

Confidential offering memorandum

Recent lease renewal



Low rental rate



Future development  
opportunity



Exceptional  
parking ratio



Investment-grade tenancy with demonstrated location commitment  
Fortune 24 company

*Bank of America*

4330 Picabo Street, Rio Rancho (Albuquerque), New Mexico



**JLL**

*Achieve  
Ambitions*

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In this Offering Memorandum, certain documents, including leases and other materials, are described in summary form. The summaries do not purport to be complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents. This Offering Memorandum is subject to prior placement, errors, omissions, changes or withdrawal without notice and does not constitute a recommendation, endorsement or advice as to the value of the Property by JLL or the Owner. Each prospective purchaser is to rely upon its own investigation, evaluation and judgment as the advisability of purchasing the Property described herein.

Owner and JLL expressly reserve the right, at their sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with any party at any time with or without notice.

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This Offering Memorandum is the Property of JLL and may be used by parties approved by JLL. The Property is privately offered and, by accepting this Offering Memorandum, the party in possession hereof agrees (i) to return it to JLL immediately upon request of JLL or Owner and (ii) that this Offering Memorandum and its contents are of a confidential nature and will be held and treated in the strictest confidence. No portion of this Offering Memorandum may be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of JLL and Owner.

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The terms and conditions set forth above apply to this Offering Memorandum in its entirety.



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*Executive and investment summary* **04**



The offering

JLL is pleased to offer the opportunity to acquire 4330 Picabo Street, Rio Rancho (Albuquerque), New Mexico (the “Property”), a ±76,768 square foot office building located on an oversized parcel of more than 14 acres. The Property is subject to a net lease to Bank of America with landlord responsibilities limited to roof, structure, and the parking surface. In 2011, Bank of America installed a new TPO roofing system with a 20-year warranty and brand-new HVAC units. Furthermore, in late 2018, the tenant invested their own capital to redesign the Property parking lot’s ingress and egress.

This single-tenant net lease office provides the value-added benefit of stabilized cash flow with future development upside. The Property benefits from both plentiful on-site parking (greater than an 8.5/1,000 parking ratio) and adjacent undeveloped land for Bank of America’s expansion or future development. The building site coverage is less than 13% with the ±76,768 square foot building sitting on over 14 acres. Furthermore, Bank of America is paying a low and very competitive rental rate. These factors provide an investor with the ability to purchase the Property below cost with cash flow stability, investment grade credit tenancy, and a variety of future upside positions.



**4330 Picabo Street is 100 percent leased to Bank of America, N.A. (“Bank of America,” or “Tenant”) through October 31, 2023.**

Bank of America, N.A. is a wholly owned subsidiary of Bank of America Corp. (the “Parent Company”) and is the entity on the Parent Company’s leases nationally.

The Asset was originally developed by Bank of America before the Tenant entered into a multi-site sale-leaseback agreement that included this Property. As the original term neared expiration, the Tenant recently executed the first of its many five (5)-year renewal options, a positive indicator demonstrating Bank of America’s continued commitment to the Property and the Albuquerque market.

BANK OF AMERICA’S GROUP’S STRONG INVESTMENT GRADE CREDIT

S&P	A-
MOODY’S	A3 (upgraded 12/2018)
FITCH	A-

BANK OF AMERICA’S FINANCIAL STRENGTH

\$88.0 billion	2018 year-end revenue
\$28.1 billion	2018 year-end net income
\$2.4 trillion	2018 year-end assets
\$1.4 trillion	2018 year-end deposits
2nd largest U.S. bank by assets	



## OFFERING TERMS

Price	\$10,950,000
Cap rate	8.15%
Project year 1 NOI*	\$891,660

\*Based on 12 months starting 4/1/2019

## PROPERTY PROFILE

Address	4330 Picabo St, Rio Rancho, NM 87144
Site area	±14.02 acres
Year built	1998
Year renovated	2008
Current occupancy	100%
Rentable square feet	±76,768 square feet
Parking	650 surface spaces (8.5/1,000)
Parcel number	1-000-030-437-001-55581

## LEASE PROFILE

Tenant	Bank of America, N.A.
Lease commencement	7/14/2008
Initial renewal	9/19/17 (effective 8/1/18)
Initial renewal expiration	10/31/2023
Year 1 projected NOI*	\$891,660
Rent / square feet annually*	\$11.62 NNN
Rent / square feet monthly*	\$0.97 NNN
Annual increases	1.5% annual (next increase 8/1/2019)
Lease structure	NN
Options	6 x 5 years
Option rent	Fair market value
IRB	The property is subject to an Industrial Revenue Bond (IRB) allowing Bank of America to avoid paying real estate taxes. The Bond expires in 2023. As a result, the City of Rio Rancho has temporary ownership of the land until 2023 when it reverts back to Landlord's ownership. See the lease abstract for more details.

