

Pacific West Land, LLC

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

7/2/2014

July 2014 Update

I will be in the **San Francisco bay area** next week and **I hope you can join me for lunch or dinner on July 8th**. Lunch will take place in Mountain View and dinner in San Francisco. These events are open to our investors and prospects alike. If you're interested please contact Melissa (melissa@pacificwestland.com) for details.

We hope you are enjoying the beginning of summer and experiencing some good weather. Last weekend was Bainbridge Island's annual Rotary Auction, which is really more of a giant rummage sale. Bruce and I volunteered again this year and most employees attended. Each year the event raises several hundred thousand dollars to support Bainbridge Island Rotary's charitable endeavors.

We signed a new 3-year lease with Torch Cigar & Tobacco at the **Shops at Tatum and Dynamite**. There are no Tenant Improvement costs. This will bring the building's occupancy up to 86%.

In June, **Arrowhead Festival** gained a new nail salon tenant to lease 1,947 square feet over 5 years. **King's Crossing** welcomes a dance studio into 3,000 square feet. Tenant improvement costs for both are minimal.

The south building at **The Shops at Warm Springs** is listed for sale. This is the last remaining building on this property, where we've already parceled off and sold 5 pieces. These sales to date for Warm Springs have totaled \$8,894,066, or ~\$2.9M over our original purchase price.

It's not too late to sign up for the **Bertha L. Johnson Memorial for Pancreatic Cancer Golf Tournament** organized by our own Dennis Johnson. It takes 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. 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.

The **Pacific West Real Estate Income Fund, LLC** ended the month of June with firm commitments of \$37,592,500. We are still accepting investors into the fund. Please call or email if you are interested in investing.

We're always happy to get a phone call or visit at any time. Have an enjoyable and safe 4th of July!

Best –

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Distressed Asset Fund Scorecard
(approximate investment by the Fund)
all data as of 5/31/2014

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 in April 2012. The property was purchased in March 2010, with an original purchase price of \$546k.

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

Village at Surprise —SOLD The sale of this property was completed in April 2013 for \$6.01M. The property was purchased in February 2011 for \$3.108M, and was 30% owned by the Fund.

Fund Initial Investment	Fund Profit	Multiple	IRR
\$939,139	\$781,492	1.89x	36.71%

Sunset Commons —SOLD The Popeye's lease sold in February 2011 for ~\$605k. The sale of the remainder of this property was completed in July 2013 for \$1.85M. It was 100% owned by the Fund.

Fund Initial Investment	Fund Profit	Multiple	IRR
\$627,458	\$1,033,790	1.86x	34.23%

Desert Bloom Plaza — SOLD The sale of this property was completed in November 2013 for \$780k. The Fund acquired this 5,099-square-foot Las Vegas retail property through a trustee's sale in August 2010. The note had a face value of \$800k. It was 100% owned by the Fund.

Fund Initial Investment	Fund Profit	Multiple	IRR
\$376,620	\$538,532	2.27	29.96%

Safeway Plaza — SOLD The sale of this property was completed at the end of January 2014 with a sale price of \$1,275,000 net. The fund acquired the building in March 2011.

Fund Initial Investment	Fund Profit	Multiple	IRR
\$661,670	\$319,250	1.87	28.87%

Laveen Village — SOLD This property was 20% owned by the Fund and was purchased in August 2010 for a total purchase price of \$8M. The Jack in the Box pad sold in December 2010 for \$1.225M. We sold an Office Max pad in June of 2011 for just over \$3M. The remainder of the property sold for \$7.15M on May 1, 2014.

Fund Initial Investment	Fund Profit	Multiple	IRR
\$1,600,000	\$647,717	1.66	27.9%

Foothills Park Plaza — This commercial center is located in the Ahwatukee neighborhood of Phoenix, AZ, with 20,173 leasable square feet purchased in June 2011. The Fund owns 50% of this property.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,120,722	\$1,155,622	78%	\$10,414	\$45,467

Siena Canyon — The Fund purchased this 15,074-square-foot property on Tropicana Ave in Las Vegas, NV in July 2010. The Jack in the Box pad sold for \$1.835M and the Arby's pad sold for \$1.417M. American Auto sold in October 2013 for \$700k. Remaining space is 6,000 square feet. Fund Net Investment is zero because we have earned back more than our capital investment.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$3,219,290	\$0	70%	\$1,759	\$7,100

Pepper Ridge Plaza — This 19,818-square-foot property in Phoenix was acquired in July 2010 for \$1,939M. It is 50% owned by the Fund.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$969,730	\$969,730	35%	\$1,943	\$2,536

Shops at Warm Springs — The Fund owns 20% of a 35,242-square-foot property in Las Vegas purchased November 2010 for \$6.5M. 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. We sold the SBA cell phone tower September 2011 for \$260,000, and completed the sale of the South Building in April 2013 for \$3.195M. Remaining building has 15,760 leasable square feet. Occupancy reflects remaining building. Fund Net Investment is zero because we have earned back more than our capital investment.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,350,000	\$0	70%	\$2,523	\$11,702

Walmart Country Club Shops — This Retail property is 44.9% owned by the Fund. It is located in Mesa, AZ with 17,597 square feet of retail space, purchased in December 2010 for \$2.049M. Lease signed with NextGen for 1,339 square feet.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,123,362	\$1,103,023	56%	\$3,643	\$4,161

Ahwatukee Hills Plaza — This note was purchased by the Fund in December 2010 collateralized by retail property with 7,040 square feet in Phoenix, AZ.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$732,073	\$732,073	71%	\$7,201	\$32,397

Shops at Tatum & Dynamite — This 8,725-square-foot retail property was purchased by the Fund in December 2010.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,252,078	\$1,252,078	72%	\$4,716	\$27,148

Plaza in Scottsdale — This shopping center with 67,441 leasable square feet is 20% owned by the Fund, and is located at the intersection of Scottsdale & Thunderbird in Scottsdale, AZ. It was purchased for \$6.44M in May 2011. Jack in the Box sold in September 2011 for \$1.4M. Starbucks pad sold November 2013 for \$3M. Completed construction of 3,828 square feet Once Upon a Child suite.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,300,000	\$442,353	71%	\$5,366	\$25,626

Cave Creek Plaza — This shopping center with 21,595 leasable square feet is located at the intersection of Bell & Cave Creek in north Phoenix, AZ. It was purchased in June 2011 for \$1.58M. Negative NOI reflects roof replacement completed in May 2014.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,584,035	\$1,584,035	80%	\$-36,894	\$5,843

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.