Filed Pursuant to Rule 424(b)(3)
Registration No. 333-236339

CIM INCOME NAV, INC.
SUPPLEMENT NO. 16 DATED AUGUST 19, 2021
TO THE PROSPECTUS DATED AUGUST 7, 2020

This document supplements, and should be read in conjunction with, the prospectus of CIM Income NAV, Inc. dated August 7, 2020, Supplement No. 11 dated April 20, 2021, which superseded and replaced all previous supplements to the prospectus, Supplement No. 12 dated May 19, 2021, Supplement No. 13 dated May 25, 2021, Supplement No. 14 dated June 17, 2021, and Supplement No. 15 dated July 22, 2021. Unless otherwise defined in this supplement, capitalized terms used in this supplement shall have the same meanings as set forth in the prospectus, as supplemented to date.

The purpose of this supplement is to describe the following:

(1) the status of the offering of shares of CIM Income NAV, Inc.;
(2) the transaction price for each class of our common stock as of September 1, 2021;
(3) the calculation of the net asset value ("NAV") per share as of July 31, 2021;
(4) recent real property acquisitions and dispositions;
(5) updates to information about our redemption plan; and
(6) our updated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations, as disclosed in the 10-Q, attached hereto as Annex A.

OPERATING INFORMATION

Status of Our Public Offering

The registration statement for our initial public offering of $4,000,000,000 in shares of common stock was declared effective by the U.S. Securities and Exchange Commission on December 6, 2011 and was subsequently superseded by registration statements declared effective on August 26, 2013, February 10, 2017 and August 7, 2020. We are offering up to $3,500,000,000 in shares of common stock pursuant to our primary offering, consisting of four classes of shares of common stock: D Shares, T Shares, S Shares and I Shares. We are also offering $500,000,000 in shares pursuant to our distribution reinvestment plan. We are offering to sell any combination of D Shares, T Shares, S Shares and I Shares with a dollar value up to the maximum offering amount.

During the month of July 2021, we accepted investors' subscriptions for, and issued, a total of approximately 81,000 shares of our common stock in our offering, resulting in gross proceeds to us of approximately $1.3 million, consisting of approximately 19,000 shares of our common stock in our primary offering, resulting in gross proceeds to us of approximately $315,000 ($273,000 in D Shares and $42,000 in T Shares), and approximately 62,000 shares of our common stock pursuant to our distribution reinvestment plan, resulting in gross proceeds to us of approximately $993,000. As of the date of this supplement, we had accepted investors' subscriptions for, and issued, approximately 49.4 million shares of our common stock since the commencement of our initial offering (including shares issued pursuant to our distribution reinvestment plan), resulting in gross proceeds to us of approximately $888.5 million.

We are structured as a perpetual-life, non-exchange traded REIT. This means that, subject to ongoing regulatory approval of our filing for additional offerings, we will be selling shares of our common stock on a continuous basis and for an indefinite period of time. We will endeavor to take all reasonable actions to avoid interruptions in the continuous offering of our shares of common stock. There can be no assurance, however, that we will not need to suspend our continuous offering. The offering must be registered in every state in which we offer or sell shares. Generally, such registrations are for a period of one year. Thus, we may have to stop selling shares in any state in which our registration is not renewed or otherwise extended annually. We reserve the right to terminate this offering as well as to renew, extend or terminate our registration at any time.

Transaction Price

The transaction price for each share class of our common stock for subscriptions accepted, and distribution reinvestment plan issuances, as of September 1, 2021, and redemptions as of August 31, 2021, is as follows:

Share Class	Transaction Price (per share)	
D Shares	$	16.75
T Shares	$	16.34
S Shares	$	16.33
I Shares	$	17.07

The transaction price for each of our share classes is equal to such class's NAV per share as of July 31, 2021. The purchase price of our common stock for each share class in our primary offering equals the transaction price of such class, plus applicable upfront selling commissions and dealer manager fees.

NAV Per Share as of July 31, 2021

We calculate NAV per share in accordance with the valuation policies approved by our board of directors. Our NAV per share, which is updated as of the last business day of each month, is posted on our website at *www.cimgroup.com/investment-strategies/individual/inav#summary* and is made available on our toll-free, automated information line at 866-907-2653. The September 1, 2021 transaction price is being determined based on our NAV as of July 31, 2021. Please refer to the "*Valuation Policies*" section in our prospectus, as supplemented, for a more detailed description of our valuation procedures, including important disclosure regarding real property valuations provided by the independent valuation expert. All parties engaged by us in the calculation of our NAV, including our advisor, are subject to the oversight of our board of directors. Generally, all of our real properties are appraised once each calendar year by the independent valuation expert and our real estate related liabilities are valued quarterly. The following table sets forth the components of total NAV as of July 31, 2021 and June 30, 2021:

	As of	
Components of NAV	**July 31, 2021**	**June 30, 2021**
Investments in real estate	$ 855,900,000	$ 854,090,000
Investment in CIM UII Onshore	48,365,199	48,365,199
Acquisition expenses and deferred financing costs	6,356,962	6,745,980
Cash, marketable securities and other assets	41,347,992	29,107,413
Outstanding debt	(454,319,000)	(441,319,000)
Accrued performance fee	(1,397,649)	(998,284)
Accrued stockholder servicing fee	(211,402)	(201,107)
Subscriptions received in advance	(3,865,009)	(1,859,255)
Accrued liabilities	(4,883,790)	(5,712,412)
Net asset value	$ 487,293,303	$ 488,218,534
Number of outstanding shares	29,400,519	29,540,330

The following table provides a breakdown of our total NAV and NAV per share by share class as of July 31, 2021 and June 30, 2021:

	D Shares	T Shares	S Shares	I Shares	Total
Net asset value as of July 31, 2021	$ 248,187,292	$ 220,543,243	$ 125,507	$ 18,437,261	$ 487,293,303
Number of outstanding shares as of July 31, 2021	14,813,660	13,499,328	7,686	1,079,845	29,400,519
NAV per share as of July 31, 2021	$ 16.75	$ 16.34	$ 16.33	$ 17.07	
Net asset value as of June 30, 2021	$ 248,943,215	$ 220,923,112	$ 124,493	$ 18,227,714	$ 488,218,534
Number of outstanding shares as of June 30, 2021	14,899,672	13,562,322	7,650	1,070,686	29,540,330
NAV per share as of June 30, 2021	$ 16.71	$ 16.29	$ 16.27	$ 17.02	

For single-tenant properties with fewer than eight years of remaining lease term and anchored shopping centers, and certain other properties, our independent valuation expert calculated estimated market values by using a discounted cash flow analysis, which may have been the sole valuation approach or used in combination with a direct capitalization methodology. Set forth below are the weighted averages of the key assumptions in the discounted cash flow methodology used in the July 31, 2021 valuations, based on property type.

Property Type	Discount Rate	Exit Capitalization Rate
Anchored Shopping Center	8.47%	8.00%
Retail	7.99%	7.47%
Industrial	7.70%	7.15%
Office	8.48%	7.87%

For single-tenant properties with greater than eight years of remaining lease term, and certain other properties, our independent valuation expert calculated estimated market values by using a direct capitalization cash flow analysis, which may have been the sole valuation approach or used in combination with the discounted cash flow methodology.

Set forth below are the weighted averages of the implied capitalization rate, using net operating income over the direct capitalization value, used in the July 31, 2021 valuations, based on property type.

Property Type	Implied Overall Capitalization Rate
Anchored Shopping Center	7.64%
Retail	6.92%
Industrial	6.74%
Office	6.96%

PROSPECTUS UPDATES

Recent Real Property Acquisitions and Dispositions

The following information supplements, and should be read in conjunction with, the sections of our prospectus captioned "Prospectus Summary — Description of Real Estate Assets" beginning on page 23 of the prospectus and "Investment Objectives, Strategy and Policies — Real Property Acquisitions" beginning on page 86 of the prospectus, and describes our real estate holdings as of July 31, 2021, and the activity that occurred subsequent to the activity as of June 30, 2021 previously disclosed in our prospectus, as supplemented.

Description of Real Estate Assets

As of July 31, 2021, we, through separate wholly-owned limited liability companies and limited partnerships, owned 121 properties, acquired for an aggregate purchase price of $853.9 million, located in 33 states, consisting of three anchored shopping centers, 96 retail, 11 industrial and distribution, and 11 office properties, comprising approximately 5.2 million gross rentable square feet of commercial space, including the square feet of buildings that are on land subject to ground leases. We did not acquire or dispose of any properties between July 1, 2021 and July 31, 2021.

Redemption Plan

The following information supplements, and should be read in conjunction with, the section of our prospectus captioned "Share Purchases and Redemptions — Redemption Plan" beginning on page 189 of the prospectus.

Under our share redemption plan, to the extent we choose to redeem shares in any particular month, we will only redeem shares as of the opening of the last calendar day of that month. To have your shares redeemed, your redemption request and required documentation must be received in good order by 4:00 p.m. (Eastern Time) on the second to last business day of the applicable month. As of 4:00 p.m. (Eastern Time) on July 29, 2021, the deadline for receipt of redemption requests for the July 2021 redemption period, redemption requests representing approximately $28.2 million were received in good order by the transfer agent, which was in excess of $3.9 million, which represents the temporarily reduced redemption limit of 0.8% of aggregate NAV as of the last calendar day of the previous calendar month. The remaining redemption requests received went unfulfilled.

Inclusion of Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 as Annex A

On August 16, 2021, we filed with the SEC the 10-Q, which is attached (excluding the exhibits thereto) as Annex A to this Supplement No. 16.

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2021
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to
Commission file number 000-55187

CIM INCOME NAV, INC.

(Exact name of registrant as specified in its charter)

Maryland	**27-3147801**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
2398 East Camelback Road, 4th Floor Phoenix, Arizona	**85016**
(Address of principal executive offices)	**(Zip Code)**

(602) 778-8700
(Registrant's telephone number, including area code)

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Trading Symbol	Name of Each Exchange on Which Registered
None	None	None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐	Non-accelerated filer	☒
Smaller reporting company	☐	Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 9, 2021, there were approximately 14.9 million shares of Class D common stock, approximately 13.5 million shares of Class T common stock, approximately 7,700 shares of Class S common stock, and approximately 1.1 million shares of Class I common stock, par value $0.01 each, of CIM Income NAV, Inc. outstanding.

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PART I - FINANCIAL INFORMATION

Item 1. Financial Statements

CIM INCOME NAV, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts) (Unaudited)

	June 30, 2021	December 31, 2020
ASSETS		
Real estate assets:		
Land	$ 134,213	$ 139,644
Buildings and improvements	617,197	632,190
Intangible lease assets	104,177	106,739
Total real estate assets, at cost	855,587	878,573
Less: accumulated depreciation and amortization	(112,744)	(101,991)
Total real estate assets, net	742,843	776,582
Investment in CIM UII Onshore, net	48,365	46,680
Investment in marketable securities	15,407	15,496
Total real estate assets, equity investments and marketable securities, net	806,615	838,758
Cash and cash equivalents	10,763	8,805
Restricted cash	375	415
Rents and tenant receivables, net	15,782	15,952
Prepaid expenses and other assets	1,016	984
Deferred costs, net	87	289
Due from affiliates	8	7
Asset held for sale	—	1,009
Total assets	$ 834,646	$ 866,219
LIABILITIES AND EQUITY		
Credit facility and notes payable, net	$ 440,357	$ 449,378
Accrued expenses and accounts payable	4,079	4,518
Due to affiliates	14,597	13,826
Intangible lease liabilities, net	11,295	12,040
Distributions and redemptions payable	4,196	6,969
Derivative liabilities, deferred rental income and other liabilities	7,211	11,174
Total liabilities	481,735	497,905
Commitments and contingencies		
Redeemable common stock	9,765	10,040
STOCKHOLDERS' EQUITY		
Preferred stock, $0.01 par value per share; 10,000,000 shares authorized, none issued and outstanding	—	—
D Shares common stock, $0.01 par value per share; 122,500,000 shares authorized, 14,899,672 and 15,318,506 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	149	153
T Shares common stock, $0.01 par value per share; 122,500,000 shares authorized, 13,562,322 and 13,778,134 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	136	138
S Shares common stock, $0.01 par value per share; 122,500,000 shares authorized, 7,650 and 7,399 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	—	—
I Shares common stock, $0.01 par value per share; 122,500,000 shares authorized, 1,070,686 and 1,011,342 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	11	10
Capital in excess of par value	483,701	493,417
Accumulated distributions in excess of earnings	(136,858)	(128,383)
Accumulated other comprehensive loss	(4,689)	(7,768)
Total stockholders' equity	342,450	357,567
Non-controlling interests	696	707
Total equity	$ 343,146	$ 358,274
Total liabilities, redeemable common stock, and equity	$ 834,646	$ 866,219

The accompanying notes are an integral part of these condensed consolidated financial statements.

CIM INCOME NAV, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Revenues:				
Rental and other property income	$ 17,653	$ 17,148	$ 36,351	$ 35,736
Interest income on marketable securities	77	88	156	178
Total revenues	17,730	17,236	36,507	35,914
Operating expenses:				
General and administrative	1,103	1,394	2,117	2,413
Property operating	1,094	973	2,060	2,427
Real estate tax	1,049	1,443	2,368	2,776
Expense reimbursements to related parties	955	511	1,782	910
Advisory and performance fees	2,233	1,456	3,487	3,052
Transaction-related	—	4	—	6
Depreciation and amortization	6,793	6,949	13,596	13,988
Real estate impairment	—	8,058	—	13,744
Total operating expenses	13,227	20,788	25,410	39,316
Gain on disposition of real estate, net	1,167	14	1,177	14
Operating income (expense)	5,670	(3,538)	12,274	(3,388)
Other expense:				
Gain (loss) on investment in CIM UII Onshore	1,138	(3,302)	2,470	(3,302)
Interest expense and other, net	(4,826)	(4,452)	(9,235)	(8,112)
Net income (loss)	1,982	(11,292)	5,509	(14,802)
Net income allocated to noncontrolling interest	8	9	17	13
Net income (loss) attributable to the Company	$ 1,974	$ (11,301)	$ 5,492	$ (14,815)
Class D Common Stock:				
Net income (loss) attributable to the Company	$ 1,041	$ (5,839)	$ 2,866	$ (7,696)
Basic and diluted weighted average number of common shares outstanding	15,056,447	16,389,898	15,160,851	17,012,238
Basic and diluted net income (loss) per common share	$ 0.07	$ (0.36)	$ 0.19	$ (0.45)
Class T Common Stock:				
Net income (loss) attributable to the Company	$ 854	$ (5,125)	$ 2,416	$ (6,670)
Basic and diluted weighted average number of common shares outstanding	13,657,350	14,253,280	13,718,703	14,389,210
Basic and diluted net income (loss) per common share	$ 0.06	$ (0.36)	$ 0.18	$ (0.46)
Class S Common Stock:				
Net income (loss) attributable to the Company	$ 1	$ (3)	$ 2	$ (4)
Basic and diluted weighted average number of common shares outstanding	7,612	7,179	7,558	7,136
Basic and diluted net income (loss) per common share	$ 0.10	$ (0.51)	$ 0.25	$ (0.58)
Class I Common Stock:				
Net income (loss) attributable to the Company	$ 78	$ (334)	$ 208	$ (445)
Basic and diluted weighted average number of common shares outstanding	1,065,697	946,146	1,050,298	1,001,782
Basic and diluted net income (loss) per common share	$ 0.07	$ (0.35)	$ 0.20	$ (0.44)

The accompanying notes are an integral part of these condensed consolidated financial statements.

CIM INCOME NAV, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands) (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income (loss)	$ 1,982	$ (11,292)	$ 5,509	$ (14,802)
Other comprehensive income (loss)				
Unrealized holding gain (loss) on marketable securities	43	417	(325)	568
Reclassification adjustment for realized loss included in income as other expense	20	13	35	11
Unrealized loss on interest rate swaps	(85)	(759)	(47)	(8,343)
Amount of loss reclassified from other comprehensive income (loss) into income as interest expense and other, net	1,941	1,245	3,416	1,633
Total other comprehensive income (loss)	1,919	916	3,079	(6,131)
Comprehensive income (loss)	3,901	(10,376)	8,588	(20,933)
Comprehensive income allocated to noncontrolling interest	8	9	17	13
Comprehensive income (loss) attributable to the Company	$ 3,893	$ (10,385)	$ 8,571	$ (20,946)

The accompanying notes are an integral part of these condensed consolidated financial statements.

CIM INCOME NAV, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands, except share amounts) (Unaudited)

	Common Stock							
	Number of Shares	Par Value	Capital in Excess of Par Value	Accumulated Distributions in Excess of Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
Balance as of January 1, 2021	30,115,381	$ 301	$ 493,417	$ (128,383)	$ (7,768)	$ 357,567	$ 707	$ 358,274
Issuance of common stock	290,253	3	4,832	—	—	4,835	—	4,835
Distributions declared on common stock — $0.23 per common share	—	—	—	(7,020)	—	(7,020)	—	(7,020)
Commissions, dealer manager and ongoing stockholder servicing fees	—	—	(159)	—	—	(159)	—	(159)
Other offering costs	—	—	(36)	—	—	(36)	—	(36)
Redemptions of common stock	(602,977)	(6)	(9,979)	—	—	(9,985)	—	(9,985)
Equity-based compensation	2,923	—	82	—	—	82	—	82
Equity-based payments to advisor	32,775	—	561	—	—	561	—	561
Changes in redeemable common stock	—	—	409	—	—	409	—	409
Distributions to non-controlling interests	—	—	—	—	—	—	(15)	(15)
Comprehensive income	—	—	—	3,518	1,160	4,678	9	4,687
Balance as of March 31, 2021	29,838,355	$ 298	$ 489,127	$ (131,885)	$ (6,608)	$ 350,932	$ 701	$ 351,633
Issuance of common stock	257,526	3	4,167	—	—	4,170	—	4,170
Distributions declared on common stock — $0.23 per common share	—	—	—	(6,947)	—	(6,947)	—	(6,947)
Commissions, dealer manager and ongoing stockholder servicing fees	—	—	(485)	—	—	(485)	—	(485)
Other offering costs	—	—	(31)	—	—	(31)	—	(31)
Redemptions of common stock	(595,423)	(5)	(9,638)	—	—	(9,643)	—	(9,643)
Equity-based compensation	3,018	—	82	—	—	82	—	82
Equity-based payments to advisor	36,854	—	613	—	—	613	—	613
Changes in redeemable common stock	—	—	(134)	—	—	(134)	—	(134)
Distributions to non-controlling interests	—	—	—	—	—	—	(13)	(13)
Comprehensive income	—	—	—	1,974	1,919	3,893	8	3,901
Balance as of June 30, 2021	29,540,330	$ 296	$ 483,701	$ (136,858)	$ (4,689)	$ 342,450	$ 696	$ 343,146

CIM INCOME NAV, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(in thousands, except share amounts) (Unaudited) — Continued

	Common Stock		Capital in Excess of Par Value	Accumulated Distributions in Excess of Earnings	Accumulated Other Comprehensive (Loss) Income	Total Stockholders' Equity	Non-Controlling Interests	Total Equity
	Number of Shares	Par Value						
Balance as of January 1, 2020	33,747,710	$ 337	$ 507,913	$ (87,513)	$ (4,710)	$ 416,027	$ 739	$ 416,766
Issuance of common stock	1,131,064	11	20,124	—	—	20,135	—	20,135
Distributions declared on common stock — $0.24 per common share	—	—	—	(8,096)	—	(8,096)	—	(8,096)
Commissions, dealer manager and ongoing stockholder servicing fees	—	—	(415)	—	—	(415)	—	(415)
Other offering costs	—	—	(149)	—	—	(149)	—	(149)
Redemptions of common stock	(2,653,586)	(26)	(46,658)	—	—	(46,684)	—	(46,684)
Equity-based compensation	—	—	33	—	—	33	—	33
Changes in redeemable common stock	—	—	2,650	—	—	2,650	—	2,650
Distributions to non-controlling interests	—	—	—	—	—	—	(14)	(14)
Comprehensive (loss) income	—	—	—	(3,514)	(7,047)	(10,561)	4	(10,557)
Balance as of March 31, 2020	32,225,188	$ 322	$ 483,498	$ (99,123)	$ (11,757)	$ 372,940	$ 729	$ 373,669
Issuance of common stock	213,374	2	3,725	—	—	3,727	—	3,727
Distributions declared on common stock — $0.16 per common share	—	—	—	(4,965)	—	(4,965)	—	(4,965)
Commissions, dealer manager and ongoing stockholder servicing fees	—	—	289	—	—	289	—	289
Other offering costs	—	—	(28)	—	—	(28)	—	(28)
Redemptions of common stock	(1,746,691)	(17)	(30,103)	—	—	(30,120)	—	(30,120)
Equity-based compensation	—	—	33	—	—	33	—	33
Changes in redeemable common stock	—	—	30,348	—	—	30,348	—	30,348
Distributions to non-controlling interests	—	—	—	—	—	—	(15)	(15)
Comprehensive (loss) income	—	—	—	(11,301)	916	(10,385)	9	(10,376)
Balance as of June 30, 2020	30,691,871	$ 307	$ 487,762	$ (115,389)	$ (10,841)	$ 361,839	$ 723	$ 362,562

The accompanying notes are an integral part of these condensed consolidated financial statements.

