



Tenant Description

Bank of America is a banking and financial services company headquartered in Charlotte, North Carolina. They operate approximately 4,600 branches and 15,900 ATMs across all 50 US states, the District of Columbia, the US Virgin Islands, Puerto Rico, and in more than 35 countries worldwide.

Net Lease Overview

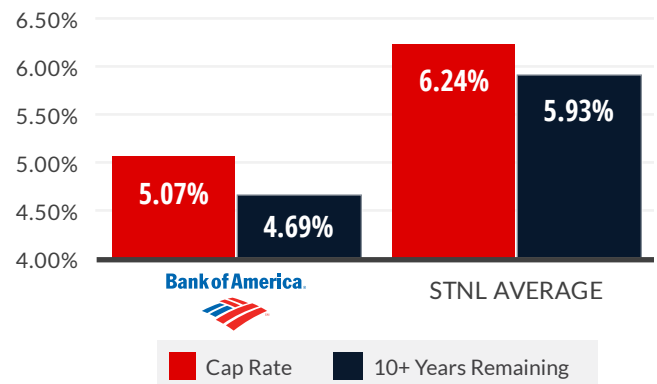
Banks are attractive net lease assets because of the strong guarantee behind the leases. Bank of America is rated A1 by Moody's and A+ by Standard and Poor's. The leases not only have a strong backing but favorable terms for an investor. A Bank of America lease is typically long term, 15 to 20 years, and requires no landlord responsibilities. The lease will usually feature large increases every five years.

Many investors have been weary of the retail bank branches as much of their business has migrated online. This has caused the major players in the industry to reduce the number of branches they operate. Bank of America has closed nearly 1,400 branches as customers increasingly turn to the company's mobile application for many services that previously required a trip to a local branch. Mobile applications and online banking allow financial institutions to be everywhere there is a connection to the internet and handle deposits at a much lower operating cost. Banks may reduce the number of branches but will maintain a

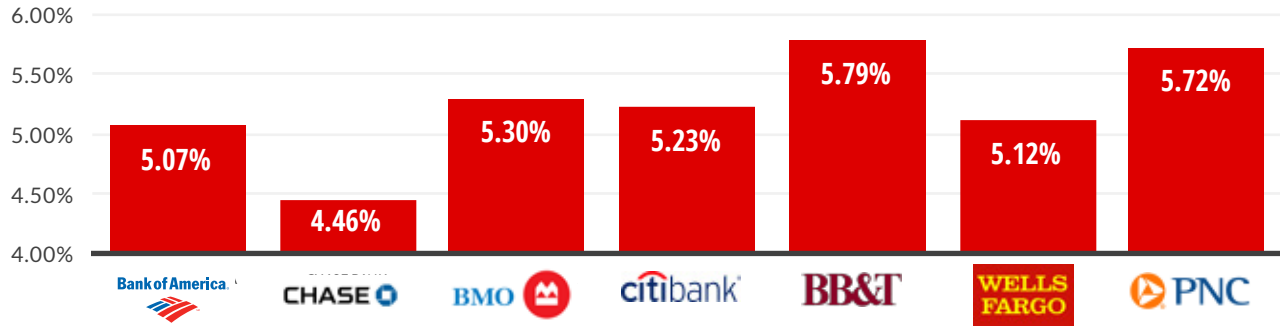
physical presence for the services that are not available electronically. Closed branches will continue to hold a high value for investors. Tenants releasing former bank buildings are becoming more and more common. Bank buildings are generally in strong locations with good visibility, both of these aspects are attractive for a new tenant. In addition, the buildings will often have a drive thru, making the property even more desirable for future QSR tenants.

Due to the regulations on the banking industry, investors can check the deposits held by branches. Finding a net leased bank with high deposits is a sign the asset is in an attractive location and will survive any future rounds of branch closings.

