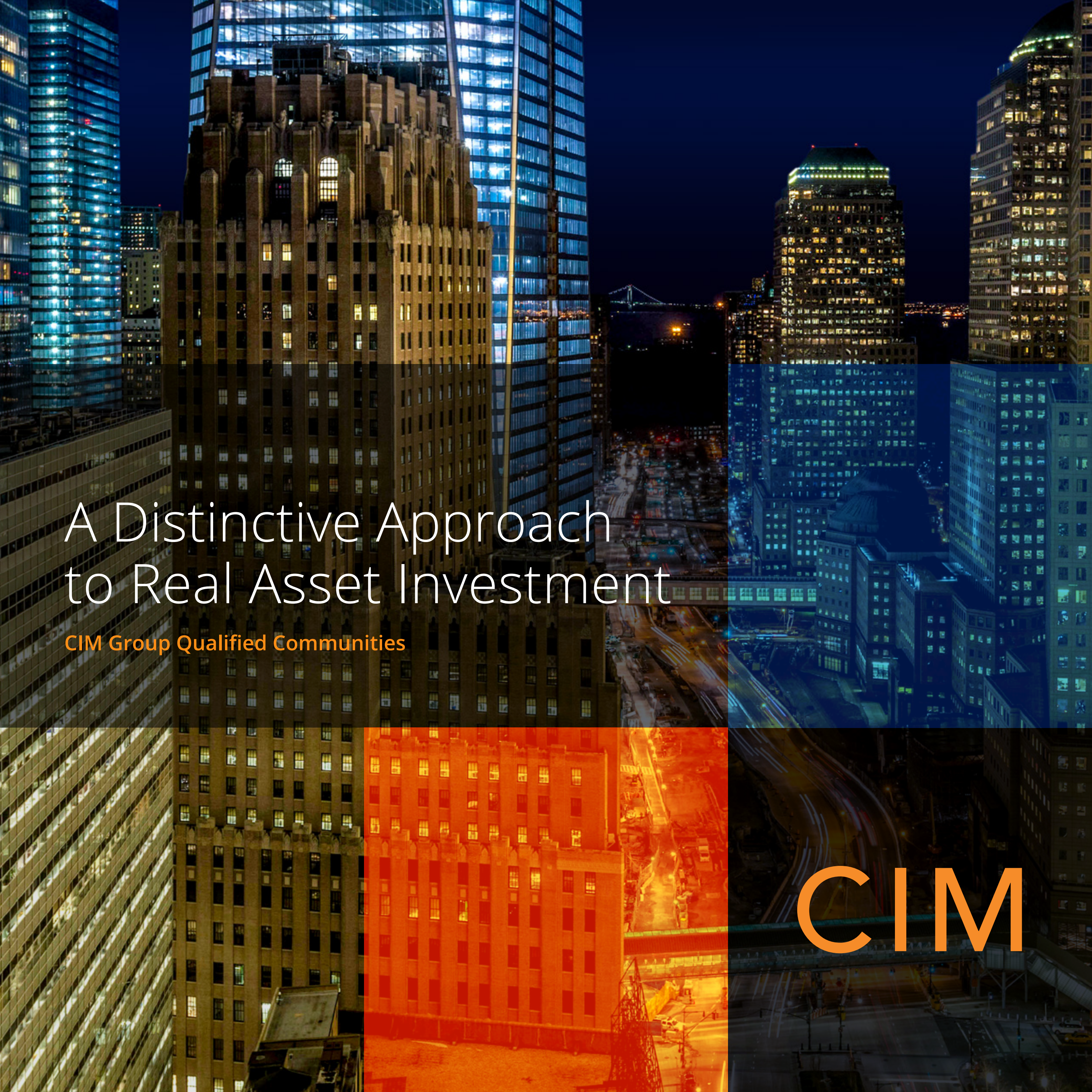


A Distinctive Approach to Real Asset Investment

CIM Group Qualified Communities

CIM

Revitalization and Growth of American Cities

25+

Years of CIM Group Investing in Metropolitan Areas Across the Americas

$60+ Billion

Strategic Investments Across the Americas

Twenty years into the twenty-first century, it could be argued that an ongoing revitalization in and around U.S. downtowns is creating a golden age of city centers, one akin to a century ago when a broad migration into cities propelled urbanization. Back then, surging city populations sparked the development of homes, stores and offices within walking distance to one another.

