

EXCLUSIVE NET-LEASE OFFERING

PANERA BREAD SALE-LEASEBACK

BRAND NEW CONSTRUCTION WITH DRIVE-THRU

Representative Photo



OFFERING MEMORANDUM



15 North Airmont Road, Suffern, NY 10901



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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.

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15 Airmont Road, Suffern, NY 10901

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Investment Highlights

PRICE: \$4,425,732 | CAP: 4.50% | RENT: \$199,158



About the Investment

- ✓ Brand New Construction With Drive-Thru; Estimated Opening Date September 2020!
- ✓ Long-Term, 15-Year Absolute Triple Net (NNN) Lease
- ✓ Lease Commencement Upon Close of Escrow
- ✓ Eight Percent (8.0%) Rental Increases Every Five (5) Years
- ✓ Four (4), Five (5)-Year Tenant Renewal Options, Bringing the Potential Lease Term to 35 Years

About the Location

- ✓ Dense Retail Corridor | Walmart, Walgreens, Starbucks, Wendy's, McDonald's, Shop Rite, Burger King, and Many More
- ✓ Strong Academic Presence | Less than Three Miles from Rockland Community College | Total Enrollment Exceeds 7,000+ Students
- ✓ Affluent Suburban Community | Average Income Within a Three-Mile Radius is \$122,000 | Population Exceeds 191,160 Individuals Within a Five-Mile Radius
- ✓ Strong Traffic Counts | North Airmont Road and Interstate-87 | Approximately 11,500 and 102,500 Vehicles Per Day, Respectively

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



Representative Photo



Representative Photo



Financial Analysis

PRICE: \$4,425,732 | CAP: 4.50% | RENT: \$199,158



PROPERTY DESCRIPTION

Property	Panera Bread
Property Address	15 North Airmont Road
City, State, ZIP	Suffern, NY 10901
Estimated Store Opening	September 15, 2020*
Estimated Building Size	4,430 Square Feet
Estimated Lot Size	+/- 1.43 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$4,425,732 ¹
CAP Rate	4.50%
Annual Rent	\$199,158

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

* Subject to Change

¹ Pricing is subject to change +/- \$250,000 based upon final construction costs.

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 1	\$199,158	\$16,596	-
Year 2	\$199,158	\$16,596	-
Year 3	\$199,158	\$16,596	-
Year 4	\$199,158	\$16,596	-
Year 5	\$199,158	\$16,596	-
Year 6	\$215,091	\$17,924	8.00%
Year 7	\$215,091	\$17,924	-
Year 8	\$215,091	\$17,924	-
Year 9	\$215,091	\$17,924	-
Year 10	\$215,091	\$17,924	-
Year 11	\$232,298	\$19,358	8.00%
Year 12	\$232,298	\$19,358	-
Year 13	\$232,298	\$19,358	-
Year 14	\$232,298	\$19,358	-
Year 15	\$232,298	\$19,358	-

INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a brand-new Panera Bread located at 15 North Airmont Road in Suffern, NY. This is a rare investment opportunity to participate in a direct sale leaseback with Panera Bread. The newly constructed site will consist of roughly 4,430 rentable square feet of building space on estimated 1.43-acre parcel of land. The café is scheduled to open in September of 2020.

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 \$199,158 and will increase by eight percent (8.0%) every five (5) years throughout the term of the lease and in each option period. There will be four (4), five (5)-year tenant renewal options, extending the total possible lease term to 35 years.

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: 15 North Airmont Road, Suffern, NY 10901



Raymour & Flanigan
FURNITURE | MATTRESSES



CROWNE PLAZA
HOTELS & RESORTS



Howard Johnson

Bagel Boys
Cafe

Walmart

STERLING
NATIONAL BANK

citibank

DUNKIN'
DONUTS

DYKES
LUMBER COMPANY, INC.

