



January 2022 Update

This afternoon, as I type this update, I am alone in the office, at 3 p.m. on a weekday. Two different PWL staff members have had kids test positive for coronavirus in the last week. The kids seem to be fine, but we have everyone working from home, just in case. Between being extra cautious about inadvertently sharing the smallest case of sniffles, the inability to receive quick test results, and contact tracing of team members' children through their schools leading to warnings every week, we have not been operating at full power. Just as all American businesses have been affected by the omicron variant, over the last 6 weeks we have not been staffed at 100% any single day.

With this in mind, we are cautioning all PWL investors that this year it is likely that K-1s will be later than normal. **Sally marshals our accounting and administrative team in an efficient operation**, with K-1s, tax information, and audits for over 50 LLCs, QOFs, and TICs, going out the door starting the third week of February and finishing around the third week of March. No matter how efficient the system, we are reliant on team members being available to do the work. If the unavoidable absences, created by both illness and our care to not spread the virus following contact warnings from schools do not abate, we will not finish K-1 and tax documentation production until sometime in April. We apologize in advance for any inconvenience this may cause.

We ask that all of our many investors, their advisors, and their accountants remain patient, as responding to calls and emails asking, "*Can I have my K-1 now?*" takes time away from completing the task at hand. We will be working as quickly as we can and putting in OT with no additional prompting to get all year-end documentation to you as soon as practical given the pandemic. *We hope we are being overly cautious with this caution.*

We have come to the point in the lifecycle of PWREI that making quarterly comparisons of gross results does not work very well. As we sell off assets, the revenues, expenses, net profit from operations, and free cash flow all decline. At the same time, thanks to the very profitable asset sales we've been realizing, net profit increases dramatically in any quarter in which there has been a disposition. **Even when disregarding property sales, Q4 results look quite strong.** Q4 free cash flow is up from Q3 and is 7.3% higher than the same period a year ago.

Naturally, we will see operating results decline going forward because we will no longer have the property that sold last year as part of the portfolio.

We are currently administering the February distribution. It will be on par with recent quarterly distributions.

Please save the date: we will host our official annual meeting on Tuesday, April 12, 2022. We have not yet decided if there will be a face-to-face component to the meeting in Seattle or if the meeting will be online only. The meeting is open to invited investors in any PWL-managed entity, as well as registered investment advisors who have clients invested with PWL. Josh and I will review our 2021 results for each of our blind pools and Qualified Opportunity Funds, provide updates on the firm, and discuss our outlook for the market. We encourage you to bring questions or let me know ahead of time if there's something on your mind you would like us to address.

PWREI signed new two new leases in January. [Lendmark Financial Services](#), a consumer lending business, signed a 1,200 sq. ft. lease at [Log Pond Plaza](#) for 5 years. Dominican Hair Salon by Maria signed a 1,400 sq. ft. lease at [Powder Springs](#) for 3 years.

Our office remains open for visitors with an appointment. Please contact me if you'd like to get a visit on the calendar.

Stay healthy & keep smiling –

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PWREI Scorecard

Approximate investment by PWREI

Data as of 12/31/2021

Willow Hill Center

The 21,082 sq. ft. center located in Puyallup, WA was purchased in May 2014 with an 83% stake for PWREI. We sold the Starbucks pad in October 2014 for ~\$2.35M net and the Ivar's pad in April 2015 for ~\$1.27M net. The property currently has 10 tenants with the most recognizable being Moneytree, Pho Tai Vietnamese, and Rainier Growlers.

Initial Investment

\$5,625,000

Net Investment

\$2,889,595

Occupancy

100%

2021 Q1 – Q3 NOI

\$318,413

Benjamin Square

PWREI purchased this 9,950 sq. ft. property in May 2014. Benjamin Square is in a highly visible center just off of I-5 in Woodland, WA. The property currently has 6 tenants; the national tenants include Starbucks (drive thru), Subway, Papa Murphy's, T-Mobile and H&R block.