CIM INCOME NAV, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands) (Unaudited)

	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Cash flows from operating activities:		
Net income (loss)	$ 5,509	$ (14,802)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization, net	13,591	13,859
Straight-line rental income	(1,191)	(1,844)
(Recovery) write-off of uncollectible lease-related receivables	(109)	2,325
Amortization of deferred financing costs	524	547
Amortization on marketable securities	44	29
Equity-based compensation	164	66
Equity-based payments to advisor	1,174	—
Loss on sale of marketable securities	35	11
(Gain) loss on investment in CIM UII Onshore	(2,470)	3,302
Gain on disposition of real estate assets, net	(1,177)	(14)
Impairment of real estate assets	—	13,744
Write-off of deferred financing costs	60	—
Changes in assets and liabilities:		
Rents and tenant receivables, net	1,529	(2,656)
Prepaid expenses and other assets	(32)	(379)
Accrued expenses and accounts payable	(445)	1,042
Deferred rental income and other liabilities	(594)	303
Due from affiliates	(1)	3
Due to affiliates	1,353	(1,024)
Net cash provided by operating activities	17,964	14,512
Cash flows from investing activities:		
Investment in real estate assets and capital expenditures	(660)	(1,663)
Investment in marketable securities	(3,699)	(2,852)
Proceeds from sale and maturities of marketable securities	3,419	2,837
Investment in CIM UII Onshore	—	(50,000)
Distributions of capital from investment in CIM UII Onshore	785	—
Net proceeds from disposition of real estate assets	22,196	5,783
Proceeds from the settlement of insurance claims	—	204
Net cash provided by (used in) investing activities	22,041	(45,691)
Cash flows from financing activities:		
Proceeds from issuance of common stock	1,700	17,297
Offering costs on issuance of common stock	(1,293)	(1,930)
Redemptions of common stock	(19,818)	(71,021)
Distributions to stockholders	(9,245)	(6,899)
Proceeds from credit facility	34,000	122,000
Repayments of notes payable and credit facility	(43,400)	—
Change in escrowed stockholder proceeds liability	—	(50)
Distributions to noncontrolling interests	(28)	(29)
Deferred financing costs paid	(3)	—
Net cash (used in) provided by financing activities	(38,087)	59,368
Net increase in cash and cash equivalents and restricted cash	1,918	28,189
Cash and cash equivalents and restricted cash, beginning of period	9,220	5,718
Cash and cash equivalents and restricted cash, end of period	$ 11,138	$ 33,907
Reconciliation of cash and cash equivalents and restricted cash to the condensed consolidated balance sheets:		
Cash and cash equivalents	$ 10,763	$ 33,401
Restricted cash	375	506
Total cash and cash equivalents and restricted cash	$ 11,138	$ 33,907

The accompanying notes are an integral part of these condensed consolidated financial statements.

CIM INCOME NAV, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
June 30, 2021 (Unaudited)

NOTE 1 — ORGANIZATION AND BUSINESS

CIM Income NAV, Inc. (the "Company") is a monthly priced perpetual life non-exchange traded real estate investment trust ("REIT") formed as a Maryland corporation on July 27, 2010 that qualified as a REIT for U.S. federal income tax purposes beginning with its taxable year ended December 31, 2012. Substantially all of the Company's business is conducted through CIM Income NAV Operating Partnership, LP, a Delaware limited partnership ("CIM Income NAV OP"), of which the Company is the sole general partner, and owns, directly or indirectly, 100% of the partnership interests. The Company is externally managed by CIM Income NAV Management, LLC, a Delaware limited liability company ("CIM Income NAV Management"), which is an affiliate of CIM Group, LLC ("CIM"). CIM is a community-focused real estate and infrastructure owner, operator, lender and developer. Headquartered in Los Angeles, California, CIM has offices across the United States and in Tokyo, Japan.

CCO Group, LLC owns and controls CIM Income NAV Management, the Company's advisor, and is the indirect owner of CCO Capital, LLC ("CCO Capital"), the Company's dealer manager, and CREI Advisors, LLC ("CREI Advisors"), the Company's property manager. CCO Group, LLC and its subsidiaries (collectively, "CCO Group") serve as the Company's sponsor and as a sponsor to CIM Real Estate Finance Trust, Inc. ("CMFT").

On December 6, 2011, the Company commenced its initial public offering (the "Initial Offering") on a "best efforts" basis of $4.0 billion in shares of common stock, consisting of $3.5 billion in shares in the primary offering (the "Primary Offering") and $500.0 million in shares pursuant to a distribution reinvestment plan (the "DRIP"). On August 26, 2013, the Company commenced its first follow-on offering (the "First Follow-on Offering"), pursuant to which the Company offered up to $4.0 billion in shares of common stock, consisting of $3.5 billion in shares in the Primary Offering and $500.0 million in shares pursuant to the DRIP. On February 10, 2017, the Company commenced its second follow-on offering (the "Second Follow-on Offering"), pursuant to which the Company offered up to $4.0 billion in shares of common stock, consisting of $3.5 billion in shares in the Primary Offering and $500.0 million in shares pursuant to the DRIP. On August 7, 2020, the Company commenced its third follow-on offering, pursuant to which the Company is offering up to $4.0 billion in shares of common stock (the "Third Follow-on Offering" and collectively with the Initial Offering, the First Follow-on Offering and the Second Follow-on offering, the "Offering"), consisting of $3.5 billion in shares in the Primary Offering and $500.0 million in shares pursuant to the DRIP.

As part of the First Follow-on Offering, the Company designated the existing shares of the Company's common stock that were sold prior to such date to be Wrap Class shares ("W Shares") of common stock and registered two new classes of the Company's common stock, Advisor Class shares ("A Shares") and Institutional Class shares ("I Shares"). On November 27, 2018, the Company amended its charter to, among other things, change the name and designation of its W Shares to Class D Common Stock (the "D Shares"), and its A Shares to Class T Common Stock (the "T Shares"), respectively, and reclassified a portion of its common stock as Class S Common Stock (the "S Shares"), to be offered alongside its D Shares, T Shares and I Shares in the Offering (the "Share Modifications"). The Company is offering to sell any combination of D Shares, T Shares, S Shares and I Shares with a dollar value up to the maximum offering amount. As of June 30, 2021, the Company had issued approximately 49.3 million shares of common stock in the Offering, including 4.1 million in shares issued in the DRIP, for gross offering proceeds of $887.2 million before $27.4 million in upfront selling commissions, dealer manager fees and the current portion of stockholder servicing fees and $6.6 million in organization and offering costs. Effective April 1, 2020, the Company modified its Offering and certain other features of the Company from a daily to a monthly net asset value ("NAV") REIT. As part of the change from a daily to a monthly NAV REIT, the Company's board of directors (the "Board") approved, among other things: (1) a change in the frequency of the NAV calculations from daily to monthly and certain other related changes to the Company's valuation policies, and (2) adopted an amended and restated share redemption program (the "Amended Share Redemption Program") that provides for redemptions on a monthly basis.

The per share purchase price for each class of common stock varies from month-to-month and, each month, is generally equal to, for each class of common stock, the Company's NAV for such class, divided by the number of shares of that class outstanding, as of the prior month, plus, for T Shares and S Shares sold in the Primary Offering, applicable upfront selling commissions and dealer manager fees. The Company's NAV per share is calculated monthly as of the last calendar day of each month by an independent fund accountant using a process that incorporates (1) the periodic valuations of each of the Company's real estate assets and related liabilities by the Company's independent valuation expert, (2) ongoing assessment by the valuation expert of the estimated impact of any events that require adjustment to the most recent valuations determined by the valuation expert, (3) updates in the price of liquid assets for which third-party market quotes are available, (4) valuations of any securities or other assets for which market quotes are not available, (5) valuation of the Company's other assets and liabilities, (6) accruals of the Company's distributions for each share class, and (7) estimates of monthly accruals, on a net basis, of operating revenues, expenses, debt service costs and fees. As of June 30, 2021, the NAV per share for D Shares, T Shares, S Shares and I Shares was $16.71, $16.29, $16.27 and $17.02, respectively. The Company's NAV is not audited or reviewed by its independent registered public accounting firm.

The Company has used substantially all of the net proceeds from the Offering to acquire and operate a diversified portfolio primarily consisting of retail, office and industrial properties that are leased to creditworthy tenants under long-term net leases, and are strategically located throughout the United States. As of June 30, 2021, the Company owned 121 commercial properties, including two properties owned through a consolidated joint venture arrangement (the "Consolidated Joint Venture"), comprised of 5.2 million rentable square feet of commercial space located in 33 states, and which was 98.6% leased, including month-to-month agreements, if any. As of June 30, 2021, the Company also owned limited partnership interests with CIM UII Onshore, L.P. ("CIM UII Onshore"), the sole purpose of which is to invest all of its assets in CIM Urban Income Investments, L.P. ("CIM Urban Income"), which is a private institutional fund that acquires, owns and operates substantially stabilized, diversified real estate and real estate-related assets in urban markets primarily located throughout North America.

As a perpetual-life, non-exchange traded REIT, the Company will be selling shares of common stock on a continuous basis and for an indefinite period of time, subject to ongoing regulatory approval of the Company's filings for additional offerings. The Company will endeavor to take all reasonable actions to avoid interruptions in the continuous offering of shares of common stock. The Company reserves the right to terminate the Offering at any time.

NOTE 2 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The summary of significant accounting policies presented below is designed to assist in understanding the Company's condensed consolidated financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America ("GAAP") in all material respects, and have been consistently applied in preparing the accompanying condensed consolidated financial statements.

Principles of Consolidation and Basis of Presentation

The condensed consolidated financial statements of the Company have been prepared in accordance with the rules and regulations of the U.S. Securities and Exchange Commission regarding interim financial reporting, including the instructions to Form 10-Q and Article 10 of Regulation S-X, and do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the statements for the interim periods presented include all adjustments, which are of a normal and recurring nature, necessary for a fair presentation of the results for such periods. Results for these interim periods are not necessarily indicative of full year results. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with the Company's audited consolidated financial statements as of and for the year ended December 31, 2020, and related notes thereto set forth in the Company's Annual Report on Form 10-K for the year ended December 31, 2020. The condensed consolidated financial statements should also be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations contained in this Quarterly Report on Form 10-Q.

The condensed consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries and the Consolidated Joint Venture in which the Company has a controlling financial interest. All intercompany balances and transactions have been eliminated in consolidation.

The Company evaluates its relationships and investments to determine if it has variable interests. A variable interest is an investment or other interest that will absorb portions of an entity's expected losses or receive portions of the entity's expected residual returns. If the Company determines that it has a variable interest in an entity, it evaluates whether such interest is in a variable interest entity ("VIE"). VIEs are entities where investors lack sufficient equity at risk for the entity to finance its activities without additional subordinated financial support or where equity investors, as a group, lack one of the following characteristics: (a) the power to direct the activities that most significantly impact the entity's economic performance, (b) the obligation to absorb the expected losses of the entity, or (c) the right to receive the expected returns of the entity. The Company consolidates any VIEs when it is determined to be the primary beneficiary of the VIE's operations.

For legal entities being evaluated for consolidation, the Company must first determine whether the interests that it holds and fees it receives qualify as variable interests in the entity. A variable interest is an investment or other interest that will absorb portions of an entity's expected losses or receive portions of the entity's expected residual returns. The Company's evaluation includes consideration of fees paid to the Company where the Company acts as a decision maker or service provider to the entity being evaluated. If the Company determines that it holds a variable interest in an entity, it evaluates whether that entity is a VIE.

A VIE must be consolidated by its primary beneficiary, which is generally defined as the party who has a controlling financial interest in the VIE. The Company qualitatively assesses whether it is (or is not) the primary beneficiary of a VIE. Consideration of various factors include, but are not limited to, the Company's ability to direct the activities that most significantly impact the entity's economic performance and its obligation to absorb losses from or right to receive benefits of the VIE that could potentially be significant to the VIE. The Company consolidates any VIEs when the Company is determined to be the primary beneficiary of the VIE, and the difference between consolidating the VIE and accounting for it using the equity method could be material to the Company's condensed consolidated financial statements. The Company continually evaluates the need to consolidate any VIEs based on standards set forth in GAAP as described above.

As of June 30, 2021 and December 31, 2020, the Company determined that it had a controlling interest in the Consolidated Joint Venture and therefore met the requirements for consolidation.

Reclassifications

Certain amounts in the Company's prior period condensed consolidated financial statements have been reclassified to conform to the current period presentation. This reclassification had no effect on previously reported totals or subtotals. The reclassifications have been made to the condensed consolidated statements of operations for the three and six months ended June 30, 2020 as follows (in thousands):

	Three Months Ended June 30, 2020			Six Months Ended June 30, 2020		
	As previously reported	Reclassification	As Revised	As previously reported	Reclassification	As Revised
Condensed Consolidated Statements of Operations						
General and administrative	$ 1,469	$ (75)	$ 1,394	$ 2,654	$ (241)	$ 2,413
Advisory and performance fees	$ 1,644	$ (188)	$ 1,456	$ 3,384	$ (332)	$ 3,052
Transaction-related	$ 252	$ (248)	$ 4	$ 343	$ (337)	$ 6
Expense reimbursements to related parties	$ —	$ 511	$ 511	$ —	$ 910	$ 910

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Real Estate Assets

Real estate assets are stated at cost, less accumulated depreciation and amortization. The Company considers the period of future benefit of each respective asset to determine the appropriate useful life. The estimated useful lives of the Company's real estate assets by class are generally as follows:

Buildings	40 years
Site improvements	15 years
Tenant improvements	Lesser of useful life or lease term
Intangible lease assets	Lease term

Recoverability of Real Estate Assets

The Company continually monitors events and changes in circumstances that could indicate that the carrying amounts of its real estate assets may not be recoverable. Impairment indicators that the Company considers include, but are not limited to: bankruptcy or other credit concerns of a property's major tenant, such as a history of late payments, lease concessions and other factors; a significant decrease in a property's revenues due to lease terminations; vacancies; co-tenancy clauses; reduced lease rates; changes in anticipated holding periods; or other circumstances. When indicators of potential impairment are present, the

Company assesses the recoverability of the assets by determining whether the carrying amount of the assets will be recovered through the undiscounted future cash flows expected from the use of the assets and their eventual disposition. In the event that such expected undiscounted future cash flows do not exceed the carrying amount, the Company will adjust the real estate assets to their respective fair values and recognize an impairment loss. Generally, fair value is determined using a discounted cash flow analysis and recent comparable sales transactions. No impairment indicators were identified and no impairment losses were recorded during the six months ended June 30, 2021. The Company's impairment assessment as of June 30, 2021 was based on the most current information available to the Company, including expected holding periods. If the Company's expected holding periods for assets change, subsequent tests for impairment could result in additional impairment charges in the future. The Company cannot provide any assurance that additional material impairment charges with respect to the Company's real estate assets will not occur during 2021 or in future periods. The assumptions and uncertainties utilized in the evaluation of the impairment of real estate assets are discussed in detail in Note 3 — Fair Value Measurements. See also Note 4 — Real Estate Assets for further discussion regarding real estate acquisition and disposition activity. During the six months ended June 30, 2020, the Company recorded impairment charges of $13.7 million related to one anchored shopping center and one retail property due to the carrying value being greater than the estimated fair value of the respective properties, net of selling costs, and one anchored shopping center and two retail properties due to tenant bankruptcies.

Assets Held for Sale

When a real estate asset is identified by the Company as held for sale, the Company will cease recording depreciation and amortization of the assets related to the property and estimate its fair value, net of selling costs. If, in management's opinion, the fair value, net of selling costs, of the asset is less than the carrying amount of the asset, an adjustment to the carrying amount is then recorded to reflect the estimated fair value of the property, net of selling costs. As of June 30, 2021 there were no properties identified as held for sale. As of December 31, 2020, the Company identified one property with a fair value of $1.0 million as held for sale.

Disposition of Real Estate Assets

Gains and losses from dispositions are recognized once the various criteria relating to the terms of sale and any subsequent involvement by the Company with the asset sold are met. A discontinued operation includes only the disposal of a component of an entity and represents a strategic shift that has (or will have) a major effect on an entity's financial results. The Company's property dispositions during the six months ended June 30, 2021 and 2020 did not qualify for discontinued operations presentation, and thus, the results of the properties that have been sold remain in operating income, and any associated gains or losses from the disposition are included in gain on disposition of real estate, net.

Allocation of Purchase Price of Real Estate Assets

Upon the acquisition of real properties, the Company allocates the purchase price to acquired tangible assets, consisting of land, buildings and improvements, and to identified intangible assets and liabilities, consisting of the value of above- and below-market leases and the value of in-place leases and other intangibles, based in each case on their respective fair values. The Company utilizes independent appraisals to assist in the determination of the fair values of the tangible assets of an acquired property (which includes land and buildings). The information in the appraisal, along with any additional information available to the Company's management, is used in estimating the amount of the purchase price that is allocated to land. Other information in the appraisal, such as building value and market rents, may be used by the Company's management in estimating the allocation of purchase price to the building and to intangible lease assets and liabilities. The appraisal firm has no involvement in management's allocation decisions other than providing this market information.

The determination of the fair values of the real estate assets and liabilities acquired requires the use of significant assumptions with regard to the current market rental rates, rental growth rates, capitalization and discount rates, interest rates and other variables. The use of alternative estimates may result in a different allocation of the Company's purchase price, which could materially impact the Company's results of operations.

Certain acquisition-related expenses related to these asset acquisitions are capitalized and allocated to tangible and intangible assets and liabilities, as described above.

Investment in Marketable Securities

Investment in marketable securities consists primarily of the Company's investment in corporate and government debt securities. The Company determines the appropriate classification for debt securities at the time of purchase and reevaluates such designation as of each balance sheet date. As of June 30, 2021, the Company classified its investments as available-for-sale as the Company is not actively trading the securities; however, the Company may sell them prior to their maturity. These investments are carried at their estimated fair value with unrealized gains and losses reported in other comprehensive income (loss).

