



Bank of America



Bank of America

*3881 Richmond Avenue
Staten Island, NY 10312*

Confidential Offering Memorandum



The background of the entire page is a high-angle photograph of a city skyline at sunset. The sun is low on the horizon, casting a warm, orange and pink glow over the buildings. The buildings are densely packed, with many windows illuminated from within. In the center, a prominent building has a red "H&M" sign on its facade. The sky is a mix of soft pinks and purples, and the water of a harbor is visible in the distance.

*Investment Summary
& Property Overview*

Bank Of America 15-Year Net Lease

JLL is pleased to offer for sale the fee simple interest in a single-tenant, freestanding Bank of America (the “Property” or “Asset”) located in Staten Island, New York. Situated at the intersection of Amboy Road and Richmond Avenue, the Asset is subject to an absolute triple net (“NNN”) lease to Bank of America, National Association (the “Tenant”), a wholly owned subsidiary of Bank of America Corporation, which carries an investment grade ‘A+’ rating from S&P credit rating agency. The Property is strategically positioned proximate to both the Eltingville Shopping Center and the Eltingville Train Station, benefiting from commuter and local traffic in the area. This offering represents an exceptional opportunity to acquire an asset located in an area boasting impressive population density surrounded by rational retailers, leased to one of the premier tenants in the net lease investment market.

15 YEARS ABSOLUTE NNN
LEASE WITH NO LANDLORD
RESPONSIBILITIES

15% RENTAL INCREASES RESULT
IN AN ANNUAL RENTAL GROWTH
RATE (CAGR) OF 2.12%

HIGH RETAIL VISIBILITY
& TRANSIT ORIENTED
LOCATION

GROWING DEPOSIT BASE SINCE
PROPERTY’S CONSTRUCTION

HIGHLY AFFLUENT INFILL
DEMOGRAPHICS IN STATEN
ISLAND

IDEAL IN-PLACE LEASE ECONOMICS

- Recent construction with a NNN lease and no landlord responsibilities
- 15 years of lease term remaining with 15% rental increases every 5 years in the primary term and 10% rental increases in the option periods
 - The lease escalations result in an annual growth rate (CAGR) of 2.12%
- The Tenant has 2, 10-year options to renew

HIGH RETAIL VISIBILITY & TRANSIT ORIENTED LOCATION

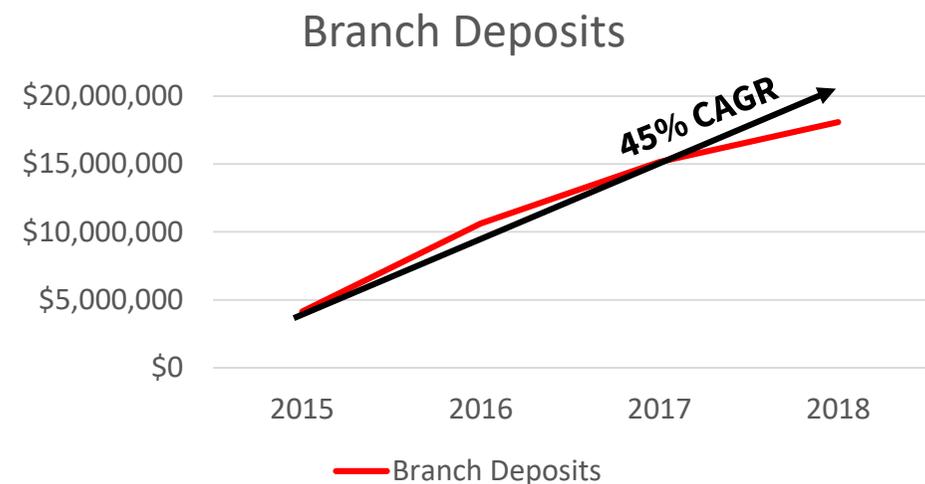
- The Asset is positioned at the signalized intersection of Richmond Avenue (23,700 VPD) and Amboy Road (23,100 VPD)
- Adjacent to the Eltingville Train Station, for the Staten Island Railway (SIR)
 - The SIR provides rail access to over 5 million annual riders that can access the entire Staten Island Borough
- Proximate to the Eltingville Shopping Center, a grocery-anchored shopping center with national retailers Stop & Shop, Chase Bank, TD Bank, Denny's, Rite Aid and many more