Initial Investment

\$1,900,000

Net Investment

\$1,978,735

Occupancy

86%

2021 Q1 – Q3 NOI

\$79,162

Shoppes at Buford

This 20,844 sq. ft. property was purchased by PWREI in May 2014 and is located in Buford, GA. The centers' location across from the Mall of Georgia puts it in a retail corridor ideal for drawing shoppers. The Shoppes at Buford has a total of 10 tenants, which include Edible Arrangements, Ideal Image, and Design House of Flowers.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$2,740,600	\$3,011,339	100%	\$252,276

Auburn Road

Located in Dacula, GA, this 8,400 sq. ft. property was purchased by PWREI in August 2014. The center is located at the busy intersection of Auburn Rd. and Jim Moore Rd. and is at the center of a sprawling residential area. Auburn Road's 3 tenants include State Farm, Intracore Healthcare, and Georgia Veterinary.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$1,000,000	\$1,031,598	86%	\$90,805

Gulf Breeze

PWREI purchased this 27,739 sq. ft. property located in Port Arthur, TX in January 2015. The property is shadow anchored by the major grocery store, H-E-B, and maintains great visibility from both HWY 347 and HWY 365. Gulf Breeze's national tenants include Edward Jones, Sprint, World Finance, Super Cuts, Republic Finance, The Nutrition Store, Pizza Hut, and a Wells Fargo ATM.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$2,677,500	\$2,810,431	100%	\$283,102

Log Pond Plaza

Located in a dense residential area just north of State Route 16 in Newark, OH, this 27,368 sq. ft. property was purchased by PWREI in March 2015. The property is shadow anchored by a Walmart Super Center with a Home Depot across the street. Log Pond boasts a healthy mix of 10 local and national tenants, which include Hertz, Cheng's Chinese, Fiesta Salon, and CATO.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$1,850,000	\$2,037,905	79%	\$171,645

Massard Farms

Located in Fort Smith, AR, this large shopping complex was purchased in April 2015. In September 2018, the Kohl's building sold for \$8.9M net. After its sale, PWREI still owns 71,592 sq. ft. leasable space. Massard Farms tenants include an IHOP, Savers, Sports Clips, Firehouse Subs, and Pad Thai Cuisine.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$13,415,287	\$6,896,494	94%	\$277,982

Oak Creek Commons

This small 10,462 sq. ft. strip center located in Oak Creek, WI was purchased by PWREI in May 2015. Being south of Milwaukee, the area's population growth and average household income are projected to outpace the national average over the next five years. Oak Creek Commons has a healthy mix of 6 tenants, with the most recognizable being Dunkin' Donuts and Great Clips.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$1,191,750	\$1,286,386	90%	\$113,024

Massillon Commons

Located along the busy Lincoln Way corridor in Massillon, Ohio, this property was purchased in June 2015 for a 66.7% stake for PWREI. In June 2016, the Home Depot pad sold for ~\$9.36M net with the proceeds used to pay off debt. In addition to a 50,503 sq. ft. Dunham's Sports, Massillon Commons boasts 63,048 sq. ft. of leasable space that include 11 tenants, the largest being P.S. Cook's, OakPark Preschool, and Stark Medical.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$8,618,667	\$2,475,340	89%	\$255,329

Greensburg Commons

Purchased in July 2015 for a 66.7% stake for PWREI, this large 88,953 sq. ft. shopping center is located at the intersection of I-74 and State Rd 3 in Greensburg, IN. In December 2016, the Walmart parcel sold for ~\$13.9M net with most of the proceeds used to pay off debt. Greensburg Commons holds a mix of 15 local and national tenants. The most recognizable tenants are Jimmy John's, Great Clips, GameStop, GNC, Rent-A-Center, Feeder's Pet Supply, Goodwill and Bath & Body Works.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$12,512,000	\$3,638,151	69%	\$251,293

Gateway Center

PWREI purchased this 28,056 sq. ft. mixed retail space, located in Newberry, SC, in October 2015. Gateway Center sits at the intersection of US 76 and Main St. and is shadow anchored by a Walmart. With 12 tenants, the center's most notable occupants include GameStop, Quick Credit, Nexien, and T-Mobile.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$2,030,055	\$2,233,215	100%	\$272,593

