



Subject Property

Confidential Offering Memorandum

Wells Fargo Bank, N.A.

220 Wildwood Pkwy | Homewood (Birmingham), AL 35209

 **Stan Johnson Co.**
THE NET LEASE AUTHORITY®

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Confidentiality and Restricted Use Agreement

This Confidential Offering Memorandum ("COM") is provided by Stan Johnson Company ("SJC"), solely for your consideration of the opportunity to acquire the commercial property described herein (the "Property"). This COM may be used only as stated herein and shall not be used for any other purpose, or in any other manner, without prior written authorization and consent of SJC.

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The Property may be financed or withdrawn from the market without notice, and its owner(s) reserve(s) the right to negotiate with any number of interested parties at any time. The Property is offered and sold by its owner(s) as is, where is, and with all faults, without representation or warranty of any kind except for any customary warranties of title.

BY ACCEPTING THIS COM, YOU AGREE THAT: (1) all information contained herein, and all other information you have received or may hereafter receive from SJC relating to the Property, whether oral, written or in any other form (collectively, the "Information"), is strictly confidential; (2) you will not copy or reproduce, and claim as your own without attribution to SJC, all or any part of this COM or the Information; (3) upon request by SJC at any time, you will return and/or certify your complete destruction of all copies of this COM and the Information; (4) for yourself and all your affiliates, officers, employees, representatives, agents and principals, you hereby release and agree to indemnify and hold harmless SJC all of its affiliates, officers, employees, representatives, agents and principals, from and with respect to any and all claims and liabilities arising from or related to the receipt or use of this COM and/or any other Information concerning the Property; (5) you will not provide this COM or any of the Information to any other party unless you first obtain such party's acceptance and approval of all terms, conditions, limitations and agreements set forth herein, as being applicable to such party as well as to you; and (6) monetary damages alone will not be an adequate remedy for a violation of these terms and that SJC shall be entitled to equitable relief, including, but not limited to, injunctive relief and specific performance, in connection with such a violation and shall not be required to post a bond when obtaining such relief.



Section One

About the Investment



The Offering

Stan Johnson Company is pleased to exclusively offer for sale to qualified investors, the opportunity to purchase a fee-simple interest in the Wells Fargo Office property located at 220 Wildwood Parkway in Homewood (Birmingham), AL (the “Property”). The 180,856 SF building is roughly 5 miles south of Birmingham, AL, located minutes from exit 255 on I-65. It is positioned on 8.42 acres and features both a surface parking lot and a parking garage structure. Wells Fargo is operating under a twelve-year base lease that has eleven years of term remaining, followed by two, five-year renewal option periods. The NNN lease features annual increases of 2% and Landlord responsibility limited to capital expenditures for the roof, structure, HVAC and building systems.

Wells Fargo’s real estate department rarely commits to an initial lease term exceeding 10 years, making the 12-year term on this lease an exceptional display of the tenant’s confidence and dedication to this location.

In 2002, the Property was built as part of a 45-acre campus comprised of three buildings: 200, 210, and 220 Wildwood Parkway. The 591,000 rentable square feet of Class-A office space was originally developed as the regional headquarters for SouthTrust Bank, which has since been acquired by Wells Fargo. The Property has been tenanted by predecessor banks of Wells Fargo since construction. In 2008 the campus was transferred via multiple bank mergers before Wells Fargo took ownership. Wells Fargo demonstrated their long-term commitment to the location with a sale-leaseback for the entirety of the space at 220 Wildwood Parkway.

The Property is 100% leased to **Wells Fargo Bank, N.A. (S&P: A+/Stable)**, a leading multinational financial services company with \$1.9 trillion in assets. Servicing approximately 70 million customers, Wells Fargo’s vision is to satisfy customers’ financial needs and help them succeed financially. Wells Fargo Bank, N.A. is a wholly-owned subsidiary of **Wells Fargo & Company (NYSE: WFC)**. As of March 31, 2018, Wells Fargo & Company reported total revenue of more than \$25 billion, net income of \$5.1 billion, and net worth of \$276.7 billion.

The Property is located within Patriot Midtown Park, Birmingham’s newest suburban office park. Located off Lakeshore Parkway, the Property sits minutes from exit 255 on I-65, providing convenient access to downtown Birmingham, vibrant universities, major corporations and a number of exceptional amenities and attractions. The Property is equipped with state-of-the-art conference facilities, a full-scale cafeteria, along with being recently modernized with lobby upgrades, restroom renovations, exterior enhancements, and the construction of a fitness center.

