Rancho Yorba Partnership	32.40000	\$0	\$0	\$27,216
103 Santa Clara East Partnership	38.70000	\$0	\$0	\$61,146
108 Laguna Niguel Office Center	11.84210	(\$8,882)	(\$8,882)	\$28,421
115 BLA & LA - 32nd Street	11.33460	\$12,355	\$12,355	\$18,815
119 Phoenix Investors #4	19.98000	(\$1,199)	(\$1,199)	\$25,175
131 BLA & LA, LLC - Scottsdale	11.33460	\$82,686	\$82,686	\$23,803
140 Phoenix #26 - Union Hills, LLC	10.76787	\$23,151	\$23,151	\$57,070
181 Prescott Investors No. 1, LLC	5.00000			(\$6,625)
187 Houston Fitness Inv. LP	0.15000	\$711	\$711	\$639
240 BLA & LA - 99th Ave.	11.33460	(\$1,927)	(\$1,927)	
Total for: LANBLA LLC		\$106,895	\$106,895	\$235,660

Other Depr

$$\frac{(50,429)}{56,466} \quad \frac{(50,429)}{56,466}$$

Market Outlook – As of Mid-2017

Greenwood & McKenzie REAL ESTATE INVESTMENTS

- Team continues to evolve with new hires / promotions, Carl (74) and Jim (54) continue to lead and think about succession planning
- Currently responsible for management of 79 properties, 37 in California, 33 in Arizona (two new) and 9 in Texas, representing 4MM square footage, worth a total of \$935MM.
- Involved in 6 land development deals (incl. Prescott).
- In AZ, manage 4 LA FITNESS and involved in 3 land joint ventures with Jim Chamberlain (aka JC).
- In Texas, nine LA FITNESS, 3 in Dallas, 5 in Houston, 1 in San Antonio.

Market Outlook (cont'd)

- “The Phoenix market continued to improve in 2016 and is getting stronger in 2017.
- “For 2017, our primary goal is to complete the lease up of our Willis project and to lease up our new Cave Creek 101 project. We expect to sell the last two Sky Harbor lots and hope to sell some or all of the remaining three 43rd Avenue lots. We are working with Jim Chamberlain to develop another 71k sq ft multi-tenant industrial project just down the street from Cave Creek, which will probably will not close until early next year.”
- “Budgeted distributions this year remain the same as last year for 12 of our partnerships, have increased for 25 and have decreased for 3.”

WILLIS/AZ AVENUE CORPORATE PARK

I advised you in my March 6, 2017 memorandum that we were 74.4% leased, with five suites containing 35,752 sq. ft. remaining vacant. The revised budget that we provided you as an attachment assumed getting to 100% leased in July. We did not hit this target, but are now 94% leased with only Suite 7 containing 8,355 sq. ft. vacant. Suite 3 has a December 1st commencement date with three months free rent. Suites 9 and 11 have a February 1, 2018 commencement date with three months free rent. And Suite 6 was occupied on June 1st with two months free rent. We are in the process of doing the T.I. work on Suite 3. We expect to start the TI work on Suites 9 and 11 in about two weeks and are going to spec out the office area in Suite 7 at the same time. A copy of our most



221 East Willis Road, Chandler, Arizona 85286

BLA & LA LLC - ½ of Portfolio Value

- Completed the buy-in on BLA&LA LLC in early 2011
 - Purchase partial ownership into BLA & LA LLC (fmrly B&S Partnership), which at the time held full ownership of two LA FITNESS club buildings in Arizona.
 - LANBLA originally purchased 6% ownership of this portfolio
 - LANBLA signed a promissory note to pay back Grandpa Jim with a 5% annual interest rate (~ \$7,500 per quarter), transitioned to Chuck & Pat
 - Bought more in December (\$200k) same year and then again in June (\$440k) of the following year

BLA&LA – Ownership Breakdown

Member	Current Percentage	Current Capital	Additional Capital	Adjusted Capital	New %	
Blaine A. Briggs Revocable Trust	53.27429%	\$ 5,327,429.00	\$ 300,000.00	\$ 5,627,429.00	54.63523%	\$ 105,000.00
Blaine A. Briggs Credit Shelter Trust	23.25551%	\$ 2,325,551.00		\$ 2,325,551.00	22.57817%	\$ 57,366.99
LaVerne S. Briggs Credit Shelter Trust	17.47020%	\$ 1,747,020.00		\$ 1,747,020.00	16.96136%	\$ 23,707.08
LANBLA	6.00000%	\$ 600,000.00		\$ 600,000.00	5.82524%	\$ 17,809.43
						\$ 6,116.50
Total	100.00000%	\$ 10,000,000.00		\$ 10,300,000.00	100.00000%	\$ 105,000.00

