

April 2022 Update

We sold Westminster the first week of April, which was the smallest PWRE2 investment. We think we could have finished improving Westminster and would have sold it a year earlier, had it not been for the pandemic. This would have meant about a \$200,000 improvement in the result due to lower costs.

PWRE2 | Pacific West Real Estate
Income II, LLC

Sold April 2022
Westminster

Purchase Date | August 2018

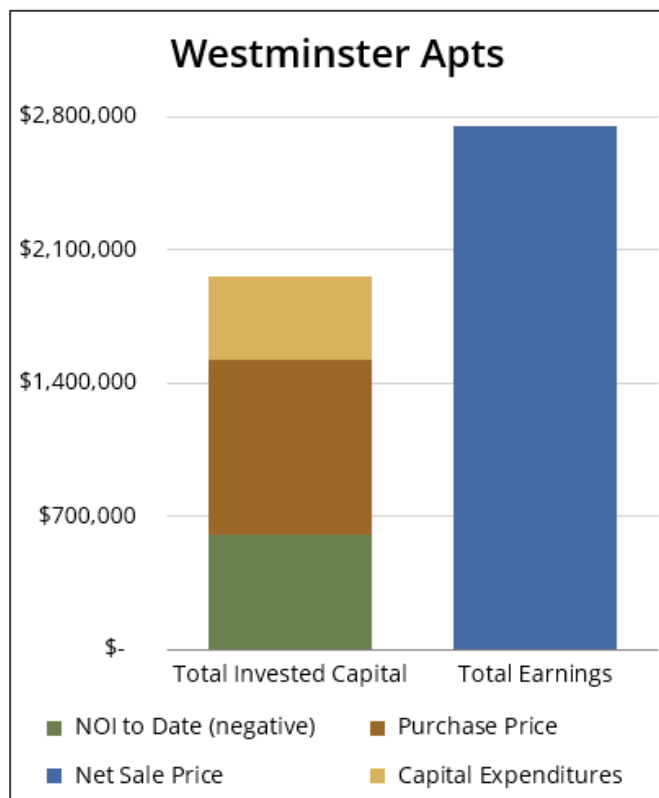
Purchase Price | \$918,750

PWRE2 Portion of Purchase Price | **\$918,750**

| | |
|----------------------|-------------|
| Net Sales | \$2,746,400 |
| NOI During Ownership | \$(604,256) |
| Total Earnings | \$2,142,144 |

Deal Multiple | **1.39x**

Deal IRR | **13.6%**



PWL has purchased another property in Wisconsin!



Located in Madison, Wisconsin, [Sauk Point Square](#) is a 26,350 square-foot neighborhood shopping center on 2.66 acres of land. The capital city of Madison is home to the University of Wisconsin and, as of 2021, the fastest growing city in Wisconsin. PWL purchased this property in February for \$5M, and the stabilized Year 3 NOI is projected to be ~\$431,246. At the time of purchase, the Center was 95% occupied. The Property benefits from a great location on Madison's affluent west side, with high daytime traffic counts.

Two weeks ago, we held our annual investor meeting. This meeting was hosted virtually via Zoom for our investors and their advisers. Here is a highlight reel of the meeting:

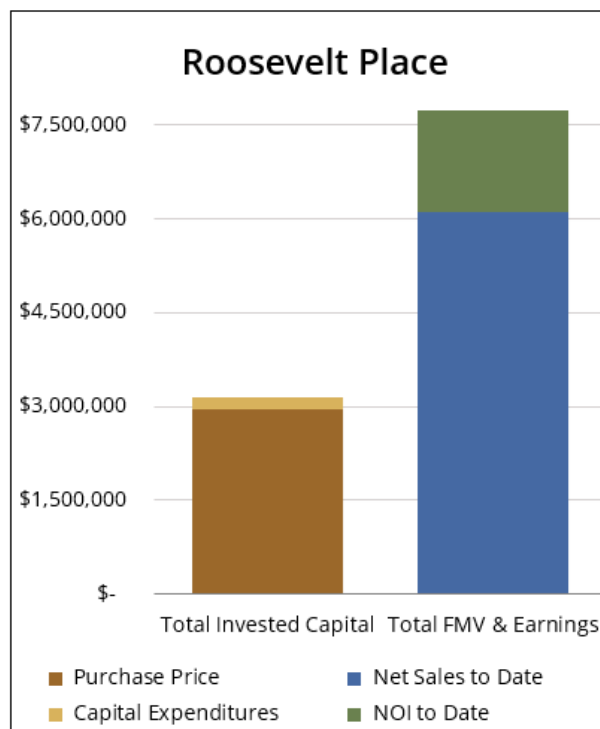
- Rents across the board are up significantly and vacancy continues to trend downward. We discussed at some length the tax efficiency of income from the neighborhood retail properties going into improvements in the multifamily value-add properties.
- We talked about how the pandemic essentially pushed everything back 12 – 16 months from our original improvement plans due to shutdowns, work rules, supply chain issues, and the ongoing labor shortage.
- We talked about the sale of [Roosevelt Place](#). It's always a good use of time to talk about the home runs.