The Company monitors its available-for-sale securities for impairments. A loss is recognized when the Company determines that a decline in the estimated fair value of a security below its amortized cost has resulted from a credit loss or other factors. The Company records impairments related to credit losses through an allowance for credit losses. However, the allowance is limited by the amount that the fair value is less than the amortized cost basis. The Company considers many factors in determining whether a credit loss exists, including, but not limited to, the extent to which the fair value is less than the amortized cost basis, recent events specific to the security, industry or geographic area, the payment structure of the security, the failure of the issuer of the security to make scheduled interest or principal payments, and external credit ratings and recent changes in such ratings. The analysis of determining whether a credit loss exists requires significant judgments and assumptions. The use of alternative judgments and assumptions could result in a different conclusion.

The amortized cost of debt securities is adjusted for amortization of premiums and accretion of discounts to maturity computed under the effective interest method and is recorded in the accompanying condensed consolidated statements of operations in interest and other expense, net. Upon the sale of a security, the realized net gain or loss is computed on the specific identification method.

Investment in CIM UII Onshore

As of June 30, 2021, the Company had invested capital of $48.6 million in CIM UII Onshore with a carrying value of $48.4 million, which represents less than 5% ownership of CIM UII Onshore. The Company accounts for its investment under the equity method. The equity method of accounting requires the investment to be initially recorded at cost, including transaction costs incurred to finalize the investment, and subsequently adjusted for the Company's share of equity in CIM UII Onshore's earnings and distributions. The Company records its share of CIM UII Onshore's profits or losses on a quarterly basis as an adjustment to the carrying value of the investment on the Company's condensed consolidated balance sheet and is recognized as a profit or loss on the condensed consolidated statements of operations. The Company recorded its share of gain totaling $2.5 million during the six months ended June 30, 2021 in the condensed consolidated statements of operations. During the six months ended June 30, 2021, the Company received $785,000 in distributions, which reduced the invested capital and the carrying amount of the Company's investment as the distributions are not recognized as distribution income.

Noncontrolling Interest in Consolidated Joint Venture

The Company has a controlling interest in a Consolidated Joint Venture and, therefore, meets the requirements for consolidation. The Company recorded net income of $17,000 and paid distributions of $28,000 to the noncontrolling interest during the six months ended June 30, 2021. The Company recorded the noncontrolling interest of $696,000 and $707,000 as of June 30, 2021 and December 31, 2020, respectively, on the condensed consolidated balance sheets.

Restricted Cash

The Company had $375,000 and $415,000 in restricted cash as of June 30, 2021 and December 31, 2020, respectively. Included in restricted cash was $93,000 and $134,000 held by lenders in lockbox accounts as of June 30, 2021 and December 31, 2020, respectively. As part of certain debt agreements, rent from certain of the Company's tenants is deposited directly into a lockbox account, from which funds in excess of the required minimum balance are disbursed on a weekly basis to the Company. Restricted cash also included $282,000 and $281,000 held in escrow for tenant improvements at a certain property in accordance with the associated lease agreement as of June 30, 2021 and December 31, 2020, respectively.

Stockholder Servicing Fees

The Company pays CCO Capital stockholder servicing fees, which are calculated on a daily basis in the amount of 1/365th of 0.25%, 0.85% and 0.85% of the NAV per share, for each class of common stock outstanding for D Shares, T Shares and S Shares, respectively. The Company does not pay a stockholder servicing fee with respect to I Shares.

The stockholder servicing fees are paid monthly in arrears. An estimated liability for future stockholder servicing fees payable to CCO Capital is recognized at the time each share is sold and included in due to affiliates in the condensed consolidated balance sheets with a corresponding decrease to capital in excess of par value. The Company recognized a liability for future fees payable to CCO Capital of $11.3 million and $11.9 million as of June 30, 2021 and December 31, 2020, respectively.

Leases

The Company has lease agreements with lease and non-lease components. The Company has elected to not separate non-lease components from lease components for all classes of underlying assets (primarily real estate assets) and will account for the combined components as rental and other property income. Non-lease components included in rental and other property income include certain tenant reimbursements for maintenance services (including common-area maintenance services or "CAM"), real estate taxes, insurance and utilities paid for by the lessor but consumed by the lessee. As a lessor, the Company has further determined that this policy will be effective only on a lease that has been classified as an operating lease and the revenue recognition pattern and timing is the same for both types of components. The Company is not party to any material leases where it is the lessee.

Significant judgments and assumptions are inherent in not only determining if a contract contains a lease, but also the lease classification, terms, payments, and, if needed, discount rates. Judgments include the nature of any options, including if they will be exercised, evaluation of implicit discount rates and the assessment and consideration of "fixed" payments for straight-line rent revenue calculations.

Lease costs represent the initial direct costs incurred in the origination, negotiation and processing of a lease agreement. Such costs include outside broker commissions and other independent third-party costs and are amortized over the life of the lease on a straight-line basis. Costs related to salaries and benefits, supervision, administration, unsuccessful origination efforts and other activities not directly related to completed lease agreements are expensed as incurred. Upon successful lease execution, leasing commissions are capitalized.

Revenue Recognition

Rental and other property income is primarily derived from fixed contractual payments from operating leases, and therefore, is generally recognized on a straight-line basis over the term of the lease, which typically begins the date the tenant takes control of the space. When the Company acquires a property, the terms of existing leases are considered to commence as of the acquisition date for the purpose of this calculation. Variable rental and other property income consists primarily of tenant reimbursements for recoverable real estate taxes and operating expenses which are included in rental and other property income in the period when such costs are incurred, with offsetting expenses in real estate taxes and property operating expenses, respectively, within the condensed consolidated statements of operations. The Company defers the recognition of variable rental and other property income, such as percentage rents, until the specific target that triggers the contingent rental income is achieved.

The Company continually reviews whether collection of lease-related receivables, including any straight-line rent, and current and future operating expense reimbursements from tenants are probable. The determination of whether collectability is probable takes into consideration the tenant's payment history, the financial condition of the tenant, business conditions in the industry in which the tenant operates and economic conditions in the area in which the property is located. Upon the determination that the collectability of a receivable is not probable, the Company will record a reduction to rental and other property income for amounts previously recorded and a decrease in the outstanding receivable. Revenue from leases where collection is deemed to be not probable is recorded on a cash basis until collectability becomes probable. Management's estimate of the collectability of lease-related receivables is based on the best information available at the time of estimate. The Company does not use a general reserve approach and lease-related receivables are adjusted and taken against rental and other property income only when collectability becomes not probable. As of June 30, 2021 and December 31, 2020, the Company had identified certain tenants where collection was no longer considered probable and decreased outstanding receivables by $1.1 million and $1.4 million, respectively.

Earnings (Loss) and Distributions Per Share

The Company has four classes of common stock with nonforfeitable dividend rights that are determined based on a different NAV for each class. Accordingly, the Company utilizes the two-class method to determine its earnings per share, which can result in different earnings per share for each of the classes. Under the two-class method, earnings per share of each class of common stock are computed by dividing the sum of the distributed earnings to common stockholders and undistributed earnings allocated to common stockholders by the weighted average number of shares for each class of common stock for the respective period. Diluted income per share, when applicable, considers the effect of any potentially dilutive share equivalents, of which the Company had none for each of the three and six months ended June 30, 2021 or 2020. Distributions per share are calculated based on the authorized monthly distribution rate. Prior to April 1, 2020, distributions were calculated based on the authorized daily distribution rate.

Recent Accounting Pronouncements

From time to time, new accounting pronouncements are issued by various standard setting bodies that may have an impact on the Company's accounting and reporting. Except as otherwise stated below, the Company is currently evaluating the effect that certain new accounting requirements may have on the Company's accounting and related reporting and disclosures in the Company's condensed consolidated financial statements.

In January 2021, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") No. 2021-01, *Reference Rate Reform (Topic 848)* ("ASU 2021-01"). The amendments in ASU 2021-01 clarify that certain optional expedients and exceptions for contract modifications and hedge accounting apply to derivative instruments that use an interest rate for margining, discounting, or contract price alignment that is modified as a result of the discontinuation of the use of LIBOR as a benchmark interest rate due to reference rate reform. ASU 2021-01 is effective immediately for all entities with the option to apply retrospectively as of any date from the beginning of an interim period that includes or is subsequent to March 12, 2020, and can be applied prospectively to any new contract modifications made on or after January 7, 2021. The Company currently uses the London Interbank Offered Rate (the "LIBOR") as its benchmark interest rate for its derivative instruments, and has not entered into any new contracts on or after the effective date of ASU 2021-01. The Company adopted this ASU during the first quarter of fiscal year 2021, and has concluded that there is no material impact on its condensed consolidated financial statements.

In April 2020, the FASB issued a question and answer document (the "Lease Modification Q&A") focused on the application of lease accounting guidance to lease concessions provided as a result of the current novel coronavirus ("COVID-19") pandemic. Due to the business disruptions and challenges severely affecting the global economy caused by the COVID-19 pandemic, many lessors may be required to provide rent deferrals and other lease concessions to lessees. While the lease modification guidance in ASC 842 addresses routine changes to lease terms resulting from negotiations between the lessee and the lessor, this guidance did not contemplate concessions being so rapidly executed to address the sudden liquidity constraints of some lessees arising from COVID-19 related impacts. Under existing lease guidance, the Company would have to determine, on a lease by lease basis, if a lease concession was the result of a new arrangement reached with the tenant (treated within the lease modification accounting framework) or if a lease concession was under the enforceable rights and obligations within the existing lease agreement (precluded from applying the lease modification accounting framework). The Lease Modification Q&A allows the Company, if certain criteria have been met, to bypass the lease by lease analysis, and instead elect to either apply the lease modification accounting framework or not, with such election applied consistently to leases with similar characteristics and similar circumstances.

The Company has elected to apply this guidance to avoid performing a lease by lease analysis for the lease concessions that (1) were granted as relief due to COVID-19 related impacts and (2) result in the cash flows remaining substantially the same or less than the original contract and will account for these lease concessions as if no changes were made to the leases. During the three and six months ended June 30, 2021, the majority of lease concessions provided by the Company have been in the form of rent abatements to certain tenants in response to the impact of the COVID-19 pandemic on those tenants.

As of August 9, 2021, the Company has collected approximately 98% of rental payments billed to tenants during the three months ended June 30, 2021. Additionally, as of June 30, 2021, the Company had granted rent deferrals with an aggregate deferral amount of $541,000. As of August 9, 2021, the Company has collected $367,000 of deferred rent, representing approximately 100% of amounts due through June 30, 2021.

NOTE 3 — FAIR VALUE MEASUREMENTS

GAAP defines fair value, establishes a framework for measuring fair value and requires disclosures about fair value measurements. GAAP emphasizes that fair value is intended to be a market-based measurement, as opposed to a transaction-specific measurement.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date under current market conditions. Depending on the nature of the asset or liability, various techniques and assumptions can be used to estimate the fair value. Assets and liabilities are measured using inputs from three levels of the fair value hierarchy, as follows:

Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date. An active market is defined as a market in which transactions for the assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 — Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active (markets with few transactions), inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data correlation or other means (market corroborated inputs).

Level 3 — Unobservable inputs, which are only used to the extent that observable inputs are not available, reflect the Company's assumptions about the pricing of an asset or liability.

The following describes the methods the Company uses to estimate the fair value of the Company's financial assets and liabilities:

Credit facility and notes payable — The fair value is estimated by discounting the expected cash flows based on estimated borrowing rates available to the Company as of the measurement date. Current and prior period liabilities' carrying and fair values exclude net deferred financing costs. These financial instruments are valued using Level 2 inputs. As of June 30, 2021, the estimated fair value of the Company's debt was $441.3 million, which approximated its carrying value. As of December 31, 2020, the estimated fair value of the Company's debt was $451.0 million, compared to a carrying value of $450.7 million.

Marketable securities — The Company's marketable securities are carried at fair value and are valued using Level 1 inputs. The estimated fair value of the Company's marketable securities are based on quoted market prices that are readily and regularly available in an active market.

Derivative instruments — The Company's derivative instruments are comprised of interest rate swaps. All derivative instruments are carried at fair value and are valued using Level 2 inputs. The fair value of these instruments is determined using interest rate market pricing models. In addition, credit valuation adjustments are incorporated into the fair values to account for the Company's potential nonperformance risk and the performance risk of the respective counterparties.

Although the Company has determined that the majority of the inputs used to value its derivatives fall within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with those derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by the Company and its counterparties. However, as of June 30, 2021 and December 31, 2020, the Company assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and determined that the credit valuation adjustments are not significant to the overall valuation of the Company's derivatives. As a result, the Company has determined that its derivative valuations in their entirety are classified in Level 2 of the fair value hierarchy.

Other financial instruments — The Company considers the carrying values of its cash and cash equivalents, restricted cash, tenant receivables, accrued expenses and accounts payable, other liabilities, due to affiliates and distributions payable to approximate their fair values because of the short period of time between their origination and their expected realization as well as their highly-liquid nature. Due to the short-term maturities of these instruments, Level 1 inputs are utilized to estimate the fair value of these financial instruments.

Considerable judgment is necessary to develop estimated fair values of financial assets and liabilities. Accordingly, the estimates presented herein are not necessarily indicative of the amounts the Company could realize, or be liable for, upon disposition of the financial assets and liabilities. As of June 30, 2021 and December 31, 2020, there have been no transfers of financial assets or liabilities between fair value hierarchy levels.

Items Measured at Fair Value on a Recurring Basis

In accordance with the fair value hierarchy described above, the following tables show the fair value of the Company's financial assets and liabilities that are required to be measured at fair value on a recurring basis as of June 30, 2021 and December 31, 2020 (in thousands):

	Balance as of June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:				
Marketable securities	$ 15,407	$ 15,407	$ —	$ —
Financial liabilities:				
Interest rate swaps	$ (5,140)	$ —	$ (5,140)	$ —

	Balance as of December 31, 2020	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Financial assets:				
Marketable securities	$ 15,496	$ 15,496	$ —	$ —
Financial liabilities:				
Interest rate swaps	$ (8,509)	$ —	$ (8,509)	$ —

Items Measured at Fair Value on a Non-Recurring Basis (Including Impairment Charges)

Certain financial and nonfinancial assets and liabilities are measured at fair value on a nonrecurring basis and are subject to fair value adjustments in certain circumstances, such as when there is evidence of impairment. The Company's process for identifying and recording impairment related to real estate assets and intangible assets is discussed in Note 2 — Summary of Significant Accounting Policies.

As discussed in Note 4 — Real Estate Assets, there were no impairment charges recorded during the six months ended June 30, 2021. During the six months ended June 30, 2020, real estate assets related to one anchored shopping center and two retail properties were impaired due to tenant bankruptcies. Additionally, real estate assets related to one anchored shopping center and one retail property were deemed to be impaired, due to the carrying values being greater than the estimated fair value of the respective properties, net of selling costs. The carrying values were reduced to an estimated fair value of $39.5 million, resulting in impairment charges of $13.7 million. The Company estimates fair values using Level 3 inputs and using a combined income and market approach, specifically using discounted cash flow analysis and recent comparable sales transactions. The evaluation of real estate assets for potential impairment requires the Company's management to exercise significant judgment and to make certain key assumptions, including, but not limited to, the following: (1) terminal capitalization rates; (2) discount rates; (3) the number of years the property will be held; (4) property operating expenses; and (5) re-leasing assumptions, including the number of months to re-lease, market rental income and required tenant improvements. There are inherent uncertainties in making these estimates such as market conditions and the future performance and sustainability of the Company's tenants. The Company determined that the selling prices used to determine the fair values were Level 2 inputs.

The following summarizes the ranges of discount rates and terminal capitalization rates used for the Company's impairment test for the real estate assets during the six months ended June 30, 2020:

Six Months Ended June 30, 2020	
Discount Rate	Terminal Capitalization Rate
9.7%	9.2%

The following table presents the impairment charges by asset class recorded during the six months ended June 30, 2020 (in thousands):

	Six Months Ended June 30, 2020
Asset class impaired:	
Land	$ 2,601
Buildings and improvements	8,788
Intangible lease assets	2,358
Intangible lease liabilities	(3)
Total impairment loss	$ 13,744

NOTE 4 — REAL ESTATE ASSETS

Property Acquisitions

During the six months ended June 30, 2021 and 2020, the Company did not acquire any properties.

2021 Property Dispositions

During the six months ended June 30, 2021, the Company disposed of one retail property and one anchored shopping center for a gross sales price of $22.8 million, resulting in net proceeds of $22.2 million after closing costs and a net gain of $1.2 million.

2020 Property Dispositions

During the six months ended June 30, 2020, the Company disposed of one anchored shopping center and one retail property for an aggregate gross sales price of $6.1 million, resulting in net proceeds of $5.8 million after closing costs and a net gain of $14,000.

2020 Impairments

The Company performs quarterly impairment review procedures, primarily through continuous monitoring of events and changes in circumstances that could indicate that the carrying value of certain of its real estate assets may not be recoverable. See Note 2 — Summary of Significant Accounting Policies for a discussion on the Company's accounting policies regarding impairment of real estate assets.

During the six months ended June 30, 2020, five properties totaling approximately 303,000 square feet with a carrying value of $53.2 million were deemed to be impaired and their carrying values were reduced to a combined estimated fair value of $39.5 million, resulting in impairment charges of $13.7 million, which were recorded in the condensed consolidated statements of operations. During the six months ended June 30, 2021, the Company did not record any impairment charges.

Consolidated Joint Venture

As of June 30, 2021, the Company had an interest in a Consolidated Joint Venture that owns and manages two properties, with total assets of $6.9 million, which included $7.2 million of land, building and improvements and $641,000 of intangible assets, net of accumulated depreciation and amortization of $1.0 million, and total liabilities of $107,000. The Consolidated Joint Venture did not have any debt outstanding as of June 30, 2021. The Company has the ability to control operating and financial policies of the Consolidated Joint Venture. There are restrictions on the use of these assets as the Company would generally be required to obtain the approval of the partner (the "Consolidated Joint Venture Partner") in accordance with the joint venture agreement for any major transactions. The Company and the Consolidated Joint Venture Partner are subject to the provisions of the joint venture agreement, which includes provisions for when additional contributions may be required to fund certain cash shortfalls.

NOTE 5 — INTANGIBLE LEASE ASSETS AND LIABILITIES

Intangible lease assets and liabilities consisted of the following as of June 30, 2021 and December 31, 2020 (in thousands, except weighted average life remaining):

	June 30, 2021	December 31, 2020
Intangible lease assets:		
In-place leases and other intangibles, net of accumulated amortization of $30,376 and $27,966, respectively (with a weighted average life remaining of 9.5 years and 9.8 years, respectively)	$ 60,430	$ 65,157
Acquired above-market leases, net of accumulated amortization of $4,323 and $3,938, respectively (with a weighted average life remaining of 11.0 years and 11.4 years, respectively)	9,048	9,678
Total intangible lease assets, net	$ 69,478	$ 74,835
Intangible lease liabilities:		
Acquired below-market leases, net of accumulated amortization of $5,166 and $4,734, respectively (with a weighted average life remaining of 9.9 years and 10.2 years, respectively)	$ 11,295	$ 12,040

Amortization of the above-market leases is recorded as a reduction to rental and other property income, and amortization expense for the in-place leases and other intangibles is included in depreciation and amortization in the accompanying condensed consolidated statements of operations. Amortization of below-market leases is recorded as an increase to rental and other property income in the accompanying condensed consolidated statements of operations.