planning have frequently set back the process. Yet the flow of people into cities has continued: Some 80% of the U.S. population lives in metropolitan areas today versus a mere 6% in 1800.[1,2]

The first significant wave of American city growth began around 1880 amid the second industrial revolution, as rural denizens and immigrants alike streamed into urban areas for work.[3] Whereas the

80% of the U.S. population lives in metropolitan areas today versus a mere 6% in 1800[1,2]

Not only are downtowns witnessing a similar renaissance over the past decade, but the concept of creating clusters of housing, shopping, dining and employment in pedestrian-oriented neighborhoods has also spread throughout metropolitan areas, especially in re-emerging urban neighborhoods outside of downtowns and even the suburbs.

However, reinvigorating downtowns and other city neighborhoods has taken decades, as recessions, ill-conceived redevelopment efforts and poor

first industrial revolution largely focused on mechanized production in the late 1700s and early 1800s, the second introduced interchangeable parts, assembly lines, and the wide adoption of electricity in homes and businesses, among other advances.

Between 1880 and 1900, U.S. cities grew by roughly 15 million people.[4] By 1920, more people lived in cities than in rural areas for the first time in the country's history.[5] During this time, technological innovations enabled city planners and developers to adapt to the growth by increasing productivity. Most notably, the Bessemer Process, which allowed the mass production of steel, and the invention of the modern elevator facilitated skyscraper construction.[6]

Cities increasingly became centers of employment, entertainment and culture. Museums, public libraries, colleges, streetcars, shops, saloons, and religious and civic organizations were just a few of the appeals of an urban lifestyle. For immigrant populations in particular, urban neighborhoods became the center of community life and in many cases retain their ethnic identities today.[7]

Eventually, mass production of automobiles and the development of suburban neighborhoods instigated the commuting lifestyle. Urban areas typically lacked the infrastructure, zoning and regulations to manage rampant population growth, and as a result, air pollution, a lack of adequate housing and sanitation systems, and other ills drove people out of the city centers.[8] The post-World War II boom that fueled tract housing and suburban expansion further hastened the retreat, exacerbating urban decay.[9]

In an attempt to reverse these effects, between 1956 and 1972 the federal government razed tenements and old buildings as part of an ambitious urban renewal effort. At the same time, the government ramped up construction of interstates, in part to make central cities more accessible.[10] But the endeavors did little more than displace hundreds of thousands of residents.[11,12] In particular, rather than bringing people downtown, the new highways accelerated suburban sprawl to the further detriment of urban cores.[13] Over time, the expansion led many suburbs to morph into secondary urban centers, creating inviting and walkable downtown areas designed to attract and retain residents.[14]

Afterward, policy makers began pursuing revitalization strategies that emphasized a sense of place, local control versus federal control and the private market. They witnessed promising results. Developers and government agencies began reinvesting billions of dollars into cities and between 1970 and 2004, the nation's urban population grew 22%.[15]

Millennials and empty nesters alike helped lead the charge, leaving the suburbs to find walkable neighborhoods close to work, entertainment, shopping, parks, the arts and other amenities. While economic and market cycles may impact the transformation of city centers, the key characteristics that helped revitalize these areas remain.

Not only is the revitalization of central cities shrinking a once-large divide between cities and suburbs, but it also is creating mega-regions that are home to millions and generate billions of dollars of economic activity.[16] For real asset owners and operators like CIM, that's a compelling opportunity. That's why CIM has based its investment strategy on transitional and thriving metropolitan areas.

1) U.S. Census Bureau. 2) U.S. Census Bureau. 3) Library of Congress, Rise of Industrial America 1876-1900. 4) Library of Congress. 5) U.S. Census Bureau. 6) Encyclopedia Britannica, Skyscraper. 7) Library of Congress. 8) USHistory.org, From The Countryside to the City: The Underside of Urban Life. 9) Columbia University, Urban Revitalization in the United States: Policies and Practices, June 25, 2008. 10) Columbia University. 11) Columbia University. 12) National Geographic, Maps Show How Tearing Down City Slums Displaced Thousands, December 15, 2017. 13) Columbia University. 14) Governing.com, The Quiet Revolution Happening in the Suburbs, December 2017. 15) Lincoln Institute of Land Policy, Hopeful Signs: U.S. Urban Revitalization in the Twenty-First Century, 2007. 16) The Atlantic, How the Great Reset Has Already Changed America, July 5, 2011.

