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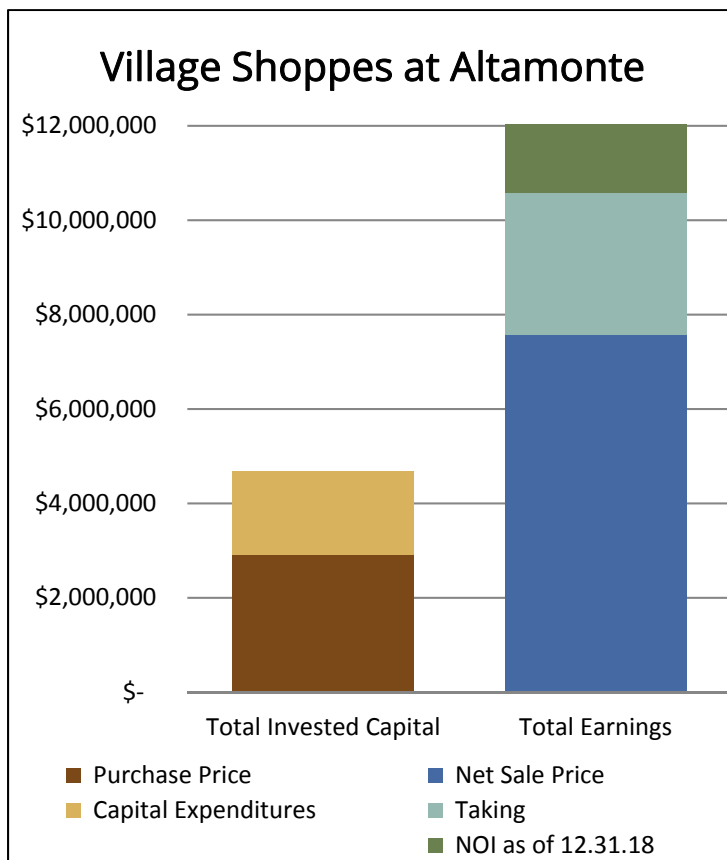
2/15/2019

February 2019 Update

This month you're going to get two emails from us. We are working on an **Opportunity Zone special**. Opportunity Zones are areas established in the last major Federal tax bill, and these zones offer special tax incentives for investing in and renovating real estate and businesses within the zones. PWL just made its first Opportunity Zone investment, and we expect to make more. Because it's a big topic and because we have a lot of good news to cover this month, we are going to send a separate email focused on Opportunity Zones, how our firm is approaching them, and how we are structuring deals with investors. Look for that email from us in the next week or two.

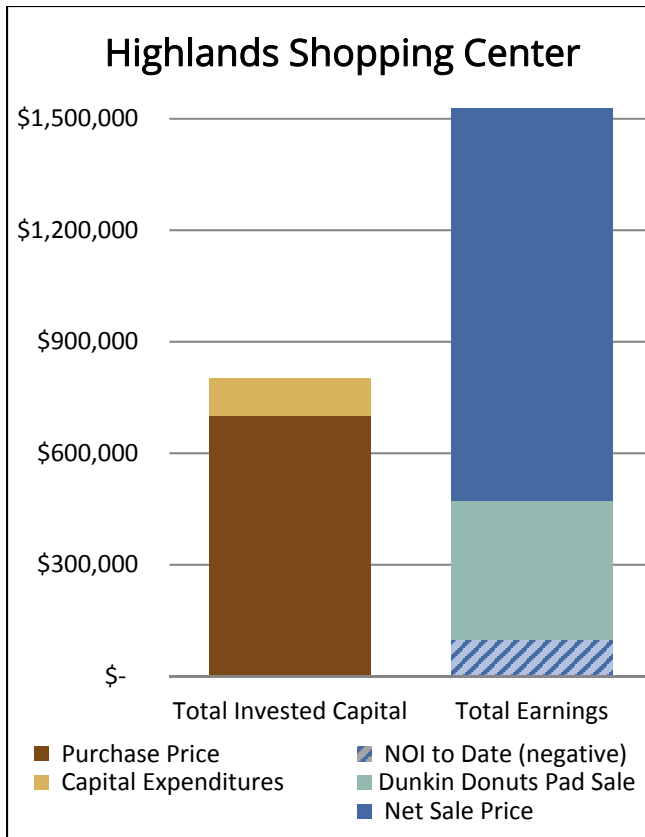
Now the good news: we are pleased to announce the sale of two of the three remaining PWREO properties and another PWRE2 acquisition.

