

EXCLUSIVE NET-LEASE OFFERING

PANERA BREAD SALE-LEASEBACK

BRAND NEW CONSTRUCTION

Representative Photo



OFFERING MEMORANDUM



960 Tarrytown Center – Rocky Mount, NC 27804

Confidentiality and Disclaimer

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some

properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

CONFIDENTIALITY AND DISCLAIMER

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income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS. Activity ID: ZAA0331404



960 Tarrytown Center – Rocky Mount, NC 27804

Table of Contents

Investment Highlights	4
Financial Analysis	5
Tenant Overview	6
Surrounding Area	7
Location Overview	8
Local Map	9
Regional Map	10
Demographics / Market Overview	11-12





Investment Highlights

PRICE: \$2,726,288 | CAP: 4.75% | RENT: \$129,499



About the Investment

- ✓ Brand New Construction; Opening November 2019!
- ✓ Long-Term, 15-Year Absolute Triple Net (NNN) Lease
- ✓ Lease Commencement Upon Close of Escrow
- ✓ Has Eight Percent Rental Increases Every Five Years
- ✓ There are Four, Five -Year Tenant Renewal Options, Bringing the Potential Lease Term to 35 Years
- ✓ Corporate Tenant | Corporate Guarantee

About the Location

- ✓ Outparcel to a Sam's Club in a Dense Retail Corridor | Walmart Supercenter, Lowe's, Aldi, Target, CVS Pharmacy, Walgreens, Chick-fil-A, McDonald's, Burger King, Wendy's, and Many More
- ✓ Several Hospitality Accommodations Within a Three Mile Radius| Hampton Inn, Candlewood Suites, Country Inn & Suites, DoubleTree by Hilton, Days Inn & Suites, Comfort Inn, Holiday Inn, Courtyard by Marriott
- ✓ Less than Two Miles from Golden East Crossing Shopping Mall | 55+ Retail Stores
- ✓ Nash General Hospital | Largest Employer in the Area with More than 1,650 Employees and 280 Beds

About the Tenant / Brand

- ✓ Panera has been one of the most successful restaurant companies in history
- ✓ Panera was the best-performing restaurant stock when measured over the last 20 years; delivering a total shareholding return 44 times better than the S&P 500 from 1997 to 2017
- ✓ Named "Sales Leader" by Nation's Restaurant News in the Bakery-Café Group – August 2018
- ✓ Pioneer in Advanced Technology – Driver of Ongoing Sales Growth and Improved Delivery-Catering Initiatives
- ✓ Acquired in 2017 by JAB Holdings, a European conglomerate that owns Krispy Kreme, Keurig, Peet's Coffee, Pret A Manger, among other assets; positioning the chain for continued growth and long-term returns





Financial Analysis

PRICE: \$2,726,288 | CAP: 4.75% | RENT: \$129,499



PROPERTY DESCRIPTION

Property	Panera Bread
Property Address	960 Tarrytown Center
City, State, ZIP	Rocky Mount, NC 27804
Estimated Store Opening*	November 5, 2019
Estimated Building Size	5,460 SF
Estimated Lot Size	+/- 1.41 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,726,288
CAP Rate	4.75%
Annual Rent	\$129,499
Price / SF	\$499.32
Rent / SF	\$23.72

LEASE SUMMARY

Property Type	Net Leased Casual Dining Restaurant
Tenant / Guarantor	Corporate; Panera LLC
Franchisor Ownership	Private; JAB Restaurant Holding Company
Original Lease Term	15 Years
Lease Commencement	Upon Close of Escrow
Lease Expiration	15 Years Upon COE
Lease Term Remaining	15 Years
Lease Type	Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	8.0% Every Five (5) Years
Options to Renew	Four (4) Periods of Five (5) Years Each

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$129,499	\$10,792	-
Year 2	\$129,499	\$10,792	-
Year 3	\$129,499	\$10,792	-
Year 4	\$129,499	\$10,792	-
Year 5	\$129,499	\$10,792	-
Year 6	\$139,859	\$11,655	8.00%
Year 7	\$139,859	\$11,655	-
Year 8	\$139,859	\$11,655	-
Year 9	\$139,859	\$11,655	-
Year 10	\$139,859	\$11,655	-
Year 11	\$151,047	\$12,587	8.00%
Year 12	\$151,047	\$12,587	-
Year 13	\$151,047	\$12,587	-
Year 14	\$151,047	\$12,587	-
Year 15	\$151,047	\$12,587	-

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a brand-new Panera Bread located at 960 Tarrytown Center in Rocky Mount, NC. This is a rare investment opportunity to participate in a direct sale leaseback with Panera Bread. The newly constructed site will consist of roughly 5,460 rentable square feet of building space on estimated 1.41-acre parcel of land. The café is scheduled to open in November of 2019.