The following table summarizes the amortization related to the intangible lease assets and liabilities for the three and six months ended June 30, 2021 and 2020 (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
In-place lease and other intangible amortization	$ 1,932	$ 1,943	$ 3,820	$ 3,972
Above-market lease amortization	$ 302	$ 254	$ 554	$ 511
Below-market lease amortization	$ 300	$ 351	$ 624	$ 704

As of June 30, 2021, the estimated amortization relating to the intangible lease assets and liabilities is as follows (in thousands):

	Amortization		
	In-Place Leases and Other Intangibles	Above-Market Leases	Below-Market Leases
Remainder of 2021	$ 3,620	$ 493	$ 590
2022	7,203	986	1,175
2023	7,073	984	1,172
2024	6,740	923	1,112
2025	6,329	878	1,109
Thereafter	29,465	4,784	6,137
Total	$ 60,430	$ 9,048	$ 11,295

NOTE 6 — INVESTMENT IN CIM UII ONSHORE

On March 31, 2020, the Company purchased $50.0 million of limited partnership interests in CIM UII Onshore. CIM UII Onshore's sole purpose is to invest all of its assets in CIM Urban Income, which is a private institutional fund that acquires, owns and operates substantially stabilized, diversified real estate and real estate-related assets in urban markets primarily located throughout North America. The investment was made by the Company to gain exposure to the urban real assets invested in by CIM Urban Income. The Company accounts for its investment using the equity method.

During the three and six months ended June 30, 2021, the Company recognized an equity method net gain of $1.1 million and $2.5 million, respectively, related to its investment. The Company received distributions of $412,000 and $785,000 related to its investment during the three and six months ended June 30, 2021, respectively, which was recognized as a return of capital. As of June 30, 2021, the carrying value of the Company's investment was $48.4 million, which represents less than 5% ownership of CIM UII Onshore, and approximates fair value.

NOTE 7 — MARKETABLE SECURITIES

The Company owned marketable securities with an estimated fair value of $15.4 million and $15.5 million as of June 30, 2021 and December 31, 2020, respectively. The following is a summary of the Company's available-for-sale securities as of June 30, 2021 (in thousands):

	Available-for-sale securities		
	Amortized Cost Basis	Unrealized Gain	Fair Value
U.S. Treasury Bonds	$ 5,922	$ 147	$ 6,069
U.S. Agency Bonds	2,270	7	2,277
Corporate Bonds	6,764	297	7,061
Total available-for-sale securities	$ 14,956	$ 451	$ 15,407

The following table provides the activity for the marketable securities during the six months ended June 30, 2021 (in thousands):

	Amortized Cost Basis	Unrealized Gain (Loss)	Fair Value
Marketable securities as of January 1, 2021	$ 14,755	$ 741	$ 15,496
Face value of marketable securities acquired	3,582	—	3,582
Premiums and discounts on purchase of marketable securities, net of acquisition costs	117	—	117
Amortization on marketable securities	(44)	—	(44)
Sales and maturities of securities	(3,454)	35	(3,419)
Unrealized loss on marketable securities	—	(325)	(325)
Marketable securities as of June 30, 2021	$ 14,956	$ 451	$ 15,407

During the six months ended June 30, 2021, the Company sold 23 marketable securities for aggregate proceeds of $3.4 million, resulting in a loss of $35,000. In addition, the Company recorded an unrealized loss of $325,000 on its investments, which is included in accumulated other comprehensive (loss) income attributable to the Company in the accompanying condensed consolidated statement of changes in equity for the six months ended June 30, 2021 and included in accumulated other comprehensive loss in the condensed consolidated balance sheet as of June 30, 2021. The total unrealized holding gain on marketable securities of $451,000 and $741,000 as of June 30, 2021 and December 31, 2020, respectively, is included in accumulated other comprehensive (loss) income attributable to the Company in the accompanying condensed consolidated statement of changes in equity.

The scheduled maturities of the Company's marketable securities as of June 30, 2021 are as follows (in thousands):

	Available-for-sale securities	
	Amortized Cost	Estimated Fair Value
Due within one year	$ 1,339	$ 1,358
Due after one year through five years	6,788	7,069
Due after five years through ten years	4,578	4,725
Due after ten years	2,251	2,255
Total	$ 14,956	$ 15,407

Actual maturities of marketable securities can differ from contractual maturities because borrowers on certain debt securities may have the right to prepay their respective debt obligations at any time. In addition, factors such as prepayments and interest rates may affect the yields on such securities.

In estimating credit losses, management considers a variety of factors, including (1) whether the Company will be required to sell the impaired security before the recovery of its amortized cost basis, (2) whether the Company expects to hold the investment for a period of time sufficient to allow for anticipated recovery in fair value, and (3) whether the Company expects to recover the entire amortized cost basis of the security. The Company believes that none of the unrealized losses on investment securities are credit losses, as management expects the Company will fully recover the entire amortized cost basis of all securities. As of June 30, 2021, the Company had no credit losses.

NOTE 8 — DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES

In the normal course of business, the Company uses certain types of derivative instruments for the purpose of managing or hedging its interest rate risk. During the six months ended June 30, 2021, the Company terminated two of its interest rate swap agreements in connection with the repayment of the related mortgage notes payable prior to the respective maturity dates, resulting in a realized loss of $436,000. The loss was recorded as an increase to interest expense and other, net included in the accompanying condensed consolidated statements of operations. As of June 30, 2021, the Company had six interest rate swap agreements. The following table summarizes the terms of the Company's executed interest rate swap agreements designated as hedging instruments as of June 30, 2021 and December 31, 2020 (dollar amounts in thousands):

	Balance Sheet Location	Outstanding Notional Amount as of June 30, 2021	Interest Rate (1)	Effective Date	Maturity Date	Fair Value of Liabilities as of June 30, 2021	Fair Value of Liabilities as of December 31, 2020
Interest Rate Swaps	Derivative liabilities, deferred rental income and other liabilities	$ 258,065	3.31% to 4.84%	12/16/2016 to 9/30/2019	9/30/2021 to 9/6/2022	$ (5,140)	$ (8,509)

(1) The interest rates consist of the underlying index swapped to a fixed rate and the applicable interest rate spread as of June 30, 2021.

Additional disclosures related to the fair value of the Company's derivative instruments are included in Note 3 — Fair Value Measurements. The notional amount under the interest rate swap agreements is an indication of the extent of the Company's involvement in each instrument, but does not represent exposure to credit, interest rate or market risks.

Accounting for changes in the fair value of a derivative instrument depends on the intended use and designation of the derivative instrument. The Company designated the interest rate swaps as cash flow hedges in order to hedge the variability of the anticipated cash flows on its variable rate debt. The change in fair value of the derivative instruments that are designated as hedges is recorded in other comprehensive income (loss), with a portion of the amount subsequently reclassified to interest expense as interest payments are made on the Company's variable rate debt. For the three and six months ended June 30, 2021, the amount of losses reclassified from other comprehensive income (loss) as an increase to interest expense was $1.9 million and $3.4 million, respectively. For the three and six months ended June 30, 2020, the amount of losses reclassified from other comprehensive income (loss) as an increase to interest expense was $1.2 million and $1.6 million, respectively. The total unrealized holding loss on interest rate swaps of $5.1 million and $8.5 million as of June 30, 2021 and December 31, 2020, respectively, is included in accumulated other comprehensive (loss) income attributable to the Company in the accompanying condensed consolidated statement of changes in equity. During the next 12 months, the Company estimates that an additional $4.5 million will be reclassified from total other comprehensive income (loss) as an increase to interest expense. The Company includes cash flows from interest rate swap agreements in cash flows provided by operating activities on the condensed consolidated statements of cash flows, as the Company's accounting policy is to present cash flows from hedging instruments in the same category in the condensed consolidated statements of cash flows as the category for cash flows from the hedged items.

The Company has agreements with each of its derivative counterparties that contain provisions whereby, if the Company defaults on certain of its unsecured indebtedness, the Company could also be declared in default on its derivative obligations, resulting in an acceleration of payment. If the Company had breached any of these provisions, it could have been required to settle its obligations under the agreements at an aggregate termination value, inclusive of interest payments of $5.2 million, which includes accrued interest, at June 30, 2021. In addition, the Company is exposed to credit risk in the event of non-performance by its derivative counterparties. The Company believes it mitigates its credit risk by entering into agreements with creditworthy counterparties. The Company records credit risk valuation adjustments on its interest rate swaps based on the credit quality of the Company and the respective counterparty. There were no termination events or events of default related to the interest rate swaps as of June 30, 2021.

NOTE 9 — CREDIT FACILITY AND NOTES PAYABLE

As of June 30, 2021, the Company had $440.4 million of debt outstanding, including net deferred financing costs, with a weighted average years to maturity of eleven months and a weighted average interest rate of 3.48%. The weighted average years to maturity is computed using the scheduled repayment date as specified in each loan agreement where applicable. The weighted average interest rate is computed using the interest rate in effect until the scheduled repayment date. Should a loan not be repaid by its scheduled repayment date, the applicable interest rate will increase as specified in the respective loan agreement until the extended maturity date.

The following table summarizes the debt balances as of June 30, 2021 and December 31, 2020, and the debt activity for the six months ended June 30, 2021 (in thousands):

		During the Six Months Ended June 30, 2021			
	Balance as of December 31, 2020	Debt Issuance, Net (1)	Repayments	Amortization	Balance as of June 30, 2021
Credit facility	$ 321,500	$ 34,000	$ (20,000)	$ —	$ 335,500
Notes payable – fixed rate debt	129,219	—	(23,400)	—	105,819
Total debt	450,719	34,000	(43,400)	—	441,319
Deferred costs – credit facility (2)	(645)	—	—	189	(456)
Deferred costs – fixed rate debt	(696)	—	60	130	(506)
Total debt, net	$ 449,378	$ 34,000	$ (43,340)	$ 319	$ 440,357

(1) Includes deferred financing costs incurred during the period, if applicable.

(2) Deferred costs are related to the term portion of the credit facility.

Notes Payable

As of June 30, 2021, the Company had fixed rate debt outstanding of $105.8 million, including $45.6 million of variable rate debt that is fixed through interest rate swap agreements, which has the effect of fixing the variable interest rate per annum through the maturity date of the variable rate debt. The fixed rate debt has interest rates ranging from 3.81% to 4.17% per annum. The fixed rate debt outstanding matures on various dates from October 2021 to February 2025. The aggregate balance of gross real estate assets, net of gross intangible lease liabilities, securing the fixed rate debt outstanding was $182.2 million as of June 30, 2021. Each of the mortgage notes payable comprising the fixed rate debt is secured by the respective properties on which the debt was placed.

Credit Facility

The Company is party to a second amended and restated credit agreement (the "Second Amended Credit Agreement") with JPMorgan Chase Bank, N.A. as administrative agent ("JPMorgan Chase"), that provides for borrowings up to $425.0 million, which is comprised of up to $212.5 million in unsecured revolving loans (the "Revolving Loans") and up to $212.5 million in unsecured term loans (the "Term Loans," and collectively with the Revolving Loans, the "Credit Facility"). The Term Loans mature on September 6, 2022 and the Revolving Loans mature on September 6, 2021; however, subsequent to June 30, 2021, the Company elected to extend the maturity date for the Revolving Loans to March 6, 2022. The Company may elect to extend the maturity date for the Revolving Loans for up to two six-month periods, but no later than September 6, 2022, subject to satisfying certain conditions contained in the Second Amended Credit Agreement.

Depending upon the type of loan specified and overall leverage ratio, the Credit Facility bears interest at (i) the one-month, two-month, three-month or six-month LIBOR multiplied by the statutory reserve rate (the "Eurodollar Rate") plus an interest rate spread ranging from 1.70% to 2.20% for Revolving Loans and 1.60% to 2.10% for Term Loans; or (ii) a base rate ranging from 0.70% to 1.20% for Revolving Loans and 0.60% to 1.10% for Term Loans, plus the greater of: (a) JPMorgan Chase's Prime Rate (as defined in the Second Amended Credit Agreement); (b) the Federal Funds Effective Rate (as defined in the Second Amended Credit Agreement) plus 0.50%; or (c) the one-month LIBOR multiplied by the statutory reserve rate plus 1.0%. As of June 30, 2021, the Revolving Loans outstanding totaled $123.0 million at a weighted average interest rate of 1.98%. As of June 30, 2021, the Term Loans outstanding totaled $212.5 million, all of which are subject to interest rate swap agreements (the "Swapped Term Loans"). The interest rate swap agreements have the effect of fixing the Eurodollar Rate per annum of the Swapped Term Loan at an all-in rate of 4.10%. As of June 30, 2021, the Company had $335.5 million outstanding under the Credit Facility at a weighted average interest rate of 3.32% and $89.5 million in unused capacity, subject to borrowing availability. The Company had available borrowings of $28.0 million as of June 30, 2021.

The Second Amended Credit Agreement contains provisions with respect to covenants, events of default and remedies customary for facilities of this nature. In particular, the Second Amended Credit Agreement requires the Company to maintain a minimum consolidated net worth greater than or equal to the sum of (i) $367.1 million plus (ii) 75% of the equity issued minus (iii) the aggregate amount of any redemptions or similar transaction from the date of the Second Amended Credit Agreement; a leverage ratio less than or equal to 60%; a fixed charge coverage ratio equal to or greater than 1.50; an unsecured debt to unencumbered asset value ratio equal to or less than 60%; an unsecured debt service coverage ratio greater than 1.75; a secured debt ratio equal to or less than 40%; and the amount of secured debt that is recourse debt at no greater than 15% of total asset value. As of June 30, 2021, the Company believes it was in compliance with the financial covenants of the Second Amended Credit Agreement, as well as the financial covenants under the Company's various fixed and variable rate debt agreements.

Maturities

As of June 30, 2021, the Company had $123.0 million of debt outstanding under the Credit Facility maturing on September 6, 2021 and $20.4 million of fixed rate debt due during the remainder of 2021. Subsequent to June 30, 2021, the Company elected to extend the maturity date for the Revolving Loans to March 6, 2022. The Company expects to extend the maturity date for the Revolving Loans for another six-month period, subject to satisfying certain conditions contained in the Second Amended Credit Agreement. For the fixed rate debt, the Company expects to use cash on hand or entering into new financing arrangements in order to meet its debt obligations, which management believes is probable based on the current loan-to-value ratios, the occupancy of the Company's properties and assessment of the lending environment. The Company believes cash on hand, net cash provided by operations and the entry into new financing arrangements will be sufficient to meet its obligations as they become due in the ordinary course of business for at least 12 months following the date these financial statements are issued.

The following table summarizes the scheduled aggregate principal repayments for the Company's outstanding debt subsequent to June 30, 2021 (in thousands):

	Principal Repayments
Remainder of 2021 (1)	$ 143,442
2022	280,927
2023	—
2024	—
2025	16,950
Thereafter	—
Total	$ 441,319

(1) Subsequent to June 30, 2021, the Company elected to extend the maturity date for the Revolving Loans to March 6, 2022.

NOTE 10 — SUPPLEMENTAL CASH FLOW DISCLOSURES

Supplemental cash flow disclosures for the six months ended June 30, 2021 and 2020 are as follows (in thousands):

	Six Months Ended June 30,	
	2021	2020
Supplemental Disclosures of Non-Cash Investing and Financing Activities:		
Change in accrued dealer manager fees, ongoing stockholder servicing fees, and other offering costs	$ 633	$ (225)
Distributions to stockholders declared and unpaid	$ 2,304	$ 2,411
Common stock issued through distribution reinvestment plan	$ 7,305	$ 6,565
Redemptions to stockholders declared and unpaid	$ 1,892	$ 5,783
Change in fair value of marketable securities	$ (290)	$ 579
Change in fair value of interest rate swaps	$ 3,369	$ (6,710)
Accrued capital expenditures	$ 6	$ 33
Supplemental Cash Flow Disclosures:		
Interest paid	$ 8,317	$ 7,576
Cash paid for taxes	$ 165	$ 93

NOTE 11 — COMMITMENTS AND CONTINGENCIES

Litigation

In the ordinary course of business, the Company may become subject to litigation and claims. The Company is not aware of any material pending legal proceedings, other than ordinary routine litigation incidental to the Company's business, to which the Company is a party or of which the Company's properties are the subject.

Environmental Matters

In connection with the ownership and operation of real estate, the Company may potentially be liable for costs and damages related to environmental matters. In addition, the Company may own or acquire certain properties that are subject to environmental remediation. Generally, the seller of the property, the tenant of the property and/or another third party is responsible for environmental remediation costs related to a property. Additionally, in connection with the purchase of certain properties, the respective sellers and/or tenants may agree to indemnify the Company against future remediation costs. The Company also carries environmental liability insurance on its properties that provides limited coverage for any remediation liability and/or pollution liability for third-party bodily injury and/or property damage claims for which the Company may be liable. The Company is not aware of any environmental matters which it believes are reasonably likely to have a material effect on its results of operations, financial condition or liquidity.

NOTE 12 — RELATED-PARTY TRANSACTIONS AND ARRANGEMENTS

The Company has incurred, and will continue to incur, commissions, fees and expenses payable to CIM Income NAV Management and certain of its affiliates in connection with the Offering, and the acquisition, management and performance of the Company's assets.

Upfront selling commissions, dealer manager and ongoing stockholder servicing fees

In connection with the Offering, CCO Capital, the Company's dealer manager, will receive upfront selling commissions and dealer manager fees, and/or asset-based stockholder servicing fees, as summarized in the table below for each class of common stock:

	Upfront Selling Commissions	Dealer Manager Fees	Ongoing Stockholder Servicing Fees (2)
D Shares (1)	— %	— %	0.25 %
T Shares (1)	3.00 %	0.50 %	0.85 %
S Shares (1)	3.50 %	— %	0.85 %
I Shares	— %	— %	— %

(1) The upfront selling commissions are based on a percentage of the transaction price, which is exclusive of the upfront selling commission for T Shares and S Shares. Prior to February 28, 2020, there was a 1.50% upfront selling commission payable on D Shares. Effective February 28, 2020, there are no upfront selling commissions or dealer manager fees payable on D Shares. The dealer manager fee for T Shares is based on a percentage of the transaction price for T Shares. Upfront selling commissions and dealer manager fees are deducted directly from the offering price for T Shares and S Shares and paid to CCO Capital. The Company has been advised that CCO Capital intends to reallow 100% of the upfront selling commissions on T Shares and S Shares to participating broker-dealers and may reallow a portion of the dealer manager fee.

(2) The stockholder servicing fees are calculated as a percentage of the NAV per D Share, T Share or S Share, as applicable, and are paid monthly in arrears. CCO Capital, in its sole discretion, may reallow a portion of the stockholder servicing fees to participating broker-dealers. The Company will cease paying the stockholder servicing fees with respect to any D Shares, T Shares or S Shares held in a stockholder's account when the total upfront selling commissions, dealer manager fees and stockholder servicing fees would exceed, in the aggregate, 8.75% (or, in the case of shares sold through certain participating broker-dealers, a lower limit as set forth in any applicable agreement between the Company's dealer manager and a participating broker-dealer) of the gross proceeds from the sale of such shares.

Other organization and offering expenses

All other organization and offering expenses associated with the sale of the Company's common stock (excluding upfront selling commissions, dealer manager fees and the ongoing stockholder servicing fees) are paid for by CIM Income NAV Management or its affiliates and can be reimbursed by the Company up to 0.75% of the aggregate gross offering proceeds, excluding upfront selling commissions and dealer manager fees charged on T Shares and S Shares sold in the Primary Offering. Prior to February 28, 2020, there was a 1.50% upfront selling commission on D Shares. Effective February 28, 2020, there are no upfront selling commissions on D Shares. As of June 30, 2021, CIM Income NAV Management or its affiliates had paid organization and offering expenses in excess of 0.75% of the gross proceeds from the Offering. These excess amounts were not included in the financial statements of the Company because such amounts were not a liability of the Company as they exceeded 0.75% of gross proceeds from the Offering. As the Company raises additional proceeds from the Offering, these excess amounts may become payable to CIM Income NAV Management or its affiliates.

