

AVAILABLE INDIVIDUALLY

Bank of America  
CHASE



# Corporate Ground Lease Portfolio

A collection of 15 year leased drive-thru outparcels in Phoenix, AZ



Pegasus  
Investments





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# Jack in the Box



# JPMorgan Chase Bank

**CHASE** 





Bank of America

Bank of America



Bank of America



# Executive Summary



Pegasus Investments, as exclusive investment sale adviser to Seller, is pleased to offer the rare opportunity to purchase all or part of an investment grade, three (3) property corporate ground lease portfolio (“the Portfolio”). The Portfolio consists of three freestanding outparcels to Canyon Trails Towne Center, a best-in-class Super Target grocery anchored regional power center located in Goodyear, AZ – a high growth suburb of Phoenix. All three leases within the Portfolio have approximately 15 years remaining on their primary lease term.

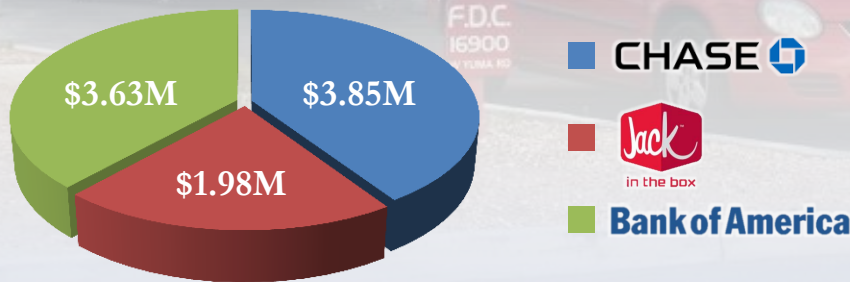
**The Portfolio is offered as a whole, or each property may be purchased individually**

The Portfolio is comprised of:

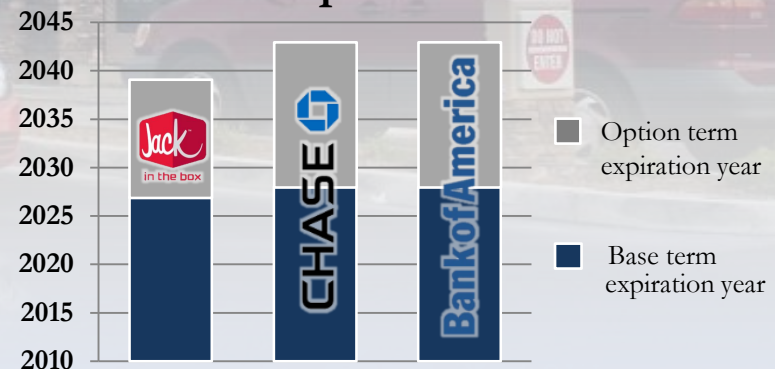
- (1) single tenant absolute NNN ground leased Chase Bank (NYSE: JPM | S&P: “A”)
- (1) single tenant absolute NNN ground leased Bank of America (NYSE: BAC | S&P: “A-”)
- (1) single tenant absolute NNN ground leased Jack in the Box (NASDAQ: JACK \ Moody’s: “B1”)

Canyon Trails Towne Center serves the entire 2,800 unit Canyon Trails master plan as well as the Estrella community of Goodyear, AZ. Goodyear is currently undergoing the largest public works project in the entire Phoenix MSA. See map page for information regarding the dramatic impact of the Loop 303 expansion.

## Pricing Chart



## Lease Expiration





# Investment Highlights



## Portfolio Highlights

- 100% absolute triple net
- Long term (15 year) leases
- Strong corporate guarantees
- 10% rental increases / 5 years
- Prime main entrance locations
- Best in class construction quality

## Power Center Highlights

- Category killer Super Target (grocery anchored)
- Institutionally developed, owned and operated
- Strong mix of national and regional retailers
- Unique “main street” community component
- Ongoing new development (Carl’s Jr. & more)

## Trade Area Highlights

- Fastest growing suburb of West Phoenix
- Over \$150M of significant infrastructure improvements currently under construction
- Strong affordability index combined with upper incomes creates a high level of disposable income
- Several new housing developments have resumed full scale construction and sales

SUPER TARGET





# Aerial View of Canyon Trails Towne Center



Future outparcel & anchor pads



*Featuring an ideal mix of leading retailers...*







# Investment Snapshot

Chase

\$3,850,000



## Transaction Highlights

- 5.00% CAP | \$3,850,000
- 15 years remaining (20 year term)
- \$192,500 base rent NNN
- (4) 5-year options
- 10% increases / 5 years
- 100% NNN Ground Lease
- 767 S Cotton Ln, Goodyear AZ