The sale of **Village Shoppes at Altamonte** closed on January 25, 2019 for \$7,562,952. This



35,381-sq. ft. Florida property was 100% owned by PWREO and originally purchased in May 2013 for \$2.9M. You'll remember this is the property that was subject to an eminent domain taking— at an excellent price. Following the taking, there was substantial road construction around and at the property. We waited until the construction was substantially completed before selling. Under our management, occupancy increased from 35% to 100%, and we benefited from positive cash flow over the entire course of ownership even through the taking. Overcoming the challenges presented by the taking and the construction, our property management and leasing teams did a lot of extra and excellent work to get us to the 100% occupancy market. Many thanks to them!

Purchase Price (May 2013)	\$	2,900,000
Capital Expenses	\$	1,777,835
Total	\$	4,642,375
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Sale Price (January 2019)	\$	7,562,952
Taking (May 2016)	\$	3,008,177
NOI as of 12/31/18	\$	1,451,390
Total	\$	12,022,519



Highlands Shopping Center closed on January 31, 2019 after being sold at auction in November. As you may recall, we sold a pad off from this center last year to a Dunkin' Donuts developer, which recouped over half our initial investment. Although this was arguably the ugly duckling of PWREO, the remaining property sold for \$1,200,608.

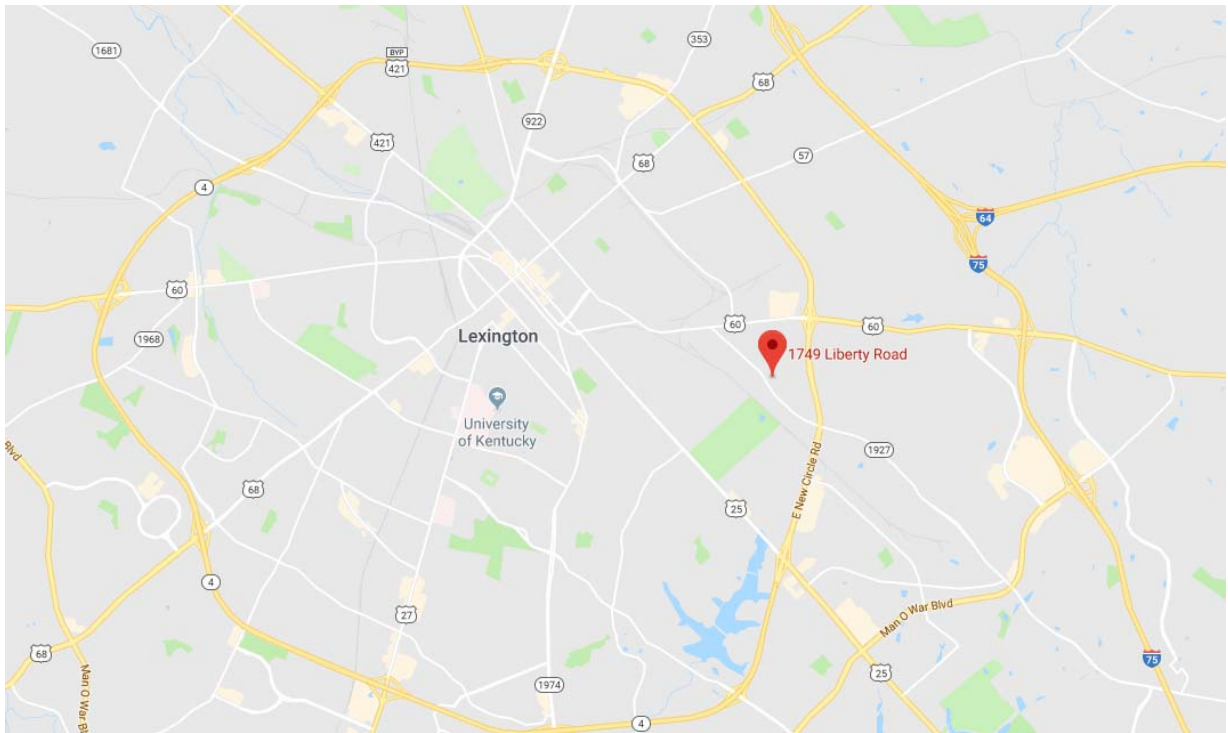
Purchase Price (June 2013)	\$ 700,000
Capital Expenses	\$100,743
Total	\$ 766,863
Sale Price (January 2019)	\$ 1,200,608
Dunkin Donuts pad sale (April 2018)	\$ 424,975
NOI thru 12/31/18	\$ (97,919)
Total	\$ 1,527,664

