

PROPERTY PROFILE

Property Name:	CB Downtown Industrial, LLC
Address:	South Downtown Kansas City, MO and East Kansas City, KS
Description:	Cambridge Business Park (466,466 SF office/flex), Downtown Business Park (459,926 SF industrial) and Downtown Underground (709,487 SF industrial and self-storage)
Debt:	<p>Enterprise Bank – Swapped Loan Loan Balance of \$30.2M Maturity Date 05/15/2025 Fixed Rate (via Swap) of 5.09%</p> <p>Enterprise Bank – Non-Swapped Loan Loan Balance of \$26.9M Maturity Date 05/15/2025 Interest is variable and currently estimated at 6%</p> <p>Enterprise Bank – Unfunded Loan (included with non-swapped loan above) Remaining Capacity of \$1,912,816, Maturity Date 05/15/2025 Interest is variable and currently estimated at 6%</p> <p>Enterprise Bank – OZ Loan Loan Balance of \$1.8M Maturity Date 05/15/2025 Interest is fixed at 4.0%</p>
General Partner:	CB Realty Capital, LLC
Limited Partners (%)	Dean Realty Co. (79.37%), BMPI Downtown Industrial (10.58%), CB Downtown Industrial Investors (10.05%)
TIF/CID/Other	Enterprise Zone on certain development land sites in MO

2022 ACTUALS & 2023 BUDGET

Key Opportunities & Challenges

Key Opportunities	Key Challenges
2022	
<ul style="list-style-type: none"> • Replace 3101 Mercier elevator tower and add Smart Storage office • Contract with 3rd party storage operator, Absolute Storage Management in 2022 • New exterior painting of select buildings on Mercier • New park branding, graphics and signage. • Resolve water diversion in DUG entry and Liberty Bend 	<ul style="list-style-type: none"> • Leasing space with emphasis on BC4, DUG and 1211 W Cambridge • Monitor COVID related tenant issues • Possibility of OnTrac vacating BC1 • Loan amortization commences in May • Continued closure of the 3101 Mercier elevator
2023	
<ul style="list-style-type: none"> • Completion of the 3101 Mercier elevator • DTU digital directory displays and corresponding painting project • New directory signage on Mercier & Terrace Streets • Renewal for Iconex at CCII (88,461 SF) • Backfill 1211 Cambridge and BC1 Belfor space • Lease 3101 Terrace (8,196 SF) • Lease 3175 Terrace (76,873 SF) 	<ul style="list-style-type: none"> • Reduce humidity level in Downtown Underground • Affects of inflation on tenants and operations - rebid contracts where possible and ongoing look at cost saving opportunities • Consider alternative HVAC methods for Downtown Underground • Complete water diversion project in Downtown Underground on ramp and • Belfor vacating BC1 and DTU • UltraPom vacating 3175 Terrace (27,412 SF)

Key Financial Projections

Metric	2023 Budget	Variance– 2023 Budget / 2022 Reforecast	2022 Reforecast (as of 9/30)	Variance– 2022 Reforecast / 2022 Budget	2022 Budget	2021 Actual
Occupancy (EOY)	84.05%	6.93%	77.12%	-7.55%	84.67%	82.90%
NOI	5,947,137	223,369	5,723,768	1,109,147	4,614,621	5,389,175
Cash Flow Generated	1,340,324	(430,821)	1,771,145	320,367	1,450,778	2,637,950
Distributions	1,635,712	(364,288)	2,000,000	40,000	1,960,000	2,065,000
Contributions	-	-	-	-	-	-
Valuation	90,000,000	-	90,000,000	-	90,000,000	90,000,000
Debt	(60,031,451)	362,475	(60,393,926)	(2,019,603)	(58,374,323)	(58,822,925)
Equity	29,968,549	362,475	29,606,074	(2,019,603)	31,625,677	31,177,075

