

Pacific West Land, LLC

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

5/10/2017

May 2017 Report

For **Registered Investment Advisors (RIAs)** who have clients invested in PWRE2 or who are considering recommending PWRE2 to a client, we are holding an RIA-only dinner on May 17 in Bellevue, WA in association with the National Association of Personal Financial Advisors Conference. I've been asked to introduce one of the conference's keynote speakers, a task that is thoroughly enjoyable. RIA's are invited to write or call if they'd like to get more information about the dinner.

In April **Pacific West Distressed Asset Fund, LLC** made its second distribution of the year. Investors in PWDAF have now received distributions equaling **155.9%** of their initial contributions.



PWDAF made what is planned to be its penultimate distribution on 4/7/17. This distribution came from the proceeds of the sale of Cave Creek Plaza. We closed the sale on January 25 for ~\$2.44M net. Our hats are off to Josh and Sarah here in our office; this was a complex sale that took several months to get across the finish line. The property was originally purchased in June 2011 for ~\$1.58M. Cave Creek's Gross IRR is 14.4% and its multiple is 1.94x.

Offering materials for **Pacific West Real Estate Income II, LLC (PWRE2)** are available upon request to accredited investors. Because we do all the fundraising ourselves, I am still in the process of individually

following up with those who have received the packet. PWRE2 now has over \$23.5M in commitments.

PWREO signed two new leases in April. We signed a lease with Neighborhood Beauty Boutique, at Vistancia Marketplace, to operate an upscale nail and skin

care salon. They will be taking 2,565 sq. ft. of space at the shopping center. We also signed a lease with Copacabana Cuban Restaurant at Village Shoppes at Altamonte, which will take over the 3,375 sq. ft. restaurant space, formerly operated by The Breakfast Club.

PWREI signed one new lease this April, with Republic Finance at Gulf Breeze. They will be taking 1,958 sq. ft. of space for the operation of a consumer finance services business.

As always, please don't hesitate to call with questions, and we always welcome visitors. The ferry ride on a clear summer day is always worthwhile. Come on over, and I'll buy lunch.

Best –

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PWREI Scorecard
(approximate investment by PWREI)
all data as of 3/31/17

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.

Initial Investment	Net Investment	Occupancy	2016 NOI
\$5,625,000	\$2,701,930	74%	\$289,358

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	2016 NOI
\$1,900,000	\$1,967,475	86%	\$191,701

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. A new lease with The Foot Traveler was signed for 2,300 sq. ft.

Initial Investment	Net Investment	Occupancy	2016 NOI
\$2,740,600	\$2,836,181	82%	\$150,976

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 and a veterinarian who recently expanded his practice.

Initial Investment	Net Investment	Occupancy	2016 NOI
\$1,000,000	\$1,005,400	86%	\$53,061

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	2016 NOI
\$2,960,000	\$1,936,898	80%	\$276,035

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	2016 NOI
\$1,010,000	\$1,019,850	59%	\$85,200

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	2016 NOI
\$1,522,500	\$1,526,877	74%	\$138,988

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.

Initial Investment	Net Investment	Occupancy	2016 NOI
\$2,677,500	\$2,723,708	64%	\$255,722

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, Buckin Burger, and CATO.

Initial Investment	Net Investment	Occupancy	2016 NOI
\$1,850,000	\$1,934,078	90%	\$159,215

Massard Farms — PWREI purchased this large shopping complex in April 2015, located in Ft Smith, AR. This 100% occupied center totals 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	2016 NOI
\$13,415,287	\$13,774,026	100%	\$1,028,147

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	2016 NOI
\$1,191,750	\$1,256,205	88%	\$129,785

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	2016 NOI
\$8,618,667	\$2,393,457	72%	\$440,150

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.

Initial Investment	Net Investment	Occupancy	2016 NOI
\$12,512,000	\$3,298,935	68%	\$872,784

Gateway Center — PWREI purchased this 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. 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, Boost Mobile, and China Town Restaurant.

Initial Investment	Net Investment	Occupancy	2016 NOI
\$2,030,055	\$2,124,811	93%	\$178,445

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 we bought with the building was sold on February 12, 2016 for ~\$280k net.

Initial Investment	Net Investment	Occupancy	2016 NOI
\$1,100,000	\$821,003	37%	\$14,328

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, 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.

Initial Investment	Net Investment	Occupancy	2016 NOI
\$5,117,333	\$1,699,203	100%	\$286,010

Castleberry Promenade — PWREI purchased this property as a joint deal with East West Market in February 2016. It consists of 26,452 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, and i4Food.

Initial Investment	Net Investment	Occupancy	2016 NOI
\$2,906,000	\$2,906,000	75%	\$173,963

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. A new lease was signed with Café Olange for 2,166 sq. ft.

Initial Investment	Net Investment	Occupancy	2016 NOI
\$2,660,000	\$2,663,245	88%	\$135,982

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	2016 NOI
\$2,922,500	\$2,930,757	87%	\$139,457

Note: 2016 NOI numbers reflect the PWREI's portion of the total. 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