

Thank you to all Members who attended last week's Investor Lunch/Zoom Broadcast. We had an excellent turnout and enjoyed a delicious lunch hosted at Bake's Place. As we do each year at this gathering, we reviewed PWREI and PWRE2 year-to-date results through Q3. **Both PWREI and PWRE2 are doing well.** We talked about the market in general and had a robust Q&A session; we appreciated all the questions.



Aggregating across all PWL-managed properties, Q3 year-over-year results were good: book asset value increased 6.5% and net income rose 10%, making the second year in a row during which aggregate net income was up 10% in Q3. Pretty good!

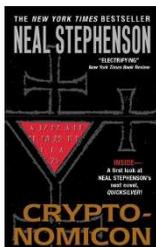
Looking at PWREI's results, Q3 was solid, with revenue, net operating income, and free cash flow all up compared to the same quarter last year and in the year-to-date results. This is impressive given PWREI has continued to harvest assets and return capital to

investors.

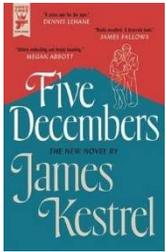
PWRE2's Q3 results were okay. Revenue was up just slightly from the same quarter last year and in the year-to-date results. NNN expenses spiked along with one-time expenses related to renovation work at Liberty Heights. Considering the original plan: to hold each property for 10 years, PWRE2 is well ahead of schedule, with four properties sold and one sale in process.

As is tradition in the December monthly update, we include my suggested reading. These recommendations are based on my favorite books read in 2025, out of the just over 100 I got through.

Best Fiction (tie): [Cryptonomicon](#) by [Neal Stephenson](#). Published in 1999, this novel surprised Stephenson fans. He had won numerous awards for the two science fiction books that immediately preceded it: [Snow Crash](#) and [The Diamond Age](#). There was an expectation that Stephenson would continue writing SF based on a wave of well-deserved popularity. Instead, he wrote a historical novel/treasure hunt adventure. [Cryptonomicon](#) jumps back and forth between two stories: one about WWII



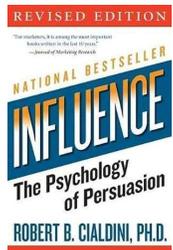
codebreakers and the commandos supporting the codebreakers' efforts; the second story is about a group of Silicon Valley techies who, while working on their start-up, stumble upon a series of clues pointing towards a sunken treasure. It's a long book filled with humor, excitement, explanations of the inner workings of tech start-ups, superb plotting, and Stephenson's superior handling of the English language. It becomes impossible not to root for the book's heroes; they are written with such depth. The novel is famous for predicting cybercurrency, and this is just one of 20 interesting ideas salted throughout the pages. Strangely, this book won a few science fiction awards, although it is not a science fiction book.



Five Decembers by [James Kestrel](#). A young police detective, fresh out of the Army and working in Hawaii in 1940, investigates a grisly double murder. The attack on Pearl Harbor greatly complicates his efforts. The opening chapters include an autopsy scene that made me a little queasy. This was my only quibble with a moving detective and romance story. It brought a tear to my eye. Winner of the 2022 Edgar Award for Best Mystery Novel.

Runners-up: The great *Dying Earth* fantasy novel, *The Eyes of the Overworld* by [Jack Vance](#), and *Charlesgate Confidential* by [Scott Von Doviak](#), a three-part mystery set in Boston.

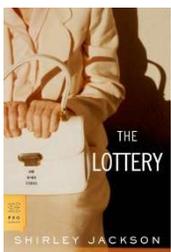
Best Non-Fiction: *Influence: The Psychology of Persuasion* by [Professor Robert B. Cialdini](#). This



book was initially published in 1984. I wish I had read it when it was first released. Several chapters clarify things we know, with Cialdini providing the reasons behind why people react the way they do. There was one chapter in particular that helped me better understand something I've wrestled with in my own life. For anyone in business who has not read this book, you will thank me if you do.

Runners-up: *Making It So* by [Patrick Stewart](#)—Stewart played [Jean-Luc Picard](#) in *Star Trek: The Next Generation*—and *A Man of Iron: The Turbulent Life and Improbable Presidency of Grover Cleveland* by [Troy Senik](#).