Leasing

	2023 Budget		2022 Reforecast	
	New SF	Renew / Expand	New SF	Renew / Expand
Leased SF	193,849	309,610	138,992	102,505
% of Leased SF	12%	19%	8%	6%
Leases	25	26	17	17
Avg Rent \$/SF	7.59	4.10	8.79	8.34
Avg TI \$/SF	0.93	0.92	1.01	-

Ave Rent \$/SF	2023 Budget	2022 Reforecast	2021 Actual
Industrial	4.70	5.05	4.15
Flex	7.98	7.74	6.98
Office	19.05	21.02	18.45
Underground Commercial	3.24	3.33	3.25
Smart Storage	11.96	11.19	7.94
Total Property	6.05	5.72	5.55

Side Charge History

Metric	2023 Budget	2022 Reforecast	2021 Actual
Opex (CAM expenses)	2,975,784	2,751,376	2,775,079
Real Estate Taxes	1,411,692	1,365,467	1,330,605
Total Operating Expense	4,387,476	4,116,843	4,105,684
Total Net RSF	1,635,879		
Total Opex per RSF	\$2.68	\$2.52	\$2.51

Capital Improvements

Project	2023 Budget		2022 Budget	
	Owner / Capital	Building / Operating	Owner / Capital	Building / Operating
Concrete/Asphalt Work	30,000	97,000	160,000	311,760
Irrigation/River rock	-	-	-	-
Security Cameras	-	10,000	72,777	-
Paint/Tuck Pt/Soffit	-	124,000	121,315	-
Liberty Bend	-	350,000	400,000	-
3150M Light Pole Repair	-	-	7,500	-
Replace 2 golf carts	-	-	14,000	-
Storage & Sales Office	-	-	1,450,000	-
Storage Signage	10,000			
18&O Chiller	200,000			
TOTAL \$	\$ 240,000	\$ 581,000	\$ 2,225,592	\$ 311,760

FUTURE OUTLOOK (as directed by Owner Rep)

Asset Strategy

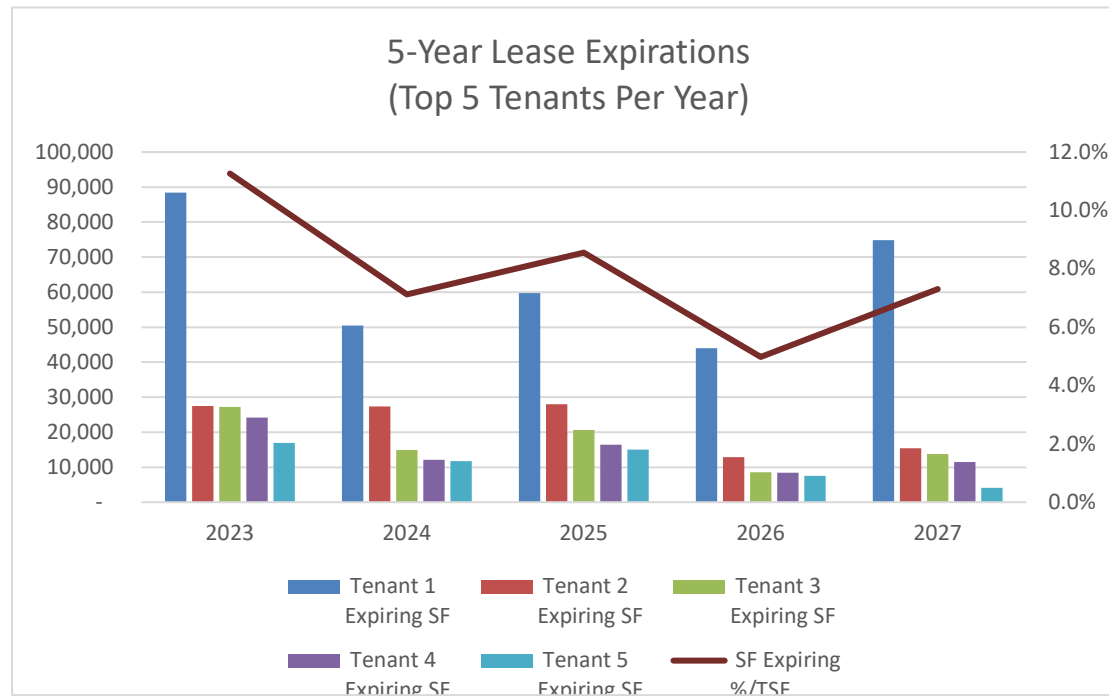
Plan- Multi strategy approach to improve cash flow and development at the property, including:

