



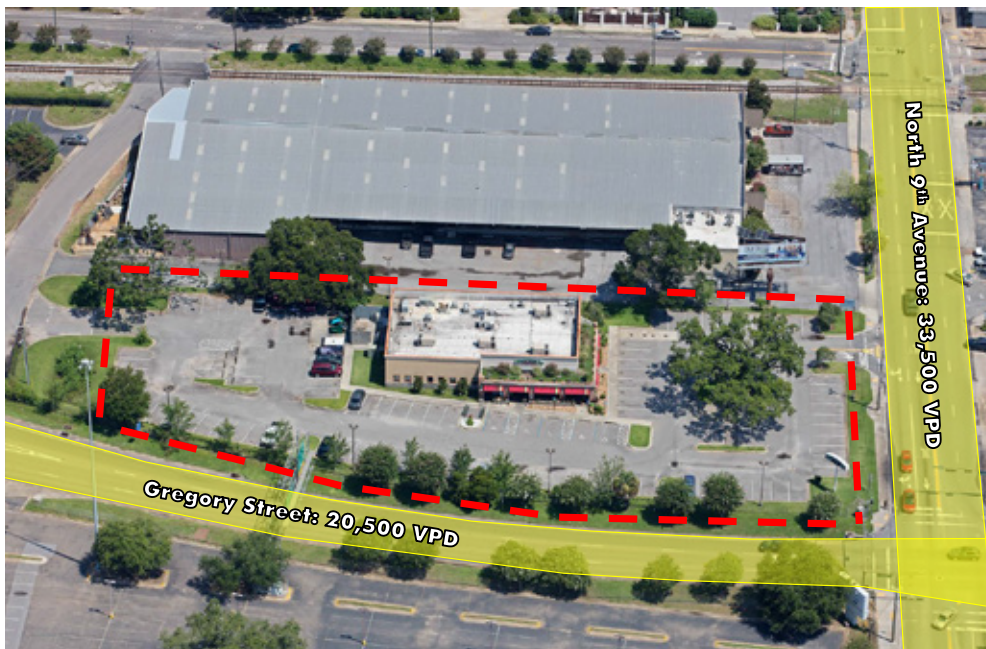
Carrabba's Italian Grill

311 North 9th Avenue, Pensacola, FL

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Investment Summary

| | |
|-----------------|---|
| PRICE: | \$3,877,000 |
| CAP: | 5.70% |
| NOI: | \$220,971 |
| BUILDING SIZE: | 6,214 SF |
| PARCEL SIZE: | 1.53 Acres |
| PARKING: | 114 |
| YEAR BUILT: | 2003 |
| TERM REMAINING: | 13.5 Years |
| LEASE TYPE: | NNN |
| ADDRESS: | 311 North 9th Avenue Pensacola, FL 32501 |

* See Lease Abstract (page 5) for details

Investment Overview

CBRE's Net Lease Property Group is pleased to present the opportunity to acquire a 6,214-square-foot freestanding Carrabba's Italian Grill situated on 1.53 acres in Pensacola, Florida (Population: 55,015). Pensacola is the county seat of Escambia County and is a principal city of the Pensacola – Ferry – Pass Brent, FL Metropolitan Statistical Area (Population: 485,684). Built in 2003, Carrabba's absolute NNN lease has 13.5 years of primary term remaining, four 5-year options to renew, and attractive annual rent escalations. The property is strategically located with excellent access and visibility at the signalized corner of North 9th Avenue (Traffic Count: 33,500 VPD) and East Gregory Street (Traffic Count: 20,500 VPD), which diverges onto the ramp to Interstate 110 (Traffic Count 58,000 VPD) within feet of the property. The site benefits from its position within Downtown Pensacola's retail and commercial corridor (4.0 MSF of retail, 6.4 MSF of office, 4.6 MSF of industrial and 1,595 multifamily units within a 3-mile radius). Major retailers within the vicinity include McDonald's, Starbuck's, Jimmy Johns, Nothing Bundt Cakes, The Melting Pot, Waffle House, Five Guys, Whataburger, Newk's Eatery, Verizon, SunTrust, Pep Boys, UPS, Wendy's, Shell, and Dollar General, among many others. The immediate corridor is anchored by the Pensacola Bay Center, which includes a 10,000-seat arena and 33,000 SF of meeting/event space, as well as the 210-room Pensacola Grand Hotel (both 0.2 miles to the west). The Pensacola Grand Hotel, which offers a myriad of charming boutique shopping and dining options, is currently undergoing an extensive remodel to become a Hilton-branded property. Additionally, the Courtyard Pensacola Downtown (120 rooms) and the Residence Inn Pensacola Downtown (78 rooms) lie just 0.3 miles to the east of the property, while the headquarters for the Gulf Power Company (1,774 employees)—the area's seventh-largest employer—sits just 0.3 miles to the south. In total, the site features an average household Income of \$59,428 and a population of 39,606 within a 3-mile radius, placing a large population within walking distance of the property.

