

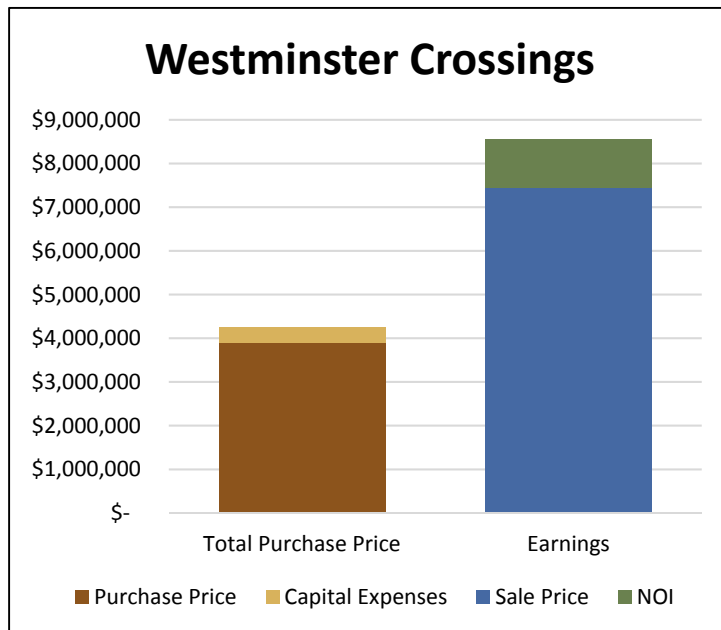
Pacific West Land, LLC

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

6/8/2016

June 2016 Report

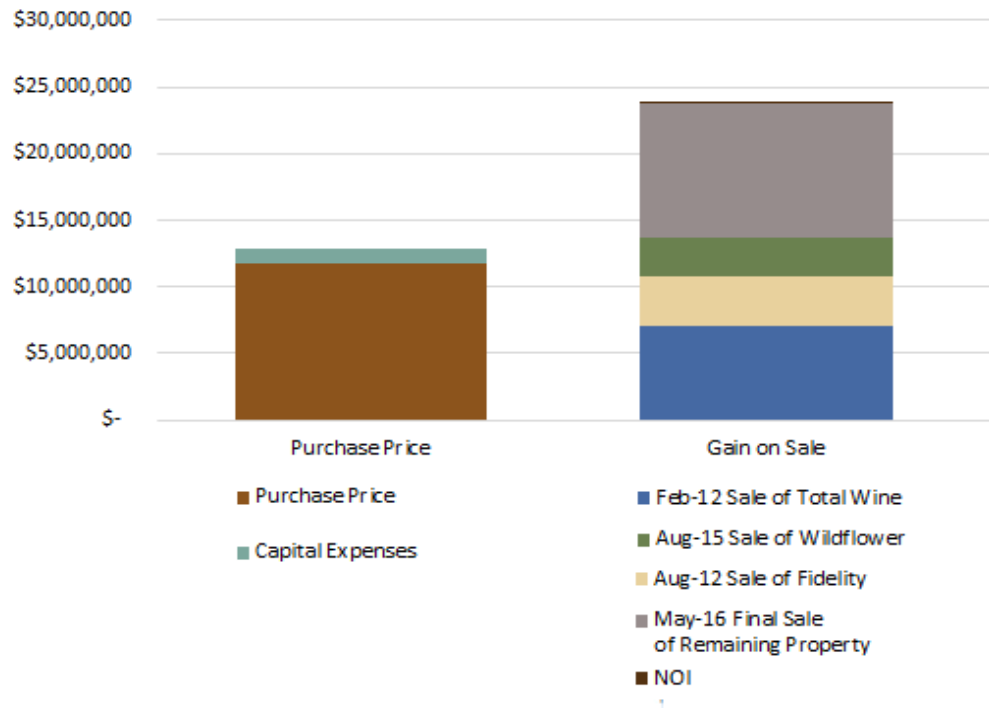
May was an excellent month for Pacific West investors, with several terrific realizations. Westminster Crossings in the Pacific West Real Estate Opportunity Fund, LLC (PWREO) closed on May 9th at a price of ~\$7.3M net. The Property was purchased in August 2012 for ~\$3.9M. This one was a bell ringer!



The **8th Annual Bertha L. Johnson Memorial Golf Tournament** will be held this year on Thursday, July 21st. This year's four-person scramble tournament will be held at the Port Ludlow Golf Club. It is organized by our leasing director Dennis Johnson. Please consider attending for a fun day of food, prizes, and friendly golf while supporting a great cause. Contact Dennis (Dennis@pacificwestland.com) for more details and to sign up. 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.

Back to transactions, another big win was on the sale of Arrowhead Gateway. The property was purchased in August 2011 for ~\$11.7M, a very distressed price, and was sold off in pieces with the final sale on May 3rd. The combined total on the realizations of the property were ~\$23M. The profit from the sales of the property totaled ~\$11M. The IRR to investors in this property was over 30%.