\*Based on 12 months starting 4/1/2019





## Investment highlights



### INDUSTRY-LEADING, INVESTMENT-GRADE TENANCY

<b>S&amp;P Global</b>	<b>A+</b>
<b>MOODY'S</b>	<b>A3</b>
<b>FitchRatings</b>	<b>A-</b>

- #24 on Fortune 500 list
- 2nd largest U.S. bank by assets
- \$88 billion in 2018 revenue
- \$1.4 trillion in 2018 deposits



### VALUE-ADD NET LEASE OPPORTUNITY WITH OVERSIZED PARCEL FOR FUTURE DEVELOPMENT

- 8.5/1,000 parking ratio, a rare find in greater Albuquerque and major metropolitan areas
- Large 14-acre parcel size
- Underutilized site with excess land for future tenant expansion or new development
- Purchase price will likely be below replacement cost

### MAJOR CAPITAL EXPENDITURES

<b>Roof replacement</b>	\$440,000 investment in 2010
<b>HVAC replacement</b>	\$600,000 investment in 2013
<b>Parking lot</b>	New traffic pattern created in 2018-2019



### HIGHLY DESIRABLE LEASE FUNDAMENTALS

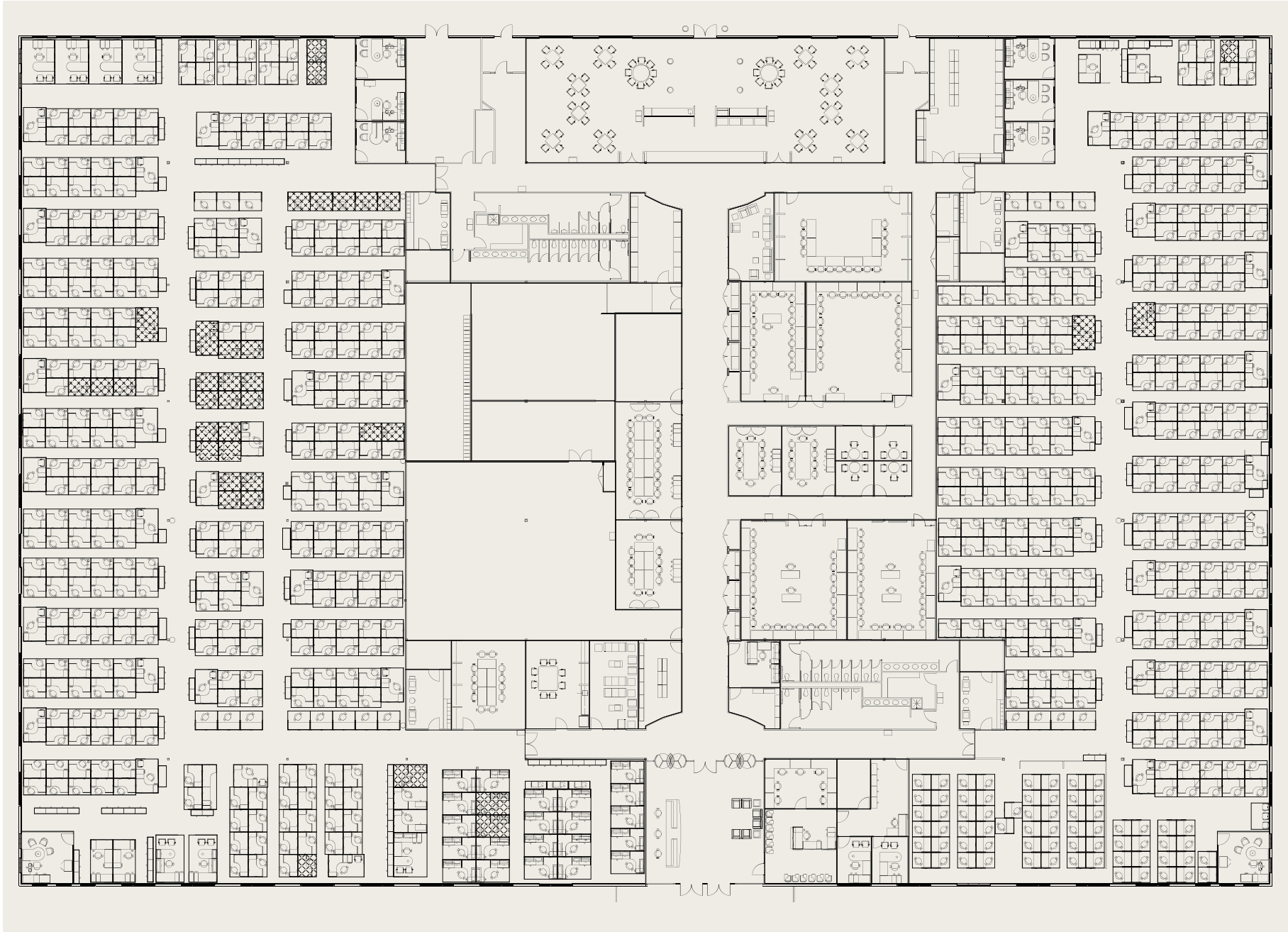
- Below market rental rate less than \$12 / square foot NNN
- Tenant has operated on-site for approximately 20 years and just renewed their lease
- 1.5% annual increases
- Net lease structure
- Tenant self-manages the asset and pays all expenses for ease of ownership
- Landlord responsibilities limited to roof, structure, and parking area. Roof and HVAC units were replaced in 2011 and 2013
- Well-established tenant occupancy and history at the Property since Bank of America developed it in 1998