Call for Offers: Due Wed. Oct 24 by 5PM

Property Summary	
Location	220 Wildwood Parkway Homewood, AL 35209
Property Type	Class-A Office Building
Total Building Size	180,856 SF
Lot Size	8.42 AC
Year Built	2002
Tenant	Wells Fargo Bank, N.A.
Lease Type	NNN
Lease Term Remaining	11+ years
Rental Increase	2.00% annually

Offering Summary	
Current NOI	\$2,198,847
Ownership Interest	Fee Simple
Encumbrances	None; Delivered Free and Clear

Demographics			
	1 mile	3 miles	5 miles
2017 Population	6,819	72,571	187,935
2017 Total Households	2,921	31,150	79,537
2017 Average HHI	\$71,349	\$75,064	\$75,448

Lease Abstract

Tenant	Wells Fargo Bank, National Association
Address	Wildwood Parkway, Building 220 Homewood, AL
Building Size (SF)	180,856
Lot Size (Acres)	8.42
Year Built	2002
Lease/Rent Commencement	August 15, 2017
Lease/Rent Expiration	August 14, 2029
Base Lease Term	12 years
Base Lease Term Remaining	11+ years
Annual Base Rent	\$2,150,957
Rent Increases	2.00%
Renewal Options	2 x 5-year options
Renewal Notice	365 days
Option Increases	Rent in option periods based on fair market value charged by Landlord for leases for comparable office space in the Building or, for comparable space in Class "A" office buildings in the Birmingham, Alabama market.
Lease Type	NNN
Landlord Responsibilities	Landlord shall maintain, repair, and replace all exterior and structural portions of the Building, all Common Areas, the roof and foundation, all electrical, plumbing, sewer, mechanical and HVAC systems, all lighting, and janitorial services.
Insurance/Taxes/CAM	Tenant reimburses Landlord for pro rata share.
Utilities	Tenant reimburses Landlord for pro rata share, or pays utility provider directly.
Assignment/Sublet	In the case of a sublease, Tenant shall pay Landlord fifty percent (50%) of the amount by which the gross rents payable to Tenant under the sublease are in excess of the gross rents which Tenant is required to pay under this Lease.
Estoppel	15 business days
Parking	814 spaces; 707 spaces located in parking garage, and remainder on surface parking lot(s)
Encumbrances	None; Delivered Free and Clear

Rent Schedule

Rent Schedule						NOI Calculation	
Years	Dates	Annual Rent	Monthly Rent	RPSF	Increase	Annual Management Fee	NOI
1	8/15/2017 - 8/14/2018	\$2,108,781	\$175,732	\$11.66	-	-	-
2	8/15/2018 - 8/14/2019	\$2,150,957	\$179,246	\$11.89	2.00%	\$47,890	\$2,198,847
3	8/15/2019 - 8/14/2020	\$2,193,976	\$182,831	\$12.13	2.00%	\$48,535	\$2,242,511
4	8/15/2020 - 8/14/2021	\$2,237,855	\$186,488	\$12.37	2.00%	\$49,194	\$2,287,049
5	8/15/2021 - 8/14/2022	\$2,282,612	\$190,218	\$12.62	2.00%	\$49,865	\$2,332,477
6	8/15/2022 - 8/14/2023	\$2,328,265	\$194,022	\$12.87	2.00%	\$50,550	\$2,378,815
7	8/15/2023 - 8/14/2024	\$2,374,830	\$197,902	\$13.13	2.00%	\$51,248	\$2,426,078
8	8/15/2024 - 8/14/2025	\$2,422,327	\$201,861	\$13.39	2.00%	\$51,961	\$2,474,287
9	8/15/2025 - 8/14/2026	\$2,470,773	\$205,898	\$13.66	2.00%	\$52,688	\$2,523,461
10	8/15/2026 - 8/14/2027	\$2,520,189	\$210,016	\$13.93	2.00%	\$53,429	\$2,573,618
11	8/15/2027 - 8/14/2028	\$2,570,592	\$214,216	\$14.21	2.00%	\$54,185	\$2,624,777
12	8/15/2028 - 8/14/2029	\$2,622,004	\$218,500	\$14.50	2.00%	\$54,782	\$2,676,786
13-17 (Option 1)	8/15/2029 - 8/14/2034	FMV	-	-	-	-	-
18-22 (Option 2)	8/15/2034 - 8/14/2039	FMV	-	-	-	-	-



Unique Property Attributes



Class-A Building



100% Occupancy

By Investment-Grade Tenant



11+ Year Term



Birmingham MSA



Attractive

Rental Escalations



Superior

Access & Amenities



Strong Local Demos

187,000 Residents
\$75,448 AHI w/in 5 Mi

Investment Highlights

Long-Term Lease With Annual Rental Escalations

The lease features 11 years of remaining lease term with 2% annual rental escalations, offering investors a hedge against inflation.