Purchase Date | August 2014
Purchase Price | \$2,960,000
PWREI Portion of Purchase Price | **\$2,960,000**

| | |
|----------------------------|--------------------|
| Remaining Property Sale | \$5,023,749 |
| Vacant Pad Sale (May 2016) | \$1,083,481 |
| NOI During Ownership | \$1,625,234 |
| Total Earnings | \$7,732,464 |

Deal Multiple | 2.55x
Deal IRR | 19.9%

100% occupied at sale



- Overall results are excellent.

PWL is again sponsoring the [Bainbridge Island Auction & Rummage Sale](#) this summer. What is this “auction” you ask? It is the most fun charitable event we know of. It is a giant one-day rummage sale that raises ~\$400,000 each year. The Rotary Club of Bainbridge Island distributes these funds to charities, scholarships, and service projects. For a week, islanders drop off cartfuls of stuff they’d normally sell in a garage sale. This massive amount of goods is sorted into the island’s one middle school. Half the gym is filled with books, half with kids’ toys. There are rooms brimming with electronics, sporting goods, high-end clothing, jewelry, fine (and just adequate and sometimes hideous) art. There’s a huge tent filled with high-end furniture and a parking lot full of “just OK” furniture. Then on a Saturday, thousands of people come to the school to buy all the stuff their neighbors have dropped off. **It really is the best garage sale ever.**

At PWL, we love the Rotary “Auction” for several reasons.

- There is no better recycling than recycling a finished good.
- It brings neighbors together, as hundreds of people volunteer the week before the sale and the day of. I volunteer my time unloading cars for 20+ hours in 4-hour shifts, rain or shine. It is the most physically demanding activity of my year. Many PWL team members also take time off to volunteer the week before and day of the sale.
- For people of limited means, the sale itself is important to them. My wife, Dianne, has been working in and managing the beds section of the sale for years. She has many stories of people for whom being able to buy a bunk bed for their kids for \$50 or an almost new mattress for \$15 is a true blessing, sometimes bringing tears to their eyes.

Important note: this sale lasts only 6 hours. In order to sell everything in such a short time, **the prices are low, low, low**. Because of the ultra-low prices, the sale is a madhouse as thousands of people run for their treasures. It takes over a week to fill the school to bursting, and it is all gone in one day by 2 p.m. If you're in the Puget Sound region and you love to rummage, consider visiting **Bainbridge Island on Saturday, July 2, and joining the fun**. A final note, although the sale starts at 8 a.m., most shoppers get lined up around the school at least a half hour earlier. Watch the Rotary Club's website for information about parking shuttles and other important details if you're considering attending.

Golfers, save the date. This year's Bertha L. Johnson Memorial, an officially sanctioned event of the [Pancreatic Cancer Action Network \(PanCAN\)](#), is **scheduled for July 21**. All proceeds will be donated to PanCAN, a 501(c) non-profit ID#33-0841281. Details to follow as the date approaches.

PWL signed three new leases in February. [Planet Smoothie](#) signed a 10-year, 1,220 square foot lease, and [T-Mobile](#) signed a 1,200 square foot, 3-year lease, both at [Dublin Village](#). [Cincinnati Open Box Outlet](#), a family- and veteran-owned furniture discounter, signed a 20,020 square foot, 7-year lease at [Greensburg Commons](#), and Indy Hair Co. signed a 5-year, 1,193 square foot lease at [Willow Hill](#).

Our office remains open for visitors with an appointment. Please contact me if you'd like to get a visit on the calendar.

Stay healthy & keep smiling –

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PWREI Scorecard

Approximate investment by PWREI

Data as of 2/28/2022

Willow Hill Center

The 21,082 sq. ft. center located in Puyallup, WA was purchased in May 2014 with an 83% stake for PWREI. We sold the Starbucks pad in October 2014 for ~\$2.35M net and the Ivar's pad in April 2015 for ~\$1.27M net. The property currently has 9 tenants with the most recognizable being Moneytree, Pho Tai Vietnamese, and Rainier Growlers.