Advisory fees

The Company pays CIM Income NAV Management an asset-based advisory fee that is payable in arrears on a monthly basis and accrues monthly in an amount equal to 1/365 of 1.10% of the Company's NAV for each class of common stock. At the request of the Board, CIM Income NAV Management agreed to take 50% of the monthly advisory fee payment from August 2020 through December 31, 2021 in I Shares based on the then current NAV per share of such shares at the time of issuance. During the six months ended June 30, 2021, approximately 70,000 Class I Shares were issued for payment of advisory fees, which vested upon issuance, totaling $1.2 million in equity-based payments for the six months ended June 30, 2021, which are included in advisory fees in the condensed consolidated statements of operations.

Performance fee

As compensation for services provided pursuant to the second amended and restated advisory agreement with CIM Income NAV Management (the "Advisory Agreement"), the Company will also pay CIM Income NAV Management a performance-based fee calculated based on the Company's annual total return to stockholders for each class of common stock (defined below), payable annually in arrears. The total return to stockholders is defined, for each class of the Company's common stock, as the change in NAV per share plus distributions per share for such class. For each respective class, the NAV per share calculated on the last trading day of a calendar year shall be the amount against which changes in NAV per share for such class are measured during the subsequent calendar year. Under the terms of the Advisory Agreement, in the event that performance fees are earned for any particular period, CIM Income NAV Management will not be obligated to return any portion of such fees previously paid based on the Company's subsequent performance.

Starting with the period beginning on January 1, 2019, the performance-based fee is equal to 12.5% of the Total Return for each class of common stock, subject to a 5% Hurdle Amount, a High Water Mark and a Catch-Up (each term as referenced in the Advisory Agreement), payable annually in arrears. The Company reached the 5% Hurdle Amount during the six months ended June 30, 2021. No performance fee was incurred during the six months ended June 30, 2020.

Expense reimbursements to related parties

The Company reimburses CIM Income NAV Management for the operating expenses it paid or incurred in connection with the services provided to the Company, subject to the limitation that the Company will not reimburse for any amount by which its operating expenses (including the advisory fee) at the end of the four preceding fiscal quarters exceeds the greater of (1) 2% of average invested assets, or (2) 25% of net income other than any additions to reserves for depreciation, bad debts or other similar non-cash reserves and excluding any gain from the sale of assets for that period.

In addition, the Company reimburses CIM Income NAV Management for all out-of-pocket expenses incurred in connection with the acquisition of the Company's investments. While most of the acquisition expenses are expected to be paid to third parties, a portion of the out-of-pocket acquisition expenses may be reimbursed to CIM Income NAV Management or its affiliates. Acquisition expenses, together with any acquisition fees paid to third parties for a particular real estate-related asset, will in no event exceed 6% of the gross purchase price of such asset. Acquisition-related advisor reimbursements are expensed as incurred and are included in expense reimbursements to related parties in the accompanying condensed consolidated statements of operations.

The Company incurred commissions, fees and expense reimbursements as shown in the table below for services provided by CIM Income NAV Management and its affiliates related to the services described above during the periods indicated (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Upfront selling commissions	$ 7	$ 28	$ 11	$ 351
Stockholder servicing fees(1)	$ 587	$ 670	$ 1,194	$ 1,303
Dealer manager fees(1)	$ 1	$ 5	$ 2	$ 61
Organization and offering expense reimbursement	$ 31	$ 28	$ 67	$ 177
Advisory fee	$ 1,234	$ 1,456	$ 2,488	$ 3,052
Performance fee	$ 999	$ —	$ 999	$ —
Expense reimbursements to related parties	$ 955	$ 511	$ 1,782	$ 910

(1) Amounts are calculated for the respective period in accordance with the dealer manager agreement and exclude the estimated liability for the future fees payable to CCO Capital of $11.3 million and $12.3 million as of June 30, 2021 and 2020, respectively, which are included in due to affiliates in the condensed consolidated balance sheets, with a corresponding decrease to capital in excess of par value, as described in Note 2 — Summary of Significant Accounting Policies.

Due to/from Affiliates

As of June 30, 2021 and December 31, 2020, $14.6 million and $13.8 million, respectively, was due to CIM Income NAV Management or its affiliates, primarily related to the estimated liability for current and future stockholder servicing fees, the reimbursement of organization, performance fee and offering expenses and advisory fees, which were included in amounts due to affiliates on the condensed consolidated balance sheets.

As of June 30, 2021 and December 31, 2020, $8,000 and $7,000, respectively, was due from CIM Income NAV Management or its affiliates related to amounts received by affiliates of the advisor which were due to the Company.

CIM UII Onshore Investment

On March 31, 2020, the Company purchased $50.0 million of limited partnership interests of CIM UII Onshore. The Company is required to pay CIM UII Onshore a management fee equal to 0.65% per annum of its share of the NAV of CIM Urban Income. For the three and six months ended June 30, 2021, the Company incurred $77,000 and $152,000, respectively, of management fees to CIM UII Onshore, which was offset by a reduction to the advisory fees incurred pursuant to the Advisory Agreement. As of June 30, 2021, the limited partnership interest in CIM UII Onshore had a carrying value of $48.4 million. Both CIM UII Onshore and CIM Urban Income were formed by CIM, and CIM controls the general partner of both CIM UII Onshore and CIM Urban Income.

NOTE 13 — ECONOMIC DEPENDENCY

Under various agreements, the Company has engaged and may in the future engage CIM Income NAV Management or its affiliates to provide certain services that are essential to the Company, including asset management services, supervision of the management and leasing of properties owned by the Company, asset acquisition and disposition decisions, the sale of shares of the Company's common stock available for issuance, as well as other administrative responsibilities for the Company including accounting services and stockholder relations. As a result of these relationships, the Company is dependent upon CIM Income NAV Management or its affiliates. In the event that these companies are unable to provide the Company with these services, the Company would be required to find alternative providers of these services.

NOTE 14 — STOCKHOLDERS' EQUITY

The table below provides information regarding the issuances and redemptions of each class of the Company's common stock during the three and six months ended June 30, 2021 and 2020 (dollar amounts in thousands):

	D Shares		T Shares		S Shares		I Shares		Total	
	Shares	Par Value	Shares	Par Value	Shares	Par Value	Shares	Par Value	Shares	Par Value
Balance as of January 1, 2021	15,318,506	$ 153	13,778,134	$ 138	7,399	$ —	1,011,342	$ 10	30,115,381	$ 301
Issuance of common stock	146,827	2	136,249	1	141	—	7,036	—	290,253	3
Redemptions of common stock	(364,171)	(4)	(232,939)	(2)	—	—	(5,867)	—	(602,977)	(6)
Equity-based compensation	2,923	—	—	—	—	—	—	—	2,923	—
Equity-based payments to advisor	—	—	—	—	—	—	32,775	—	32,775	—
Balance as of March 31, 2021	15,104,085	$ 151	13,681,444	$ 137	7,540	$ —	1,045,286	$ 10	29,838,355	$ 298
Issuance of common stock	146,521	1	105,501	1	110	—	5,394	1	257,526	3
Redemptions of common stock	(353,952)	(3)	(224,623)	(2)	—	—	(16,848)	—	(595,423)	(5)
Equity-based compensation	3,018	—	—	—	—	—	—	—	3,018	—
Equity-based payments to advisor	—	—	—	—	—	—	36,854	—	36,854	—
Balance as of June 30, 2021	14,899,672	$ 149	13,562,322	$ 136	7,650	$ —	1,070,686	$ 11	29,540,330	$ 296

	D Shares		T Shares		S Shares		I Shares		Total	
	Shares	Par Value	Shares	Par Value	Shares	Par Value	Shares	Par Value	Shares	Par Value
Balance as of January 1, 2020	18,143,147	$ 181	14,499,636	$ 145	7,031	$ —	1,097,896	$ 11	33,747,710	$ 337
Issuance of common stock	356,188	4	752,814	7	98	—	21,964	—	1,131,064	11
Redemptions of common stock	(1,657,375)	(17)	(830,138)	(8)	—	—	(166,073)	(1)	(2,653,586)	(26)
Balance as of March 31, 2020	16,841,960	$ 168	14,422,312	$ 144	7,129	$ —	953,787	$ 10	32,225,188	$ 322
Issuance of common stock	83,933	1	125,984	1	67	—	3,390	—	213,374	2
Redemptions of common stock	(1,137,587)	(11)	(594,197)	(6)	—	—	(14,907)	—	(1,746,691)	(17)
Balance as of June 30, 2020	15,788,306	$ 158	13,954,099	$ 139	7,196	$ —	942,270	$ 10	30,691,871	$ 307

Equity-Based Compensation

On August 9, 2018, the Board approved the adoption of the Company's 2018 Equity Incentive Plan (the "Plan"), under which 400,000 of the Company's common shares were reserved for issuance and share awards of 378,000 shares are available for future grant as of June 30, 2021.

As of June 30, 2021, the Company has granted awards of approximately 5,600 restricted D Shares to each of the independent members of the Board (approximately 22,400 restricted shares in aggregate) under the Plan. As of June 30, 2021, 14,600 of the restricted D Shares had vested based on one year of continuous service. The remaining 7,800 shares issued had not been forfeited as of June 30, 2021. The fair value of the Company's share awards is determined using the Company's NAV per share on the date of grant. Compensation expense related to these restricted D Shares is recognized over the vesting period. The Company recorded compensation expense of $33,000 and $66,000 for the three and six months ended June 30, 2021, respectively, related to these restricted D Shares, which is included in general and administrative expenses in the accompanying condensed consolidated statements of operations.

As of June 30, 2021, there was $33,000 of total unrecognized compensation expense related to the restricted D Shares issued in 2020, which will be recognized ratably over the remaining period of service prior to October 1, 2021.

The Board determined 50% of the Company's independent directors' quarterly compensation payments for the third quarter of 2020 through the fourth quarter of 2021 would be paid in D Shares based on the then current NAV per share at the time of issuance. As of June 30, 2021, the Company has granted awards of approximately 2,200 unrestricted D Shares to each of the independent members of the Board (approximately 8,800 unrestricted shares in aggregate). The Company recorded compensation expense of $49,000 and $98,000 for the three and six months ended June 30, 2021 related to these unrestricted D Shares, which is included in general and administrative expenses in the accompanying condensed consolidated statements of operations.

NOTE 15 — LEASES

The Company's real estate assets are leased to tenants under operating leases for which the terms, expirations and extension options vary. The Company's operating leases do not convey to the lessee the right to purchase the underlying asset upon expiration of the lease period. To determine whether a contract contains a lease, the Company reviews contracts to determine if the agreement conveys the right to control the use of an asset. The Company accounts for lease and non-lease components as a single, combined operating lease component. Non-lease components primarily consist of maintenance services, including CAM, real estate taxes, insurance and utilities paid for by the lessor but consumed by the lessee. Non-lease components are considered to be variable rental and other property income and are recognized in the period incurred.

As of June 30, 2021, the Company's leases had a weighted-average remaining term of 9.5 years. Certain leases include provisions to extend the lease agreements, options for early termination after paying a specified penalty, rights of first refusal to purchase the property at competitive market rates, and other negotiated terms and conditions. The Company retains substantially all of the risks and benefits of ownership of the real estate assets leased to tenants. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

As of June 30, 2021, the future minimum rental income from the Company's real estate assets under non-cancelable operating leases, assuming no exercise of renewal options for the succeeding five fiscal years and thereafter, was as follows (in thousands):

	Future Minimum Rental Income
Remainder of 2021	$ 30,745
2022	61,003
2023	61,120
2024	59,901
2025	57,481
Thereafter	338,360
Total	$ 608,610

A certain amount of the Company's rental and other property income is from tenants with leases which are subject to contingent rent provisions. These contingent rents are subject to the tenant achieving periodic revenues in excess of specified levels. For the three and six months ended June 30, 2021 and 2020, the amount of the contingent rent earned by the Company was not significant.

Rental and other property income during the three and six months ended June 30, 2021 and 2020 consisted of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Fixed rental and other property income [(1)]	$ 15,837	$ 15,055	$ 32,130	$ 31,216
Variable rental and other property income [(2)]	1,816	2,093	4,221	4,520
Total rental and other property income	$ 17,653	$ 17,148	$ 36,351	$ 35,736

(1) Consists primarily of fixed contractual payments from operating leases with tenants recognized on a straight-line basis over the lease term, including amortization of acquired above- and below-market leases, and is net of uncollectible lease-related receivables.

(2) Consists primarily of tenant reimbursements for recoverable real estate taxes and property operating expenses, and percentage rent.

NOTE 16— SUBSEQUENT EVENTS

The following events occurred subsequent to June 30, 2021:

Property Dispositions

Subsequent to June 30, 2021, the Company disposed of five properties for an aggregate gross sales price of $7.9 million, resulting in net proceeds of $5.4 million after closing costs and the repayment of the underlying mortgage notes, and a net gain of approximately $2.1 million. The Company has no continuing involvement with these properties.

Notes Payable

Subsequent to June 30, 2021, the Company repaid $20.3 million on its fixed rate debt.

Credit Facility

Subsequent to June 30, 2021, the Company elected to extend the maturity date for the Revolving Loans to March 6, 2022.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the accompanying condensed consolidated financial statements and notes thereto appearing elsewhere in this Quarterly Report on Form 10-Q. We make statements in this section that are forward-looking statements within the meaning of the federal securities laws. Certain risks may cause our actual results, performance or achievements to differ materially from those expressed or implied by the following discussion. For a complete discussion of such risk factors, see Item 1A — Risk Factors of the Company's Annual Report on Form 10-K for the year ended December 31, 2020. Capitalized terms used herein, but not otherwise defined, shall have the meaning ascribed to those terms in "Part I — Financial Information" of this Quarterly Report on Form 10-Q, including the notes to the condensed consolidated financial statements contained therein. The terms "we," "us," "our" and the "Company" refer to CIM Income NAV, Inc.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes "forward-looking statements" (within the meaning of the federal securities laws, Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that reflect our expectations and projections about our future results, performance, prospects and opportunities. We have attempted to identify these forward-looking statements by the use of words such as "may," "will," "seek," "expects," "anticipates," "believes," "targets," "intends," "should," "estimates," "could," "continue," "assume," "projects," "plans" or similar expressions. These forward-looking statements are based on information currently available to us and are subject to a number of known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. These factors include, among other things, those discussed below. In addition, these risks and uncertainties include those associated with (i) the scope, severity and duration of the current pandemic of COVID-19 and actions taken to contain the pandemic or mitigate its impact, (ii) the potential adverse effect of the COVID-19 pandemic on the financial condition, results of operations, cash flows and performance of the Company and its tenants, the real estate market and the global economy and financial markets, among others, and (iii) general economic, market and other conditions. We intend for all such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act and Section 21E of the Exchange Act, as applicable by law. We do not undertake to publicly update or revise any forward-looking statements, whether as a result of changes in underlying assumptions or new information, future events or otherwise, except as may be required to satisfy our obligations under federal securities law. The forward-looking statements should be read in light of the risk factors identified in Item 1A — Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2020.

The following are some, but not all, of the assumptions, risks, uncertainties and other factors that could cause our actual results to differ materially from those presented in our forward-looking statements:

- We may be unable to renew leases, lease vacant space or re-lease space as leases expire on favorable terms or at all.
- We are subject to risks associated with tenant, geographic and industry concentrations with respect to our properties.
- Our properties, intangible assets and other assets may be subject to impairment charges.
- We could be subject to unexpected costs or unexpected liabilities that may arise from dispositions.
- We are subject to competition in the acquisition and disposition of properties and in the leasing of our properties and we may suffer delays or be unable to acquire, dispose of, or lease properties on advantageous terms.
- We are subject to risks associated with bankruptcies or insolvencies of tenants or from tenant defaults generally.
- We have substantial indebtedness, which may affect our ability to pay distributions, and expose us to interest rate fluctuation risk and the risk of default under our debt obligations.
- We are affected by the incurrence of additional secured or unsecured debt.
- We may not generate cash flows sufficient to pay our distributions to stockholders or meet our debt service obligations.
- Our continued compliance with debt covenants depends on many factors and could be impacted by current or future economic conditions associated with the COVID-19 pandemic.
- We may be affected by risks resulting from losses in excess of insured limits.
- We may not be able to maintain profitability.
- We may fail to remain qualified as a REIT for U.S. federal income tax purposes.
- We are subject to market and regulatory risks that may affect capital raising volume.
- Our advisor has the right to terminate the Advisory Agreement upon 60 days' written notice without cause or penalty.

Definitions

We use certain defined terms throughout this Quarterly Report on Form 10-Q that have the following meanings:

The phrase "annualized rental income" refers to the straight-line rental revenue under our leases on operating properties owned as of the respective reporting date, which includes the effect of rent escalations and any tenant concessions, such as free rent, and excludes any contingent rent, such as percentage rent. Management uses annualized rental income as a basis for tenant, industry and geographic concentrations and other metrics within the portfolio. Annualized rental income is not indicative of future performance.

Under a "net lease," the tenant occupying the leased property (usually as a single tenant) does so in much the same manner as if the tenant were the owner of the property. The tenant generally agrees that it will either have no ability or only limited ability to terminate the lease or abate rent prior to the expiration of the term of the lease as a result of real estate driven events such as casualty, condemnation or failure by the landlord to fulfill its obligations under the lease. There are various forms of net leases, most typically classified as either triple-net or double-net. Triple-net leases typically require the tenant to pay all expenses associated with the property (*e.g.,* real estate taxes, insurance, maintenance and repairs, including roof, structure and parking lot). Double-net leases typically hold the landlord responsible for the capital expenditures for the roof and structure, while the tenant is responsible for all lease payments and remaining operating expenses associated with the property (*e.g.,* real estate taxes, insurance and maintenance).

Overview

We are a monthly priced perpetual life non-exchange traded REIT formed on July 27, 2010. Our strategy is to acquire and operate a diversified portfolio of commercial properties in the retail, office and industrial sectors that are leased to creditworthy tenants under long-term net leases, and are strategically located throughout the United States and U.S. government securities, agency securities, corporate debt and other investments for which there is reasonable liquidity. We expect to complement our portfolio of net-lease properties by investing in substantially leased core metropolitan commercial and multi-family properties with growth potential that we believe will help us meet our investment objectives, either directly or through other funds with a proven track record of performance in these investment types, including funds managed by affiliates of our advisor. We commenced our principal operations on December 7, 2011, when we issued the initial $10.0 million in shares of our common stock in the Offering and acquired our first real estate property. We have no paid employees and are externally advised and managed by CIM Income NAV Management. CIM indirectly owns and/or controls CIM Income NAV Management; our dealer manager, CCO Capital; our property manager, CREI Advisors; and CCO Group.

As we acquire additional commercial real estate, we will be subject to changes in real estate prices and changes in interest rates on any current variable rate debt, refinancings or new indebtedness used to acquire the properties. We may manage our risk of changes in real estate prices on future property acquisitions, when applicable, by entering into purchase agreements and loan commitments simultaneously, or through loan assumptions, so that our operating yield is determinable at the time we enter into a purchase agreement, by contracting with developers for future delivery of properties, or by entering into sale-leaseback transactions. We manage our interest rate risk by monitoring the interest rate environment in connection with our future property acquisitions, when applicable, or upcoming debt maturities to determine the appropriate financing or refinancing terms, which may include fixed rate loans, variable rate loans or interest rate hedges. If we are unable to acquire suitable properties or obtain suitable financing terms for future acquisitions or refinancing, our results of operations may be adversely affected.

