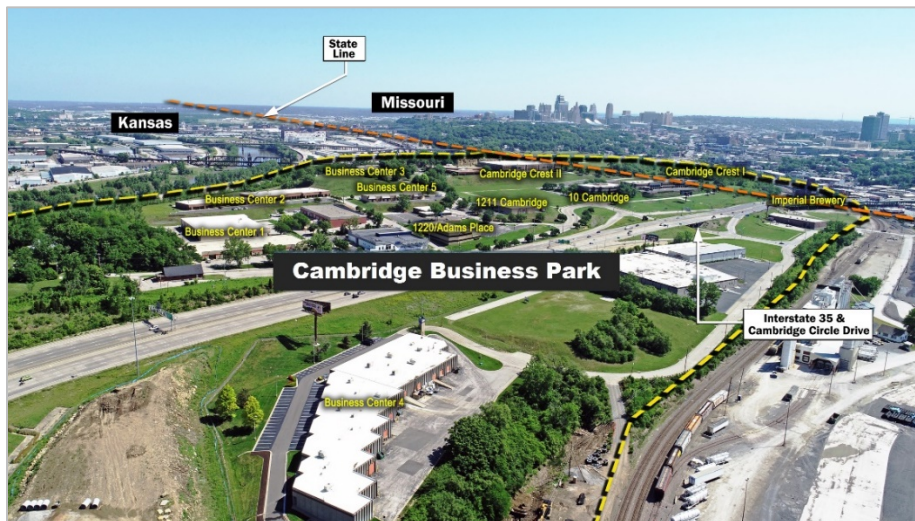




## 2022 PROPERTY BUSINESS PLAN



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COMMERCIAL REAL ESTATE

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## PROPERTY PROFILE

<b>Property Name:</b>	CB Downtown Industrial, LLC
<b>Property Legal Name:</b>	Multiple Single Member LLC all owned by CB Downtown Industrial, LLC
<b>Address:</b>	South Downtown Kansas City , MO
<b>Description:</b>	Cambridge Business Park (463,800 SF office/flex), Downtown Business Park (461,282 SF industrial) and Downtown Underground (804,157 SF industrial and self-storage)
<b>Debt:</b>	<p><b>Enterprise Bank – Swapped Loan</b>            Loan Balance of \$30.5M (Capacity \$61.5M)            Maturity Date 05/15/2025            Fixed Rate (via Swap) of 5.09%</p> <p><b>Enterprise Bank – Non-Swapped Loan</b>            Loan Balance of \$26.4M (Capacity \$31.0M)            Maturity Date 05/15/2025            Interest is 2.60% over SOFR Rate (currently 2.69%)</p> <p><b>Enterprise Bank – OZ Loan</b>            Loan Balance of \$1.8M            Maturity Date 06/14/2038            Interest is fixed at 4.0%</p>
<b>General Partner:</b>	CB Realty Capital, LLC
<b>Limited Partners (%)</b>	Dean Realty Co. (79.37%), BMPI Downtown Industrial (10.58%), CB Downtown Industrial Investors (10.05%)
<b>TIF/CID/Other</b>	Enterprise Zone on certain development land sites in MO

## 2020 ACTUALS, AND 2021 & 2022 BUDGET

### *Key Opportunities & Challenges*

Key Opportunities	Key Challenges
<b>2021</b>	
<ul style="list-style-type: none"> <li>• Strong demand for storage space in the downtown and surrounding areas.</li> <li>• Large tenant renewals at favorable rates, including MVP law firm, NS Surgical, Trane, and JR Roofing</li> <li>• New Leases with Superior Moving, Central Surfaces, and Midwest Medical Transport.</li> <li>• New park branding, graphics and signage.</li> </ul>	<ul style="list-style-type: none"> <li>• COVID pandemic leasing impact</li> <li>• Belfor vacated 52,000SF in DUG in June 2021</li> <li>• Deferred asphalt maintenance addressed in selected roads, driveways and parking lots.</li> <li>• Correcting 2020 year-end settlement statements and the collection process</li> <li>• Continued closure of the 3101 Mercier elevator</li> </ul>
<b>2022</b>	
<ul style="list-style-type: none"> <li>• Replace 3101 Mercier elevator tower and add Smart Storage sales office on 31<sup>st</sup> Street.</li> <li>• Contract with 3<sup>rd</sup> party storage operator, Absolute Storage Management in 2022 (note: additional revenue projections are <u>not</u> included in this budget).</li> <li>• Resolve water diversion in DUG entry and Liberty Bend.</li> <li>• New exterior painting of select buildings on Mercier.</li> <li>• Market Cambridge Crest site for office, flex or residential development.</li> <li>• Market Imperial Chopp site for flex industrial development.</li> <li>• Possibly sell or JV Holly House development land (8 acres).</li> </ul>	<ul style="list-style-type: none"> <li>• Leasing space with emphasis on BC4, DUG, and 1211 W. Cambridge.</li> <li>• Execution on water diversion project in DUG, while not disrupting tenants</li> <li>• Monitor COVID related tenant issues</li> <li>• Possibility of OnTrac vacating at BC1</li> <li>• Loan amortization commences in May</li> </ul>

