



Confidential Offering Memorandum

Absolute NNN SunTrust Bank

506 South Main Street
Rocky Top, TN 37769

Formerly known as Lake City, TN



*Achieve
Ambitions*



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Summary

Investment Summary
SunTrust Bank – Rocky Top, TN

The Offering

JLL is pleased to offer for sale the fee-simple interest in a absolute NNN, SunTrust Bank (the “Property” or “Asset”) located in Rocky Top, Tennessee (formerly known as Lake City, Tennessee).

The property is a freestanding retail building that is tenanted by SunTrust Bank and is corporately guaranteed by SunTrust Banks, Inc. (NYSE: STI). The tenant is on a absolute NNN lease with 10.5 years of lease term remaining. The Property is strategically positioned on the hard, signalized intersection of South Main Street and 4th Street. The Asset has \$50.5 million in deposits and is the only banking institution in the surrounding 5-mile radius.

INVESTMENT HIGHLIGHTS

- The Tenant is corporately guaranteed by SunTrust Banks, Inc. S&P Credit Rating: (A-/Positive)
- Well-positioned along South Main Street, the main thoroughfare and most heavily trafficked road in Rocky Top
- There are 10.5 years remaining on the absolute NNN lease, with no landlord responsibilities
- The tenant has limited competition in the nearby area with no other banking institutions in Lake City and the nearest bank being 4.8 miles away (Regions Bank in Norris, TN)
- Lake City is located in the northwest Knoxville metro area and is less than 30 minutes driving distance from downtown via I-75

PROPERTY SUMMARY

Address	506 South Main Street, Rocky Top, TN 37769
Price / PSF	\$1,305,617
Cap Rate	6.00%
NOI	\$78,337
Remaining Lease Term	10.5 years*
Product Type	Freestanding Retail
Tenant	SunTrust Banks, Inc. (d/b/a SunTrust Bank)
Lease Type	Absolute NNN
Year Built	1958

*as of April 2018

Property

Property Overview

SunTrust Bank – Rocky Top, TN



Property

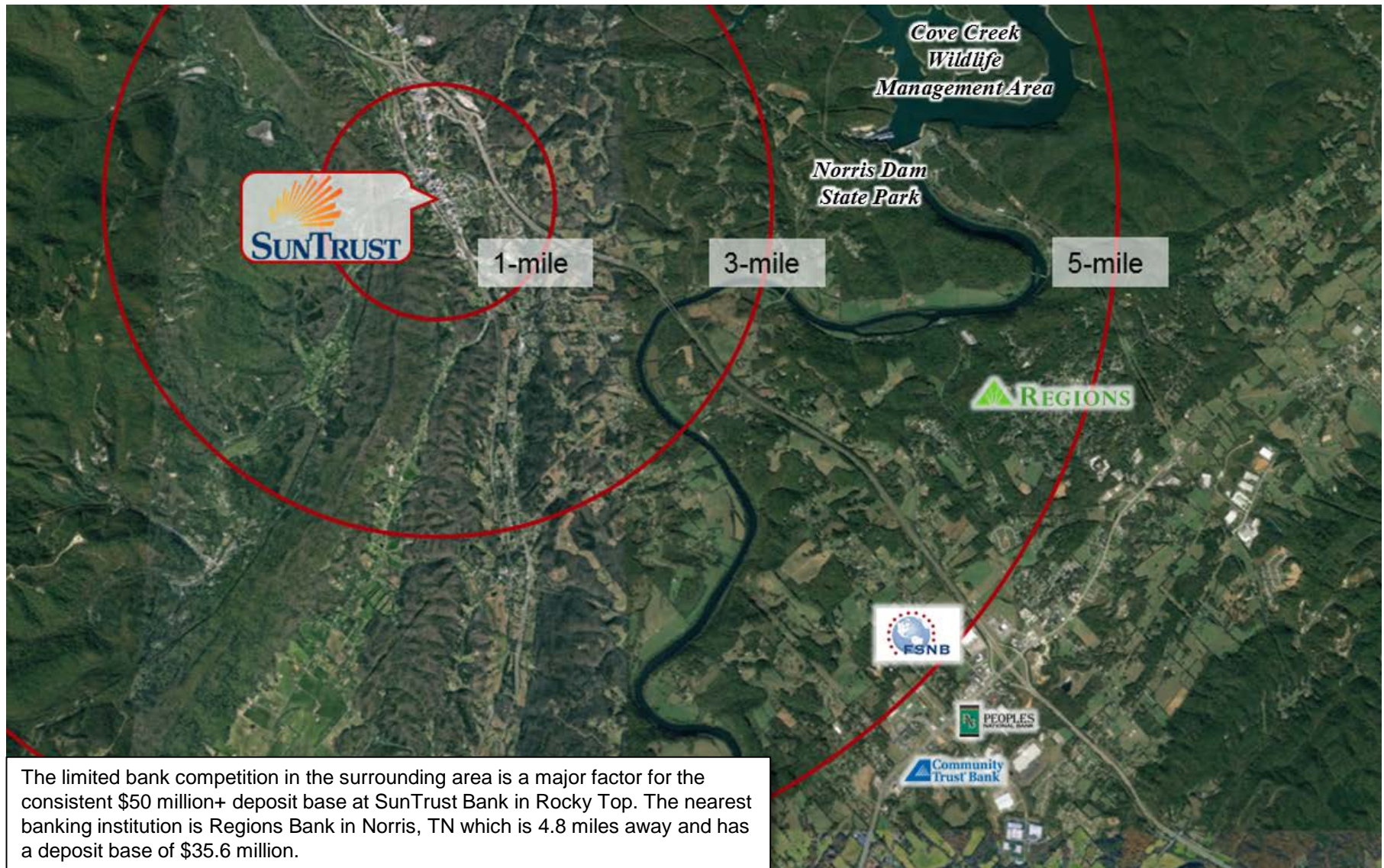
The Property is a freestanding SunTrust Bank on a absolute NNN lease. The Asset benefits from frontage/visibility to South Main Street., as well as strong and steady deposits over recent years. Additionally, this is the only banking institution in the city of Rocky Top and the only one within a 4.8 mile radius. The nearby area has a number of parks and outdoor recreational activities available including the 4,038-acre Norris Dam State Park. These highlights contribute to make the Property an excellent passive investment opportunity.



