



November 17, 2022

# Boutique Office Portfolio

Third Quarter 2022 – Report to Investors

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# LETTER TO INVESTORS

November 17, 2022

We are pleased to enclose this financial report for Unico Boutique Office Portfolio (the “BOP” or the “Fund”) for the quarter ended September 30, 2022, and to provide an update on recent Fund activities.

## Executive Summary

Our primary focus continues to be managing the portfolio prudently through a difficult market. Management continues to focus on leasing and liquidity, as we work to establish reserves for capital needs and potential remargin risk in the portfolio.

Based on redemption language in the Fund documents, as well as maintaining a prudent level of operating reserves, we do not expect to make an operating distribution for the remainder of 2022. Management will utilize capital from asset sales and financing, as available, to fund tax redemptions. Due to tax redemptions and significant capital needs throughout the Fund, it is unlikely the Fund will be able to fulfill the outstanding voluntary redemption requests this year. We will continue to use commercially reasonable efforts to generate liquidity to meet these voluntary redemption requests.

As previously communicated to investors, the taxable gain from the sale of any assets during the year will be allocated to BOP investors. As specified in the BOP LP Agreement, investors have the option to elect to redeem a sufficient amount of units to fund their allocated tax liability. Investors have until December 1, 2022, to make their election.

## Major Leasing and Capital Projects Overview

Economic headwinds intensified in the third quarter which has resulted in tenants becoming more

defensive in their leasing strategies, thus putting additional strain on the Fund. New leases and renewals remain a top priority to management. More specifically, large block vacancies in the Fund are of priority at Rivertec, Lovejoy, Pearl Street, and Wynkoop. Occupancy decreased from 78% to 76% during the quarter. Most of the leasing activity throughout the Fund continues to be centered around spaces that are in move-in ready condition. Noteworthy activity in the Fund includes, new and renewal leasing activity at Pearl Street totaling 23K sf as well as new and renewal leasing activity at Elephant Corral totaling 9K sf.

Most of the capital work during the third quarter of 2022 was focused around tenant improvement projects at the Pearl Street Portfolio and 51 University.

## Redemptions, Acquisitions, Dispositions & Financing

### Completed Transactions (YTD):

- Sale – 2nd & Clayton: In June 2022, we closed on the sale of 2nd and Clayton, resulting in \$14M of proceeds to the Fund which were used for the Wynkoop JV Put Right.
- 2040 14th Street (Pearl Street Portfolio): In July 2022, we closed on the sale of 2040 14<sup>th</sup> Street. The building sold to an owner-user with relatively opportunistic pricing. A realized gain of \$414k was distributed to BOP subsequent to quarter end.
- Acquisition - JV partner in the Wynkoop Building exercised their put option per the joint venture agreement which required BOP to purchase their interest. We utilized proceeds from 2nd & Clayton sale and completed the acquisition in

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June 2022. BOP now owns 100% of the Wynkoop Building.

- Financing - Pearl Street Portfolio: The three Pearl Street loans matured in Q4 2022 and opened for prepayment at no cost. Management ran a marketed process and selected Kennedy Wilson to refinance the Portfolio with a single loan. We have closed the loan in September 2022 and the JV distributed \$3.5M to BOP subsequent to quarter end.

#### In-Progress Transactions:

- Financing - Washington Park Ground Lease: Management engaged a broker and went to market in Q3 2022 to finance the ground lease position.
- Sale - 1420 Wynkoop: Management has elected to sell the 1420 Wynkoop development parcel. Before a PSA was signed, a previous buyer backed out of the deal due to market headwinds. A new buyer has since been selected and we anticipate a signed PSA with a purchase price of \$8.6 million in November with an anticipated closing in the fourth quarter. BOP will retain the 44k sf 1430 Wynkoop office building.
- Financing - 1430 Wynkoop: Management is in discussions with the existing lender for a 2-year extension as the loan expired in September of 2022.
- Sale - St. Elmo Building: Given the market slow down and rise in interest rates, investor interest has been tepid for the 100% occupied building. Management will consider a combined sale with Elephant Corral in 2023.

#### Upcoming Transactions:

- Financing - Logan Building: Management has engaged a debt broker to market the loan and will be out in the market in Q4 2022.
- Financing - Triangle & Fitzgibbons: Management will either exercise the renewal option or place new debt upon maturity, both options anticipated to require a partial loan remargin.
- Sale - Elephant Corral: Management received a Broker Opinion of Value during the third quarter and have been advised to delay marketing until 2023.

## Market Updates

### SEATTLE

<b>INVENTORY</b>	<b>VACANCY RATES</b>	<b>NET ABSORPTION</b>
64.2 M SF in Downtown Seattle	13.7% Direct 18.1% Total	-1.1 M SF YTD -1.7% of Inventory YTD

<b>RENTAL RATES</b>	<b>NEW CONSTRUCTION</b>	<b>UNDER DEVELOPMENT</b>
\$52.10 /SF Gross 0.9% QoQ Increase	322 K SF Delivered YTD	1.5 M SF

*Source: JLL Q3 2022 Seattle / Puget Sound Office Insight Report*

The Seattle office leasing market remained subdued in the third quarter. Total availability in Downtown Seattle increased 170 basis points quarter-over-quarter to 19.2%, driven by increases in both direct and sublease availability. Sublease availability rose in the third quarter as various tenants reduced their long-term space needs, introducing large block spaces to the market. While overall leasing activity was low in the third quarter, the leasing activity that did occur provides reasons for optimism. For example, 68% of leasing activity was composed of either new leases or relocations, representing increased tenant conviction in office space. Additionally, four leases over 30,000 sf were signed in the third quarter, an indication that although large-block requirements have sharply decreased during the pandemic, they are still present in the market. Finally, while availability rose sharply in the third quarter, total availability in Class A product in Downtown Seattle increased only 70 basis points to 16.8%. This further illustrates the ongoing trend

among tenants who are gravitating almost exclusively towards Class A, quality space to entice employees back to the office. Going forward, leasing activity is expected to remain muted as tenants navigate uncertainty around their long-term space requirements and financial liabilities in the current macroeconomic environment. It is further expected that the tenants who remain active in the short-term will exclusively focus on Class A office options with competitive amenity packages.

### PORTLAND

<b>INVENTORY</b>	<b>VACANCY RATES</b>	<b>NET ABSORPTION</b>
32.4 M SF in Urban Core	20.5% Direct 22.9% Total	-866 K SF YTD -2.7% of Inventory YTD

<b>RENTAL RATES</b>	<b>NEW CONSTRUCTION</b>	<b>UNDER DEVELOPMENT</b>
\$36.95 /SF Gross 1.0% QoQ Increase	0 SF Delivered YTD	616 K SF

*Source: JLL Q3 2022 Portland Office Insight Report*

Office leasing in downtown Portland continued to struggle in Q3. Leasing activity is down 34% compared to the same time last year. This is primarily due to large tech tenants' hesitation to make significant leasing decisions with both future economic uncertainty and continued employee desire for work-from-home schedules. In line with this, direct vacancy has increased 20 basis points quarter over quarter and total vacancy has increased 50 basis points to 22.9%. While third quarter activity may feel muted, it is fair to expect more vacancies to come. Several notable downtown tenants have

communicated plans to relocate into the suburbs and many tenants have listed their space for sublease. Future sublease announcements from downtown groups are likely to be made public soon. There are a few bright spots in the Portland market. Partially because of big tech's lack of footprint, traditional growth drivers are filling in more space in Urban Portland. Professional services now account for almost one-third of all leased space in the Urban Core. Athletic and footwear brands still have a presence in the city too. In October, footwear brand FILA signed an office lease for a new performance division in Northwest Portland. Despite these inklings of hope, it is likely that full recovery is still far away.