DEMOGRAPHICS

| 1 Mile Pop | 1 Mile AHI | 3 Mile Pop | 3 Mile AHI | 5 Mile Pop | 5 Mile AHI | Traffic Count |
|------------|------------|------------|------------|------------|------------|--|
| 5,245 | \$62,469 | 39,606 | \$59,428 | 102,269 | \$59,330 | North 9th Avenue: 33,500 VPD Gregory Street: 20,500 VPD |

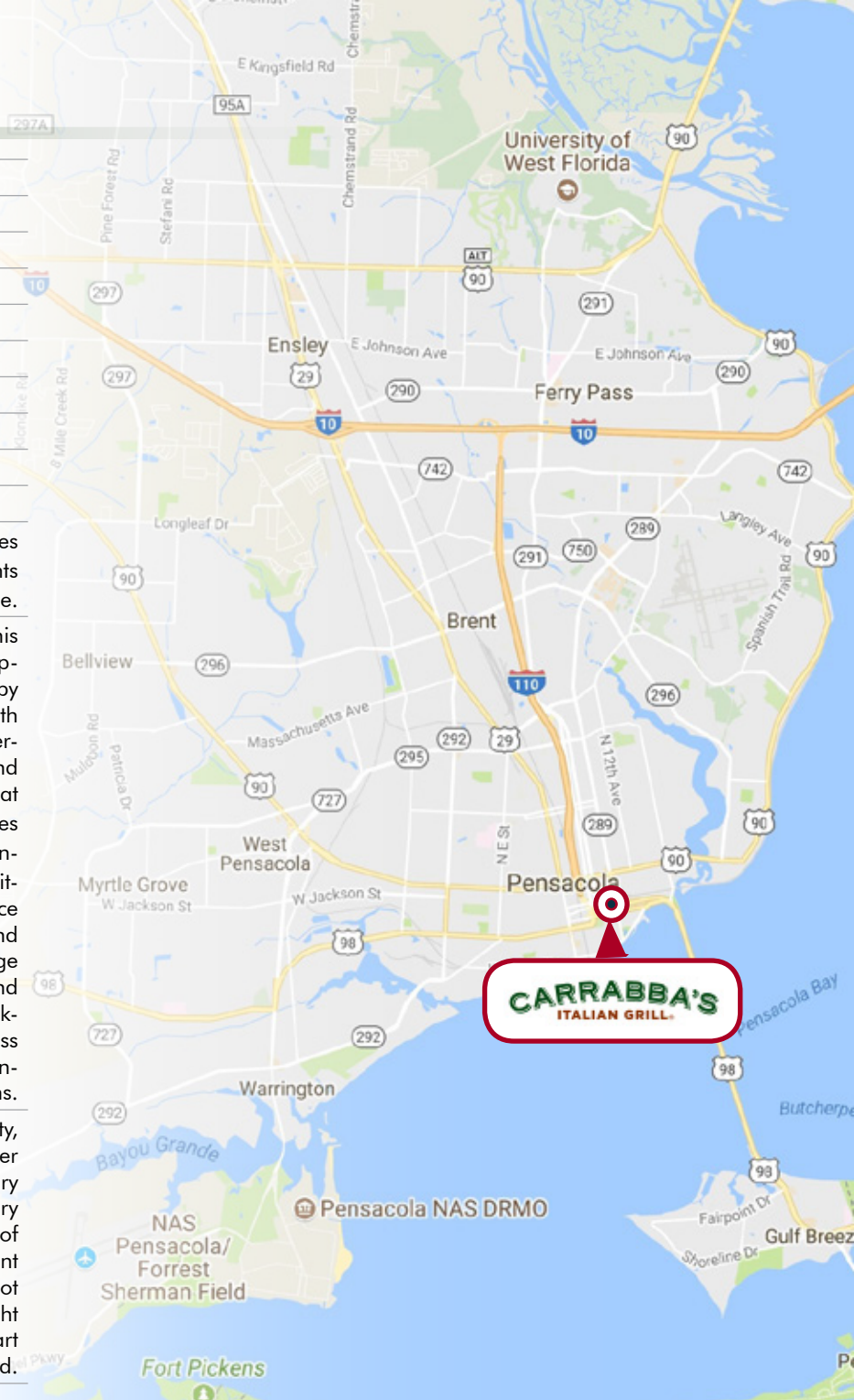


Investment Highlights

- **Premier Casual Dining Brand:** Carrabba's Italian Grill is an authentic Italian restaurant focused on casual dining in a warm, festive atmosphere. The Carrabba's Italian Grill menu includes a variety of Italian pastas, chicken, beef and seafood dishes, salads, and wood-fired pizzas. As of December 2017, Carrabba's had 228 nationwide locations (225 company-owned and 3 franchised) and TTM system-wide sales of \$677 million.
- **Publicly Traded Parent Company:** Bloomin' Brands, Inc. (NASDAQ: BLMN) is one of the world's largest casual dining restaurant companies, with approximately 1,489 restaurants throughout 48 states, Puerto Rico, Guam, and 19 countries. The company operates restaurants through a portfolio of leading, differentiated restaurant brands including Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill, and Fleming's Prime Steakhouse & Wine Bar. Bloomin' Brands reported 2017 revenues of \$4.21 billion and EBITDA of \$352 million.
- **Long-Term Net Lease with Annual Rent Escalations:** Carrabba's absolute NNN Lease has ± 13.5 years of primary term remaining, four 5-year options to renew, and attractive rent escalations of $1.7 \times \text{CPI}$ (not to exceed 1.75%) throughout the initial term.