PWRE2 has purchased its first property in Kentucky.



Liberty Heights Apartments is a 105-unit, 8-building complex on 5.8 acres in Lexington, Kentucky. This complex was purchased for \$3,813,743 and is 50% owned by PWRE2. The current unit mix includes one, two, and three-bedroom units, and 8 two-bedroom townhome units. The Property benefits from a quiet neighborhood location with easy access to an employment hub located on

the outer beltway, as well as downtown Lexington and the University of Kentucky. Liberty Heights is located within a strong demographic pocket with limited apartment supply. The Property is poised to capitalize on solid population density with an excess of 100,000 people living within three miles and over 200,000 within five miles. Population growth in Lexington (5.7% over the past several years) has outpaced the national average. Household formation also exhibits a similar growth trajectory. The millennial cohort, the backbone of apartment demand, comprises 23% of the population. This demographic is projected to continue to grow from the 15,000 students graduating in the Lexington area this year, many of whom find local employment and remain in the Lexington area. Within three miles from the property you can easily access Downtown (3 miles), University of Kentucky (2 miles), Kroger (3 miles), Hamburg Pavilion shopping center (2 miles), and much more. Liberty Heights is minutes from coffee shops, local breweries, and casual dining options in Fairway, Kenwick, and Ashland Park, all of which are wonderful neighborhoods with strong demographic profiles.



PWL signed a new lease in January. Beautiful Eyebrows, an eyebrow enhancing salon, signed a 5-yr lease at **Bellevue West** for 1,202 sq. ft.

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

Best –

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PWREO Scorecard

(approximate investment by PWREO)
all data as of 12/31/18

Palm Bay Commons — SOLD April 2013 PWREO sold this 9,000 sq. ft. property in April 2013 for \$1.35M. The property was purchased in May 2012.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$936,659	\$457,651	1.51x	48.42%

Eastern and St. Rose — SOLD August 2013 PWREO sold this property in August 2013 for \$6.5M. PWREO owned 22% of this property. Purchased for \$3.21M in December 2011, this 20,180 sq. ft. commercial property is located at the northwest corner of Eastern Ave and St. Rose Parkway in Henderson, NV.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$709,000	\$658,638	1.84x	46.68%

Jonesboro-Towne Crest — SOLD May 2015 PWREO purchased this property in May 2012. This 20,109 sq. ft. commercial property is located at the corner of Jonesboro Road and Vinings Drive in McDonough, GA. This property sold on May 18, 2015 for ~\$3.3M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$1,559,778	\$1,972,327	2.05x	28.34%

Shoppes at Princeton Lakes — SOLD July 2015 PWREO owned 25% of this property located in Atlanta, GA. It was purchased in May 2013 for \$3.1M. The property includes one retail building with 13,264 sq. ft. of space. This property sold on July 7, 2015 for ~\$4.15M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$775,000	\$475,820	1.55x	24.44%