HIGHLY AFFLUENT INFILL DEMOGRAPHICS IN SURROUNDING AREA

- Residents boast an average household income over \$120,000, *60% larger than that of NYC MSA average*, providing a strong customer base with supplementary income
- There are over 133,000 residents within a 10 minute drive of the Asset

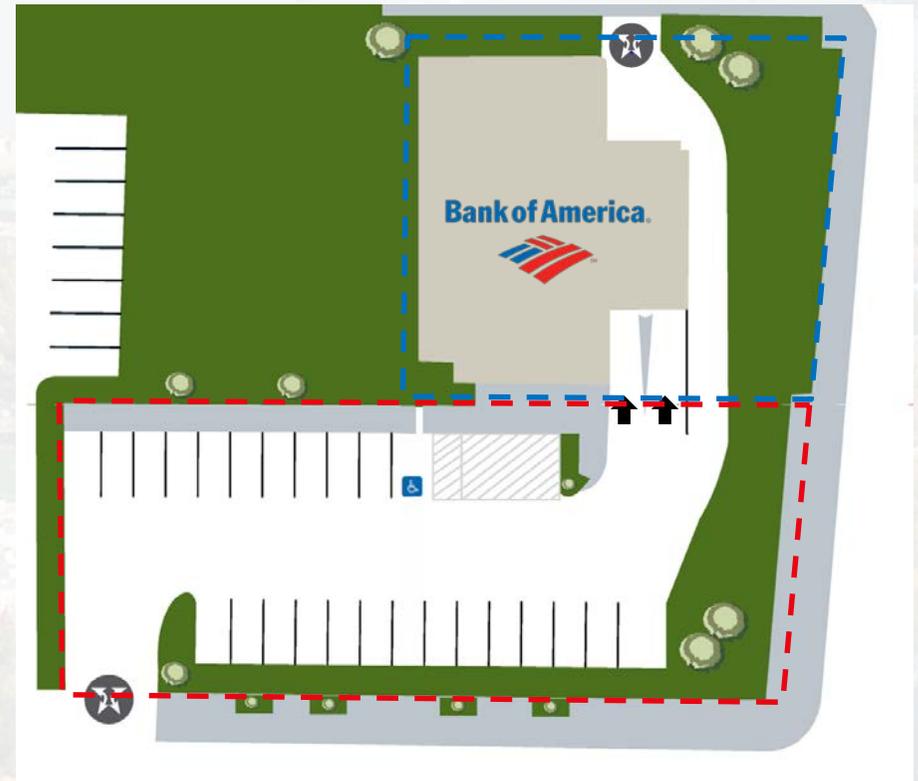
GROWING DEPOSIT BASE WITH INVESTMENT-GRADE TENANCY

- Since the Asset opened for business, the deposit base has grown at a compound annual growth rate (CAGR) of 45%
- The most recent year-over-year increase was over a 19% growth from 2017 to 2018
- Bank of America, National Association, a wholly owned subsidiary of Bank of America, is the second largest bank holding company in the United States and is rated 'A+' by S&P credit rating agency, an investment grade rating



Property & Lease Overview

Price	\$4,500,000
Cap Rate	5.42%
Tenant	Bank of America, NA
Credit Rating	Moody's (Aa2) S&P (A+)
Property Address	3881 Richmond Ave Staten Island, NY 10312
Building Size	3,483 SF
Parcel Size	0.67 acres
Ownership Interest	Fee-Simple
Year Built	2014
Lease Expiration	7/31/2034
Lease Structure	15 Years
Lease Type	NNN
Landlord Responsibilities	None
NOI	\$244,000
Rental Increases	Various
Renewal Options	2, 10-year
Drive Thru	Yes
Parking Spaces	28 surface spaces



 - Parcel A (Fee Simple Parcel)