The Path of Growth

American cities have rediscovered a vibrancy that largely went missing in the second half of the twentieth century.

Reinvigorated central city neighborhoods with close proximity to work, dining, shops and cultural centers attracted empty nesters and younger generations alike.

Employers expanded to downtowns, often moving from the suburbs. Local and state governments developed new transit systems, improved infrastructure and built civic amenities as part of a broader effort to enhance city living.

Several factors continue to influence city growth, and how cities utilize and adapt to them going forward will determine their destiny. Some elements are fixed, such as location, geography, or economic and industrial history, while others, including political culture, public policies and technological change, are more fluid.[1]

While these attributes and the specific economic development strategies that cities employ may differ, communities experiencing the most robust success share some common traits, including strong job and population growth, urban redevelopment, an entrepreneurial culture, bustling entertainment districts, an educated workforce and direct flights to major U.S and global cities.

The cities have typically leveraged their low cost structure, too, both in terms of living and doing business, to attract employers and workers. Thanks to those efforts, they have become “18-hour cities”—viable alternatives to expensive major markets that still offer big city services and amenities.[2]

By effectively harnessing such growth drivers, cities are in an environment where investment begets more investment, where successful start-ups fuel more entrepreneurism, and where talented individuals not only want to be there, but *need* to be there.[3] Indeed, since 2008 college-educated adults with at least a bachelor’s degree have clustered in cities at a faster rate than the suburbs.[4]

Today’s ascendant cities include Miami, Denver, Austin, Nashville and Charlotte, to name a few. They possess burgeoning tech enclaves that have fueled start-ups and the growth of media, advertising, marketing and other creative industries.[5] Many also enjoy a strong financial services presence.[6] From 2012 to 2017, the metros were among the top 10 markets with the fastest job growth, and all but Nashville ranked in the top 10 fastest-growing cities in terms of population.[7,8]

In many cases, cities can trace their path of growth to entrepreneurial real estate investors, artists, advertisers and restaurateurs who risked renovating old, vacant buildings in rundown urban neighborhoods into housing, galleries, studios, brewpubs and offices. Their investments not only created a lively sense of place, but they also generated excitement that set the stage for broad downtown redevelopment and economic growth.

Prime examples include Denver’s lower downtown district, or LoDo, where the rehabilitation of warehouses and other buildings in the 1980s set the stage for large-scale reinvestment in the city’s urban core.[9] Similarly, central city redevelopment in Nashville followed the renovation of old urban neighborhoods, and the familiar pattern has emerged in an old quarter just east of downtown Austin.[10,11]

The increasing number of empty nesters, younger generations and employers calling city centers home attest to the positive force of these efforts. In fact, the rebirth they catalyzed is convincing young people to choose the urban lifestyle for the long term, contradicting the conventional thinking that the cohort would move to the suburbs as it matured, married and had kids.[12]

While these types of characteristics may drive the growth of American cities, nothing is promised. Economic slowdowns and unforeseen circumstances can impact the level and timing and growth. But metros that appeal to businesses and living environments may be in the best position over the long haul.

1) City Journal, Five Principles of Urban Economics, Winter 2013. 2) JLL, Why 18-hour cities are attracting commercial real estate interest, February 5, 2019. 3) The Atlantic, Why America’s Richest Cities Keep Getting Richer, April 12, 2017. 4) JLL, Ambitious Thinking: Smart Cities, July 18, 2018. 5) PC Magazine, 20 Hi-Tech Cities You’ll Want to Call Home, May 20, 2019. 6) Forbes, Welcome to Y’All Street: The Cities Challenging New York For Financial Supremacy, August 11, 2016. 7) Bloomberg CityLab, The Fastest-Growing Cities Aren’t What You Think, August 21, 2019.Bloomberg CityLab. 8) Bloomberg CityLab, The Fastest-Growing Cities Aren’t What You Think, August 21, 2019. 9) The Gazette, Denver’s redevelopment success could be a blueprint for Colorado Springs’ southwest downtown, August 26, 2017. 10) Urban Land, Two Developers Share Their Path to Transformational Projects, October 5, 2018. 11) New York Times, “Coolness Factor” Draws Developers to East Austin, Tex., February 14, 2017. 12) Cushman & Wakefield, Rise of the 18-Hour Cool Streets, October 2019.