Shoppes of Andover — SOLD August 2015 This 21,599 sq. ft. property in Orlando, FL, was purchased in August 2012. The location is easily accessible from the interstate and benefits from Publix as a shadow-anchor. This property was sold on August 6, 2015 for ~\$4.62M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$2,918,863	\$2,524,490	1.77x	22.72%

King's Crossing — SOLD October 2015 This 15,000 sq. ft. property, located in Kennesaw, GA, just outside of Atlanta, was purchased in August 2012. It is located next to a busy Bank of America branch, has excellent visibility from the street, and easy access to I-75. This property was sold on October 16, 2015 for ~\$1.7M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$855,401	\$1,035,976	1.99x	25.70%

Buenaventura Lakes — SOLD November 2015 This property was purchased in May 2013 for \$2.8M and is located in Kissimmee, FL, just outside of Orlando. The property consists of 23,625 sq. ft. of inline retail space. The property was 91% owned by PWREO. The Bank of America parcel was sold on May 9, 2014 for \$1.23M. The remaining property sold on November 4, 2015 for ~\$3.362M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$2,402,405	\$2,014,690	1.77x	34.45%

Shoppes of Maitland — SOLD December 2015 Purchased in December 2012, this property is located in Maitland, FL, a suburb of Orlando. The property consists of a 3,820 sq. ft. Regions Bank with drive-thru and a 16,441 sq. ft. retail shops building with second story office spaces. Regions Bank parcel sold February 2014 for \$3.986M. The remaining property sold on December 9, 2015 for ~\$3.1M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$4,109,872	\$3,604,138	1.85x	43.20%

Crabapple Station — SOLD December 2015 This property was purchased in February 2013 and is located in Milton, GA, a suburb of Atlanta. The property consists of 18,943 sq. ft. of retail space in three buildings. This property sold on December 30, 2015 for ~\$4.17M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$2,625,000	\$2,381,108	1.80x	26.38%

Westminster Crossings — SOLD May 2016 PWREO purchased 50% of this property located in Westminster, CO, in August 2012. It totals 28,713 sq. ft. and is shadow-anchored by Lowe's Home Improvement. This property sold on May 9, 2016 for ~\$3.9M net to PWREO.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$1,948,347	\$2,389,326	2.24x	25.90%

Fort Apache Shopping Center — SOLD June 2016 PWREO purchased the note secured by this property in Las Vegas, NV, for \$1.85M and took ownership in August 2013 via trustee's sale. The property consists of 9,819 sq. ft. of retail space. The property sold in June 2016 for ~\$2.7M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$1,942,500	\$1,233,478	1.55x	16.88%

Bell West Ranch Shops – SOLD August 2016 PWREO purchased this property and assumed an underlying loan in August 2012. The center is located on Bell Road near the growing Loop 303 corridor in Surprise, AZ. The 7,000 sq. ft. O’Reilly Auto Parts pad sold in October 2012 for ~\$1.98M net, which was used to pay down the loan. The remaining 20,225 sq. ft. of retail space sold on August 15, 2016 for ~\$3.82M net, with owner carryback financing. Final investment analysis numbers will be available when buyer pays off the loan balance.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$4,692,339	\$2,144,991	1.53x	16.79%

91st and Northern (Peoria Crossing) – SOLD August 2016 PWREO purchased this property in June 2012. This 7,900 sq. ft. commercial building is located in the popular Peoria Crossings shopping center just off Arizona Loop 101. The building lead tenant is a 2,700 sq. ft. Streets of New York restaurant. Property sold on August 31, 2016 for ~\$2.1M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$1,057,874	\$1,283,405	2.03x	18.86%

Stonebridge Shops – SOLD December 2016 This property is located in Mesa, AZ, and was 50% owned by PWREO. The property was purchased in August 2012 for \$2.65M. The property consists of 30,235 square feet of shops, shadow-anchored by Safeway. It was sold on December 22, 2016 for ~\$4.44M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$1,306,793	\$1,227,109	1.76x	16.17%