 - Parcel B (Leasehold Parcel)

Bank of America



Bank of America

Company 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 Highlights

- 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 earned \$8.2 billion in 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

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



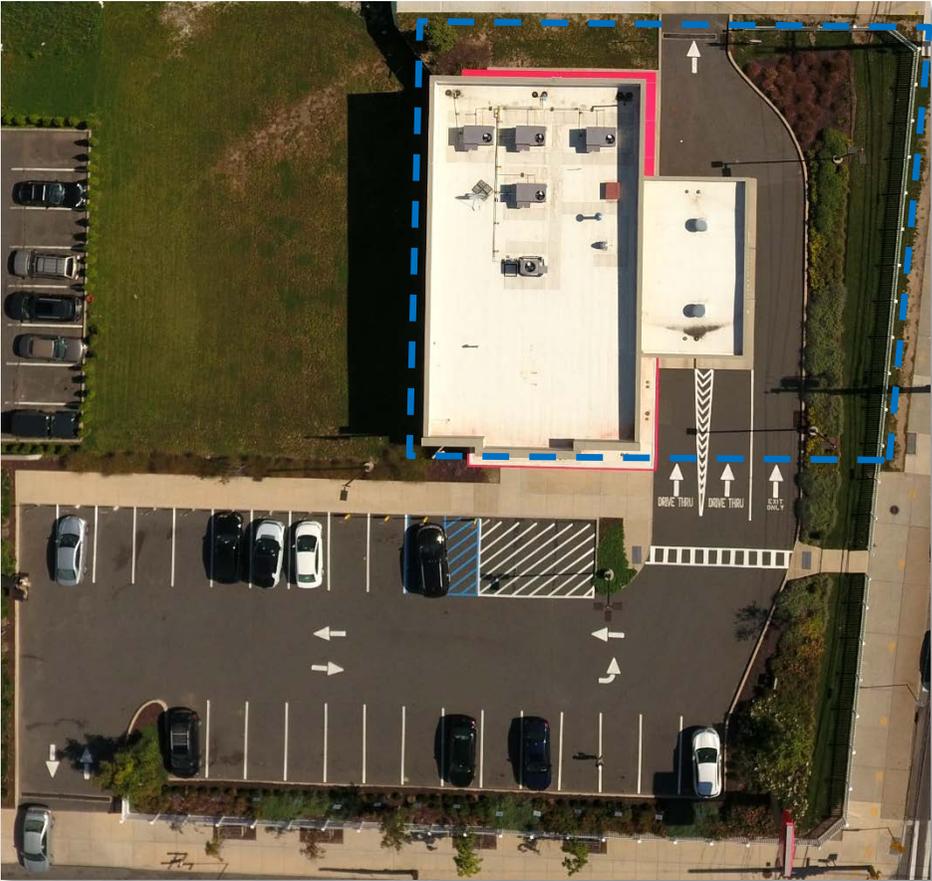
Leading company in Bloomberg’s Gender-Equality Index

Bank of America 

Parcel A Overview (Fee Simple)

Tenant (S&P Rating)	Bank of America, N.A. ('A+')
Current Rent	\$642,000
Building Size	3,483 SF
Parcel Size	0.28 Acres
Lease Type	Abs. NNN
LL Responsibilities	None
Lease Expiration	7/31/2034
Original Lease Term	20 years
Lease Term Remaining*	15 years
Rent Escalations	15% every 5 years in primary term
Renewal Options	2 x 10 year options
Renewal Rent Escalations	10% every 5 years in option periods
ROFR	30-day if LL acquires fee-simple interest in the Premises and receives a bona fide offer

Rent Schedule				
Start Date	End Date	Monthly Rent	Annual Rent	Rent Increase
8/1/2019	7/31/2024	\$53,500.00	\$642,000	15%
8/1/2024	7/31/2029	\$61,583.33	\$739,000	15%
8/1/2029	7/31/2034	\$70,833.33	\$850,000	15%
8/1/2034	7/31/2039	\$77,916.66	\$935,000	10%
8/1/2039	7/31/2044	\$85,708.33	\$1,028,500	10%
8/1/2044	7/31/2049	\$94,279.16	\$1,131,350	10%
8/1/2049	7/31/2054	\$103,707.08	\$1,244,485	10%



