



LEXINGTON

SOUTH CAROLINA



OFFERING MEMORANDUM

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present Bojangles in Lexington, South Carolina; which is 11 miles east of Columbia, the state's capital and second largest city. The tenant has more than 10.5 years remaining on an absolute-net lease with 1.5 percent annual rent bumps. There are zero landlord responsibilities. The lease is corporately guaranteed by Bojangles' Restaurant, Incorporated (Inc) that registered more than \$505 million in revenue across 309 units in 2016. Bojangles trades on the NASDAQ under the ticker: BOJA.

The subject asset is situated on more than a full acre parcel on Sunset Boulevard, which is the main retail corridor in Lexington. Bojangles benefits from being highly visible along this four-lane thoroughfare with more than 300 feet of frontage. More than 45,000 vehicles pass by this asset daily. There is more 1.5-million square feet of retail within three miles. Sunset Boulevard is anchored with national credit tenants including: Target, Walmart, Publix, and Kohl's.

Developers and other investors have committed significant capital to the Sunset Boulevard corridor. There is currently more than \$18 million in active construction permits. Two notable projects include JT's Chrysler-Dodge-Jeep-RAM-FIAT car dealership and LiDL. The \$10 million car dealership project delivered 39,000 square feet of showroom space and a 727-space parking lot in December 2017. The \$4 million LiDL is a ground-up development project that will deliver a 35,000-square foot grocery store.

Bojangles also benefits from strong population growth and demographics. The population grew by more than 14 percent within one mile of this asset from 2010 to 2017. Additionally, the average household income (AHHI) within one mile exceeds \$100,000.





- **Bojangles in Lexington South Carolina | 11 Miles East of Columbia – Second Largest City in South Carolina**
 - **More Than 10.5 Years Remaining on Absolute-Net Lease With 1.5 Percent Annual Rent Increases | Zero Landlord Responsibilities**
 - **Corporate Guaranty | Bojangles' Restaurants, Incorporated (Inc) | NSADAQ: BOJA | 309-Unit Guaranty**
 - **More Than 300 Feet of Frontage Along Major Four-Lane Retail Corridor | Sunset Boulevard – More Than 1.5 Million Square Feet of Retail With Strong National Credit | Home Depot, Target, Walmart, Kohl's**
 - **More Than 45,000 Vehicles Pass by This Bojangles Daily**
 - **Significant Capital Commitments to Sunset Boulevard Corridor | More Than \$18 Million Construction Permits**
 - **Significant Population Growth | More Than 10 Percent Population Increase Across One-Three-Five-Mile Radius | Average Household Income (AHHI) Is More Than \$100,000 in One-Mile**
 - **Additional Tenants in the Immediate Vicinity Include: Walgreens, Goodwill, Dollar General, Chevrolet, Regal Cinemas, Food Lion, Moe's Southwest Grill, CVS Pharmacy, Verizon, Krispy Kreme, Buffalo Wild Wings, Starbucks, Bank of America, Nissan, Ross For Less, TJ Maxx, Office Depot, Panera, and Many More**

FINANCIAL OVERVIEW

5165 SUNSET BOULEVARD LEXINGTON, SOUTH CAROLINA 29072

PRICE \$3,134,470

CAP RATE 5.75%

NOI \$180,233

PRICE PER SQUARE FOOT \$823.13

RENT PER SQUARE FOOT \$47.33

YEAR BUILT 2013

APPROXIMATE LOT SIZE +/-1.18 Acres

GROSS LEASEABLE AREA 3,808

TYPE OF OWNERSHIP Fee Simple

LEASE GUARANTOR Bojangles' Restaurants,
Incorporated (Inc)