- Confirm Smart Storage growth plan
- Demolition of the Brewery and Mule Barn buildings and development of new flex and industrial buildings
- Perform evaluation of Lockton P&C Business
- Disposition of Holly House and adjacent land

Capital Improvements include:

- New ceiling installation for the DTU entrance
- Multiple asphalt and concrete repair projects
- DTU digital directory displays and corresponding painting project
- Directory signage on Mercier & Terrace Streets

Lease Expirations



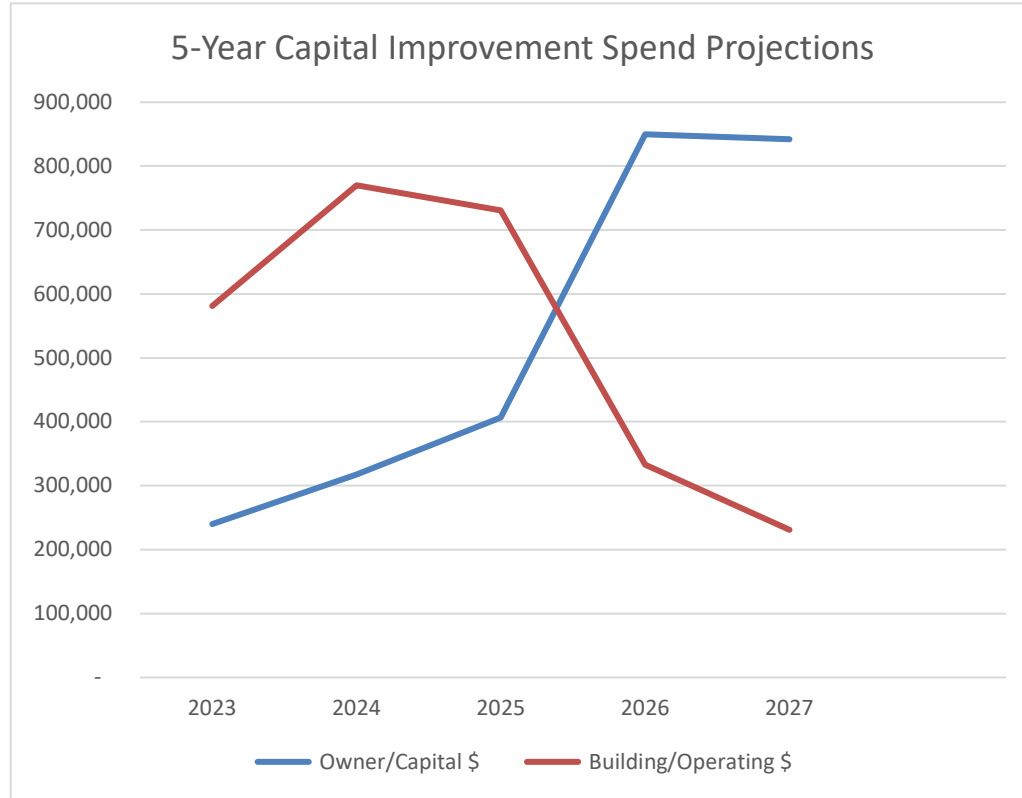
Total CBDI SF:	TOP 5 TENANTS EXPIRING 2023-2027						
1,635,879	Tenant 1 Expiring SF	Tenant 2 Expiring SF	Tenant 3 Expiring SF	Tenant 4 Expiring SF	Tenant 5 Expiring SF	SF Expiring %/TSF	Total CBDI SF Expiring
2023	88,461	27,412	27,232	24,204	16,931	11.3%	184,240
2024	50,479	27,350	14,921	12,061	11,700	7.1%	116,511
2025	59,757	27,963	20,650	16,480	15,000	8.5%	139,850
2026	43,998	12,878	8,546	8,440	7,567	5.0%	81,429
2027	74,869	15,399	13,706	11,494	4,062	7.3%	119,530