### DENVER

INVENTORY	VACANCY RATES	NET ABSORPTION
37.9 M SF in CBD	22.6% Direct 27.3% Total	-1.1 M SF YTD -2.9% of Inventory YTD

RENTAL RATES	NEW CONSTRUCTION	UNDER DEVELOPMENT
\$41.73 /SF Gross -0.6% QoQ Increase	294 K SF Delivered YTD	1.39 M SF

Source: JLL Q3 2022 Denver Office Insight Report

In the third quarter, the Denver office leasing market experienced its largest level of negative absorption since the first quarter of 2021, driven both by large tenant vacates and the introduction of more than 1 million SF of availability to the sublease market. This caused total availability in the Denver CBD 130 basis points to 27.3%, 4.4% of which is attributable to sublease availability. While market vacancy remains

elevated, a few patterns illustrate the persistence of the thematic 'flight-to-quality.' Vacancy in product delivered after 2010 sits at 17.4%. Additionally, product delivered after 2000 accounted for 43% of leasing activity during the third quarter while comprising only 29% of inventory. In addition to the quality of the asset, location is expected to play a crucial role in the success of assets going forward – LoDo, Cherry Creek, and Boulder are anticipated to continue to outperform the remaining submarkets.

### LODO

INVENTORY	VACANCY RATES	NET ABSORPTION
7.0 M SF in LoDo	12.0% Direct 14.4% Total	40 K SF YTD 0.6% of Inventory YTD
RENTAL RATES	NEW CONSTRUCTION	UNDER DEVELOPMENT
\$47.17 /SF Gross -3.0% QoQ Decrease	0 SF Delivered YTD	0 K SF

Source: JLL Q3 2022 Denver Office Insight Report

The LoDo office submarket remained a bright spot in the broader Denver market, where the Class A direct vacancy rate declined by 60 basis points to 8.9%. The market strongly favors Class A product, evidenced by the direct vacancy rate in Class B product at 23.8%, a 14.9% difference from Class A direct vacancy levels.

## BOULDER

<b>INVENTORY</b>	<b>VACANCY RATES</b>	<b>NET ABSORPTION</b>
7.5 M SF in Boulder	11.5% Direct 12.7% Total	118 K SF YTD 1.6% of Inventory YTD

<b>RENTAL RATES</b>	<b>NEW CONSTRUCTION</b>	<b>UNDER DEVELOPMENT</b>
\$42.06 /SF Gross -1.0% QoQ Decrease	0 SF Delivered YTD	278 K SF

Source: JLL Q3 2022 Denver Office Insight Report

Boulder office market conditions slightly worsened from last quarter. Total vacancy rate increased 50 basis points while rents dropped by \$0.40/ SF Gross. This said, the outdoor lifestyle of Boulder continues to welcome higher class tenants, such as R&D and life science groups. Atom Computing, a quantum computer company, opened its largest R&D office in Boulder in September. Atom Computing also announced plans to commit an additional \$100MM in Colorado over the next three years. The contrast in asking rates between property classes reflects the difference in office quality, with the Class A properties asking rates of \$57.18 /SF gross, nearly 60% higher than the Class B rates of \$36.83 /SF.

## Quarterly Valuations

The third quarter Net Asset Value (“NAV”) for BOP is equal to \$1,351.14 per unit which is a 5.1% decrease from year-end 2021. The third quarter NAV is based on second quarter values, in addition to capital expenditures in the third quarter for all wholly owned assets. The third quarter valuation for the Pearl Street Portfolio is derived from a third party independent appraisal. The YTD decrease in values is primarily driven from interest rate increases which has resulted in higher capitalization and discount rates, thus applying downward pressure on values. As specified in the BOP LP Agreement, the entire portfolio will undergo 3<sup>rd</sup> party appraisals during the fourth quarter valuation process.

While capital market conditions have placed downward pressure on unlevered asset values, the rising interest rate environment has caused the Fund’s fixed rate debt to appear more attractive. In the third quarter, the Fund recognized a \$1.7 million gain attributable to decreases in the fair market value of debt.

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## Upcoming Investor Meetings

We intend to continue to hold regular meetings to discuss Fund performance and answer any investor questions. Our next investor call is on December 8, 2022.

Date	Topic
12/8/2022	Semi-Annual Fund Update
1/5/2023	Transaction Updates
4/5/2023	Semi-Annual Fund Update
5/10/2023	Transaction Updates

Sincerely,



**Ned Carner**  
Portfolio Manager, Boutique Office Portfolio  
Chief Investment Officer

# INVESTMENT SUMMARY

Investment Summary as of September 30, 2022 (\$ in 000's)

Investment Name	Fair Market Value						LTV <sup>4</sup>
	Asset <sup>1</sup>	Debt <sup>2</sup>	Net Balance Sheet	Non-Controlling Interest <sup>3</sup>	Equity		
<b>Unrealized Investments</b>							
51 University	\$ 44,229	\$ (20,039)	\$ (374)	\$ -	\$ 23,816		54%
Logan Building	47,896	(24,443)	(273)	-	23,180		52%
Lovejoy	40,067	(22,949)	651	-	17,769		60%
Pearl Safeway	28,500	(14,388)	362	-	14,474		58%
Rivertec	24,245	(11,919)	303	-	12,629		60%
St. Elmo Building	9,921	(4,636)	4,243	-	9,528		31%
Elephant Corral	20,972	(9,189)	(4,446)	-	7,337		44%
Wynkoop <sup>7</sup>	29,669	(19,000)	(37)	-	10,632		64%
Washington Park	15,200	-	211	-	15,411		0%
Colman Building	30,970	(20,913)	301	-	10,358		72%
Korn Walker	14,955	(8,208)	28	-	6,775		56%
Triangle/Fitzgibbons Buildings	18,800	(11,000)	890	-	8,690		59%
<b>Total Unrealized Investments</b>	<b>\$ 325,424</b>	<b>\$ (166,684)</b>	<b>\$ 1,859</b>	<b>\$ -</b>	<b>\$ 160,599</b>		<b>55%</b>
<b>Realized Investments</b>							
Second & Clayton <sup>8</sup>	\$ -	\$ -	\$ (661)	\$ -	\$ (661)		0%
<b>Non-Consolidated Investments</b>							
Pearl Street Portfolio	\$ 176,000	\$ (86,680)	\$ 14,047	\$ (66,657)	\$ 36,710		49%
<b>Total Non-Consolidated Investments</b>	<b>\$ 176,000</b>	<b>\$ (86,680)</b>	<b>\$ 14,047</b>	<b>\$ (66,657)</b>	<b>\$ 36,710</b>		
Fund Level			\$ 2,786		\$ 2,786		
<b>Total</b>	<b>\$ 501,424</b>	<b>\$ (253,364)</b>	<b>\$ 18,031</b>	<b>\$ (66,657)</b>	<b>\$ 199,434</b>		<b>53%</b>

1. Property values based on Unico internal valuation as 06/30/2022 plus capital expenditures as of 09/30/2022, with the exception of the Pearl Street Portfolio.
2. Debt is based on the outstanding principal balances as of 9/30/2022 plus fair market debt adjustments.
3. 64.5% of Pearl Street Portfolio.
4. Total LTV calculation accounts for non-controlling interests in Pearl Street Portfolio.
5. Second and Clayton was sold in June of 2022.