SITE PLAN



FLOOR PLAN





## Key Property highlights

Hyatt Regency Tamaya  
resort and spa

Area amenities  
and restaurants

Santa Ana Star  
casino and hotel

TRIBAL LAND

550

528

Jager Way

Picabo Street

### Key Property highlights

1. Built 1998/renovated 2008
2. Land for future development or Bank of America expansion
3. Newly created traffic pattern in 2019
4. 8.5/1,000 parking ratio
5. TPO roof system installed 2011 (20 year warranty)
6. New HVAC units installed in 2013
7. Back-up generator
8. Monument sign







**Retail amenities within a  
two minute drive of the property**

- Ross
- TJ Maxx
- PetSmart
- Chilis
- Bed Bath & Beyond
- Jack in the Box
- Domino's Pizza
- Albertsons
- Walgreens
- McDonalds
- Burger King
- Panda Express
- Subway
- Walmart

Three miles and  
seven minute drive to I-25

550

Social Security  
Administration

528

Pat D'Arco Highway

Jager Way

Picabo Street

Land for future development or  
Bank of America expansion

NORTH

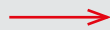


## Investment highlights

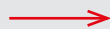
### STRONG MOMENTUM IN GREATER ALBUQUERQUE AND RIO RANCHO MARKET

According to Bloomberg in late 2018, “New Mexico’s economy leads other states in job and wage gains since January 2017, according to an analysis of Federal Reserve Bank of Philadelphia data.” Rio Rancho is a highly desirable Albuquerque suburb and was the fastest growing city in New Mexico, touting a growth rate of 80.6% during years 2000 – 2014.

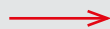
#### ACCOLADES



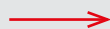
recently announced in October 2018 plans to invest \$1 billion into a production facility with a goal of adding over 1,000 jobs.



has been rapidly expanding their data center presence. Their campus will total 510,000 square feet upon completion in Los Lunas. The 6-building project represents over \$1 billion in total investment.



announced a major expansion to their Rio Rancho facility in September 2018. The facility redesign is geared to Intel supporting artificial intelligence, machine learning, Internet of Things, Industrial Internet of Things, self-driving vehicles, and 5G connectivity.



opened a 1,000 person contact in 2017 located nearby in Rio Rancho.





SABC  
(Sandoval Academy of  
Bilingual Education)

LoveLace UNM  
Rehabilitation  
Hospital

Cable  
One

Safelite  
Autoglass

Insight  
Lighting

Picabo Street

Innovation Way

Land for future development or  
Bank of America expansion

Social Security  
Administration

>  
NORTH





About **14**  
Bank of America



## Tenant overview

Bank of America Corporation, through its subsidiaries, provides banking and financial products and services for individuals, small and middle-market businesses, institutional investors, large corporations, and governments worldwide. Headquartered in Charlotte, North Carolina, Bank of America is the second-largest bank in the U.S. with \$2.4 trillion in total assets. Operating in all 50 states, and more than 35 countries, the Company provides a diversified range of banking and non-bank financial services and products through five operating segments: Consumer Banking, Global Wealth & Investment Management, Global Banking, Global Markets, and Legacy Assets & Servicing. Covering 80 percent of the U.S. population, the Bank serves approximately 47 million customers and small businesses via its 4,500 financial centers, and nearly three and a half times as many ATMs. The Company's vast geographical footprint has earned Bank of America the largest Consumer Banking share in the U.S., adding \$54 billion in deposits since the previous year. In addition, through its commercial banking activities, Bank of America has relationships with 79 percent of the 2018 Global Fortune 500 and 98 percent of the 2017 U.S. Fortune 500.

### BANK OF AMERICA OPERATING SEGMENTS

- Consumer Banking, offers a diversified range of credit, banking and investment products and services to consumers and small businesses.
- Global Wealth and Investment Management provides high-touch investment and wealth management services to high net worth individuals.
- The Global Banking Segment provides a wide range of lending-related products and services, from integrated working capital management and treasury solutions, underwriting and advisory services.
- Global Markets offers sales and trading services, including research, to institutional clients across fixed-income, credit, currency, commodity, and equity businesses.
- Legacy Assets and Servicing is responsible for our mortgage servicing activities related to residential first mortgage and home equity loans serviced for other institutions.





### KEY FACTS AND FIGURES - BANK OF AMERICA

- 2nd largest U.S. bank ranked by assets
- #24 on the Fortune 500 list
- Conducted business with 98% of the 2018 U.S. Fortune 500
- 180,000 total employees globally
- 18% year-over-year growth in operating income
- Consumer Banking business earned \$8.2 billion in after-tax net income (+14%)
- 1.3 billion customer log-ins to Bank of America mobile app
- \$34 billion in small business loan balances
- \$200 million in philanthropic investments

### BANK OF AMERICA FINANCIAL HIGHLIGHTS

Fiscal year end 2017	In Billions
Revenue	\$88
Net income	\$26.7
EBITDA	\$34.6
Total assets	\$2,354
Total deposits	\$1,382
Long term debt	\$229
Total liabilities	\$2,089
Total shareholder's equity	\$243
Cash	\$177



“World’s Best Bank” for corporate social responsibility

— Euromoney



“Industry Leader” among America’s most Just companies

— JUST Capital



Leading company in Bloomberg’s Gender-Equality Index



Bank of America

NOW HIRING!