Jack

\$1,980,000



## Transaction Highlights

- 5.00% CAP | \$1,980,000
- 15 years remaining (20 year term)
- \$99,000 base rent NNN
- (3) 5-year options
- 10% increases / 5 years
- 100% NNN Ground Lease
- 16900 W Yuma Rd, Goodyear AZ

BofA

\$3,630,000



## Transaction Highlights

- 5.00% CAP | \$3,630,000
- 15 years remaining (20 year term)
- \$181,500 base rent NNN
- (4) 5-year options
- 10% increases / 5 years
- 100% NNN Ground Lease
- 827 S Cotton Ln, Goodyear AZ

*Boasting the highest levels of construction quality...*





# Canyon Trails Towne Center



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*Cotton Lane (Future Loop 303)*



*A regional destination with a "Main Street" feel...*



*Merging a growing community with a meaningful shopping experience...*







# High Growth Phoenix Suburb – Goodyear, AZ



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*Goodyear, AZ : 245% population growth (2000-2010)*



*The regional draw of a power center combined with the daily needs attraction of a grocer...*







# Under Construction: Freestanding Carl's Jr. Pad





# Jack in the Box – Executive Summary



## Purchase Price

\$1,980,000

## Cap Rate

5.00%

## NOI / Annual Rent

\$99,000

## Term Remaining

15 years (12/31/2027)

## Rental Increases

10% ~ 5yrs

Next Increase – 1/1/18

## Options

(3) 5-year

## Lease Type

Absolute NNN Ground

## Building / Lot Size

2,455 SF / 0.86 acres

## Address / APN

16900 W Yuma Rd., Goodyear AZ

500-91-896

## Year Built

2007

## Guarantor

Jack in the Box, Inc.

NASDAQ: JACK





# About: Jack in the Box



Jack in the Box Inc. (NASDAQ: JACK), based in San Diego and founded in 1951, is a restaurant company that operates and franchises Jack in the Box® restaurants, one of the nation's largest hamburger chains, with more than 2,200 restaurants in 21 states. Additionally, through a wholly owned subsidiary, the company operates and franchises Qdoba Mexican Grill®, a leader in fast-casual dining, with more than 600 restaurants in 44 states, the District of Columbia and Canada.

As the first major hamburger chain to develop and expand the concept of drive-thru dining, Jack in the Box has always emphasized on-the-go convenience, with approximately 85 percent of the half-billion guests served annually buying food at the drive-thru or for take-out. In addition to drive-thru windows, most restaurants have indoor dining areas and are open 24 hours a day.

Today, Jack in the Box offers a selection of distinctive, innovative products targeted at the fast-food consumer, including hamburgers, specialty sandwiches, salads and real ice cream shakes.

Jack in the Box Inc. has more than 22,000 employees.





# Jack in the Box







# JPMorgan Chase – Executive Summary



**Purchase Price**

\$3,850,000

**Cap Rate**

5.00%

**NOI / Annual Rent**

\$192,500

**Term Remaining**

15 years (10/31/2028)

**Rental Increases**

10% ~ 5yrs

Next Increase – 11/1/2018

**Options**

(4) 5-year

**Lease Type**

Absolute NNN Ground

**Building / Lot Size**

4,200 SF / 0.99 acres

**Address / APN**

767 S Cotton Ln., Goodyear AZ

500-91-881

**Year Built**

2007

**Guarantor**

JPMorgan Chase Bank, N.A.