Qualifying Communities for Investment

For more than 25 years, CIM—a community-focused real estate and infrastructure owner, operator, lender and developer—has leveraged and contributed to growth trends in American cities. With a principal emphasis on metropolitan areas, our real asset holdings include equity and debt investments in residential, commercial, retail, hospitality, and infrastructure, as well as U.S.-based net lease and other credit strategies. Since 1994, CIM has refined a distinct and repeatable process to identify communities for investment.

Since inception, CIM's unique community qualification process has served as the foundation of our investment strategy, often identifying opportunities in markets that others may have overlooked. We apply rigorous research to qualify a community for potential acquisitions, examining the characteristics of a market to determine whether the area justifies the extensive efforts CIM undertakes in reviewing and making potential acquisitions. CIM has refined a distinct and repeatable process to identify areas for investment, which we call "Qualified Communities."

We believe that by identifying communities that are most likely to benefit from our efforts that we are helping to ensure the success of any real estate or infrastructure project within that community. This unique community qualification process has served as the foundation for our investment strategy for more than 25 years. Our Qualified Communities typically represent two types of areas: 1) Underserved or transitioning communities near thriving metropolitan areas and 2) Flourishing downtown neighborhoods where market values are below their long-term, intrinsic values.

Five-Point Community Qualification Process

CIM's distinct and repeatable five-point community qualification process helps make a positive impact and deliver appropriate financial metrics, while providing greater confidence investing in that market.

The five essential criteria include:

1. Improving market dynamics
2. Broad public support
3. Other private investment
4. Areas underserved by real estate and infrastructure
5. The potential to deploy at least $100 million of opportunistic equity within five years

130+

Qualified Communities

Across the Americas with Capital Deployed in **70+**

Qualified Community Process in Action

CIM's community qualification process can take six months to five years and combines quantitative expertise, such as demographic data and historical analysis, with a qualitative, on-the-ground understanding of a community's needs and potential.

Improving Market Dynamics

In order for CIM to identify a Qualified Community, the population of its residents and visitors must be increasing, and the greater metropolitan area must also show evidence of stability. Our Investments team reviews publicly available market data to better understand current market dynamics while relying heavily on proprietary research produced through discussions with local government, community and tenant contacts.

$1.4 Billion

Strategic Investments in Oakland Since 2006

Downtown Oakland

Before the late 1990s, Downtown Oakland lacked a significant residential population outside of the Chinatown and Gold Coast neighborhoods. In 1999, Mayor Jerry Brown launched the 10K Downtown Housing Initiative as the centerpiece of his plan to revitalize Downtown Oakland. The 10K Initiative's goal was to attract 10,000 new residents to downtown Oakland by encouraging the development of 6,000 market-rate housing units. Thanks to the 10K policy, new mixed-use residential units brought an influx of diverse residents to Downtown. **CIM qualified Oakland in 2004 and made its first investment in 2006.**

Broad Public Support

As real estate is an intrinsically local activity, the support of the community and local governmental organizations is critical to success. It is important that the community, including officials, local residents' groups and associations, are supportive of CIM's business plans. CIM works closely with local leaders and city officials to determine what types of real estate and infrastructure are desired and needed in the community, as well as to garner support for those initiatives. Additionally, we engage with those living and working in the local community to gather feedback on their needs to help identify what fits in that market.

Austin, Texas

In recent years, Austin has encouraged development and community engagement to support a rapidly-increasing population density in and around its downtown area.[1] For instance, Austin reduced development fees and utility reimbursements for developers who choose to build in a designated Desired Development Zone (DDZ). The City also re-zoned the core transit corridors with Vertical Mixed Use (VMU) zoning, legalizing residential and office space above retail space. Developers were given "relaxed standards" that allowed significantly more condos or apartments on a site, primarily by lifting "minimum site area requirements" that would restrict density. **CIM qualified Austin in 2006 and made its first investment in 2006.**

1) Sitewise

$1.0 Billion

Strategic Investments in Austin Since 2006

Other Private Investment

As a community begins to grow, other parties also will have identified areas worth of investment. Private investment is evidence of growing market demand, which is essential to CIM's investments. Local businesses such as new restaurants, retail outlets and entertainment venues help bolster the impact of CIM's acquisitions which may lead to an increase in real estate values and further activity.

