

## Pacific West Real Estate Opportunity Fund, LLC

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

8/3/2012

August 2012 Update

July was very busy here at Pacific West Land. We have been working on several new investments, and as many as seven of them will close in August. We have been working on several of these potential investments for some time. Josh and the acquisitions team have been putting in the hours. We also held our annual Seattle summer investor lunch in July, and 20 investors attended. We also were a sponsor of Clothier & Head's annual fundraiser for Food Lifeline. Over \$32,000 and 444 food items were donated for this terrific organization, nearly double the amount of the previous year.

It seems certain that we will achieve our goal of having a minimum of \$30M in the Pacific West Real Estate Opportunity Fund, LLC. Therefore, we are announcing that **the final close for new investments into the Fund will be at the end of September.**

In July, Taco Bell at International Promenade extended their lease until 2017.

The Plaza in Scottsdale welcomes Jabz Boxing, with a five-year lease for 2,451 square feet. The first year's rent will be \$5/square foot, with a jump to \$15.45 in the second year with increases each year until it reaches \$16.88/square foot.

Wine and Design, a store that teaches painting while artists enjoy their favorite beverages, opened at the Shops at Warm Springs. Their 1,440 square foot space is leased for three years, starting at \$12/square foot and climbing to \$15/square foot in the third year. Also in Warm Springs, Jass Smoke Shop leased 1,400 square feet for three years at the same rate.

In late June The Fund acquired a new property, 91<sup>st</sup> and Northern, in Peoria, AZ. Purchased for \$1,055,000 in a short sale, this property is part of the larger Peoria Crossings, anchored by Target, Kohl's, Ross Dress for Less, Michaels, and Petco. Immediately on Hwy 101, its 7,900 sq. ft. are currently 52% occupied. Our goal is to lease the remaining space and

then sell the property at a gain.

The Pacific West Real Estate Opportunity Fund finished July capitalized at **\$29,753,000**. The Fund remains open to new investors and referrals to potential investors are always welcome.

Best --

**Martin A. Stever**  
**206-780-3944**  
[martin@pwlnd.com](mailto:martin@pwlnd.com)

**Real Estate Opportunity Fund Scorecard**  
**(approximate investment by the Fund)**  
**all data as of 6/30/12**

**Eastern and St. Rose** —The PWREO Fund owns 22% of this property. Purchased for \$3.21M, this 20,180 square foot commercial property is located at the northwest corner of Eastern Ave and St. Rose Parkway in Henderson, NV. Center has been repainted.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$709,000	52%	\$9,732	\$54,698

**Arrowhead Festival** — The PWREO Fund owns 100% of this property. Purchased for \$1.73M in March, this 12,611 square foot commercial property is located at the northeast corner of Bell Road and 73rd Ave. in Glendale, AZ. Tenants include America's Best Contacts and Eyeglasses and Avis Car Rental.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,732,500	68%	\$25,556	\$47,852

**International Promenade** —The PWREO Fund owns 100% of this property. Purchased for \$3.15M in April, 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 and Kissimmee Dental. Lease signed with T&C Spa for 1,365 sq. ft.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$3,150,000	88%	\$42,284	\$68,089

**Jonesboro-Towne Crest** —The PWREO Fund owns 100% of this property. Purchased for \$1.55M in May, this 24,966 square foot commercial property is located at the corner of Jonesboro Road and Vinings Drive in McDonough, GA. Tenants include Quiznos and a U.S. Armed Services recruiting station.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,548,750	60%	\$5,234	\$11,523

**Palm Bay Commons** —The PWREO Fund now owns 100% of this property. The note was purchased in May for \$923,000 and a deed-in-lieu of foreclosure was completed in early June. The 9,000 sq. ft. property, located in Melbourne, FL, is 100% occupied. The tenants include Mattress One, L.A. Tan, and Sushi Mori Restaurant.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$923,000	100%	\$13,334	\$13,334

**91<sup>st</sup> and Northern (Just Acquired)** —The PWREO Fund owns 100% of this property. Purchased for \$1.06M in June, this 7,900 square foot commercial building is located in the popular Peoria Crossings shopping center just off Arizona Loop 101 in Glendale, AZ. The building is anchored by 2,700 sq. ft. Streets of New York restaurant.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,055,000	52%	-	-

**Note: MTD and YTD numbers reflect Real Estate Opportunity Fund portion of the totals.**

**Distressed Asset Fund Scorecard  
(approximate investment by the Fund)  
all data as of 6/30/2012**

**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. Original purchase price was \$546k. Total invested capital was \$573,635.