## Distributions

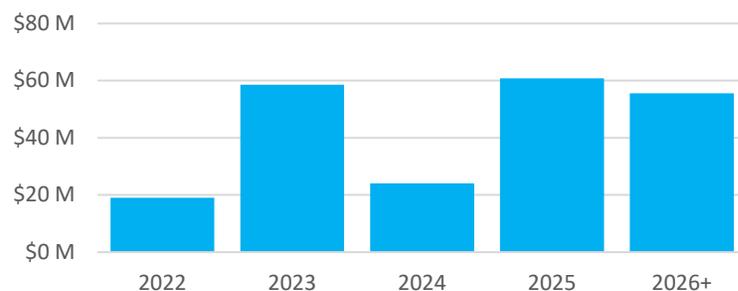
Quarterly Distribution Amount - Q3 2022	\$0.0 million
Distribution Per Unit	\$0.00

## Debt Summary as of September 30, 2022 (\$ in 000's)

Investment	Lender	Principal Balance	FMV Debt Balance <sup>1</sup>	Interest Rate <sup>2</sup>	Fixed/ Floating	Maturity Date	DSCR
Wynkoop <sup>3</sup>	Huntington Bank	\$ 19,000	\$ 19,000	5.01%	Floating	Sep-22	1.49
St. Elmo Building	Huntington Bank	\$ 4,637	\$ 4,637	4.81%	Floating	May-23	2.81
Elephant Corral	Huntington Bank	\$ 9,189	\$ 9,189	4.81%	Floating	May-23	1.88
Pearl Street Portfolio	Kennedy Wilson	\$ 86,680	\$ 86,680	6.45%	Floating	Sep-25	1.48
Triangle/Fitzgibbons Buildings	Huntington Bank	\$ 11,000	\$ 11,000	4.62%	Floating	Jan-23	1.62
Logan Building	N. American Co. for Life	\$ 24,716	\$ 24,443	4.33%	Fixed	Apr-23	2.01
Korn Walker	Washington Capital	\$ 8,420	\$ 8,207	5.25%	Fixed	Dec-23	0.90
Lovejoy	Wells Fargo	\$ 24,000	\$ 22,949	4.31%	Fixed	Jul-24	1.94
Colman Building	Natixis RE Capital	\$ 22,400	\$ 20,913	4.20%	Fixed	Mar-25	0.79
Pearl Safeway	Principal	\$ 16,453	\$ 14,388	3.99%	Fixed	Jul-30	2.23
51 University	LISW	\$ 23,979	\$ 20,040	4.28%	Fixed	Jun-31	1.98
Rivertec	Unum Life Insurance	\$ 14,574	\$ 11,919	3.87%	Fixed	Jul-31	2.35
Washington Park	None	\$ -	\$ -	N/A	N/A	N/A	N/A
<b>Subtotal</b>		<b>\$ 265,048</b>	<b>\$ 253,364</b>				
<b>Non-Controlling Interest<sup>4</sup></b>		<b>\$ (55,896)</b>	<b>\$ (55,896)</b>	<b>Multiple</b>	<b>Multiple</b>	<b>Multiple</b>	
<b>Total<sup>5</sup></b>		<b>\$ 209,152</b>	<b>\$ 197,468</b>				

- Debt is based on the outstanding principal balances as of 9/30/2022 plus fair market debt adjustments.
- Interest rates for Pearl Street Mall, Elephant Corral, St. Elmo Building, Triangle/Fitzgibbons and Wynkoop are based on SOFR (as of 9/30/22) plus their respective spread. Interest rates for 51 University and Pearl Street Portfolio represent weighted averages of interest rates based on current loan balances.
- Management is actively seeking an extension at 1430 Wynkoop
- Represents 64.5% of Pearl Street Portfolio
- FMV Debt Balance decreased relative to Q2 2022 due to the rise of treasury rates, which has increased the value of BOP's fixed rate debt.

## Portfolio Debt Maturity Schedule



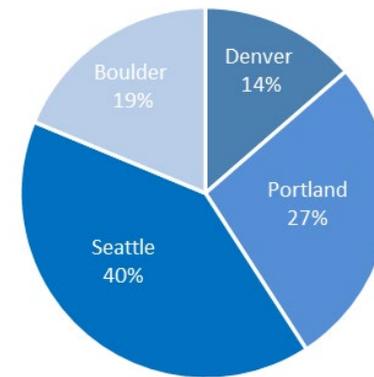
Near-term loan maturities include the following:

- Wynkoop – Exp. 9/20/2022: The short-term extension expired in September 2022. Management is in discussions with the current lender for a 2-year extension, with release pricing should we sell 1420 Wynkoop.
- Triangle and Fitzgibbons – New Exp. 1/30/2023: Management is working on a short-term extension and to cross collateralize the debt with Elephant Corral

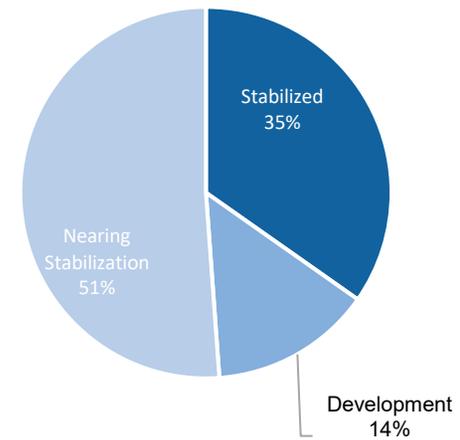
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## PORTFOLIO PERFORMANCE

Geographic Distribution by FMV Equity



Investment Lifecycle by FMV Equity

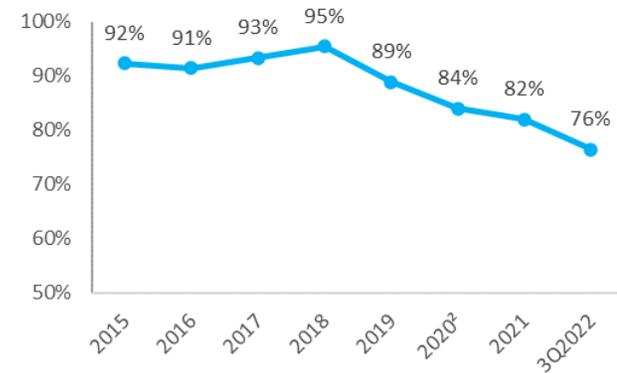


## Portfolio Yield

<p><b>\$199.4 million</b> in net assets</p> <p><b>Unit Value<sup>1</sup>: \$ 1,351.14</b></p>		<b>Annualized</b>	
		<b>12-Month Trailing<sup>2</sup></b>	<b>Since Fund Inception<sup>3</sup></b>
	Fund Income Gross Return	0.59%	5.77%
	Fund Gross Appreciation	-5.09%	3.69%
	Fund Total Gross Return <sup>4</sup>	-4.50%	9.45%
Fund Total Net Return	-3.80%	7.85%	

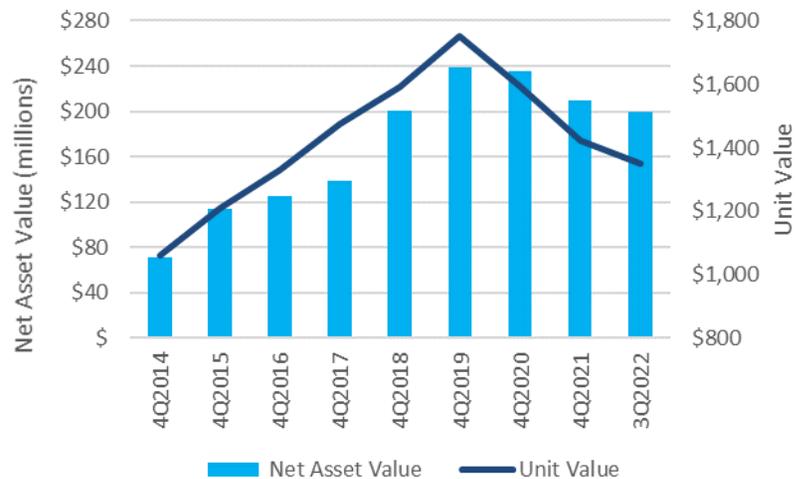
1. Unit Value represents the value as of September 30, 2022.
2. 12-Month Trailing Return based on distribution on prior four quarters compared to beginning net asset value for same period.
3. Since Fund Inception Return based on total distributions since inception compared to original acquisition basis of \$1,000 per unit. The Fund commenced 6/10/14.
4. Fund Total Gross Return and Fund Total Net Return are adjusted for timing differences associated with the accrual and payment of the quarterly distribution.