Investment Grade Tenant

The investment is 100% leased by Wells Fargo Bank, N.A., the third largest bank in America with over \$1.9 trillion in assets. Wells Fargo & Company services over 70 million customers via more than 9,000 locations, 13,000 ATMs, online and mobile banking, and in offices covering 42 countries and territories.

Class-A Building

The Property recently underwent capital improvements including lobby and restroom renovations, exterior enhancements and upgrades to the training facilities, in order to maintain the highest corporate standards.

Superior Access & Amenities

Occupying a coveted location at the corner of Interstate 65 and Lakeshore Parkway, the Property is adjacent to the most desired tenant amenities including Wildwood Center, Brookwood Village, and Summit Shopping Center.

Strong Demographics

The Property serves the growing Midtown submarket that has strong demographics within a 5-mile radius including 187,000 residents with an annual median household income of \$75,448.

Commitment to Site

Wells Fargo agreed to a long-term sale-leaseback that resulted in 100% occupancy of Building 220, indicating the tenant's commitment to the success of this location.

Birmingham MSA

The Property is located just south of the largest city in Alabama and is part of the Birmingham MSA, which has consistently been rated as one of America's best places to work and earn a living based on the area's competitive salary rates and relatively low living expenses.

Section Two

Property Overview



220 Wildwood Parkway

Property Summary

Property Type	Class-A Office
Occupancy	100%
Gross Office Building Size	180,856 SF
Lot Size (Acres)	8.42 Acres
Year Built	2002
Building Allocation (SF)	Office - 100%
Parking Garage	707 parking stalls
Adjacent Surface Parking	107 parking stalls
Parcel ID	29-00-23-3-001-001.006
Ownership Interest	Fee Simple
Encumbrances	None; Delivered Free & Clear