Our operating results and cash flows are primarily influenced by rental and other property income from our commercial properties, and interest expense on our property indebtedness and acquisition and operating expenses. As 98.6% of our rentable square feet was under lease as of June 30, 2021, with a weighted average remaining lease term of 9.5 years, we believe our exposure to changes in commercial rental rates on our portfolio is substantially mitigated, except for vacancies caused by tenant bankruptcies or other factors, including due to circumstances related to the COVID-19 pandemic. Our advisor regularly monitors the creditworthiness of our tenants by reviewing each tenant's financial results, any available credit rating agency reports on the tenant or guarantor, the operating history of the property with such tenant, the tenant's market share and track record within its industry segment, the general health and outlook of the tenant's industry segment, and other information for changes and possible trends. If our advisor identifies significant changes or trends that may adversely affect the creditworthiness of a tenant, it will gather a more in-depth knowledge of the tenant's financial condition and, if necessary, attempt to mitigate the tenant credit risk by evaluating the possible sale of the property or identifying a possible replacement tenant should the current tenant fail to perform on the lease.

Effective April 1, 2020, we modified our Offering and certain other features of our Company from a daily to a monthly NAV REIT. As part of the change from a daily to a monthly NAV REIT, our Board approved, among other things: (1) a change in the frequency of our NAV calculations from daily to monthly and certain other related changes to our valuation policies; and

(2) the adoption of the Amended Share Redemption Program that provides for redemptions on a monthly basis. As a monthly NAV REIT, we expect that investors' subscriptions will be accepted on the first day of each month and the purchase price of each class of shares would generally equal the prior month's NAV for that class divided by the number of shares of such class outstanding, as determined monthly, plus applicable selling commissions and dealer manager fees.

COVID-19

In March 2020, the World Health Organization declared the outbreak of COVID-19 a pandemic. Since then, COVID-19 has spread worldwide, causing significant disruptions to the U.S. and world economies. and has triggered a period of significant global economic slowdown. In the first half of 2021, the U.S. and world economy have begun to show signs of recovery from the impact of COVID-19 as vaccination rates increased, virus caseloads declined and businesses, schools and public services have begun the reopening process. However, the emergence of variant strains of COVID-19 has threatened to slow or reverse these trends in the third quarter 2021 and beyond. As a result, there continues to be uncertainty around impact of COVID-19 on the U.S. economy and world economies.

We are closely monitoring the negative impacts that the COVID-19 pandemic and the efforts to mitigate its spread are having on the economy, our tenants and our business. The extent to which the COVID-19 pandemic continues to impact our operations and those of our tenants will depend on future developments, which are highly uncertain and cannot be predicted with confidence, including the scope, severity and duration of the pandemic, the actions taken to contain the pandemic or mitigate its impact, the distribution and acceptance of vaccines, the spread of new variants of COVID-19, the extent to which federal, state and local governments provide relief or assistance to those affected by COVID-19 and the impact that these developments will have on the timing and speed of the recovery of the U.S. and world economy.

During the three and six months ended June 30, 2021, the majority of lease concessions provided were in the form of rent abatements to certain tenants in response to the impact of the COVID-19 pandemic on those tenants.

As of August 9, 2021, we have collected approximately 98% of rental payments billed to tenants during the three months ended June 30, 2021. Additionally, as of June 30, 2021, we had granted rent deferrals with an aggregate deferral amount of $541,000. As of August 9, 2021, we collected $367,000 of deferred rent, representing approximately 100% of amounts due through June 30, 2021.

Operating Highlights and Key Performance Indicators

2021 Activity

- Disposed of two properties, for a gross sales price of $22.8 million.
- Decreased total debt by $9.4 million to $441.3 million.

Portfolio Information

Real Estate Portfolio

As of June 30, 2021, we owned 121 properties located in 33 states, comprising 5.2 million rentable square feet, which includes the rentable square feet of buildings on land subject to ground leases. As of June 30, 2021, no single tenant accounted for greater than 10% of our 2021 annualized rental income. As of June 30, 2021, we had certain geographic concentrations in our property holdings. In particular, as of June 30, 2021, 17 of our properties were located in Ohio, five of our properties were located in Arizona and eight of our properties were located in Illinois, accounting for 13%, 11% and 10%, respectively, of our 2021 annualized rental income. In addition, we had tenants in the manufacturing industry, which accounted for 18% of our 2021 annualized rental income. Our results of operations are influenced by the timing of acquisitions and the operating performance of our real estate assets. The following table shows the property statistics of our real estate assets as of June 30, 2021 and 2020:

	As of June 30,	
	2021	2020
Number of commercial properties	121	126
Rentable square feet (in thousands) (1)	5,178	5,388
Percentage of rentable square feet leased	98.6 %	98.7 %
Percentage of investment-grade tenants (2)	27.8 %	32.2 %

(1) Includes square feet of buildings on land parcels that are subject to ground leases.

(2) Investment-grade tenants are those with a credit rating of BBB- or higher by Standard & Poor's Financial Services LLC ("Standard & Poor's") or a credit rating of Baa3 or higher by Moody's Investor Service, Inc. (" Moody's"). The ratings may reflect those assigned by Standard & Poor's or Moody's to the lease guarantor or the parent company, as applicable. The weighted average credit rating is weighted based on annualized rental income, and is for only those tenants rated by Standard & Poor's.

During the three and six months ended June 30, 2021 and 2020, we did not acquire any properties.

Results of Operations

Overview

We are not aware of any material trends or uncertainties, other than those listed in the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2020, the effects of the COVID-19 pandemic, and national economic conditions affecting real estate in general, that may reasonably be expected to have a material impact on our results from the acquisition, management and operations of properties. Currently, we are unable to predict the impact that the COVID-19 pandemic will have on our financial condition, results of operations and cash flows in future periods due to numerous uncertainties.

Same Store Analysis

Our results of operations are influenced by the timing of acquisitions and the operating performance of our real estate assets. We review our stabilized operating results, measured by net operating income ("NOI"), from properties that we owned for the entirety of both the current and prior year reporting periods, referred to as "same store" properties, and we believe that the presentation of operating results for same store properties provides useful information to stockholders. NOI is a supplemental non-GAAP financial measure of a real estate company's operating performance. NOI is considered by management to be a helpful supplemental performance measure, as it enables management to evaluate the impact of occupancy, rents, leasing activity, and other controllable property operating results at our real estate properties, and it provides a consistent method for the comparison of our properties. We define NOI as operating revenues less operating expenses, which exclude (i) depreciation and amortization, (ii) interest expense and other non-property related revenue and expense items such as (a) general and administrative expenses, (b) expense reimbursements to related parties, (c) advisory and performance fees, (d) transaction-related expenses, (e) real estate impairment, (f) gain on disposition or real estate, net and (g) income from marketable securities. Our NOI may not be comparable to that of other REITs and should not be considered to be more relevant or accurate in evaluating our operating performance than the current GAAP methodology used in calculating net income. In determining the same store property pool, we include all properties that were owned for the entirety of both the current and prior reporting periods, except for properties during the current or prior year that were under development or redevelopment.

Comparison of the Three Months Ended June 30, 2021 and 2020

The following table reconciles net income, calculated in accordance with GAAP, to net operating income (dollar amounts in thousands):

	For the Three Months Ended June 30,		
	2021	2020	Change
Net income (loss)	$ 1,982	$ (11,292)	$ 13,274
Interest expense and other, net	4,826	4,452	374
(Gain) loss on investment in CIM UII Onshore	(1,138)	3,302	(4,440)
Operating income (loss)	5,670	(3,538)	9,208
Gain on disposition of real estate, net	(1,167)	(14)	(1,153)
Real estate impairment	—	8,058	(8,058)
Depreciation and amortization	6,793	6,949	(156)
Transaction-related expenses	—	4	(4)
Advisory and performance fees	2,233	1,456	777
Expense reimbursements to related parties	955	511	444
General and administrative expenses	1,103	1,394	(291)
Interest income on marketable securities	(77)	(88)	11
Net operating income	$ 15,510	$ 14,732	$ 778

A total of 121 properties were acquired before April 1, 2020 and represent our "same store" properties during the three months ended June 30, 2021 and 2020. "Non-same store" properties, for purposes of the table below, includes properties acquired and disposed on or after April 1, 2020. The following table details the components of net operating income broken out between same store and non-same store properties (dollar amounts in thousands):

	Total			Same Store			Non-Same Store		
	For the Three Months Ended June 30,			For the Three Months Ended June 30,			For the Three Months Ended June 30,		
	2021	2020	Change	2021	2020	Change	2021	2020	Change
Rental and other property income	$ 17,653	$ 17,148	$ 505	$ 17,442	$ 16,235	$ 1,207	$ 211	$ 913	$ (702)
Property operating expenses	1,094	973	121	1,059	894	165	35	79	(44)
Real estate tax expenses	1,049	1,443	(394)	1,199	1,241	(42)	(150)	202	(352)
Total property operating expenses	2,143	2,416	(273)	2,258	2,135	123	(115)	281	(396)
Net operating income	$ 15,510	$ 14,732	$ 778	$ 15,184	$ 14,100	$ 1,084	$ 326	$ 632	$ (306)

Interest Expense and Other, Net

The increase in interest expense and other, net of $374,000 during the three months ended June 30, 2021, as compared to the same period in 2020, was primarily due to an increase in the loss recognized on our terminated derivative instruments.

(Gain) Loss on Investment in CIM UII Onshore

The change in gain (loss) on investment in CIM UII Onshore of $4.4 million during the three months ended June 30, 2021, as compared to the same period in 2020, was due to our investment in limited partnership interests in CIM UII Onshore, for which we recognized our share of CIM UII Onshore's gain of $1.1 million during the three months ended June 30, 2021, as compared to recognizing our share of CIM UII Onshore's loss of $3.3 million during the three months ended June 30, 2020.

Gain on Disposition of Real Estate, Net

The increase in gain on disposition of real estate, net of $1.2 million during the three months ended June 30, 2021, as compared to the same period in 2020, was primarily due to the disposition of one anchored shopping center at a gain of $1.2 million during the three months ended June 30, 2021, as compared to the disposition of one retail property during the three months ended June 30, 2020 at a gain of $14,000.

Real Estate Impairment

The decrease in impairment of $8.1 million during the three months ended June 30, 2021, as compared to the same period in 2020, was primarily due to an impairment charge of $8.1 million related to one anchored shopping center and one retail property during the three months ended June 30, 2020, compared to no impairment charges recorded during the three months ended June 30, 2021.

Depreciation and Amortization

The decrease in depreciation and amortization of $156,000 during the three months ended June 30, 2021, as compared to the same period in 2020, was primarily due to the disposition of five properties subsequent to June 30, 2020.

Transaction-Related Expenses

Transaction-related expenses include abandoned deal costs for acquisition and disposition activity.

Transaction-related expenses remained generally consistent during the three months ended June 30, 2021, as compared to the same period in 2020.

Advisory and Performance Fees

The advisory fees that we pay to our advisor are based upon our NAV, and the performance fee is based on our annual return to stockholders for each class of our common stock. The increase in advisory and performance fees of $777,000 during the three months ended June 30, 2021, as compared to the same period in 2020, was primarily due to a performance fee being earned by the advisor during the three months ended June 30, 2021. This increase was partially offset by a decrease in the average total NAV for all share classes, which decreased $42.8 million for the three months ended June 30, 2021 compared to the three months ended June 30, 2020.

Expense Reimbursements to Related Parties

We reimburse CIM Income NAV Management or its affiliates for expenses incurred in the process of acquiring a property, disposing of a property, or the origination or acquisition of a loan, so long as the total expenses relating to the transaction do not exceed 6.0% of the contract purchase price, unless otherwise approved by a majority of our Board, including a majority of our independent directors, as commercially competitive, fair and reasonable to us. Our acquisitions qualify as asset acquisitions, and, as such, certain acquisition costs related to these asset acquisitions are capitalized.

The increase in expense reimbursements to related parties of $444,000 during the three months ended June 30, 2021, as compared to the same period in 2020, was primarily due to an increase in certain expense reimbursements to our advisor relating to operating expenses.

General and Administrative Expenses

The primary general and administrative expense items are escrow and trustee fees and professional service fees.

The decrease in general and administration expenses of $291,000 during the three months ended June 30, 2021, as compared to the same period in 2020, was primarily due to a decrease in valuation servicing fees as a result of the reversion back to rolling annual valuations of our properties, which valuations were temporarily performed monthly from April 2020 through September 2020 due to uncertainty surrounding the COVID-19 pandemic.

Net Operating Income

Same store net operating income increased $1.1 million during the three months ended June 30, 2021, as compared to the same period in 2020. The increase was primarily due to an increase in rental income as a result of the impact of COVID-19 leading to a temporary reduction in rental income during the three months ended June 30, 2020 for certain tenants. This was partially offset by a decrease in occupancy from 99.8% on June 30, 2020 to 98.6% on June 30, 2021.

Non-same store property net operating income decreased $306,000 during the three months ended June 30, 2021, as compared to the same period in 2020. The decrease is primarily due to the disposition of five rental income-producing properties subsequent to June 30, 2020.

Comparison of the Six Months Ended June 30, 2021 and 2020

The following table reconciles net income, calculated in accordance with GAAP, to net operating income (dollar amounts in thousands):

	For the Six Months Ended June 30,		
	2021	2020	Change
Net income (loss)	$ 5,509	$ (14,802)	$ 20,311
Interest expense and other, net	9,235	8,112	1,123
(Gain) loss on investment in CIM UII Onshore	(2,470)	3,302	(5,772)
Operating income (loss)	12,274	(3,388)	15,662
Gain on disposition of real estate, net	(1,177)	(14)	(1,163)
Impairment	—	13,744	(13,744)
Depreciation and amortization	13,596	13,988	(392)
Transaction-related expenses	—	6	(6)
Advisory and performance fees	3,487	3,052	435
Expense reimbursements to related parties	1,782	910	872
General and administrative expenses	2,117	2,413	(296)
Interest income on marketable securities	(156)	(178)	22
Net operating income	$ 31,923	$ 30,533	$ 1,390

A total of 121 properties were acquired before January 1, 2020 and represent our "same store" properties during the six months ended June 30, 2021 and 2020. "Non-same store" properties, for purposes of the table below, includes properties acquired and disposed on or after January 1, 2020. The following table details the components of net operating income broken out between same store and non-same store properties (dollar amounts in thousands):

	Total			Same Store			Non-Same Store		
	For the Six Months Ended June 30,			For the Six Months Ended June 30,			For the Six Months Ended June 30,		
	2021	2020	Change	2021	2020	Change	2021	2020	Change
Rental and other property income	$ 36,351	$ 35,736	$ 615	$ 35,480	$ 33,793	$ 1,687	$ 871	$ 1,943	$ (1,072)
Property operating expenses	2,060	2,427	(367)	1,953	2,045	(92)	107	382	(275)
Real estate tax expenses	2,368	2,776	(408)	2,361	2,386	(25)	7	390	(383)
Total property operating expenses	4,428	5,203	(775)	4,314	4,431	(117)	114	772	(658)
Net operating income	$ 31,923	$ 30,533	$ 1,390	$ 31,166	$ 29,362	$ 1,804	$ 757	$ 1,171	$ (414)

Interest Expense and Other, Net

The increase in interest expense and other, net of $1.1 million during the six months ended June 30, 2021, as compared to the same period in 2020, was primarily due to an increase in our average outstanding debt balance to $452.5 million for the six months ended June 30, 2021, as compared to $425.8 million for the six months ended June 30, 2020, as well as an increase in the loss recognized on our terminated derivative instruments. This increase was partially offset by a decrease in the weighted average interest rate from 3.53% as of June 30, 2020 to 3.48% as of June 30, 2021.

(Gain) Loss on Investment in CIM UII Onshore

The change in (gain) loss on investment in CIM UII Onshore of $5.8 million during the six months ended June 30, 2021, as compared to the same period in 2020, was due to our investment in limited partnership interests in CIM UII Onshore, for which we recognized our share of CIM UII Onshore's gain of $2.5 million during the six months ended June 30, 2021, as compared to recognizing our share of CIM UII Onshore's loss of $3.3 million during the six months ended June 30, 2020.

Gain on Disposition of Real Estate, Net

The increase in gain on disposition of real estate, net of $1.2 million during the six months ended June 30, 2021, as compared to the same period in 2020, was primarily due to the disposition of two properties during the six months ended June 30, 2021 at a gain of $1.2 million, as compared to the disposition of two properties during the six months ended June 30, 2020 at a gain of $14,000.

Real Estate Impairment

The decrease in impairment of $13.7 million during the six months ended June 30, 2021, as compared to the same period in 2020, was primarily due to management identifying the carrying value of one anchored shopping center and one retail property to be greater than the estimated fair value of the properties, as well as bankruptcies at one anchored shopping center and two retail properties resulting in an impairment charge of $13.7 million during the six months ended June 30, 2020, compared to no impairment charges recorded during the six months ended June 30, 2021.

Depreciation and Amortization

The decrease in depreciation and amortization of $392,000 during the six months ended June 30, 2021, as compared to the same period in 2020, was primarily due to the disposition of five properties subsequent to June 30, 2020.

Transaction-Related Expenses

Transaction-related expenses remained generally consistent during the six months ended June 30, 2021, as compared to the same period in 2020.

Advisory and Performance Fees

The increase in advisory and performance fees of $435,000 during the six months ended June 30, 2021, as compared to the same period in 2020, was primarily due to a performance fee being earned by the advisor during the six months ended June 30,

2021. This increase was partially offset by a decrease in the average total NAV for all share classes, which decreased $66.5 million for the six months ended June 30, 2021 compared to the six months ended June 30, 2020.

Expense Reimbursements to Related Parties

The increase in expense reimbursements to related parties of $872,000 during the six months ended June 30, 2021, as compared to the same period in 2020, was primarily due to an increase in advisor reimbursements relating to operating expenses.

General and Administrative Expenses

The decrease in general and administrative expenses of $296,000 during the six months ended June 30, 2021, as compared to the same period in 2020, was primarily due to a decrease in valuation servicing fees as a result of the reversion back to rolling annual valuations of our properties, which valuations were temporarily performed monthly from April 2020 through September 2020 due to uncertainty surrounding the COVID-19 pandemic.

Net Operating Income

Same store net operating income increased $1.8 million during the six months ended June 30, 2021, as compared to the same period in 2020. The increase was primarily due to an increase in rental income as a result of the impact of COVID-19 leading to a temporary reduction in rental income during the three months ended June 30, 2020 for certain tenants. This was partially offset by a decrease in occupancy from 99.8% on June 30, 2020 to 98.6% on June 30, 2021.

Non-same store property net operating income decreased $414,000 during the six months ended June 30, 2021, as compared to the same period in 2020. The decrease is primarily due to the disposition of five rental income-producing properties subsequent to June 30, 2020.

Distributions

Prior to April 1, 2020, on a quarterly basis, our Board authorized a daily distribution for the succeeding quarter. Our Board authorized the following daily distribution amounts per share for the periods indicated below:

Period Commencing	Period Ending	Daily Distribution Amount (1)
December 8, 2011	December 31, 2011	$0.002260274
January 1, 2012	September 30, 2012	$0.002254099
October 1, 2012	December 31, 2012	$0.002383836
January 1, 2013	September 30, 2013	$0.002429042
October 1, 2013	March 31, 2014	$0.002563727
April 1, 2014	March 31, 2020	$0.002678083

(1) The daily distribution amount for each class of outstanding common stock is adjusted based on the relative NAV of the various classes each day so that, from day to day, distributions constitute a uniform percentage of the NAV per share of all classes. As a result, from day to day, the per share daily distribution for each outstanding class of common stock may be higher or lower than the daily distribution amount authorized by our Board based on the relative NAV of each class of common stock on that day.