## Portfolio Occupancy<sup>1</sup>

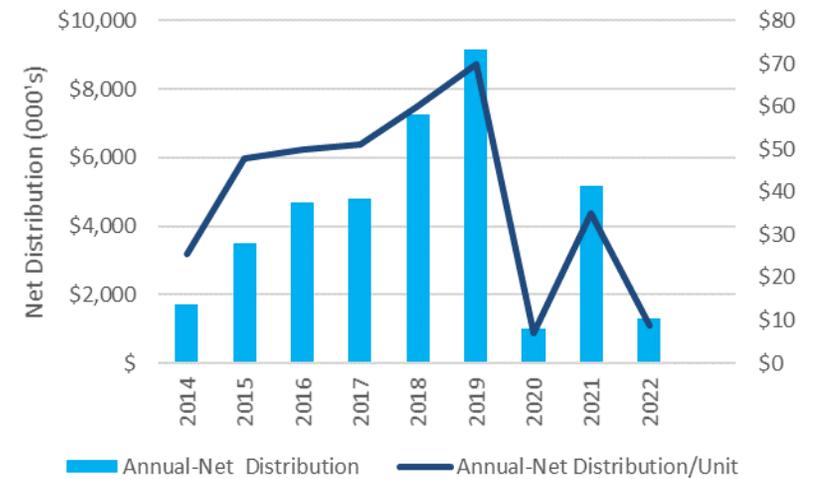


1. Occupancy based on weighted average of the BOP ownership.
2. 2020 occupancy excludes Washington Park given Management intentionally vacated tenants in anticipation of development. 2021 and 2022 occupancy include Washington Park due to ground lease commencement.

## Net Asset Value



## Investor Distributions



# 51 UNIVERSITY

Seattle, WA

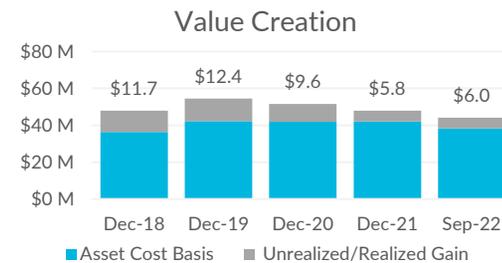
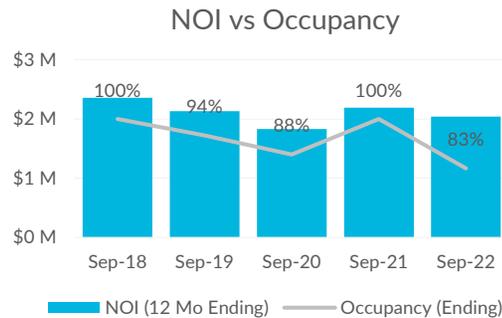


## Asset Level Capitalization

	Fair Market Value		
		PSF	%
Asset	\$ 44,229	\$ 445	100%
Debt	\$ (20,039)	\$ (201)	-45%
Net Balance Sheet	\$ (374)	\$ (4)	-1%
Equity	\$ 23,816	\$ 239	54%

## Property Information & Financing

Investment Date:	6/10/2014	Lender:	LISW
Location:	Seattle, WA	Amortization:	30 Year
Description:	Class B, Office	Fixed / Floating:	Fixed
Opportunity Type:	Stabilized	Rate / Spread:	4.28%
Square Feet:	98,484	Hedge:	None
Occupancy:	83%	Maturity Date:	6/10/2031
		Extensions:	None



## Investment Summary

51 University is highlighted by its irreplaceable location in Seattle's Waterfront District, which is in the process of undergoing a planned \$4 billion redevelopment. The investment profile was originally defined by tremendous potential for enhanced cash flow and appreciation as leases roll to market after the viaduct removal and the waterfront redevelopment takes form, both of which have now occurred or are under way.

## Recent Activity and Outlook

Two 2<sup>nd</sup> floor tenants vacated roughly 15k sf at lease-end in early Q3, bringing occupancy down to 83%. We are continuing to market the vacancy as both a multi-tenant and single tenant opportunity. Copperworks, a distilling company located on the ground floor, expanded into the adjacent 6k sf vacancy early this year. The tenant will operate a tap room and anticipates opening in Q2 2023. Management is moving forward with a modernization of the two elevators which service the office floors. Upgrades to the waterfront are nearly halfway to completion, with a new pedestrian bridge, bike paths, and additional traffic lanes.

# LOGAN BUILDING

Seattle, WA



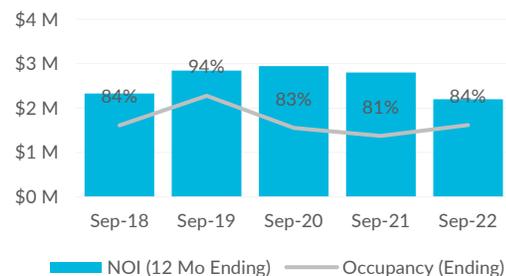
## Asset Level Capitalization

	Fair Market Value		
		PSF	%
Asset	\$ 47,896	\$ 402	100%
Debt	\$ (24,443)	\$ (205)	-51%
Net Balance Sheet	\$ (273)	\$ (2)	-1%
Equity	\$ 23,180	\$ 195	48%

## Property Information & Financing

Investment Date:	6/10/2014	Lender:	N. American Co. for Life
Location:	Seattle, WA	Amortization:	30 Year
Description:	Class B, Office	Fixed / Floating:	Fixed
Opportunity Type:	Stabilized	Rate / Spread:	4.33%
Square Feet:	119,100	Hedge:	None
Occupancy:	84%	Maturity Date:	4/6/2023
		Extensions:	None

NOI vs Occupancy



Value Creation



## Investment Summary

The Logan Building's fortress CBD location at Fifth & Union affords broad tenant appeal and the best downtown amenities Seattle has to offer. Unico acquired the property seeing value in converting its dated interiors and implementing a "plug-and-play" strategy for vacancies throughout the building in order to minimize go-forward capital bleed and substantially grow cash flow.

## Recent Activity and Outlook

The Logan Building retail brokerage team hosted a broker open house to bolster leasing activity. There has been strong interest in the space given the main-on-main location and the quality 2<sup>nd</sup> generation restaurant infrastructure. New leasing activity for office vacancy has been relatively slow during the quarter, but management continues to be successful with short-term renewals of the existing tenancy. Management has engaged a debt broker to market the loan and is currently in the market to refinance the existing debt which matures in April 2023.

# LOVEJOY

Portland, OR

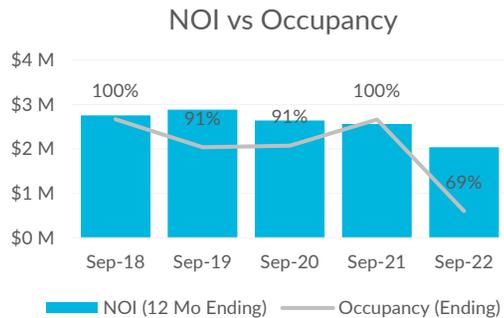


## Asset Level Capitalization

	Fair Market Value		
		PSF	%
Asset	\$ 40,067	\$ 445	100%
Debt	\$ (22,949)	\$ (255)	-57%
Net Balance Sheet	\$ 651	\$ 7	2%
Equity	\$ 17,769	\$ 197	44%

## Property Information & Financing

Investment Date:	6/10/2014	Lender:	Wells Fargo
Location:	Portland, OR	Amortization:	Interest-Only
Description:	Class A, Office	Fixed / Floating:	Fixed
Opportunity Type:	Stabilized	Rate / Spread:	4.31%
Square Feet:	90,086	Hedge:	None
Occupancy:	69%	Maturity Date:	7/11/2024
		Extensions:	None



## Investment Summary

The Lovejoy is an office condominium located in the top three floors of a landmark 9-story office building situated in the Pearl District of downtown Portland. The Property offers tenants new Class A quality LEED Gold Certified office space with garage parking, a 7th floor outdoor garden terrace, and, as one of few mid-rise office buildings in the Pearl District, views of downtown Portland, Mt. Hood, and the Columbia River.

## Recent Activity and Outlook

Lovejoy's brokerage team is marketing the vacant floor as both a single tenant and multi-tenant availability. Although leasing has been slow across the market, management has responded to various proposals for both partial and full floor tenant requirements. ACM, a 4.8k sf office tenant expiring in Q1 2023, has signed a one-year extension with no TI.