Best Audiobook: *The Lottery and Other Stories* by [Shirley Jackson](#). You may recall this title from



the September monthly update. I mentioned meeting the narrator, [Stefan Rudnicki](#). Rudnicki recommended this audiobook which he had produced. Fortunately, I listened to him. Jackson is most remembered for her novel, *The Haunting of Hill House*. This book of 24 short stories contains only two or three that are straight horror. The others share a common theme: the anxiety produced by modern life, mainly in the big city, with a couple of allegories and sketches mixed in. Multiple narrators, including Rudnicki, read these stories, and their performances are

outstanding.

Runner-up: *Lady, Lady I Did It!* by [Ed McBain](#) and read by [Dick Hill](#). This is the fourteenth novel in the *87th Precinct* series. I started listening to the 87th Precinct books after exchanging correspondence with the narrator, the much-decorated Mr. Hill, a few years ago. These police procedurals are something of a time machine; policing and the expectations of citizens were different when this book was published in 1961.

Club Deals

Our recent investments, like [Cooper Village](#), show that we continue to source high-quality, tax-advantaged real estate investments even in this restricted market. If you're interested in participating, please give me a call. The terms for club deals are very similar to those underlying PWRE1 & PWRE2. We charge a one-time 1% acquisition fee and an annual management fee of 1% of asset value. We split the profits 80/20 in favor of investors. The minimum investment is usually \$250K. **Typically, Club Deals are only circulated to past PWL investors who inquire directly about participating.**

1031 Exchanges

In the last three years, PWL helped facilitate **more than a half-dozen 1031 exchanges** for investors. Our newest acquisition, Cooper Village, adds another property to our growing list of Investment Vehicles that include 1031 exchange dollars.

The tight 45-day property identification period is the biggest challenge of the 1031 exchange process. Josh and his team analyze every single property that comes onto the market in the states and sectors we follow, which is critical for finding potentially excellent investments in the current, challenging market. This wide-net view of current offerings, and our thorough and conservative evaluations, means we only put opportunities in front of potential investors that we feel are genuinely high-quality investments.

We do not reduce the rigorousness of our evaluation process on properties simply because we have an investor on the clock to make a 1031 exchange. The more advanced notice we have, the higher the likelihood you will make a successful exchange.



PWL's leasing team was on fire last month. PWL signed 6 new leases and a lease extension in November.



Gold City Jewelers signed a new 3,590 sq. ft. lease for 5 years at [Auburn Hills Crossings](#).



Cute Nails & Spa signed a new 6-year lease for 2,375 sq. ft. at [Tupelo Market](#).



The Brow Keeper signed a new 5-year, 1,480 sq. ft. lease at [Village Pointe Center](#).



Also at [Village Pointe Center](#), Khaab Indian Kitchen & Bar signed a new 2,880 sq. ft. lease for 7 years.



UBREAKIFIX exercised their option to renew their 1,400 sq. ft. lease for 5 years at [The Pointe at Epps Bridge](#).

Rising Sons signed a new 5-year, 1,410 sq. ft. lease at [Sauk Point Square](#).

Summer Nails signed a new 900 sq. ft. lease for 5 years at [44 Renton Center](#).

Final thought:



We want to thank our friends at the [Metropolitan Grill](#) in Seattle for hosting our staff holiday party last week. The food and service were both excellent. The Met is now open for lunch on weekdays and has a terrific pre-Seahawks menu, with the restaurant adjusting its opening based on kickoff time.

We also want to thank Chris and his staff at [Bake's Place](#) for hosting our investor lunch. The buffet was outstanding. Bake's is known for its huge selection of whiskeys and for live music on many nights.



And don't forget [Jazz Alley](#) and [Assaggio](#), our other Seattle favorites.

[Chris Botti](#) is performing at Jazz Alley January 14-18. If you are able to snag a ticket, you'll love his show.