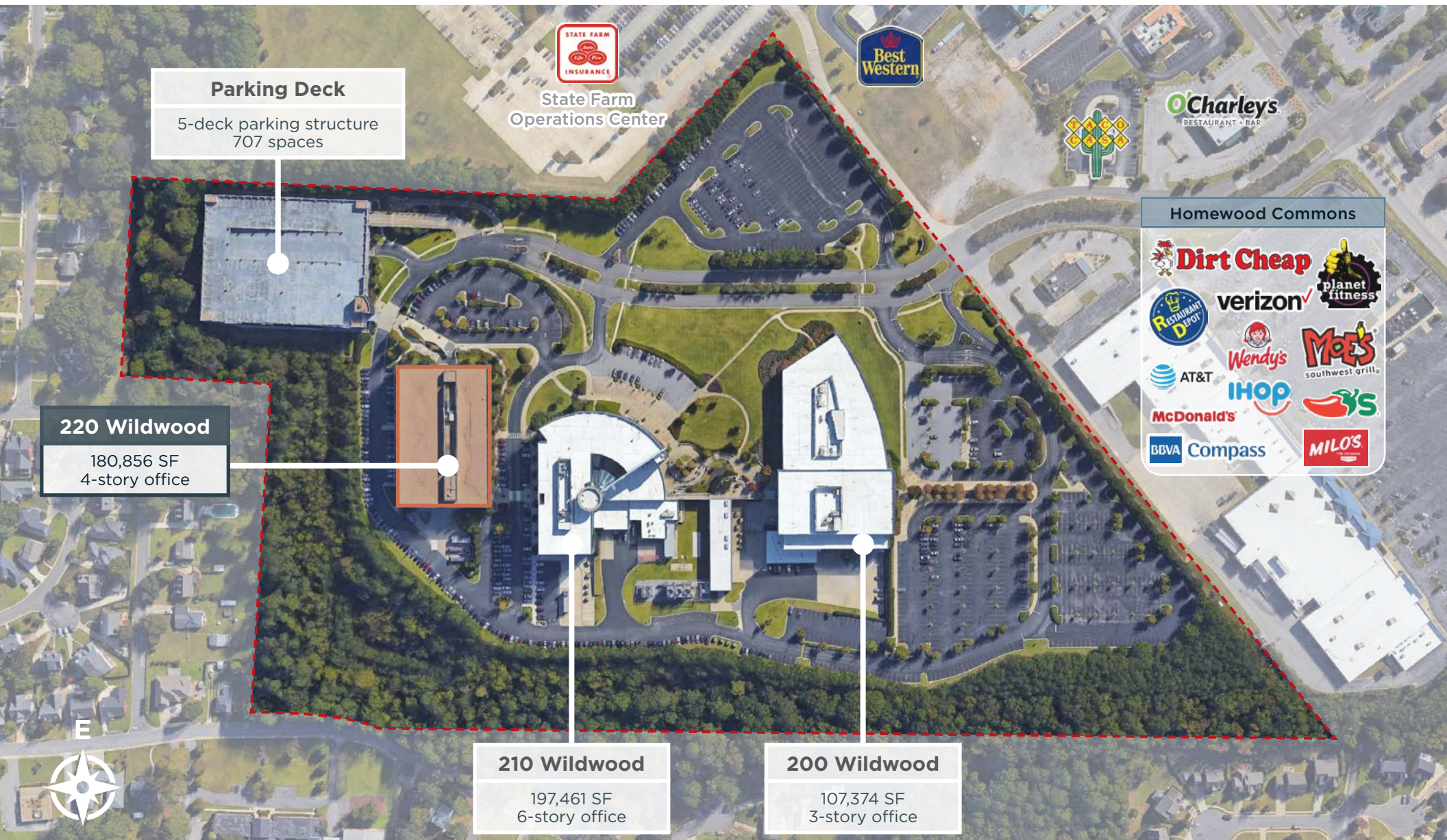


Subject Property



Lakeshore Parkway

Wells Fargo | Campus Overview



10-Year Cash Flow Analysis

Investment Year	1	2	3	4	5	6	7	8	9	10
Year Ending	31-Aug-2019	31-Aug-2020	31-Aug-2021	31-Aug-2022	31-Aug-2023	31-Aug-2024	31-Aug-2025	31-Aug-2026	31-Aug-2027	31-Aug-2028
Scheduled Base Rent	\$2,150,957	\$2,193,976	\$2,237,855	\$2,282,612	\$2,328,265	\$2,374,830	\$2,422,327	\$2,470,773	\$2,520,189	\$2,570,592
Management Fee	\$47,890	\$48,535	\$49,194	\$49,865	\$50,550	\$51,248	\$51,961	\$52,688	\$53,429	\$54,185
Net Operating Income	\$2,198,847	\$2,242,511	\$2,287,049	\$2,332,477	\$2,378,815	\$2,426,078	\$2,474,287	\$2,523,461	\$2,573,618	\$2,624,777
Rental Increases	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%
Unleveraged Return										
Equity Requirement	(\$36,650,000)									
Disposition Proceeds										
Net Cash Flows	(\$36,650,000)	\$2,198,847	\$2,242,511	\$2,287,049	\$2,332,477	\$2,378,815	\$2,426,078	\$2,474,287	\$2,523,461	\$2,573,618
Cumulative Cash Flow	\$2,198,847	\$4,441,358	\$6,728,407	\$9,060,884	\$11,439,699	\$13,865,777	\$16,340,065	\$18,863,525	\$21,437,143	\$24,010,761
Capitalization Rate	6.00%	6.12%	6.24%	6.36%	6.49%	6.62%	6.75%	6.89%	7.02%	7.16%
Cumulative Return (Pre-Sale)	6.00%	12.12%	18.36%	24.72%	31.21%	37.83%	44.58%	51.47%	58.49%	65.65%
Average Capitalization Rate	6.57%									
Equity Realization Multiple	1.61									
Cash Flow After Debt Service										
Net Operating Income	\$2,198,847	\$2,242,511	\$2,287,049	\$2,332,477	\$2,378,815	\$2,426,078	\$2,474,287	\$2,523,461	\$2,573,618	\$2,624,777
Debt Service	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500
Principal	-	-	-	-	-	-	-	-	-	-
Interest	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500	\$1,099,500
Loan Balance	\$21,990,000	\$21,990,000	\$21,990,000	\$21,990,000	\$21,990,000	\$21,990,000	\$21,990,000	\$21,990,000	\$21,990,000	\$21,990,000
Cash Flow After Debt Service	\$1,099,347	\$1,143,011	\$1,187,549	\$1,232,977	\$1,279,315	\$1,326,578	\$1,374,787	\$1,423,961	\$1,474,118	\$1,525,277
Leveraged Return										
Equity Requirement	(\$14,660,000)									
Disposition Proceeds										
Free Cash Flow	\$1,099,347	\$1,143,011	\$1,187,549	\$1,232,977	\$1,279,315	\$1,326,578	\$1,374,787	\$1,423,961	\$1,474,118	\$1,525,277
Net Cash Flow	(\$14,660,000)	\$1,099,347	\$1,143,011	\$1,187,549	\$1,232,977	\$1,279,315	\$1,326,578	\$1,374,787	\$1,423,961	\$1,474,118
Cumulative Cash Flow	\$1,099,347	\$2,242,358	\$3,429,907	\$4,662,884	\$5,942,199	\$7,268,777	\$8,643,565	\$10,067,525	\$11,541,643	\$13,065,761
Cash on Cash (Pre-Sale)	7.50%	7.80%	8.10%	8.41%	8.73%	9.05%	9.38%	9.71%	10.06%	10.40%
Cumulative Return (Pre-Sale)	7.50%	15.30%	23.40%	31.81%	40.53%	49.58%	58.96%	68.67%	78.73%	89.13%
Average Cash on Cash (Pre-Sale)	8.91%									
Equity Realization Multiple	1.79									
Pre-Tax IRR	7.99%									