LEASE TYPE Absolute-Net

ROOF AND STRUCTURE Tenant Responsible



LEASE SUMMARY

LEASE COMMENCEMENT DATE 9/24/2013

LEASE EXPIRATION DATE 9/30/2028

LEASE TERM 15 Years

TERM REMAINING 10.5+ Years

INCREASES 1.5% Annually

OPTIONS TO RENEW 3, 5-Year



ANNUALIZED OPERATING DATA				
BASE RENT	ANNUAL RENT	MONTHLY RENT	INCREASES	
6/1/2017	5/31/2018	\$177,569	\$14,797	
6/1/2018	5/31/2019	\$180,233	\$15,019	1.50%
6/1/2019	5/31/2020	\$182,936	\$15,245	1.50%
6/1/2020	5/31/2021	\$185,680	\$15,473	1.50%
6/1/2021	5/31/2022	\$188,465	\$15,705	1.50%
6/1/2022	5/31/2023	\$191,292	\$15,941	1.50%
6/1/2023	5/31/2024	\$194,162	\$16,180	1.50%
6/1/2024	5/31/2025	\$197,074	\$16,423	1.50%
6/1/2025	5/31/2026	\$200,030	\$16,669	1.50%
6/1/2026	5/31/2027	\$203,031	\$16,919	1.50%
6/1/2027	5/31/2028	\$206,076	\$17,173	1.50%

TENANT OVERVIEW - BOJANGLES'

Bojangles' is a highly differentiated and growing restaurant operator and franchisor dedicated to serving customers high-quality, craveable food made from their Southern recipes. Since 1977, Bojangles has become an iconic brand with a cult-like following due to their famous, made-from-scratch biscuits baked every 20 minutes, their fresh, never-frozen bone-in fried chicken, their unique fixin's and their Legendary Iced Tea. Bojangles offers fast-casual quality food combined with quick-service speed, convenience, and value.

In fiscal year 2016, their 309 company-operated and 407 franchised restaurants, generated over \$1.2 billion in system-wide sales, representing \$504.7 million in company restaurant revenues and \$727.2 million in franchise sales which contributed \$27.2 million in franchise royalty and other franchise revenues. Over this same period, the average unit level sales were more than \$1.8 million.



TENANT PROFILE

TENANT TRADE NAME Bojangles'

OWNERSHIP Public

TENANT Bojangles' Restaurant, Incorporated (Inc)

LEASE GUARANTOR Bojangles' Restaurant, Incorporated (Inc)