Panera, LLC, the corporate operating entity, will enter into a brand new 15-year triple-net (NNN) sale leaseback with the purchaser upon close of escrow. The initial annual rent will be \$129,499 and will increase by eight percent every five years throughout the term of the lease and in each option period. There will be four, five-year tenant renewal options, extending the total possible lease term to 35 years.



Tenant Overview



About Panera Bread

Thirty years ago, at a time when quick service meant low quality, Panera set out to challenge this expectation. They believed that food that was good and that you could feel good about, served in a warm and welcoming environment by people who cared, could bring out the best in all of us. To them, that is food as it should be and that is why they exist. So they began with a simple commitment: to bake fresh bread every day in their bakery-cafes. No short cuts, just bakers with simple ingredients and hot ovens. Each night, any unsold bread and baked goods were shared with neighbors in need.

These traditions carry on today, as they have continued to find ways to be an ally to its guests. That means crafting a menu of soups, salads and sandwiches that they are proud to feed their families. Like poultry and pork raised without antibiotics on our salads and sandwiches. A commitment to transparency and options that empower their guests to eat the way they want. Seasonal flavors and whole grains. And a commitment to removing artificial additives (flavors, sweeteners, preservatives and colors from artificial sources) from the food in its bakery-cafes. Why? Because they think that simpler is better and they believe in serving food as it should be. The company is also focused on improving quality and convenience. With investments in technology and operations, they now offer new ways to enjoy your Panera favorites -- like mobile ordering and Rapid Pickup for to-go orders -- all designed to make things easier for its guests.

As of April 2019, there are more than 2,360 bakery-cafes in 48 states and in Ontario, Canada operating under the Panera Bread(R) or Saint Louis Bread Co. (R) names.

For more information, visit panerabread.com or find them on Twitter (@panerabread), Facebook ([facebook.com/panerabread](https://www.facebook.com/panerabread)) or Instagram (@panerabread).