Property highlights **17**



Property highlights

Property overview

The Property serves as a customer contact service center for Bank of America. Developed by the Tenant in 1998, Bank of America has occupied the Property for the entirety of its existence, demonstrating its key functional role and intrinsic value for the Company.

Situated on a large 14+ acre parcel, the valuable excess land is included in the opportunity and is zoned for further development in the future. Note that the Tenant’s lease includes the undeveloped land since the Property is on one parcel. As a result, the Tenant is responsible for carrying costs and property taxes with the undeveloped land. It also gives Bank of America has control of that land as long as they are a tenant.

The Asset is strategically positioned at the junction of Pat D’Arco Highway (Highway 528) and Highway 550, providing seamless access to Interstate 25 and throughout the metropolitan area. This area is a highly sought-after location for corporate users. Safelite opened a 1,000 employee contact center nearby in 2017, continuing the immediate area's office momentum.

The area also has plentiful amenities within a two-minute drive of the property including numerous restaurants, grocery stores, and service related retail. The Hyatt Regency Tamaya Resort & Spa, an award-winning resort and one of Albuquerque’s top-rated hotels, and the Santa Ana Star Casino and Hotel are both within immediate proximity to the Property.

MAJOR CAPITAL EXPENDITURES

Roof replacement	\$440,000 investment in 2010
HVAC replacement	\$600,000 investment in 2013
Parking lot	New traffic pattern created in 2018-2019

PROPERTY HIGHLIGHTS

Address	4330 Picabo Street, Rio Rancho, New Mexico 87144
Building size	±76,768 square feet
Land area	±14.017 acres
Parcel number	138-15-710-023
Year built	1998
Year renovated	2008
Zoning	SU/Special Use for Commercial & Industrial Uses
Parking	8.5 per 1,000 square feet   650 surface spaces
Signage	Top building signage on multiple sides of the building. Concrete monument sign at vehicular entrance along Picabo Street

CONSTRUCTION DETAIL

Foundation	Concrete slab
Structural framing	Fireproof steel frame with steel beams and deck
Floors	Single story
Roof	Single-ply TPO with mineralized cap sheet
Windows	Aluminum framed, fixed type units with tempered dual-pane tinted glass

# Property highlights

## MECHANICAL DETAIL

Heating and cooling	Roof-mounted and split system
HVAC rooftop package	<ul style="list-style-type: none"><li>• Trane – 14 units – approx. 2 tonnage each 2011 manufacture</li><li>• Carrier – 2 – approx. 4 tonnage each 2009 manufacture</li></ul>
HVAC split system	<ul style="list-style-type: none"><li>• Mitsubishi – 3 units – approx. 2 tonnage each 2011 manufacture</li><li>• Liebert – 2 units – approx. 2 tonnage each 2011 manufacture</li></ul>
Fire prevention and life safety	Overhead wet sprinkler system
Generator	Diesel-powered Kohler emergency electrical generator with a capacity of 750 kW

## UTILITY DETAIL

Water/sewer	City of Rio Rancho
Electricity	PNM
Natural gas	New Mexico Gas Company







*About Albuquerque* **20**

## The Location

### ALBUQUERQUE, NEW MEXICO

The Albuquerque metro area offers forward-thinking business leaders, entrepreneurs and companies a supportive business environment that encourages idea generation, growth and innovation. Foreign Direct Investment Magazine ranks the metro area in the top 10 American Cities of the Future. This community applauds diversity, celebrates collaboration and promotes success. Albuquerque is a great place to invest, work and live.

### INDUSTRY CLUSTERS

Several industry clusters excel in Albuquerque because of location, a skilled workforce and proximity to major research facilities.



### ALBUQUERQUE MARKET INFORMATION

Albuquerque MSA Office Size

**37,387,717 SF**

Albuquerque  
Office Vacancy

**7.5%**

Rio Rancho  
Office Vacancy

**5.5%**

Rio Rancho Submarket Office Size

**2,539,000 SF**

(6.8% of the Albuquerque Market)



**915,841**

Population



**437,265**

Labor Force



**\$52,380**

Median Household  
Income



**4.4%**

Unemployment

Source: CoStar 2019



## About Albuquerque

### TOP 15 EMPLOYERS

COMPANY	EMPLOYEES	DESCRIPTION
Albuquerque Public Schools	14,810	Public school district
Kirtland Air Force Base*	10,125	Air Force material command
Sandia National Labs	9,852	Science-based technologies that support national security
Presbyterian	7,310	Hospital/medical services
UNM Hospital	6,021	Hospital/medical services
City of Albuquerque	5,500	Government
State of New Mexico	4,950	Government
University of New Mexico	4,210	Educational institution
Lovelace	4,000	Hospital/medical services
Bernalillo County	2,425	Government
Rio Ranch Public Schools	2,000	Educational institution
Sandia Resort & Casino	2,000	Resort & casino
PNM Electric Services	1,935	Utilities provider
Intel Corporation	1,900	Semiconductor manufacturer
Central New Mexico Community College	1,840	Educational institution

