

## Pacific West Land, LLC

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

11/3/2016

November 2016 Report

We are often asked, “*If I invest with Pacific West, how often will I hear from you?*” I can relate to this question. I made an angel investment in a medical testing company a decade ago. The CEO sends out an investor update less than once a year, generally including an announcement that another round of fundraising has started. It’s painful; as a prospective investor I was contacted with 8x the frequency as I have been as one of their investors. That experience was a valuable, although overly expensive, lesson.

Here’s what Pacific West Land does:

- Monthly update, very similar to the prospect email you’re reading now, meant to be read in a minute or two and friendly to non-financial professionals
- Quarterly update including more detailed information on each property along with the unaudited financials—balance sheet and income statement
- K-1 and other tax documentation in late Feb/early March
- Annual audit prepared by Peterson Sullivan LLP, one of Seattle’s largest public accounting firms, in late March/early April
- Annual meeting in Seattle each April including telephonic participation
- A summer and a year-end Member lunch in Seattle, we answer questions as long as people have questions to ask
- Irregular meetings in other cities around the country where we have investors, for instance lunch in the SF Bay Area at least once a year

In short, we keep in touch.

Wrapping up reporting on 91st and Northern the sale closed with a multiple or return on invest capital (ROIC) of ~2x and a Gross IRR of ~18.9%. We sold 91st and Northern for ~\$2.09M net. The property was originally purchased in June of 2012 for ~\$1.05M, and PWREO owned 100%. The NOI during the time we owned 91st and Northern was ~\$252K.

91 <sup>st</sup> and Northern Purchase Price (June 2012)	~\$1,055,000
Capital Expenses	<u>~\$145,930</u>
<b>Total</b>	<b>~\$1,200,930</b>
Net Sale Price (August 2016)	~\$2,085,000
NOI thru 8/16	<u>~\$252,355</u>
<b>Total</b>	<b>~\$2,337,355</b>



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

Best –

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**Real Estate Opportunity Fund Scorecard**  
**(approximate investment by the Fund)**  
**all data as of 9/30/16**

**Palm Bay Commons — SOLD April 2013** PWREO sold this 9,000-square-foot property in March 2013 for \$1.35M. Original purchase price was \$923,000 in May 2012.

Fund Initial Investment	Fund Profit	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 January 2012, this 20,180-square-foot commercial property is located at the northwest corner of Eastern Ave and St. Rose Parkway in Henderson, NV.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$709,000	\$546,745	1.84x	46.68%

**Jonesboro-Towne Crest — SOLD May 2015** PWREO purchased this property in May 2012. This 20,109-square-foot 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.

Fund Initial Investment	Fund Profit	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, purchased May 2013 for \$3.1M. The property includes one retail building with 13,624 square feet of space with no vacancies. This property sold on July 7, 2015 for \$4.15M net.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$775,000	\$310,873	1.55x	24.44%

**Shoppes of Andover — SOLD August 2015** This property in Orlando, FL was purchased in August 2012. The property consists of 21,599 square feet of space. Tenants include a local pizza restaurant and TrustCo Bank. 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.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$2,918,863	\$1,859,243	1.77x	22.72%

**King's Crossing — SOLD October 2015** This property is located in Kennesaw, GA, just outside of Atlanta. Purchased in September 2012, it is located next to a busy Bank of America branch and has excellent visibility from the street. With 15,000 square feet, it provides easy access to I-75. This property was sold on October 16, 2015 for \$1.694M net.

Fund Initial Investment	Fund Profit	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 contains 23,625 square feet of inline retail space. Other tenants include BVL Pediatrics, Lou’s Pizza, and a Puerto Rican Bakery. The property was 91% owned by the fund. The Bank of America parcel was sold on May 9, 2014 for ~\$1.23M. This property sold on November 4, 2015 for ~\$3.362M net.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$2,402,405	\$1,537,890	2.22x	34.45%

**Shoppes of Maitland — SOLD December 2015** Purchased December 2012, this property is located in Maitland, FL, a suburb of Orlando. The property consists of a 3,820-square-foot Regions Bank with drive-thru and a 16,441-square-foot retail shops building with second story office spaces. Regions Bank parcel sold February 2014 for \$3.986M. This property sold on December 9, 2015 for ~\$3.1M net.

Fund Initial Investment	Fund Profit	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 square feet of retail space in three buildings. Tenants include Just for Giggles, Grand Champion BBQ, 850 Fahrenheit Pizza, and a CrossFit studio. This property sold on December 30, 2015 for ~\$4M net.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$2,625,000	\$1,558,819	1.80x	26.38%

**Westminster Crossings — SOLD May 2016** PWREO purchased a 50% stake of this property located in Westminster, CO for \$4.05M in August 2012. It boasts a drive-thru Starbucks, Subway, and several local tenants. It totals 28,713 square feet and is shadow-anchored by Lowe’s Home Improvement. This property sold on May 9, 2016 for \$3.72M net.

