

Pacific West Land, LLC

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August 2013 Update

This month's report opens with a warning. Last year Congress passed and the President signed the JOBS Act, a law which they believed would spur job creation. Within that bill the SEC is directed to modify the rules regarding solicitations for private investments suitable only for accredited investors. The investment opportunities offered by Pacific West are examples of this type of investment. For decades the rule was simple, opportunities only suitable for accredited investors could not be pushed by general solicitation or advertising. Starting soon that will no longer be the case. The SEC is preparing final rules for general solicitation and crowdsourcing of capital for what had been known as private offerings. I've been getting emails and calls urging me to attend seminars on how to attract capital, seminars with names like, "Now the Gloves Are OFF!" Investment promoters who make money whether or not the underlying investment performs are about to have a field day.

In the very near future I expect investors, accredited or not, to be subject to cold calls, emails, direct mail, radio advertising, and probably late night commercials on TV for real estate and other investments that "can't miss." You'll be invited to lunches, dinners, wine tastings, meetings, and webinars to discuss "secrets of investment masters." You'll read headlines like, "Experts expect investor returns of more than 20% annually!"* (*with lots of small print on page 237 of the offering documents making it clear 20% is a number pulled out of a hat.) I expect abuse and fraud by promoters to explode. Be careful out there.

Here at Pacific West Land, the fourth distribution for the Pacific West Distressed Asset Fund went in the mail on Friday, July 26th. Funds for the distribution came from the sale of Sunset Commons on July 23rd. The final sale price was \$1.574M net. The sale of Popeye's in 2011 for \$605k brings the combined sales to ~\$2.179M. We enjoyed an additional income of ~\$91,000 while we owned the property. We originally purchased the property in September 2010 for \$1.27M.

Leasing remains steady. The **Plaza at Scottsdale** welcomes Mini bar.ber.shop into a 2,451 square foot space with a 5-year lease. Zach and I did a tour of our Phoenix properties last week. The Plaza looked great! Starbucks is open for business and the line of cars was huge. The shoe store opening next to Starbucks was in the process of getting its racking installed and it is expected to open shortly. We are planning to list the Starbucks building, which is now 100% occupied, for sale shortly.

As for our other properties, **King's Crossing** welcomes Jazzy Arts, an art studio and gift shop, into 1,200 square feet of space with a 5-year lease. **Shoppes of Maitland** welcomes Olea Greek Grill into 2,600 square feet and My House Fitness into 1,680 square feet, both with 5-year leases.

Things are busy here in our office as we gear up for our new offering, the **Pacific West Real Estate Income Fund, LLC**. Watch our monthly updates for more details.

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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Real Estate Opportunity Fund Scorecard
(approximate investment by the Fund)
all data as of 6/30/13

Palm Bay Commons — SOLD April 2013. The Fund sold this 9,000-square-foot property in April 2013 for \$1.35M. Original purchase price was \$923,000 in May 2012.

Fund Net Investment	Profit	Multiple	IRR
\$923,000	\$468,900	1.51x	48.42%

Eastern and St. Rose — The PWREO Fund owns 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. Great Clips is now open. Align Chiropractic signed lease for remaining vacancy. Landlord working on build-out. The property is currently under contract to sell.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$709,000	\$709,000	100%	\$7,287	\$30,891

Arrowhead Festival — The Fund purchased this property in April 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%	\$16,812	\$72,830

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 Taco Bell, Kissimmee Dental, and T&C Spa.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$3,167,940	\$3,167,940	92%	\$22,663	\$172,228

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%	\$8,698	\$57,196

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%	\$3,642	\$25,497

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
\$4,377,789	\$3,850,343	92%	\$18,342	\$97,082

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. New lease signed with Endurance House for 2,648 sq ft. Negative NOI reflects payment of property taxes in June.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,948,347	\$1,948,347	85%	\$-27,125	\$23,029

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	82%	\$7,424	\$82,069

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
\$1,476,225	\$1,476,225	79%	\$9,623	\$85,003

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. Parking lot repair work and painting underway.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,306,793	\$1,306,793	41%	\$9,006	\$58,244

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. Maintenance and lease-up expenses resulted in negative NOI.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$855,401	\$855,401	56%	\$-1,254	\$14,138

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 for \$1.825M.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,742,170	\$1,348,764	100%	\$19,723	\$147,789

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 currently under contract for sale. Remaining shops space equals 53,421 square feet. Please note: occupancy % does not include Safeway.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$6,475,000	\$5,324,114	65%	\$34,755	\$171,028

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%	\$9,269	\$13,734

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%	\$16,330	\$106,736

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 Raleigh Design to take 1,187 square feet of office space.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$4,109,872	\$4,109,872	69%	\$27,639	\$177,866

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	78%	\$25,225	\$94,584

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	35%	\$18,950	\$18,950

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 Ace Cash Express. The property is 91% owned by the fund.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,548,000	\$2,548,000	82%	\$24,131	\$24,131

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 Wireless Time, Edible Arrangements, and Rice Box restaurant.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$775,000	\$775,000	100%	\$6,606	\$6,606

Fort Apache Shopping Center — The fund purchased the note secured by this property in Las Vegas, NV for \$1.85M. The property is 9,819 square feet and is 86% occupied with 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%	N/A	N/A

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.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$700,000	\$700,000	12%	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.