NYSE: JPM

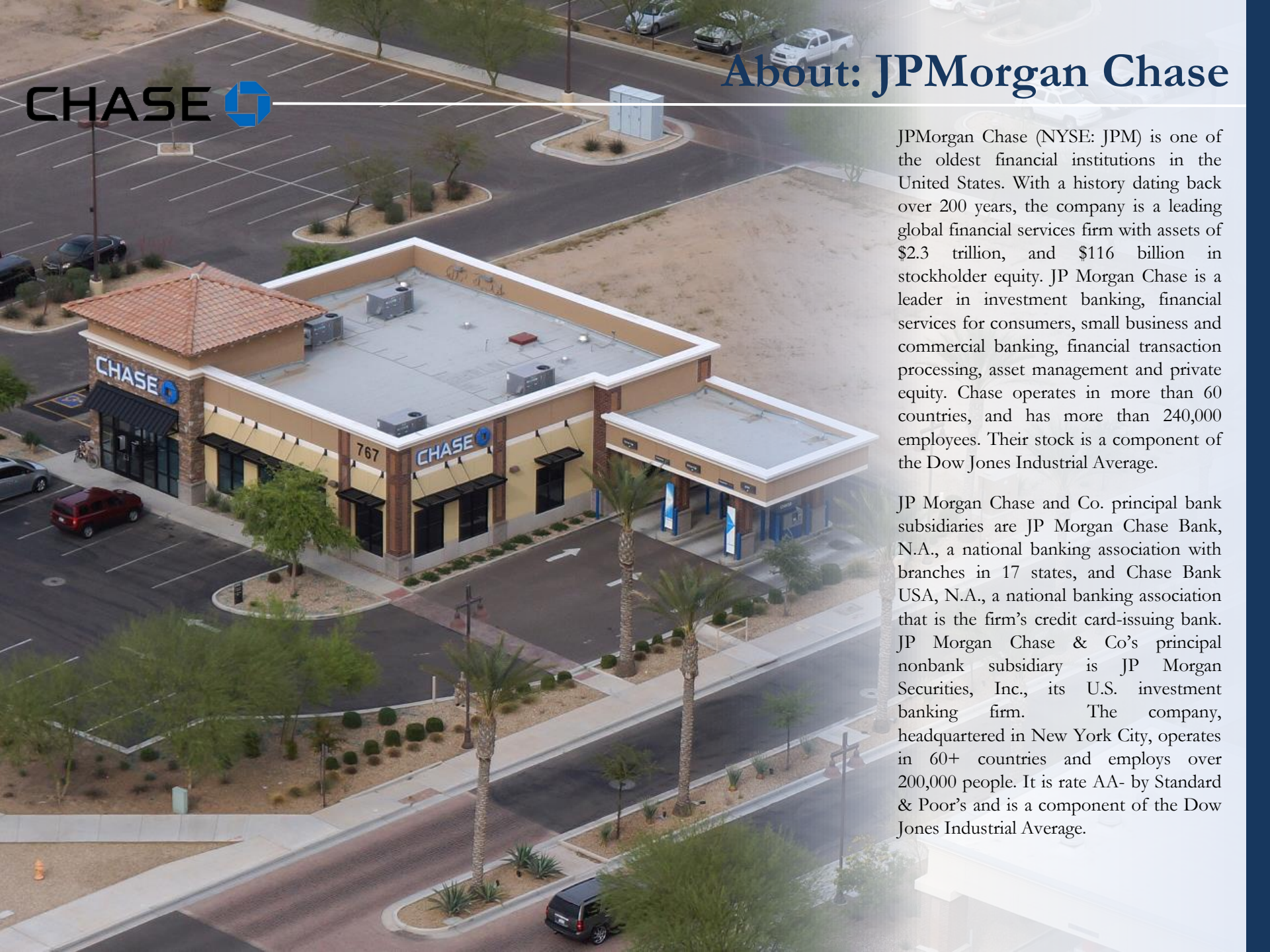




# About: JPMorgan Chase

JPMorgan Chase (NYSE: JPM) is one of the oldest financial institutions in the United States. With a history dating back over 200 years, the company is a leading global financial services firm with assets of \$2.3 trillion, and \$116 billion in stockholder equity. JP Morgan Chase is a leader in investment banking, financial services for consumers, small business and commercial banking, financial transaction processing, asset management and private equity. Chase operates in more than 60 countries, and has more than 240,000 employees. Their stock is a component of the Dow Jones Industrial Average.

JP Morgan Chase and Co. principal bank subsidiaries are JP Morgan Chase Bank, N.A., a national banking association with branches in 17 states, and Chase Bank USA, N.A., a national banking association that is the firm's credit card-issuing bank. JP Morgan Chase & Co's principal nonbank subsidiary is JP Morgan Securities, Inc., its U.S. investment banking firm. The company, headquartered in New York City, operates in 60+ countries and employs over 200,000 people. It is rate AA- by Standard & Poor's and is a component of the Dow Jones Industrial Average.





JPMorgan Chase





# Bank of America – Executive Summary



## Purchase Price

\$3,630,000

## Cap Rate

5.00%

## NOI / Annual Rent

\$181,500

## Term Remaining

15 years (4/2/2028)

Next Increase – 4/3/2018

## Rental Increases

10% ~ 5yrs

## Options

(4) 5-year

## Lease Type

Absolute NNN Ground

## Building / Lot Size

4,642 SF / 1.27 acres

## Address / APN

827 S Cotton Ln., Goodyear AZ

500-91-881

## Year Built

2007

## Guarantor

Bank of America Corp.