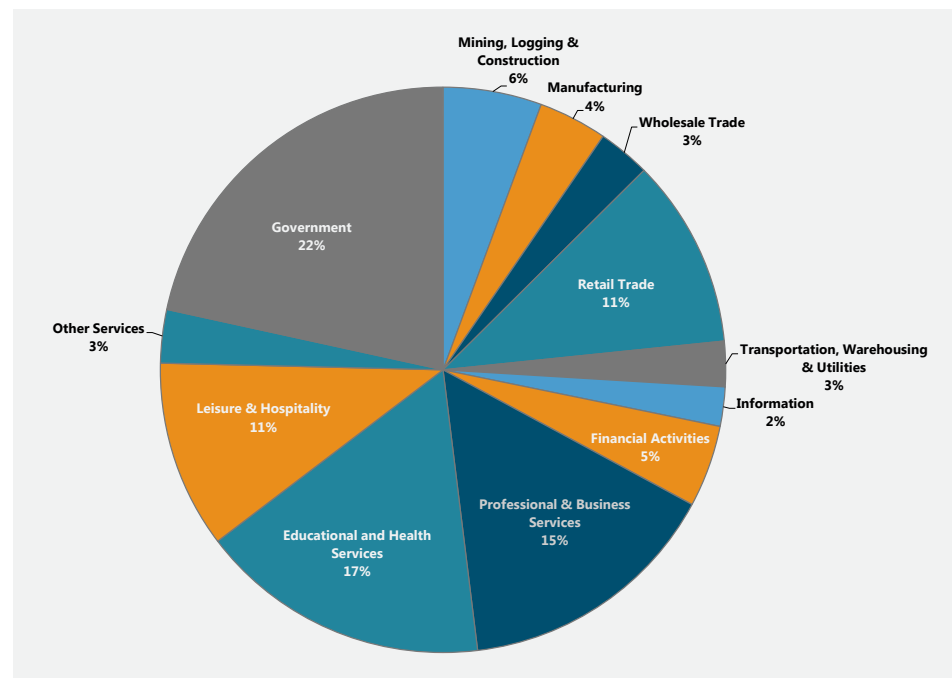
\*Kirtland's employment number includes active duty military, guard reserve, civil service and contract employees. Sandia National Laboratories employees are located at Kirtland Air Force Base, but employment number is shown separately.

### LABOR FORCE

The Albuquerque metro region maintains a substantial labor force in terms of both size and productivity. In July 2016, Albuquerque's labor force was approximately 419,917 with an unadjusted unemployment rate of 6.5 percent. Year over year, metro area nonfarm employment increase by 1.4 percent. Albuquerque metro accounts for 45 percent of the state's total employment.

Albuquerque metro's relatively young population combined with faster-than-average growth rate means continued availability of talent in the future. Furthermore, the region has a favorable ratio of residents in the key working-age group of 20-34 years. Estimates show that 19 percent of the population is in this key age bracket, compared to the national average of 18 percent.

### EMPLOYMENT INDUSTRY BY SECTOR (NOVEMBER 2016)



Numbers may not add to 100% due to rounding. Source: NM Department of Workforce Solutions, Economic Research & Analysis Bureau



## 900,000 AND GROWING

The Albuquerque metro area is growing. According to 2017 estimates, the metropolitan statistical area (MSA) population totals 909,364. Between 2000 and 2010, the metro population increased by 21.6 percent.

A large portion of the metro's growth has been in the northwest, especially within the community of Rio Rancho. Between 2000 and 2010, Rio Rancho grew by nearly 76 percent.

COUNTY	2010 CENSUS	2017 ESTIMATED POPULATION
Bernalillo (Albuquerque)	662,564	679,149
Sandoval (Rio Rancho)	131,561	139,045
Torrance (Moriarty)	16,383	15,454
Valencia (Belen, Los Lunas)	76,569	75,716
MSA population	887,077	909,364

Source: Chmura Economics & Analytics



## TOP 25 NEW AND EXPANDING COMPANIES

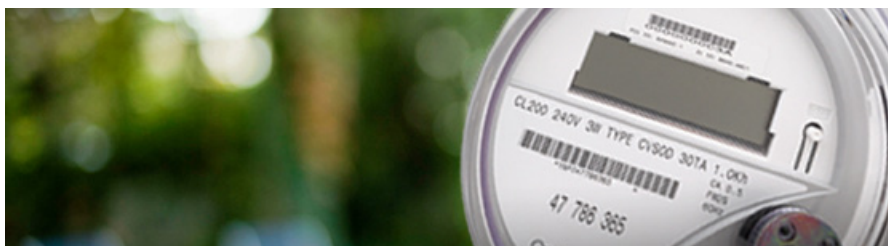
COMPANY	JOBS	PROJECTED
SolAero Technologies (Expansion)	100	2017
Keter Plastic	175	2017
Facebook Data Center	30 - 50	2017
Safelite Autoglass	900	2017
PCM	224	2016
Fidelity Investments (Expansions)	250 / 135	2016 / 2017
Skorpis Technologies, Inc. (Expansion)	300	2016
Rural Sourcing Inc.	125	2016
Lowe's Customer Service Center	500	2017
Local Union 611: International Brotherhood of Electrical Workers	200 - 250	2017
Affordable Solar	300	2017
El Pinto	25	2017
Amfabsteel Inc	43	2017
Phat Steel Inc	20	2017
Verizon Wireless	300	2016
Niagara Bottling	40	2016
UnityBPO	300	2016
Mako Medical Laboratories	100	2016
Sitel	350	2016
Molina Healthcare	160	2016
NORC at the University of Chicago	400	2016