Fund Initial Investment	Fund Profit	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 is 9,819 square feet and tenants include Papa John’s, EZ Spot, and Sagos Tavern. The property sold on June 30, 2016 for \$2.69M net.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$1,942,500	\$858,972	1.55x	16.88%

**Bell West Ranch Shops – SOLD August 2016** PWREO purchased this property with an assumed loan in August 2012. The 7,000-square-foot O’Reilly Auto Parts pad sold in October 2012 for ~\$1.988M net, which was used to pay down the loan. The remaining shop space is 20,225 square feet. The center is located on Bell Road near the growing Loop 303 corridor in Surprise, AZ. The remaining property sold on August 15, 2016 for \$3.82M net, with owner carryback financing. Final investment analysis numbers will be available when buyer pays off loan.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$5,838,446	N/A	N/A	N/A

**91st and Northern (Peoria Crossing) – SOLD August 2016** PWREO purchased this property in June 2012. This 7,900-square-foot commercial building is located in the popular Peoria Crossings shopping center just off Arizona Loop 101. The building is anchored by 2,700-square-foot Streets of New York restaurant. Property sold on August 31, 2016 for \$2.1M net.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$1,057,874	\$1,031,050	2.03x	18.86%

**Arrowhead Festival —** PWREO purchased this property in March 2012. The 12,611-square-foot commercial property is located at the northeast corner of Bell Road and 73rd Ave in Glendale. America’s Best Contacts and Eyeglasses recently relocated within the building while expanding their footprint to over 5,200 square feet.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,739,027	\$1,894,409	79%	\$8,409	\$93,526

**International Promenade —** PWREO purchased this property in April 2012. This 35,296-square-foot commercial property is located at the corner of US Highway 192 and Vineland Road in Kissimmee, FL. Taco Bell parcel sold for \$1.9M on September 17, 2013.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$3,167,940	\$2,133,612	95%	\$24,705	\$227,621

**Shoppes at Summerlin** — PWREO owns 50% of this property in the affluent Summerlin area of Las Vegas, NV. The property was purchased in August 2012 for \$2.86M. Tenants include Sprint and many popular local businesses. The center consists of 16,127 square feet. It is shadow-anchored by K-Mart, Lowe's, and Trader Joe's.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,467,225	\$1,548,110	93%	\$8,765	\$77,547

**Stonebridge Shops** — This property is located in Mesa, AZ and is 50% owned by the fund. The purchase price was \$2.65M and was completed in August 2012. The property consists of 30,235 square feet of shops, shadow-anchored by Safeway. Tenants include Moki's Hawaiian Grill, Cricket Wireless, Central AZ Medical Associates, and Hungry Howie's Pizza.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,306,793	\$1,604,689	74%	\$11,802	\$122,851

**Northlake Promenade** — This property, located in Atlanta, GA, was purchased in September 2012 for \$3.4M. The property is 80% owned by PWREO. Tenants include AT&T, FedEx Office, and Coast Dental. The 16,632 square foot property is located on a busy intersection across from the Northlake Mall and has easy access. AT&T portion of the building sold in April 2013 for \$1.825M.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,742,170	\$1,816,337	94%	\$21,054	\$176,790

**Vistancia Marketplace** — This property, located in Peoria, AZ, was purchased in October 2012 for \$25.9M and is 25% owned by the Fund. The center is located in the master planned community of Vistancia which will have over 17,000 homes at final build-out. Chase pad and Walgreens pad sold in March 2013 for ~\$10.82M combined net. Safeway pad sold October 2013 for ~\$14.1M. Vacant restaurant pad sold for \$781,733 in July 2016. Three-tenant building sold for ~\$550k in September 2016. Remaining shops space totals 41,075 square feet. New lease signed with Vistancia Animal Hospital for 3,031 square feet.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$4,821,809	\$0	69%	\$13,671	\$83,955

**Fairway Park Plaza** — 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 31,955 square feet of shops space, shadow-anchored by a CVS Pharmacy.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$925,914	\$1,025,889	74%	\$15,498	\$160,701

**Hickory Flat** — 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 square feet of retail space in two separate buildings. Tenants include a 6,000 square foot liquor store and Papa John's Pizza. Wendy's exercised the option to purchase their parcel on February 29, 2016 for \$735k net.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,276,454	\$1,607,248	84%	\$16,243	\$159,426

**Village Shoppes at Altamonte** — This property is located in Altamonte Springs, FL, a suburb of Orlando, and was purchased May 2013. The property consists of 35,506 square feet of retail space. Tenants include Breakfast Club, Altamonte Springs Yoga, International Diamond Center, and Crepevine Restaurant. Net investment figure includes the government taking distribution.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,900,000	\$994,025	72%	\$40,755	\$289,489

**Highlands Shopping Center** — PWREO owns 100% of this property located in Clearwater, FL, purchased in June 2013 for \$700k. The property includes two retail buildings with 19,020 square feet of space. The property is shadow anchored by a Walmart Neighborhood Market.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$700,000	\$755,230	35%	\$1,212	\$11,301

**Note: MTD and YTD numbers reflect the Real Estate Opportunity Fund'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.**