NUMBER OF LOCATIONS 309 Units

HEADQUARTERED Charlotte, North Carolina

SALES VOLUME \$531.8 Million

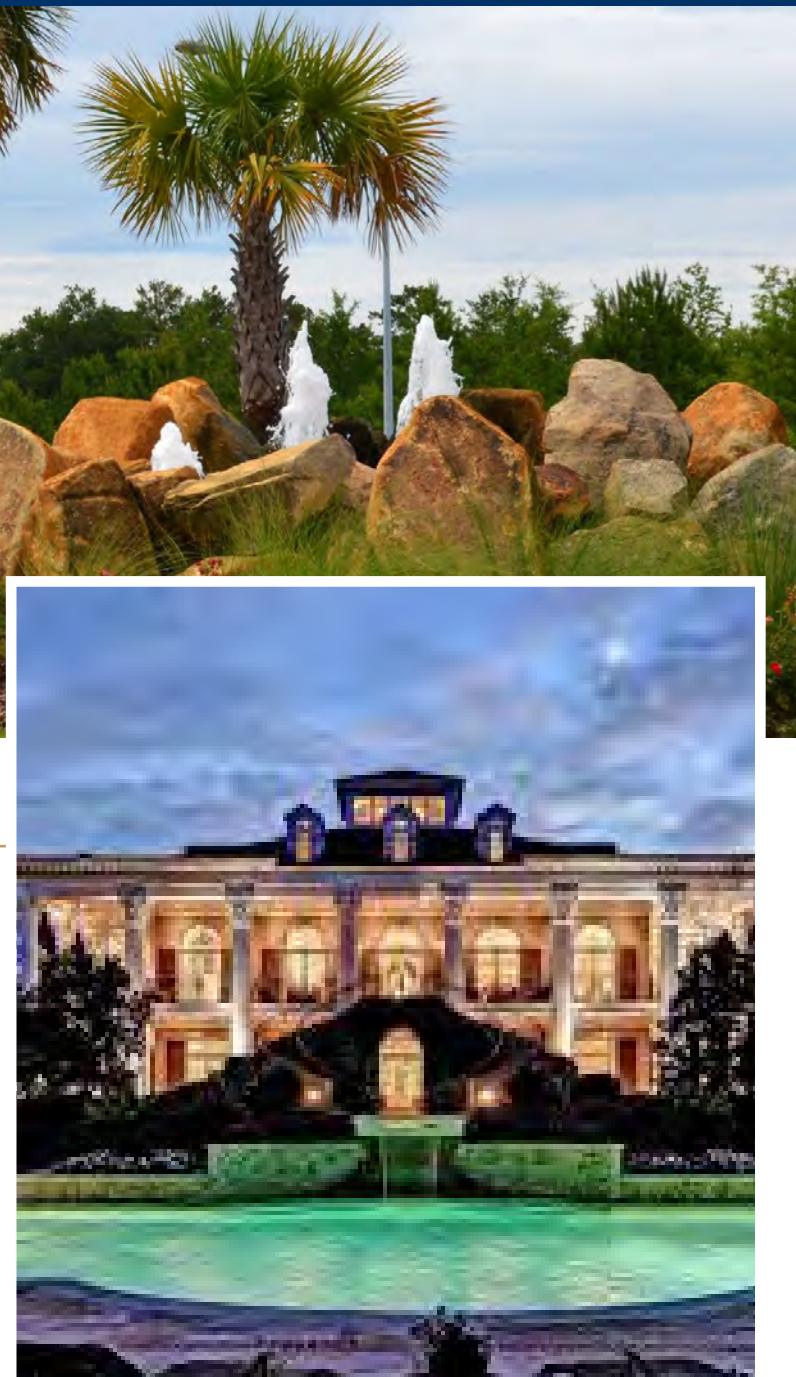
NET WORTH \$210.8 Million



	1-Mile	3-Mile	5-Mile
POPULATION			
2000 Population	2,806	18,595	69,274
2010 Population	3,846	27,684	82,605
2017 Population	4,380	31,359	90,500
2022 Population	4,697	33,600	96,458

	1-Mile	3-Mile	5-Mile
HOUSEHOLDS			
2000 Households	996	6,843	26,070
2010 Households	1,465	10,916	32,789
2017 Households	1,667	12,344	35,984
2022 Households	1,788	13,229	38,385

	1-Mile	3-Mile	5-Mile
HOUSEHOLD (HH) INCOMES			
2017 Average HH Income	\$100,792	\$92,568	\$81,907
2017 Median HH Income	\$81,006	\$72,732	\$65,314
2017 Per Capita Income	\$38,361	\$36,438	\$32,567



ABOUT LEXINGTON

Lexington is the county seat of Lexington County, South Carolina. Named after the first battle of the Revolutionary War, Lexington is a suburb of Columbia, which is the state capital and second-largest city in the state. The latest United States (US) Census figures set the city's population at 20,988. Lexington is located just south of Lake Murray, a prominent tourist attraction.

Lexington is connected to surrounding markets via Interstate 26 and Interstate 20. Interstate 20 travels from west to east and connects Lexington to surrounding markets such as Atlanta and Augusta. Interstate 26 travels from northwest to southeast connecting Lexington to Charleston and Greenville-Spartanburg.

Lexington is a growing market, both in size and business development. In 2017, Lexington had 32 annexations encompassing 775 acres of property. This was the largest annexation of properties in 40 years, equating to an 11 percent increase in the total area of town limits. Additionally, the city saw a 2 percent increase in the number of business license applications from 2016 to 2017.

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