- **Excellent Access & Visibility:** The property is strategically located with excellent access and visibility at the signalized corner of North 9th Avenue (Traffic Count: 33,500 VPD) and East Gregory Street (Traffic Count: 20,500 VPD), which diverges onto the ramp to Interstate 110 (Traffic Count 58,000 VPD) within feet of the property.
- **Strategic Location:** The site benefits from its position within Downtown Pensacola's retail and commercial corridor (4.0 MSF of retail, 6.4 MSF of office, 4.6 MSF of industrial and 1,595 multifamily units within a 3-mile radius). Major retailers within the vicinity include McDonald's, Starbuck's, Jimmy Johns, Nothing Bundt Cakes, The Melting Pot, Waffle House, Five Guys, Whataburger, Newk's Eatery, Verizon, SunTrust, Pep Boys, UPS, Wendy's, Shell, and Dollar General, among many others.
- **Dynamic Demographics:** In total, the site features an average household Income of \$59,428 and a population of 39,606 within a 3-mile radius, placing a large population within walking distance of the property.
- **Market:** The city of Pensacola is the county seat of Escambia County and is a principal city in the Pensacola – Ferry – Pass Brent, FL Metropolitan Statistical Area (Population: 485,684). Pensacola benefits from its picturesque coastal location as well as its proximity to other major cities including Mobile and Birmingham, Alabama (60 miles to the northwest and 255 miles to the north, respectively) and New Orleans, Louisiana (200 miles to the southwest). The city's solid, diverse economy features strongholds in the military and tourism industries and boasts one of the most prosperous manufacturing sectors in the northwest Florida region.