## About Albuquerque

### ELECTRICITY

Albuquerque electricity is provided by the Public Service Company of New Mexico (PNM), an investor-owned electric utility. PNM serves about 100 communities in New Mexico. New Mexico has an abundant supply of electricity from a combination of coal-burning plants (primary), natural gas, hydropower, and petroleum sources.

PNM is able to supply reasonably priced, large quantities of electricity for residential and commercial use. The supply and relative low-cost of energy helps the Albuquerque MSA continue to develop and employ in all sectors of the economy. PNM also is able to maintain an excellent reliability record. Over the past ten years, they have maintained an average reliability rating of 99.986%.



### WATER

Albuquerque is in a great position to meet the community's future water demands. The Albuquerque Bernalillo County Water Utility Authority's (ABCWUA) award winning San Juan-Chama Drinking Water Project, coupled with other initiatives, has the community in an enviable spot.



### TELECOMMUNICATIONS

Albuquerque benefits from the use of digital technology by CenturyLink, Level(3), and Verizon. CenturyLink employs digital technology throughout most of its Albuquerque facilities with the local central office a 5ESS Digital Switch; Level(3) is 100% digitally switched. There are POPs throughout the metro area, most notably in the North I-25 Corridor and Downtown. There is a sonet ring around these areas.

Area telecommunications providers offer a variety of service plans, including DS 1, DS 3 and OC 3, and most have 24-hour technical support to respond to any system or circuit problem. Redundancy and rerouting are available (at an extra cost).

Albuquerque is also home to a data colocation facility ([www.bigbyte.cc](http://www.bigbyte.cc)). The 65,000 square foot building in the heart of Downtown offers 450 volts of electricity per square foot. Over 100 wired telecom cages are available to business networks.

### NATURAL GAS

Albuquerque's natural gas is provided by New Mexico Gas Company (NMGCO). Since New Mexico is the fourth largest gas producer in the United States and has the second largest reserves in the U.S., Albuquerque has an abundance of natural gas at costs among the lowest in the nation. NMGCO also offers large gas users the option of purchasing gas from a third party and transporting it over NMGCO lines.



## AIR TRANSPORTATION

Albuquerque International Sunport is served by eight major airlines and four regional airline service providers. Southwest Airlines is Albuquerque's largest carrier, handling a little more than 50 percent of the airport's 6.1 million passengers. Because of the city's temperate climate, the Sunport has reported just two temporary runway closures over the past 10 years due to inclement weather. The International Herald Tribune has recognized the Albuquerque International Sunport as the "least stressful" airport in the world, based on traveler responses assessing the services and experiences encountered at several airports around the world.

Albuquerque is served by major commercial carriers and also receives regular in-state service from Albuquerque to Carlsbad and Los Alamos via New Mexico Airlines as well as Albuquerque to Silver City via Boutique Air.

- Alaska Airlines
- American Airlines
- Allegiant Airlines
- Delta Airlines
- JetBlue Airways
- New Mexico Airlines
- Southwest Airlines
- United Airlines
- US Airways

Albuquerque International Sunport offers travelers nonstop service to twenty one out-of-state cities, including Chicago, New York City, Phoenix, Dallas, Los Angeles, Atlanta, and San Francisco. Starting in August of 2017, Albuquerque will be adding a daily, year-round direct flight to Portland, OR.



## HIGHWAY

Two major highways (I-25 and I-40) bisect the city, providing national access for business and industry in the city as well as for several motor freight companies operating in the Albuquerque area. New Mexico is a net-consumptive state, resulting in very competitive outgoing freight rates.

## RAIL

Albuquerque rail service includes one freight line and one passenger line. The Burlington Northern & Santa Fe Railway (BNSF) offers a north-south line that connects in Albuquerque and an east-west line which connects in Belen, located 40 miles south of Albuquerque. BNSF makes five trips daily between Albuquerque and Belen.

Amtrak provides rail passenger service throughout New Mexico. The east-west route between Chicago and Los Angeles passes through Albuquerque. Amtrak trains operate by contract over the Burlington Northern & Santa Fe tracks.

The New Mexico Rail Runner Express, a new light rail passenger commuter system, provides transportation from Belen (35 miles south of Albuquerque) to Santa Fe (60 miles north of Albuquerque).