 = Parcel A (Fee Simple)



Parcel B Overview (Leasehold)

Landlord (Fee Owner)	3881 Richmond Avenue Realty
Tenant (Ground Lessee)	Richmond Amboy Realty, LLC
Parcel Size	0.39 Acres
Lease Type	Ground Lease (Leasehold)
LL Responsibilities	None
Lease Expiration	7/31/2054
Original Lease Term	40 years
Lease Term Remaining*	35 years
Rent	Various amounts paid by Ownership to Landlord and Tenant of Leasehold
Expiry	Automatically upon expiry of GL
Renewal Options	2 x 10 year options
Renewal Rent Escalations	10% every 5 years in option periods
ROFR	30-day if LL acquires fee-simple interest in the Premises and receives a bona fide offer



 = Parcel B (Leasehold)

Rent Schedule to Leasehold Landlord				
Start Date	End Date	Monthly Rent	Annual Rent	Rent Increase
4/1/2017	3/31/2022	\$17,500.00	\$210,000	-
4/1/2022	3/31/2027	\$17,950.00	\$215,400	3%
4/1/2027	3/31/2032	\$18,413.50	\$220,962	3%
4/1/2032	3/31/2037	\$18,890.90	\$226,691	3%
4/1/2037	3/31/2042	\$19,382.63	\$232,592	3%
4/1/2042	3/31/2047	\$19,889.11	\$238,669	3%
4/1/2047	3/31/2052	\$20,410.78	\$244,929	3%
4/1/2052	7/31/2054	\$20,948.11	\$251,377	3%

Rent Schedule to Leasehold Tenant			
Start Date	End Date	Monthly Rent	Annual Rent
10/1/2017	3/31/2022	\$15,666.67	\$188,000
4/1/2022	9/30/2022	\$15,216.67	\$182,600
10/1/2022	3/31/2027	\$19,816.67	\$237,800
4/1/2027	9/30/2027	\$19,353.17	\$232,238
10/1/2027	3/31/2032	\$24,643.17	\$295,718
4/1/2032	9/30/2032	\$24,165.77	\$289,989
10/1/2032	3/31/2037	\$28,221.43	\$338,657
4/1/2037	9/30/2037	\$27,729.70	\$332,756
10/1/2037	3/31/2042	\$32,190.94	\$386,291
4/1/2042	9/30/2042	\$31,684.46	\$380,214
10/1/2042	3/31/2047	\$36,591.81	\$439,102
4/1/2047	9/30/2047	\$36,070.14	\$432,842
10/1/2047	3/31/2052	\$41,468.24	\$497,619
4/1/2052	9/30/2052	\$40,930.91	\$491,171
10/1/2052	7/31/2054	\$46,868.81	\$562,426

Understanding The Deal

STRUCTURE OF THE DEAL

- Ownership is selling the fee interest on Lot 130 (Bank of America building parcel)
- Ownership is selling the sub-leasehold interest on Lot 135 (parking lot parcel)

COMMON QUESTION

- What happens in the event Bank of America leaves? Does future ownership owe rent to the Sublessor?
 - Section 3.04 of the Sublease (provided in due diligence materials) is very clear that no rent is due under the Sublease unless BOA pays rent. This provision is also referenced in the Revised Agreement Among Parties, which was signed by the fee owner (Ground Lease Landlord).

FURTHER PROTECTION

- Future ownership would also be further protected by the document entitled Consent and Non-Disturbance Agreement (see due diligence items), which was signed by the fee owner (Ground Lease Landlord), Ground Lease Tenant (Sublessor) and Sublessee (ownership's position). If there is a default under the Ground Lease (aka the Prime Lease), the Ground Lease Landlord can terminate the Ground Lease, but then the Ground Lease Landlord steps into the shoes of the Sublessor and the Sublease becomes a direct lease between the Ground Lease Landlord and the Sublessee. The terms of the Sublease remain in effect, the lessor just changes. So Section 3.04 of the Sublease remains in effect and no rent will be due unless BOA pays.