# PEARL SAFEWAY

Portland, OR

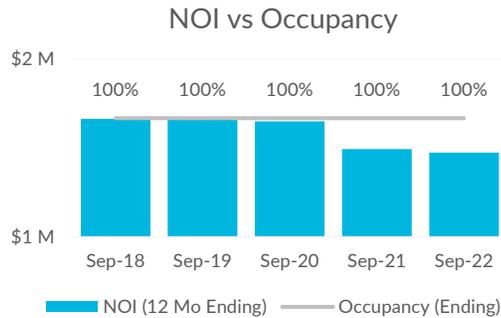


## Asset Level Capitalization

	Fair Market Value		
		PSF	%
Asset	\$ 28,500	\$ 594	100%
Debt	\$ (14,388)	\$ (300)	-50%
Net Balance Sheet	\$ 362	\$ 8	1%
Equity	\$ 14,474	\$ 302	51%

## Property Information & Financing

Investment Date:	6/10/2014	Lender:	Principal
Location:	Portland, OR	Amortization:	30 Year
Description:	Class A, Mixed Use	Fixed / Floating:	Fixed
Opportunity Type:	Stabilized	Rate / Spread:	3.99%
Square Feet:	48,000	Hedge:	None
Occupancy:	100%	Maturity Date:	7/1/2030
		Extensions:	None



## Investment Summary

Pearl Safeway represents a 48,000-sf retail condominium developed in 2008 and anchored by a long-term lease with Safeway. The investment thesis has been to generate stabilized cash flows, achieved via a lack of market exposure until 2028 when Safeway's lease (98% of occupancy) expires, and the property's long-term fixed rate refinancing.

## Recent Activity and Outlook

Safeway continues to perform, and the property has nominal market exposure until their lease expires in 2028.

# RIVERTEC

Portland, OR



## Asset Level Capitalization

	Fair Market Value			
			PSF	%
Asset	\$ 24,245	\$ 322	100%	
Debt	\$ (11,919)	\$ (158)	-49%	
Net Balance Sheet	\$ 303	\$ 4	1%	
Equity	\$ 12,629	\$ 168	52%	

## Property Information & Financing

Investment Date:	6/10/2014	Lender:	Unum Life Insurance
Location:	Portland, OR	Amortization:	25 Year
Description:	Class B+, Office	Fixed / Floating:	Fixed
Opportunity Type:	Stabilized	Rate / Spread:	3.87%
Square Feet:	75,386	Hedge:	None
Occupancy:	71%	Maturity Date:	7/1/2031
		Extensions:	None

NOI vs Occupancy



## Investment Summary

The Rivertec Building is located in the sought-after Pearl District of downtown Portland. An adaptive reuse of a historic building, the Property exemplifies the 'creative' style office space sought by the local tenant base and has historically seen deep tenant demand despite modest capital investment in tenant improvements.

## Recent Activity and Outlook

Jojo PDX, a local restaurant who moved into their retail space in September has started off well as shown by their levels of traffic. The tenant has been well received in the market and will make for a nice amenity for our office tenants at Rivertec and the neighboring Lovejoy Building. Vacasa will continue to lease their remaining space (25k sf) until their lease expires in November 2022 which will cause occupancy to decrease to approximately 40%.

Value Creation



# ST. ELMO BUILDING

Denver, CO



## Asset Level Capitalization

	Fair Market Value		
		PSF	%
Asset	\$ 9,921	\$ 485	100%
Debt	\$ (4,636)	\$ (227)	-47%
Net Balance Sheet	\$ 4,243	\$ 208	43%
Equity	\$ 9,528	\$ 466	96%

## Property Information & Financing

Investment Date:	6/10/2014	Lender:	Huntington Bank
Location:	Denver, CO	Amortization:	Interest-only
	Class B+, Mixed		
Description:	Use	Fixed / Floating:	Floating
Opportunity Type:	Stabilized	Rate / Spread:	LIBOR + 2.25%
Square Feet:	20,442	Hedge:	N/A
Occupancy:	100%	Maturity Date:	5/31/2023
		Extensions:	1 x 1 year extension

NOI vs Occupancy



Value Creation



## Investment Summary

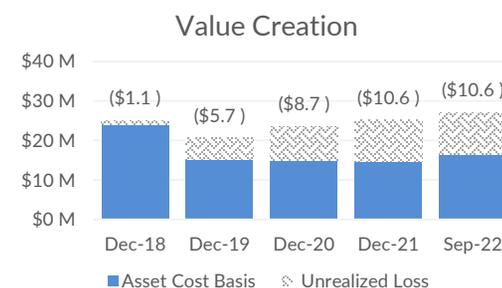
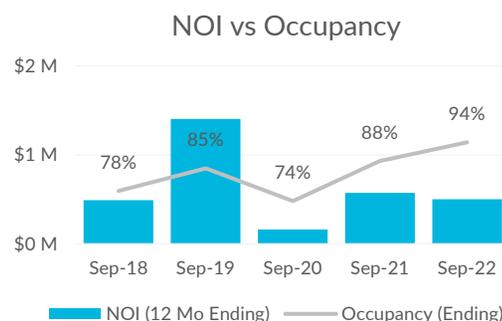
The St. Elmo Building comprises a boutique three-story renovated historic property in the LoDo District of downtown Denver, Colorado. This location is highlighted by its centrality in the heart of LoDo, just two blocks from the Union Station intermodal mass transit hub. Built in 1896 and substantially renovated in 2007, the Property features office space over street level retail.

## Recent Activity and Outlook

The property is fully leased. Church and Union (6.5k anchor retail tenant) anticipates finishing their TI by Q3 of 2023. This lease has a 10-year term with a relatively high rental rate, which has positioned the property well for a near-term sale. Management engaged Denver's Cushman & Wakefield team for the sale who went out to market back in Q1 2022. Given the market slow down and rise in interest rates, investor interest has been tepid. Management will consider a combined sale with Elephant Corral in 2023.

## ELEPHANT CORRAL

Denver, CO



## Asset Level Capitalization

	Fair Market Value		
		PSF	%
Asset	\$ 20,972	\$ 358	100%
Debt	\$ (9,189)	\$ (157)	-44%
Net Balance Sheet	\$ (4,446)	\$ (76)	-21%
Equity	\$ 7,337	\$ 125	35%

## Property Information & Financing

Investment Date:	2/5/2016	Lender:	Huntington Bank
Location:	Denver, CO	Amortization:	Interest-only
Description:	Class B+, Office Nearing Stabilization	Fixed / Floating:	Floating
Opportunity Type:	Stabilization	Rate / Spread:	LIBOR + 2.25%
Square Feet:	58,511	Hedge:	N/A
Occupancy:	94%	Maturity Date:	5/13/2023
		Extensions:	1 x 1 year extension

## Investment Summary

The Elephant Corral is a historic office property located in the LoDo submarket of Denver, CO. While under-managed upon acquisition, since taking ownership Unico has worked to improve the asset's profile by completing a renovation of the plaza and common areas, modernizing the interiors, and signed a lease with Strava for nearly one third of the net rentable area.

## Recent Activity and Outlook

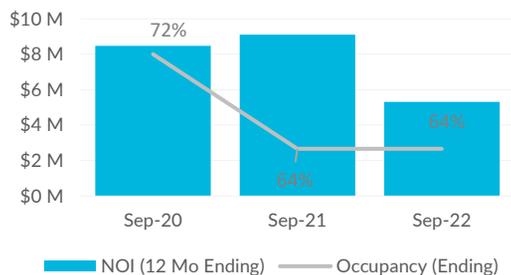
Tenant improvements for two recently signed leases totaling 3.4k sf have been completed and both tenants are occupying their respective spaces. The building is now 94% occupied with one remaining vacancy totaling 3k sf. Prior to widely marketing the asset for sale, our investment brokerage team recommended that we delay the sale given economic headwinds. Management will continue to assess the market to determine a prudent time to sell the asset.