About JAB Holding Company

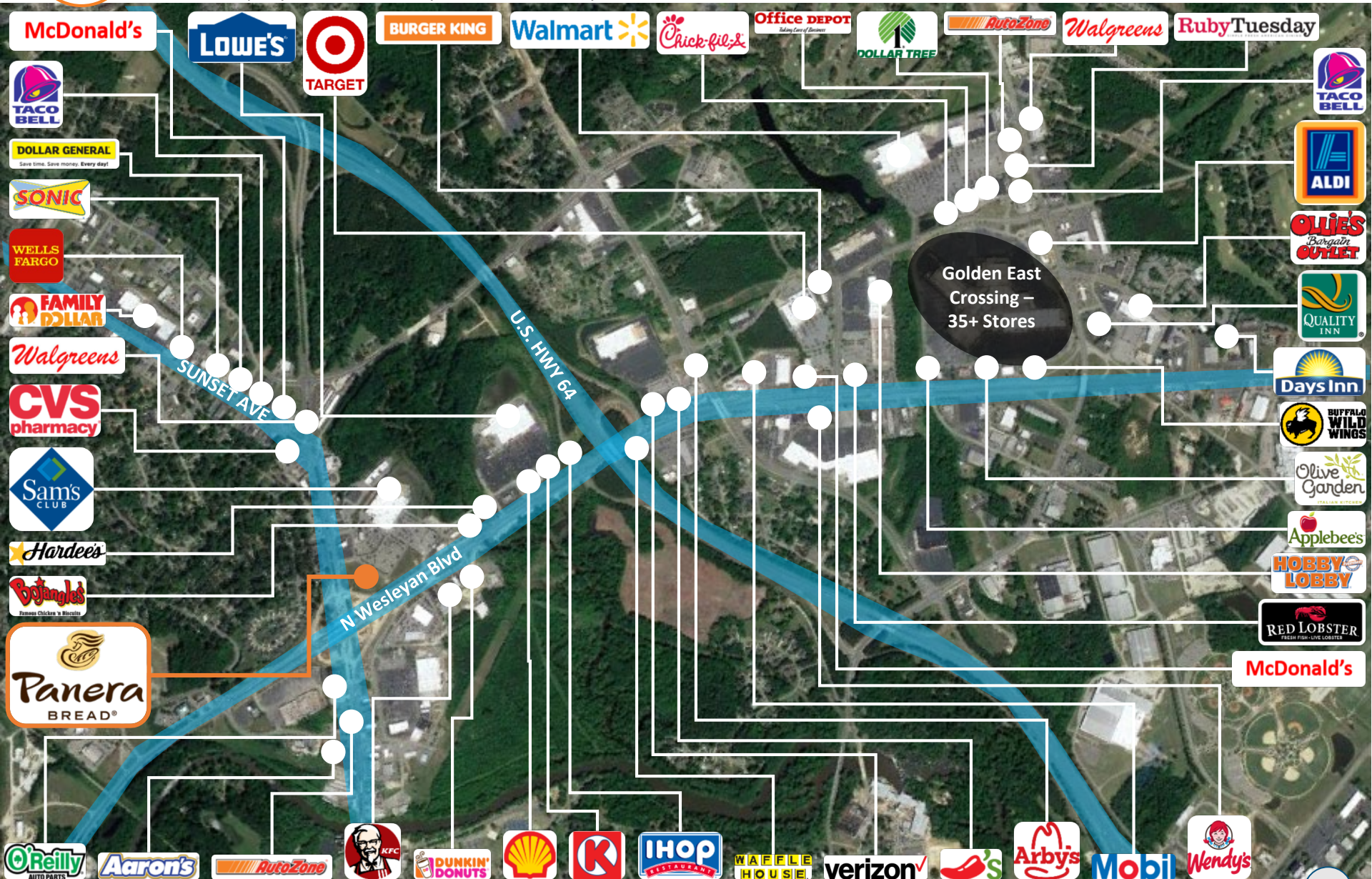
JAB Holding, a privately held company and investment arm of the Reimann family, is no stranger to the coffee business. It began building its position in coffee and breakfast in 2012 when it took a stake in D.E. Master Blenders and bought Peet's Coffee & Tea, a premier specialty coffee and tea company, for \$974 million and Minnesota-based Caribou Coffee, a specialty retailer of high-quality premium coffee products, for \$340 million. In the years that followed, the European company would go on to spend billions expanding its coffee empire. Eventually in 2013, JAB agreed to pay \$9.8 billion to purchase D.E. Master Blenders. That company became Jacobs Douwe Egberts (JDE) when JAB merged it with the coffee division of Mondelez International in 2015, which it bought for around \$4 billion, becoming the largest pure-play FMCG coffee company in the world. In 2014, JAB scooped up Einstein Bagels' parent company, Espresso House and Baresso Coffee and in 2015, the company purchased Keurig Green Mountain, a leader in single-serve coffee and beverage technologies, for \$14 billion along with coffee roaster and retailer Stumptown Coffee and coffee bar chain Intelligentsia coffee. Krispy Kreme, a global specialty retailer and wholesaler of premium-quality sweet treats, was added to the portfolio in 2016 and later completed its acquisition of Panera Bread Company in July 2017 for \$7.5 billion and Au Bon Pain (304 units) for an undisclosed sum later that year. Panera Bread's acquisition of Au Bon Pain brings the two companies together again since having split in 1999 and offers a strategic opportunity for the company. The caffeine-fueled company, which has been steadily building a coffee and breakfast empire over the last five years, announced early April 2018 that it has expanded its coffee empire, making a major investment in the launch of online craft coffee retailer "Trade". Trade's website features more than 400 roasts, each with a description of where the coffee was sourced, its flavor profile and how best to brew it. Investing in Trade gives JAB one more foothold in the coffee market, this time online. Only one month later, JAB acquired Pret A Manger, a leading company in the ready-to-eat food market. Pret maintains a strong presence in the U.K. and boasts a rapidly growing international footprint with a presence in the U.S., Hong Kong/China, and France. The company operates over 530 stores worldwide, generating group revenues of £879 million. Today, JAB has broadened its expansion with its announcement to buy a majority stake in Compassion-First Pet Hospitals, moving its portfolio into yet another sector.