### Key Financial Projections

Metric	2022 Budget	Variance – 2022 Budget/ 2021 Reforecast	2021 Reforecast (as of 9/30)	Variance – 21 Reforecast/ 21 Budget	2021 Budget	2020 Actual
Occupancy (EOY)	84.67%	0.37%	84.30%	(7.30%)	91.60%	85.24%
NOI	\$4,614,621	(448,328)	\$5,062,949	(315,932)	\$5,378,881	\$5,087,404
Cash Flow Generated (1)	2,074,721	(612,804)	2,687,525	(155,356)	2,842,881	2,660,284
Distributions	1,960,000	(105,000)	2,065,000	250,000	1,815,000	1,609,000
Contributions	0	0	0	0	0	523,237
Valuation	90,000,000	0	90,000,000	0	90,000,000	90,000,000
Debt	(58,374,323)	738,747	(59,113,070)	0	(59,113,070)	(58,374,323)
Equity	31,625,677	738,747	30,886,930	0	30,886,930	31,625,677

(1) Lower 2022 cash flow partly due to amortization of loan starting June 2022

### Leasing

Tenant/Suite	2022 Budget		2021 Actual		
	New SF (%)	Renewal (%)	New SF (%)	Renewal (%)	Expired (%)
Total Leased SF	174,426 (10.09%)	155,702 (9.04%)	118,188 (6.83%)	92,155 (5.33%)	80,785 (4.67%)
Leases	24	23	15	11	9
Avg Rent \$/SF	\$7.88	\$7.80	\$6.50	\$9.02	N/A
Avg TI \$/SF	\$4.78	\$1.12	\$2.10	\$0.87	N/A

### Side Charge History

Metric	2022 Budget	2021 Budget	2020 Actual
Opex/Management Fee	\$3,599,826	\$3,740,522	\$2,919,103
Real Estate Taxes	\$1,430,280	\$1,388,611	\$1,322,508
Total Operating Expense	\$5,030,106	\$5,129,133	\$4,241,611
Total Net RSF		1,729,239	
Total Opex per RSF	\$2.91	\$2.97	\$2.48

### Capital Improvements

Project	2022 Budget		2021 Budget	
	Owner/ Capital	Building/ Operating	Owner/ Capital	Building/ Operating
Asphalt	\$160,000	\$311,760	\$109,905	\$283,258
Irrigation/River rock	\$0	\$0	\$101,100	\$62,500
Security Cameras	\$72,777	\$0	\$0	\$30,000
Painting Repairs	\$121,315	\$0	\$4,000	\$75,820
Liberty Bend	\$400,000	\$0	\$0	\$0
3150M Light Pole Repair	\$7,500	\$0	\$0	\$0
Replace 2 golf carts	\$14,000	\$0	\$0	\$0
Storage & Sales Office	\$1,450,000	\$0	\$0	\$0
TOTAL \$	\$2,212,300	\$311,760	\$215,005	\$451,578

