

Pacific West Land, LLC

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

6/4/2014

June 2014 Update

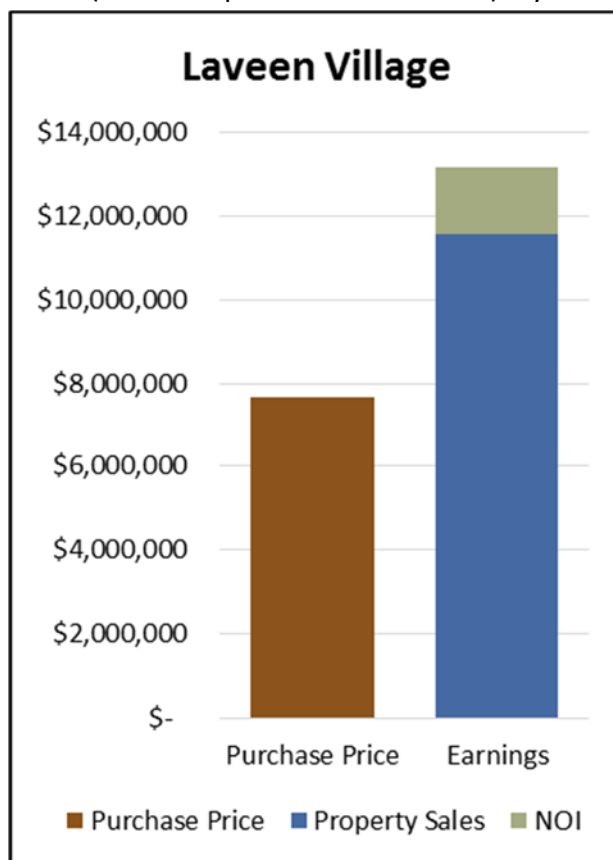
The **Pacific West Real Estate Income Fund (PWREI)** which opened to investment on February 1, ended the month of May with firm commitments of \$34,667,500. Thank you to those who have already invested in PWREI. If you have any questions about potentially making an investment, please call or email me. We are hosting another luncheon for prospective investors on June 12 in Seattle—please RSVP to Melissa (melissa@pacificwestland.com) if you'd like to attend.

It's a pleasure to report that we made distributions for both the **Pacific West Distressed Asset Fund (PWDAF)** and the **Pacific West Real Estate Opportunity Fund (PWREO)** this month.

The distribution from PWDAF came from our May 1st sale of the final portion of Laveen Village. The property was purchased in April 2010 for \$8M. A Jack in the Box parcel sold in December 2010 for ~\$1.2M, and an Office Max pad sold in June 2011 for just over \$3M. The remaining property sold for \$7,150,000.

NOI during ownership was \$1,583,643. The gross IRR for the investment was 27.9%, with a multiple of 1.66x. Obviously we are very happy with the result.

Proceeds for the PWREO distribution came from the sale of the Bank of America pad at **Buenaventura Lakes** in Kissimmee, FL. We originally bought the property in May 2013 for \$2,800,000. The bank parcel sold for



\$1,230,000. We still own 23,625 square feet of inline shops, which are now 91% leased.

Last month we sent the final **PWREO 2013 Audit Report** to investors in the fund. Our accounting firm Peterson Sullivan, LLP performed the audit. PWREI is also subject to an annual audit by Peterson Sullivan.

PWREI has made its first few acquisitions. **Willow Hill Center** is a 27,923-square-foot shopping center in Puyallup, WA purchased on May 5th. With five buildings on three separate parcels, the property was purchased for \$6,725,000. It is 78% occupied with tenants including Starbucks, Ivar's, Money Tree, Kumon, and a variety of local tenants. The in-place NOI is ~\$561,000.