For more information about JAB investments, please visit the company's website: <http://www.jabholco.com>
 Additional Source: <https://www.cnbc.com/2018/04/05/jab-expands-coffee-empire-with-investment-in-online-coffee-shop-trade.html>
<https://www.jabholco.com/documents/6/press-release-s-p-jab-pret-a-manger.pdf>
<https://www.reuters.com/article/us-compassionfirst-m-a-jab/jab-broadens-expansion-with-stake-in-pet-hospitals-idUSKCN1QE1M9>



Surrounding Area

Property Address: 960 Tarrytown Center – Rocky Mount, NC 27804





Location Overview

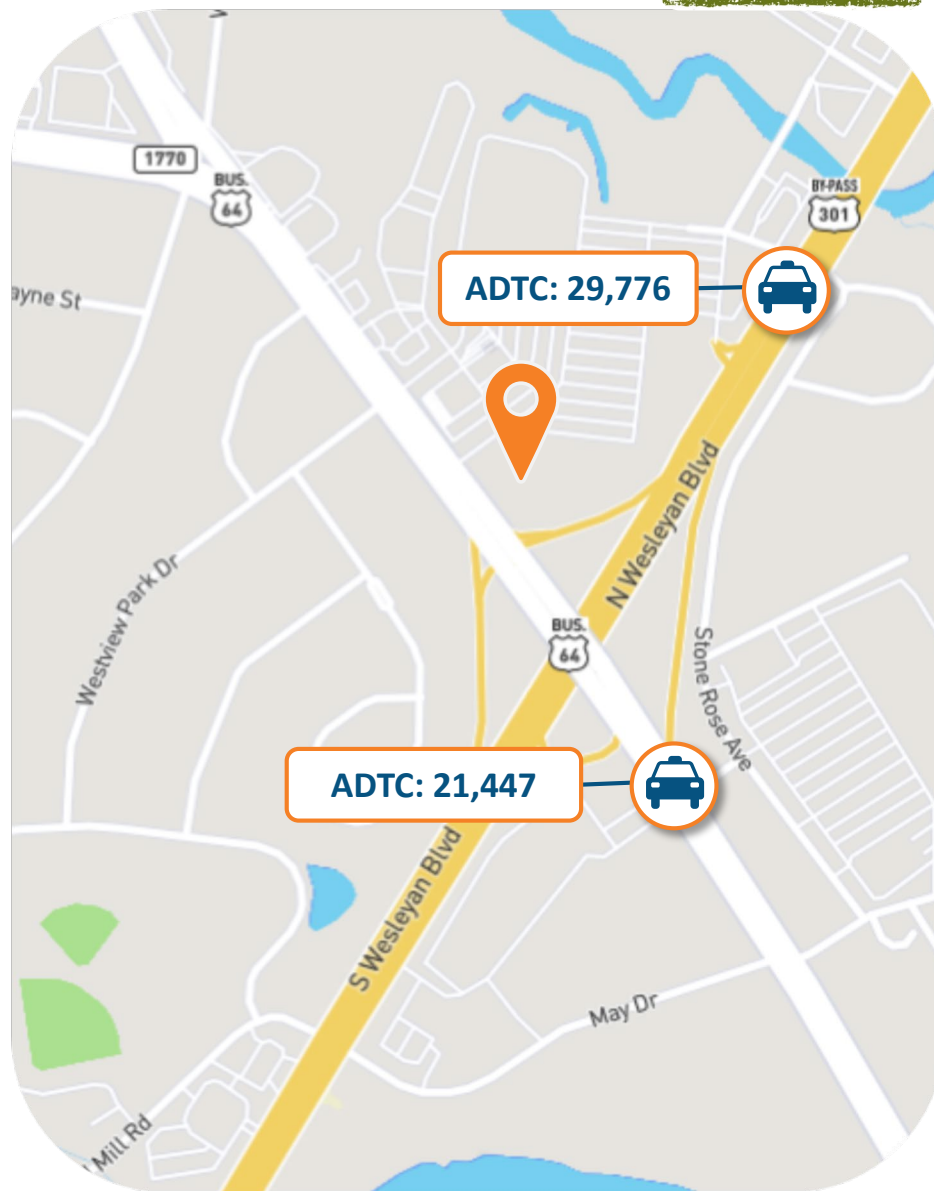
Property Address: 960 Tarrytown Center – Rocky Mount, NC 27804



The subject investment property is situated at the corner of North Wesleyan Boulevard and Sunset Avenue on Tarrytown Center, which experiences an average daily traffic counts exceeding 29,770 and 21,440 vehicles, respectively. There are more than 60,120 individuals residing within a five-mile radius of the property and more than 89,630 individuals within a 10-mile radius.