Acquisition Assumptions	
Acquisition Date	1-Sep-2018
Acquisition Capitalization Rate	6.00%
Acquisition Price	\$36,650,000
NOI	\$2,198,847

Disposition Assumptions	
Disposition Capitalization Rate	7.25%
Disposition Price	\$36,203,826
NOI	\$2,624,777
Sale Expenses (3% of Disposition Price)	\$1,086,115
Loan Payoff	\$21,990,000
Net Proceeds from Disposition	\$13,127,711

Financing Assumptions	
Loan-to-Value	60.00%
Equity Requirement	\$14,660,000
Initial Loan Amount	\$21,990,000
Interest Rate	5.00%
Term	10
Amortization	Interest Only
Monthly Payment	\$91,625.00
Annual Payment	\$1,099,500
Loan Constant	5.00%
Debt Coverage Ratio	2.00

Section Three

Tenant Information



Subject Property

Tenant Overview



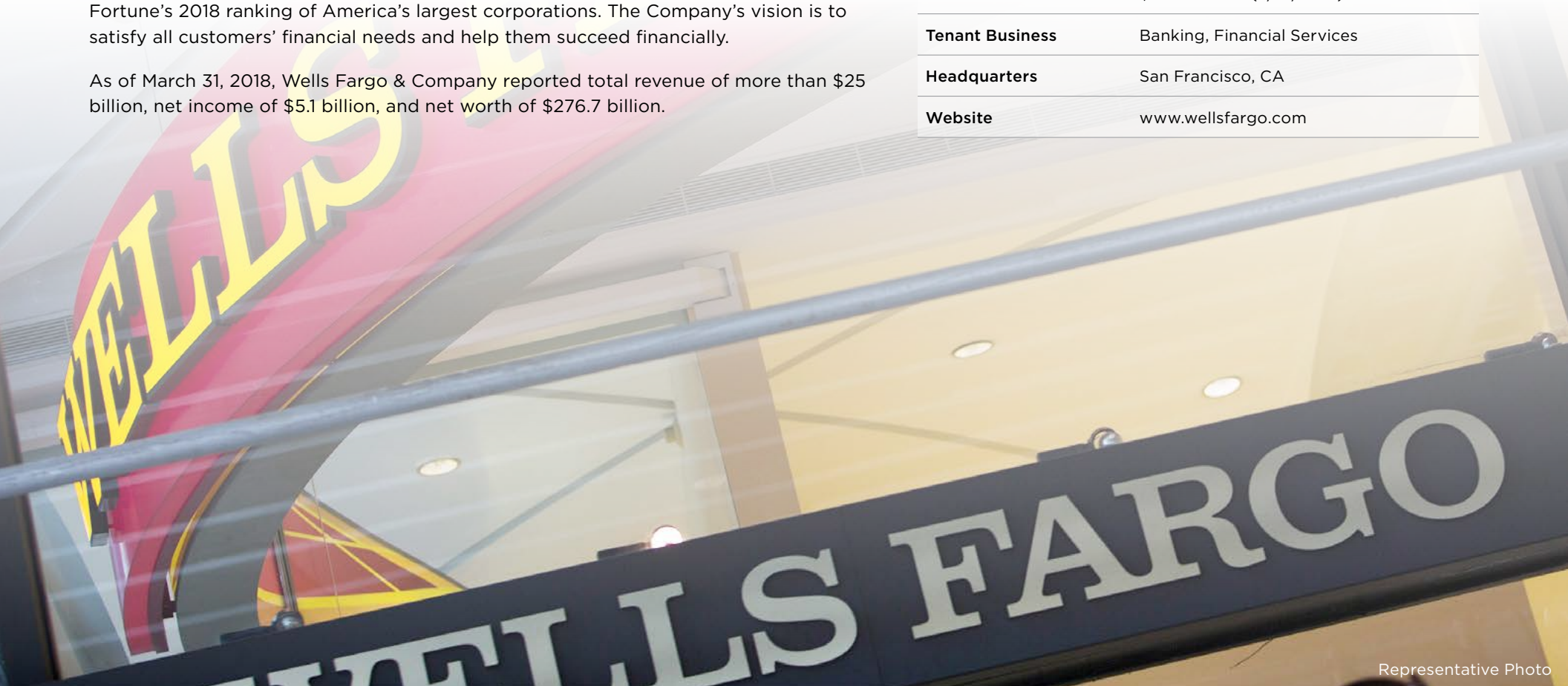
Wells Fargo & Company (NYSE: WFC) is a nationwide, diversified, community-based financial services company with \$1.9 trillion in assets. Founded in 1852 and headquartered in San Francisco, Wells Fargo provides banking, insurance, investments, mortgage, and consumer and commercial finance through more than 9,000 locations, 13,000 ATMs, online and mobile banking, and has offices in 42 countries and territories to support customers who conduct business in the global economy.