Initial Investment

\$5,625,000

Net Investment

\$2,889,595

Occupancy

94%

2021 Q1 – Q3 NOI

\$318,413

Benjamin Square

PWREI purchased this 9,950 sq. ft. property in May 2014. Benjamin Square is in a highly visible center just off of I-5 in Woodland, WA. The property currently has 6 tenants; the national tenants include Starbucks (drive thru), Subway, Papa Murphy's, T-Mobile and H&R block.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$1,900,000 | \$1,978,735 | 86% | \$79,162 |

Shoppes at Buford

This 20,844 sq. ft. property was purchased by PWREI in May 2014 and is located in Buford, GA. The centers' location across from the Mall of Georgia puts it in a retail corridor ideal for drawing shoppers. The Shoppes at Buford has a total of 10 tenants, including Edible Arrangements, Ideal Image, and Design House of Flowers.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$2,740,600 | \$3,011,339 | 100% | \$252,276 |

Auburn Road

Located in Dacula, GA, this 8,400 sq. ft. property was purchased by PWREI in August 2014. The center is located at the busy intersection of Auburn Rd. and Jim Moore Rd. and is at the center of a sprawling residential area. Auburn Road's 3 tenants include State Farm, Intracore Healthcare, and Georgia Veterinary.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$1,000,000 | \$1,031,598 | 86% | \$90,805 |

Gulf Breeze

PWREI purchased this 27,739 sq. ft. property located in Port Arthur, TX in January 2015. The property is shadow anchored by the major grocery store, H-E-B, and maintains great visibility from both HWY 347 and HWY 365. Gulf Breeze's national tenants include Edward Jones, Sprint, World Finance, Super Cuts, Republic Finance, The Nutrition Store, Pizza Hut, and a Wells Fargo ATM.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$2,677,500 | \$2,810,431 | 100% | \$283,102 |

Log Pond Plaza

Located in a dense residential area just north of State Route 16 in Newark, OH, this 27,368 sq. ft. property was purchased by PWREI in March 2015. The property is shadow anchored by a Walmart Super Center with a Home Depot across the street. Log Pond boasts a healthy mix of 11 local and national tenants, which include Hertz, Cheng's Chinese, Fiesta Salon, and CATO.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$1,850,000 | \$2,037,905 | 84% | \$171,645 |

Massard Farms

Located in Fort Smith, AR, this large shopping complex was purchased in April 2015. In September 2018, the Kohl's building sold for \$8.9M net. After its sale, PWREI still owns 71,592 sq. ft. leasable space. Massard Farms tenants include an IHOP, Savers, Sports Clips, Firehouse Subs, and Pad Thai Cuisine.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$13,415,287 | \$6,896,494 | 96% | \$277,982 |

Oak Creek Commons

This small 10,462 sq. ft. strip center located in Oak Creek, WI was purchased by PWREI in May 2015. Being south of Milwaukee, the area's population growth and average household income are projected to outpace the national average over the next five years. Oak Creek Commons has a healthy mix of 6 tenants, with the most recognizable being Dunkin' Donuts and Great Clips.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$1,191,750 | \$1,286,386 | 90% | \$113,024 |

Massillon Commons

Located along the busy Lincoln Way corridor in Massillon, Ohio, this property was purchased in June 2015 for a 66.7% stake for PWREI. In June 2016, the Home Depot pad sold for ~\$9.36M net with the proceeds used to pay off debt. In addition to a 50,503 sq. ft. Dunham's Sports, Massillon Commons boasts 63,048 sq. ft. of leasable space that include 12 tenants, the largest being P.S. Cook's, OakPark Preschool, and Stark Medical.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$8,618,667 | \$2,475,340 | 91% | \$255,329 |

Greensburg Commons

Purchased in July 2015 for a 66.7% stake for PWREI, this large 88,953 sq. ft. shopping center is located at the intersection of I-74 and State Rd. 3 in Greensburg, IN. In December 2016, the Walmart parcel sold for ~\$13.9M net with most of the proceeds used to pay off debt. Greensburg Commons holds a mix of 14 local and national tenants. The most recognizable tenants are Jimmy John's, Great Clips, GameStop, GNC, Rent-A-Center, Feeder's Pet Supply, Goodwill and Bath & Body Works.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$12,512,000 | \$3,638,151 | 67% | \$251,293 |

Gateway Center

PWREI purchased this 28,056 sq. ft. mixed retail space, located in Newberry, SC, in October 2015. Gateway Center sits at the intersection of US 76 and Main St. and is shadow anchored by a Walmart. With 12 tenants, the center's most notable occupants include GameStop, Quick Credit, Nexien, and T-Mobile.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$2,030,055 | \$2,233,215 | 100% | \$272,593 |