Located on a major retail corridor, the center sits at the intersection of Meridian Avenue E and 132nd Street E. where traffic counts exceed 57,000 vehicles per day. It is in close proximity to a Safeway, Regal Cinemas, Sonic, and more. The South Hill Mall is just two blocks north, and just south are

On May 9th we finalized the purchase of **Benjamin Square**. With a purchase price of \$1,900,000, this 9,950-square-foot retail center is located in Woodland, WA. It features high visibility and easy access from I-5, with retailers such as a drive-through Starbucks and Subway Sandwiches to attract drivers. Directly adjacent to a Safeway, this property is 73% occupied with an in-place NOI of \$150,817.

On May 16th we purchased the **Shoppes at Buford**, a 20,844-square-foot property in Buford, GA, for \$2,740,600. This two-building center is located on the ring road surrounding the Mall of Georgia, the largest mall in the state which averages 1,720,460 visitors each month. NOI at purchase is ~\$224,404. The property is 87% leased, and the below-market in-place rents allow for significant rental growth.

We'd like to remind you that the **Bertha L. Johnson Memorial for Pancreatic Cancer Golf Tournament** will take place Thursday, July 31st starting at 1:30 in Port Ludlow. Pacific West Land and the Galloway Family Foundation will once again be supporting the event, organized annually by our leasing director Dennis Johnson. Participation is \$179.00 which covers green fees, cart, range balls, dinner, and gifts. Contact Dennis (dennisj@pacificwestland.com) for more details. The Bertha L. Johnson Memorial is an officially sanctioned event of the [Pancreatic Cancer Action Network](#). All proceeds will be donated to [Pan Can](#), a 501(c) non-profit ID#33-0841281. If you're thinking of

participating in the tournament, try stopping by our office for a coffee and the nickel tour on the way to Port Ludlow.

As always, feel free to call or come by the office at any time. Sunny summer days make for a great ferry ride. We're happy to provide an excuse!

Best –

Martin A. Stever
206-780-3944
martin@pacificwestland.com

Real Estate Opportunity Fund Scorecard
(approximate investment by the Fund)
all data as of 4/30/14

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.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,739,500	\$1,739,500	68%	\$271	\$39,006

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. Taco Bell parcel sold for

\$1.9M on September 17, 2013. Construction started on Advanced Auto tenant improvements.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$3,167,940	\$1,327,641	96%	\$12,728	\$33,932

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%	\$9,347	\$40,778

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%	\$5,144	\$23,026

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%	\$1,592	\$47,449

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	73%	\$31,487	\$70,441

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.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,918,863	\$2,918,863	89%	\$17,096	\$64,611

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. A new lease was signed with Simplicity Laser for 2,309 square feet.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,467,225	\$1,467,225	100%	\$9,266	\$43,092

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, and Hungry Howie’s Pizza. Negative NOI reflects payment of 2nd Half 2013 property taxes in April 2014.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,306,793	\$1,306,793	38%	\$-9,612	\$12,924

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.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$855,401	\$855,401	80%	\$4,629	\$24,486

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%	\$-8,367	\$47,031

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. Negative NOI reflects payment of 2nd Half 2013 property taxes in April 2014.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$4,821,809	\$224,632	64%	\$-12,222	\$14,131

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. Negative NOI reflects payment of 2nd Half 2013 property taxes in April 2014.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$925,914	\$925,914	66%	\$-1,717	\$45,667

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%	\$12,200	\$55,658

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. Regions Bank parcel sold February 2014 for \$3.986M.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$4,109,872	\$268,045	100%	\$19,585	\$106,904

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.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,625,000	\$2,625,000	100%	\$28,537	\$115,886

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 Breakfast Club, 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%	\$5,972	\$17,217

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. ** Note – Data below does not reflect sale of Bank of America on May 9, 2014 for \$1.23M.*

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,402,405	\$2,402,405	91%	\$29,718	\$96,439

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%	\$8,015	\$29,955

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 and Sagos Tavern as tenants.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,850,000	\$1,942,500	55%	\$9,608	\$50,329

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	25%	\$-4,671	\$-18,292

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.