On April 20, 2020, our Board decided to make a determination as to the amount and timing of distributions on a monthly, instead of a quarterly, basis until such time that we have greater visibility into the impact that the COVID-19 pandemic would have on our tenants' ability to continue to pay rent on their leases on a timely basis or at all, the degree to which federal, state or local governmental authorities grant rent relief or other relief or amnesty programs applicable to our tenants, our ability to access the capital markets, and on the United States and worldwide financial markets and economy. On March 25, 2021, the Board resumed declaring distributions on a quarterly basis.

Since April of 2020, our Board authorized the following monthly distribution amounts per share for the periods indicated below:

Record Date	Distribution Amount [1]
April 30, 2020	$0.0400
May 31, 2020	$0.0400
June 30, 2020	$0.0777
July 30, 2020	$0.0777
August 28, 2020	$0.0777
September 29, 2020	$0.0777
October 29, 2020	$0.0777
November 27, 2020	$0.0777
December 30, 2020	$0.0777
January 28, 2021	$0.0777
February 25, 2021	$0.0777
March 29, 2021	$0.0777
April 29 2021	$0.0777
May 28, 2021	$0.0777
June 29, 2021	$0.0777
July 29, 2021	$0.0777
August 30, 2021	$0.0777
September 29, 2021	$0.0777
October 28, 2021	$0.0777
November 29, 2021	$0.0777
December 30, 2021	$0.0777

(1) The distribution amount for each class of outstanding common stock is adjusted based on the relative NAV of the various classes so that distributions constitute a uniform percentage of the NAV per share of all classes for stockholders of record as of the last business day of the month for which the distribution rate applies.

On July 23, 2020, our Board authorized a year-end distribution (the "Year-End Distribution") of $0.0839 per share of our D Shares, T Shares, S Shares and I Shares, which amount would be adjusted based on the relative NAV of our D Shares, T Shares, S Shares and I Shares so that distributions constitute a uniform percentage of the NAV per share of all classes. The Year-End Distribution is payable to stockholders of record as of the close of business on December 30, 2020 and was paid in January 2021 upon a determination by our chief financial officer that as of the payment date of the Year-End Distribution, we were able to pay our debts as they become due in the usual course of business and our assets were not less than the sum of our total liabilities. The Year-End Distribution was paid in cash or reinvested in shares of our common stock for stockholders participating in our distribution reinvestment plan. The Year-End Distribution was paid in addition to the distribution authorized by our Board for the month of December 2020.

As of June 30, 2021, we had distributions payable of $2.3 million, which is included in distributions and redemptions payable on the accompanying condensed consolidated balance sheets.

The following table presents distributions and the source of distributions for the periods indicated below (dollar amounts in thousands):

	Six Months Ended June 30,			
	2021		2020	
	Amount	Percent	Amount	Percent
Distributions paid in cash	$ 9,245	56 %	$ 6,899	51 %
Distributions reinvested	7,305	44 %	6,565	49 %
Total distributions	$ 16,550	100 %	$ 13,464	100 %
Source of distributions:				
Net cash provided by operating activities (1)	$ 16,550	100 %	$ 13,464	100 %
Total sources	$ 16,550	100 %	$ 13,464	100 %

(1) Net cash provided by operating activities for the six months ended June 30, 2021 and 2020 was $18.0 million and $14.5 million, respectively.

Share Redemptions

Effective April 1, 2020, we adopted the Amended Share Redemption Program to provide limited liquidity whereby, on a monthly basis, stockholders may request that we redeem all or any portion of their shares. Our Amended Share Redemption Program provides that, no later than on the second to last business day of a given month, stockholders may request that we redeem all or any portion of their shares, subject to a minimum redemption amount and certain short-term trading fees. The redemption price per share for each class will be our NAV per share for such class for that month, calculated by the independent fund accountant in accordance with our valuation policies. Prior to April 1, 2020, our share redemption plan provided limited liquidity whereby, on a daily basis, stockholders could request that we redeem all or any portion of their shares.

Our Amended Share Redemption Program includes certain redemption limits, including a quarterly limit and, in some cases, an individual stockholder limit. We received redemption requests of approximately 8.3 million shares for $135.7 million in excess of our redemption limit during the six months ended June 30, 2021. During the six months ended June 30, 2021, we received valid redemption requests under our Amended Share Redemption Program totaling approximately 9.5 million shares, of which we redeemed approximately 953,000 shares as of June 30, 2021 for $15.7 million at an average redemption price of $16.43 per share and 117,000 shares subsequent to June 30, 2021 for $1.9 million at an average redemption price of $16.22. The remaining redemption requests relating to approximately 8.3 million shares went unfulfilled. A valid redemption request is one that complies with the applicable requirements and guidelines of our current share redemption program then in effect.

As of July 2020, the Board determined that monthly redemptions temporarily will be limited to shares whose aggregate value is no more than 0.8% of our aggregate NAV as of the last calendar day of the previous calendar month, and in any calendar quarter, redemptions will be limited to shares whose aggregate value is no more than 2.0% of our aggregate NAV as of the last calendar day of the previous calendar quarter. While it is our intent to return to the redemption plan limits stated in our existing share redemption plan, no assurances can be made regarding if or when we will return to such limits.

We intend to fund share redemptions with available cash, proceeds from our liquid investments and proceeds from the sale of additional shares. We may, after taking the interests of our Company as a whole and the interests of our remaining stockholders into consideration, use proceeds from any available sources at our disposal to satisfy redemption requests, including, but not limited to, proceeds from sales of additional shares, excess cash flow from operations, sales of our liquid investments, incurrence of indebtedness and, if necessary, proceeds from the disposition of real estate properties or real estate related assets. In an effort to have adequate cash available to support our share redemption plan, CIM Income NAV Management may determine to reserve borrowing capacity under our line of credit. CIM Income NAV Management could then elect to borrow against our line of credit in part to redeem shares presented for redemption during periods when we do not have sufficient proceeds from the sale of shares in the Offering to fund all redemption requests.

Liquidity and Capital Resources

General

Our Credit Facility, with JPMorgan Chase as administrative agent, provides for borrowings up to $425.0 million, which is comprised of up to $212.5 million in Revolving Loans and $212.5 million in Term Loans. As of June 30, 2021, we had $89.5 million in unused capacity, subject to borrowing availability. We had $28.0 million of available borrowings as of June 30, 2021. As of June 30, 2021, we believe we were in compliance with the financial covenants under our various fixed and variable rate debt agreements.

We expect to meet our short-term liquidity requirements through available cash, cash provided by property operations, proceeds from the Offering and borrowings from the Credit Facility or other sources. As of June 30, 2021, we had cash and cash equivalents of $10.8 million and investments in marketable securities of $15.4 million.

We expect to continue to raise capital through the Offering and to utilize such funds and future proceeds from secured or unsecured financing to complete future property acquisitions, other permitted investments and for general corporate uses. The source of our operating cash flows is primarily the rental and other property income received from current and future leased properties. As of June 30, 2021, we had raised $887.2 million of gross proceeds from the Offering before organization and offering costs, upfront selling commissions, dealer manager fees and the current portion of stockholder servicing fees of $34.0 million. Refer to Item 1A — Risk Factors in our Annual Report on Form 10-K for the year ended December 31, 2020 for risks related to our ability to raise capital in the near term.

Our investment guidelines provide that we will seek to maintain our target liquidity of 10% of the NAV up to $1 billion, and 5% of the NAV in excess of $1 billion ("Target Liquidity") in relatively liquid investments, such as U.S. government securities, agency securities, corporate debt, publicly traded debt and equity real estate-related securities, cash, cash equivalents and other short-term investments and, in CIM Income NAV Management's discretion, lines of credit (collectively, the "Liquid Assets"). To the extent that CIM Income NAV Management determines that we should maintain borrowing capacity under lines of credit, the amount available under the lines of credit will be included in calculating the Liquid Assets under these guidelines. These are guidelines, and our stockholders should not expect that we will, at all times, hold liquid assets at or above the target levels or that all liquid assets will be available to satisfy redemption requests as we receive them. We anticipate that both our overall allocation to liquid assets as a percentage of our NAV and our allocation to different types of liquid assets will vary. In making these determinations, our advisor will consider our receipt of proceeds from sales of additional shares, our cash flow from operations, available borrowing capacity under lines of credit, if any, or from additional mortgages on our real estate, our receipt of proceeds from sales of assets, and the anticipated use of cash to fund redemptions, as well as the availability and pricing of different investments. The amount of the Liquid Assets is determined by our advisor, in its sole discretion, but is subject to review by our independent directors on a quarterly basis.

Given the recent levels of investor subscriptions and increased redemption requests, which we believe has been exacerbated by the challenging economic environment caused by the COVID-19 pandemic, our stated objectives of maintaining Target Liquidity and satisfying the redemption plan limits are in conflict. As such, we are temporarily redeeming less than the Amended Share Redemption Program limits to maintain the Target Liquidity while we seek to generate additional liquidity through investor subscriptions and execution of an in-process asset disposition program. On July 28, 2020, our Board determined that, effective immediately, monthly redemptions temporarily will be limited to shares whose aggregate value is no more than 0.8% of the aggregate NAV as of the last calendar day of the previous calendar month, and in any calendar quarter, redemptions will be limited to shares whose aggregate value is no more than 2.0% of the aggregate NAV as of the last calendar day of the previous calendar quarter. While it is our intent to return to the redemption plan limits stated in our existing share redemption plan, no assurances can be made regarding if or when we will return to such limits.

Further, our Board has agreed to support our efforts towards achieving sustainable liquidity by agreeing to take 50% of their quarterly Board compensation in common stock, based on the then current NAV per share at the time of issuance, for the third quarter of 2020 through the fourth quarter of 2021. In addition, at the request of our Board, our advisor has agreed to take 50% of its monthly advisory fees in common stock, based on the then current NAV per share at the time of issuance, through December 31, 2021.

Short-term Liquidity and Capital Resources

On a short-term basis, our principal demands for funds will be for property acquisitions or other permitted investments, operating expenses, distributions and redemptions to stockholders and interest on our outstanding debt, including principal repayments of $160.1 million due within the next 12 months. Subsequent to June 30, 2021, we elected to extend the maturity date for the Revolving Loans to March 6, 2022. We expect to extend the maturity date of the Revolving Loans through September 6, 2022,subject to satisfying certain conditions contained in the Second Amended Credit Agreement, including providing notice of the election and paying an extension fee of 0.10% of the maximum amount of the Revolving Loans (the "Extension Fee"). We expect to meet our short-term liquidity requirements through available cash, cash provided by property operations, proceeds from the Offering and borrowings from the Credit Facility or other sources, such as proceeds from dispositions. We believe that the resources stated above will be sufficient to satisfy our operating requirements for the foreseeable future, and we do not anticipate a need to raise funds from sources other than those described above within the next 12 months.

Long-term Liquidity and Capital Resources

On a long-term basis, our principal demands for funds are for property acquisitions or other permitted investments and the payment of tenant improvements, operating expenses, including debt service payments on any outstanding indebtedness, and distributions and redemptions to our stockholders. We expect to meet our long-term liquidity requirements through proceeds from the Offering, secured or unsecured financings from banks and other lenders, any available capacity on the Credit Facility by the addition of properties to the borrowing base, proceeds from the sale of marketable securities, proceeds from dispositions and net cash flows provided by operations.

We expect that substantially all net cash flows from operations will be used to pay distributions to our stockholders after certain capital expenditures, including tenant improvements and leasing commissions, are paid; however, we have used, and may continue to use, other sources to fund distributions, as necessary, including proceeds from the Offering, borrowings on the Credit Facility and/or future borrowings on our unencumbered assets. To the extent that cash flows from operations are lower due to fewer properties being acquired or lower than expected returns on the properties, distributions paid to our stockholders may be lower. We expect that substantially all net cash flows from the Offering or debt financings will be used to fund acquisitions, certain capital expenditures, repayments of outstanding debt or distributions and redemptions to our stockholders.

Contractual Obligations

As of June 30, 2021, we had debt outstanding with a carrying value of $441.3 million and a weighted average interest rate of 3.48%. See Note 9 — Credit Facility and Notes Payable to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q for a description of certain terms of the debt. Our contractual obligations as of June 30, 2021 were as follows (in thousands):

	Payments due by period (1)				
	Total	**Less Than 1 Year**	**1-3 Years**	**3-5 Years**	**More Than 5 Years**
Principal payments – credit facility (2)	$ 335,500	$ 123,000	$ 212,500	$ —	$ —
Interest payments – credit facility (3)	10,759	9,160	1,599	—	—
Principal payments – fixed debt rate	105,819	37,052	51,817	16,950	—
Interest payments – fixed debt rate (4)	5,258	3,325	1,513	420	—
Total	$ 457,336	$ 172,537	$ 267,429	$ 17,370	$ —

(1) The table does not include amounts due to our advisor or its affiliates pursuant to our Advisory Agreement because such amounts are not fixed and determinable.

(2) The table does not include the impact of any extension. We may elect to extend the maturity of the Revolving Loans to no later than September 6, 2022, subject to satisfying certain conditions contained in the second amended credit agreement, or refinance the debt or enter into the new financing arrangement.

(3) As of June 30, 2021, the Term Loans outstanding totaled $212.5 million, all of which are subject to interest rate swap agreements. The weighted average all-in interest rate for the Swapped Term Loans was 4.10%. The remaining $123.0 million in Revolving Loans outstanding under the Credit Facility has a weighted average interest rate of 1.98% as of June 30, 2021.

(4) As of June 30, 2021, we had $45.6 million of variable rate mortgage notes effectively fixed through the use of interest rate swap agreements. We used the effective interest rates fixed under our interest rate swap agreements to calculate the debt payment obligations in future periods.

Our charter prohibits us from incurring debt that would cause our borrowings to exceed 75% of our gross assets, valued at the aggregate cost (before depreciation and other non-cash reserves), unless approved by a majority of our independent directors and disclosed to our stockholders in our next quarterly report. In addition to this limitation in our charter, our Board has adopted a policy to further limit our borrowings to 60% of the greater of cost (before depreciation or other non-cash reserves) or fair market value of our gross assets, unless excess borrowing is approved by a majority of our Board (including a majority of the independent directors) and disclosed to our stockholders in the next quarterly report along with a justification for such excess borrowing. As of June 30, 2021, our ratio of debt to total gross assets net of gross intangible lease liabilities was 49.7%, and our ratio of debt to the fair market value of our gross assets net of gross intangible lease liabilities was 51.7%. Fair market value is based on the estimated market value of our real estate assets as of June 30, 2021 used to determine our estimated per share NAV.

Our management reviews net debt as part of its management of our overall liquidity, financial flexibility, capital structure and leverage, and we therefore believe that the presentation of net debt provides useful information to stockholders. Net debt is a non-GAAP measure used to show our outstanding principal debt balance, excluding certain GAAP adjustments, such as financing and issuance costs and related accumulated amortization, less all cash and cash equivalents. As of June 30, 2021, our net debt leverage ratio, which is the ratio of net debt to total gross real estate assets net of gross intangible lease liabilities, was 48.5%.

The following table provides a reconciliation of the Credit Facility and notes payable, net balance, as reported on our condensed consolidated balance sheet, to net debt as of June 30, 2021 (dollar amounts in thousands):

	Balance as of June 30, 2021
Credit facility and notes payable, net	$ 440,357
Deferred costs, net [1]	962
Less: Cash and cash equivalents	(10,763)
Net debt	$ 430,556
Gross real estate assets, net[2] and investment in CIM UII Onshore	$ 887,491
Net debt leverage ratio	48.5 %

(1) Deferred costs relate to mortgage notes payable and the term portion of the Credit Facility.

(2) Net of gross intangible lease liabilities.

Cash Flow Analysis

Operating Activities. Net cash provided by operating activities increased by $3.5 million for the six months ended June 30, 2021, as compared to the same period in 2020. The increase was primarily due to an increase in net income after non-cash adjustments, offset by the timing of receipts and payments for rents and tenant receivables and amounts due to affiliates recorded during the six months ended June 30, 2021, as compared to the same period in 2020. See "— Results of Operations" for a more complete discussion of the factors impacting our operating performance.

Investing Activities. Net cash provided by investing activities was $22.0 million for the six months ended June 30, 2021, compared to net cash used in investing activities of $45.7 million during the six months ended June 30, 2020. The change was primarily due to our investment in CIM UII Onshore for $50.0 million during the six months ended June 30, 2020. No such investments were made during the six months ended June 30, 2021. This increase was also due to an increase in net proceeds from disposition of real estate assets of $16.4 million.

Financing Activities. Net cash used in financing activities was $38.1 million for the six months ended June 30, 2021, compared to net cash provided by financing activities of $59.4 million during the six months ended June 30, 2020. The change was primarily due to a decrease in net proceeds from borrowing facilities and mortgage notes of $131.4 million, as well as a decrease in net proceeds from the issuance of common stock of $15.0 million, partially offset by a decrease in redemptions of common stock of $51.2 million.

Election as a REIT

We have elected to be taxed, and currently qualify, as a REIT under the Internal Revenue Code of 1986, as amended. To maintain our qualification as a REIT, we must continue to meet certain requirements relating to our organization, sources of income, nature of assets, distributions of income to our stockholders and recordkeeping. As a REIT, we generally are not subject to federal income tax on taxable income that we distribute to our stockholders so long as we distribute at least 90% of our annual taxable income (computed without regard to the dividends paid deduction and excluding certain non-cash items and net capital gains).

If we fail to maintain our qualification as a REIT for any reason in a taxable year and applicable relief provisions do not apply, we will be subject to tax on our taxable income at regular corporate rates. We will not be able to deduct distributions paid to our stockholders in any year in which we fail to maintain our qualification as a REIT. We also will be disqualified for the four taxable years following the year during which qualification was lost unless we are entitled to relief under specific statutory provisions. Such an event could materially adversely affect our net income and net cash available for distribution to stockholders. However, we believe that we are organized and operate in such a manner as to maintain our qualification as a REIT for federal income tax purposes. No provision for federal income taxes has been made in our accompanying condensed consolidated financial statements. We are subject to certain state and local taxes related to the operations of properties in certain locations, which, if applicable, have been provided for in our accompanying condensed consolidated financial statements.

Critical Accounting Policies and Estimates

Our accounting policies have been established to conform with GAAP. The preparation of financial statements in conformity with GAAP requires us to use judgment in the application of accounting policies, including making estimates and assumptions. These judgments affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Management believes that we have made these estimates and assumptions in an appropriate manner and in a way that accurately reflects our financial condition. We continually test and evaluate these estimates and assumptions using our historical knowledge of the business, as well as other factors, to ensure that they are reasonable for reporting purposes. However, actual results may differ from these estimates and assumptions. If our judgment or interpretation of the facts and circumstances relating to various transactions had been different, it is possible that different accounting policies would have been applied, thus resulting in a different presentation of the financial statements. Additionally, other companies may utilize different estimates that may impact comparability of our results of operations to those of companies in similar businesses. We believe the following critical accounting policies govern the significant judgments and estimates used in the preparation of our financial statements, which should be read in conjunction with the more complete discussion of our accounting policies and procedures included in Note 2 — Summary of Significant Accounting Policies to our audited consolidated financial statements in our Annual Report on Form 10-K for the year ended December 31, 2020. We consider our critical accounting policies to be the following:

- Recoverability of Real Estate Assets; and
- Allocation of Purchase Price of Real Estate Assets.

A complete description of such policies and our considerations is contained in our Annual Report on Form 10-K for the year ended December 31, 2020. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with our audited consolidated financial statements as of and for the year ended December 31, 2020 and related notes thereto.