This café benefits from being well-positioned as an outparcel to a Sam's Club in a highly dense retail corridor consisting of national and local tenants, shopping centers, and hospitality accommodations all within close proximity of this property. Major national tenants in the immediate area include: Walmart Supercenter, Lowe's, Aldi, Target, CVS Pharmacy, Walgreens, Chick-fil-A, McDonald's, Burger King, Wendy's, as well as many others. Accommodations in the immediate area include: Hampton Inn, Candlewood Suites, Country Inn & Suites, DoubleTree by Hilton, Days Inn & Suites, Comfort Inn, Holiday Inn, and Courtyard by Marriott. Golden East Crossing Shopping Mall is less than two miles from this Panera Bread and is home to more than 58 retail stores. Its anchor tenants include: JCPenney, Dunham's Sports, Ross Dress for Less, Books-A-Million, Conn's and Belk. Additionally, the subject property is less than three miles from the largest employer in the area, Nash General Hospital. This is a flagship acute care facility with 280 beds and more than 1,650 employees.

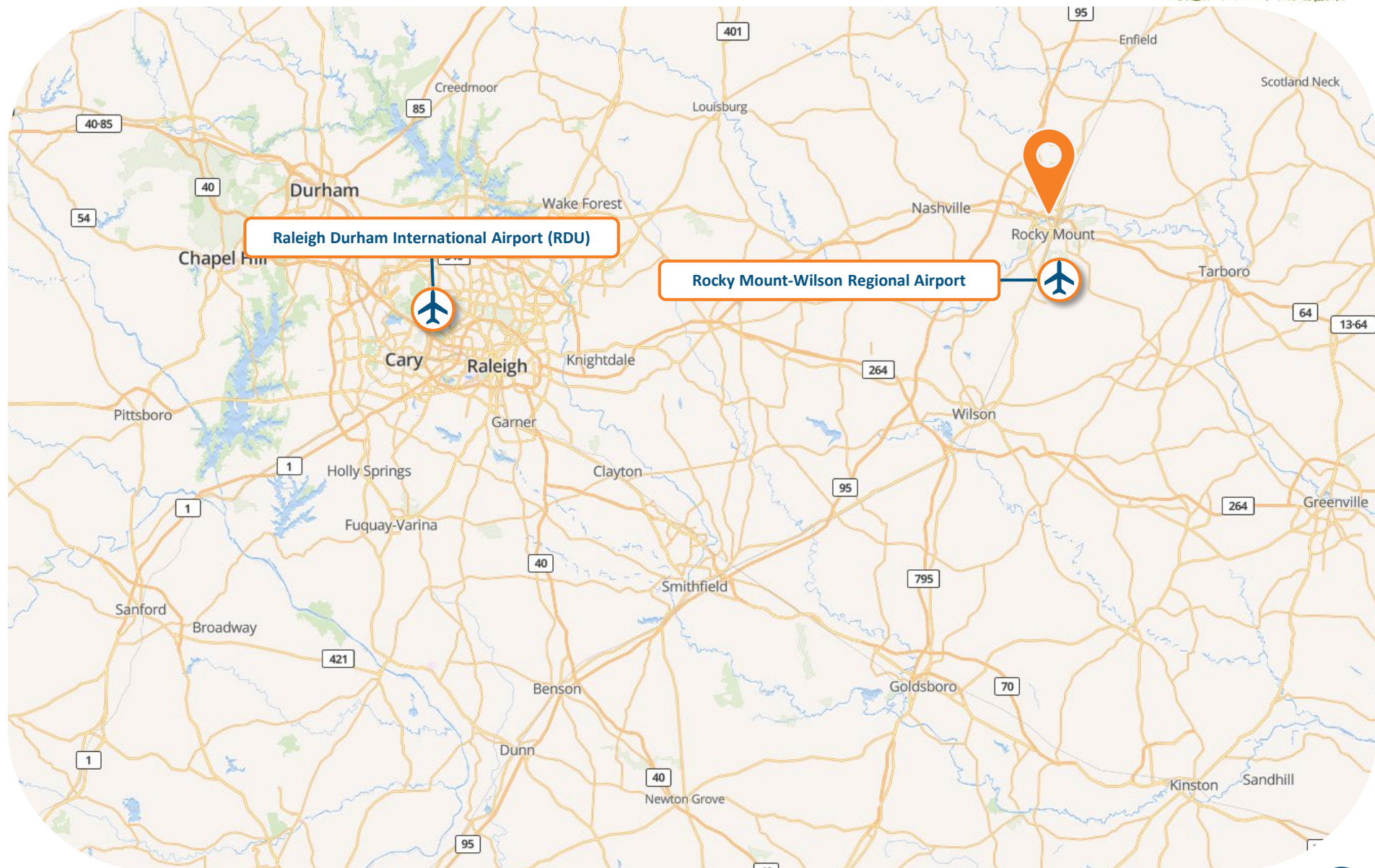
Rocky Mount is the principal city of the Rocky Mount metropolitan area, which includes Edgecombe and Nash counties. It is a part of the Atlantic coastal plain in North Carolina as well as the Raleigh-Durham-Chapel Hill CSA, also known as The Triangle. The economy of the Rocky Mount metropolitan area has been undergoing a process of transformation in the past few decades. While historically strong in textiles and agriculture, the economy has diversified into biomedical pharmaceuticals and high-tech manufacturing. Being at the juncture of a number of important highways and railways, distribution and logistics also play a key role in local business. In addition, the area features a strong service sector and is home to several financial and customer support centers. In 2019, CSX Transportation broke ground on an approximately \$200 million cargo terminal in Rocky Mount. While somewhat scaled back from original plans, the facility is expected to have an indirect impact of over a thousand jobs in the area and has potential room for expansion. Additionally, Chinese tiremaker Triangle Tire Co. will be building two manufacturing facilities at a 1,449-acre site in Edgecombe County, between Rocky Mount and Tarboro. Phase 1 of the project is set to open in 2020 and phase 2 in 2022. At \$580 million, it will be the largest ever manufacturing investment in rural North Carolina with the creation of 800 jobs and an estimated contribution of more than \$2.4 billion to the state's economy.





