

BLACKWELLS CAPITAL

March 31, 2021

Monmouth Real Estate Investment Corporation
101 Crawfords Corner Road, Suite 1405
Holmdel, NJ 07733
Attn: Board of Directors

Re: Your Failure to Act in the Interest of All Shareholders

Dear Members of the Board,

I am writing on behalf of Blackwells Capital LLC (together with its affiliates “Blackwells”), the fourth largest owner of Monmouth Real Estate Investment Corporation (NYSE: MNR) (“Monmouth” or the “Company”).

As you know, in December 2020, we offered to acquire the Company at a substantial premium to its value in the public market. Our all-cash offer was financed, with commitments for both equity and debt from some of the largest and most respected financial institutions in the world.

For more than three months now following the Blackwells offer – which represents a share price that the Company had achieved on only three days in the previous 35 years – the Board has pursued and presided over a series of initiatives that would tarnish any public company board’s fundamental duties. I do not believe that any shareholder can sit idly in the face of the following misguided endeavors:

1) You have refused to engage in constructive dialog, which is a necessary condition to maximize value.

I have reached out several times to Mike Landy over the last 10 weeks, and my financial and legal representatives have attempted to engage the Company no less than 15 times over that same period. Is there a justification for refusing to take the calls of your fourth largest shareholder, and the one who offered such a rich premium to acquire the Company?

2) You have arbitrarily excluded participants from the strategic process, which means it cannot be full and fair.

Through its banker JP Morgan, the Company has solicited offers, with first round bids due approximately two weeks ago. Up until that time, Blackwells had made the only written offer to the Company, and at a substantial premium to the Company’s historic stock price. And yet, Blackwells was never approached (nor its inbound requests responded to) by JP Morgan. Whose interests are served by excluding Blackwells from this process?

3) The strategic process appears to be designed to disproportionately benefit the Landy family.

We have heard that directors are saying that the Company prefers to transact with a purchaser that will keep the Landy family employed. If this information is true, what does it mean about the process you are currently tasked with overseeing?

4) You have sued your fourth largest shareholder – multiple times – and it’s not a good look.

Monmouth sued Blackwells in a serpentine effort to thwart a democratic shareholder process, only to be repudiated by the court, which found no basis to entertain any aspect of Monmouth’s lamentable attempt for injunctive relief. In another sign of scorched earth tactics, Monmouth has now tried to appeal that order. Who on this Board is responsible for throwing shareholder profits at such spuriousness? Isn’t this Board’s time better spent presiding over a value-maximizing sales process?

5) This Board continues to allow the Company to mislead shareholders about its track record.

The Company continues to disingenuously tout itself as the best performing REIT in its class, when in fact before Blackwells presented its offer in December, Monmouth was the single WORST performing REIT in its class. Does this Board think that misleading shareholders this way is consistent with its duties?

6) This Board has engaged a law firm to examine improprieties by some of its members without publicly disclosing so.

We were informed that the Board has formed a special committee and engaged McDermott Will & Emery LLP, purportedly as independent legal counsel, to examine issues that we raised in a letter to Monmouth in February. Is this not a material event that should be disclosed to shareholders?

7) This Board continues to delay a legitimate democratic process.

Your seeming obstruction of the annual meeting, through delays unseen since the Global Financial Crisis, can only be interpreted as a delay tactic to avoid opprobrium. Why would this Board fear the shareholders' vote, if in fact the Board was faithfully executing its duty to them?

Given the above, we do not believe that any shareholder can trust the current strategic review process. And we think certain members of this Board agree with us. As such, we call upon this Board to set an annual meeting date, provide a transparent update on the Company's strategic alternatives process, drop frivolous litigation against Blackwells, publicly disclose the establishment of the special committee, and finally engage with Blackwells in earnest to use the power of discussion to resolve the issues that divide this Board from its shareholders.

I am available anytime that is convenient for you.

Sincerely,



Jason Aintabi
Chief Investment Officer

cc: Michael D. Prashad, General Counsel and Corporate Secretary