Fund Net Investment	Profit	Multiple	IRR
\$610,078	\$541,817	1.9x	30.79%

**Foothills Park Plaza**—Commercial center located in the Ahwatukee neighborhood of Phoenix, AZ, with 20,173 leasable square feet. The Fund owns 50% of this property. Recently refurbished.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,120,722	28%	\$4,828	\$8,601

**Desert Bloom Plaza**—The Fund acquired this 5,099 square foot Las Vegas retail property through a trustee's sale. The note had a face value of \$800k.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$376,620	57%	\$3,518	\$17,045

**Sunset Commons**—Retail property located on Sunset Road in Las Vegas, NV, 100% owned by the Fund. Sold Popeye's lease for ~\$605k. Nevada Life Services is open for business.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$627,458	66%	\$2,584	\$25,677

**Siena Canyon**—The Fund is the sole owner of this 15,074 square foot property on Tropicana Ave in Las Vegas, NV. The Jack in the Box pad sold for \$1.747M and the Arby's pad sold for \$1.374M. Acquired in August 2010, the Fund currently owns 8,990 square feet. Leases signed with Kaizad's Smoke and Hookah Shop for 2,700 sq. ft. and Dr. Goldsmith for 1,500 sq. ft. Negative NOI reflects Landlord work for Dr. Goldsmith.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$162,554	100%	\$-1,716	\$-38,885

**Laveen Village (\$1.6M)**—Property 20% owned by the Fund, purchased for \$8.5M in August 2010 by the Fund in conjunction with a JV partner. Originally offered 65,529 leasable square feet. Located on 35<sup>th</sup> &

Southern in Phoenix, AZ. Jack in the Box pad sold in December 2010 for \$1.225M. Landlord work for Park Smoke Shop started.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$715,000	62%	\$9,787	\$43,381

**Pepper Ridge Plaza (\$900k)**—19,818 square foot property in Phoenix acquired in September 2010 for \$1.805M. 50% owned by the Fund. Pepper Ridge benefits from Walgreens and Albertson's as shadow anchors. Landlord work for Mindy's Nails started.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$969,730	29%	\$3,417	-\$7,201

**Shops at Warm Springs (\$1.35M)**—The Fund purchased a distressed note collateralized by this 35,242 square foot property in Las Vegas in November 2010 for \$6.5M and executed a deed in lieu of foreclosure. The Fund owns 20% of Shops at Warm Springs. 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. Leases signed with Design & Wine and Jass Smoke Shop.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$168,000	67%	\$2,762	\$14,068

**Walmart Country Club Shops (\$2.049M)**—Retail property 50% owned by the Fund in Mesa, AZ with 17,597 square feet of retail space. Purchased December 2010. Vanilla shell build-out of the total property on hold pending two potential leases. We will build out the two spaces as leased, then complete the vanilla shells in the remainder of the property.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$932,638	18%	\$2,221	-\$1,589

**Ahwatukee Hills Plaza (\$710k)**—Note purchased by the Fund in December 2010 collateralized by retail property with 7,040 square feet in Phoenix, AZ. Took title to the property at trustee's sale on 3/21/11. Qdoba is now open for business.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$732,073	71%	\$6,175	\$19,739

**Shops at Tatum & Dynamite (\$1.25M)**—8,725 square foot retail property located purchased by the Fund in January 2011.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,252,078	41%	\$486	\$21,916

**Village at Surprise (\$1M)**—Note purchased in February 2011 for \$3.1M collateralized by this 27,205 square foot shopping center located at the intersection of Bell & Litchfield in Surprise, AZ. Lease signed with Once Upon a Child for ~3,500 sq. ft.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$939,139	79%	\$9,738	\$47,570

**Safeway Plaza (\$660K)**—The Fund purchased this 6,000 square foot retail end cap at Safeway Plaza at the southwest corner of Elliot & McClintock in Tempe, AZ in March 2011. Rita's Ice will open in early August.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$661,670	25%	-\$1,102	-\$23,722

**Plaza in Scottsdale (\$1.315M)**—Shopping center with 67,441 leasable square feet 20% owned by the Fund, located at the intersection of Scottsdale & Thunderbird in Scottsdale, AZ. Purchased for \$6.44M in May 2011. Building refurbishment is complete. School of Rock continuing tenant improvement work. Jabz Boxing lease signed for 1,618 sq. ft.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,020,000	37%	\$4,496	\$14,578

**Cave Creek Plaza (\$1.58M)**—Shopping center with 21,595 leasable

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square feet owned by the Fund, located at the intersection of Bell & Cave Creek in north Phoenix, AZ. Purchased in June 2011.

Fund Net Investment	Occupancy	MTD NOI	YTD NOI
\$1,584,035	53%	\$13,182	\$62,080

**Note: MTD and YTD numbers reflect Distressed Asset Fund portion of the totals.**