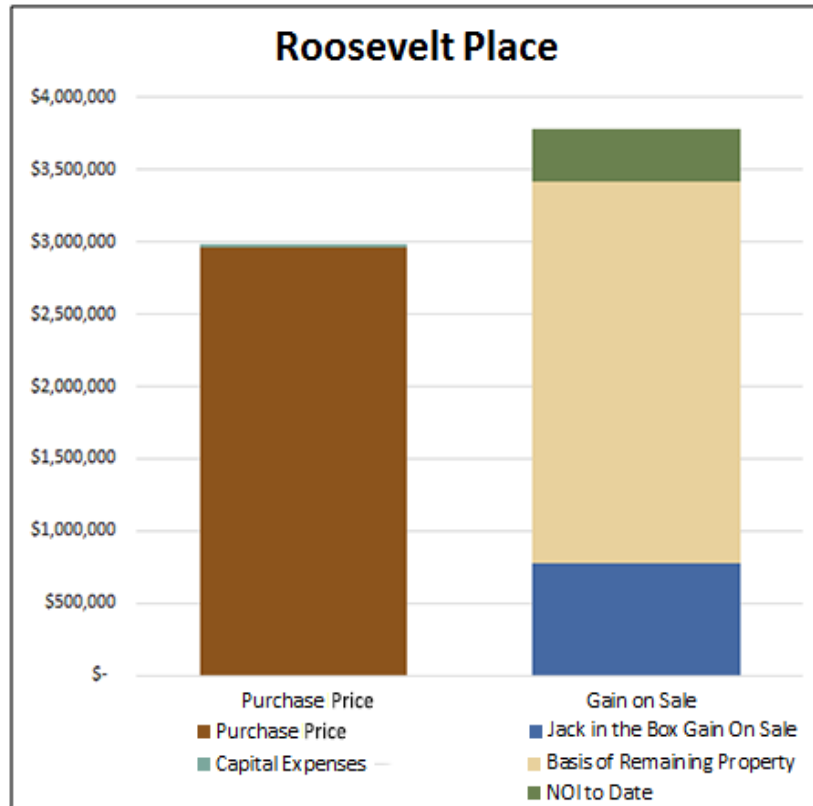
Arrowhead Gateway



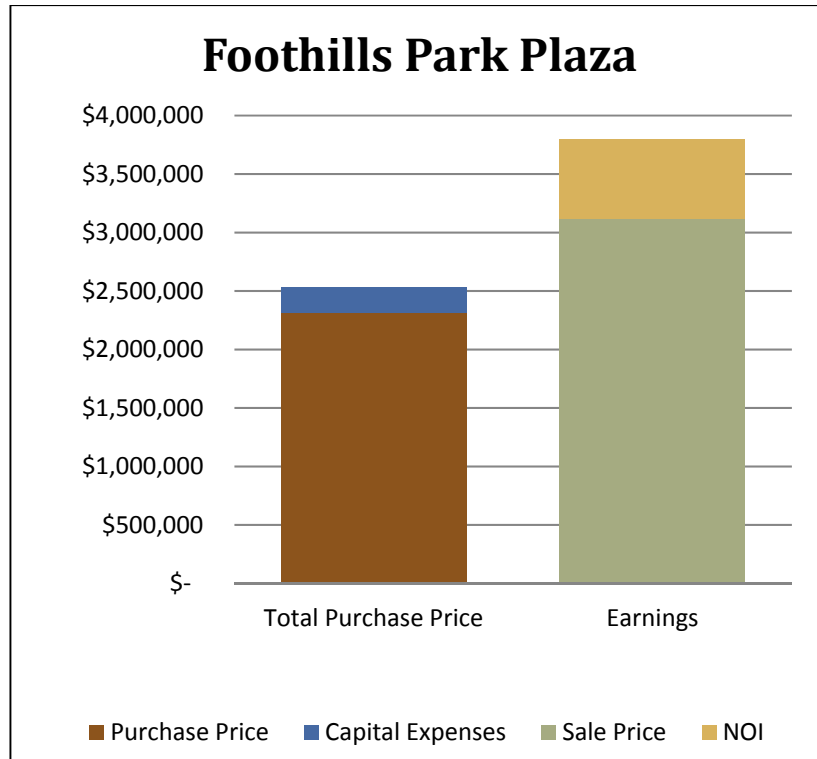
Purchase Price (Aug 2011)	\$ 11,700,000
Capital Expenses	<u>\$ 1,216,399</u>
Total	\$ 12,916,399
Sale of Total Wine Pad(Feb 2012)	\$ 7,033,591
Sale of Fidelity Pad (Aug 12)	\$ 3,713,270
Sale of Wildflower Pad (Aug 15)	\$ 2,892,535
Final Sale of Remaining Property (May 16)	\$ 10,100,000
NOI	<u>\$ 223,005</u>
Total	\$ 23,962,401
Total Profit	\$ 11,046,002