Lease Abstract

| | |
|---------------------------|---|
| Tenant: | Carrabba's Italian Grill, LLC |
| Guarantor: | OSI Restaurant Partners, LLC |
| Lease Commencement: | 3/14/2012 |
| Lease Expiration: | 3/31/2032 |
| Lease Term Remaining: | 13.5 |
| Lease Type: | NNN |
| Current Annual Rent: | \$220,971 |
| Rent Increases: | 1.7 x CPI (not to exceed 1.75%); Annually |
| Renewal Options: | Four 5-year Options |
| Renewal Option Increases: | 1.7 x CPI (not to exceed 1.75%); Annually |
| Taxes: | Tenant shall pay as "Additional Rent", as they accrue, all Real Estate Taxes which are levied or assessed against the Property, including, improvements thereon, prior to or during the Initial Term or any Renewal Term of this Lease. |
| Insurance: | Tenant will keep in force at its own expense, throughout the Term of this Lease: (i) commercial general liability insurance with respect to the Property and the business operated by Tenant and construction performed by Tenant with coverage of not less than \$5,000,000 per occurrence with respect to any insured liability, whether for personal injury or property damage and a general aggregate of not less than \$5,000,000, and an umbrella liability insurance policy in the amount of \$10,000,000 that is excess, which shall cover at least the following, hazards: (a) premises and operations, (b) products and completed operations, (c) personal injury and advertising injury and (d) blanket contractual liability for all written contracts including this Lease; and (ii) special form property insurance with respect to the building, Tenant's Improvements and betterments and personal property on and in the Property, insuring against loss, damage or destruction by fire and other casualty, including theft, vandalism and malicious mischief, flood, earthquake, boiler explosion, mechanical breakdown, sprinkler damage, all matters covered by a special cause of loss form, and in an amount for each of the Property of not less than one hundred percent (100%) replacement cost with no co-insurance provisions. |
| Repairs and Maintenance: | Tenant shall at all times keep and maintain, at its cost and expense, the Property, including any building or other improvements located thereon, in good order and repair, reasonable wear and tear excepted, and in a clean and sanitary condition, and shall make all necessary repairs, including all necessary replacements, alterations and additions, using material and equipment of similar or superior kind and quality to the original improvements. Tenant shall pay all costs associated with disposal of its garbage, including but not limited to, costs of pick up, containers and deposits. Tenant waives any right to (a) require Landlord to maintain, repair, replace or rebuild all or any part of any of the Properties or (b) make repairs at the expense of Landlord. |





NORTH 8TH AVENUE

On The Avenue Antique Shop

CARRABBA'S
ITALIAN GRILL®

NORTH 9TH AVENUE: 33,500 VPD

GREGORY STREET: 20,500 VPD



Surrounding Uses



Tenant Overview



CARRABBA'S ITALIAN GRILL

Carrabba's Italian Grill is an authentic Italian restaurant focused on casual dining in a warm, festive atmosphere. The Carrabba's Italian Grill menu includes a variety of Italian pastas, chicken, beef and seafood dishes, salads, and wood-fired pizzas. Its ingredients are sourced from around the world and the Carrabba's traditional Italian exhibition kitchen allows consumers to watch handmade dishes as they are being prepared. As of December 2017, Carrabba's had 228 nationwide locations (225 company-owned and 3 franchised) and TTM system-wide sales of \$677 million.



BLOOMIN' BRANDS

Bloomin' Brands, Inc. (NASDAQ: BLMN) is one of the world's largest casual dining restaurant companies with approximately 1,489 restaurants throughout 48 states, Puerto Rico, Guam, and 19 countries. The company operates restaurants through a portfolio of leading, differentiated restaurant brands including Outback Steakhouse, Carrabba's Italian Grill, Bonefish Grill, and Fleming's Prime Steakhouse & Wine Bar. Price points and degree of formality range from casual (Outback Steakhouse and Carrabba's Italian Grill) to upscale casual (Bonefish Grill) and fine dining (Fleming's Prime Steakhouse & Wine Bar). Headquartered in Tampa, Florida, Bloomin' Brands has more than 100,000 employees. Bloomin' Brands reported 2017 revenues of \$4.21 billion and EBITDA of \$352 million.

**#1 ITALIAN DINING
RESTAURANT BRAND**



Pensacola, FL MSA Area Overview

Pensacola, Florida, the westernmost city in the Florida Panhandle, is the seat of Escambia County and the principal city in the Pensacola-Ferry Pass-Brent MSA (Population: 485,864). The MSA includes Escambia and Santa Rosa counties and comprises the cities of Pensacola, Milton, and Gulf Breeze and the towns of Century and Jay. Pensacola was founded in 1559 and serves as a seaport on Pensacola Bay, which connects to the Gulf of Mexico.

