



Confidential Offering Memorandum

NNN Leased Applebee's

5505 J Turner Butler Boulevard
Jacksonville, Florida 32216





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Summary

Investment Summary
Applebee's – Jacksonville, FL

The Offering

JLL is pleased to offer for sale the fee-simple interest in a NNN leased Applebee's (the "Property" or "Asset") located in Jacksonville, FL.

The property is a freestanding retail building that is tenanted by Doherty Florida JTB, LLC (d/b/a Applebee's) on an **NNN lease** with **9.18 years** of contractual lease term remaining. The Property is strategically positioned **just off the exit ramp 344 of Interstate 95 (140,000 vehicles per day) and in close proximity to Route 1**. The Asset is **surrounded by 17 hotels** and serves as one of the few casual sit down dining restaurants in the local area. The Asset has great frontage and visibility along **J Turner Butler Boulevard**, which sees outstanding daily traffic counts of over **39,000** vehicles daily. The Asset benefits from a **daytime population of 116,000 in a 3 mile radius**, nearly double of the total residents in the area. The great location, absence of landlord obligations, and annual rental increases make this a **great investment opportunity**.

INVESTMENT HIGHLIGHTS

- The tenant has 9.18 years of lease term remaining
- The tenant is on a NNN lease with no landlord responsibilities
- Strong daytime population demographics
- The tenant is a franchisee with 150+ stores
- Well-positioned just off the exit 344 of Interstate 95 that sees over 140,000 vehicles daily
- Well-positioned with frontage and visibility to J Turner Butler Boulevard which sees daily vehicle counts of over 39,000
- Asset is surrounded by 17 hotels and few casual sit down restaurants

PROPERTY SUMMARY

Address	5055 J Turner Butler Boulevard, Jacksonville, Florida 32216
Price	\$3,020,763
Cap Rate	8.00%
NOI	\$241,661**
Remaining Lease Term	9.18 years*
Rental Increases	1.5% annual increases***
Product Type	Restaurant
Tenant	Doherty Florida JTB, LLC (d/b/a Applebee's)
Lease Type	NNN
Year Built/Renovated	1998/2014

*as of June 2018

** 2-year blended NOI through 07/31/2020

***Annual Rental Increases start 08/01/2020



Property

Property Overview
Applebee's – Jacksonville, FL

Property

The Property is an Applebee's restaurant with 9.18 years of lease term. The location just off the exit ramp of I-95 (140,000 VPD) and along J Turner Butler Blvd (39,000 VPD) give the Asset unparalleled frontage and visibility. The current franchisee Doherty Florida JTB, LLC is an Applebee's franchisee whose portfolio includes 150 Applebee's, Panera Bread, Noodles & Company, Quaker Steak & Lube, Chevy's Fresh Mex, Spuntino and The Shannon Rose Irish Pub restaurants across four states. Doherty Enterprises was founded in 1985 by Ed Doherty, who is the chairman and Co-Chief Executive Officer.

BUILDING SPECIFICATIONS

Address	5055 J Turner Butler Boulevard, Jacksonville, FL 32216
Year Built/Renovated	1998/2014
Ownership Interest	Fee-simple
Parcel Size	+/- 1.31 acres
Property Size	+/- 4,453 square feet
Tenant	Doherty Florida JTB, LLC
Lease Type	NNN
LL Responsibilities	None
Lease Expiration	07/31/2027
Lease Term Remaining	9.18 years*
Net Operating Income	\$241,661**
Rental Increases	1.5% annual increases***

*as of June 2018

** 2-year blended NOI through 07/31/2020

***Annual Rental Increases start 08/01/2020

Rent Schedule

Start	End	Period	Annual Rent	% Increase
8/1/2018	7/31/2019	Year 12	\$219,000	-
8/1/2019	7/31/2020	Year 13	\$264,321	-
8/1/2020	7/31/2021	Year 14	\$283,619	1.50%
8/1/2021	7/31/2022	Year 15	\$287,874	1.50%
8/1/2022	7/31/2023	Year 16	\$292,192	1.50%
8/1/2023	7/31/2024	Year 17	\$296,575	1.50%
8/1/2024	7/31/2025	Year 18	\$301,023	1.50%
8/1/2025	7/31/2026	Year 19	\$305,539	1.50%
8/1/2026	7/31/2027	Year 20	\$310,122	1.50%