Northlake Promenade – SOLD December 2016 This property, located in Atlanta, GA, was purchased in September 2012 for \$3.4M. The property was 80% owned by PWREO. The AT&T portion of the building sold on April 23, 2013 for \$1.825M. The remaining shops were sold on December 29, 2016 for ~\$4.05M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$2,742,170	\$2,888,741	2.32x	40.40%

International Promenade – SOLD July 2017 PWREO purchased this property in April 2012. The 35,296 sq. ft. commercial property is located at the corner of US Highway 192 and Vineland Road in Kissimmee, FL. The Taco Bell parcel sold for \$1.9M on September 17, 2013. The remainder of the property was sold on July 13, 2017 for ~\$5.375M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$3,167,940	\$5,139,820	2.38x	26.08%

Shoppes at Summerlin – SOLD August 2017 PWREO owned 50% of this property in the affluent Summerlin area of Las Vegas, NV. The property was purchased in August 2012 for \$2.86M. The center consists of 16,127 sq. ft. It is shadow-anchored by K-Mart, Lowe’s, and Trader Joe’s. This property was sold on August 11, 2017 for ~\$4.873M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$1,467,225	\$1,689,015	2.59x	27.13%

Hickory Flat – SOLD November 2017 This property is located in Holly Springs, GA, within the greater Atlanta metropolitan area. It was purchased in November 2012. The center includes 19,285 sq. ft. of retail space in two separate buildings as well as a standalone Wendy’s pad. Wendy’s exercised the option to purchase their parcel on February 29, 2016 for \$735k net. The remaining property sold on November 21, 2017 for ~\$3.264M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$2,276,454	\$3,030,468	2.20x	21.25%

Vistancia Marketplace – SOLD May 2018 This property, located in Peoria, AZ, was purchased in October 2012 for \$25.9M and was 25% owned by PWREO. The Chase pad and Walgreens pad sold in March 2013 for ~\$10.82M combined net. The Safeway pad sold November 2013 for ~\$14.1M net. A vacant restaurant pad sold for ~\$781k net in July 2016. A three-tenant building sold for ~\$2.2M net in September 2016. The three-tenant pad including Banner Health sold in December 2017 for ~\$1.93M net. The remaining shops on the Safeway side of the property sold in April 2018 for ~\$2.9M net. The remainder of this property sold in May 2018 for ~\$4.985M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$3,237,500	\$3,828,052	2.08x	37.67%

Fairway Park Plaza – SOLD May 2018 This property is located in Phoenix, AZ, at the hard corner of 59th Ave and W. Indian School Rd, a high-volume, stabilized intersection. Purchased in November 2012, the property consists of 32,133 sq. ft. of shops space, shadow-anchored by a CVS Pharmacy. This property sold in May 2018 for ~\$3.388M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$925,914	\$3,436,507	4.30x	35.36%

Arrowhead Festival — PWREO purchased this property in March 2012. The 12,615 sq. ft. commercial property is located at the northeast corner of Bell Road and 73rd Ave in Glendale, AZ. America’s Best Contacts and Eyeglasses relocated within the building and expanded their footprint to over 5,200 sq. ft. in 2016.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q4 NOI
\$1,739,027	\$1,923,787	79%	\$201,894

Village Shoppes at Altamonte — This property is in Altamonte Springs, FL, a suburb of Orlando, and was purchased May 2013. The property consists of 35,381 sq. ft. of retail space. Tenants include Skyra Studios, International Diamond Center, and The Crepevine restaurant, among others. Net investment figure is lower than the initial investment thanks to the proceeds received from the eminent domain taking settlement. A new lease was signed with Sachs Pharmacy and the center is now 100% occupied.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q4 NOI
\$2,900,000	\$1,663,200	100%	\$349,820

Highlands Shopping Center — PWREO owns this property located in Clearwater, FL, purchased in June 2013 for \$700k. The property includes two retail buildings with 19,015 sq. ft. of space. The property is shadow anchored by a Walmart Neighborhood Market. The vacant pad on Highland Ave was sold in April 2018 for ~\$416k net.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q4 NOI
\$700,000	\$375,768	63%	-\$23,901

Note: 2018 NOI numbers reflect PWREO'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.