Store Photo

BUILDING SPECIFICATIONS

Address	506 S. Main Street, Rocky Top, TN 37769
Ownership Interest	Fee-simple
Parcel Size	0.94 acres
Property Size	5,886 square feet
Tenant	SunTrust Bank
Branch Deposits (\$000)	\$50,487
Lease Type	Absolute NNN
LL Responsibilities	None
Lease Expiration	9/30/2028
Lease Term Remaining	10.5 years (as of 4/1/2018)
Remaining Renewal Options	Six (6) 5-Year Options
Net Operating Income	\$78,337
NOI PSF	\$13.31
Rental Increases	1.5% Annually



Rocky Top City Hall

Coal Creek Smokehouse BBQ

Covenant Life International Church

Lake City Elementary School

Main Street Baptist Church

Lake City United Methodist Church

Creekwood Apartments: 44 Units

S. Main Street: 17420 VPD

SUNTRUST

EAST PAWNEE & Gold Center

Coal Creek

ShopRite

H&R BLOCK

UNITED STATES POSTAL SERVICE

ICT

N ↑





Market

Market Overview

SunTrust Bank – Rocky Top, TN

Market

The Knoxville metro area



Knoxville, Tennessee is the county seat of Knox County and the third-largest city in Tennessee, with a city limits population of over 186,000. Knoxville is the principal city and anchor of the Knoxville Metropolitan Statistical Area, a metro that is home to over 868,000 residents. One of the largest cities in Appalachia, Knoxville is considered the “Gateway to the Great Smoky Mountains”.

Knoxville is home to a number of important public institutions, including the University of Tennessee’s flagship campus and the Tennessee Valley Authority (the nation’s largest public power provider). Knoxville is also home to the headquarters of numerous large corporations, including Regal Entertainment, Scripps Networks Interactive, Pilot Flying J, Clayton Homes, Bush Brothers, Sea Ray, and several others. Knoxville has been named to Forbes’ “Top Ten Metropolitan Hotspots” list and Forbes’ “Top 5 for Business and Careers” list.

Rocky Top, TN – Location Highlights

- Rocky Top, formerly known as Lake City, is a city in Anderson County located 24 miles northwest of Knoxville via I-75.
- The city was renamed Rocky Top in 2014 after the fight song for the University of Tennessee. This was done as a means to drive more tourism and visitors to the area. The city has seen improving sales tax revenues over the past few years and an overall accelerated long-term trend of growth and recovery since the recession.

Anderson County – Location Highlights

- Anderson County has risen from a coal mining and agricultural town to become a world-leading technological powerhouse. The County’s assets are diverse, from recreation and history, to manufacturing and scientific discovery. The County also has a thriving tourism industry with over 800 miles of shoreline on Norris Lake and a number of historical sites and museums.
- Anderson County delivers a small town lifestyle in close proximity to the growing city of Knoxville, offering its residents a perfect balance between work and family life.



Tenant

Tenant Overview

SunTrust Bank – Rocky Top, TN



The Tenant



SunTrust Bank Inc.

SunTrust Bank is the 16th largest bank with approximately 1,400 retail branches and 2,160 ATM's. The holding company SunTrust Banks, Inc., is traded on the NYSE ("STI") with a market capitalization of approximately \$32.2 billion. The company has a credit rating from S&P (A-/Positive). Analyst ratings on the stock: 30 of 31 Analysts' ratings at Buy, Outperform, or Hold.

The company had 2017 net income of \$2.27 billion on revenue of \$9.74 billion, which was up 6.3% from 2016 net income. Q4 2017 revenue is up 9.1% YOY and net income of \$740 million, up 38% from Q4 2016. Capital ratios well above the regulatory guidelines for a "well capitalized" bank. As of December 31, 2017, the bank's Tier 1 capital ratio was 9.97%, compared with the regulatory requirement of at least 4%. The bank's Tier 1 leverage ratio was 11.31%, compared with the requirement of 4%.

Company Accolades

- 2018 - SunTrust ranked highest in overall HELOC customer satisfaction in J.D. Power's U.S. Home Equity Line of Credit Satisfaction Study
- 2017 - SunTrust has been awarded five Excellence Awards and four Best Brand Awards for small business banking, as well as three Best Brand Awards for middle market banking by Greenwich Associates which evaluated over 600 providers
- 2017 - SunTrust has been recognized as Best Bank in the Southeast region by Global Finance Magazine

Tenant Overview

Company:	SunTrust Banks, Inc.
Year Founded:	1891
Headquarters:	Atlanta, GA
Ownership Type:	Public (NYSE: STI)
Industry:	Money Center Banks
Sector:	Financial
Number of Employees:	23,000+
Credit Rating (S&P):	'A-' / Positive
Annual Revenue (YE 2017)	\$9.74 Billion
Annual NOI (YE 2017):	\$2.27 Billion
Market Capitalization (April 2018):	\$32.2 Billion
Total Assets (YE 2017):	\$206 Billion
Total Deposits (YE 2017):	\$160 Billion
Website:	www.suntrust.com

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