

## Pacific West Land, LLC

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1/10/2019

January 2019 Update

### Happy New Year!

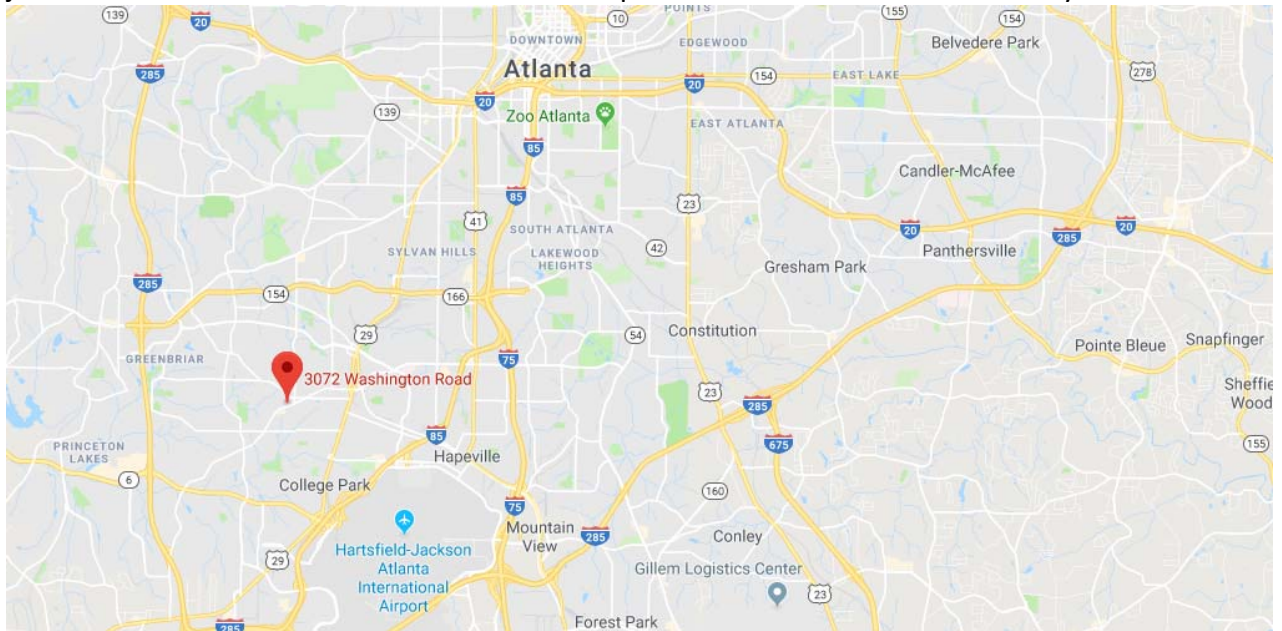
We hope you had a nice holiday season and your year is off to a good start. Holidays here were busy, as we have a few investments for PWRE2 in process and a couple of sales under contract as well. The best news of the holiday season is that our Property Manager Zach Garrett and his wife, Jessica, **welcomed their fourth child** to the family. A healthy baby girl, Eleanor Michele, weighed in at 7 pounds 10 ounces.

### PWRE2 has purchased another property in Georgia.



**Brookfield Apartments** is a value-add opportunity. The property is a 90% occupied, 120-unit, 15-building apartment complex, on 5.71 acres. This complex was purchased for \$5,411,998. The current unit mix includes one and two-bedroom floor plans. The property is in good physical condition, but it has been operationally undermanaged. The mismanagement, which we will correct, has created a very low in-place NOI allowing us to acquire the property at a very attractive basis relative to other stabilized assets in the market. The current unit mix includes one and two-bedroom floor plans. The property benefits from its proximity to one of Atlanta's largest

job center: Hartsfield- Jackson International Airport located less than 3 miles away.



We held our annual winter investor lunch in Seattle on December 13. It was our largest winter crowd yet, with over 40 investors attending. Here are some highlights of what we covered at lunch.

- PWREO has now made distributions to Members of **161% of initial capital**. (This varies Member to Member based on when they invested and the size of their investment.) Last year at this time it was 149%.
- PWREO has a current estimated annual NOI of ~\$865,000 with three remaining properties.
- **PWREI is on track**, and we expect the quarterly coupon to climb this year.
- Every property PWRE2 purchased in the first half of this year or earlier is outperforming expectations.
- PWRE2 has two more acquisitions under contract and is also working on a pad sale.
- In 2019 we plan to complete investing on behalf of PWRE2 as our first investment priority.
- We have been helping investors place their **1031-exchange proceeds** into new properties 4 or 5 times each year, and we expect that to continue in 2019.
- This year, we are actively looking to invest in **Opportunity Zone** properties.
- After several years with minimal staffing change, we had a number of personnel changes in 2018. We don't see a systemic reason for this. Not every year can be quiet. Our long time VP of Finance Laurie (Wilson) Waterman retired. She remains on our payroll as a consultant and will for the foreseeable future. Russell Coney joined the firm as our new VP of Finance and Accounting. Maribina Reynolds also joined our accounting staff.