BLA & LA - MEMBERS CAPITAL - 1/1/2012

Member	Current Percentage	Current Capital	Additional Capital	Adjusted Capital	New %	
Blaine A. Briggs Revocable Trust	54.63523%	\$ 5,627,429.00		\$ 5,627,429.00	53.59456%	\$ 105,000.00
Blaine A. Briggs Credit Shelter Trust	22.57817%	\$ 2,325,551.00		\$ 2,325,551.00	22.14810%	\$ 56,274.29
LaVerne S. Briggs Credit Shelter Trust	16.96136%	\$ 1,747,020.00		\$ 1,747,020.00	16.63829%	\$ 23,255.51
LANBLA	5.82524%	\$ 600,000.00	\$ 200,000.00	\$ 800,000.00	7.61905%	\$ 17,470.20
						\$ 8,000.00
Total	100.00000%	\$ 10,300,000.00		\$ 10,500,000.00	100.00000%	\$ 105,000.00

Distributions 2012
\$ 105,000.00
\$ 56,274.29
\$ 23,255.51
\$ 17,470.20
\$ 8,000.00
\$ 105,000.00

BLA & LA - MEMBERS CAPITAL - 6/1/2012

Member	Current Percentage	Current Capital	Additional Capital	Adjusted Capital	New %	
Blaine A. Briggs Revocable Trust	53.59456%	\$ 5,627,429.00		\$ 5,627,429.00	51.43900%	\$ 94,000.00
Blaine A. Briggs Credit Shelter Trust	22.14810%	\$ 2,325,551.00		\$ 2,325,551.00	21.25730%	\$ 48,352.67
LaVerne S. Briggs Credit Shelter Trust	16.63829%	\$ 1,747,020.00		\$ 1,747,020.00	15.96910%	\$ 19,981.86
LANBLA	7.61905%	\$ 800,000.00	\$ 440,000.00	\$ 1,240,000.00	11.33460%	\$ 15,010.95
						\$ 10,654.52
Total	100.00000%	\$ 10,500,000.00	\$ 440,000.00	\$ 10,940,000.00	100.00000%	\$ 94,000.00

Distributions 6/1/12
\$ 94,000.00
\$ 48,352.67
\$ 19,981.86
\$ 15,010.95
\$ 10,654.52
\$ 94,000.00

BLA & LA - MEMBERS CAPITAL - 12/31/2012

Member	Current Percentage	Current Capital	Additional Capital	Additional Capital	Adjusted Capital	New %
Briggs GST12 Trust	0.00000%	\$ -	\$ 5,627,429.00	\$ 411,512.00	\$ 6,038,941.00	51.43900%
Blaine A. Briggs Revocable Trust	51.43900%	\$ 5,627,429.00	\$ (5,627,429.00)	\$ -	\$ -	0.00000%
Blaine A. Briggs Credit Shelter Trust	21.25730%	\$ 2,325,551.00		\$ 170,058.40	\$ 2,495,609.40	21.25730%
LaVerne S. Briggs Credit Shelter Trust	15.96910%	\$ 1,747,020.00		\$ 127,752.80	\$ 1,874,772.80	15.96910%
LANBLA	11.33460%	\$ 1,240,000.00		\$ 90,676.80	\$ 1,330,676.80	11.33460%
Total	100.00000%	\$ 10,940,000.00	\$ -	\$ 800,000.00	\$ 11,740,000.00	100.00000%