Local Map

Property Address: 960 Tarrytown Center – Rocky Mount, NC 27804

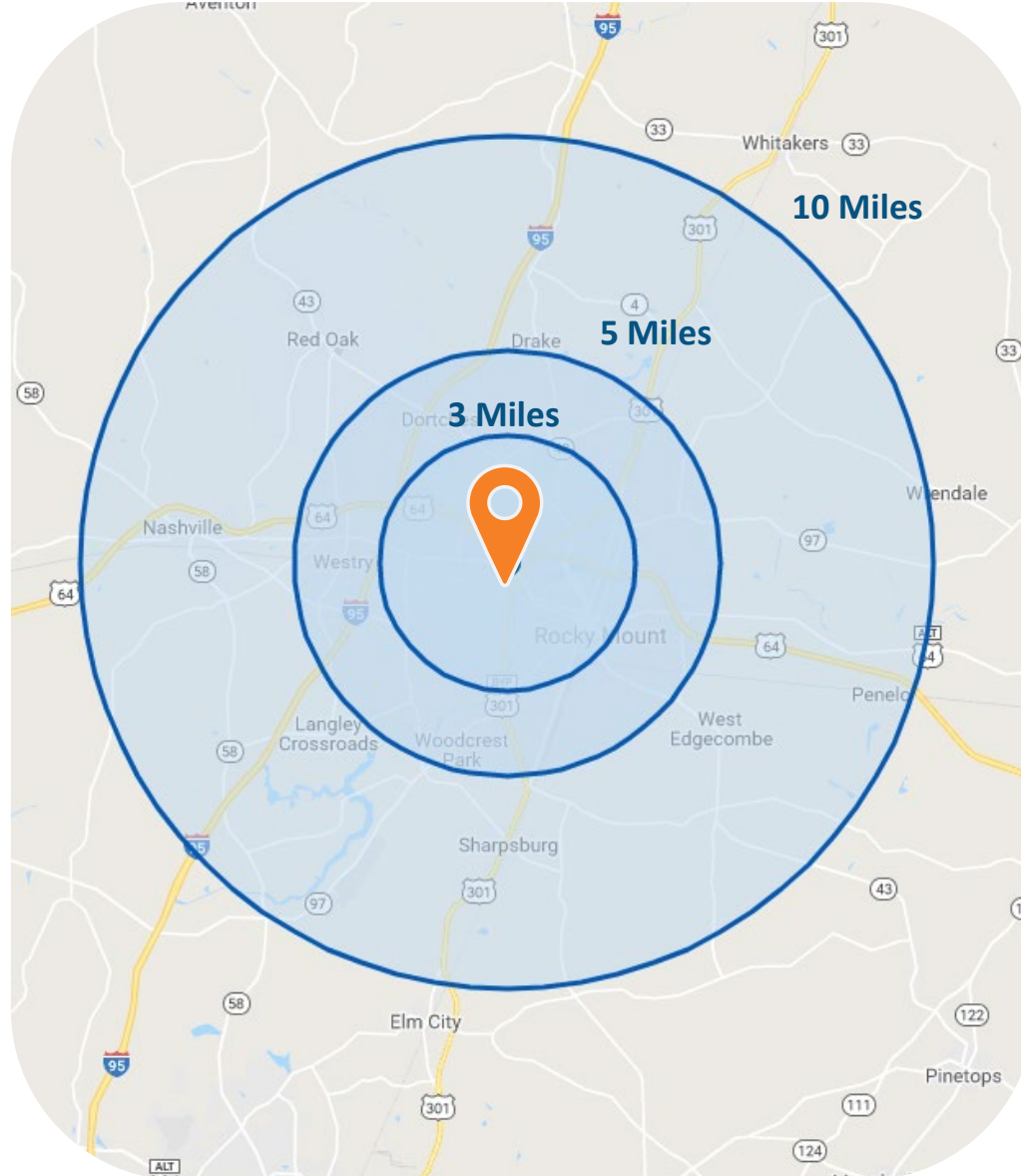


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Demographics

Property Address: 960 Tarrytown Center – Rocky Mount, NC 27804



3 Miles 5 Miles 10 Miles

Population Trends:

2024 Projection	38,961	59,376	88,884
2019 Estimate	39,005	60,129	89,637
2010 Census	38,942	63,018	92,203
2017 Population Hispanic Origin	1,473	2,401	3,284

Population by Race (2019):

White	13,515	21,217	40,084
Black	23,846	36,623	46,483
American Indian & Alaskan	322	470	661
Asian	582	737	887
Hawaiian & Pacific Island	36	63	81
Other	704	1,019	1,440

Household Trends:

2024 Projection	16,438	24,016	35,484
2019 Estimate	16,465	24,315	35,776
2010 Census	16,404	25,358	36,624
Owner Occupied	8,016	12,938	21,359
Renter Occupied	8,449	11,378	14,417

Average Household Income (2019):

\$53,234	\$54,463	\$60,688
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Households by Household Income (2019):

<\$25,000	6,361	8,684	11,618
\$25,000 - \$50,000	3,902	5,905	8,235
\$50,000 - \$75,000	2,688	4,366	6,497
\$75,000 - \$100,000	1,508	2,257	3,645
\$100,000 - \$125,000	588	1,027	1,849
\$125,000 - \$150,000	489	692	1,145
\$150,000 - \$200,000	561	871	1,765



Market Overview

City: Rocky Mount | County: Edgecombe & Nash | State: North Carolina

Raleigh, North Carolina