**PWL signed a new lease in December.** The Scrub Shoppe, a medical clothing store, signed a 5-yr lease at **Bellevue West** for 3,437 sq. ft.

**Fantasy Football Update:** Zach Garrett's [Screamin' Toddlers](#) won PWL's 2018 Football crown. (See paragraph one for the origin of Zach's team name.) While my own Favreites2Win scored the second most points this season, they dropped the ball in the second round of the playoffs and finished third overall.

If you'd like to meet for breakfast or lunch, please give me a shout. Office visitors are always welcome.

## Happy New Year!

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### PWREI Scorecard (approximate investment by PWREI) all data as of 11/30/18

**Willow Hill Center** — PWREI purchased this property in May 2014. The 21,082 sq. ft. center is located in Puyallup, WA. Tenants include Money Tree, Kumon Learning, Rainier Growlers and F45. PWREI owns 83% of this property. Starbucks' parcel sold for ~\$2.35M net on October 15, 2014. Ivar's pad sold for ~\$1.27M net on April 28, 2015.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$5,625,000	\$2,839,765	100%	\$244,574

**Benjamin Square** — PWREI purchased this property in May 2014. The 9,950 sq. ft. center is located in Woodland, WA, and is just off I-5. Tenants include Starbucks, Subway, Papa Murphy's, and H&R Block. A new lease signed in November with AT&T brings occupancy to 86%.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$1,900,000	\$1,967,475	86%	\$114,396

**Shoppes at Buford** — PWREI purchased this 20,844 sq. ft. property in May 2014. The property is located in Buford, GA, and is located across from the Mall of Georgia. The tenants include Edible Arrangements, a hair salon, a Sushi restaurant and Play It Again Sports.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$2,740,600	\$2,961,318	94%	\$198,763

**Auburn Road** — PWREI purchased this property in August 2014. The 8,400 sq. ft. property is located in Dacula, GA. The tenants include a medical care facility, a large veterinary office, and a hair salon.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$1,000,000	\$1,025,100	100%	\$66,830

**Roosevelt Place** — PWREI purchased this property in August 2014. The 14,000 sq. ft. center is located in Phoenix, AZ, off of busy I-10. The tenants include Port of Subs, Teramar Staffing, and a drive-thru Filiberto's Mexican restaurant. The Jack in the Box pad sold on May 2, 2016 for ~\$1.08M net.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$2,960,000	\$1,943,078	70%	\$207,978

**Little Corona** — PWREI purchased this property in December 2014. The property consists of 6,074 sq. ft. of leasable space located at the busy intersection of Rural Rd and Ray Rd in Chandler, AZ. Current tenants include a Greek restaurant and Fullers Bar & Grill.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$1,010,000	\$1,033,939	59%	\$37,741

**Dail Center** — This property was purchased in December 2014. The 16,145 sq. ft. strip is located along US Route 17 in Myrtle Beach, SC, which boasts over 14 million visitors a year. Current tenants include Batteries Plus, Atlantic Kitchens, State Farm, Tao Wellness Spa, and Painting with a Twist.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$1,522,500	\$1,610,324	88%	\$81,687

**Gulf Breeze** — PWREI purchased this 27,736 sq. ft. property in January 2015. The property is located in Port Arthur, TX, and is shadow anchored by H-E-B, a major grocery chain based out of San Antonio, with great visibility from both Hwy 365 and 347. Current tenants include Edward Jones, Sprint, Fancy Nails, Supercuts, and Pizza Hut.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$2,677,500	\$2,760,664	88%	\$289,474

**Log Pond Plaza** — PWREI purchased this 27,368 sq. ft. property in March 2015. This property, located in Newark, OH, is shadow anchored by a Walmart Super Center and across the street from a Home Depot, in a dense residential area just north of SR-16. The center boasts a healthy mix of local and national tenants including Cheng's Chinese, Fiesta Salon, Big Apple Cafe, and CATO.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$1,850,000	\$2,026,094	81%	\$164,249

**Massard Farms** — PWREI purchased this large shopping complex in April 2015, located in Fort Smith, AR. We own a total of 71,592 sq. ft. of leasable space, consisting of the Kohl's remainder space, Savers, IHOP, and an 8,000 sq. ft. mixed tenant building including Catherine's, Sport Clips, Firehouse Subs, and Pad Thai Cuisine. The Kohl's building sold in September 2018 for \$8.9M net. The revised Net Investment and Occupancy numbers are shown below with the Occupancy number reflecting the reduced square footage of the overall owned property.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$13,415,287	\$4,530,306	66%	\$796,959

