

Pacific West Land, LLC

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

2/5/2013

February 2013 Update

We hope your new year is off to a great start. Things have been busy here at Pacific West Land. We have been spending time setting goals and expectations for the year, both as an executive team and in our annual all-hands, day-long offsite meeting. We have more property sales pending than at any one time in the company's history. Leasing activity remains robust.

Bruce, Josh, and I have just returned from Phoenix where we met with brokers and visited properties. We are very optimistic about Phoenix. Watch for articles on the new housing shortage in Phoenix sometime next year. The number of finished lots is far short of what will be needed looking just 4 or 5 quarters out, based on intra-U.S. migration to Phoenix and the natural growth from a young population base.

The Starbucks buildout at **The Plaza in Scottsdale** is making great progress. Construction is now vertical, and it's still on target to be completed in a March/April time frame. This will be the first drive-through Starbucks in all of Scottsdale.

We also welcome CosmoProf to **The Plaza in Scottsdale**, a division of national chain Sally Beauty Supply. The 2,451 square foot space is leased at \$14/square foot for 5 years.

Vistancia Marketplace welcomes the restaurant 71 An American Grill into a 6,206 square foot space at \$15/square foot, with a \$1 increase in year two. After some basic TI, estimated at \$10,000, the restaurant should open in March.

Plans are in the works for our next offering, and we'll keep you posted as these plans develop.

Please remember that if you'd like to visit our office for an in-person update, you are always welcome.

Best --

Martin A. Stever

206-780-3944

martin@pacificwestland.com

**Real Estate Opportunity Fund Scorecard
(approximate investment by the Fund)
all data as of 12/31/12**

Eastern and St. Rose —The PWREO Fund owns 22% of this property. Purchased for \$3.21M, this 20,180 square foot commercial property is located at the northwest corner of Eastern Ave and St. Rose Parkway in Henderson, NV. Extreme Mattress construction complete. Phenix Salons TI work ongoing.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$709,000	91%	\$5,438	\$79,844

Arrowhead Festival — The PWREO Fund owns 100% of this property. Purchased for \$1.73M in March, this 12,611 square foot commercial property is located at the northeast corner of Bell Road and 73rd Ave. in Glendale. Tenants include America's Best Contacts and Eyeglasses, and Avis Car Rental.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,732,500	68%	\$9,426	\$124,986

International Promenade —The PWREO Fund owns 100% of this property. Purchased for \$3.15M in April, this 35,296 square foot commercial property is located at the corner of US Highway 192 and Vineland Road in Kissimmee, FL. Tenants include Taco Bell, Kissimmee Dental, and T&C Spa. Lease signed with E-Cig retailer for 1,260 sq. ft.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$3,150,000	96%	\$25,689	\$188,949

Jonesboro-Towne Crest —The PWREO Fund owns 100% of this property. Purchased for \$1.55M in May, this 24,966 square foot commercial property is located at the corner of Jonesboro Road and Vinings Drive in McDonough, GA. Tenants include Quiznos and a U.S. Armed Services recruiting station.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,548,750	60%	\$14,554	\$64,817

Palm Bay Commons —The PWREO Fund owns 100% of this property. The note was purchased in May for \$923,000 and a deed in lieu of foreclosure was completed in early June. The 9,000 square foot property is located in Melbourne, FL. The tenants include Mattress One, L.A. Tan, and Sushi Mori Restaurant.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$923,000	100%	\$12,342	\$69,601

91st and Northern —The PWREO Fund owns 100% of this property. Purchased for \$1.06M in June, 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 sq. ft. Streets of New York restaurant. Negative NOI reflects additional maintenance expenses in December.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,055,000	52%	\$-2,255	\$-17,947

Bell West Ranch Shops —The PWREO Fund owns 100% of this property. Purchased for \$4.34M with an assumed loan in August 2012. The 7,000 square foot O'Reilly auto parts pad sold in October for \$2.07M, 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.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$4,340,000	100%	\$23,028	\$79,762

Westminster Crossings —The PWREO Fund owns 50% of this property located in Westminster, CO. The property was purchased for \$4.05M in August 2012. The property boasts a drive-thru Starbucks, Subway, and several local tenants. The total property is 28,713 sq. ft. and is shadow-anchored by Lowe's Home Improvement. Lease signed with Rockley Music for 1,300 sq. ft.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,090,263	71%	\$15,054	\$51,517

Shoppes of Andover —This property in Orlando, FL is 100% owned by

the fund and was purchased in August 2012 for \$2.89M. The property consists of 21,599 square feet. 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. Lease signed with an Asian restaurant for 1,750 sq. ft. Negative NOI reflects payment of property taxes. We will receive a credit for part of the recently made tax payment, as a property tax appeal was successful in December.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,887,500	72%	\$-35,158	\$16,673

Shoppes at Summerlin —The PWREO Fund owns 50% of this property located in the affluent Summerlin area of Las Vegas, NV. The property was purchased in August 2012 for \$2.86M. Tenants include Sprint, Nationwide Insurance, and many popular local businesses. The center consists of 16,147 square feet. It is shadow anchored by K-Mart, Lowe’s and Trader Joe’s.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,480,794	93%	\$11,728	\$48,977

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, Hungry Howie’s Pizza, and Edward Jones.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,289,293	41%	\$2,984	\$307

Kings Crossing —The Fund owns 100% of this property located in Kennesaw, GA, just outside of Atlanta. The property was purchased in September 2012 for \$850,000. The property is located next to a busy Bank of America branch and has excellent visibility from the street. It provides easy access to I-75 and is a tremendous lease-up opportunity. A CPA tenant signed 5-year lease to stay at the property.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$850,000	10%	\$974	\$-5,601

Northlake Promenade —This property, located in Atlanta, GA, was

purchased in September 2012 for \$3.4M. The property is 80% owned by the PWREO Fund. Tenants include AT&T, FedEx Office, and Coast Dental. The property is located on a busy intersection across from the Northlake Mall and has easy access.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,589,411	85%	\$15,391	\$124,755

Vistancia Marketplace —This property, located in Peoria, AZ, was purchased in October 2012 and 25% owned by the Fund. The 130,516 square foot property includes Safeway, Chase Bank, and Walgreens, as well as multiple in-line shops buildings and undeveloped pad sites. The center is located in the master planned community of Vistancia which will have over 17,000 homes at final build-out. Lease signed with American Grille to take the large restaurant pad and we are working on renewals with the drycleaners and Great Clips. Please note: occupancy % does not include Safeway, Chase, or Walgreens.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$3,237,500	66%	\$68,159	\$107,675

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. The property consists of 31,955 sq. ft. of shops space, shadow anchored by a CVS Pharmacy.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$925,000	52%	\$13,759	\$22,564

Hickory Flats —This property is located in Holly Springs, GA within the greater Atlanta metropolitan area. The center includes 19,285 sq. ft. of retail space in two separate buildings. Tenants include a freestanding Wendy's, a 6,000 sq. ft. liquor store and Papa John's Pizza.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,273,756	70%	\$19,247	\$19,247

Shoppes at Maitland —The fund owns 100% of this property located in Maitland, FL, a suburb of Orlando. The property consists of a 3,820 sq. ft. Regions Bank with drive-thru and a 16,441 sq. ft. retail shops building with second story office spaces. Tenants include Francesco Pizza and

Jimmy John's.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$4,109,872	63.04%	N/A	N/A

Note: MTD and YTD numbers reflect Real Estate Opportunity Fund portion of the totals.

Due to the length of these messages, our monthly updates will now alternate scorecards of our Real Estate Opportunity Fund and our Distressed Asset Fund.