Hollywood

In the 1990s and early 2000s, improving marketing dynamics and public support laid the foundation for private investment in Hollywood. The El Capitan and Egyptian Theatres were restored, the historic Roosevelt Hotel was remodeled, and construction began on the $875 million Hollywood & Highland Center and the Kodak Theater —later renamed the Dolby Theatre—which would serve as the exclusive venue for the Academy Awards. Retailers, restaurants, bars, nightclubs, offices, hotels and apartments soon followed. **CIM qualified Hollywood in 1998 and made its first investment in 1998.**

Underserved Niches

Simply put, what does the community need that doesn't exist today or is lacking? CIM evaluates supply and demand by real asset product type and seeks to fill the product niches with the greatest unmet demand. Aligning the specific acquisition plan in a given market with that market's particular needs helps mitigate risks in a project.

Downtown Atlanta

Within downtown Atlanta, growth has sparked the need for housing, office and retail. Job creation in the area has surpassed apartment supply since 2010.[1] Office absorption is at its lowest rate in the past 15 years.[2] Downtown residents spend over $500 million annually shopping, but only 27% of that is spent Downtown, largely due to a lack of shopping and dining options.[3] To address these deficiencies, CIM is transforming approximately 50 acres of parking lots and former rail yards in Downtown Atlanta into a platform for opportunity and growth, featuring up to 12 million square feet of mixed-use development. **CIM qualified Atlanta in 2008 and made its first investment in 2008.**

1) REIS Atlanta Apartment Metro Trend Futures. 2) Colliers Atlanta Office Report. 3) Central Atlanta Progress

Potential to Deploy $100 Million of Opportunistic Equity Within Five Years

CIM's belief that it will be able to deploy at least $100 million of opportunistic equity in a Qualified Community within five years is important to ensure that we have the ability to manage a critical mass of properties, become more efficient and enhance the area. Additionally, this enables CIM to allocate staffing resources efficiently and allows our in-house teams to become market "experts." Having a broad platform of investment strategies with different risk-return profiles allows CIM to look at all types of opportunities from ground-up development and heavy repositioning to stabilized properties that have potential to be leased up, rents marked-to-market or operational efficiencies that add value. Having scale in densely populated markets allows CIM to look at various ways we can engage and activate a community.

NoMa

NoMa (north of Massachusetts Avenue) in Washington D.C. became a **Qualified Community in 2002. Since then, CIM has invested $2.2 billion in capital across 4.9 million square feet of office, residential and retail.**

Investment Criteria

Once we've identified a community for investment, we tailor our work to meet specific needs and maximize value through:

Asset Type Flexibility

With expertise in a range of real estate and infrastructure asset types, we customize and execute project plans based on the community's needs.

Tenanting Flexibility

Owning and operating multiple properties within a concentrated area supports our objective of delivering what the community needs, from grocery stores and pharmacies to new businesses and data centers.

Geographical Flexibility

Our local market knowledge and relationships provides us with the flexibility to invest where and when market dynamics meet our investment criteria.

