

Pacific West Land, LLC

403 Madison Avenue North, Suite 230
Bainbridge Island, WA 98110

9/10/2018

September 2018 Update

PWRE2 has made its first multi-family acquisition which closed on August 20.



Phoenix Place Apartments (originally named Harmony Pointe, after the previous owner) is a 153,722-sq. ft. complex composed of 144 units and is currently ~80% occupied. PWRE2 owns 100% of this complex and purchased it for \$6,767,941. With its large townhome-style floorplans and proximity to some of Atlanta's largest job centers, Phoenix Place Apartments represents an attractive value-add opportunity with under market rents. Phoenix Place is located in the city of East Point, GA, less than 3 miles away from Hartsfield-Jackson International Airport, the world's busiest airport. The property borders the fast-growing city of College Park. The large townhome-style floorplans will be well received by the market when updated with new appliances, plumbing, light fixtures, carpet, and paint. As part of our renovation and rebranding campaign for these apartments, we are renaming the complex.



August is usually our quiet month here at PWL. Not so this year. We have a standing offer to many friends, family, and all the readers of this monthly email to **visit us here in the Pacific Northwest**. This year we had 4 groups of family and friends visit us in a single 12-day period. We had investors from New York, Wisconsin, and Florida visit, along with my niece and nephew from the St. Louis area. This was also when Seattle was shrouded by smoke from forest fires burning in Canada. In twenty years, we've only experienced 3 weeks of smoke, that I recall. The smoke we just endured was the worst of the three. None of our many visitors got even a small glimpse of Mount Rainier. Even from nearby Crystal Mountain, Mount Rainier was hidden by a smoke shower curtain.

Despite the smoke, it was a lot of fun seeing so many out-of-towners this year. We took a day-long ride up the Columbia River, which I'd wanted to do since moving here 20 years ago, went to the top of Crystal Mountain twice, went stargazing in the Olympic Mountains, ate at my favorite Seattle restaurants, and showed people our rather mundane office. That was a fun kind of busy.

In August, I addressed the **Financial Planners Association's Far West Roundup**, an annual educational retreat for about 100 financial advisors held each year in Santa Cruz. My topic was **"Analyzing Private Equity Real Estate,"** a talk I've given a few times to groups of financial advisors and investor groups. It was a dynamic collection of advisors who asked great questions, which made the time fly. The conference is held on the campus of the University of California Santa Cruz. It has much nicer dorms than the dorms I lived in while attending college.

PWL signed **five new leases in August**. Newberry Tobacco & Vape, a vape shop, signed a 3-yr lease for 1,680-sq. ft. at **Gateway**. At **Gulf Breeze** a real estate title company, Capital Title of Texas, is opening a 1,200-sq. ft. office and has signed a 2-yr lease. Performance & Recovery Lab is opening a physical therapy and occupational therapy center at **Las Sendas**. They signed a 5-yr term for 1,710-sq. ft. Another physical therapy office, Benchmark Growth Partners, signed a 5-yr lease for 1,750-sq. ft. at **Powder Springs**. Kelly Services, an employment services office, signed a 5-yr lease at **Greensburg** for 1,840-sq. ft.

If you'd like to meet for breakfast or lunch on Bainbridge Island, please give me a shout.

Thanks –

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PWREI Scorecard
(approximate investment by PWREI)
all data as of 7/31/18

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, and Rainier Growlers. 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. A new lease was signed with Puppy Land for 2,675 sq. ft. and the tenant is under construction hoping to open in September.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q2 NOI
\$5,625,000	\$2,741,874	100%	\$167,251

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.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q2 NOI
\$1,900,000	\$1,967,475	70%	\$88,714

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-Q2 NOI
\$2,740,600	\$2,949,141	94%	\$140,680

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-Q2 NOI
\$1,000,000	\$1,025,100	100%	\$46,103

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-Q2 NOI
\$2,960,000	\$1,943,078	70%	\$175,794

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-Q2 NOI
\$1,010,000	\$1,033,939	59%	\$20,532

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-Q2 NOI
\$1,522,500	\$1,605,866	88%	\$43,663

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. (With the new lease signed in August, occupancy is now 88%).

Initial Investment	Net Investment	Occupancy	2018 Q1-Q2 NOI
\$2,677,500	\$2,751,639	84%	\$190,158

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-Q2 NOI
\$1,850,000	\$1,991,534	81%	\$88,527

Massard Farms — PWREI purchased this large shopping complex in April 2015, located in Fort Smith, AR. This center has a total of 133,709 sq. ft. of leasable space, consisting of Kohl’s, Savers, IHOP, and an 8,000 sq. ft. mixed tenant building including Catherine’s, Sport Clips, Firehouse Subs, and Pad Thai Cuisine.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q2 NOI
\$13,415,287	\$15,751,494	82%	\$550,374

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-Q2 NOI
\$1,191,750	\$1,256,205	70%	\$62,986

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-Q2 NOI
\$8,618,667	\$2,393,457	80%	\$90,061

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, Goody’s, 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. (With the new lease signed in August, occupancy is now 84%).

Initial Investment	Net Investment	Occupancy	2018 Q1-Q2 NOI
\$12,512,000	\$3,426,140	82%	\$194,656

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. *(With the new lease signed in August, occupancy is now 100%).*

Initial Investment	Net Investment	Occupancy	2018 Q1-Q2 NOI
\$2,030,055	\$2,143,203	94%	\$161,727

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 Nail TLC as tenants. The vacant pad we bought with the building was sold on February 12, 2016 for ~\$280k net. *(With the new lease signed in August, occupancy is now 70%).*

Initial Investment	Net Investment	Occupancy	2018 Q1-Q2 NOI
\$1,100,000	\$832,376	58%	\$10,896

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. 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.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q2 NOI
\$5,117,333	\$1,968,302	94%	\$99,020

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-Q2 NOI
\$2,906,000	\$2,915,074	86%	\$124,371

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-Q2 NOI
\$2,660,000	\$2,688,981	100%	\$116,626

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. *(With the new lease signed in August, occupancy is now 81%).*

Initial Investment	Net Investment	Occupancy	2018 Q1-Q2 NOI
\$2,922,500	\$2,933,656	77%	\$104,586

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.