Raleigh the capital of North Carolina, is the second largest city behind Charlotte with an estimated 2017 population of 458,880 distributed over a land area of about 143 square miles. Located at the northeast part of the state, the city is the center of the Raleigh-Durham-Chapel Hill Combined Statistical Area (CSA), one of the states most populous areas. The estimated population of the Raleigh-Durham-Chapel Hill Statistical Area is just over 2.3 million. Raleigh's industrial base includes banking/finance services, electrical, medical, electronic, telecommunications equipment, clothing and apparel, food processing, paper products, and pharmaceuticals. Raleigh is a part of North Carolina's research triangle one of the country's largest and most successful research parks, and a major centers in the United States for high-tech and biotech research. The city also holds many prestigious public and private research institutions including North Carolina State University, Shaw University, and St. Augustine's University. Raleigh Public schools are also nationally respected and praised for their innovative efforts to maintain a socially, economically, and racial balanced system by using income as a prime factor in assigning students to schools.

Raleigh, while being a great place to call home is also a great place to visit with many fine attractions and points of interest. Art lovers can appreciate the North Carolina Museum of Art while those with an interest in science can enjoy The North Carolina Museum of Natural Sciences. History buffs can take a tour of the North Carolina State Capitol and a jaunt through the North Carolina Museum of History. And for outdoor lovers, Raleigh contains a number of parks, including Umstead and Pullen. Sports fans can also stop and watch the National Hockey League's Carolina Hurricanes.

