

Pacific West Land, LLC

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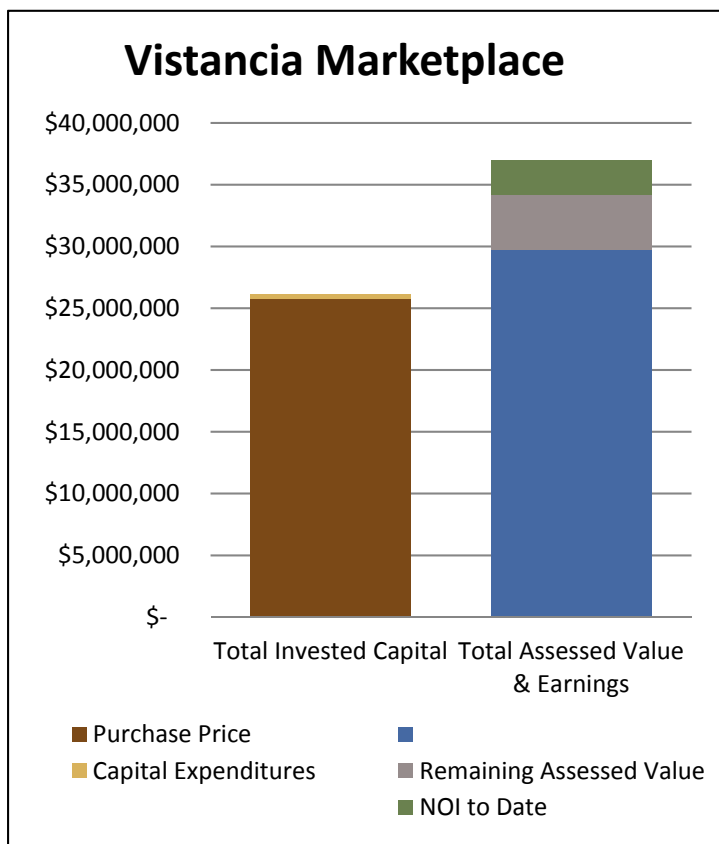
1/10/2018

January 2018 Update

We start the year by looking back at 2017. It was a good one for Pacific West Land, LLC. We reached our funding goal for Pacific West Real Estate Income II, LLC, finishing with \$41.5M in commitments. We are on a good path to getting that money fully invested, with \$17.4M invested at the close of 2017.

Pacific West Real Estate Income Fund, LLC (PWREI) saw its net operating income climb 6% in 2017 while vacancy and debt declined.

Pacific West Real Estate Opportunity Fund, LLC (PWREO) has now made distributions of **149.7%** of initial capital to Members. Remember this varies Member to Member based on when they invested and the size of their investment. PWREO still has 5 properties with an annual NOI of ~\$1.23M. The remaining value to be distributed to Members is around 24 – 29% of initial investment. This excellent performance was achieved with very little debt, and today PWREO carries no debt.