Wendy's

INTERSTATE
87

Distribution
Center

ADTC: 102,355

NORTH AIRMONT ROAD

ADTC: 11,430

Headquarters



COVID SAMARITAN HOSPITAL



McDonald's

KeyBank

TD Bank

AIRMONT
DINER

CHASE

at&t

Walgreens



Auto
Zone

T-Mobile



BURGER KING

SUBWAY



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Surrounding Area Photos





Location Overview

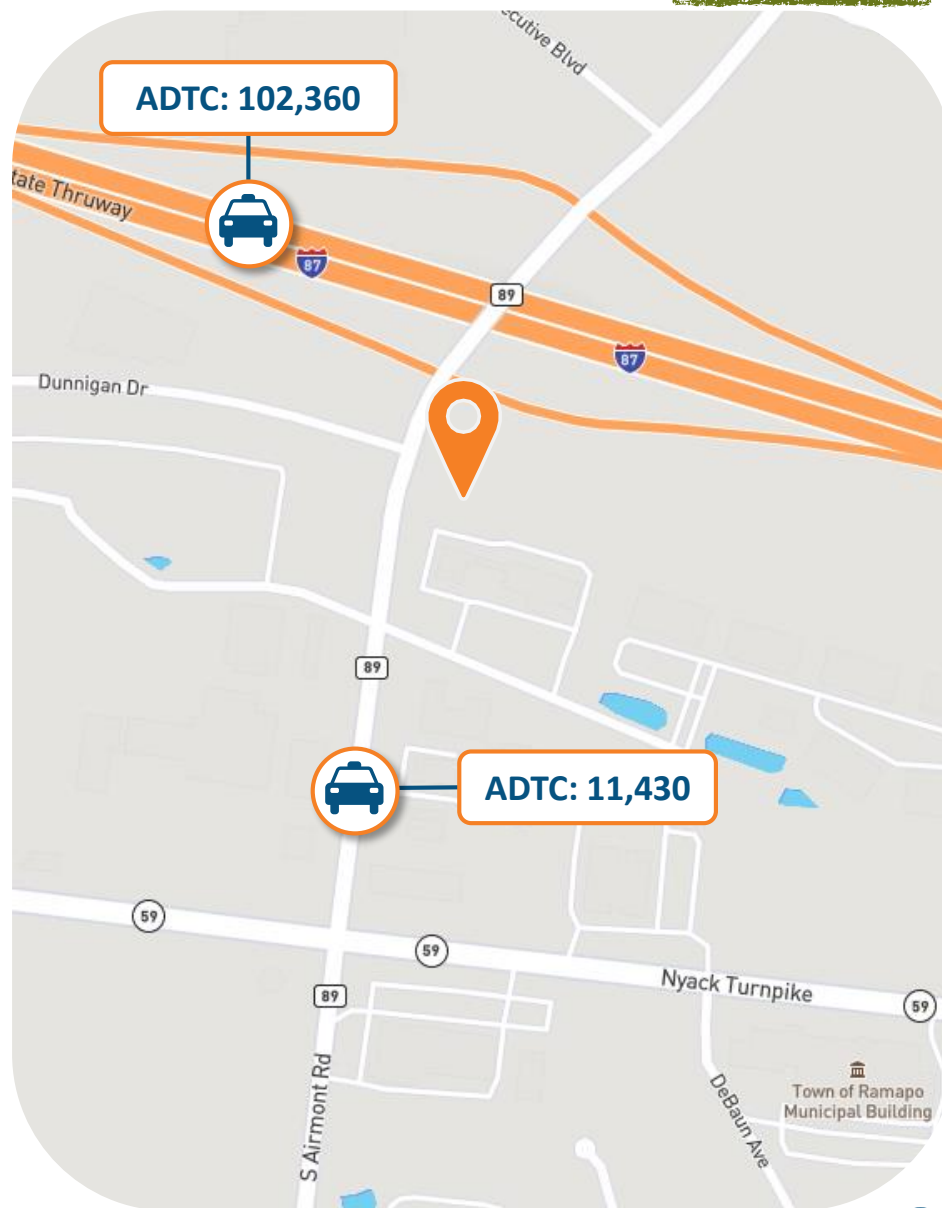
Property Address: 15 North Airmont Road, Suffern, NY 10901



The subject investment property is situated on North Airmont Road, which experiences an average daily traffic count exceeding 11,400 vehicles, respectively. Intersecting with North Airmont Road is Interstate-87, which brings an additional 102,360 vehicles into the immediate area per day. There are more than 81,150 individuals residing within a three-mile radius of the subject property and approximately 191,170 individuals within a five-mile radius. This Panera Bread property is situated in an affluent suburban community with an average household income of over \$122,000 within a three-mile radius.