Major Employers

Employer	Estimated # of Employees
Nash General Hospital	1,653
Ilco Unican Holding Corp	1,000
Honeywell	860
Inc City of Rocky Mount	848
CITY HALL	810
Walmart	715
Hardees	713
Kaba Ilco Corp	700
County of Nash	622
VFW	581
McLane	558



Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING





Dated:

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Atlanta, GA 30328

Phone: (678) 808-2762
Fax: (815) 550-1286
don.mcminn@marcusmillichap.com

Re: 960 Tarrytown Center Rocky Mount, NC 27804 (Panera Bread)

Dear Don:

Please accept this offer to purchase the above referenced Property. This letter expresses Purchaser's interest in purchasing the Property under the following terms and conditions:

Purchaser _____

**Purchaser's
Address** _____

**Purchaser's
Phone/Fax** _____

**Purchaser's
Email Address** _____

Offer Price _____

Earnest Money \$25,000 earnest money deposit due within forty-eight (48) hours of the Effective Date of the Contract. The Earnest Money shall be increased to \$50,000 at the expiration of the Inspection Period and shall become non-refundable barring any other listed contingencies.

Inspection Period 21 Calendar Days from the Effective Date, which shall mean the date on which the latter of the parties executes a Contract. All available Due Diligence Documents ("Documents") will be forwarded immediately upon the Effective Date of the Contract.

Purchaser's Initials _____ Seller's Initials _____

Financing Period
(Please Check One)

☐ **All Cash** (No Financing Period)

☐ **Financing:** Purchaser shall have ten (10) days from the Effective Date of the Contract to apply for and obtain a financing commitment. In addition, Purchaser shall have 30 days from the effective date of the contract to complete loan processing. Purchaser shall use its best efforts to secure and obtain a new first mortgage loan in the amount of \$_____ on terms which are acceptable to Purchaser.

Closing Date
(Please Check One)

☐ **New Property:** Within 10 Calendar Days after rent commencement and receipt of tenant estoppel.

☐ **Existing Property** Within 10 Calendar Days after the expiration of the Inspection Period (or Financing Period if applicable).

Closing Costs

Seller shall pay for the transfer tax. Buyer shall pay for Title. Purchaser and Seller shall each bear its own attorneys expenses. All other Closing Costs shall be split 50-50 between Buyer and Seller.

Property Condition

Property is being sold "AS IS" with Seller making representations or warranties concerning the property.

**Contract within
10 days:**

Within Ten (10) Calendar Days of the Effective Date of this Letter of Intent, Purchaser and Seller shall enter into a binding Contract (the "Contract"). Seller will Draft the Contract and Failure to reach an agreement will allow the Seller to consider this agreement void and accept offers from other parties.

Broker Commission

Purchaser acknowledges that Purchaser has employed _____, ("Purchaser's Brokers") to represent them in this transaction. Any commissions due the Purchaser's broker (if applicable) shall be paid by the Seller directly.

1031 Exchange

Purchaser ☐ is / ☐ is not (check one) completing an IRS 1031 Tax Deferred Exchange, to which the Seller agrees to cooperate providing there is no cost or expense to Seller. Purchaser has \$_____ in an exchange account from a transaction which closed escrow on _____. Purchaser will provide Seller, upon request, proof of such funds.

Confidentiality

Purchaser and Purchaser's agents and representatives hereby covenant with Seller that Purchaser and Purchaser's agents and representatives shall not, without the prior written consent of Seller (which consent may be withheld in Seller's sole and absolute discretion), disclose to any other person (other than Purchaser's

Purchaser's Initials _____ Seller's Initials _____

accountants and attorneys) or entity by any means whatsoever: (i) any information pertaining to the Documents; (ii) any information pertaining to the Contract; or (iii) any information or documentation (written or oral) provided by Seller or Seller's agents and representatives concerning Seller, Seller's business, Tenant, Tenant's business or the Property.

This Letter of Intent is contingent upon the prospective Purchaser's willingness to execute Seller's standard Purchase Agreement as well as review and approval of the details of the transaction proposed above by the appropriate principal parties of the Seller.

It is understood and agreed that the foregoing constitutes a *Letter of Intent* setting forth the major business points from our discussions. It is further understood that neither party intends to create any contractual rights or obligations as a result of entering into this *Letter of Intent*. No binding agreement or rights or obligations shall arise as the result of executing this letter or with respect to the proposed transactions, unless and until we execute definitive documentation incorporating the above provisions and other appropriate terms.

If the foregoing accurately reflects our discussions, please acknowledge same by returning a signed copy of this letter. Execution of this Letter of Intent by the undersigned agent in no way binds or obligates the Seller or any of its principals.

Agreed and Accepted | Purchaser

By: _____

Printed: _____

Dated: _____

Agreed and Accepted | Seller

By: _____

Printed: _____

Dated: _____

Purchaser's Initials _____ Seller's Initials _____