With approximately 265,000 team members, Wells Fargo serves one in three households in the United States. Wells Fargo & Company was ranked No. 26 on Fortune's 2018 ranking of America's largest corporations. The Company's vision is to satisfy all customers' financial needs and help them succeed financially.

As of March 31, 2018, Wells Fargo & Company reported total revenue of more than \$25 billion, net income of \$5.1 billion, and net worth of \$276.7 billion.

Tenant Profile

Stock Symbol	NYSE: WFC
Credit Rating	S&P: A+/Stable (Wells Fargo Bank, N.A.)
No. of Locations	9,000 (13,000 ATMS)
Total Revenue	\$25 billion (3/31/2018)
Net Worth	\$276.7 billion (3/31/2018)
Tenant Business	Banking, Financial Services
Headquarters	San Francisco, CA
Website	www.wellsfargo.com



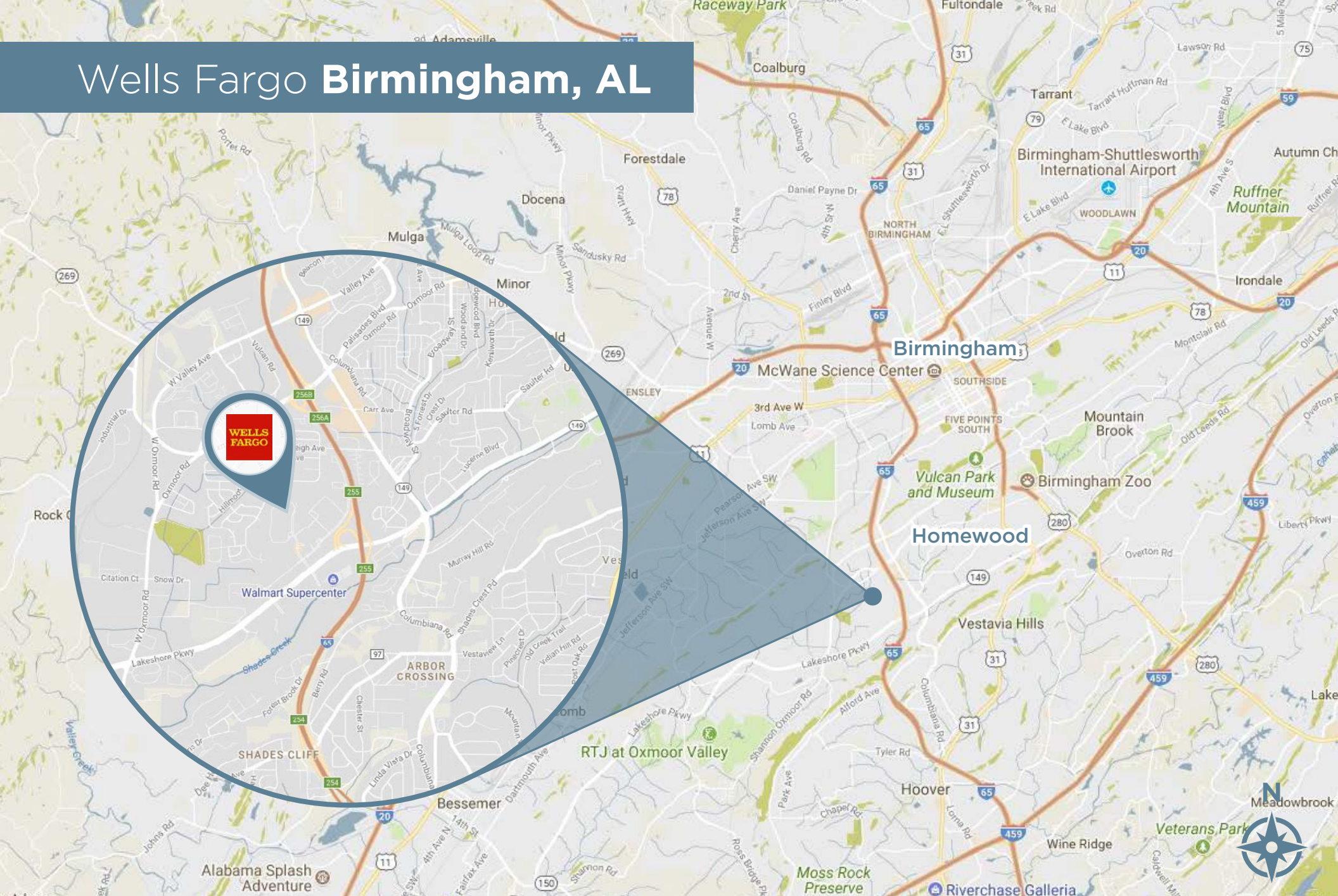
Representative Photo

Section Four

Location Overview



Wells Fargo **Birmingham, AL**



Palisades Shopping Center

HIBBETT SPORTS
ZAXBY'S
Badcock
Walmart
Rainbow
Enterprise

Edgemont Town Center

Publix
GameStop
PET SUPPLIES PLUS
UPS
SALLY BEAUTY SUPPLY
Pizza Hut

SAMFORD UNIVERSITY
5,500+ STUDENTS

State Farm
STATE FARM OPERATIONS CENTER

Wildwood Centre

HOBBY LOBBY
sears outlet
KFC FASHION
TACO BELL
Sally Beauty Supply
Taco Bell

WELLS FARGO

JOHN CARROLL CATHOLIC HIGH SCHOOL
+/- 580 STUDENTS

OXMOOR INDUSTRIAL PARK

WEST HOMEWOOD PARK



Location Overview

Birmingham is the county seat of Jefferson County and the largest city in Alabama with a population of 210,710. According to the U.S. Census Bureau, the Birmingham-Hoover MSA is the 48th largest Metropolitan Statistical Area in the United States and is projected to grow to 1,175,000 people by 2020, which equates to a 0.5% average annual increase. The Birmingham metropolitan area has consistently been rated as one of America's best places to work and earn a living based on the area's competitive salary rates and relatively low living expenses.

