

OFFERING MEMORANDUM

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES



Zaxby's

8905 Albemarle Rd
Charlotte, NC 28227



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Executive Overview

Investment Highlights

- The subject property is located in Charlotte, NC, which is the 3rd fastest growing major city in the United States. Between 2010 and 2016, the city's population grew by 15% and is continuing that trend.
- Charlotte is a major business and financial hub, with the third most banking assets in the US behind New York City and San Francisco. Corporate headquarters for Bank of America and the East Coast operations of Wells Fargo are located here. Forbes in 2013 named Charlotte to its list of Best Places of Business and Careers. The city is also home to the Carolina Panthers NFL team and the Charlotte Hornets NBA team.
- The subject property is located 9 miles from the city center and along a major thoroughfare. Major surrounding retailers include Walmart, Lowe's, The Home Depot, and Target. Surrounding population within 5 miles of the property is over 180,000, with almost 200,000 projected residents by 2023.
- This location is operated by a growing Zaxby's Franchisee with operations in the greater Charlotte area. Absolute NNN lease with 10% rent increases every 5 years & two 5-year options. The lease is guaranteed by the Zaxby's businesses, as well as personal guarantees from the owner totaling over \$20 million.

Financial Overview



FINANCIAL OVERVIEW



LIST PRICE

\$3,857,142



CAP RATE

5.60%



TERM REMAINING

± 13 Years

ANNUALIZED OPERATING DATA

	Monthly Rent	Annual Rent	Price/SF	Cap Rate
5/1/2016 - 4/30/2021	\$18,000.00	\$216,000.00	\$54.68	5.60%
5/1/2021 - 4/30/2026	\$19,800.00	\$237,600.00	\$60.15	6.16%
5/1/2026 - 4/30/2031	\$21,780.00	\$261,360.00	\$66.17	6.78%
Option 1 -	\$23,958.00	\$287,496.00	\$72.78	7.45%
Option 2 -	\$26,353.80	\$316,245.60	\$80.06	8.20%

EXECUTIVE SUMMARY

Property Name	Zaxby's
Address	8905 Albemarle Rd Charlotte, NC 28227
Year Built	2016
GLA	±3,950 SF
Lot Size	± 1.85 Acres

TENANT SUMMARY

Tenant Trade Name	Zaxby's
Type of Ownership	Fee Simple
Lease Guarantor	Franchisee
Lease Type	NNN
Roof & Structure	Tenant Responsible
Original Lease Term	15 Years
Rent Commencement Date	5/1/2016
Lease Expiration Date	4/30/2031
Term Remaining	±13 Years
Increases	10% increases
Options	Two, 5-Year Options

Parcel Map



Tenant Overview



ZAXBY'S PROMISE:

"To serve delicious chicken fingers, wings, sandwiches and salads in a fun, offbeat atmosphere where we welcome customers as friends."

ABOUT:

Founded in the 1990s by two childhood friends, Zach McLeroy and Tony Townley, the fast-casual Zaxby's chicken restaurants pride themselves on being the welcoming and friendly environment that the founders originally set out to be. The quirky restaurant offers a range of chicken options with names and spices unique to the Zaxby's brand.

GEOGRAPHIC OUTREACH:

Zaxby's is a privately owned company, headquartered in Athens, GA. Zaxby's owns about 70 locations, while the remaining locations are franchised. In total there are ±800 Zaxby's Restaurants in 17 southern states in the United States.

SPONSORSHIPS:

In 2014 Zaxby's announced that they would be the title sponsor of the collegiate post-season game, The Heart of Dallas Bowl, at the historic Cotton Bowl Stadium. The sponsorship is set to go through the 2017 season with the option to extend the sponsorship for a longer period of time.



Parent Company Trade Name

Zaxby's Franchising, Inc.