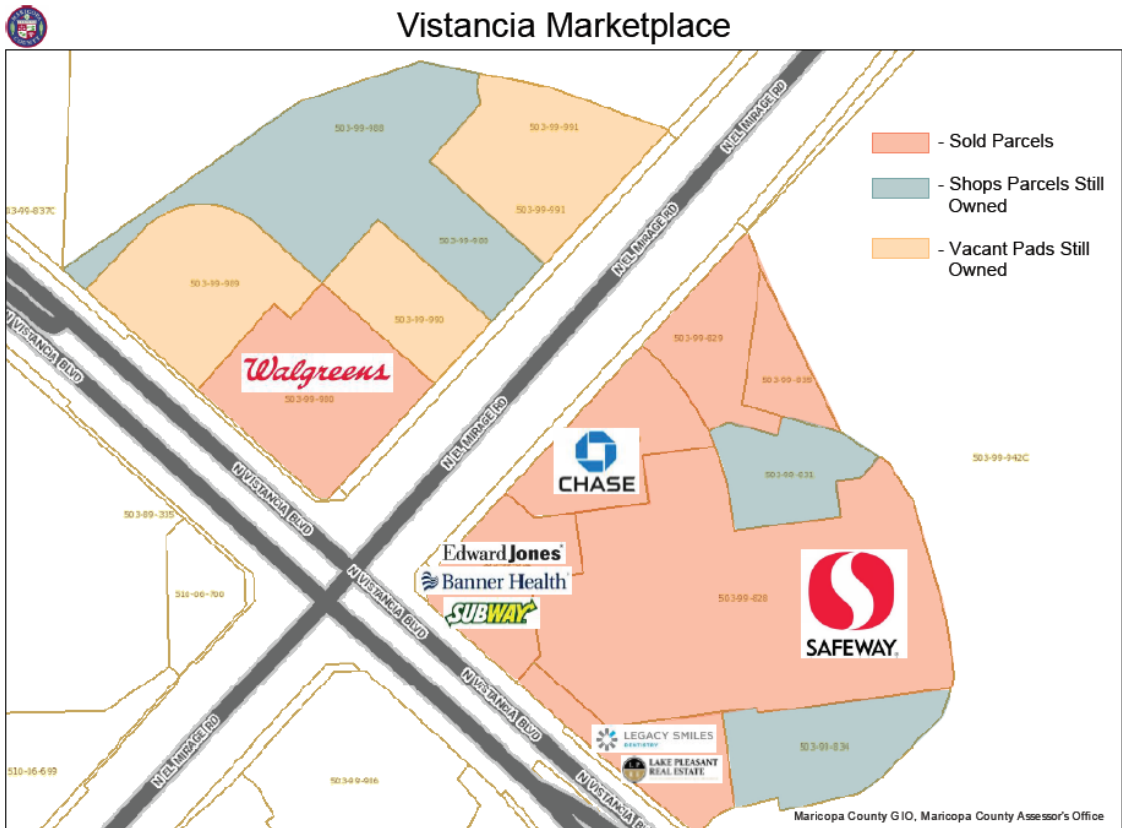


On December 18, 2017, we closed on the sale of the 6,642-sq. ft. Banner Health building at Vistancia Marketplace with net sale price of \$1,805,811. We originally bought the 130,516-sq. ft. Safeway- and Walgreens-anchored property in October 2012

for \$25,750,000. Including this sale, we have sold 6 sections of the Vistancia Marketplace property and 96,083-sq. ft. for a total of \$29,745,514. Immediately after we took ownership of Vistancia, the partial sales returned almost all of our capital. Because of this quick return of capital and overall profitability, the IRR on Vistancia is superior.

We have 4 multi-tenant buildings remaining and several undeveloped pads. This is a joint venture with PWREO owning 25% of the deal.

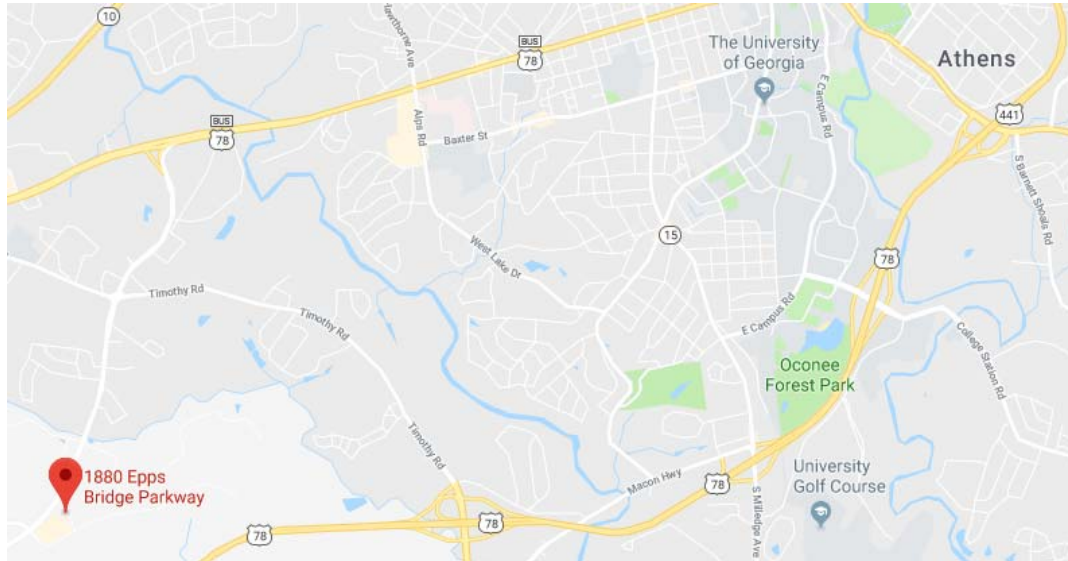
Purchase (October 2012)	\$25,750,000
Capital Expenses	\$349,290
Total	\$26,099,290
Walgreens sale (Mar 2013)	\$7,360,086
Chase sale (Mar 2013)	\$3,464,057
Safeway sale (October 2013)	\$14,106,593
Restaurant pad sale (July 2016)	\$781,733
3-tenant pad sale (Sept 2016)	\$2,227,234
Banner Building sale (Dec 2017)	\$1,805,811
<i>Value of remaining property</i>	<i>~\$4,418,522</i>
NOI thru 10/30/17	\$2,778,111
Total	\$36,942,147



PWRE2 made another acquisition on November 30, 2017. **The Pointe at Epps Bridge** (Epps Bridge) is in Georgia, and owned 100% by PWRE2.