### FUTURE OUTLOOK (as directed by Owner Rep)

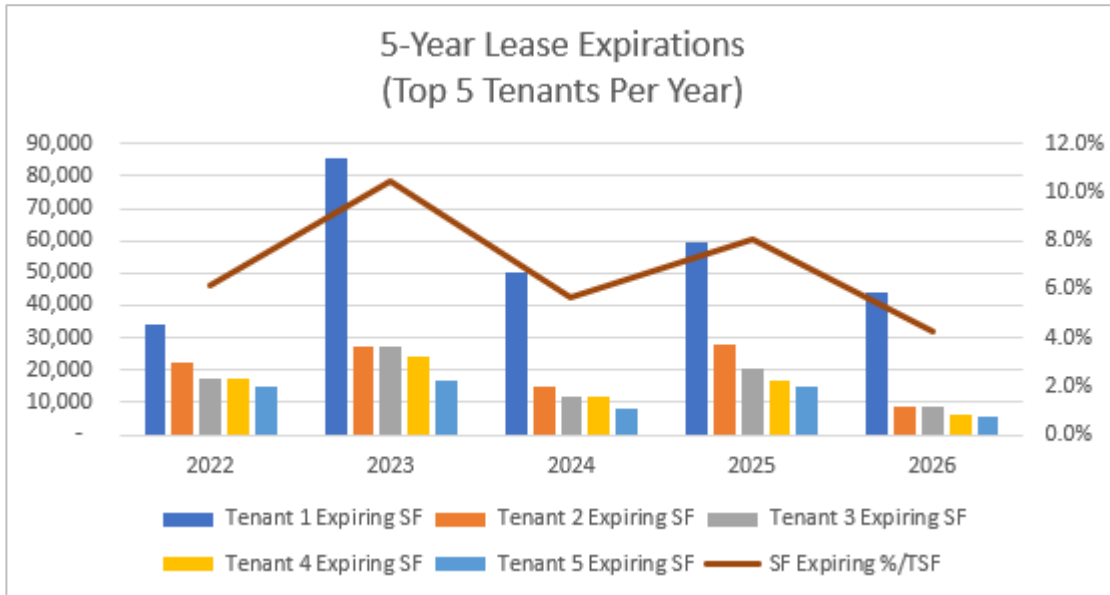
#### Asset Strategy

- Plan – Multi strategy approach to improve cash flow and development at the property, including:
  - New Branding for the parks is complete, with new signage and implementation into marketing and flyers.
  - Push leasing with active marketing to increase occupancy while increasing common area charge backs as existing tenants renew. New marketing materials have been released for Cambridge Crest and Imperial Crossing.
  - Build new sales office for Smart Storage in the lobby of the new 3101 elevator tower. With a sales office and direct access to see available spaces, we expect to fill and expand Smart Storage in DUG.
  - Attract users to Cambridge Crest and Imperial Chopp development sites.

**FUTURE OUTLOOK (as directed by Owner Rep)**

- Capital Improvements include:
  - New 3101 elevator tower with access to DUG and Smart Storage.
  - Correct the drainage and water intrusion into DUG. We have an engineered solution and will be implementing a fix in early 2022
  - Possible demolition of the Imperial Brewery to allow for a new development. This depends on a condition for Brownfield grant fund qualifications.

**Lease Expirations**



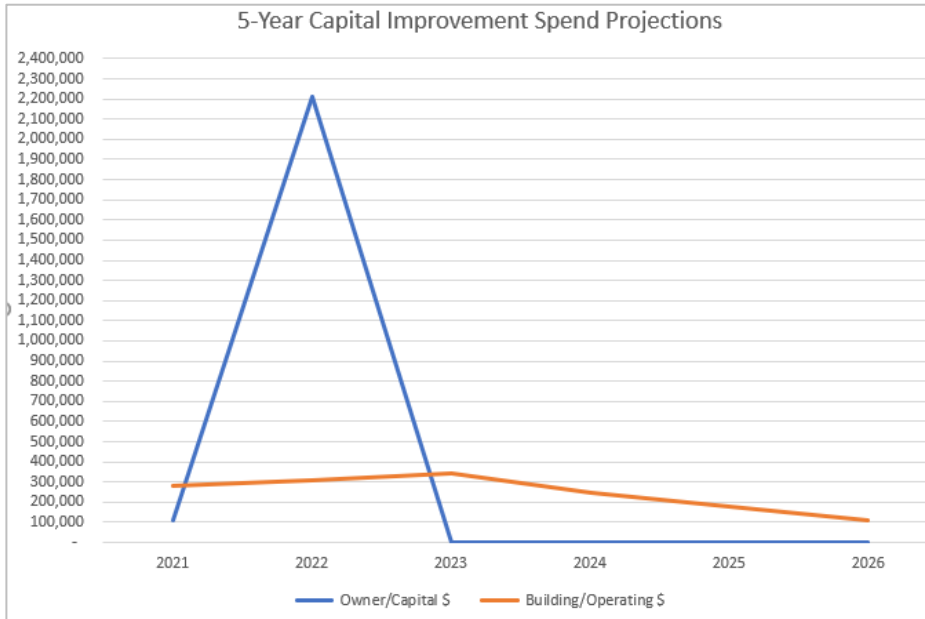
Total CBDI SF:	TOP 5 TENANTS EXPIRING 2022-2026						
	Tenant 1 Expiring SF	Tenant 2 Expiring SF	Tenant 3 Expiring SF	Tenant 4 Expiring SF	Tenant 5 Expiring SF	SF Expiring %/TSF	Total CBDI SF Expiring
1,729,239							
<b>2022</b>	34,091	22,417	17,521	17,107	14,633	6.1%	105,769
<b>2023</b>	85,355	27,412	27,232	24,204	16,931	10.5%	181,134
<b>2024</b>	50,479	14,921	12,061	11,700	8,090	5.6%	97,251
<b>2025</b>	59,757	27,963	20,650	16,480	15,000	8.1%	139,850
<b>2026</b>	43,998	8,546	8,440	6,244	5,901	4.2%	73,129

