

### Opportunity Zone Investment Deadlines Extended

The **IRS has extended deadlines** for those who wish to invest in a Qualified Opportunity Fund using gains from late 2019 or 2020. For any 180-day period that ends on or after April 1, 2020 and before March 31, 2021, the deadline has been extended to March 31, 2021. This means that for any gains recognized by an individual on or after October 4, 2019 and before October 2, 2020, there is no 180-day deadline but rather a single deadline in March of this year.

The Opportunity Zone tax incentives are significant. For investors in high tax brackets, **the after-tax return should increase by ~30%** thanks to the incentives.

**Only taxable gains may be invested in Qualified Opportunity Funds.** The gains may come from a single transaction or be aggregated from several sources, the most common being sales of real estate, stocks & bonds, or a business.

**PWL's third Qualified Opportunity Fund is almost full, with just over \$500K remaining until it reaches its \$11.6M funding goal.** We have gotten a few questions from PWL investors that show Opportunity Zone incentives remain confusing. Properly structured OZ investments carry 3 incentives. Here's a simplified\* list of those 3 incentives.

1. **THE BIG INCENTIVE:** If your investment in a Qualified Opportunity Zone Fund is held for 10 years, **the federal tax on the gains from the investment are zero.**
2. **First small incentive:** The source of your Opportunity Zone capital investment must be from a current gain. Typically, you'd be paying tax on this current gain in this tax year. Instead, the tax on the current gain is deferred until 2026.
3. **Second small incentive:** When you are taxed in 2026 on the current gain from item 2, the size of the gain is reduced by 10% then subjected to tax.

The BIG INCENTIVE is worth about 10x as much as the two small incentives taken together.

The minimum investment in our Qualified Opportunity Zone Fund is \$250,000. **If you would like to receive a brochure Sally and I wrote explaining Opportunity Zone tax incentives,** or would like information about potentially investing in our Qualified Opportunity Fund, please contact me or Sally.

We are happy to formally announce that we have expanded our property management team. Miracle Dickerson joined us as an Asset Manager in January. She is working closely with Zach and Josh. Based in the Atlanta area, she is our "boots on the ground" person in Georgia, making weekly visits to our multi-family properties there. Miracle earned her bachelor's in psychology and business science management. She has been in Property Management for over six years. Her experience includes management of a multi-million-dollar portfolio of single-family homes across the state of Georgia. After transitioning into multi-family management, she has steadily worked her way up to multi-site management. We are very happy to have her as a member of the PWL team.

Stay healthy and keep smiling –

**Martin A. Stever**

**President**

[martin@pacificwestland.com](mailto:martin@pacificwestland.com)

(206) 780-3944 direct

(206) 780-4040 office

**Sally Erickson**

**Investor Relations & Marketing Manager**

[sally@pacificwestland.com](mailto:sally@pacificwestland.com)

(206) 201-3212

\*This list has been written for brevity and clarity. There are several caveats, the investor must be “in” the investment in 2026 to get the two small incentives and for 10+ years for the big incentive. There are many requirements for the manager of a Qualified Opportunity Zone Fund, and these are our responsibility.

## PWRE2 Scorecard

---

**Approximate investment by PWRE2**

**Data as of 12/31/2020**

### Lexington Commons

---

This 21,857 sq. ft. center was purchased by PWRE2 in August 2017. The property is located in a busy retail and employment corridor in Glen Allen, VA. Lexington Commons holds 12 local tenants that include: Pho Saigon, Gojo Ethiopian, Patti Alterations, Hillary Nail & Spa, and Ariya Family Chiropractic.

Initial Investment	Net Investment	Occupancy	2020 Q1 – Q3 NOI
\$4,099,862	\$4,120,648	83%	\$219,170

---

### Rosemount Crossing

---

Originally purchased in September 2017, PWRE2 had a combined 59.37% stake in Rosemount Crossing. The property is located in Rosemount, MN and consists of 26,767 sq. ft. of remaining retail space after the sale of the ALDI grocery store in January 2018. The ALDI grocery store sold for \$3.19M net and was a total of 17,427 sq. ft. Having owned 100% of the ALDI building, PWRE2 now owns a 29.24% stake in the property after the sale. In the remaining retail space, is a healthy mix of national and local tenants with the most notable being Snap Fitness, Domino’s Pizza, Sprint/T-Mobile, and Starbucks.

Initial Investment	Net Investment	Occupancy	2020 Q1 – Q3 NOI
\$4,621,712	\$1,334,461	89%	\$76,332

---

## Main Street Commons

---

The 24,388 sq. ft. center was purchased by PWRE2 in November 2017. It is located just north of I-85 along State Route 317 in Suwanee, GA. The location of the property is within the busy upscale Suwanee area and attracts a consistent flow of customers. Main Street Commons consists of 11 tenants including Beto's Tacos, C2 Education, Suwanee Karate, TADA Coffee, and Asian Fusion.

Initial Investment	Net Investment	Occupancy	2020 Q1 – Q3 NOI
\$3,509,813	\$3,618,445	80%	\$221,991

---

## The Pointe at Epps Bridge

---

Located in Athens, GA, this PWRE2 property was purchased in November 2017. It sits along a busy commercial corridor and is surrounded by many busy national chains such as Walmart, Lowes, Trader Joes, and Ashley Furniture. The Point at Epps Bridge is a 14,145 sq. ft. mixed retail space, which includes 9 tenants such as Sprint, Jittery Joe's Coffee, Barberito's Mexican Restaurant, and American Deli.