Highlighted by miles of unspoiled white sand beaches and turquoise water, Pensacola features an array of state and national parks as well as a historic district teeming with history and culture. Attractions such as the Pensacola Museum of Art, the Museum of Commerce, the Pensacola Lighthouse, and the Arcadia Mill Archaeological Site draw visitors from all over and entertain

residents year-round. Often referred to as the “The Cradle of Naval Aviation”, the city lies just northeast of the Naval Air Station Pensacola (NASP), which was the first Naval Air Station commissioned (in 1914) by the U.S. Navy and is home to the Blue Angels flight demonstration team as well as the National Naval Aviation Museum. Other points of interest in the Pensacola area include Perdido Key, which abounds with wetlands, estuaries and wildlife, and Historic Pensacola Village, which is a collection of 22 historical buildings and museums owned and operated by the University of West Florida. In addition, the main campus of the University of West Florida sits just north of the city’s center. The city is also a nexus of transportation, as Pensacola enjoys easy access to Interstate 10, the Port of Pensacola, CSX Railroad, and the Pensacola International Airport.



Pensacola, FL MSA Area Overview (Continued)

Economy

Pensacola benefits economically from its picturesque coastal location as well as its proximity to other major cities including Mobile and Birmingham, Alabama (60 miles to the northwest and 255 miles to the north, respectively) and New Orleans, Louisiana (200 miles to the southwest). The city's solid, diverse economy features strongholds in the military and tourism industries and boasts one of the most prosperous manufacturing sectors in the northwest Florida region. Military activity in the Pensacola area has long been a major source of employment for local residents, sales for local companies and tax revenues for local government. Providing more than 20,000 government-sector jobs (accounting for 16.7% of the local economy), Naval Air Station Pensacola is the city's top employer. Education and health services jobs follow closely behind, accounting for 16.5% of the city's economy. Central to Pensacola's economic success are the area's six major hospitals, which include Baptist Hospital (492 beds), Sacred Heart Hospital (566 beds) and West Florida Hospital (339 beds). The addition of the Andrews Institute in Gulf Breeze has brought world-class orthopedics and sports medicine to the Pensacola area. The health care industry employs over 27,000 persons and boasts annual earnings of over \$1.3 billion and annual sales estimated at approximately \$2.5 billion. Unsurprisingly, the Pensacola area's tourism industry continues to flourish and serves as an important engine for growth and economic development. A lush landscape and warm climate combine to attract millions of visitors to the area each year, bolstering the leisure and hospitality sectors' 18,698 jobs and \$599.2 million in annual earnings.

The University of West Florida

The University of West Florida (UWF) is a mid-sized public university located in Pensacola. A member institution of the State University System of Florida, UWF is a space-grant institution that was established in 1963 as a research university specializing in engineering and the humanities. UWF has a current enrollment of 12,798 students and effects an annual economic impact of \$1.47 billion. At 1,600 acres, UWF's campus is the second-largest in the State University System and serves as a nature preserve. Current facilities at UWF include 35 academic buildings, 21 student services facilities, 25 dormitories, two university village student apartment complexes and 20 plant support facilities. The University also operates the Northwest Florida State College/UWF Fort Walton Beach Campus, the Eglin Air Force Base Center and the Hurlburt Field Center. Consequently, a significant number of UWF students serve as military personnel assigned to NAS Pensacola, NAS Whiting Field, Eglin AFB, Hurlburt Field and Duke Field. Many commissioned officers at these installations pursue postgraduate degrees from UWF outside of their normal duty hours.



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This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the “Owner”), to be all—inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. This Memorandum is not intended to form the basis of a decision to acquire the Property or the basis of any other investment decision and does not constitute an offer, invitation or recommendation for the sale or purchase of securities. Neither the information contained in this Memorandum nor any further information made available by CBRE or Owner in connection with the Property will form the basis of or be construed as a contract. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations and this Memorandum does not constitute a recommendation, endorsement, or advice as to the value of the Property. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

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The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, to terminate discussions with any entity or person (s) at any time with or without notice which may arise as a result of review of this Memorandum and/or to withdraw, supplement, change, amend, bifurcate, or reduce this Memorandum and/or the Property. The Owner shall have no legal commitment or obligation to any entity or person (s) reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner’s obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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