Powder Springs

Purchased in October 2015 by PWREI, this 15,050 sq. ft. strip center is located on Richard D. Sailors Pkwy in Powder Springs, GA. Upon purchase of the property, we acquired a vacant pad that was sold in February 2016 for ~\$280K net. Powder Springs is shadow anchored by a Home Depot and has a total of 6 tenants including Hanger Prosthetics and Premier Martial Arts.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$1,100,000	\$976,903	72%	\$182,867

Sugarcreek Crossing

Located in Centerville, OH, PWREI purchased Sugarcreek Crossing in October 2015 and holds a 66.7% stake. Upon purchase, the property included three parcels: a ground leased Cracker Barrel pad that was eventually sold in May 2016 for ~\$2.28M net; a Tire Discounters pad that was sold in December 2016 for ~\$2.96M net; and a multi-tenant retail building containing a UPS store, a Chiropractic office, and Edward Jones, among others. Work to create an additional 3,425 sq. ft. of retail space in a former bank drive-thru is now complete, and a second new tenant for the space, Bubbakoo's Burrito is now open.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$5,117,333	\$2,118,513	96%	\$203,753

East West Market

Purchased as a joint deal with Castleberry Promenade, PWREI acquired this 17,017 sq. ft. property in February 2016. East West Market is located along the East West Connector in Austell, GA. The 1.09-acre Dunkin Donuts pad sold in June 2020 for ~\$522K net. The property currently holds 6 tenants, the largest being WellStar Health System, American Hearing Imaging, and Thumbs Up Diner.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$2,660,000	\$2,188,287	100%	\$243,096

Castleberry Promenade

PWREI acquired this 26,651 sq. ft. property in February 2016 as a joint deal with East West Market. Castleberry Promenade is located at the busy intersection of Bethelview Rd. and Castleberry Rd. in Cumming, GA. Upon purchase, the property included leasable space as well as two small developable pads. This property currently has 10 tenants, among them Liberty Tax, Kumon Learning, Castleberry Ale House, and Ovo Salon.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$2,906,000	\$3,121,006	95%	\$348,933

Village at Las Sendas

PWREI purchased this 39,144 sq. ft property in June 2016 for a 33.4% stake. The Village at Las Sendas is located at the intersection of McDowell Rd. and Power Rd. in Mesa, AZ. This shopping center has a diverse mix of 16 national and local tenants, with the most recognizable being Chipotle, Jimmy John's, and Smashburger.

Initial Investment	Net Investment	Occupancy	2021 Q1 – Q3 NOI
\$2,922,500	\$3,007,936	97%	\$158,830

Little Corona – SOLD August 2020

Located at the busy intersection of Rural Rd. and Ray Rd. in Chandler, AZ, this 6,074 sq. ft. property was purchased by PWREI in December 2014. Little Corona was sold in August 2020 for \$1.55M. At the time of sale, Little Corona held 100% occupancy.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$1,010,000	\$1,170,646	1.84x	13%

Dail Center – SOLD August 2020

Dail Center was purchased by PWREI in December 2014. This 16,145 sq. ft. center is located along US Route 17 in famous Myrtle Beach, SC. Due to its popular location, the area attracts over 14 million visitors each year. In August 2020, Dail Center was sold for \$2.4M and was 100% occupied.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$1,522,500	\$1,990,807	2.08x	16%

Roosevelt Place – SOLD November 2021

This 14,000 sq. ft. property was purchased in August 2014 by PWREI. The property is located in the industrial corridor of Phoenix, AZ by I-10. This location allows for heavy daytime traffic. In May 2016, the Jack in the Box pad sold for ~\$1.08M. Roosevelt Place sold on November 2021 for \$5.18M.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$2,960,000	\$4,620,030	2.56x	20.3%

Note: 2021 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.

Pacific West Land, LLC • 403 Madison Ave N, Ste 230 • Bainbridge Island, WA 98110 • January 14, 2022