The Panera Bread property is strategically situated in a dense residential and retail corridor. Major tenants in the immediate area include: Walmart, Walgreens, CVS Pharmacy, Starbucks, Wendy's, McDonald's, Shop Rite, Burger King, Dunkin' Donuts, as well as many others. The subject property benefits from its close proximity to several academic institutions. The most notable is Rockland Community College, which has a total enrollment exceeding 7,000+ students and is located within a three-mile radius. Good Samaritan Hospital, a 280+ bed, general medical and surgical facility, is located three miles from this Panera Bread property.

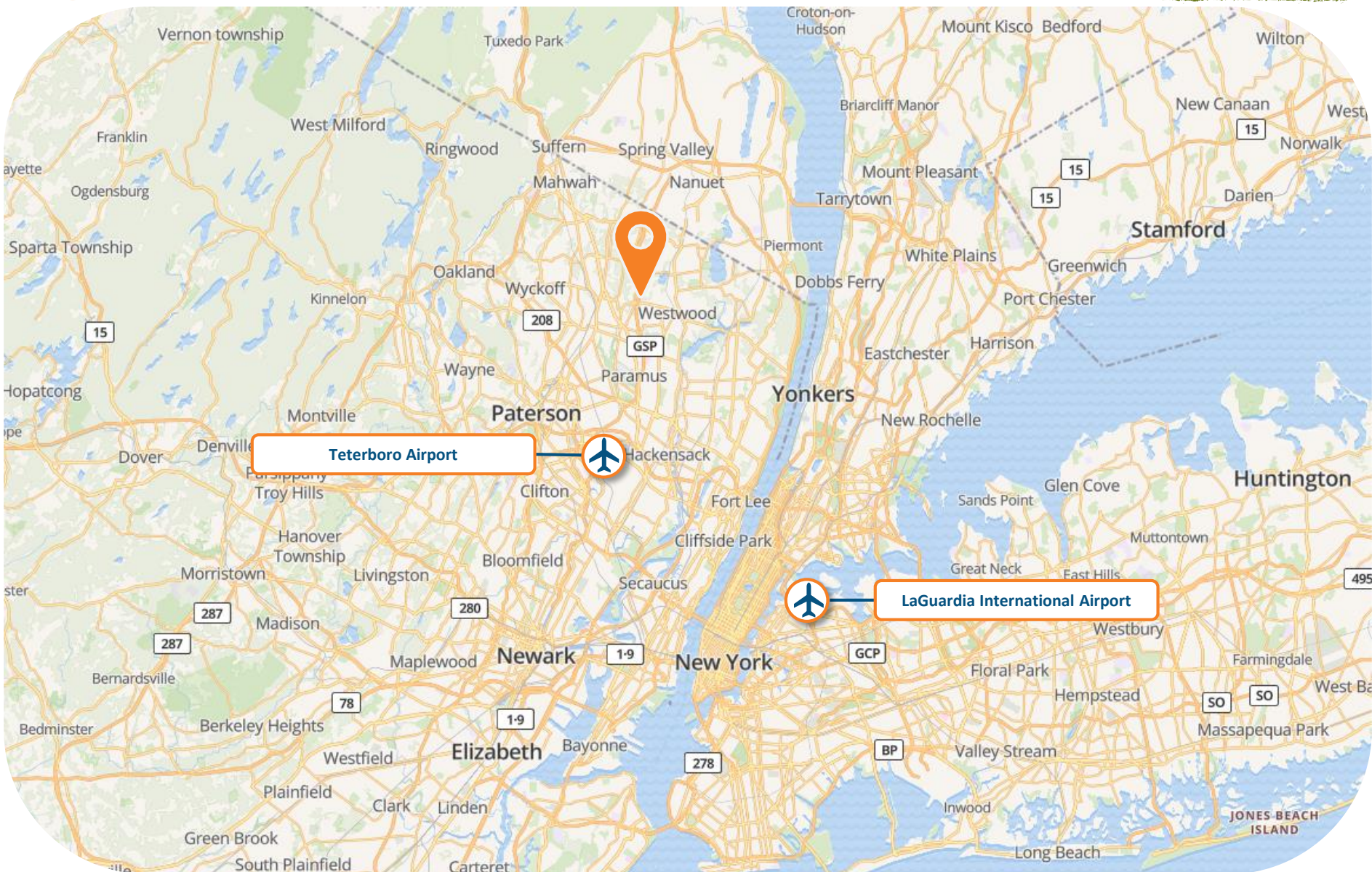
Suffern, previously a village, is now incorporated in the town of Ramapo, Rockland County, New York. Suffern has good education and health care facilities as well as a range of recreational activities. Suffern benefits from its transport links, with the I-87 passing directly through it and its proximity to New York City. New York is the most populous city and the most densely populated in the United States. The city consists of five borough and one of the busiest ports and airports the United States. Many buildings and landmarks are famous, New York City has three of the world's ten most visited tourist attractions. It is one of the world's busiest pedestrian intersections and hub for global entertainment, with venues such as Broadway and Madison Square Gardens. Manhattan's real estate market is the most expensive in the world with landmarks known internationally. New York is also home to such iconic teams such as the New York Giants, the Yankees and the Knicks.