Happy Holidays and Merry Christmas –

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PWREI Scorecard

Approximate investment by PWREI

Data as of 10/31/25

Willow Hill Center

The 21,082 sq. ft. center located in Puyallup, WA, was purchased in May 2014 with an 83% stake by PWREI. We sold the Starbucks pad in October 2014 for ~\$2.35M net and the Ivar's pad in April 2015 for ~\$1.27M net. The property currently has 8 tenants, the most recognizable being F45 Fitness, Pho Tai Vietnamese, and Rainier Growlers.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$5,625,000	\$2,943,228	66%	\$217,033

Gulf Breeze

PWREI purchased this 27,736 sq. ft. property located in Port Arthur, TX in January 2015. The property is shadow-anchored by the major grocery store, H-E-B, and maintains great visibility from both HWY 347 and HWY 365. Gulf Breeze's has 17 tenants including: Edward Jones, World Finance, Super Cuts, Republic Finance, Flagship Mail Room, Pizza Hut, and a Wells Fargo ATM.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$2,677,500	\$2,889,380	96%	\$312,555

Log Pond Plaza

Located in a dense residential area just north of State Route 16 in Newark, OH, this 27,368 sq. ft. property was purchased by PWREI in March 2015. The property is shadow-anchored by a Walmart Super Center with a Home Depot across the street. Log Pond boasts a healthy mix of 13 local and national tenants, which include Any Lab Test Now, Cheng's Chinese, Fiesta Salon, CX Staffing, and CATO.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$1,850,000	\$2,179,603	94%	\$283,983

Massard Farms

This large shopping complex in Fort Smith, AR was purchased in April 2015. In September 2018, the Kohl's building sold for \$8.9M net. After its sale, PWREI still owns 71,592 sq. ft. of leasable space. Massard Farms tenants include an IHOP, Savers, Sports Clips, and Pad Thai Cuisine.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$13,415,287	\$7,401,127	98%	\$431,216

Massillon Commons

Located along the busy Lincoln Way corridor in Massillon, Ohio, this property was purchased in June 2015 for a 66.7% stake for PWREI. In June 2016, the Home Depot pad sold for ~\$9.36M net, with the proceeds used to pay off debt. In addition to a 50,503 sq. ft. Dunham's Sports, Massillon Commons boasts 62,235 sq. ft. of leasable space that includes 11 tenants, the largest being P.S. Cook's, OakPark Preschool, and Stark Medical.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$8,618,667	\$2,502,750	87%	\$268,977

Greensburg Commons

Purchased in July 2015 for a 66.7% stake for PWREI, this large 87,581 sq. ft. shopping center is located at the intersection of I-74 and State Rd. 3 in Greensburg, IN. In December 2016, the Walmart parcel sold for ~\$13.9M net with most of the proceeds used to pay off debt. Greensburg Commons holds a mix of 15 local and national tenants. The most recognizable tenants are Marshalls, Jimmy John's, Great Clips, Rent-A-Center, Feeder's Pet Supply, Goodwill, and Bath & Body Works.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$12,512,000	\$3,884,907	90%	\$430,093

Powder Springs

Purchased in October 2015 by PWREI, this 15,050 sq. ft. strip center is located on Richard D. Sailors Pkwy in Powder Springs, GA. Upon purchasing the property, we also acquired a vacant pad that we sold in February 2016 for ~\$280K net. Powder Springs is shadow-anchored by a Home Depot and has 8 tenants total, including Hanger Prosthetics, Premier Martial Arts, and Esteem Dental Studio.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$1,100,000	\$745,182	100%	\$214,902

Sugarcreek Crossing

Located in Centerville, OH, PWREI purchased Sugarcreek Crossing in October 2015 and holds a 66.7% stake. Upon purchase, the property included three parcels: a pad that Cracker Barrel ground-leased and eventually purchased from PWREI in May 2016 for ~\$2.28M net; a pad that Tire Discounters purchased in December 2016 for ~\$2.96M net; and the pad PWREI still owns that contains multi-tenant a retail building containing a UPS store, a Chiropractic office, and Five Guys burgers, among others.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$5,117,333	\$2,161,342	96%	\$236,133

East West Market

Purchased as a joint deal with Castleberry Promenade, PWREI acquired this 17,018 sq. ft. property in February 2016. East West Market is located along the East-West Connector in Austell, GA. The 1.09-acre Dunkin Donuts pad sold in June 2020 for ~\$522K net. The property currently holds 6 tenants, the largest being WellStar Health System, American Health Imaging, and Thumbs Up Diner.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$2,660,000	\$2,206,308	100%	\$282,179