Prescott Investor Update

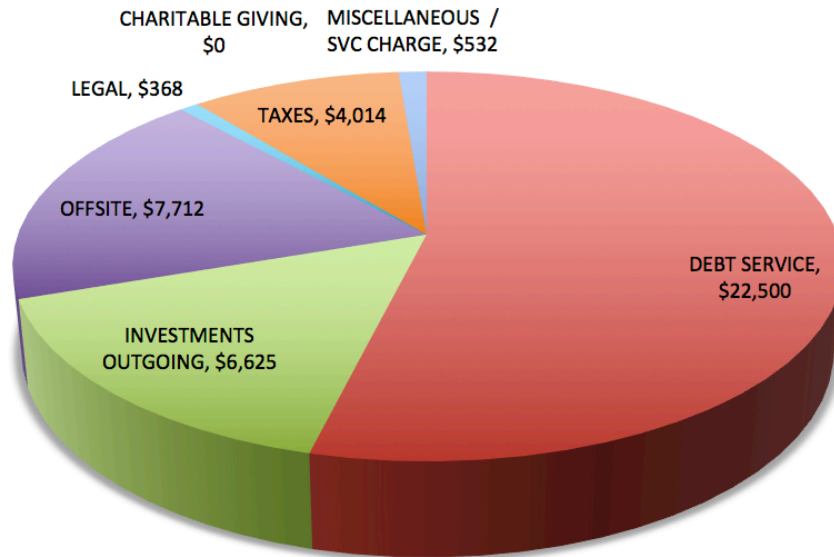
- Prescott owns 50% of three land parcels in partnership with John Chamberlain
- “Working to develop these properties for several years, expect to start seeing some meaningful results later this year and next...”
- Latest developments with Walden Farms (fmrly Centerpointe South) and Granite Mountain Vistas.
- Half of excess current cash will be used to reimburse JC for past improvement costs to land.



Name	Interest	Long Term Capital Gain	Investment Interest Expense	Other Investment Expenses
Wesley Balmer	2.50%	\$ 4,175.00	\$ 10,850.00	\$ 362.50
Charles & Patricia Briggs	5.00%	\$ 8,350.00	\$ 21,700.00	\$ 725.00
Paul and Laura Cook	8.50%	\$ 14,195.00	\$ 36,890.00	\$ 1,232.50
Eugene Elling	5.00%	\$ 8,350.00	\$ 21,700.00	\$ 725.00
Carl & Katherine Greenwood	5.00%	\$ 8,350.00	\$ 21,700.00	\$ 725.00
Greenwood & McKenzie	10.00%	\$ 16,700.00	\$ 43,400.00	\$ 1,450.00
Thomas & Patricia Hansch	7.00%	\$ 11,690.00	\$ 30,380.00	\$ 1,015.00
LANBLA, LLC	5.00%	\$ 8,350.00	\$ 21,700.00	\$ 725.00
Mathew & Laura Marowitz	5.75%	\$ 9,602.50	\$ 24,955.00	\$ 833.75
Sean Scollin & Chayada Nitisiri	5.00%	\$ 8,350.00	\$ 21,700.00	\$ 725.00
Charles F. Noble, Inc.	3.00%	\$ 5,010.00	\$ 13,020.00	\$ 435.00
C7 Partners, LLC	5.00%	\$ 8,350.00	\$ 21,700.00	\$ 725.00
Jonathan & Carol Reeder	5.00%	\$ 8,350.00	\$ 21,700.00	\$ 725.00
David Schmid	5.75%	\$ 9,602.50	\$ 24,955.00	\$ 833.75
Richard Schmid	5.00%	\$ 8,350.00	\$ 21,700.00	\$ 725.00
Melissa Splaine, Trustee	12.50%	\$ 20,875.00	\$ 54,250.00	\$ 1,812.50
Cindy & Gregory Warfield	5.00%	\$ 8,350.00	\$ 21,700.00	\$ 725.00
	100.00%	\$ 167,000.00	\$ 434,000.00	\$ 14,500.00

