

## Pacific West Land, LLC

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

12/7/2018

December 2018 Update

I received a question from a PWL investor asking how flooding and fires, which have been all too prominent in the news of late, affect PWL. When we're making investments, we're checking where each property is with regards to flood plains and avoiding those that are likely to be regularly underwater. Where I grew up in Michigan, far from the water and on high ground, floods occurred when thunderstorms overwhelmed storm water systems. That kind of flood can occur anywhere. PWL's investments are insured against property damage generally, fire and flooding specifically.

**PWL signed two new leases in November.** AT&T is opening a new 1,666 sq. ft. store at PWREI Benjamin Square, they signed a 5-yr term. PWREO Village Shoppes signed with Sachs Pharmacy, which is opening a compounding pharmacy. They signed for a 5-year term on 3,500 sq. ft. **The center is now 100% occupied.**

**Congratulations to Melissa Bartenbach of Peterson Sullivan**, who was honored last week by CREW Seattle. Melissa received The Rising Rock Star Award for 2018, which is given to an exceptional young woman, thirty-five years or younger, who is influential, dynamic, and shows early promise as an industry leader. For many years Melissa has been our point person for Peterson Sullivan's annual audit of PWL-managed entities, and she has done an excellent job for us.

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

**Merry Christmas and Happy Holidays –**

Martin A. Stever  
206-780-3944  
martin@pacificwestland.com

### PWREO Scorecard

(approximate investment by PWREO)  
all data as of 10/31/18

**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	\$338,191	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	\$547,131	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	\$1,591,182	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	\$310,873	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	\$1,859,243	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	\$829,486	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	\$1,537,890	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	\$2,840,230	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	\$1,558,819	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	\$1,784,859	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	\$852,072	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	\$1,471,964	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 is anchored by 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	\$1,031,050	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	\$808,909	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	\$1,887,301	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	\$3,844,957	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	\$1,026,250	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	\$1,879,345	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 on December 18, 2017 for ~\$1.93M net. The remaining shops on the Safeway side of the property sold on April 24, 2018 for ~\$2.9M net. The remainder of this property sold on May 1, 2018 for ~\$4.985M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$3,237,500	\$3,088,701	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 on May 25, 2018 for ~\$3.388M net.

Initial Investment	Profit	Deal Multiple	Gross IRR
\$925,914	\$2,431,271	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 June 2016.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$1,739,027	\$1,923,787	79%	\$164,858

**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. *(With the new lease signed in November, the center is now 100% occupied.)*

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$2,900,000	\$1,663,200	90%	\$271,096

**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 on April 27, 2018 for ~\$416k net.

Initial Investment	Net Investment	Occupancy	2018 Q1-Q3 NOI
\$700,000	\$348,306	63%	-\$18,859

**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.**