Average Cap Rates from the Past 12 Months

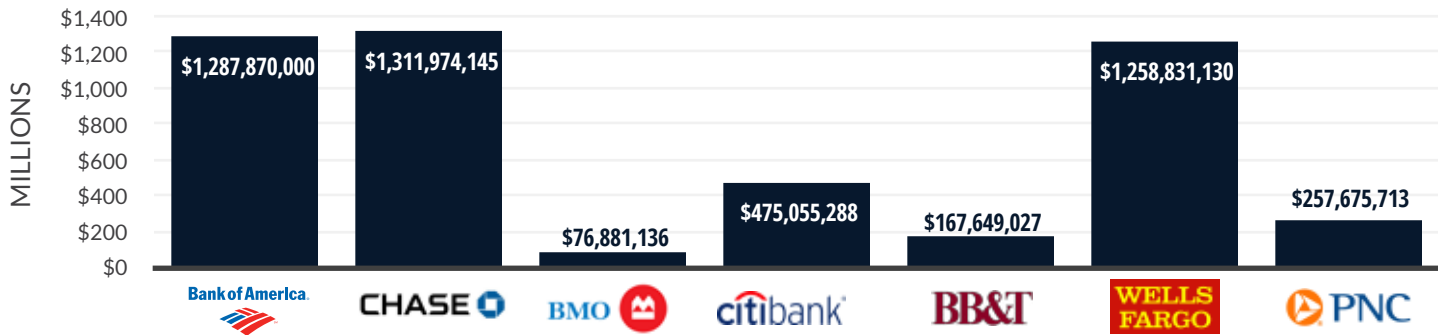


Average Cap Rate of Banks from the Past 12 Months



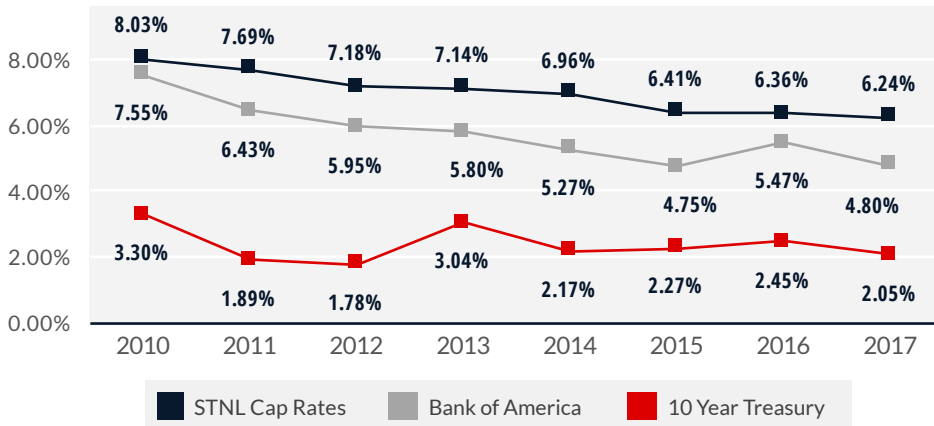
This graph displays the average cap rate of the most common net lease banks that traded over the last 12 months. Bank of America is one of the largest US based banks by deposits and trades at a slight premium to other banks.

Banks by Total Deposits



Total deposits held by each bank, as reported to the FDIC on 6/30/2017

STNL Cap Rates vs. Bank of America vs. 10 Year Treasury Rates



Bank of America has traded at a significant premium to the Single Tenant Net Lease (STNL) average over the past 12 months. Their average cap rate has been over 100 bps lower than the STNL average in six out of the last seven years. This premium is associated with the strong backing and visible locations that are staples of Bank of America locations.

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Calkain Companies LLC is a national commercial real estate firm that provides consulting and brokerage services to both private and institutional clientele with an expertise on triple net lease investments. We pride ourselves on being a world class leader by providing our clients a full array of commercial real estate investment brokerage and asset management solutions, including advisory, research, estate planning and wealth management. Calkain is headquartered in Herndon, VA with multiple locations throughout the United States.