We continually monitor events and changes in circumstances that could indicate that the carrying amounts of our real estate assets may not be recoverable. Impairment indicators that we consider include, but are not limited to: bankruptcy or other credit concerns of a property's major tenant, such as a history of late payments, lease concessions and other factors; a significant decrease in a property's revenues due to lease terminations; vacancies; co-tenancy clauses; reduced lease rates; changes in anticipated holding periods; or other circumstances. We continue to evaluate our portfolio to determine if anticipated holding periods for certain properties may materially differ from the initial intended holding periods for such properties, which could result in an impairment charge in the future.

Related-Party Transactions and Agreements

We have entered into agreements with CIM Income NAV Management or its affiliates whereby we agree to pay certain fees, or reimburse certain expenses of, CIM Income NAV Management or its affiliates, primarily advisory and performance fees and expenses, organization and offering costs, sales commissions, dealer manager fees and expenses, ongoing stockholder servicing fees, and reimbursement of certain acquisition and operating costs. In addition, the Company purchased $50.0 million of limited partnership interests of CIM UII Onshore, which is affiliated with CIM. See Note 12 — Related-Party Transactions and Agreements to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q for a further explanation of the various related-party transactions, agreements and fees.

Conflicts of Interest

Richard S. Ressler, the chairman of our Board, chief executive officer and president, who is also a founder and principal of CIM and is an officer/director of certain of its affiliates, including CIM Income NAV Management, is the chairman of the board, chief executive officer and president of CMFT and vice president of our advisor. One of our directors, Avraham Shemesh, who is also a founder and principal of CIM and is an officer/director of certain of its affiliates, including CIM Income NAV Management, serves as a director of CMFT. One of our directors, Elaine Y. Wong, also serves as a director of CMFT. One of our independent directors, W. Brian Kretzmer, also serves as an independent director of CMFT. Our chief financial officer and treasurer, Nathan D. DeBacker, who is also an officer of other real estate programs sponsored by CCO Group, is a vice president of CIM Income NAV Management and is an officer of certain of its affiliates. As such, there are conflicts of interest where CIM Income NAV Management or its affiliates, while serving in the capacity as sponsor, general partner, officer, director, key personnel and/or advisor for CIM or another real estate program sponsored or operated by CIM or CCO Group may be in conflict with us in connection with providing services to other real estate-related programs related to property acquisitions, property dispositions, and property management among others. The compensation arrangements between affiliates of CIM Income NAV Management and these other real estate programs sponsored or operated by CCO Group could influence the advice provided to us. See Part I, Item 1. Business — Conflicts of Interest in our Annual Report on Form 10-K for the year ended December 31, 2020.

Off-Balance Sheet Arrangements

As of June 30, 2021 and December 31, 2020, we had no material off-balance sheet arrangements that had or are reasonably likely to have a current or future effect on our financial condition, results of operations, liquidity or capital resources.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market Risk

The market risk associated with financial instruments and derivative financial instruments is the risk of loss from adverse changes in market prices or interest rates. Our market risk arises primarily from interest rate risk relating to variable-rate borrowings. To meet our short and long-term liquidity requirements, we borrow funds at a combination of fixed and variable rates. Our interest rate risk management objectives are to limit the impact of interest rate changes on earnings and cash flows and to manage our overall borrowing costs. To achieve these objectives, from time to time, we may enter into interest rate hedge contracts such as swaps, collars and treasury lock agreements in order to mitigate our interest rate risk with respect to various debt instruments. We do not intend to hold or issue these derivative contracts for trading or speculative purposes. We do not have any foreign operations and thus we are not exposed to foreign currency fluctuations.

Interest Rate Risk

As of June 30, 2021, we had an aggregate of $123.0 million of variable rate debt, excluding any debt subject to interest rate swap agreements, and therefore, we are exposed to interest rate changes in LIBOR. As of June 30, 2021, an increase or decrease of 50 basis points in interest rates would result in an increase or decrease in interest expense of $615,000 per annum.

As of June 30, 2021, we had six interest rate swap agreements outstanding, which mature on various dates from September 2021 to September 2022, with an aggregate notional amount of $258.1 million and an aggregate net fair value liability of $5.1 million. The fair value of these interest rate swap agreements is dependent upon existing market interest rates and swap spreads. As of June 30, 2021, an increase of 50 basis points in interest rates would result in a derivative liability of $4.1 million, representing a $1.0 million net change to the fair value of the net derivative liability. A decrease of 50 basis points would result in a derivative liability of $6.1 million, representing a $1.0 million net change to the fair value of the net derivative liability. See Note 8 — Derivative Instruments and Hedging Activities to our condensed consolidated financial statements in this Quarterly Report on Form 10-Q for more detailed discussion about our derivative instruments.

As the information presented above includes only those exposures that existed as of June 30, 2021, it does not consider exposures or positions arising after that date. The information presented herein has limited predictive value. Future actual realized gains or losses with respect to interest rate fluctuations will depend on cumulative exposures, hedging strategies employed and the magnitude of the fluctuations.

These amounts were determined by considering the impact of hypothetical interest rate changes on our borrowing costs and assume no other changes in our capital structure.

In July 2017, the Financial Conduct Authority ("FCA") that regulates LIBOR announced it intends to stop compelling banks to submit rates for the calculation of LIBOR after 2021. As a result, the Federal Reserve Board and the Federal Reserve Bank of New York organized the Alternative Reference Rates Committee which identified the Secured Overnight Financing Rate ("SOFR") as its preferred alternative to U.S. dollar LIBOR in derivatives and other financial contracts. In March 2021, the FCA confirmed its intention to cease publishing one week and two-month LIBOR after December 31, 2021 and all remaining LIBOR after June 30, 2023. This announcement has several implications, including setting the spread that may be used to automatically convert contracts from LIBOR to SOFR. Additionally, banking regulators are encouraging banks to discontinue new LIBOR debt issuances by December 31, 2021. The Company anticipates that LIBOR will continue to be available at least until June 30, 2023. Any changes adopted by FCA or other governing bodies in the method used for determining LIBOR may result in a sudden or prolonged increase or decrease in reported LIBOR. If that were to occur, our interest payments could change. In addition, uncertainty about the extent and manner of future changes may result in interest rates and/or payments that are higher or lower than if LIBOR were to remain available in its current form.

We have the ability to borrow variable rate debt under our Credit Facility and interest rate swap agreements maturing on various dates from September 2021 to September 2022, as further discussed above, that are indexed to LIBOR. As such, we are monitoring and evaluating the related risks, which include interest on loans, amount paid on securities, or amounts received and paid on derivative instruments. These risks arise in connection with transitioning contracts to a new alternative rate, including any resulting value transfer that may occur. The value of loans, securities, or derivative instruments tied to LIBOR could also be impacted if LIBOR is limited or discontinued. For some instruments, the method of transitioning to an alternative reference rate may be challenging, especially if we cannot agree with the respective counterparty about how to make the transition.

If a contract is not transitioned to an alternative rate and LIBOR is discontinued, the impact on our contracts is likely to vary by contract. If LIBOR is discontinued or if the methods of calculating LIBOR change from their current form, interest rates on our current or future indebtedness may be adversely affected.

While we expect LIBOR to be available in substantially its current form until at least the end of June 30, 2023, it is possible that LIBOR will become unavailable prior to that point. This could result, for example, if sufficient banks decline to make submissions to the LIBOR administrator. In that case, the risks associated with the transition to an alternative reference rate will be accelerated and magnified.

Alternative rates and other market changes related to the replacement of LIBOR, including the introduction of financial products and changes in market practices, may lead to risk modeling and valuation challenges, such as adjusting interest rate accrual calculations and building a term structure for an alternative rate.

The introduction of an alternative rate also may create additional basis risk and increased volatility as alternative rates are phased in and utilized in parallel with LIBOR.

Adjustments to systems and mathematical models to properly process and account for alternative rates will be required, which may strain the model risk management and information technology functions and result in substantial incremental costs for the Company.

Credit Risk

Concentrations of credit risk arise when a number of tenants are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations, including those to us, to be similarly affected by changes in economic conditions. We are subject to tenant, geographic and industry concentrations. Any downturn of the economic conditions in one or more of these tenants, states or industries could result in a material reduction of our cash flows or material losses to us.

The factors considered in determining the credit risk of our tenants include, but are not limited to: payment history; credit status and change in status including the impact of the COVID-19 pandemic (credit ratings for public companies are used as a primary metric); change in tenant space needs (*i.e.*, expansion/downsize); tenant financial performance; economic conditions in a specific geographic region; and industry specific credit considerations. We believe that the credit risk of our portfolio is reduced by the high quality of our existing tenant base, reviews of prospective tenants' risk profiles prior to lease execution and consistent monitoring of our portfolio to identify potential problem tenants and mitigation options.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed in our reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms, and that such information is accumulated and communicated to us, including our chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, we recognize that no controls and procedures, no matter how well designed and operated, can provide absolute assurance of achieving the desired control objectives.

As required by Rules 13a-15(b) and 15d-15(b) of the Exchange Act, an evaluation as of June 30, 2021 was conducted under the supervision and with the participation of our management, including our chief executive officer and chief financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our chief executive officer and chief financial officer concluded that our disclosure controls and procedures, as of June 30, 2021, were effective at a reasonable assurance level.

Changes in Internal Control Over Financial Reporting

No change occurred in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the three months ended June 30, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

In the ordinary course of business, we may become subject to litigation or claims. We are not aware of any material pending legal proceedings, other than ordinary routine litigation incidental to our business, to which we are a party or to which our properties are the subject.

Item 1A. Risk Factors

There have been no material changes from the risk factors set forth in our Annual Report on Form 10-K for the year ended December 31, 2020.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On December 6, 2011, we commenced the Initial Offering of up to $4.0 billion in shares of common stock. On August 26, 2013, we commenced the First Follow-on Offering. As part of the First Follow-on Offering, we designated the existing shares of our common stock that were sold prior to such date to be W Shares and registered two new classes of our common stock, A Shares and I Shares. On February 10, 2017, we commenced the Second Follow-on Offering. As a result of the Share Modifications, commencing November 27, 2018, we began offering and selling D Shares, T Shares, S Shares and I Shares in the Offering, rather than W Shares, A Shares and I Shares. On August 7, 2020, we commenced the Third Follow-on Offering, pursuant to which we are offering to sell any combination of D Shares, T Shares, S Shares and I Shares with a dollar value up to the maximum offering amount of up to $4.0 billion, consisting of up to $3.5 billion in shares in the Primary Offering and up to $500.0 million in shares pursuant to the DRIP. Additionally, as of June 30, 2021, we were authorized to issue 10.0 million shares of preferred stock, but had none issued or outstanding.

As of June 30, 2021, we had issued approximately 49.3 million shares in the Offering, including shares issued pursuant to our DRIP, for gross proceeds of $887.2 million, out of which we recorded $27.4 million in upfront selling commissions, dealer manager fees and the current portion of stockholder servicing fees and $6.6 million in organization and offering costs. With the net offering proceeds of $853.2 million and the borrowings from our credit facility, we have acquired $1.1 billion in real estate assets, inclusive of capitalized acquisition costs, and incurred $12.9 million of acquisition-related expenses, as well as invested $50.0 million of capital in CIM UII Onshore.

As of August 9, 2021, we have sold the following common shares and raised the following proceeds in connection with the Offering (dollar amounts in thousands):

	D Shares	T Shares	S Shares	I Shares	Total
Primary Offering					
Shares	26,290,761	17,281,087	6,976	1,611,242	45,190,066
Proceeds	$ 466,134	$ 319,352	$ 122	$ 29,123	$ 814,731
Distribution Reinvestment Plan					
Shares	2,454,162	1,660,261	747	148,156	4,263,326
Proceeds	$ 43,512	$ 28,750	$ 12	$ 2,659	$ 74,933

Prior to April 1, 2020, we had adopted a share redemption plan to provide limited liquidity whereby, on a daily basis, stockholders could request that we redeem all or any portion of their shares. The redemption price per share for each class on any business day was equal to our NAV per share for such class for that day, calculated by the independent fund accountant after the close of business on the redemption request day, without giving effect to any share purchases or redemptions to be effected on such day. Subject to limited exceptions, stockholders who redeemed their shares of our common stock within the first 365 days from the date of purchase were subject to a short-term trading fee of 5% of the aggregate NAV per share of the shares of common stock received. In each calendar quarter, net redemptions were limited under our share redemption plan to 5% of our total NAV as of the end of the immediately preceding quarter, plus any unused percentage carried over to the next quarter, but the maximum carryover percentage could never exceed 15% in the aggregate, and net redemptions in any quarter could never exceed 10% of the prior quarter's NAV.

Effective April 1, 2020, to the extent the Company redeems shares in any particular month, the Company will only redeem shares as of the opening of the last calendar day of that month (the "Redemption Date"). The redemption price per share for each class is equal to the NAV per share for such class on the Redemption Date. The Company may redeem fewer shares than have been requested in any particular month to be redeemed, or none at all, in its discretion at any time. The Company is also limited, in any calendar month, to shares whose aggregate value (based on the redemption price per share on the Redemption

Date) is no more than 2% of the Company's aggregate NAV as of the last calendar day of the previous calendar month and, in any calendar quarter, to shares whose aggregate value is no more than 5% of the Company's aggregate NAV as of the last calendar day of the previous calendar quarter. In the event that the Company determines to redeem some but not all of the shares submitted for redemption during any month, shares submitted for redemption during such month will be redeemed on a pro rata basis. Stockholders who redeem their shares of the Company's common stock within the first year of the date of purchase will be subject to a short-term trading fee of 5% of the aggregate NAV of the applicable class of shares of common stock redeemed. The Company may choose to redeem fewer shares in any particular month than have been requested to be redeemed, or none at all. As of July 2020, the Board determined that monthly redemptions temporarily will be limited to shares whose aggregate value is no more than 0.8% of our aggregate NAV as of the last calendar day of the previous calendar month, and in any calendar quarter, redemptions will be limited to shares whose aggregate value is no more than 2.0% of our aggregate NAV as of the last calendar day of the previous calendar quarter. While it is our intent to return to the redemption plan limits stated in our existing share redemption plan, no assurances can be made regarding if or when we will return to such limits.

We received redemption requests of approximately 8.3 million shares for $135.7 million in excess of our redemption limit during the three months ended June 30, 2021. Management, in its discretion, limited the amount of shares redeemed for the three months ended June 30, 2021 to an amount representing the remaining redemption capacity of the temporarily reduced quarterly redemption limit of 2% of our total NAV as of March 31, 2021.

During the three months ended June 30, 2021, we redeemed shares as follows:

Period		Total Number of Shares Redeemed	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
April 1, 2021 — April 30, 2021					
	D Shares	140,793	$ 16.35	140,793	(1)
	T Shares	91,212	$ 15.91	91,212	(1)
	S Shares	—	$ —	—	(1)
	I Shares	6,261	$ 16.65	6,261	(1)
May 1, 2021 — May 31, 2021					
	D Shares	142,330	$ 16.35	142,330	(1)
	T Shares	86,655	$ 15.90	86,655	(1)
	S Shares	—	$ —	—	(1)
	I Shares	7,660	$ 16.66	7,660	(1)
June 1, 2021 — June 30, 2021					
	D Shares	70,829	$ 16.39	70,829	(1)
	T Shares	46,756	$ 15.92	46,756	(1)
	S Shares	—	$ —	—	(1)
	I Shares	2,927	$ 16.69	2,927	(1)
Total		595,423		595,423	

(1) A description of the maximum number of shares that may be purchased under our share redemption program and the amount of shares approved under our share redemption program is included in the narrative preceding this table. We announced the share redemption program in our initial registration statement and the amendments thereto in the multi-class registration statement.

Unregistered Sales of Equity Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

The following exhibits are included, or incorporated by reference, in this Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2021 (and are numbered in accordance with Item 601 of Regulation S-K).

Exhibit No.	Description
3.1	Second Articles of Amendment and Restatement of CIM Income NAV, Inc. (f/k/a Cole Real Estate Income Strategy (Daily NAV), Inc.), dated as of August 26, 2013 (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 333-169535), filed August 26, 2013).
3.2	Articles of Amendment to the Articles of Amendment and Restatement of Cole Real Estate Income Strategy (Daily NAV), Inc. dated August 2, 2017 (Incorporated by reference to Exhibit 3.4 to the Company's Post-effective Amendment No. 3 to the Company's Registration Statement on Form S-11 (File No. 333-213271), filed August 2, 2017).
3.3	Second Articles of Amendment to the Second Articles of Amendment and Restatement of CIM Income NAV, Inc., dated November 27, 2018 (Incorporated by reference to Exhibit 3.3 of the Company's Post-effective Amendment No. 9 to the Company's Registration Statement on Form S-11 (File No. 333-213271), filed November 27, 2018).
3.4	Articles Supplementary to the Second Articles of Amendment and Restatement of CIM Income NAV, Inc., dated as of November 27, 2018 (Incorporated by reference to Exhibit 3.4 of the Company's Post-effective Amendment No. 9 to the Company's Registration Statement on Form S-11 (File No. 333-213271), filed November 27, 2018).
3.5	Bylaws of CIM Income NAV, Inc. (f/k/a Cole Real Estate Income Strategy (Daily NAV), Inc.) effective September 28, 2011 (Incorporated by reference to Exhibit 3.2 to the Company's Pre-effective Amendment No. 4 to the Company's Registration Statement on Form S-11 (File No. 333-169535), filed November 3, 2011).
3.6	First Amendment of Bylaws effective June 14, 2012 (Incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K (File No. 333-169535), filed June 19, 2012).
3.7	Second Amendment of Bylaws effective November 27, 2018 (Incorporated by reference to Exhibit 3.7 of the Company's Post-effective Amendment No. 9 to the Company's Registration Statement on Form S-11 (File No. 333-213271), filed November 27, 2018).
4.1	Second Amended and Restated Distribution Reinvestment Plan, effective November 27, 2018 (Incorporated by reference to Appendix D to the Company's Prospectus filed pursuant to Rule 424(b)(3) (File No. 333-236339), filed August 10, 2020).
4.2	Second Amended and Restated Multiple Class Plan of CIM Income NAV, Inc., effective February 28, 2020 (Incorporated by reference to Exhibit 4.1 to the Company's Current Report on Form 8-K (File No. 000-55187), filed February 28, 2020).
4.3	Form of Initial Subscription Agreement (Incorporated by reference to Appendix A to the Company's Prospectus filed pursuant to Rule 424(b)(3) (File No. 333-236339), filed August 10, 2020).
4.4	Form of Additional Subscription Agreement (Incorporated by reference to Appendix B to the Company's Prospectus filed pursuant to Rule 424(b)(3) (File No. 333-236339), filed August 10, 2020).
4.5	Form of Systematic Investment Program Subscription Agreement (Incorporated by reference to Appendix C to the Company's Prospectus filed pursuant to Rule 424(b)(3) (File No. 333-236339), filed August 10, 2020).
31.1*	Certifications of the Principal Executive Officer of the Company pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certifications of the Principal Financial Officer of the Company pursuant to Exchange Act Rule 13a-14(a) or 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certifications of the Principal Executive Officer and Principal Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as InLine XBRL and contained in Exhibit 101)

* Filed herewith.

** In accordance with Item 601(b)(32) of Regulation S-K, this Exhibit is not deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section. Such certifications will not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the registrant specifically incorporates it by reference.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

CIM Income NAV, Inc.
(Registrant)

By:	/s/ Nathan D. DeBacker
Name:	Nathan D. DeBacker
Title:	Chief Financial Officer and Treasurer *(Principal Financial Officer)*

Date: August 16, 2021