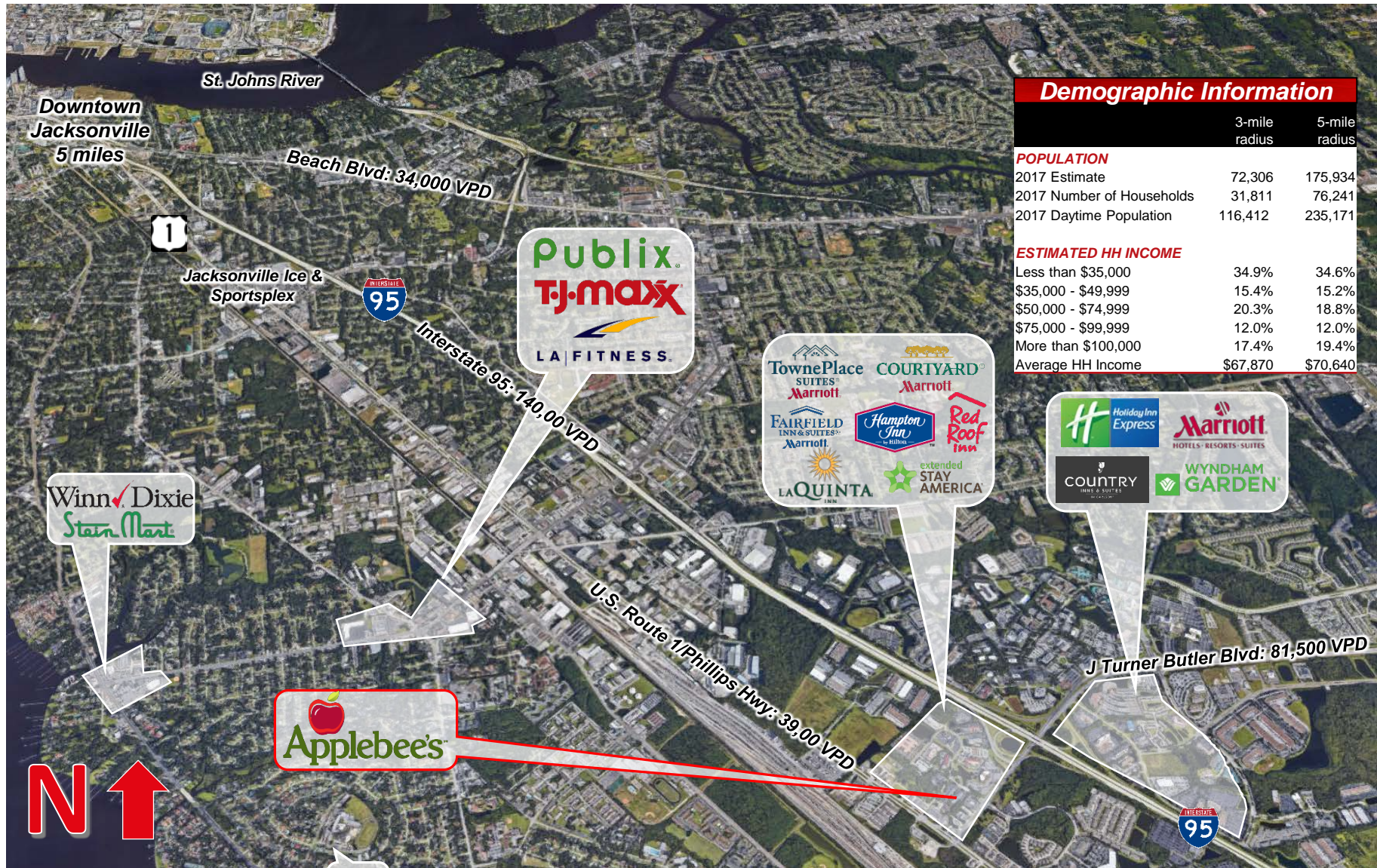
Lease Abstract

Applebee's | Jacksonville, FL

Doherty Florida JTB LLC d/b/a/ Applebee's

Address:	5055 J. Turner Butler Blvd. Jacksonville, Florida 32216
Tenant:	Doherty Florida JTB, LLC d/b/a/ Applebee's
Guarantor:	Doherty Florida JTB, LLC d/b/a/ Applebee's
Effective Date:	7/30/2007
Lease Commencement Date:	8/1/2007
Lease Expiration:	7/31/2027
Annual Minimum Rent:	\$241,661 (Blended on next 2 years of rent)
Escalations:	1.50% annually (starting 8/1/2020)
Lease Term:	20 year primary term
Remaining Lease Term:	9.18 years (as of June 2018)
Renewal Options:	4, 5-year options
Option Rent:	The product of the Base Annual Rent in effect at the end of the Lease Term and the Adjusted Percentage (1.5%)
Net Lease	This Lease is a net lease. All costs, expenses and obligation of every kind and nature shall be paid by Lessee.
Landlord Repairs and Maintenance:	None
Real Estate Taxes:	Lessee shall pay all taxes and assessments of every type or nature assessed against, imposed upon or arising with respect to Lessor, the Premises, this Lease, the rental or other payments due under this Lease or Lessee during the Lease Term. In no event shall lessee be responsible to pay all taxes which are imposed on the Rent due under this Lease, in no event will Lessee be required to pay any net incomes taxes or franchise taxes, or any tax imposed with respect to the sale, exchange, or other disposition by Lessor, in whole or in part, of the Premises or Lessor's interest in this lease.
Insurance:	Lessee shall maintain at its sole expense the following types of insurance (i) Insurance against loss, damage or destruction by fire and other casualty including theft, vandalism flood, earthquake, boiler explosion etc. (ii) Commercial general liability insurance, including a products liability clause (iii) business income insurance equal to 100% of the Base Annual Rent for a period of not less than 12 months (iv) state works compensation insurance in the statutorily mandated limit
Utilities:	Lessee shall contract, in its own name, for and pay when due all charges for the connection and use of water, gas, electricity, telephone, garbage collection, sewer use and other utility services supplied to the Premises during the Lease Term
Assignment and Subletting:	Lessee shall not assign, transfer or sublease without written consent of Lessor.
Financial Statements:	Within 45 days after the end of each fiscal quarter and within 120 after the end of each fiscal year of Lessee, Lessee shall deliver to Lessor (a) complete financial statements of lessee (b) income statements for the business at the premises.