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

Grand Total of Lease Expirations (% of 1,635,879) All tenants included in below table

2023	2024	2025	2026	2027
339,918	168,985	201,365	103,093	119,530
20.78%	10.33%	12.31%	6.30%	7.31%

Capital Improvements



	Owner / Capital \$	Building / Operating \$
2023	240,000	581,000
2024	317,680	770,000
2025	406,341	731,000
2026	849,795	333,000
2027	841,965	231,000

Capital Improvement \$

Project	2023		2024		2025		2026		2027	
	Owner/ Capital	Building/ Operating	Owner/ Capital	Building/ Operating	Owner/ Capital	Building/ Operating	Owner/ Capital	Building/ Operating	Owner/ Capital	Building/ Operating
Concrete/Asphalt Work	30,000	97,000	-	315,000	-	400,000	-	-	-	-
Paint/Tuck Pt/Soffits	-	124,000	-	-	-	-	-	-	-	-
HVAC (DTU - 18&O)	200,000	-	-	-	-	-	-	-	-	-
HVAC (humidity)	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
HVAC (DTU mallways)	-	-	65,000	-	65,000	-	65,000	-	65,000	-
HVAC (CBDI tenants)	-	-	-	233,000	-	169,000	-	181,000	-	169,000
Fleet Vehicles	-	-	-	82,000	-	42,000	-	42,000	-	42,000
Water diversion (DTU)	-	350,000	-	-	-	-	-	-	-	-
Storage signs	10,000	-	-	-	-	-	-	-	-	-
Security cameras (DTU)	-	10,000	-	-	-	-	-	-	-	-
Branded tarps (DTU)	-	-	-	6,000	-	-	-	-	-	-
Sprinkler heads (DTU)	-	-	TBD	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Fire doors (DTU)	-	-	-	-	-	-	466,667	-	466,667	-
Roadway sweeper (DTU)	-	-	-	40,000	-	-	-	-	-	-
Sewage pipes (DTU)	-	-	-	-	-	90,000	-	90,000	-	-
Golf carts (DTU)	-	-	-	10,000	-	10,000	-	-	-	-
Vehicle wraps & decals	-	-	-	20,000	-	20,000	-	20,000	-	20,000
Fence repairs (DTBP)	-	-	-	64,000	-	-	-	-	-	-
Roofs (CBDI)	-	-	252,680	-	341,341	-	318,128	-	310,298	-
TOTAL \$	\$ 240,000	\$ 581,000	\$ 317,680	\$ 770,000	\$ 406,341	\$ 731,000	\$ 849,795	\$ 333,000	\$ 841,965	\$ 231,000

2023 Financial Budget

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

CB Downtown Industrial, LLC
Budget Comparison

	<u>2023 Budget</u>	<u>2022 Reforecast</u>	<u>Variance</u>
REVENUES			
RENTS REALIZED	8,483,856	8,055,129	428,727
UTILITY BILLINGS	4,300	6,535	(2,235)
TAX INS CAM REIMB	2,975,778	2,751,376	224,402
PARKING & STORAGE FEES	1,670,898	1,510,715	160,183
OTHER INCOME	(33,531)	2,315	(35,846)
TOTAL REVENUES	13,101,301	12,326,070	775,231
DIRECT EXPENSES			
MAINTENANCE & SUPPLIES	3,489,580	3,013,274	(476,306)
PROPERTY INSURANCE	570,616	548,431	(22,185)
REAL ESTATE TAXES	1,411,687	1,365,467	(46,220)
UTILITIES	565,892	580,758	14,866
PROPERTY MGMT	624,809	555,793	(69,016)
TOTAL DIRECT EXPENSES	6,662,584	6,063,723	(598,861)
OTHER OPERATING EXPENSE			
GENERAL & ADMINISTRATIVE	430,589	477,011	46,422
LEGAL & AUDIT	61,000	61,567	567
TOTAL OTHER OPERATING EXPENSE	491,589	538,578	46,989
NET INCOME BEFORE INT & DEPREC	5,947,128	5,723,769	223,359
DEPRECIATION & AMORTIZATION	2,470,971	2,025,362	(445,609)
INTEREST EXPENSE	3,288,262	2,634,931	(653,331)
NET INCOME (LOSS)	187,895	1,063,476	(875,581)

