

Pacific West Land, LLC

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

8/6/2014

August 2014 Update

The **Pacific West Real Estate Income Fund, LLC** ended the month of July with firm commitments of \$38,767,500. We are still accepting investors into the fund. Please call or email if you are interested in investing.

Summer has been busy at Pacific West Land. On July 30th we completed the sale of the final building at the **Shops at Warm Springs**, part of our **Pacific West Distressed Asset Fund (PWDAF)**. The final gross sale price was over \$3M. The 15,760-square-foot building was the last of six separate parcel sales for the property. We had previously sold a Wells Fargo pad, a gas station pad, a cell tower location, a restaurant parcel, and the south building. PWDAF owned 20% of the property, and we plan to do a distribution based on the sale shortly. Next month we'll report the final gross IRR and NOI on the property.

Leasing activity is in full swing, and **PWDAF** has three new leases to announce. A new Goodwill donation center will open in the **Shops at Tatum and Dynamite**. Goodwill will lease 1,228 square feet of space starting with a 2-year lease. There are no tenant improvement (TI) costs for this lease.

The **Plaza in Scottsdale** welcomes two new tenants. Phenix Salon Suites will lease 7,419 square feet for 10 years. Healing Path Day Spa will lease 1,350 square feet for 5 years. We are especially pleased with Phenix, as they are taking the "elbow" of this L-shaped center. That is generally the most difficult portion to lease.

The Pacific West Real Estate Income Fund (PWREO) added seven new leases in July. **Arrowhead Festival** welcomes two new tenants. Destination Scuba, an instruction and equipment store, will lease 2,054 square feet over five years. Mattress 2 Go will open in 3,200 square feet. They will replace a previous mattress store tenant.

International Diamond Center signed a lease for 6,665 square feet at the **Village Shoppes at Altamonte**, bringing the occupancy for the Shoppes to 60%.

Jonesboro-Towne Crest welcomes Staffing Connections into 3,765 square feet. This employment office signed a 5-year lease. Also joining our Jonesboro property is Weight Loss Enterprises, renting 1,680 square feet.

Dhakmani Inc. is a replacement tenant for an existing wine store in **Westminster Crossings**. They will lease 2,493 square feet over 5 years. Ashley Brian, a photography studio, will lease an additional 1,300 square feet at Westminster.

We signed leases for two new tenants at **Willow Hill Center**, one of our **Pacific West Real Estate Income Fund** properties. We still have a few new acquisitions in the works. Details will follow when they're completed.

We've added a **new staff member** to our accounting team. Sally Erickson graduated this spring from the University of Washington with degrees in accounting and information systems. Sally started with our accounting department part-time in 2013 while finishing school, and now joins us full time tackling our accounts payable and other accounting duties. Originally from Minnesota, Sally and her husband live on Bainbridge Island with their dog, Rameus James.

We're always happy to get a phone call or visit at any time.

Best –

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Real Estate Opportunity Fund Scorecard
(approximate investment by the Fund)
all data as of 6/30/14

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. Lease signed with a nail salon for 1,947 square feet.

| Fund Initial Investment | Fund Net Investment | Occupancy | MTD NOI | YTD NOI |
|-------------------------|---------------------|-----------|----------|----------|
| \$1,739,500 | \$1,739,500 | 84% | \$13,892 | \$53,169 |

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.

| Fund Initial Investment | Fund Net Investment | Occupancy | MTD NOI | YTD NOI |
|-------------------------|---------------------|-----------|----------|----------|
| \$3,167,940 | \$1,327,641 | 96% | \$10,121 | \$56,800 |

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% | \$16,272 | \$70,129 |

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% | \$7,737 | \$40,183 |

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 | 83% | \$15,581 | \$77,616 |

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% | \$16,355 | \$99,927 |

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% | \$5,449 | \$95,708 |

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 | 100% | \$11,603 | \$63,546 |

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.

| Fund Initial Investment | Fund Net Investment | Occupancy | MTD NOI | YTD NOI |
|-------------------------|---------------------|-----------|---------|----------|
| \$1,306,793 | \$1,306,793 | 38% | \$8,725 | \$38,451 |

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. Lease signed with Dance Tech for remaining 3,000 square.

| Fund Initial Investment | Fund Net Investment | Occupancy | MTD NOI | YTD NOI |
|-------------------------|---------------------|-----------|----------|----------|
| \$855,401 | \$855,401 | 100% | \$11,981 | \$40,883 |

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% | \$19,468 | \$83,490 |

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.

| Fund Initial Investment | Fund Net Investment | Occupancy | MTD NOI | YTD NOI |
|-------------------------|---------------------|-----------|----------|----------|
| \$4,821,809 | \$224,632 | 54% | \$11,985 | \$40,914 |

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% | \$16,791 | \$79,604 |

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% | \$12,135 | \$86,303 |

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% | \$22,628 | \$122,267 |

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% | \$24,275 | \$171,480 |

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% | \$22,853 | \$65,969 |

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. Other tenants include BVL Pediatrics, Lou's Pizza, and Chimichurri Grille. The property is 91% owned by the fund. The Bank of America parcel was sold on May 9, 2014 for \$1.23M.

| Fund Initial Investment | Fund Net Investment | Occupancy | MTD NOI | YTD NOI |
|-------------------------|---------------------|-----------|----------|-----------|
| \$2,402,405 | \$1,380,724 | 85% | \$19,518 | \$143,555 |

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% | \$5,977 | \$42,596 |

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% | \$12,507 | \$74,582 |

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% | \$-1,191 | \$-22,863 |

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.