Initial Investment	Net Investment	Occupancy	2020 Q1 – Q3 NOI
\$3,208,250	\$3,214,610	100%	\$192,533

---

## Bellevue West Shopping Center

---

The 30,210 sq. ft. strip center in Nashville, TN was originally purchased in December 2017 with a 45.42% stake in the property by PWRE2. The Bellevue West Shopping Center is located along the busy HWY 70 S corridor. In the neighboring area, well-known national chains such as Home Depot, Goodwill, Staples, Bed Bath & Beyond, and Sprouts Market keep the overall area busy. The shopping center boasts a healthy mix of 14 tenants that include a Subway, Burn Boot Camp, Scrub Shoppe, Sir Pizza, and Katie's Plates.

Initial Investment	Net Investment	Occupancy	2020 Q1 – Q3 NOI
\$1,943,374	\$2,232,033	92%	\$85,029

---

## Hamilton Pointe

---

Located in northeast Columbus, OH, just off OH-161 and I-270, PWRE2 purchased an 86.06% stake of Hamilton Pointe in February 2018. The 12,166 sq. ft. mixed retail space includes the 5 tenants Sylvan Learning Center, Vetcare, Daneault Dentistry, Honey Nails, and Scrambler Marie's restaurant.

Initial Investment	Net Investment	Occupancy	2020 Q1 – Q3 NOI
\$1,868,000	\$1,943,102	100%	\$87,103

---

## Loggins Corner

---

In April 2018, PWRE2 purchased this large multi-building shopping center located in Jefferson, GA along US-129 just south of I-85. Loggins Corner consists of 29,800 sq. ft. leasable space, which includes a standalone Beef O'Bradys restaurant pad and two mixed-retail strips. The mixed retail space consists of healthy mix of 18 local and national tenants. National tenants at the property include Little Caesars, H&R Block, and Great Clips.

Initial Investment	Net Investment	Occupancy	2020 Q1 – Q3 NOI
\$6,557,422	\$6,685,613	100%	\$428,506

---

## Phoenix Place Apartments

---

The 144-unit multi-family property was purchased by PWRE2 in late August 2018. Originally named Harmony Pointe Apartments, we have completely re-branded, making it Phoenix Place Apartments. The apartments have a large townhome-style floor plan that makes the property attractive to many city residents. Located in East Point, GA and less than 3 miles from the Hartsfield-Jackson Airport, the multi-family property is in excellent proximity to Atlanta's largest job centers.

Initial Investment	Net Investment	Occupancy	2020 Q1 – Q3 NOI
\$6,775,000	\$7,592,842	93%	\$356,574

---

## Dublin Village

---

This 98,540 sq. ft. shopping center located in Dublin, GA was originally purchased in late August 2018 by PWRE2. Upon purchase, Dublin Village included two multi-tenant buildings, a Kroger store, and three vacant pads. In April 2019, the Kroger parcel sold for ~\$5.16M (Net investment and Occupancy below has been adjusted for the Kroger Sale). The small shop spaces, located on either side of Kroger, include tenants like Great Clips, Holy Smokes BBQ, Accordia Urgent Care, Nail Dynasty, Mariner Finance, Little Tokyo Steakhouse, and Marco's Pizza.

Initial Investment	Net Investment	Occupancy	2020 Q1 – Q3 NOI
\$8,450,000	\$3,332,456	65%	\$209,385

---

## Westminster Apartments

---

This 40-unit multi-family property located in Macon, GA was purchased by PWRE2 in late August 2018. Westminster Apartments is located less than 3-miles from Mercer university and through hands-on management, changes, and upgrades throughout the property it poses a significant value add opportunity. Westminster continues to be a challenge for us. Fortunately, it is PWRE2's smallest investment.

Initial Investment	Net Investment	Occupancy	2020 Q1 – Q3 NOI
\$918,750	\$1,104,146	33%	(\$246,324)

---

## Brookfield Apartments

---

Located in East Point, GA, this 120-unit multi-family property was purchased by PWRE2 in late December 2018. Brookfield Apartments are in good physical condition and has significant value add opportunity. The Brookfield Apartments are less than 3 miles away from one of Atlanta's largest job centers: Hartsfield-Jackson International Airport.

Initial Investment	Net Investment	Occupancy	2020 Q1 – Q3 NOI
\$5,412,000	\$6,280,133	88%	(\$186,199)

---

## Liberty Heights Apartments

---

Purchased in January 2019 for a 50% stake towards PWRE2, this 105-unit multi-family property is located in a quiet neighborhood within Lexington, KY. The Liberty Heights Apartments are within easy access to employment hubs located on the outer beltway as well as downtown Lexington and the University of Kentucky.

Initial Investment	Net Investment	Occupancy	2020 Q1 – Q3 NOI
\$1,900,000	\$2,203,753	64%	(\$20,204)

---

## Colony East Apartments

---

PWRE2 purchased a 77.74% stake in this 104-unit multi-family property in June 2019. Located in Columbia, SC, Colony East Apartments is located in quiet a neighborhood setting with easy access to an employment hub located on the outer beltway as well as downtown Columbia and the University of South Carolina.

Initial Investment	Net Investment	Occupancy	2020 Q1 – Q3 NOI
\$2,954,000	\$3,888,810	88%	\$53,853

---

**Note: 2020 NOI numbers reflect the PWRE2'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.**