

July 30, 2019

Re: CB Downtown Industrial, LLC

After a lengthy closing process, we at Copaken Brooks are thrilled to take the reins on this joint venture as the managing partner for CB Downtown Industrial LLC, effective May 9th. The transition is going well, and our team continues to make adjustments and enhancements to make this a profitable investment for all. As a result, we are focusing on rebranding, streamlining and implementing new processes for improved portfolio performance.

The current 1201 office on location is expected to relocate to the office space in the Downtown Underground headquartered in unit 407. This will help create an income stream from 1201. We will keep you informed when material details emerge.

Leasing and occupancy remain healthy and Smart Storage in the Underground remains steady. The only significant movement is the move out of the tenant in 3188 Mercier, which is 8,440 sqft and was anticipated at the time of closing. The leasing team is currently in negotiations for a 10 year renewal/expansion with McAnany, Van Cleave & Phillips (MVP Law) located in 10 Cambridge and Cambridge Crest I. Additionally the team has several prospects for spaces in BC 2 and BC 4 that are in negotiations. We are optimistic that the portfolio will begin a positive absorption trend.

May/June ends with a positive NOI of \$91,900 and positive cash generated of \$288,700. The month-to-date (MTD) sqft absorption was a negative 4,423 but portfolio occupancy remains strong at 89%. Nothing unusual in operations for June but looking ahead we will have some large legal bills posted/paid in July that lag from closing activities. The true up between Dean Realty and CB Downtown Industrial is going well and will phase out in July going forward.

Because of the cash flow required to build a reasonable portfolio operating reserve and working capital, we will retain cash this quarter and make the first distribution after the 3rd quarter, to be paid in October.

Please call me with any questions. Thanks for investing with us!