Partnership Cash Flows – 2017 YTD

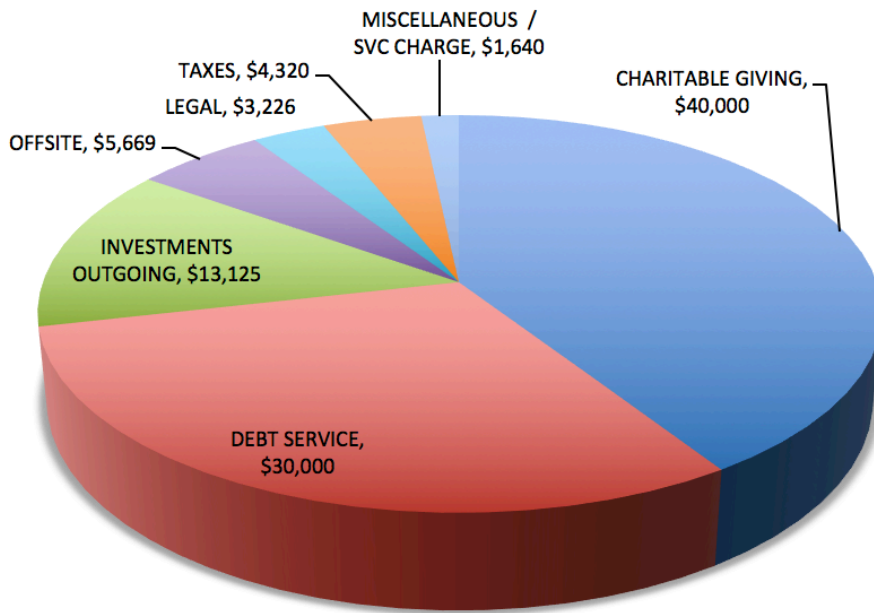
LANBLA EXPENSES 2017



INVESTMENT INCOME	\$180,113
ANNUAL EXPENSES	
CHARITABLE GIVING	\$0
DEBT SERVICE	\$22,500
INVESTMENTS OUTGOING	\$6,625
OFFSITE	\$7,712
LEGAL	\$368
TAXES	\$4,014
MISCELLANEOUS / SVC CHAI	\$532
	\$41,752

Partnership Cash Flows – CY2016

LANBLA EXPENSES 2016



INVESTMENT INCOME	\$164,139
MEMBER DISTRIBUTIONS	\$78,000
ANNUAL EXPENSES	
CHARITABLE GIVING	\$40,000
DEBT SERVICE	\$30,000
INVESTMENTS OUTGOING	\$13,125
OFFSITE	\$5,669
LEGAL	\$3,226
TAXES	\$4,320
MISCELLANEOUS / SVC CHAI	\$1,640
	\$97,979

Wells Fargo Account – As of Nov'17

WELLS FARGO

 Transfer

 Account Summary

Switch Account ▾



BUSINESS CHECKING

...1657
.....

\$173,470.30

Available balance
.....

Español



Transfer Money



Pay Bills



Send Money



View Statements



Manage Alerts



Activity Summary

Ending collected balance as of 11/17/17 **\$173,470.30**

Current posted balance **\$173,470.30**

Pending withdrawals/debits **\$0.00**

Pending deposits/credits **\$0.00**

Available balance **\$173,470.30**

New Account: O.N. Equity



LANBLA, LLC
731 DOUGLASS ST
SAN FRANCISCO CA 94114-3150

Your Account Executive:
AARON BRIGGS
(208) 853-4600

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Portfolio at a Glance

	This Period	Year-to-Date
BEGINNING ACCOUNT VALUE	\$27,458.28	\$0.00
Deposits (Cash & Securities)	0.00	26,116.15
Adjusted Previous Account Value	27,458.28	26,116.15
Dividends, Interest and Other Income	198.08	1,386.19
Net Change in Portfolio¹	660.00	814.02
ENDING ACCOUNT VALUE	\$28,316.36	\$28,316.36
Estimated Annual Income	\$2,376.19	

¹ Net Change in Portfolio is the difference between the ending account value and beginning account value after activity.

Asset Summary



Percent	Asset Type	Prior Year-End	This Period
7%	Cash, Money Funds, and Bank Deposits	0.00	1,965.86
93%	Mutual Funds	0.00	26,350.50
100%	Account Total (Pie Chart)	\$0.00	\$28,316.36

Please review your allocation periodically with your Account Executive.

Fuller Foundation – Donor Advised Fund



LANBLA Fund

Account Summary	Current Period	Year to Date
Beginning Balance (October 1, 2017)	\$28,229.27	\$25,796.06
Contributions	\$0.00	\$0.00
Grant Distributions	\$0.00	\$0.00
Change in Investment Value	\$354.08	\$2,990.40
Administrative Fees	(\$24.17)	(\$227.28)
Other Activity	\$0.00	\$0.00
Ending Balance (October 31, 2017)	\$28,559.18	\$28,559.18

