

Pacific West Land, LLC

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

5/8/2014

May 2014 Update

The **Pacific West Real Estate Income Fund, LLC** ended the month of April with firm commitments of \$30,442,500. 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. I'm meeting with prospective investors regularly in Seattle. I have trips to meet with prospective investors in the Northeast Corridor on the calendar. Please let me know if you have an interest in meeting in person.

We are pleased to report that on May 1st we completed the sale of **Laveen Village** for the Pacific West Distressed Asset Fund (PWDAF). This property was originally purchased in April 2010 for \$8M, with PWDAF taking 20% of the total investment. We sold the Jack in the Box pad in December 2010 for ~\$1.2M and we sold the Office Max pad in June of 2011 for just over \$3M. The remaining property sold last week for \$7,150,000. Some of the proceeds from the sale will retire PWDAF's remaining debt. The remainder of the proceeds will be sent out as a **distribution to investors** later this month. {If emails came with sound effects, a bell would ring just now.}

Next month we will report the total net income we enjoyed on the Laveen Village investment during the hold period, along with the gross IRR and multiple on the transaction.

We have two leases to announce this month, both for the Pacific West Real Estate Income Fund (PWREO). Rug Gallery of Concord Mills will join **Northlake Promenade** in 4,000 square feet of space. With a three-year lease, this business is relocating from another shopping center, and will take over the space formerly leased by Bootcamp Boxing.

Simplicity Laser of Las Vegas will open a new location at the **Shoppes at Summerlin**. This hair-removal expert will lease 2,309 square feet over five years.

Please consider signing up for a day of fun and golf in support of a great cause. Pacific West Land and the Galloway Family Foundation will once again be supporting the **Bertha L. Johnson Memorial for Pancreatic Cancer Golf Tournament** at the Port Ludlow Golf Club. This four-person scramble is

organized annually by our leasing director Dennis Johnson. The tournament and dinner will take place on Thursday, July 31st, starting at 1:30. The cost to participate 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 the tournament, remember you may stop 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 any time.

Best --

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Distressed Asset Fund Scorecard
(approximate investment by the Fund)
all data as of 3/31/2014

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%

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%	\$10,337	\$25,216

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%	\$1,256	\$4,624

Laveen Village — This property is 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. Remaining space has 47,106 leasable square feet. * Note – Numbers below do not reflect the May 1st sale of the property.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,600,000	\$715,000	77%	\$7,590	\$27,218

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%	\$-1,226	\$6,862

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%	\$2,486	\$7,296

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.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,123,362	\$1,103,023	48%	\$5,085	\$12,617

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%	\$12,895	\$27,772

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%	\$6,962	\$23,846

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. New lease signed with Once Upon a Child for 3,828 sq ft.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,300,000	\$442,353	76%	\$11,840	\$25,549

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.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,584,035	\$1,584,035	80%	\$10,679	\$37,836

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.