

Pacific West Land, LLC

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

10/10/2014

October 2014 Update

I am sometimes asked by prospective investors, “Do you provide anything in the way of reporting other than that monthly email I get from you?”

Investors also receive:

- A quarterly report with financials and a one-page summary on each property
- The K-1 with unaudited year-end financials, which goes out the last week of February/first week of March
- A GAAP audit report from Peterson Sullivan, which goes out annually, usually in May.
- A copy of their capital ledger with each distribution or other capital event
- An annual meeting each April, with telephone participation available
- Investor lunches each July and December, hosted in Seattle
- One meal/meeting each year in Boise; Portland, OR; and the SF Bay Area for investors. The scheduling of those is irregular.

The **Pacific West Real Estate Income Fund, LLC (PWREI)** ended the month of September with firm commitments of \$40,617,500.

PWREI will have its “final close” to new investors at the end of November.

If you have been considering joining PWREI but have been waiting for the final close, here it comes. If you’d still like to receive a copy of our offering materials please contact Melissa (melissa@pacificwestland.com).

I will be visiting **Chicago** and **Charlotte** this month and the **SF Bay Area** early next month. If you would like to schedule an appointment to discuss PWREI in our office, by phone, or while I’m on the road, please email or call me.

In leasing news, Andy’s Tobacco Shop will join our PWREO property at **Buenaventura Lakes**. They will rent 1,200 square feet of space starting with a five-year lease.

Thank you to the many PWREO Members who called and wrote to thank me for the explanation of **Internal Rate of Return (IRR)** that was included in last month’s update. It was surprising how many people let me know they appreciated it. It was five years ago that we started putting out a monthly

email. During the first year or two I wrote a lot about the lingo and math of private equity real estate. I will endeavor to get back to doing a bit more of that going forward.

Best --

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Real Estate Opportunity Fund Scorecard
(approximate investment by the Fund)
all data as of 8/31/14

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.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,739,500	\$1,739,500	89%	\$8,366	\$68,362

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%	\$14,926	\$71,677

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	88%	\$18,917	\$107,982

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%	\$6,635	\$53,402

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%	\$17,720	\$105,628

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	80%	\$15,137	\$122,762

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. Five-year lease signed with Red Mountain BBQ for 1,542 square feet.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,918,863	\$2,918,863	84%	\$26,763	\$149,234

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	93%	\$25,572	\$94,951

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. Five-year lease signed with Central Arizona Medical Association for 9,398 square feet.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,306,793	\$1,306,793	69%	\$6,230	\$42,419

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.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$855,401	\$855,401	100%	\$10,263	\$69,536

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%	\$12,113	\$112,498

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%	\$15,630	\$69,029

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	62%	\$14,017	\$107,461

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. Five-year lease signed with Dancentre South for 2,800 square feet.

Fund Initial Investment	Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$2,276,454	\$2,276,454	84%	\$10,068	\$107,963

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%	\$23,947	\$163,204

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%	\$44,339	\$239,417

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	61%	\$16,660	\$75,287

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%	\$10,971	\$162,173

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%	\$7,129	\$55,321

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%	\$11,279	\$97,156

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%	\$-5,778	\$-31,316

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.