*Top 5 tenants per year selected for above data and graph.*

**Grand Total of Lease Expirations (% of 1,729,239) All tenants included in below table**

2022	2023	2024	2025	2026
216,967 (12.55%)	274,332 (15.86%)	141,095 (8.16%)	167,296 (9.67%)	82,648 (4.78%)

## Capital Improvements



	Owner/Capital \$	Building/Operating \$
2021	109,905	283,258
2022	2,212,300	311,760
2023	-	340,000
2024	-	245,000
2025	-	180,000
2026	-	110,000

## Capital Improvement \$

Project	2023		2024		2025		2026	
	Owner/ Capital	Building/ Operating	Owner/ Capital	Building/ Operating	Owner/ Capital	Building/ Operating	Owner/ Capital	Building/ Operating
Terrace mill/overlay		\$140,000						
Mercier seal coat		\$15,000						
CCII mill/overlay		\$140,000						
10 Cam. drain		\$20,000						
BC4 mill/overlay		\$25,000						
10 Cam. mill/overlay				\$100,000				
3120T mill/overlay				\$40,000				
BC2 mill/overlay				\$100,000				
1155 sidewalk repair				\$5,000				
Mercier mill/overlay						\$120,000		
1201 mill/overlay						\$60,000		
1211 mill/overlay								\$110,000
		<b>\$340,000</b>		<b>\$245,000</b>		<b>\$180,000</b>		<b>\$110,000</b>

## 2022 Financial Budget

- Annual Summary Budget Statement of Changes in Cash Balance
- Annual Summary Budget Income Statement

**CB Downtown Industrial, LLC**  
**Income Statement Comparison**  
**CBDI Consolidated**

	Original Budget 2022	Reforecast 2021	Variance Fav / (Unfav)
<b>REVENUES</b>			
Rents Realized.....	8,331,867	8,948,635	(839,464)
Utility Billings.....	2,775	6,700	(3,925)
Tax, Insurance & CAM Current Year.....	2,461,068	1,636,100	824,968
Tax, Insurance & CAM Prior Year.....	-	351,988	(351,988)
Parking & Dock Fees.....	184,140	172,137	12,003
Other Income.....	(11,362)	(26,513)	15,151
<b>Total Revenues.....</b>	<b>10,968,488</b>	<b>11,089,047</b>	<b>(343,255)</b>
<b>OPERATING EXPENSES</b>			
Wages.....	663,720	759,500	95,780
Payroll Tax.....	54,000	53,474	(526)
Employee Benefits.....	125,004	125,131	127
Real Estate Taxes.....	1,430,280	1,388,611	(41,669)
Maintenance.....	1,708,215	1,608,468	(99,747)
Utilities.....	563,212	541,001	(22,211)
Property Insurance.....	551,940	499,261	(52,679)
Professional Services.....	39,996	55,000	15,004
Security.....	320,356	258,173	(62,183)
Janitorial.....	118,850	113,652	(5,198)
Management Fees.....	439,488	443,562	4,074
General and Administrative.....	338,806	180,265	(158,541)
<b>Total Operating Expenses.....</b>	<b>6,353,867</b>	<b>6,026,098</b>	<b>(327,769)</b>
Earnings Before Taxes Int. & Depr.....	4,614,621	5,062,949	(448,328)
Interest Expense.....	2,539,900	2,375,424	(164,476)
Depreciation/Amortization Expense.....	2,025,360	1,888,858	(136,502)
<b>Net Earnings (Loss) .....</b>	<b>49,361</b>	<b>798,667</b>	<b>(749,306)</b>
<b>Annual Distributions</b>			
January	490,000	465,000	
April	490,000	650,000	
July	490,000	450,000	
October	490,000	500,000	
<b>Annual Distributions</b>	<b>1,960,000</b>	<b>2,065,000</b>	<b>(105,000)</b>
Represents a return of	10.09%	10.63%	