ANNUAL DISTRIBUTIONS

January	408,928	500,000	
April	408,928	500,000	
July	408,928	500,000	
October	408,928	500,000	
	1,635,712	2,000,000	(364,288)

Represents a return to LP of

8.00%	9.78%
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CBDI Budget 2023	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Beginning Cash (Oper & MM)	\$ 2,333,200	\$ 2,054,842	\$ 2,130,927	\$ 2,463,958	\$ 1,984,980	\$ 1,768,442	\$ 2,460,718	\$ 2,015,082	\$ 2,181,872	\$ 2,394,539	\$ 2,160,211	\$ 1,787,251	\$ 2,333,200
Cashflow from EBITDA excl tax & ins	698,966	757,747	520,848	718,471	332,041	579,126	567,113	736,608	709,474	777,296	774,170	757,581	7,929,441
RE Tax escrow	(117,641)	(117,641)	(117,641)	(117,641)	(117,641)	(117,641)	(117,641)	(117,641)	(117,641)	(117,641)	(117,641)	(117,641)	(1,411,692)
Insurance escrow	-	-	-	-	-	-	-	-	-	-	(589,547)	-	(589,547)
Mortgage principal payments	(154,523)	(154,523)	(154,523)	(154,523)	(154,523)	(164,404)	(164,639)	(164,457)	(164,483)	(164,715)	(164,536)	(164,767)	(1,924,616)
Mortgage interest payments	(274,091)	(273,358)	(273,932)	(273,828)	(272,885)	(275,863)	(274,884)	(274,322)	(274,740)	(273,763)	(273,199)	(273,397)	(3,288,262)
Draw proceeds from Loan (A)	-	-	387,682	-	-	702,369	-	-	237,500	-	-	234,590	1,562,141
Tenant improvements & commissions	(22,141)	(136,140)	(29,403)	(242,528)	(3,531)	(31,311)	(46,657)	(13,398)	(177,444)	(46,577)	(2,207)	(185,804)	(937,141)
Net cash generated / (used)	130,570	76,085	333,031	(70,049)	(216,539)	692,276	(36,708)	166,790	212,666	174,600	(372,960)	250,562	1,340,324
Contributions / (Distributions)	(408,928)			(408,928)			(408,928)			(408,928)			(1,635,712)
Ending Cash Balances	\$ 2,054,842	\$ 2,130,927	\$ 2,463,958	\$ 1,984,980	\$ 1,768,442	\$ 2,460,718	\$ 2,015,082	\$ 2,181,872	\$ 2,394,539	\$ 2,160,211	\$ 1,787,251	\$ 2,037,812	\$ 2,037,812
Operating Reserve (CBDI and ASM)	\$ 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
Cash Available after Reserve & Distributions	\$ 1,554,842	\$ 1,630,927	\$ 1,963,958	\$ 1,484,980	\$ 1,268,442	\$ 1,960,718	\$ 1,515,082	\$ 1,681,872	\$ 1,894,539	\$ 1,660,211	\$ 1,287,251	\$ 1,537,812	\$ 1,537,812

Note A: The loan draws are for tenant improvements, commissions and capital expenditures. The draws are made during the last month of each quarter.

Tenant improvements \$465,000 (capitalized)

Commissions \$472,143 (capitalized)

Liberty Bend water project \$350,000 (expensed)

HVAC 18 & O chiller \$200,000 (expensed)

Replace stairs 10 Cambridge Place \$75,000 (expensed)