Local Map

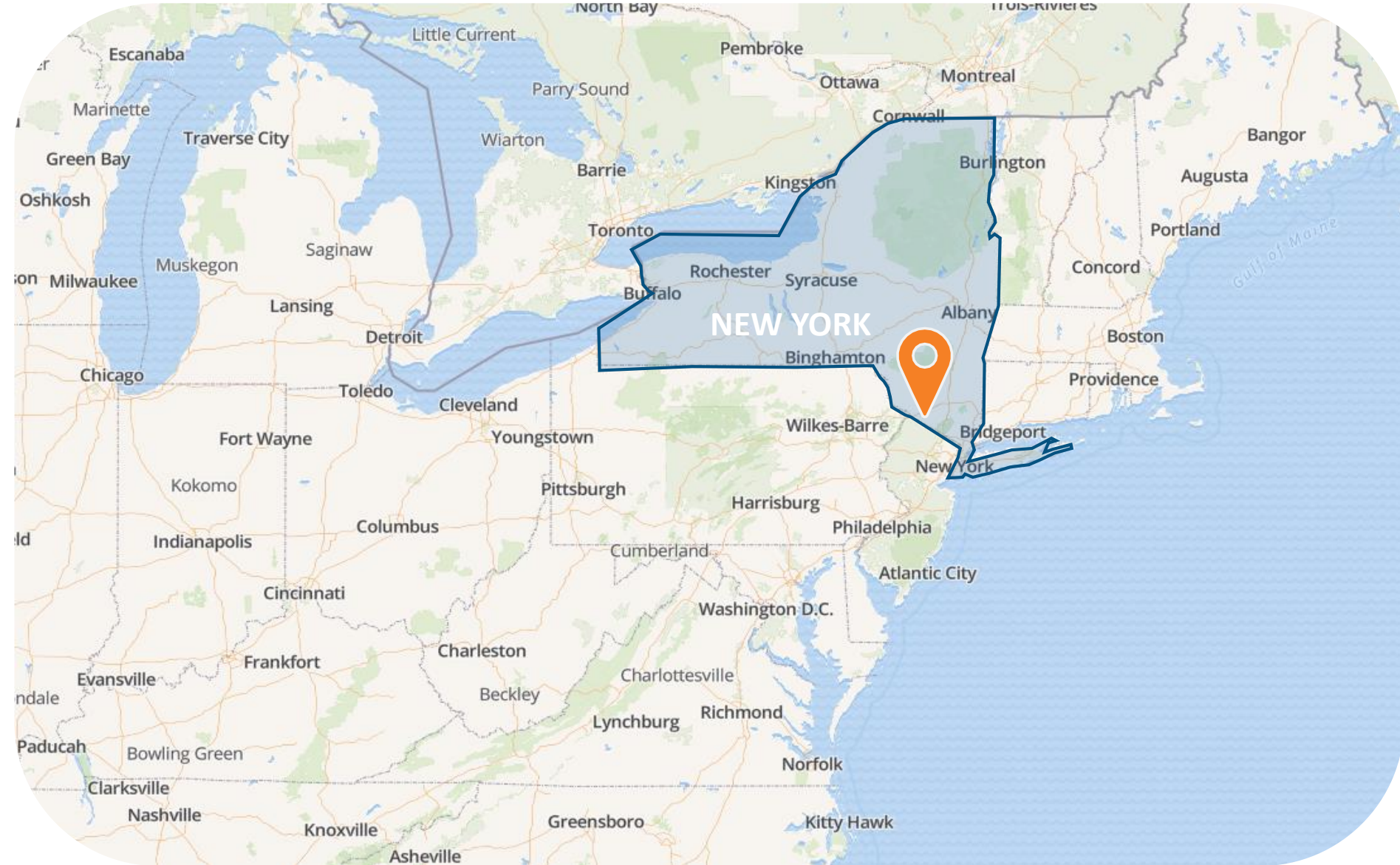
Property Address: 15 North Airmont Road, Suffern, NY 10901