## PEARL STREET PORTFOLIO

Boulder, CO



NOI vs Occupancy<sup>1</sup>



Value Creation<sup>2</sup>



1. 2040 Pearl was sold in Q3 of 2022 but is still included in historical NOI and Occupancy data

2. Pearl Street is showing a loss in Q3 2022 due to returning \$11.1M of equity from (1) the sale of 2040 14th Street and (2) refinancing the portfolio which resulted in excess proceeds.

## Asset Level Capitalization

	Fair Market Value		
		PSF	%
Asset	\$ 176,000	\$ 472	100%
Debt	\$ (86,680)	\$ (233)	-49%
Net Balance Sheet	\$ 14,047	\$ 38	8%
Equity	\$ 103,367	\$ 277	59%
Non-Controlling	\$ (66,657)	\$ 179	-38%
Net Equity	\$ 36,710	\$ 99	21%

## Property Information & Financing

Investment Date:	3/29/2018	Lender:	Kennedy Wilson
Location:	Boulder, CO	Amortization:	Interest Only
Description:	Class A, Mixed Use Nearing	Fixed / Floating:	Floating
Opportunity Type:	Stabilization	Rate / Spread:	3.70%
Square Feet:	354,934	Hedge:	None
Occupancy:	64%	Maturity Date:	9/9/2025
		Extensions:	2 x 1 year extensions

## Investment Summary

The Pearl Street Portfolio is a “once in a generation” collection of new and historic rehab buildings in the tightly constrained Pearl Street pedestrian mall in Boulder, CO. The overall strategy will focus on maintaining a steady cash flow but will also look at repositioning the Portfolio as institutional quality real estate located in the heart of Boulder’s lifestyle center. Post-stabilization and repositioning, the Portfolio stands to benefit from enduring cash flows for years to come. The Pearl Street Portfolio was purchased and capitalized into a joint venture, of which the BOP holds a 35.5% interest.

## Recent Activity and Outlook

Management closed a refinance of the Portfolio with Kennedy Wilson in August of 2022. Initial proceeds totaled \$86.68M with additional funding of \$11.27M for future leasing costs. Excess funds were distributed to BOP and PG. BOP’s share of fees incurred from loan closing, approx. \$794k, is reflected in equity in loss of unconsolidated real estate joint ventures on the Statement of Operations. The decline in NAV is due to the sale of 2040 14<sup>th</sup> street.

Office leasing saw some positive news this past quarter. A 5.5k sf office lease has been executed at 1701 Pearl. Management is in lease negotiations with three office tenants totaling over 23k sf and has received proposals for additional 10k sf. Retail leasing has also seen positive activity. Management is working through lease comments with two new retailers who will elevate the branding of the portfolio.

# WYNKOOP

Denver, CO

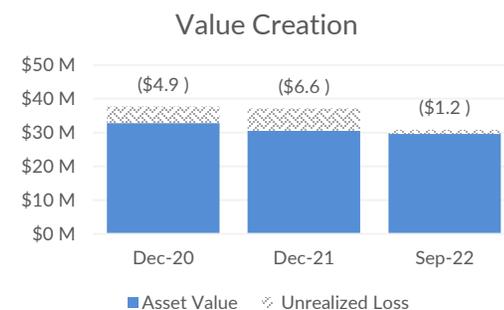
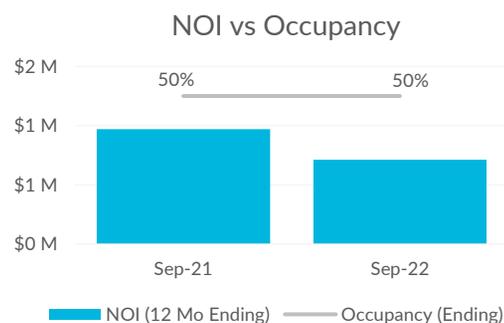


## Asset Level Capitalization

	Fair Market Value		
		PSF	%
Asset	\$ 29,669	\$ 674	100%
Debt	\$ (19,000)	\$ (431)	-64%
Net Balance Sheet	\$ 37	\$ (1)	0%
Equity	\$ 10,632	\$ 241	36%

## Property Information & Financing

Investment Date:	12/17/2019	Lender:	Huntington Bank
Location:	Denver, CO	Amortization:	Interest-only
Description:	Class B+, Office	Fixed / Floating:	Floating
Opportunity Type:	Development	Rate / Spread:	SOFR + 2.50%
Square Feet:	44,045	Hedge:	N/A
Occupancy:	50%	Maturity Date:	9/20/2022
		Extensions:	None



## Investment Summary

Wynkoop includes a historic office building and the aggregation of a ~25,000 sf development site in the LoDo submarket of Denver, CO. The project was recapitalized into a 40%/60% joint venture with Partners Group in December 2019. In 2021, Partners Group exercised their put option per the joint venture agreement which required BOP to purchase their interest at cost in Q2 2022. The Fund purchased their interest in June 2022.

## Recent Activity and Outlook

Management selected a buyer for 1420 Wynkoop during the 2<sup>nd</sup> quarter. Prior to signing a PSA, the buyer elected to back out of the sale due to the increase in borrowing costs and inflation impacting cost of construction. Management went back to prospective buyers who submitted competitive offers during the initial market process to see if there was continued interest. A buyer has since been selected and management is negotiating a PSA with an anticipated closing in Q4 2022. Separately, management is in discussions with the lender for a 2-year loan extension as the loan expired in September 2022. Occupancy in the existing building is trending to 0% with the known vacate of Messner & Reeves in December 2022. There has been strong tour activity on the existing vacancy in addition to several groups requesting full building lease proposals.

# COLMAN BUILDING

Seattle, WA

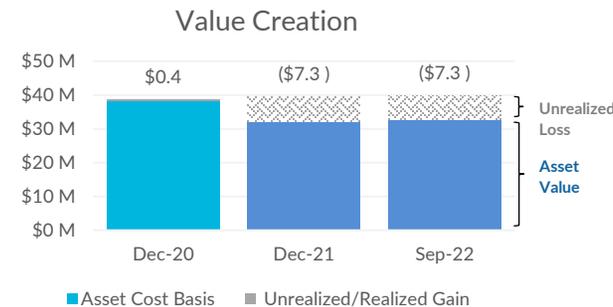
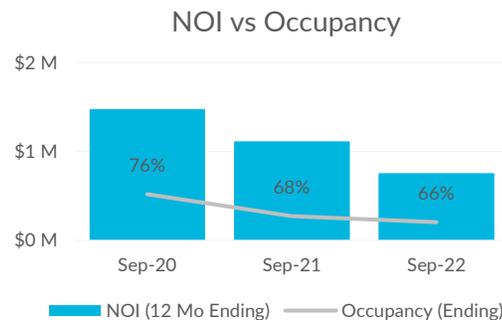


## Asset Level Capitalization

	Fair Market Value		
		PSF	%
Asset	\$ 30,970	\$ 214	100%
Debt	\$ (20,913)	\$ (145)	-68%
Net Balance Sheet	\$ 301	\$ 2	1%
Equity	\$ 10,358	\$ 72	33%

## Property Information & Financing

Investment Date:	5/15/2019	Lender:	Natixis RE Capital
Location:	Seattle, WA	Amortization:	Interest-only
Description:	Class B, Office Nearing	Fixed / Floating:	Fixed
Opportunity Type:	Stabilization	Rate / Spread:	4.20%
Square Feet:	144,715	Hedge:	None
Occupancy:	66%	Maturity Date:	3/5/2025
		Extensions:	None



## Investment Summary

Colman Building is a historic office building located in the Waterfront submarket of Downtown Seattle. The investment provides a cash flow floor based on its existing operations with an upside path to appreciation and enhanced cash flow through redevelopment. We intend to operate the building as-is in the interim with minimal capital bleed until the right time is determined to change course for a redevelopment play.

## Recent Activity and Outlook

Our leasing strategy at the property has focused on low-cost deals that will preserve landlord flexibility. Unico has been investigating whether the property could be redeveloped into a multifamily project as a potential exit strategy for this asset. Initial indications are that the building would yield approximately 200 apartment units and that the strategy may be viable. This execution would allow us to capitalize on the bones of the building which are well-suited for multifamily.