**Oak Creek Commons** — PWREI purchased this small strip center in May 2015. Located south of Milwaukee, the population growth and average household income of Oak Creek, WI, are projected to outpace the national average over the next five years. The 10,462 sq. ft. property has a healthy mix of tenants including Express Cleaners, Yen Hwa Chinese Restaurant, and Dunkin' Donuts.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$1,191,750	\$1,256,205	70%	\$97,284

**Massillon Commons** — PWREI is 66.7% owner of this shopping center purchased in June 2015. It is located along the busy Lincoln Way corridor in Massillon, OH. In addition to a 50,503 sq. ft. Dunham's Sports, this property boasts 63,048 sq. ft. of leasable shop space. Home Depot sold on June 30, 2016 for ~\$9.36M net and proceeds were used to pay off debt.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$8,618,667	\$2,379,809	80%	\$143,907

**Greensburg Commons** — This property was purchased in July 2015 and is 66.7% owned by PWREI. The large shopping center is located at the intersection of I-74 and State Rd 3 in Greensburg, IN. It currently consists of 88,953 sq. ft. of leasable retail space and boasts a healthy mix of tenants including Jimmy Johns, Great Clips, GameStop, GNC, Rent A Center, Goodwill, Cricket Wireless, and Bath and Body Works. The Walmart parcel sold on December 2, 2016 for ~\$13.9M net, with most of the proceeds used to pay off debt. Goodwill officially opened for business at the property.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$12,512,000	\$3,431,264	84%	\$255,074

**Gateway Center** — PWREI purchased this center in October 2015. It consists of 28,056 sq. ft. of mixed retail space located at the intersection of US 76 and Main St in Newberry, SC. It is shadow anchored by a Walmart. Current tenants include GameStop, Sally Beauty, Newberry Nails & Spa, CATO, It's Fashion, Shoe Show, Groucho's Deli, and China Town Restaurant.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$2,030,055	\$2,164,563	100%	\$245,534

**Powder Springs** — This property was purchased by PWREI in October 2015. It is located on Richard D Sailors Pkwy in Powder Springs, GA, and is shadow anchored by a Home Depot. The small strip center has a total of 15,050 sq. ft. and has Allen Chiropractic, Johnny's Pizza, Hanger Prosthetics and Benchmark Therapy as tenants. The vacant pad we bought with the building was sold on February 12, 2016 for ~\$280k net.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$1,100,000	\$837,805	70%	\$26,914

**Sugarcreek Crossing** — PWREI is 66.7% owner of this shopping center in Centerville, OH, purchased in October 2015. The property at purchase included three parcels – a ground leased Cracker Barrel pad, a Tire Discounters pad, and a multi-tenant retail building containing a UPS Store, a Chiropractic office, and Godfather’s Pizza, among others. The Cracker Barrel parcel was sold on May 6, 2016 for ~\$2.28M net. The Tire Discounter’s parcel sold on December 23, 2016 for ~\$2.96M net. Bentley’s Pet Stuff expanded into the new construction portion they originally said they didn’t want. Work is complete on the project to create an additional 3,425 sq. ft. of retail space in what used to be a bank drive-thru in the middle of the strip center and has been leased to Bentley’s Pet Stuff.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$5,117,333	\$2,068,083	100%	\$131,870

**Castleberry Promenade** — PWREI purchased this property as a joint deal with East West Market in February 2016. It consists of 26,651 sq. ft. of leasable space with two small developable pads, and is located at the busy intersection of Bethelview Rd and Castleberry Rd in Cumming, GA. Current tenants include Castleberry Ale House, My Running Store, Fitness Foundation, Kumon Learning, Arise Chiropractic, and Liberty Tax.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$2,906,000	\$2,942,835	74%	\$164,284

**East West Market** — PWREI purchased this property as a joint deal with Castleberry Promenade in February 2016. This center is located along East West Connector in Austell, GA, and consists of 17,017 sq. ft. of leasable space and a 1.09-acre developable pad. Current tenants include 100% Chiropractic, WellStar, and American Health Imaging.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$2,660,000	\$2,688,980	100%	\$152,136

**Village at Las Sendas** — PWREI purchased a 33.4% stake in this property in June 2016. The shopping center is located in Mesa, AZ, at the intersection of McDowell Rd and Power Rd and consists of 39,144 sq. ft. of leasable space. Current tenancy is a diverse mix of local and national tenants including Sunnyside Breakfast, Jimmy Johns, Pacino’s Italian, D’Vine Wine, Smashburger, Two Wheel Jones, Royal Tobacco, Chipotle, and Echo 5 Sports Pub. A new lease was signed with Performance & Recovery Lab in August 2018 for 1,710 square feet.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$2,922,500	\$2,946,578	81%	\$152,327

**Note: 2018 NOI numbers reflect the PWREI’s portion of the total. All profit, NOI, Gross IRR, and Deal Multiple calculations presented are unaudited gross estimates.**

**All numbers within this report are unaudited and should be considered as close approximations. Members receive the audited results on an annual basis.**