The Birmingham area serves as headquarters to one Fortune 500 company: Regions Financial, along with five other Fortune 1000 companies. Birmingham is also a leading banking center, serving as home to two major banks: SouthTrust and BBVA Compass. The Birmingham metropolitan area has consistently been rated as one of America's best places to work and earn a living based on the area's competitive salary rates and relatively low living expenses. As the year progresses and Alabama's economic climate continues to strengthen, commercial leasing activity is expected to remain healthy throughout the year as businesses continue to lease new space. Additionally, there are several mixed-use, hotel, and multi-family development projects currently underway in Birmingham's CBD, increasing excitement and momentum for the office market as a whole.

Homewood is located in the Midtown submarket, roughly 5 miles south of Birmingham, AL. With an estimated population of just over 25,000, the upscale area is home to an abundance of local and national restaurants and retailers. The city is the home of Samford University, Alabama's top-ranked private university and the third ranking southeastern regional university per U.S. News & World Report.

Homewood provides an abundance of employment opportunities as it contains the State Farm and Wells Fargo operations centers. The city also recently became home of the new 100,000-square-foot headquarters of ServisFirst Bank, which opened late last year.

Birmingham Accolades

- **#1 City for Millennial Entrepreneurs**

Thumbtack, September 2015

- **America's Most Affordable City in 2015**

Forbes, March 2015

- **20th Best Metro Area for STEM Professionals**

WalletHub, January 2016

- **One of 11 Next Great Destinations in 2016**

Travel Channel, January 2016

- **Top 5 Best Places in the U.S. to Visit in 2016**

Lonely Planet, February 2016

- **Top 10 Happiest Cities in Which to Work**

Forbes, January 2015

- **One of the Best Cities to Find a Startup Job**

ZipRecruiter, February 2015

Downtown Birmingham Alabama





Subject Property Photos





Subject Property Photos



Demographics



Population

	1 mile	3 miles	5 miles
2017 Population	6,819	72,571	187,935 Sylvestria Springs
2022 Population	7,000	74,136	191,797
2010-2017 Annual Rate	0.65%	0.40%	0.45%
2017-2022 Annual Rate	0.53%	0.43%	0.41%
2017 Median Age	33.4	34.3	36.4



