

Pacific West Land, LLC

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2/4/2014

February 2014 Update

We are happy to announce that we completed our first monthly close for the new **Pacific West Real Estate Income Fund (PWREI)** on January 31. The Fund's first close was with firm commitments of \$12,900,000. Thank you to those who have already invested in PWREI. If you would like to receive the offering materials or if you have any questions about potentially making an investment, please call or email me with questions.

We hosted a very successful lunch in Seattle last month for prospective investors for our new offering. We plan to host two more lunches for prospective PWREI investors in February: **Seattle on February 7th** and **San Francisco on February 26th**. Please contact Melissa if you're interested in attending either event. (Melissa@pacificwestland.com, phone: 206-201-3212)

The Pacific West Distressed Asset Fund (PWDAF) just completed the sale of **Safeway Plaza**. The sale closed on January 31st for **\$1,275,000 Net**. We purchased this property in March 2011 for **\$660,000**. When PWDAF purchased this property, it was a completely vacant former Blockbuster Video location. We divided the space into three, leased it up, and sold it fully occupied. Next month we will give you the exact gross IRR and multiple.

Laurie and her staff, along with the accountants at Peterson Sullivan, are cranking on year-end and tax reporting. We are currently on track to put everything in the mail the first half of March.

In leasing news, we have signed a new tenant for our one remaining building at the **Shops at Warm Springs**. Freedom Industries, a retail shop, will rent a 1,788-square-foot space for 5 years.

Apache Foot & Ankle Specialists will join **Sienna Canyon Square**, leasing a 1,500-square-foot shop with a 5-year lease. There are no tenant improvement costs for this tenant.

We welcomed Cardinal Chiropractic to **Westminster Crossings**. They have signed a 5-year lease to occupy a 1,507-square-foot property.

As always, feel free to call or come by the office any time.

Best –

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Real Estate Opportunity Fund Scorecard
(approximate investment by the Fund)
all data as of 12/31/13

Palm Bay Commons — SOLD April 2013. The Fund 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	Profit	Multiple	IRR
\$923,000	\$468,900	1.51x	48.42%

Eastern and St. Rose — SOLD August 2013. The Fund sold this property in August 2013 for \$6.5M. PWREO Fund 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	IRR
\$709,000	\$545,677	1.84x	46.68%

Arrowhead Festival — The Fund 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. Negative NOI due to additional end of year 2013 property maintenance.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,739,500	\$1,739,500	68%	\$-2,505	\$130,150

International Promenade — The Fund 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. Tenants include Kissimmee Dental, and T&C Spa. 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	\$1,327,641	68%	\$13,071	\$200,771

Jonesboro-Towne Crest — The Fund 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.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,559,778	\$1,559,778	54%	\$10,155	\$103,431

91st and Northern — The Fund 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.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,057,874	\$1,057,874	66%	\$4,899	\$43,906

Bell West Ranch Shops — The Fund 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 \$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 Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$5,838,446	\$3,850,343	100%	\$10,733	\$157,374

Westminster Crossings — The Fund owns 50% of this property located in Westminster, CO. The property was purchased 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.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,948,347	\$1,948,347	64%	\$10,787	\$87,680

Shoppes of Andover — 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. New lease signed with Big Paws Dog Grooming for 1,050 square feet.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,918,863	\$2,918,863	89%	\$11,347	\$179,864

Shoppes at Summerlin — The Fund 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, 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 Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,467,225	\$1,467,225	86%	\$13,553	\$158,686

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 Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,306,793	\$1,306,793	41%	\$5,908	\$71,058

King’s Crossing — 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 and is a tremendous lease-up opportunity.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$855,401	\$855,401	72%	\$1,910	\$10,231

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 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	\$1,348,765	85%	\$9,925	\$211,482

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 ~\$11.2M combined. Safeway pad sold October 2013 for ~\$14.1M. Remaining shops space equals 53,421 square feet. American Grille tenant was locked out in December and leasing is working to find a replacement user.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$4,821,809	\$224,632	64%	\$15,211	\$259,622

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	\$925,914	66%	\$13,214	\$84,914

Hickory Flats — 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 freestanding Wendy's, a 6,000-square-foot liquor store, and Papa John's Pizza.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,276,454	\$2,276,454	70%	\$12,936	\$218,212

Shoppes of Maitland — 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. Tenants include Francesco Pizza and Jimmy John's. Lease signed with a cardiovascular clinic for office space totaling 1,818 square feet. Regions Bank parcel currently listed for sale.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$4,109,872	\$4,109,872	95%	\$30,757	\$280,020

Crabapple Station — 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, Sip Wine, and a CrossFit studio. A new lease was signed with Southern Chic Dress Boutique for 1,171 square feet.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI

\$2,625,000	\$2,625,000	100%	\$13,109	\$186,980
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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 First Watch, Altamonte Springs Yoga, and Silvano’s Restaurant. T.G.I. Friday’s and Winghouse neighbor the property on each end.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,900,000	\$2,900,000	40%	\$28,375	\$36,032

Buenaventura Lakes — 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 and a Bank of America ground lease. Other tenants include BVL Pediatrics, Lou’s Pizza, and Chimichurri Grille. The property is 91% owned by the fund. Lease signed with Puerto Rican Ice Cream tenant for 3,000 square feet.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,402,405	\$2,402,405	91%	\$18,867	\$100,527

Shoppes at Princeton Lakes — The fund owns 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. Current tenants include Edible Arrangements, Wireless Time, and Rice Box restaurant.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$775,000	\$775,000	100%	\$6,367	\$39,724

Fort Apache Shopping Center — The fund 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, Trammel Dance Studio, and Sagos Tavern as tenants.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,850,000	\$1,942,500	86%	\$15,776	\$59,586

Highlands Shopping Center — The fund 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. Negative NOI reflects current low occupancy.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$700,000	\$700,000	12%	\$-25,531	\$-63,105

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.*