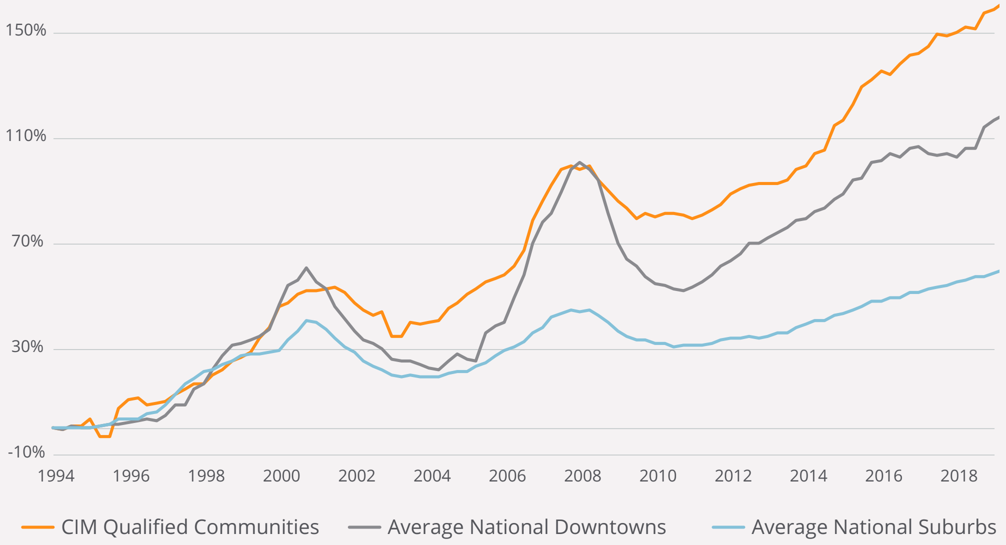
Capital Stack Flexibility

Our experience investing through multiple market cycles and utilizing both equity and debt capital structures provides opportunities to structure transactions in efficient and creative ways.

Qualified Communities Show Growth

Growth in CIM Qualified Communities vs. National Downtowns vs. National Suburbs[4]

CIM Qualified Communities exhibit strong growth trends, which we believe will lead to outsized rental growth and/or capital appreciation. Since initial acquisition, our Qualified Communities have outperformed Class A Office Rent Growth in national downtowns by approximately 50% and average national suburbs by more than 190%.



4) Based on growth of Class A office rents, sourced from CBRE Outlook Dashboard, as of December 31, 2019. Site accessed February 2020.
Please note, changes in global, national, regional or local economic, demographic or capital market conditions (including as a result of the outbreak of the novel strain of coronavirus ("COVID-19") that began in the fourth quarter of 2019) can have a significant negative impact on real assets.

Case Study

Downtown Los Angeles

Downtown LA in the 1990s

Motivated by the economic, political and cultural forces present throughout the 1990s, the City of Los Angeles was determined to create a vibrant downtown. The goal was to transform the city center from a business district into a thriving, 24/7 community with life bustling at every corner. Both private and public investment began with the development of several major entertainment and cultural venues including the STAPLES Center, the Los Angeles Cathedral and Disney Concert Hall. In addition, the City passed an adaptive reuse ordinance in 1999, which encouraged the conversion of older and obsolescent commercial buildings for residential use, facilitating a surge in the residential population and an expanded live-work-play environment.

Initial Involvement

Based on these efforts, combined with our own community Qualification process, we determined that the South Park District in downtown Los Angeles was positioned for significant growth. In 2001, we became one of the first institutional investors in downtown Los Angeles and committed more than $600 million to the submarket through 14 different projects from 2001 to 2007. Such projects included one of the area's first adaptive reuse projects, as well as the first full-service grocery store in downtown in over 50 years. We tailored our work to meet downtown's specific needs while maximizing value for the community.

Ongoing Commitment

CIM's recent investments continue to support the growth of the broader downtown area with new residences and employers. 888 at Grand Hope Park and Ralph's Supermarket are two such investments.

Ralph's Supermarket

In the early 2000s, downtown Los Angeles attracted a large population of workers each day but offered limited places to live and shop. In recognition of the community's need for more housing units and necessity retailers, CIM developed Market Lofts, which consists of 267 for-sale condominium units and the first major grocery store to serve the downtown neighborhood in over 50 years. The 50,000-square-foot Ralph's Supermarket opened in 2007, increasing the livability and serving the daily needs of those who live and work in the downtown area.

888 at Grand Hope Park

888 at Grand Hope Park is a 34-story, luxury mixed-use residential and retail project featuring 525 residential units, a 32,000 square-foot amenity deck and nearly 15,000 square feet of ground floor retail in the South Park neighborhood of downtown Los Angeles. 888 South Hope has positively impacted the area by expanding housing options with residences that offer direct access to public transportation and local businesses.

Since our initial involvement in 2001, downtown Los Angeles has continued to thrive. Our many strategic investments have helped enhance downtown Los Angeles and create a vibrant district for residents, workers and visitors alike.

The Power of Vertical Integration

Many real estate firms outsource a great deal of their operations to outside parties such as developers, joint venture partners, construction managers, leasing brokers and third-party management companies. At CIM, we take a different approach. As a vertically-integrated owner and operator, we have an expansive and experienced in-house team that provides research, acquisitions, credit analysis, development, financing, leasing and onsite property management. Having these capabilities under one roof is not just a functional benefit; it can also align interests, mitigate risk and add value through shared synergies.

