

Estimated Deal Summary

CCI-Beach II

5401 N. Beach St, Fort Worth, TX



Strategy: Value Add, Office

Acquisition Date	Disposition Date	Limited Partner Returns	LP Equity Distributions
May '16	Est. Aug. '22	42.07% IRR /4.91x	\$73,611,873

Property Description

- Size: 431,579 SF
- Building Type: Class B Office
- Parking Ratio: 4.4/1000
- Location: TX 183 & Loop 820, 15 min N of downtown Fort Worth
- Year Built: 1994

Underwriting Summary	Projected	Current Estimated Returns
Acquisition Price	\$21,875,000 (\$51/SF)	\$21,875,000 (\$51/SF)
Equity Commitment	\$15,000,000 (\$35/SF)	\$15,000,200
Leverage	\$10,000,000 (\$23/SF) Initial \$15,300,000 (\$35/SF) Peak	\$40,126,909 Current (\$93/SF)
Holding Period	48 Months	76 Months
Lease Rate	\$12.50/SF NNN Average	\$17.25/SF NNN Average
Stabilized NOI	\$5,600,000	\$7,651,441
Sales Price	\$67,900,000 (\$157/SF)	\$119,000,000 (\$276/SF)
Deal Level Returns (net of fees)	24.01% IRR	51.53% IRR
LP Returns	19.42% IRR	41.99% IRR / 5.35x equity multiple

Beach II Business Plan

This former Countrywide Class A call center with 2,495 workstations was purchased from Bank of America in May 2016. In 2006, Countrywide did an entire building renovation with state funds through the Texas Economic Development program. Bank of America acquired Countrywide in 2008 and became the Owner of this building. Bank of America leased back the entire building at a rate of \$12/SF NNN through April 2017.

Beach II Outcome

Lockheed Martin leased 100% of this two-story building for use by the F16 and F22 Uptime Support Division on April 1, 2019. CCI negotiated a 6.1 year at \$17.25 NNN flat *As-Is with no TI allowance* with two 5 year renewals at market rate.

LMC added a \$200 million data center for incoming uptime telemetry of all F16 and F22 planes around the clock, a mission critical Tier 4 security designation by the pentagon.

Lockheed's F16 annual support contract with the US Air Force is \$900 million. Lockheed's F22 annual support contract with the US Air Force is \$526 million.