# *Financials* 26



## SUMMARY OF CASH FLOW ASSUMPTIONS

The Financial Analysis of the Bank of America office property is based on a detailed analysis of budgeted operating expenses of the Property, considering the in-place lease. Additional information will be provided in the due diligence site or upon request. The projections and underlying assumptions presented in this Financial Analysis section represent an estimate by JLL as to the potential performance of the Property in the future. This projection is a result of a review of the Property's historical operations, discussions with ownership, market surveys and interviews with property managers who have experience managing similar properties in the area. The projections contained in this Offering Memorandum do not constitute a representation, warranty, or guarantee—by JLL or the owner—on the figures set forth herein or any economic value attributable to the Property or income derived by Ownership of the Property. The material set forth herein is subject to changes, errors, and omissions. Prospective investors are expected to perform their own review of the material and shall rely solely on their own examination and investigation.

### CASH FLOW PROJECTION <sup>1</sup>

	PRIMARY TERM					Renewal Period					
	PSF	1 Mar-20	2 Mar-21	3 Mar-22	4 Mar-23	5 Mar-24	6 Mar-25	7 Mar-26	8 Mar-27	9 Mar-28	10 Mar-29
<b>INCOME</b>											
Total Rental Income	\$11.61	\$891,660	\$905,035	\$918,611	\$932,390	\$946,376	\$960,572	\$974,980	\$989,605	\$1,004,449	\$1,019,516
Insurance Reimbursements	\$0.15	11,515	11,515	11,515	11,515	11,515	11,515	11,515	11,515	11,515	11,515
<b>TOTAL REVENUE</b>	<b>\$11.76</b>	<b>\$903,175</b>	<b>\$916,551</b>	<b>\$930,126</b>	<b>\$943,905</b>	<b>\$957,891</b>	<b>\$972,087</b>	<b>\$986,495</b>	<b>\$1,001,120</b>	<b>\$1,015,964</b>	<b>\$1,031,031</b>
<b>EXPENSES <sup>2</sup></b>											
Insurance <sup>3</sup>	\$0.15	11,515	11,515	11,515	11,515	11,515	11,515	11,515	11,515	11,515	11,515
<b>TOTAL OPERATING EXPENSES</b>	<b>\$0.15</b>	<b>\$11,515</b>	<b>\$11,515</b>	<b>\$11,515</b>	<b>\$11,515</b>	<b>\$11,515</b>	<b>\$11,515</b>	<b>\$11,515</b>	<b>\$11,515</b>	<b>\$11,515</b>	<b>\$11,515</b>
<b>NET OPERATING INCOME</b>	<b>\$11.61</b>	<b>\$891,660</b>	<b>\$905,035</b>	<b>\$918,611</b>	<b>\$932,390</b>	<b>\$946,376</b>	<b>\$960,572</b>	<b>\$974,980</b>	<b>\$989,605</b>	<b>\$1,004,449</b>	<b>\$1,019,516</b>

<sup>1</sup> Cash flow assumes renewal upon primary term expiration; renewal is FMV rental rate estimated to be a continuation of rent in the option periods with 1.5% annual increases. Analysis start: 4/1/2019

<sup>2</sup> Tenant self-manages the Property and pays all CAM/operating expenses directly

<sup>3</sup> Insurance is reimbursable by tenant; currently, ownership self-insures across portfolio and does not seek reimbursement; \$0.15 psf used as estimate

## RENT SCHEDULE

Term	Begin date	End date	Annual rent	Monthly	Per square foot	% increase
<b>Renewal</b>	8/1/2018	7/31/2019	\$882,832	\$73,569.33	\$11.50	-
<b>Renewal</b>	8/1/2019	7/31/2020	\$896,074	\$74,672.87	\$11.67	1.5%
<b>Renewal</b>	8/1/2020	7/31/2021	\$909,516	\$75,792.97	\$11.85	1.5%
<b>Renewal</b>	8/1/2021	7/31/2022	\$923,158	\$76,929.86	\$12.03	1.5%
<b>Renewal</b>	8/1/2022	10/31/2023	\$937,006	\$78,083.81	\$12.21	1.5%
<b>Option 1</b>	11/1/2023	10/31/2028	FMV	FMV	FMV	FMV
<b>Option 2</b>	11/1/2028	10/31/2033	FMV	FMV	FMV	FMV
<b>Option 3</b>	11/1/2033	10/31/2038	FMV	FMV	FMV	FMV
<b>Option 4</b>	11/1/2038	10/31/2043	FMV	FMV	FMV	FMV
<b>Option 5</b>	11/1/2043	10/31/2048	FMV	FMV	FMV	FMV
<b>Option 6</b>	11/1/2048	10/31/2053	FMV	FMV	FMV	FMV

