

## Pacific West Land, LLC

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

1/17/2017

January 2017 Report

We hope you had a terrific holiday. We were very busy here at PWL. We launched our new offering, **Pacific West Real Estate Income II, LLC (PWRE2)**, and Pacific West Land enjoyed four property sales in December.

**PWREI sold two single-tenant pads in December** — a Walmart at Greensburg Commons sold on December 2, 2016 for ~\$13.9M. A Tire Discounters at Sugarcreek Crossing sold for ~\$2.96M on December 23, 2016. Both properties were 66.667% owned by PWREI. Both of these sales were planned at the time Greensburg Commons and Sugarcreek Crossing were acquired. In both cases we were able to extend the leases of the tenants. Pads and long term leases with national credit tenants like these two are highly sought after by institutional investors. The lease extensions led to nice pops in the sale prices after short term holds.

We are still in the process of sending out offering materials for PWRE2 to PWL's list of current investors. Because we do all the fundraising ourselves, we are staging the mailing of the materials as to not overwhelm our office.

I am happy to report that **Sally Erickson has rejoined PWL as the Assistant Marketing Manager**. She is working directly with me on the firm's marketing, and the support of all our investors' reporting and operational needs. Sally originally started working for us in June 2013. Her husband, Steve, was in the Navy and when he was relocated to New York in November 2014, Sally had to leave us. We made it clear that we hoped she would return when Steve's career made it possible. After 9 years of service, Steve was honorably discharged from the Navy last week. Because of our open offer to Sally, and because they both enjoyed their time living in the Pacific Northwest, Sally and Steve have moved back to Bainbridge Island. Going forward you will see Sally's name frequently in our communications to you. Sally's direct line is (206) 201-3212 and her email is [sally@pacificwestland.com](mailto:sally@pacificwestland.com).

As always, please don't hesitate to call with questions, and we always welcome visitors.

Best –

Martin A. Stever  
**206-780-3944**  
[martin@pacificwestland.com](mailto:martin@pacificwestland.com)

**PWREI Scorecard**  
**(approximate investment by PWREI)**  
**all data as of 11/30/16**

**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 Growler. 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. New lease signed with West Seattle Tobacco for 1,193 sq. ft.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$5,625,000	\$2,701,930	74%	\$28,728	\$281,911

**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, H&R Block, and Verizon Wireless.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,900,000	\$1,967,475	86%	\$25,980	\$176,720

**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, and a Vietnamese restaurant.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,740,600	\$2,820,081	67%	\$12,945	\$163,033

**Auburn Road** — PWREI purchased this property in August 2014. The 8,400 sq. ft. property is located in Dacula, GA. The tenants include Farmers Insurance, a medical care facility, and a veterinarian who recently expanded his practice.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,000,000	\$1,003,600	86%	\$4,002	\$51,465

**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	MTD NOI	YTD NOI
\$2,960,000	\$1,936,898	80%	\$25,620	\$253,433

**Little Corona** — PWREI purchased this property in December 2014. The strip 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 Grill and Fullers Bar & Grill.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,010,000	\$1,019,850	59%	\$6,910	\$77,078

**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, Coastal Beds, Atlantic Kitchens, State Farm, and Tao Wellness Spa.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,522,500	\$1,526,877	74%	\$9,261	\$125,199

**Gulf Breeze** — PWREI purchased this 27,736 sq. ft. property in January 2015. The strip 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.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,677,500	\$2,723,708	64%	\$12,902	\$219,142

**Log Pond Plaza** — PWREI purchased this 27,368 sq. ft. property in March 2015. This strip, 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 Aaron's, Cheng's Chinese, Fiesta Salon, Buckin Burger, and CATO.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,850,000	\$1,909,078	90%	\$9,261	\$172,112

**Massard Farms** — PWREI purchased this large shopping complex in April 2015, located in Ft Smith, AR. This 100% occupied center totals just over 133,500 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	MTD NOI	YTD NOI
\$13,415,287	\$13,771,644	100%	\$82,140	\$934,734

**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, Fantastic Sam's, Yen Hwa Chinese Restaurant, and Dunkin' Donuts.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,191,750	\$1,256,205	88%	\$10,176	\$113,165

**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	MTD NOI	YTD NOI
\$8,618,667	\$2,393,457	72%	\$37,298	\$423,349

**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, and totals 272,484 sq. ft. of leasable space. That includes a Walmart as well as a healthy mix of tenants including Jimmy Johns, Great Clips, Gamestop, GNC, Rent A Center, Goody's, and Bath and Body Works. New leases signed with MS Companies Staffing and Cricket wireless for 1,600 and 1,650 sq. ft. respectively. *Walmart parcel sold on December 2, 2016 for \$13.9M net, with the proceeds used to pay off debt. Sale will be reflected in next month's report.*

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$12,512,000	\$12,541,531	90%	\$74,382	\$799,133

**Gateway Center** — PWREI purchased this strip center in October 2015. It consists of 28,240 sq. ft. of mixed retail space located at the intersection of US

76 and Main St in Newberry, SC and is shadow anchored by a Walmart. Current tenants include Gamestop, Sally Beauty, Newberry Nails & Spa, CATO, It's Fashion, Shoe Show, Groucho's Deli, Boost Mobile, and China Town Restaurant.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,030,055	\$2,124,811	93%	\$14,963	\$176,409

**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, and Nail TLC as tenants. The vacant pad behind our building was sold on February 12, 2016 for ~\$280k net.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,100,000	\$821,003	37%	\$2,404	\$11,125

**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, Godfather's Pizza, and Mattress Firm. The standalone Cracker Barrel pad was sold on May 6, 2016 for ~\$2.28M net. *Tire Discounter's parcel sold on December 23, 2016 for ~\$2.96M net. Sale will be reflected in next month's report.*

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$5,117,333	\$3,804,718	94%	\$24,727	\$267,427

**Castleberry Promenade** — PWREI purchased this property as a joint deal with East West Market in February 2016. It consists of 26,675 sq. ft. of leasable space with three 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, and i4Food.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,906,000	\$2,906,000	75%	\$15,718	\$151,552

**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 17,015 sq. ft. of leasable space

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and a 1.09-acre developable pad. Current tenants include 100% Chiropractic, Wellstar, and American Health Imaging.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,660,000	\$2,660,000	75%	\$24,115	\$128,814

**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, Coco Milanos, Royal Tobacco, Chipotle, and Echo 5 Sports Pub.

Initial Investment	Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,922,500	\$2,927,441	87%	\$25,071	\$119,716

**Note: MTD and YTD numbers reflect the PWREI’s portion of the totals. All profit, NOI, Gross IRR, and 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.**