Epps Bridge is a 14,145 sq. ft. shopping center in Athens, GA, which is home to the University of Georgia. This fully occupied center is shadow anchored by a Trader Joe’s and Ashley Furniture, and other neighboring retail properties include Kroger, Home Depot, Best Buy, Dick’s Sporting Goods, and Old Navy. We purchased Epps Bridge for \$3,208,250.



You may have read that a **Federal tax bill** was signed into law at the end of 2017. It appears the changes encompassed in the law will be favorable to our blind-pool investors. While we lost the deductibility of state income taxes, we gain a 20% deduction on pass-through income. I've been on the phone with our accountants, and they tell me that it won't be clear how this 20% reduction will be handled until the IRS issues new tax forms and guidance.

In December, PWRE2 signed one new lease at **Lexington Commons** with Cheezilla, which is a quick service restaurant specializing in grilled cheese. Cheezilla is renting 1,520-sq. ft. for a 5-year term.

PWREI signed a new 5-year, 4,450-sq. ft. lease in December at **Sugarcreek Crossing** with Cycle Gear, Inc., which is a motorcycle gear and supply chain.

From all of us here at Pacific West Land, Happy New Year!

Thanks –

Martin A. Stever

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PWREI Scorecard
(approximate investment by PWREI)
all data as of 11/30/17

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 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.

Initial Investment	Net Investment	Occupancy	2017 Q1-Q3 NOI
\$5,625,000	\$2,708,106	68%	\$231,600

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	2017 Q1-Q3 NOI
\$1,900,000	\$1,967,475	86%	\$136,842

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 South African restaurant.

Initial Investment	Net Investment	Occupancy	2017 Q1-Q3 NOI
\$2,740,600	\$2,918,131	77%	\$125,897

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	2017 Q1-Q3 NOI
\$1,000,000	\$1,003,600	86%	\$72,164

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	2017 Q1-Q3 NOI
\$2,960,000	\$1,948,707	80%	\$218,016

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	2017 Q1-Q3 NOI
\$1,010,000	\$1,028,350	59%	\$40,114

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	2017 Q1-Q3 NOI
\$1,522,500	\$1,539,427	75%	\$109,105

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	2017 Q1-Q3 NOI
\$2,677,500	\$2,741,820	83%	\$169,763

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. A new lease was signed with Uprite Vapor for 1,199 sq. ft.

Initial Investment	Net Investment	Occupancy	2017 Q1-Q3 NOI
\$1,850,000	\$1,951,736	87%	\$283,208

Massard Farms — PWREI purchased this large shopping complex in April 2015, located in Fort 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	2017 Q1-Q3 NOI
\$13,415,287	\$15,669,827	100%	\$779,178

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	2017 Q1-Q3 NOI
\$1,191,750	\$1,256,205	88%	\$88,179

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	2017 Q1-Q3 NOI
\$8,618,667	\$2,393,457	82%	\$212,414

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	2017 Q1-Q3 NOI
\$12,512,000	\$3,343,934	82%	\$234,961

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, and China Town Restaurant. A new lease was signed with T-Mobile for 1,256 sq. ft.

Initial Investment	Net Investment	Occupancy	2017 Q1-Q3 NOI
\$2,030,055	\$2,124,811	94%	\$205,573

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	2017 Q1-Q3 NOI
\$1,100,000	\$821,003	37%	\$16,054

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.

Initial Investment	Net Investment	Occupancy	2017 Q1-Q3 NOI
\$5,117,333	\$1,707,821	94%	\$141,116

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, i4Food, and Liberty Tax.

Initial Investment	Net Investment	Occupancy	2017 Q1-Q3 NOI
\$2,906,000	\$2,930,948	86%	\$128,988

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 Cobb Medical for 2,037 sq. ft.

Initial Investment	Net Investment	Occupancy	2017 Q1-Q3 NOI
\$2,660,000	\$2,679,625	100%	\$153,681

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	2017 Q1-Q3 NOI
\$2,922,500	\$2,932,427	84%	\$164,653

Note: 2017 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.