Headquartered

Athens, GA



No. of Locations

±800



Year Founded

1990



Web Site

www.zaxbys.com

Surrounding Tenants

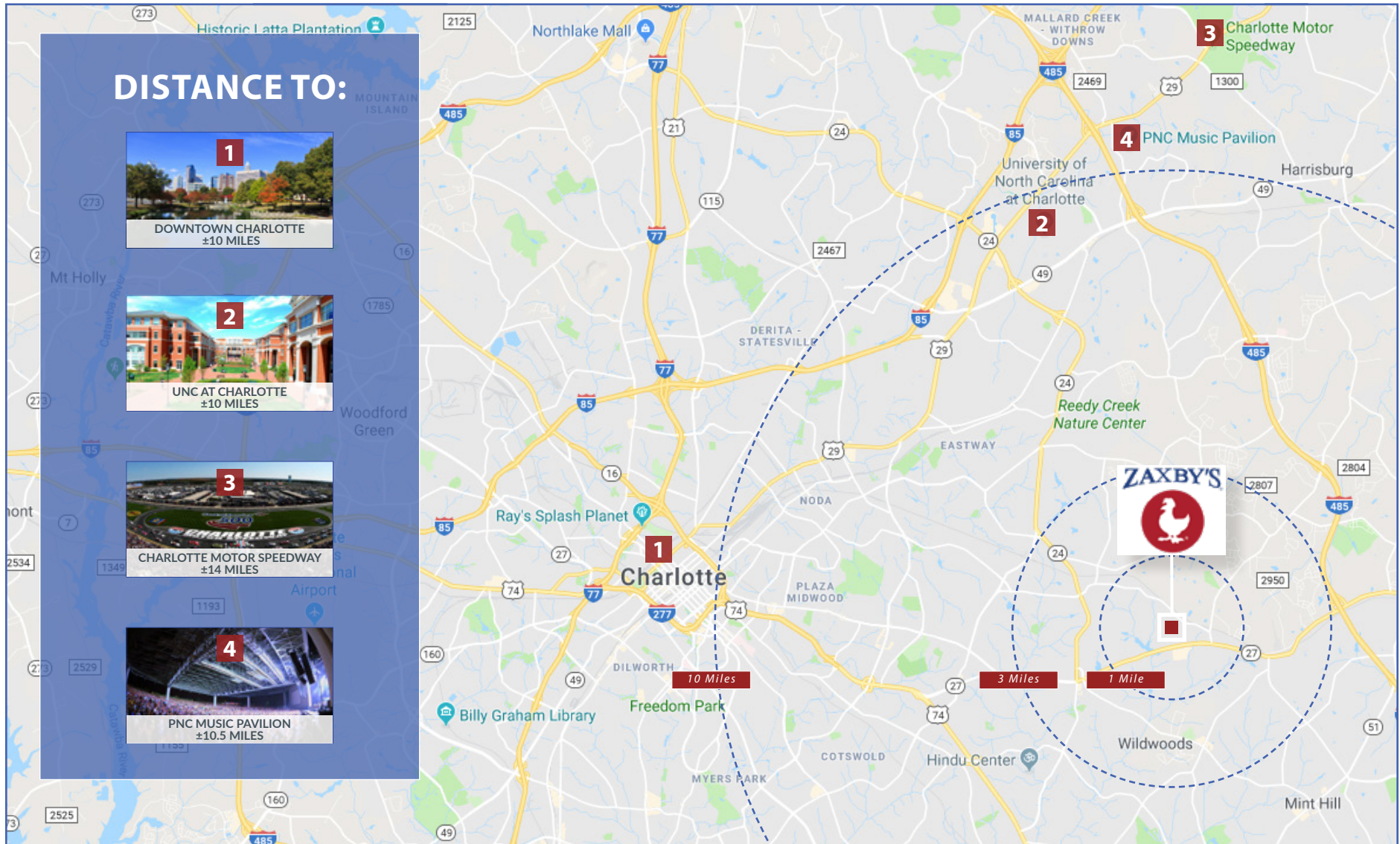


Surrounding Tenants

ZAXBY'S



Location





Growth

The city of Charlotte has been marked by impressive growth recently. Charlotte metro has seen an influx of 880,000 new residents over the past 10 years; this has produced a decade-long growth rate of 59.6%, making it the fastest growing city in the country over this time period.

In 2016, Charlotte added more new residents than all but 10 cities in the country, according to the U.S. Census Bureau. Much of this growth is attributed to the strong economy and good quality of life.

Current estimates have Charlotte metro's population growing by 18.4% between the years 2014 and 2025. Office jobs are projected to increase by 25% over this timeline, with an estimated 42.6% growth in healthcare and social services jobs. Demand for office space is expected to soar up to 132,000,000 square feet, and the city is projected to be home to 14 Fortune 500 companies by 2025.

Charlotte, NC Economy

Charlotte has become a major U.S. financial center with the third most banking assets after New York City and San Francisco. The nation's second largest financial institution by total assets, Bank of America, calls the city home. Charlotte has become the regional headquarters for East Coast operations of Wells Fargo, which is headquartered in San Francisco, California. Charlotte also serves as the headquarters for Wells Fargo's capital markets activities including sales and trading, equity research, and investment banking. Bank of America's headquarters, along with other regional banking and financial services companies, are located primarily in the Uptown central business district. Microsoft's East Coast headquarters are in Charlotte as well.

Charlotte has six Fortune 500 companies in its metropolitan area. Listed in order of their rank, they are: Bank of America, Lowe's in suburban Mooresville, Duke Energy, Nucor, Sonic Automotive, and Sealed Air Corp. The Charlotte area includes a diverse range of businesses, such as Chiquita Brands International, Harris Teeter, Snyder's-Lance, Carolina Foods Inc, Bojangles', Food Lion, Compass Group USA, and Coca-Cola Bottling Co. Consolidated (Charlotte being the nation's second-largest Coca-Cola bottler); motor and transportation companies such as RSC Brands, Continental Tire the Americas, LLC., Meineke Car Care Centers, Carlisle Companies, along with a wide array of other businesses.

