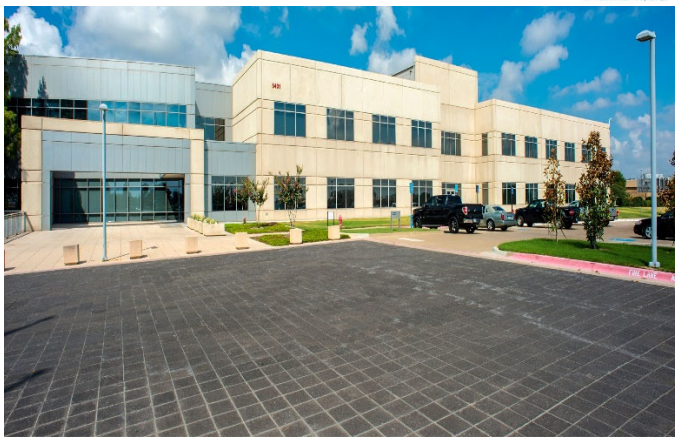
Deal Summary

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. Jan. '22	15% + TBD	$31.824 million + TBD

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	Actual
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	68 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)	$110,000,000 ($255/SF)
Deal Level Returns (net of fees)	24.01% IRR	51.66% IRR
LP Returns	19.42% IRR	41.74% IRR / 4.84x equity multiple

Beach I and II Business Plan

CCI has deployed capital expenditures for general improvements to interior common areas. The sponsor's renovation program has allowed the properties to successfully attract key credit tenants and become a highly desirable, premier office asset in the trade area.

Beach I and II Outcome

Lockheed Martin began leasing up space in 5555 N. Beach St in May 2017 and expanded to a total of 900,000 SF. In April 2019, Lockheed Martin leased up the entirety of 5401 Beach St. at $17.25/SF NNN. CCI forecasts that Lockheed Martin will lease up the remaining space in 5555 N. Beach in the next 18 months.

Lockheed Martin has invested over $550MM into the Beach campus for their telemetry centers servicing the F35 and F16 programs. CCI has provided an additional $25/SF in TI allowances to improve the space in the north building. CCI estimates the assets will be valued at a combined $275MM based on a 6% cap rate given Lockheed's credit tenancy and financial commitment to the properties.