Regional Map

Property Address: 15 North Airmont Road, Suffern, NY 10901





Demographics

Property Address: 15 North Airmont Road, Suffern, NY 10901



3 Miles 5 Miles 10 Miles

Population Trends:

2024 Projection	85,466	198,327	536,015
2019 Estimate	81,153	191,169	525,182
2010 Census	74,959	178,988	506,322
2000 Census	65,710	157,065	476,821

INCOME

Average	\$122,020	\$128,379	\$152,384
Median	\$81,039	\$88,397	\$107,821
Per Capita	\$37,150	\$38,318	\$50,975

HOUSEHOLDS

2024 Projection	25,928	59,382	180,550
2019 Estimate	24,600	56,738	174,763
2010 Census	23,118	53,632	167,377
2000 Census	21,216	49,303	159,065

HOUSING

2019	\$432,501	\$443,501	\$480,174
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EMPLOYMENT

2019 Daytime Population	88,778	195,522	515,648
2019 Unemployment	3.28%	4.70%	4.15%
2019 Median Time Traveled	31 Mins	32 Mins	34 Mins

RACE & ETHNICITY

White	85.36%	71.50%	77.02%
Native American	0.02%	0.04%	0.03%
African American	5.58%	13.86%	8.07%





Market Overview

City: Suffern | County: Rockland | State: New York

New York, New York

New York City is located just 30 miles outside of Suffern, New York. With an estimated 2017 population of 8,622,698 distributed over a land area of about 302.6 square miles, New York City is also the most densely populated major city in the United States. Located at the southern tip of the state of New York, the city is the center of the New York metropolitan area, the largest metropolitan area in the world by urban landmass and one of the world's most populous megacities. A global power city, New York City has been described as the cultural, financial, and media capital of the world, and exerts a significant impact upon commerce, entertainment, research, technology, education, politics, tourism, and sports. Home to the headquarters of the United Nations, New York is an important center for international diplomacy. Situated on one of the world's largest natural harbors, New York City consists of five boroughs, each of which is a separate county of the State of New York. The five boroughs – Brooklyn, Queens, Manhattan, The Bronx, and Staten Island – were consolidated into a single city in 1898. As many as 800 languages are spoken in New York, making it the most linguistically diverse city in the world.

Many districts and landmarks in New York City are well known, and the city received a record 62.8 million tourists in 2017. Several sources have ranked New York the most photographed city in the world. Times Square, iconic as the world's "heart" and its "Crossroads", is the brightly illuminated hub of the Broadway Theater District, one of the world's busiest pedestrian intersections, and a major center of the world's entertainment industry. Anchored by Wall Street in the Financial District of Lower Manhattan, New York City has been called both the most economically powerful city and the leading financial center of the world, and the city is home to the world's two largest stock exchanges by total market capitalization, the New York Stock Exchange and NASDAQ. Providing continuous 24/7 service, the New York City Subway is one of the most extensive metro systems worldwide, with 472 stations in operation. Over 120 colleges and universities are located in New York City, including Columbia University, New York University, and Rockefeller University, which have been ranked among the top universities in the world.

Major Employers

Employer	Estimated # of Employees
TD Banknorth National Assn	5,025
Rolls-Royce Motor Cars Na LLC	4,293
Hertz	4,085
Mindray North America	4,050
Valley Hospital Inc	2,637
Good Samaritan Regional Med Ctr	1,600
Verizon	1,508
B D	1,500
Sony Electronics Inc	1,316
Nyack Hospital	1,160
Northern Services Group Inc	1,100



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