Powder Springs

Purchased in October 2015 by PWREI, this 15,050 sq. ft. strip center is located on Richard D. Sailors Pkwy in Powder Springs, GA. Upon purchase of the property, we acquired a vacant pad that was sold in February 2016 for ~\$280K net. Powder Springs is shadow anchored by a Home Depot and has a total of 6 tenants including Hanger Prosthetics and Premier Martial Arts.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$1,100,000 | \$976,903 | 72% | \$182,867 |

Sugarcreek Crossing

Located in Centerville, OH, PWREI purchased Sugarcreek Crossing in October 2015 and holds a 66.7% stake. Upon purchase, the property included three parcels: a ground leased Cracker Barrel pad that was eventually sold in May 2016 for ~\$2.28M net; a Tire Discounters pad that was sold in December 2016 for ~\$2.96M net; and a multi-tenant retail building containing a UPS store, a Chiropractic office, and Edward Jones, among others.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$5,117,333 | \$2,118,513 | 96% | \$203,753 |

East West Market

Purchased as a joint deal with Castleberry Promenade, PWREI acquired this 17,017 sq. ft. property in February 2016. East West Market is located along the East West Connector in Austell, GA. The 1.09-acre Dunkin Donuts pad sold in June 2020 for ~\$522K net. The property currently holds 6 tenants, the largest being WellStar Health System, American Hearing Imaging, and Thumbs Up Diner.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$2,660,000 | \$2,188,287 | 100% | \$243,096 |

Castleberry Promenade

PWREI acquired this 26,651 sq. ft. property in February 2016 as a joint deal with East West Market. Castleberry Promenade is located at the busy intersection of Bethelview Rd. and Castleberry Rd. in Cumming, GA. Upon purchase, the property included leasable space as well as two small developable pads. This property currently has 10 tenants, among them Liberty Tax, Kumon Learning, Castleberry Ale House, and Ovo Salon.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$2,906,000 | \$3,121,006 | 95% | \$348,933 |

Village at Las Sendas

PWREI purchased this 39,144 sq. ft property in June 2016 for a 33.4% stake. The Village at Las Sendas is located at the intersection of McDowell Rd. and Power Rd. in Mesa, AZ. This shopping center has a diverse mix of 16 national and local tenants, with the most recognizable being Chipotle, Jimmy John's, and Smashburger.

| Initial Investment | Net Investment | Occupancy | 2021 Q1 – Q3 NOI |
|--------------------|----------------|-----------|------------------|
| \$2,922,500 | \$3,007,936 | 97% | \$158,830 |

Little Corona – SOLD August 2020

Located at the busy intersection of Rural Rd. and Ray Rd. in Chandler, AZ, this 6,074 sq. ft. property was purchased by PWREI in December 2014. Little Corona was sold in August 2020 for \$1.55M. At the time of sale, Little Corona held 100% occupancy.

| Initial Investment | Profit | Deal Multiple | Gross IRR |
|--------------------|-------------|---------------|-----------|
| \$1,010,000 | \$1,170,646 | 1.84x | 13% |

Dail Center – SOLD August 2020

Dail Center was purchased by PWREI in December 2014. This 16,145 sq. ft. center is located along US Route 17 in famous Myrtle Beach, SC. Due to its popular location, the area attracts over 14 million visitors each year. In August 2020, Dail Center was sold for \$2.4M and was 100% occupied.

| Initial Investment | Profit | Deal Multiple | Gross IRR |
|--------------------|-------------|---------------|-----------|
| \$1,522,500 | \$1,990,807 | 2.08x | 16% |

Roosevelt Place – SOLD November 2021

This 14,000 sq. ft. property was purchased in August 2014 by PWREI. The property is located in the industrial corridor of Phoenix, AZ by I-10. This location allows for heavy daytime traffic. In May 2016, the Jack in the Box pad sold for ~\$1.08M. Roosevelt Place sold in November 2021 for \$5.18M.

| Initial Investment | Profit | Deal Multiple | Gross IRR |
|--------------------|-------------|---------------|-----------|
| \$2,960,000 | \$4,620,030 | 2.55x | 19.9% |

Note: 2021 NOI numbers reflect the PWREI's portion of the total. All profit, NOI, Gross IRR, and Deal Multiple calculations presented are unaudited gross estimates. All numbers within this report are unaudited and should be considered as close approximations. Members receive audited results on an annual basis from a PCAOB registered public accounting firm.