NYSE: BAC





# About: Bank of America

Bank of America



Bank of America is one of the world's largest financial institutions, serving individual consumers, small- and middle-market businesses and large corporations with a full range of banking, investing, asset management and other financial and risk management products and services.

The company provides unmatched convenience in the United States, serving approximately 53 million consumer and small business relationships with approximately 5,500 retail banking offices and approximately 16,300 ATMs and award winning online banking with 30 million active users. Bank of America is among the world's leading wealth management companies and is a global leader in corporate and investment banking and trading across a broad range of asset classes, serving corporations, governments, institutions and individuals around the world. Bank of America offers industry leading support to approximately 3 million small business owners through a suite of innovative, easy-to-use online products and services.

The company serves clients through operations in more than 40 countries. Bank of America Corporation stock (NYSE: BAC) is a component of the Dow Jones Industrial Average and is listed on the New York Stock Exchange.





Bank of America

Bank of America



Bank of America





Litchfield Park



Downtown Phoenix



Goodyear



*Currently under construction – major expansion of Loop 303 (Cotton Ln) through Goodyear, AZ*



# Major Infrastructure Improvements

Phoenix's West Valley is currently undergoing significant infrastructure enhancements to improve traffic flow and support the explosive population growth.

The first project was the widening of Interstate 10 (I-10), West Valley's major east/west artery. The highway was widened in both directions stretching 13 miles from Verrado Way in Buckeye (west of Goodyear) to the intersection of I-10 and Loop 101, closer to downtown. This project was completed in 2011.

The most significant project is the expansion of Loop 303 to wrap the northwest suburbs of Phoenix, providing a six-lane highway to connect I-10 with I-17 north of Phoenix, creating a vital transportation link in the West Valley. The \$150 million project includes elevated ramps to connect the two highways and is expected to be completed in the fall of 2014 as depicted by the purple hash marks on the following pages.

The final phase of the upgrade will be the expansion of the southern portion of Loop 303 through Goodyear connecting it to Loop 202 via SR-30/SR-801 as depicted by the red hash marks on the following pages. The first full interchange along Cotton Lane, south of I-10, will be directly in front of Canyon Trails Towne Center, providing greater traffic flow and higher visibility.

For many, the Loop 303 expansion is the key to unlocking the West Valley's growth, enabling it to achieve its full economic potential.





801

801

Cotton Lane (Loop 303) →

Bank of America



in the box

CHASE



LOOP 303



LOOP 303

# Intersection of I-10 & Loop 303 (Cotton Ln)

Largest infrastructure and public works project occurring in the entire Phoenix MSA

