

Pacific West Land, LLC

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

3/8/2013

March 2013 Update

Tax season is a busy time for everyone. We're pleased to report that all Pacific West K-1 tax information was in the mail to investors by March 5th thanks to hardworking accountants, especially the folks at Clothier & Head, and overtime by PWL staff.

A couple of years ago our IT guru, Ches Wilson, introduced Pacific West to Smartsheet. Smartsheet is a program that allows for collaborative data management. Smartsheet.com is a Bellevue-based company. The CEO of the firm asked if we'd participate in a promotional video for their company. The Smartsheet marketing team spent a half-day with us, including filming our weekly asset management meeting. This week they posted the marketing video to their website. **To see our 15 minutes of tech fame, [click here](#).**

The Starbucks and PotBelly pad building at **Scottsdale Plaza** is progressing nicely. The building is approximately 4,900 sq. ft. and is currently under construction. The scheduled completion date is April 1, 2013, though with good luck and continued hard work from our contractor and architect this date may move up into late March. We have been working closely with Starbucks and Potbelly to schedule turnover for early April. Both tenants have been working on their tenant improvement (TI) plans and hope to begin interior construction shortly after we turn over the suites.

We will soon begin construction and installation on two new monument signs for the Plaza. The first sign will be 36 feet high and is located on Scottsdale Road. This will provide our tenants with excellent visibility for this very busy corridor. In addition this sign will also include a new LED digital display that can be programmed to display tenant specials and advertisements. The second monument sign will be a replacement for the existing sign on Thunderbird Rd, and it will also increase visibility for the tenants.

Shops at Tatum & Dynamite welcomes Pieh Tool Company, specializing in blacksmith and farrier supplies. The 1,400 square foot shop leased for \$14/sq. ft., equaling \$21,392 annually NNN. It has built-in escalators of

\$.50/year for 5 years, with TI costs estimated at \$25,000 to be drawn monthly mid-March through mid-May, and a commission payout to the broker of \$13,752.

King's Crossing welcomes Complete Cash into 1,200 square feet at \$10/sq. ft. over 5 years with built-in escalators to \$11 in year 3 and \$.50 bumps in years 4 and 5. There will be no TI costs and the business is scheduled to open in April 2013.

Zumba at Fairway will open in **Fairway Park Plaza** in April, leasing 4,511 square feet for \$4/sq. ft. Built in escalators of \$.50/year take place over 5 years. The estimated TI cost of \$25,000 will bring the space to a vanilla shell.

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

Best --

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Distressed Asset Fund Scorecard
(approximate investment by the Fund)
all data as of 1/31/2013

San Diego County Loan—REPAID \$1M hard money loan at 18% interest. Borrower paid in full and Fund profit amounted to ~\$130.4k.

Oasis at the Islands—SOLD The Fund sold this 7,200 square foot commercial property located in Gilbert, AZ for \$1,255,000. Original purchase price was \$546k.

Fund Net Investment	Profit	Multiple	IRR
\$610,078	\$541,817	1.9x	30.79%

Foothills Park Plaza—Commercial center located in the Ahwatukee neighborhood of Phoenix, AZ, with 20,173 leasable square feet. The Fund owns 50% of this property. The 3,250 sq. ft. Force Karate tenant is open.

Fund Net	Occupancy	MTD NOI	YTD NOI
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Investment			
\$1,120,722	44%	\$3,761	\$3,761

Desert Bloom Plaza—The Fund acquired this 5,099 square foot Las Vegas retail property through a trustee’s sale. The note had a face value of \$800k.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$376,620	73%	\$1,236	\$1,236

Sunset Commons—Retail property located on Sunset Road in Las Vegas, NV, 100% owned by the Fund. Sold Popeye’s lease for ~\$605k.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$627,458	66%	\$2,655	\$2,655

Siena Canyon—The Fund is the sole owner of this 15,074 square foot property on Tropicana Ave in Las Vegas, NV. The Jack in the Box pad sold for \$1.747M and the Arby’s pad sold for \$1.374M. Acquired in August 2010, the Fund currently owns 8,990 square feet. New auto care tenant is open.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$162,554	63%	\$3,500	\$3,500

Laveen Village (\$1.6M)—Property 20% owned by the Fund, purchased for \$8.5M in August 2010 by the Fund in conjunction with a JV partner. Originally offered 65,529 leasable square feet. Jack in the Box pad sold in December 2010 for \$1.225M. Located at the corner of 35th & Southern in Phoenix, AZ.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$715,000	57%	\$20,892	\$20,892

Pepper Ridge Plaza (\$900k)—19,818 square foot property in Phoenix acquired in September 2010 for \$1.805M. 50% owned by the Fund.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI

\$969,730	29%	\$2,653	\$2,653
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Shops at Warm Springs (\$1.35M)—The Fund purchased a distressed note collateralized by this 35,242 square foot property in Las Vegas in November 2010 for \$6.5M and executed a deed-in-lieu of foreclosure. The Fund owns 20% of Shops at Warm Springs. A Wells Fargo ground lease sold for \$3.38M, Sinclair’s gas station sold for \$1.4M, and Putter’s restaurant sold for \$700k, all in July 2011.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$168,000	68%	\$3,021	\$3,021

Walmart Country Club Shops (\$2.049M)—Retail property 50% owned by the Fund in Mesa, AZ with 17,597 square feet of retail space. Purchased in December 2010. Vanilla shell build-out will be complete in February.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$932,638	18%	\$3,115	\$3,115

Ahwatukee Hills Plaza (\$710k)—Note purchased by the Fund in December 2010 collateralized by retail property with 7,040 square feet in Phoenix, AZ. Took title to the property at trustee’s sale on 3/21/11.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$732,073	71%	\$12,931	\$12,931

Shops at Tatum & Dynamite (\$1.25M)—8,725 square foot retail property purchased by the Fund in January 2011. Working on new lease with local farrier supply company for approximately 1,500 SF.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,252,078	41%	\$4,550	\$4,550

Village at Surprise (\$1M)—Note purchased in February 2011 for \$3.1M collateralized by this 27,205 square foot shopping center located at the intersection of Bell & Litchfield in Surprise, AZ. Property is 100% leased. C&A Nails relocation complete and Sears turnover will be complete in February.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$939,139	100%	\$4,097	\$4,097

Safeway Plaza (\$660K)—The Fund purchased this 6,000 square foot retail end cap at Safeway Plaza at the southwest corner of Elliot & McClintock in Tempe, AZ in March 2011. Lease signed with Tempe Smiles Dentist for 2,814 sq. ft. Work almost complete on additional electrical service.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$661,670	72%	\$1,861	\$1,861

Plaza in Scottsdale (\$1.315M)—Shopping center with 67,441 leasable square feet, 20% owned by the Fund, located at the intersection of Scottsdale & Thunderbird in Scottsdale, AZ. Purchased for \$6.44M in May 2011. Building refurbishment is complete. Turnover for Starbucks and Potbelly Sandwiches expected in late March. Lease signed with Cosmo Prof beauty supply for 2,451 SF.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,020,000	50%	\$5,486	\$5,486

Cave Creek Plaza (\$1.58M)—Shopping center with 21,595 leasable square feet owned by the Fund, located at the intersection of Bell & Cave Creek in north Phoenix, AZ. Purchased in June 2011.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,584,035	53%	\$9,512	\$9,512

Note: MTD and YTD numbers reflect Distressed Asset 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.