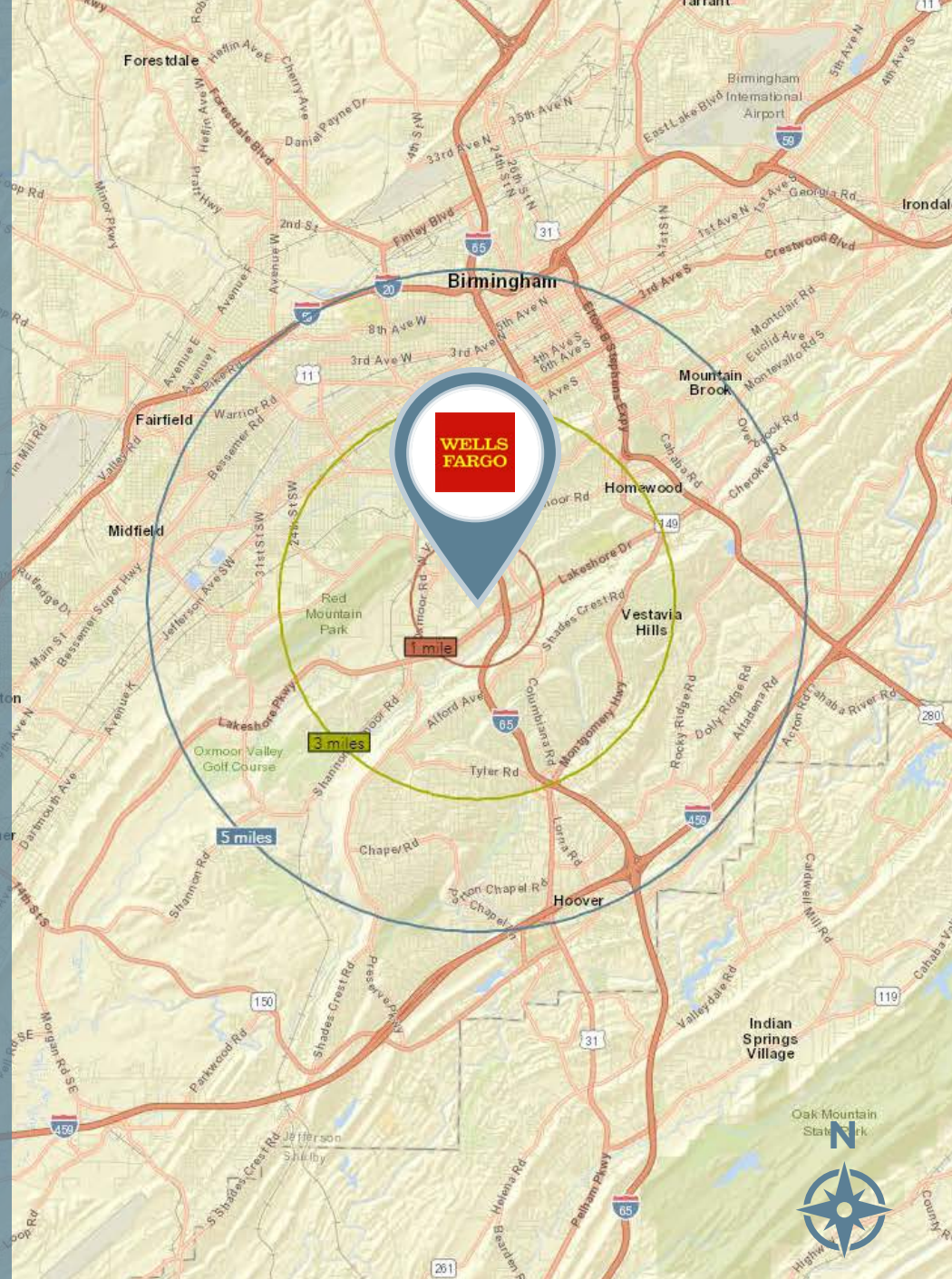
Households

2017 Total Households	2,921	31,150	79,537
2022 Total Households	2,995	31,782	81,245
2010-2017 Annual Rate	0.53%	0.29%	0.43%
2017-2022 Annual Rate	0.50%	0.40%	0.43%



Household Income

2017 Average Household Income	\$71,349	\$75,064	\$75,448
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