Bank of America



Cash Flow

Annual Cash Flow											
Year Begin	8/1/2019	8/1/2020	8/1/2021	8/1/2022	8/1/2023	8/1/2024	8/1/2025	8/1/2026	8/1/2027	8/1/2028	8/1/2029
Year End	7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024	7/31/2025	7/31/2026	7/31/2027	7/31/2028	7/31/2029	7/31/2030
Revenue											
Bank of America Rent	\$642,000	\$642,000	\$642,000	\$642,000	\$642,000	\$739,000	\$739,000	\$739,000	\$739,000	\$739,000	\$850,000
Total Revenue	\$642,000	\$642,000	\$642,000	\$642,000	\$642,000	\$739,000	\$739,000	\$739,000	\$739,000	\$739,000	\$850,000
Expenses											
Payment to Leasehold Landlord	\$210,000	\$210,000	\$211,800	\$215,400	\$215,400	\$215,400	\$215,400	\$217,254	\$220,962	\$220,962	\$220,962
Payment to Leasehold Tenant	\$188,000	\$188,000	\$186,200	\$228,600	\$237,800	\$237,800	\$237,800	\$235,946	\$285,138	\$295,718	\$295,718
Total Expenses	\$398,000	\$398,000	\$398,000	\$444,000	\$453,200	\$453,200	\$453,200	\$453,200	\$506,100	\$516,680	\$516,680
Net Operating Income	\$244,000	\$244,000	\$244,000	\$198,000	\$188,800	\$285,800	\$285,800	\$285,800	\$232,900	\$222,320	\$333,320

*Ownership receives full Bank of America rent every month. Ownership has an ACH wire transfer set up wherein the payment to the Leasehold Landlord and Leasehold Tenant are automatic. Bank of America has never missed a payment and has always paid on time.





*Market
Overview*

Staten Island Market Overview

Staten Island is the southern most borough of New York City, situated southwest of the other four boroughs. It is narrowly separated from New Jersey with Arthur Kill and Kill Van Kull separating the states, with the New York Bay separating it from the rest of the City. Staten Island has a population of nearly 480,000, making it the least populated borough, although it ranks third in land are. The Island is most famous for it's ferry, The Staten Island Ferry, which carries 20 million passengers to and from downtown every year.

With nearly 134,000 people earning an average household income exceeding \$120,000 within a 10-minute drive time, the Asset's proximate surroundings project confidence in the local retail market. Situated adjacent to the Eltingville Shopping Center and the Eltingville Train Station, the Property is positioned to continuously benefit from the outstanding urban traffic along the corridor.



Elite Demographic Profile



- With over 46,000 residents living within a 5-minute drive time, as Staten Island remains a popular borough of New York City
- Average household income within a 5-minute drive time is \$120,000, nearly **60% larger than that of the New York City MSA average**



Seamless Access Throughout Staten Island

- The Eltingville Train Station for the Staten Island Railway (SIR) is located adjacent to the Asset and provides access to the over 5 million annual riders