Our Investments and Development teams interact as a cohesive unit when sourcing, underwriting, acquiring, executing and managing the business plan of an opportunistic acquisition. While the **Investments team** is ultimately responsible for acquisition analysis, both the Investments and Development teams perform due diligence, evaluate and determine underwriting assumptions, and ensure projects are on-time and on-budget.

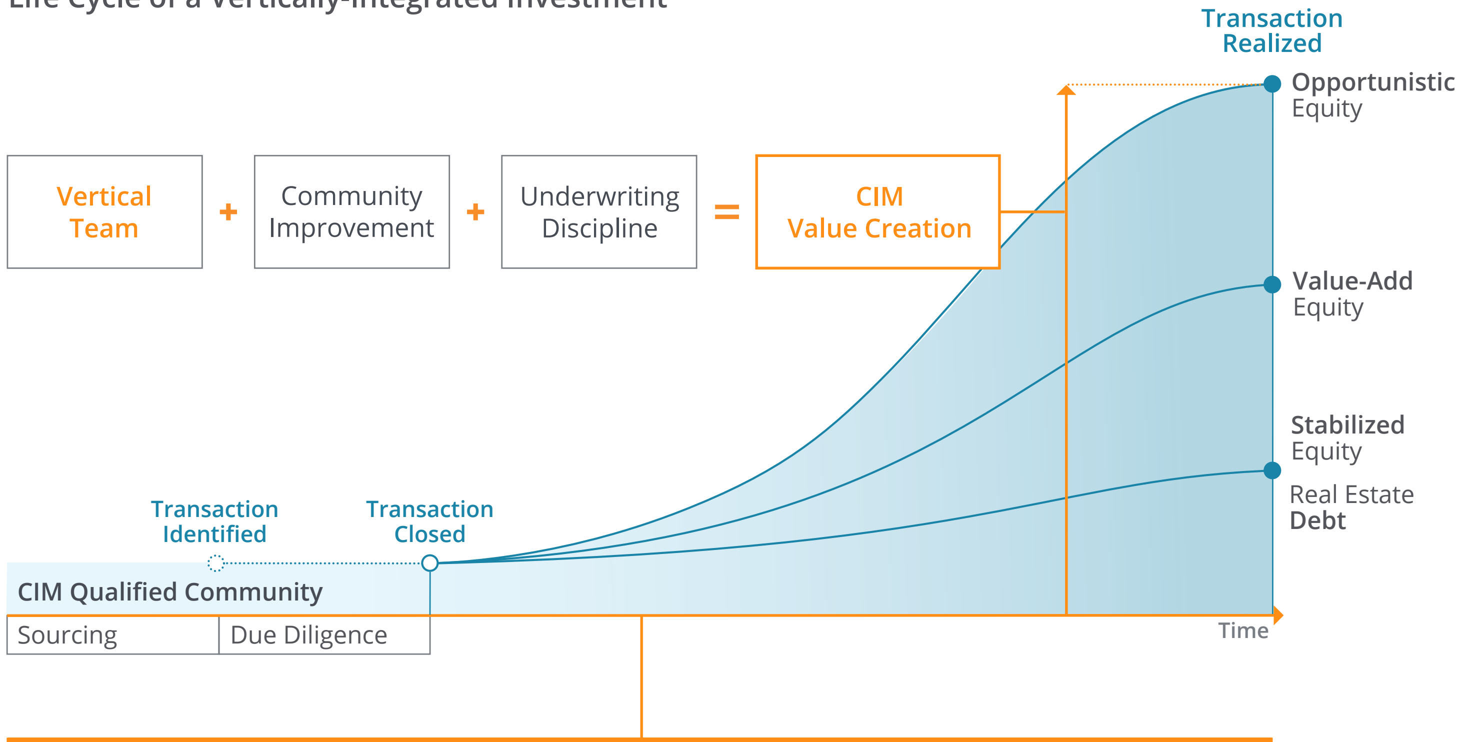
Our **Development team** oversees the progress of development projects from beginning to end, including entitlements, adherence to budgets, construction management, condominium sales, scheduling, quality and scope of the project to maintain CIM's vision for the final product.