CDBI Budget 2022													
Cashflow	Jan 2022	Feb 2022	Mar 2022	Apr 2022	May 2022	Jun 2022	Jul 2022	Aug 2022	Sep 2022	Oct 2022	Nov 2022	Dec 2022	YTD 2022
<b>Beginning Cash (Oper &amp; MM) Note C</b>	\$ 1,748,212	\$ 1,228,881	\$ 1,259,977	\$ 1,302,665	\$ 1,005,682	\$ 1,288,268	\$ 1,226,953	\$ 727,366	\$ 957,202	\$ 1,078,612	\$ 496,661	\$ 946,936	\$ 1,748,212
Cashflow from EBITDA excl tax & ins	567,240	552,607	543,439	572,319	483,867	407,571	196,932	630,508	628,890	661,835	666,405	685,228	6,596,841
RE Tax escrow - 2022	(119,190)	(119,190)	(119,190)	(119,190)	(119,190)	(119,190)	(119,190)	(119,190)	(119,190)	(119,190)	(119,190)	(119,190)	(1,430,280)
Insurance-escrow	(37,467)	(37,467)	(37,467)	(37,467)	(37,467)	(37,467)	(37,467)	(37,467)	(37,467)	(37,467)	(37,467)	(37,467)	(449,600)
Mortgage principal payments	-	-	-	-	-	(103,190)	(103,190)	(103,190)	(103,190)	(103,190)	(103,190)	(103,190)	(722,330)
Mortgage interest payments	(206,581)	(206,989)	(208,082)	(209,585)	(211,349)	(212,768)	(213,708)	(214,174)	(214,044)	(213,844)	(214,194)	(214,582)	(2,539,900)
Draw proceeds from Loan Note A	-	233,333	391,199	527,211	540,271	373,547	369,818	102,782	29,434	63,023	343,118	85,208	3,058,944
Capital expenditures	(233,333)	(391,199)	(527,211)	(540,271)	(373,547)	(369,818)	(102,782)	(29,434)	(63,023)	(343,118)	(85,208)	(3,953)	(3,062,897)
<b>Contributions / (Distributions)</b>	<b>(490,000)</b>			<b>(490,000)</b>			<b>(490,000)</b>			<b>(490,000)</b>			<b>(1,960,000)</b>
<b>Ending Cash</b>	<b>\$ 1,228,881</b>	<b>\$ 1,259,977</b>	<b>\$ 1,302,665</b>	<b>\$ 1,005,682</b>	<b>\$ 1,288,268</b>	<b>\$ 1,226,953</b>	<b>\$ 727,366</b>	<b>\$ 957,202</b>	<b>\$ 1,078,612</b>	<b>\$ 496,661</b>	<b>\$ 946,936</b>	<b>\$ 1,238,990</b>	<b>\$ 1,238,990</b>
Operating Reserve Note B	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
<b>Cash Available after Reserve &amp; Distributions</b>	<b>\$ 728,881</b>	<b>\$ 759,977</b>	<b>\$ 802,665</b>	<b>\$ 505,682</b>	<b>\$ 788,268</b>	<b>\$ 726,953</b>	<b>\$ 227,366</b>	<b>\$ 457,202</b>	<b>\$ 578,612</b>	<b>\$ (3,339)</b>	<b>\$ 446,936</b>	<b>\$ 738,990</b>	<b>\$ 738,990</b>