On May 2nd the Pacific West Real Estate Income Fund, LLC (PWREI) closed a sale on the Jack-in-the-Box Pad at the Roosevelt Place property. The pad started out as an empty bit of vacant land when the property was purchased, it was our hope that some tenant or user would be attracted to the pad sometime during our planned 10-year hold. We are fortunate to have gotten action on the pad quickly following PWREI's acquisition of the property. We sold the pad, with the Jack-in-the-Box

tenant before the quick serve restaurant was actually open. The total of the proceeds from the sale were \$1,082,388. The gain on the sale was ~\$773,015. In order to defer taxes on the sale, the proceeds went into a 1031-exchange account. The proceeds were then used on the purchase of a new acquisition for PWREI.



We are also pleased to report statistics for the April sale of Foothills Park Plaza, a property that was owned by Pacific West Distressed Asset Fund, LLC (PWDAF). The Multiple was ~1.71x with a Gross IRR of ~10.44%.



As always, please don't hesitate to call with questions, and we always welcome visitors. A summer ferry ride is a great way to enjoy the Pacific Northwest.

Best –

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**Real Estate Opportunity Fund Scorecard
(approximate investment by the Fund)
all data as of 4/30/16**

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	Gross 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	Gross IRR
\$709,000	\$545,677	1.84x	46.68%

Jonesboro-Towne Crest — SOLD May 2015 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. This property sold on May 18, 2015 for \$3.3M net.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$1,559,778	\$1,591,182	2.05x	28.34%

Shoppes at Princeton Lakes — SOLD July 2015 The fund owned 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. This property sold on July 7, 2015 for \$4.15M net.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$775,000	\$310,873	1.55x	24.44%

Shoppes of Andover — SOLD August 2015 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. This property was sold on August 6, 2015 for \$4.62M net.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$2,918,863	\$1,859,243	1.77x	22.72%

King's Crossing — SOLD October 2015 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. This property was sold on October 16, 2015 for \$1.694M net.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$855,401	\$829,486	1.99x	25.70%

Buenaventura Lakes — SOLD November 2015 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 a Puerto Rican Bakery. The property was 91% owned by the fund. The Bank of America parcel was sold on May 9, 2014 for \$1.23M. This property sold on November 4, 2015 for \$3.362M net.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$2,402,405	\$1,537,890	2.22x	34.45%

Shoppes of Maitland — SOLD December 2015 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. This property sold on December 9, 2015 for ~\$3.1M net.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$4,109,872	\$2,840,230	1.85x	43.20%

Crabapple Station — SOLD December 2015 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, Grand Champion BBQ, 850 Fahrenheit Pizza, and a CrossFit studio. This property sold on December 30, 2015 for ~\$4M net.

Fund Initial Investment	Fund Profit	Multiple	Gross IRR
\$2,625,000	\$1,558,819	1.80x	26.38%

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	\$1,876,126	58%	\$4,732	\$42,394

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	\$2,040,220	77%	\$20,622	\$104,648

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	\$1,203,804	80%	\$6,890	\$32,259

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	\$3,926,092	93%	\$7,534	\$68,977

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. *Property sold on May 9th, 2016 for \$3.723M net (fund portion). Sale will be reflected next month.*

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,948,347	\$2,206,810	95%	\$27,009	\$81,001

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 16,127 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	\$1,538,958	70%	\$8,669	\$34,175

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, Cricket Wireless, Central AZ Medical Associates, and Hungry Howie's Pizza.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI

\$1,306,793	\$1,604,689	78%	\$5,656	\$51,477
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Northlake Promenade — This property, located in Atlanta, GA, was purchased in September 2012 for \$3.4M. The property is 80% owned by PWREO. 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. New lease signed with JR Crickets for 1,612 square feet.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,742,170	\$1,812,640	94%	\$17,283	\$73,166

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 totals 53,421 square feet. Negative NOI due to payment of property taxes.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$4,821,809	\$298,593	62%	-\$3,430	\$22,569

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	\$1,025,889	74%	\$5,290	\$69,654

Hickory Flat — 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 6,000 square foot liquor store and Papa John's Pizza. Wendy's exercised the option to purchase their parcel on February 29, 2016 for \$735k net.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,276,454	\$1,602,901	84%	\$15,828	\$77,204

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,

International Diamond Center, and Silvano’s Restaurant with Winghouse as a close neighbor. Net investment decrease is due to settlement with the State of Florida over road construction taking.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,900,000	\$2,305,991	72%	\$28,354	\$121,822

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, EZ Spot, and Sagos Tavern.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,850,000	\$1,983,644	86%	\$16,820	\$65,021

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	\$755,230	35%	\$8,815	\$13,146

Note: MTD and YTD numbers reflect the Real Estate Opportunity Fund’s portion of the totals. All profit, NOI, Gross IRR, and Multiple calculations presented are unaudited gross estimates.