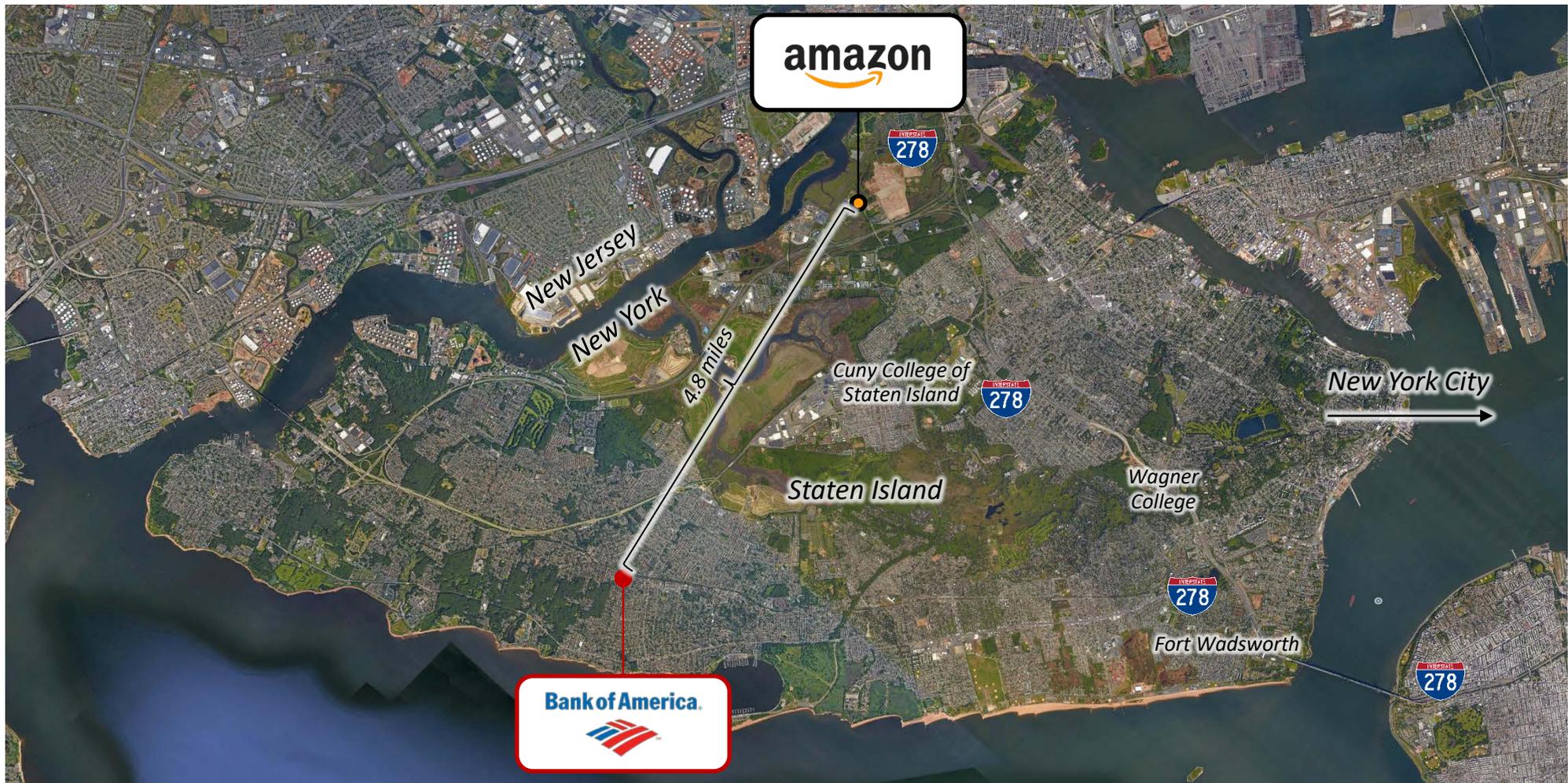
Population Growth

- Staten Island's population doubled between 1960 and 200 and since has grown at an 8% market to reach a population record of over 480,000 residents





Staten Island Economic Drivers



Amazon's New Distribution Center

Amazon.com (NASDAQ: AMZN; S&P: 'AA-') is constructing a \$100 million, 855,000 square foot distribution facility to fulfill Amazon Prime Now orders. This site will be the first in New York state and will employ over 2,200 people. It is scheduled to be fully operational in 2018, joining two other industrial facilities on the 200 acre site. Additionally, Staten Island has submitted its bid to be the home of Amazon.com's "HQ2" campus, expected to employ 50,000 people and provide a huge economic boost to whichever location it selects.



20 MILES TO LOWER MANHATTAN

Local Demographic Snapshot			
Drive Time	5-Min	10-Min	15-Min
Total Population	46,827	133,970	237,251
Total Households	17,008	48,235	84,447
Average HH Income	\$120,031	\$119,672	\$115,060
Median HH Income	\$102,235	\$100,009	\$92,920

Property Photography