Example Quarterly Deposit

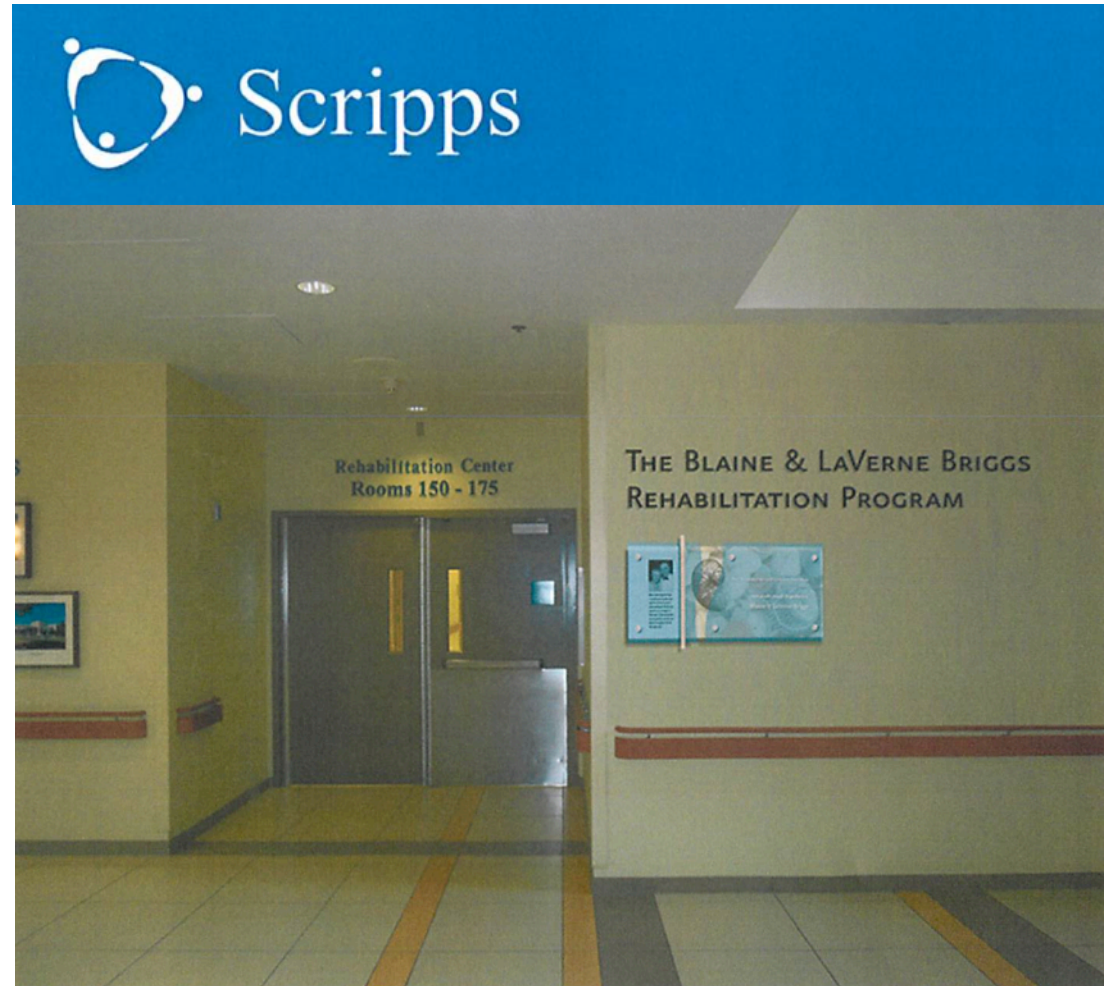
⊕	09/18/17	DEPOSIT View Details Fee Disclosure	\$24,539.41
⊕	09/15/17	SANTA CLARA EAST PAYMENTS 170910 94200 LANBLA, LLC	\$15,286.50
⊕	09/15/17	LAGUNA NIGUEL OF PAYMENTS 170910 94200 LANBLA, LLC	\$7,105.26
⊕	09/15/17	RANCHO YORBA PAYMENTS 170910 94200 LANBLA, LLC	\$6,804.00
⊕	09/15/17	PHX INV #4 PAYMENTS 170910 94200 LANBLA, LLC	\$6,293.70
⊕	09/15/17	HOUSTON FITNESS PAYMENTS 94200 LANBLA, LLC	\$159.76