# KORN WALKER

Seattle, WA



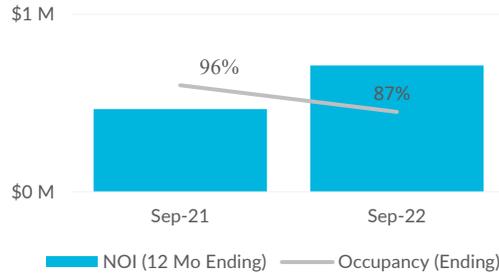
## Asset Level Capitalization

	Fair Market Value		
		PSF	%
Asset	\$ 14,955	\$ 395	100%
Debt	\$ (8,208)	\$ (217)	-55%
Net Balance Sheet	\$ 28	\$ 1	0%
Equity	\$ 6,775	\$ 179	45%

## Property Information & Financing

Investment Date:	9/23/2019	Lender:	Washington Capital
Location:	Seattle, WA	Amortization:	Interest-Only
Description:	Class B, Mixed Use	Fixed / Floating:	Fixed
Opportunity Type:	Development	Rate / Spread:	5.25%
Square Feet:	37,897	Hedge:	N/A
Occupancy:	87%	Maturity Date:	12/1/2023
		Extensions:	None

NOI vs Occupancy



Value Creation



## Investment Summary

The Korn Walker Block represents the aggregation of six properties completing a contiguous half block property in the Pioneer Square neighborhood of Seattle. Five of the buildings were acquired by BOP in two separate transactions occurring in September and October of 2019. The sixth building was acquired in February 2020. The primary investment thesis is to operate as a yielding investment in BOP for roughly two years while we go through the entitlement process and develop the site into an institutional quality office asset.

## Recent Activity and Outlook

Our go-forward leasing strategy is focused on maintaining occupancy with short term “as-is” renewals to maintain longer term flexibility if and when we choose to redevelop the block. Regarding a potential redevelopment of the Korn Walker block, we were not successful in our attempt to secure additional square footage which we believed to be necessary to reach sufficient returns for the current scope. We have now shifted our focus for a lighter scope of redeveloping the existing footprint into higher end retail with new storefronts, improved building systems, and sufficient tenant improvement packages to improve the tenant mix and increase rates across the block.

# WASHINGTON PARK

Seattle, WA



## Asset Level Capitalization

	Fair Market Value		
		PSF	%
Asset	\$ 15,200	\$ 291	100%
Debt	\$ -	\$ -	0%
Net Balance Sheet	\$ 211	\$ 4	1%
Equity	\$ 15,411	\$ 295	101%

## Property Information & Financing

Investment Date:	4/17/2019	Lender:	N/A
Location:	Seattle, WA	Amortization:	N/A
Description:	Class B, Office	Fixed / Floating:	N/A
Opportunity Type:	Development	Rate / Spread:	N/A
Square Feet:	52,208	Hedge:	N/A
Occupancy:	100%	Maturity Date:	N/A
		Extensions:	N/A

## Investment Summary

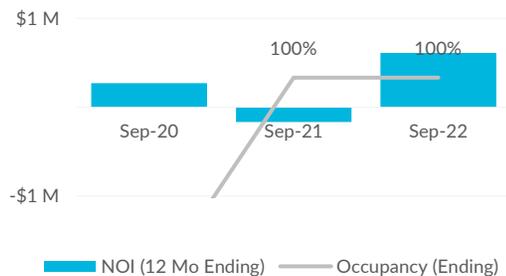
Originally built in the 1890's, the Washington Park Building represents a rare opportunity to access exposure to Pioneer Square, a submarket where demand fundamentals have vastly outpaced new supply. The property consists of 36,000 sf between five stories including a basement. Unico intends to redevelop the building, growing the size to 53,290 sf after renovation is complete by adding a penthouse and mezzanine levels on each floor.

## Recent Activity and Outlook

Through a ground lease structure, BOP has locked in a long-term and stable cash flow while removing development risk related to the office renovation. The asset remains on-schedule for a 12-month construction period followed by five months of build out for the tenant improvements, which will allow the property to welcome tenants in early Q2 2023.

Given the construction of the underlying collateral is nearly complete, management has engaged a broker and is in the market to finance the ground lease position.

NOI vs Occupancy



Value Creation



# TRIANGLE/FITZGIBBONS BUILDINGS

Portland, OR



## Asset Level Capitalization

	Fair Market Value		
		PSF	%
Asset	\$ 18,800	\$ 355	100%
Debt	\$ (11,000)	\$ (208)	-59%
Net Balance Sheet	\$ 890	\$ 17	5%
Equity	\$ 8,690	\$ 164	46%

## Property Information & Financing

Investment Date:	1/30/2020	Lender:	Huntington Bank
Location:	Portland, OR	Amortization:	Interest-only
Description:	Class B+, Office	Fixed / Floating:	Floating
Opportunity Type:	Stabilized	Rate / Spread:	LIBOR + 2.25%
Square Feet:	52,967	Hedge:	N/A
Occupancy:	74%	Maturity Date:	1/30/2023
		Extensions:	2 x 1-year extensions

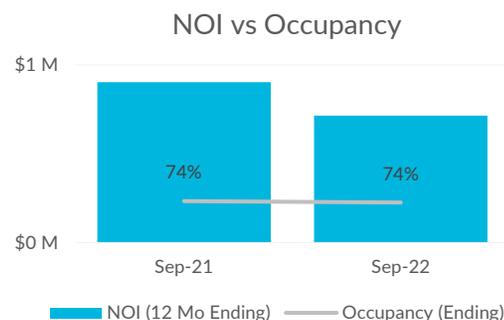
## Investment Summary

The Portfolio consists of the following components: 1) the Fitzgibbons Glass Building, a 37,330-sf creative office building that offers a 1.6/1,000 sf parking ratio through its adjacent surface lot, and 2) the Triangle Building, a 18,312-sf creative office building that offers a 1.5/1,000 sf parking ratio through encircling stalls. Both buildings have received full structural upgrades and are situated in a path-of-growth in Portland's Northwest District. Both buildings have been renovated in recent years and have open, creative buildouts that should warrant low re-tenanting cost in future years.

## Recent Activity and Outlook

Management executed the expansion of a first-floor tenant by 2k sf and extended their lease by 5 years. The Fitzgibbons property team hosted a broker open house in hopes to increase tour activity for the 2<sup>nd</sup> floor vacancy (9.7k sf or 18% of the buildings).

The two properties are encumbered by an \$11.0 million loan with a maturity date in January 2023. The loan includes two 1-year options to renew should the properties achieve certain loan covenants outlined in the loan agreement. Management will either exercise the renewal option or place new debt upon maturity, both of which may require a remargin of the loan balance. We are currently in discussions with the current lender regarding the extension as well with debt brokers regarding market execution.