Note: FMV = Fair market value rent. See lease abstract





## LEASE ABSTRACT

Criteria	Content
<b>Tenant</b>	Bank of America , N.A.
<b>Building size (square feet)</b>	76,762 SF
<b>Parcel size (acres)</b>	14.02 acres
<b>Lease execution date</b>	7/14/2008
<b>Commencement date</b>	7/14/2008
<b>Current term</b>	First renewal option
<b>Renewal commencement date</b>	8/1/2018
<b>Renewal lease term (years)</b>	5.25 years
<b>Current term expiration date</b>	10/31/2023
<b>Early termination right</b>	None
<b>Lease type</b>	NNN
<b>Rental increases</b>	1.50%
<b>LEED certification</b>	Tenant has the right but not the obligation to pursue LEED certification of the building
<b>Estoppel</b>	30 days from receipt of request
<b>Renewal options</b>	6 x 5 years (lease is vague as to whether 5 or 6 renewal terms remain)
<b>Renewal option rent</b>	Renewal rent shall be at Fair Market Value Rent. Tenant and Landlord shall work in good faith to determine the Fair Market Value Rental Rate. If they cannot agree, then the rent shall be determined by three independent MAI appraisers
<b>Renewal option notification</b>	Tenant must provide renewal notification at least 365 days prior to the lease expiration.
<b>Right of first refusal to purchase</b>	Tenant has a 10 day purchase right of first refusal from accepted offer / contract.
<b>Net lease</b>	It is the intent that the Base Rent payable under this lease shall be an absolutely net return to Landlord and that Tenant shall pay all costs and expenses relating to the Premises and the business carried on therein, unless otherwise expressly provided to the contrary in this lease. Base rent and any additional rent shall be paid by Tenant without notice or demands, setoff, counterclaim, abatement, suspension, deduction, or defense.
<b>Operating expenses</b>	Tenant shall pay when due, and save Landlord harmless from and against, any and all costs, charges and expenses attributable to the Project, including but not limited to ... real property taxes, insurance premiums, utility expenses, carrying charges, costs, expenses and obligations of every kind and nature whatsoever, general and special, ordinary and extraordinary, foreseen and unforeseen...
<b>Management, repair &amp; maintenance</b>	Tenant shall manage, operate, maintain, and repair the Project in accordance with this lease and shall pay all costs. Landlord shall have no obligation or liabilities whatsoever to the management, operations, maintenance or repair of the Project during the term of this lease.

## LEASE ABSTRACT

Criteria	Content
<b>Insurance - tenant</b>	<p>Tenant shall have the following insurance obligations:</p> <ul style="list-style-type: none"> <li>- Liability</li> <li>- Tenant's Property Insurance</li> </ul>
<b>Insurance - landlord</b>	<p>Landlord shall have the following insurance obligations:</p> <ul style="list-style-type: none"> <li>- Fire and hazard special policy</li> <li>- Should include loss of rental income for one (1) year.</li> </ul> <p>Tenant shall reimburse Landlord for such premiums within thirty (30) days of Tenant's receipt of invoice and evidence.</p>
<b>Landlord capital items</b>	<ol style="list-style-type: none"> <li>1. Parking Area replacement/resurfacing</li> <li>2. Roof replacement to be commenced promptly after the Commencement Date</li> <li>3. HVAC replacement</li> </ol> <p>Landlord will be responsible for reimbursement. Tenant shall be responsible for making any or causing to make any Landlord Capital Item. Tenant will provide notice to Landlord and Landlord (acting reasonably) shall provide its acceptance or rejection of the item, contractor, or manner of work.</p>
<b>Tenant structural improvements obligations to repair</b>	<p>Tenant shall, at Tenant's sole cost and expense (except as otherwise expressly set forth in Section 8, kept the Building, Building Systems, Building Structure and the rest of the Premises in good condition during the Term and any Renewal Term in accordance in all material respects with all Applicable Laws (Landlord and Tenant acknowledge that this standard shall not require that the Premises be maintained in the condition existing on the date of this lease).</p>
<b>Tenant improvements - treatment at end of lease</b>	<p>All Alterations and any Tenant Improvements made by or for Tenant, which are permanent in character and permanently attached to the Building, whether by Landlord or Tenant, shall be Landlord's property, and upon the expiration of the Term or termination of this lease, shall be surrendered to Landlord in good condition</p>

## TAXABLE INDUSTRIAL DEVELOPMENT REVENUE BOND (IRB). SERIES B MORTGAGE AND INDENTURE

<b>Parties</b>	<p>City of Rio Rancho, New Mexico ("Issuer").</p> <p>NationsBank (subsequently acquired by Bank of America) ("Series B Purchaser").</p> <p>NationsBank of Tennessee (subsequently acquired by Bank of America) ("Trustee").</p>
<b>Effective date</b>	May 1, 1998
<b>Expiration date</b>	May 21, 2023
<b>Purpose</b>	allows Bank of America to avoid paying property taxes. Bank of America is responsible for all costs of the bond and it was issued to avoid paying property taxes for an extended time period.
<b>Rio Rancho lease</b>	<p>Landlord and Tenant acknowledge that during the term of the Rio Rancho Lease no real property taxes are imposed on, assessed against or allocated to the Project by any taxing authority. During the term of the Rio Rancho Lease, this lease is a sublease. Automatically upon expiration or termination of the Rio Rancho Lease, this Lease shall be a primary lease of the Project. During the Term, Bank of America shall perform all of Landlord's obligations under the Rio Rancho Lease, including the obligation to pay any payments thereunder.</p>



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