Use of Cash Flows

- Distributions to Charity and Members
 - Historic policy was to make charitable donations according to guidelines
 - Fuller Foundation – 75% (decreasing 2% per year)
 - Last year donated \$40K to Scripps Foundation
 - Always welcome and look fwd to specific requests from Blaine to direct donation funds!
- Goal continues to be to build cash reserves
 - Establish reserve to address need for unexpected capital contributions (ie. “rainy day”) from investments
 - Still targeting ~\$300k reserve balance over next 10 years
 - Expenses est @ \$25K for annual legal, accounting & off-site
 - Tax blips like 2015, where cut checks for ~ \$80K to cover liability

Scripps Encinitas Hospital Rehab Center

- Blaine & LaVerne began supporting back in 2004
- Leader in many kinds of rehabilitation, including helping military veterans
- Nationally recognized rehabilitation center, military brain injury day treatment center



Scripps Surgical Suites @ Scripps Encinitas

- Blaine & LaVerne began supporting back in 2004
- Leader in many kinds of rehabilitation, including helping military veterans
- Nationally recognized rehabilitation center, military brain injury day treatment center
- Blaine & LaV Pledged \$500K, matched by residents of LCG

gift was made in remembrance of their son John, who lost his battle with cancer.

NEW SURGICAL SUITES OPEN AT SCRIPPS ENCINITAS



Thanks to our donors, Scripps Memorial Hospital Encinitas achieved a milestone in February with the opening of two, new operating rooms and the expansion of the pre-operative unit. More than halfway to its \$10 million goal, the campaign seeks to raise \$4.5 million to upgrade four existing operating suites, expand the post-anesthesia unit and double the size of the endoscopy department.

A look at one of the two new operating rooms.

Enthusiastic support continues to come from LaVerne and Blaine Briggs, who pledged \$500,000 and challenged others to match it and raise \$1 million. The residents of La Costa Glen Retirement Community answered the call, donating nearly \$500,000.

To join the Briggs' Challenge, please contact Anamaria Repetti at 760-633-6632 or repetti.anamaria@scrippshealth.org.

Our Legal Counsel

- Recommended by Greenwood & McK
- Hired in March '14, based in NoCal, easier to facilitate face-to-face interactions
- Expect to utilize to update partnership docs as evolve in the years to come
- Solid experience in engagements to date, including adding Members process
- Next up, implementing new changes and complete new operating agreement (integrated prior amendments)



Mr. Brothers is a graduate of the McGeorge School of Law, University of the Pacific (J.D. 1984), and was accepted to the California State Bar in 1985. He attended California State University, Hayward, receiving his B.A. in 1980.

Decisions to Make (Prior)

“Death of a Member. In the event a Member shall die, his executors, administrators or trustees shall have the same rights and obligations that such Member would have had were such Member still living. Notwithstanding the foregoing, any beneficiary or devisee of a deceased Member must meet the qualifications of Article VIII herein. In the event the beneficiary or devisee does not meet the Member’s qualifications, the Trustee or personal representative must sell the deceased Member’s interest to the Company for a purchase price equal to the book value of the Member’s interest.

In the event that any Member shall be adjudicated incompetent, his guardian or other legal representative shall have the same rights and obligations in respect to the incompetent Member's interest as the executor, administrator or trustee has in connection with the interest of a deceased Member and the guardian or other legal representative of an incompetent Member shall become a substituted Member without the consent of the other Members.”

After digesting this article, it's still not clear to me what technically happens if one of us (direct children of Chuck/Pat) die and the Member interest would naturally be passed along to our current spouses. Does the surviving non-blood spouse qualify as a Member, and thus inherit the share? Maybe not. Child could inherit but not spouse?

Decisions To Make (Prior)

What happens in the event of death of a blood member?

If the deceased blood member has children:

- then deceased member's percentage of the partnership is distributed equally to his/her children
- spouse remains in the partnership until the youngest child is 21, at which point the partnership has a call option on non-blood spouse's stake
- if call option is exercised, where does the % go? children?

- if there are no kids, then the deceased member's percentage of the partnership is distributed equally among the remaining members
- There is call option on non-blood spouse's stake in event of blood member's death
- if call option is exercised, non-blood spouse's portion is distributed equally among the remaining members of the partnership

Outstanding question: How is value measured upon redistribution?

Off-Site Destination for 2018

**South Lake
Tahoe!!!**