Castleberry Promenade

PWREI acquired this 26,675 sq. ft. property in February 2016 as a joint deal with East West Market. Castleberry Promenade is located at the busy intersection of Bethelview Rd. and Castleberry Rd. in Cumming, GA. Upon purchase, the property included leasable space as well as two small developable pads. This property currently has 12 tenants, among them Kumon Learning, Castleberry Ale House, and West Mane Hair Co.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$2,906,000	\$3,237,237	100%	\$434,243

Village at Las Sendas

PWREI purchased this 39,144 sq. ft property in June 2016 for a 33.4% stake. The Village at Las Sendas is located at the intersection of McDowell Rd. and Power Rd. in Mesa, AZ. This shopping center has a diverse mix of 16 national and local tenants, with the most recognizable being Chipotle, and Smashburger. A new lease was signed with a specialty footwear company in December 2024 and with FedEx in February 2025.

Initial Investment	Net Investment	Occupancy	2025 Q3 NOI
\$2,922,500	\$3,030,034	96%	\$191,468

Gateway Center – SOLD July 2025

PWREI purchased this 28,056 sq. ft. mixed retail space, located in Newberry, SC, in October 2015. Gateway Center sits at the intersection of US 76 and Main St. and is shadow-anchored by a Walmart. With 10 tenants, the center's most notable occupants include Quick Credit, Nexien, Shoe Show, CATO and T-Mobile.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,900,000	\$3,876,230	2.68x	12.8%

Benjamin Square – SOLD September 2024

PWREI purchased this 9,950 sq. ft. property in May 2014. Benjamin Square is in a highly visible center just off of I-5 in Woodland, WA. The property has 7 tenants and is now 100% leased; the national tenants include Starbucks (drive-thru), Subway, Papa Murphy's, T-Mobile, and H&R Block. Benjamin Square sold in September 2024 for \$3.46M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,900,000	\$3,876,230	2.68x	12.8%

Auburn Road – SOLD August 2023

Located in Dacula, GA, this 8,400 sq. ft. property was purchased by PWREI in August 2014. The center is located at the busy intersection of Auburn Rd. and Jim Moore Rd. and is at the center of a sprawling residential area. Auburn Road's 4 tenants include State Farm, Intracore Healthcare, Georgia Veterinary, and Center Stripe Golf. Auburn Road sold in August 2023 for \$2.2M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,000,000	\$2,457,306	3.1x	16.3%

Oak Creek Commons– SOLD June 2022

This small 10,462 sq. ft. strip center located in Oak Creek, WI was purchased by PWREI in May 2015. Being south of Milwaukee, the area's population growth and average household income are projected to outpace the national average over the next five years. Oak Creek Commons sold in June 2022 for \$2.5M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,191,750	\$2,499,248	2.81x	18.4%

Shoppes at Buford – SOLD June 2022

This 20,844 sq. ft. property was purchased by PWREI in May 2014 and is located in Buford, GA. The center's location across from the Mall of Georgia puts it in a retail corridor ideal for drawing shoppers. Shoppes at Buford sold in June 2022 for \$5.7M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$2,740,600	\$5,699,583	2.68x	15.1%

Roosevelt Place – SOLD November 2021

This 14,000 sq. ft. property was purchased in August 2014 by PWREI. The property is located in the industrial corridor of Phoenix, AZ, by I-10. This location allows for heavy daytime traffic. In May 2016, the Jack in the Box pad sold for ~\$1.08M. Roosevelt Place sold in November 2021 for \$5.02M.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$2,960,000	\$4,620,030	2.55x	19.9%

Dail Center – SOLD August 2020

PWREI purchased Dail Center in December 2014. This 16,145 sq. ft. center is located along US Route 17 in famous Myrtle Beach, SC. Due to its popular location, the area attracts over 14 million visitors each year. In August 2020, Dail Center was sold for \$2.4M and was 100% occupied.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,522,500	\$1,990,807	2.08x	16%

Little Corona – SOLD August 2020

Located at the busy intersection of Rural Rd. and Ray Rd. in Chandler, AZ, this 6,074 sq. ft. property was purchased by PWREI in December 2014. Little Corona was sold in August 2020 for \$1.57M. At the time of sale, Little Corona held 100% occupancy.

Initial Investment	Profit	Deal Multiple	Deal IRR
\$1,010,000	\$1,170,646	1.82x	13%

Note: 2025 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 audited results on an annual basis from a PCAOB-registered public accounting firm.