Members of our **Portfolio Oversight** team lead the overall real asset strategies, working alongside specialized teams across the organization. They provide guidance to the Investments team with respect to new acquisitions and impact on the business plans. Portfolio Oversight works closely with Investments, Development, Onsite Property Management and Real Estate Services teams to monitor the progress of each asset's business plan, leasing and asset-level financial performance.

CIM's **Onsite Property Management and Real Estate Services** groups develop operating assumptions for the Investments team's business plan and assist in the related due diligence process. Post-acquisition, the Onsite Property Management group focuses on improving asset-level performance which includes tenant retention, property conditions, financial operations and the day-to-day management of assets. The Real Estate Services team, which includes leasing, is engaged in constant dialogue with national, regional and local tenants, ensuring that CIM is best positioned to lease commercial assets and/or renew its existing leases.

Additionally, the same professionals who are responsible for the original underwriting of an asset remain with the project from acquisition through asset management and disposition, providing accountability and consistency throughout the life cycle of each project.

Life Cycle of a Vertically-Integrated Investment[1]



Dedicated Teams for the Life Cycle of Each Project

Investments
Sources acquisitions and oversees assets through disposition

Development
Assists with due diligence and ensures projects are delivered on time and on budget

Onsite Property Management
Manages the day-to-day operations and maintenance of properties

Portfolio Oversight
Oversees performance of portfolios and shares real asset management responsibilities with Investments

Leasing
Responsible for leasing functions and maintaining tenant relationships

1) For illustration only. There can be no assurance that CIM will replicate past results or meet its objectives in the future.

CIM qualified Chicago in 2008 and made its first investment in 2008.

$1.7 Billion

Strategic Investments in Chicago Since 2008

Disciplined Process

CIM's judicious use of leverage and diligent underwriting scenarios have allowed us to build well-positioned portfolios. Additionally, with more than 130 Qualified Communities across the Americas, we do not need to deploy capital in a given community, product type or strategy at a specific time, which allows us to focus on the best opportunities.

Leverage

CIM's strategy relies on its sound business plan and ability to create value, rather than financial engineering, to produce returns. Our acquisition underwriting is performed both on a leveraged and unleveraged basis. Additionally, CIM has not historically utilized recourse or cross-collateralized debt due to its conservative underwriting standards and does not anticipate such use with certain exceptions (e.g., portfolio transactions). This approach has helped us weather various economic cycles. CIM has never defaulted on a loan or given a property back to a lender.

Underwriting

CIM's disciplined underwriting approach is based on our adherence to stringent guidelines regardless of market conditions. We generally employ a "current market case" underwriting scenario, as well as a "long-term average" scenario. Our underwriting assists in assessing potential returns relative to the risk within a range of potential outcomes. CIM believes this underwriting discipline helps us to better identify and price attractive acquisition opportunities and assess the anticipated performance and levels of risk and return.

CIM's Community-Focused Strategies

For our partners, co-investors and shareholders, we employ four community-focused real estate and infrastructure investment strategies including opportunistic equity, value-add equity, stabilized equity and debt. Each strategy is structured with a distinct risk-reward profile to create value for our stakeholders while delivering projects that meet the needs and desires of communities.

Opportunistic Strategy

Emphasizes developing, redeveloping, repositioning and extensively leasing assets, with a return profile relying primarily on capital appreciation. This strategy leverages the full owner-operator and developer capabilities of CIM to help maximize value while enhancing communities.

Stabilized Strategy

Concentrates on cash-flowing core assets and emphasizes stable income with additional growth through active management. Tactics for adding value may include improving operations, capital enhancements and rent growth, cashflow yield, and, to a lesser extent, asset-level value appreciation.

Value-Add Strategy

Focuses on current and near-term cash flowing assets that may require repositioning, lease-up and active management. This strategy emphasizes asset appreciation and income growth for long-term hold.

Debt Strategy

Focuses on real estate debt in communities where CIM has broad knowledge and strong operational capabilities. The strategy focuses on bridge and construction loans, as well as loans for special situations, with returns driven primarily by cashflow yield.

Understanding the community and its needs prior to beginning a project helps support success and long-term growth. Our Qualified Community process, coupled with our investments and long-term commitment to communities, has delivered results ranging from job creation to affordable housing and public spaces to necessary infrastructure.

This holistic, sector agnostic approach helps position each project we undertake for success and serves as a critical component of our ability to enhance communities and create value for our stakeholders.

Creating Value.
Enhancing Communities.

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