LOOP 303

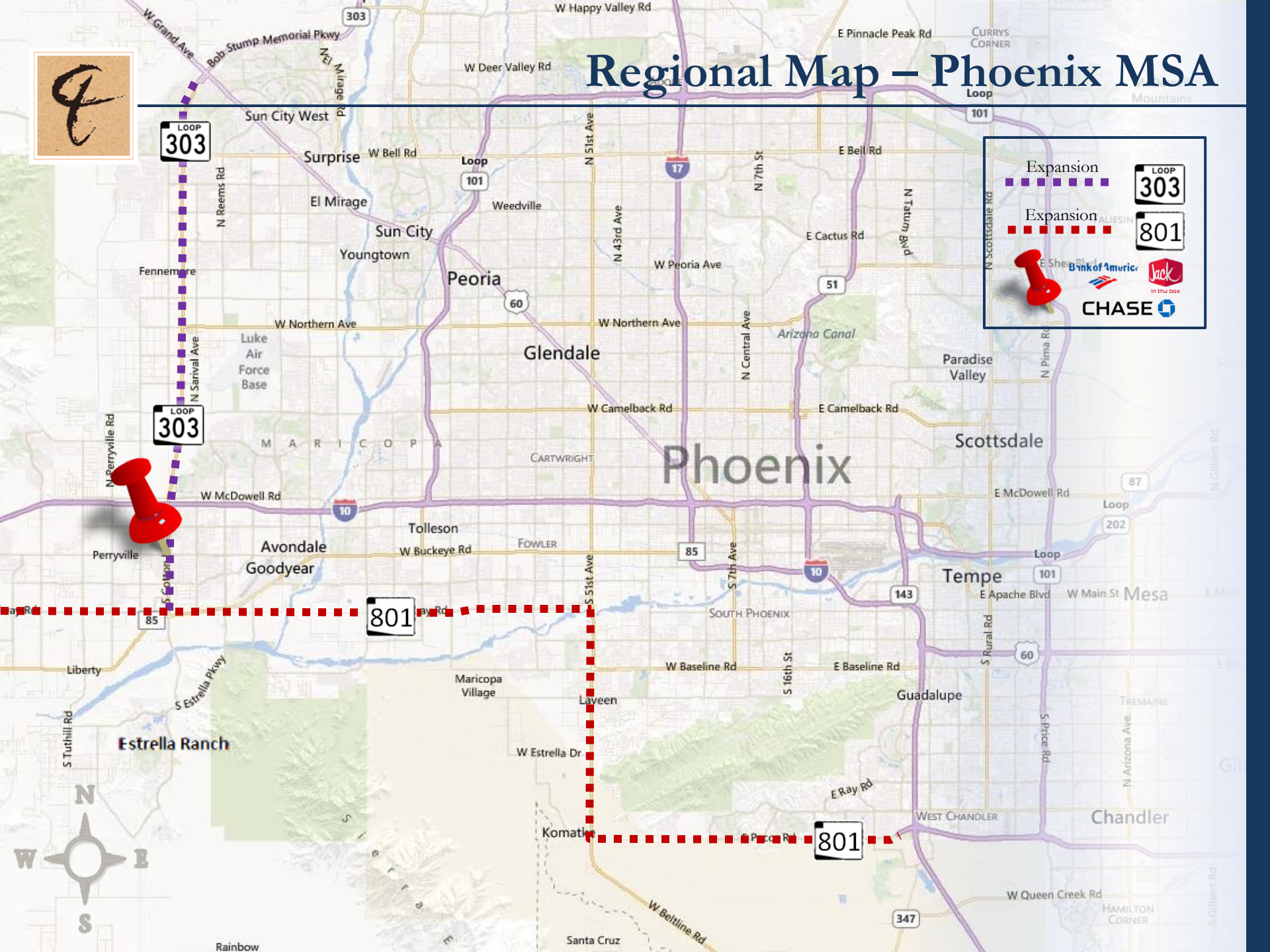


# Regional Map – Phoenix MSA



Expansion

Expansion







# Demographics – Canyon Trails Towne Center

<b>Population</b>	<b>1-Mile</b>		<b>3-Mile</b>		<b>5-Mile</b>	
Estimated Population (2012)	7,921		35,721		79,995	
Historical Annual Change (2000-2010)	6,952	85.90%	29,471	31.30%	46,882	14.90%
Est. Population Density (2012)	2,523	<i>psm</i>	1,264	<i>psm</i>	1,019	<i>psm</i>
<b>Households</b>						
Estimated Households (2012)	2,504		10,577		25,603	
Historical Annual Change (2000-2012)	2,257	76.20%	8,499	34.10%	16,005	13.90%
<b>Average Household Income</b>						
Est. Average Household Income (2012)	\$80,564		\$74,855		\$75,877	
Proj. Average Household Income (2017)	\$94,568		\$86,556		\$86,575	
Historical Annual Change (2000-2010)	\$20,674	3.30%	\$16,494	2.80%	\$17,631	3.20%
<b>Median Household Income</b>						
Est. Median Household Income (2012)	\$87,845		\$76,515		\$70,993	
Proj. Median Household Income (2017)	\$100,877		\$87,397		\$80,800	
<b>Per Capita Income</b>						
Est. Per Capita Income (2012)	\$25,493		\$23,108		\$24,838	
<b>Other Income</b>						
Est. Median Disposable Income (2012)	\$69,257		\$61,320		\$57,167	
Proj. Median Disposable Income (2017)	\$78,993		\$69,276		\$64,612	
Est. Average Household Net Worth (2012)	\$565,401		\$495,698		\$485,807	



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## About Pegasus Investments.

Pegasus Investments is a boutique commercial real estate investment and advisory firm based in Los Angeles, CA. Specializing in retail shopping centers, single tenant net leased and multifamily properties throughout the United States, Pegasus has consistently delivered on its 24 year reputation of providing high quality, white glove service throughout all stages of the investment sales process. Pegasus provides its clients, which include high net worth private investors, family trusts, private & public REIT's, local and regional developers and syndicators with advisory services encompassing underwriting, market research, investment sales and asset management. Pegasus continues to set the bar for high quality, boutique investment sales brokerage and advisory by relying on its industry-leading talent which include experienced institutional and private sector investors. Please visit our website to learn more about our people.