

AT&T CENTRAL OFFICE PORTFOLIO

PARTIAL SALE-LEASEBACK OFFERING

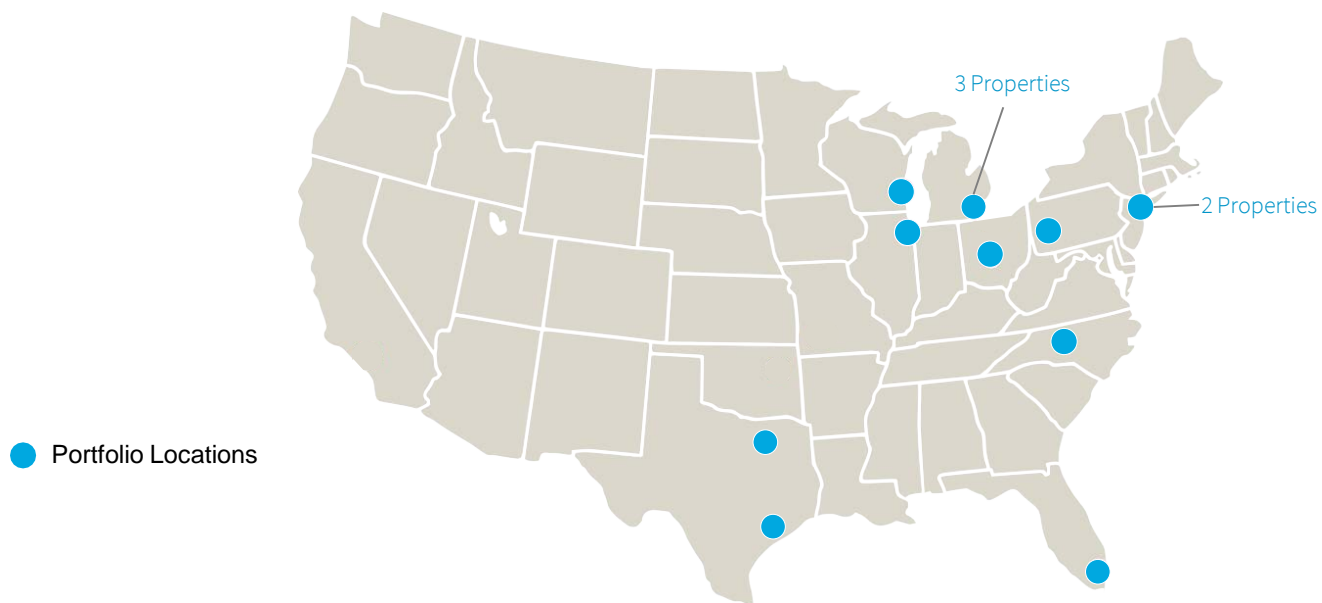


INVESTMENT INTRODUCTION

13 Properties | 3.6 million square feet

The Offering

JLL, on behalf of AT&T Inc. (NYSE: T, “AT&T”, or “Ownership”), as its exclusive advisor, is pleased to offer for sale the fee-simple interest of a 13-property office portfolio (the “Properties”, or “Portfolio”) which spans nearly 3.6 million square feet of institutionally-maintained office space. The Properties will be partially leased back to AT&T through a 20-year sale and leaseback transaction under a master lease. The final terms and structure of the leaseback will depend on property compositions and the respective AT&T infrastructure needs. In total, AT&T is committing to leasing back over 1.5 million square across the 13 properties, at an initial blended rent of \$10.12 per square foot, equating to an initial year NOI of approximately \$15.7 million. Under this leaseback structure, AT&T will be responsible for its pro rata share of operating expenses and amortized capital expenditures with contraction rights throughout the term at 5-year increments up to 15% of the then total leased square footage. The master lease will include attractive annual escalations of 2.50% offering growing returns.



Offering Highlights

Optimal Long Term Lease Structure with Attractive Contractual Escalations – The sale-leaseback will be structured with a master lease structure, whereby AT&T will be directly responsible for its pro rata share of operating expenses, real estate taxes, and insurance. Further, the lease will dictate 2.50% annual rental escalations, creating an attractive anchor tenancy with additional opportunity for value creation by re-positioning surplus space.

Institutionally Maintained Facilities – The Properties have been maintained at industry leading operating standards which new ownership is poised to capitalize on stemming from long-term ownership and occupancy by AT&T.

Industry Leading Tenant – Globally recognized as one of the leading worldwide providers of IP based communication services, AT&T currently holds a credit rating of BBB (S&P) with a “stable” outlook. At the end of 2018, AT&T posted revenues of \$170.5 billion and operating income of \$28.9 billion (17% margin).

Attractive MSA Locations – Each Property is located within or minutes away from the CBD of some of the nation’s top MSA’s, including Houston, Detroit, Dallas, Pittsburgh and Miami, boasting excellent demographic and economic growth drivers in each respective market.

Debt-Free Offering – Upon transaction closing, any outstanding debt obligations secured by the Property will be retired, allowing an investor to acquire the asset free and clear of debt and capitalize on attractive financing options.

Portfolio Summary

As outlined below, AT&T is committing to leaseback over 1.5 million square feet, representing 43% of the total Portfolio. The partial sale-leaseback will be structured on a 20-year term under a master lease structure including attractive annual rental escalations of 2.50%. In addition, the master lease will include contraction options granting AT&T the right to reduce their total Portfolio contractual NOI across the Portfolio by up to 15%, every five (5) years.

PARTIAL SALE-LEASEBACK SUMMARY

ADDRESS	CITY, STATE	TOTAL BUILDING (SF)	AT&T LEASEBACK (% / SF) ¹		INITIAL RENT PSF	TOTAL RENT
1365 Cass Ave	Detroit, MI	424,632	64%	270,947	\$8.00	\$2,167,579
445 State St	Detroit, MI	240,533	61%	147,206	\$8.00	\$1,177,650
444 Michigan Ave	Detroit, MI	560,039	10%	57,061	\$8.00	\$456,488
111 North 4th St	Columbus, OH	519,758	78%	404,026	\$9.50	\$3,838,244
9403 Queens Blvd	Rego Park, NY	194,989	65%	126,548	\$22.00	\$2,784,053
722/740 N. Broadway St	Milwaukee, WI	282,373	39%	108,835	\$13.00	\$1,414,855
1444 Jericho Tpke	Huntington, NY	135,815	89%	120,839	\$7.50	\$906,290
3303 Wesleyan	Houston, TX	402,864	20%	78,408	\$10.00	\$784,080
629 W. 5th St	Winston Salem, NC	217,963	48%	103,671	\$7.00	\$725,697
635 Grant St	Pittsburgh, PA	367,071	17%	62,402	\$11.00	\$686,423
6800 Harding Ave	Miami Beach, FL	68,404	27%	18,257	\$19.00	\$346,884
36 S Fairview Ave	Park Ridge, IL	84,555	36%	30,457	\$7.50	\$228,425
2400 S Westmoreland Rd	Dallas, TX	88,660	26%	23,124	\$8.00	\$184,994
Partial Sale-Leaseback Subtotal/Average		3,587,656	43%	1,551,781	\$10.12	\$15,701,661

1. Leaseback SF subject to change pending AT&T final confirmation of space requirements and configuration





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It is expected that prospective investors will conduct their own independent due diligence, projections and conclusions concerning the Property including such engineering and environmental inspections as they deem necessary to determine the condition of the Property and the existence or absence of any potentially hazardous materials used in the construction or maintenance of the Property.

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