2014-2025 Growth Estimates



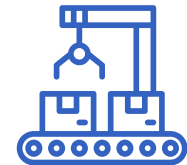
Office Jobs

25%



Population

18.4%



Office Space Demand

25%

Charlotte, North Carolina

AREA DEMOGRAPHICS

POPULATION	1-Mile	3-Mile	5-Mile
2023 Projection	8,670	78,208	195,858
2018 Estimate	8,189	73,085	183,465
2010 Census	7,423	63,536	162,539
HOUSEHOLDS	1-Mile	3-Mile	5-Mile
2023 Projection	3,124	28,367	72,897
2018 Estimate	2,941	26,545	68,386
2010 Census	2,642	23,197	60,843
INCOME	1-Mile	3-Mile	5-Mile
Average Household Income 2018	\$59,502	\$60,055	\$61,595

Charlotte, North Carolina

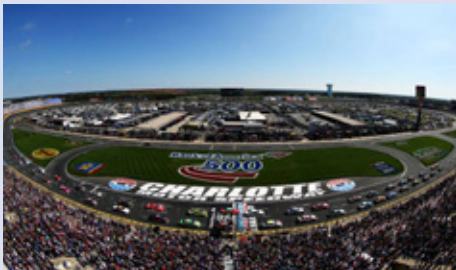
Charlotte is the largest city in North Carolina and the second largest Banking Center in the country. It is known for being a world-class city through a variety of art, science, and historical attractions, all while retaining its small-town charm. Referred to as the Queen City, Charlotte is the home of NASCAR and the Charlotte Motor Speedway. 90 percent of the NASCAR Sprint Cup Series teams are headquartered within 50 miles of Charlotte.

The quality of life enjoyed by residents of Metropolitan Charlotte is an important factor in the tremendous growth of the city and surrounding rural acreage. An undisputed hub for entertainment and culture, the city draws regional audiences to performances and events at the North Carolina Blumenthal Performing Arts Center and other venues.

Recreational opportunities are abundant from Atlantic Ocean water and whitewater rafting at the U.S. National Whitewater Center to roller coasters at Carowinds and hiking in one of the many surrounding national parks and reserves.



- » **PNC Music Pavilion** - PNC Music Pavilion is a fantastic outdoor music venue in Charlotte, North Carolina. Formerly known as Verizon Wireless Amphitheatre and originally called Blockbuster Pavilion, it is famous around Charlotte and the state for its outstanding live music. The venue originally opened on July 4, 1991, and has a large capacity of 18,768 making it the perfect place for summertime concerts. Found on Pavilion Boulevard located in the University City neighborhood, the amphitheatre is in a prime location for live concerts featuring artists and bands in many different music genres, as well as tours such as The Vans Warped Tour and Ozzfest.



- » **Charlotte Motor Speedway** - Charlotte Motor Speedway is a motorsports complex located in Concord, North Carolina 13 mi from Charlotte. The complex features a 1.5 mi quad oval track that hosts NASCAR racing including the prestigious Coca-Cola 600 on Memorial Day weekend, the NASCAR All-Star Race, and the Bank of America 500. The speedway was built in 1959 by Bruton Smith and is considered the home track for NASCAR with many race teams located in the Charlotte area. The facility is considered one of the busiest sports venues in the country, typically with over 380 events a year. Along with many races, the speedway also hosts the Charlotte Auto Fair twice a year, one of the nation's largest car shows.

University of North Carolina, Charlotte

The University of North Carolina at Charlotte, also known as UNC Charlotte, is a public research university located in Charlotte, North Carolina and with more than 29,000 students, UNC Charlotte is the third largest university in the state system. The University offers 23 doctoral, 64 masters', and 140 bachelor's degree programs through nine colleges: the College of Arts + Architecture, the College of Liberal Arts & Sciences, the Belk College of Business, the College of Computing and Informatics, the Cato College of Education, the William States Lee College of Engineering, the College of Health and Human Services, the Honors College, and the University College.

UNC Charlotte is the largest institution of higher education in the Charlotte region and has experienced rapid enrollment growth of 33.4% over the past 10 years, making it the fastest-growing institution in the UNC System, and contributing to more than 50% of the system's growth since 2009.



29,317
STUDENTS



64
MASTERS' DEGREE PROGRAMS



3,495
FACULTY AND STAFF



CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Zaxby's** located at **8905 Albemarle Rd Charlotte, NC 28227 ("Property")**. It has been prepared by Matthews Retail Advisors. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Retail Advisors. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Retail Advisors expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Retail Advisors or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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