# UNAUDITED FINANCIAL STATEMENTS

## Balance Sheets (in thousands)

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
<b>ASSETS</b>		
Real estate investments - at fair value (cost: \$331,711 and \$313,896, respectively)	\$ 325,424	\$ 331,264
Unconsolidated real joint ventures - at fair value (cost: \$41,008 and \$48,740, respectively)	36,710	42,607
Cash	6,175	7,088
Restricted cash	2,372	1,470
Accounts receivable, net of allowance of \$1,013 and \$478, respectively	1,200	1,340
Other assets	470	670
Total assets	<u>\$ 372,351</u>	<u>\$ 384,439</u>
<b>LIABILITIES AND OWNERS' EQUITY</b>		
Mortgage notes payable - at fair value (principal balance outstanding: \$178,368 and \$168,598, respectively)	\$ 166,684	\$ 168,047
Accounts payable and accrued expenses	1,926	2,753
Real estate taxes payable	1,245	783
Interest payable	645	532
Other liabilities	2,417	2,540
Total liabilities	<u>172,917</u>	<u>174,655</u>
Commitments and contingencies		
Owners' equity	199,434	209,784
Total liabilities and equity	<u>\$ 372,351</u>	<u>\$ 384,439</u>

## Statements of Operations (in thousands)

	Three Months Ended September 30,		Year to Date September 30,	
	2022	2021	2022	2021
<b>Investment income:</b>				
Rental and other income	\$ 4,780	\$ 5,015	\$ 14,396	\$ 15,184
Operating expense recoveries	1,026	1,191	3,134	3,676
Equity in income (loss) of unconsolidated real estate joint ventures	(1,146)	1,356	(1,537)	1,576
Total investment income	4,660	7,562	15,993	20,436
<b>Operating expenses:</b>				
Property operating expenses	1,900	1,775	5,081	4,907
Real estate taxes	900	853	2,535	2,550
Asset management fees	397	410	1,191	1,263
General and administrative expenses	26	29	239	175
Total operating expenses	3,223	3,067	9,046	8,895
<b>Net operating income</b>	<b>1,437</b>	<b>4,495</b>	<b>6,947</b>	<b>11,541</b>
<b>Other income (expense):</b>				
Interest expense	(1,960)	(1,759)	(5,509)	(5,240)
Loan fees	(7)	-	(28)	(5)
Total other expense	(1,967)	(1,759)	(5,537)	(5,245)
<b>Net investment income (loss)</b>	<b>(530)</b>	<b>2,736</b>	<b>1,410</b>	<b>6,296</b>
<b>Net realized and unrealized gain (loss):</b>				
Realized gain from sales of real estate investments	409	-	9,713	-
Realized loss from mortgage notes payable	-	-	(103)	-
Unrealized loss on real estate investments	-	-	(17,529)	(30,400)
Unrealized gain (loss) on unconsolidated real estate joint ventures	(2,432)	1,677	(6,473)	(977)
Unrealized gain (loss) on mortgage notes payable	1,723	(730)	11,098	(465)
Unrealized gain on interest rate swap	2	35	208	119
Reversal of unrealized gain on real estate investments	(1)	-	(6,126)	-
Reversal of unrealized loss on mortgage notes payable	35	-	35	-
Net realized and unrealized gain (loss)	(264)	982	(9,177)	(31,723)
<b>Net increase (decrease) in owners' equity from operations</b>	<b>\$ (794)</b>	<b>\$ 3,718</b>	<b>\$ (7,767)</b>	<b>\$ (25,427)</b>

## Statements of Owners' Equity (in thousands)

	<u>Unico</u>	<u>Investors</u>	<u>Total</u>
Balance, January 1, 2021	\$ 29,499	\$ 205,508	\$ 235,007
From operations			
Net investment income	956	6,657	7,613
Net unrealized loss	(3,602)	(25,101)	(28,703)
Net decrease in owners' equity from operations	(2,646)	(18,444)	(21,090)
From capital transactions			
Distributions	(519)	(3,614)	(4,133)
Net decrease in owners' equity from capital transactions	(519)	(3,614)	(4,133)
Net decrease in owners' equity	(3,165)	(22,058)	(25,223)
Balance, December 31, 2021	26,334	183,450	209,784
From operations			
Net investment income	179	1,231	1,410
Net realized and unrealized loss	(1,152)	(8,025)	(9,177)
Net decrease in owners' equity from operations <sup>(1)</sup>	(973)	(6,794)	(7,767)
From capital transactions			
Transfers	(812)	812	-
Distributions	(324)	(2,259)	(2,583)
Net decrease in owners' equity from capital transactions	(1,136)	(1,447)	(2,583)
Net decrease in owners' equity	(2,109)	(8,241)	(10,350)
Balance, September 30, 2022	\$ 24,225	\$ 175,209	\$ 199,434

<sup>(1)</sup>Net increase (decrease) in owners' equity from operations allocated in the current period includes an adjustment to allocate net income (loss) and net realized and unrealized loss based on the new percentage interests after the UIG ownership transfer to investors in August 2022.

## Statements of Cash Flows (in thousands)

	Year to Date September 30,	
	2022	2021
	September 30, 2022	September 30, 2021
<b>Cash flows from operating activities:</b>		
Net decrease in equity from operations	\$ (7,767)	\$ (25,427)
Adjustments to reconcile net decrease in equity from operations to net cash and restricted cash provided by operating activities:		
Net realized gain	(9,610)	-
Net unrealized loss	18,787	31,723
Equity in (income) loss of unconsolidated real estate joint ventures	1,537	(1,576)
Financing costs expensed	28	5
Changes in operating assets and liabilities:		
Accounts receivable, net	388	(183)
Other assets	419	552
Accounts payable and accrued expenses	(550)	(397)
Real estate taxes payable	240	320
Interest payable	55	(8)
Other liabilities	(123)	275
Net cash provided by operating activities	<u>3,404</u>	<u>5,284</u>
<b>Cash flows from investing activities:</b>		
Purchase of real estate investments, net of cash acquired	(11,220)	-
Capital expenditures on real estate investments	(3,803)	(4,658)
Proceeds from real estate dispositions	24,579	-
Contributions to unconsolidated real estate joint ventures	(1,027)	(402)
Settlement of other liabilities assumed in connection with the purchase of real estate	-	(246)
Net cash provided by (used in) investing activities	<u>8,529</u>	<u>(5,306)</u>
<b>Cash flows from financing activities:</b>		
Proceeds from mortgage notes payable	2,550	(102)
Payments on mortgage notes payable	(11,883)	(442)
Payment of financing costs	(28)	(5)
Distributions to owners	(2,583)	(4,133)
Net cash used in financing activities	<u>(11,944)</u>	<u>(4,682)</u>
<b>Net change in cash and restricted cash</b>	<b>(11)</b>	<b>(4,704)</b>

## Statements of Cash Flows (in thousands) Continued

<b>Cash and restricted cash at beginning of period</b>	\$ 8,558	\$ 13,602
<b>Cash and restricted cash at end of period</b>	<u>\$ 8,547</u>	<u>\$ 8,898</u>
<b>Reconciliation of cash and restricted cash</b>		
Cash at beginning of period	\$ 7,088	\$ 11,932
Restricted cash at beginning of period	1,470	1,670
Cash and restricted cash at beginning of period	<u>8,558</u>	<u>13,602</u>
Cash at end of period	6,175	7,286
Restricted cash at end of period	2,372	1,612
Cash and restricted cash at end of period	<u>\$ 8,547</u>	<u>\$ 8,898</u>
<b>Supplemental schedule of cash flow information:</b>		
Cash paid for interest	\$ 5,396	\$ 5,248
<b>Supplemental disclosure of noncash investing activities:</b>		
Assumption of mortgage notes payable in connection with the purchase of real estate	\$ 19,000	\$ -
Assumption of assets in connection with the purchase of real estate	\$ (11)	\$ -
Assumption of other liabilities with the purchase of real estate	\$ 308	\$ -
Consolidation of previously held equity interest	\$ (669)	\$ -
Accrued capital expenditures on real estate investments	\$ 703	\$ 437

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## EXHIBIT A. DISCLAIMER

Certain economic, financial market and real estate market information contained in the Letter to the Investors have been obtained from published sources. While such information is believed to be reliable, none of the Fund, the General Partner or any of their respective affiliates, agents or representatives assumes any responsibility for, or makes any representation or warranty, express or implied, with respect to, the accuracy of such information.

Certain information contained herein represents or is based upon forward-looking statements or information, including descriptions of anticipated market changes, projected returns from unrealized investments and expectations of future activity. Certain forward-looking statements can be identified by the use of forward-looking terminology such as “may,” “can,” “will,” “would,” “seek,” “should,” “expect,” “anticipate,” “project,” “estimate,” “intend,” “continue,” “target” or “believe” or the negatives thereof or other variations thereon or comparable terminology. Due to various risks and uncertainties, actual events or results or the actual performance of the Fund may differ materially from those reflected or contemplated in such forward-looking statements. Therefore, undue reliance should not be placed on such forward-looking statements and information.

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## EXHIBIT B. CONTACT INFORMATION

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