Percentage Rent:	Lessee shall pay to Lessor an amount equal to the Percentage Rent Rate (8.75%) applied against that portion of Lessee's annual Gross Sales during each calendar year in excess of the applicable Breakpoint for such period. Percentage Rent shall become due and payable on March 1, 2018 for Gross Sales made during calendar year 2017 and annually thereafter on March 1 of each successive calendar year. Lessee shall no longer be obligated to pay Percentage Rent to Lessor on the earlier of (i) the date that Lessor has received \$109,895.04 in Percentage Rent or (ii) October 31, 2022 the "Percentage Rent End Date".
Breakpoint:	With respect to each calendar year during the term of the Lease, annual Gross Sales of (\$2,900,000)
Reporting of Gross Sales:	Lessee shall not later than the (5th) day after the close of each calendar month, deliver to Lessor a written statement certified under oath by Lessee or a Responsible Officer, showing Gross Sales made in such calendar month and no later than (30) days after the end of each year.
Right of First Offer:	if at any time after the first anniversary of the Effective Date during the Lease Term, Lessor desires to sell its interest in the Premises to a third party then Lessor shall give Lessee the right to purchase such interest for a price and on terms and conditions, determined by Lessor.







Applebee's

Applebee's

Tenant

Tenant Overview
Applebee's – Jacksonville, FL

The Tenant

Dine Brands Global, Inc.

- ✓ Headquartered in Glendale, CA, Dine Brands Global Inc. (formerly DineEquity Inc.), together with its subsidiaries, franchises and operates restaurants under the Applebee's, Neighborhood Grill & Bar® and IHOP® brands.
- ✓ DineEquity, Inc. completed a \$2.1 billion purchase of the Applebee's chain in 2007, therefore creating the largest full service restaurant company in the world with over 3,250 locations.
- ✓ From 2007 to 2012, DineEquity refranchised nearly 480 of the Applebee's company-operated restaurants and realized their goal of becoming 99% franchised in each brand.
- ✓ As of December 2015, the Applebee's system included 2,033 restaurants, all of which are franchisee owned company-owned. Applebee's is planning to open 72 domestic and 35 international restaurants over the next six years.
- ✓ The ten largest Applebee's franchisees own over 1,280 restaurants, representing approximately 70% of all franchised Applebee's restaurants in the United States.

Doherty Enterprises, Inc.

- ✓ Founded in 1985, Doherty Enterprises started as a 19 unit Roy Rogers franchisee. Doherty has since expanded to operating over 150 restaurants under the Applebee's, Panera Bread, Noodles & Company, Quaker Steak & Lube, Chevy's Fresh Mex, Spuntinos, and The Shannon Rose Irish Pub.
- ✓ In 2013, Doherty Enterprises acquired 38 Applebee's restaurants from Gator Apple LLC, 35 of which are in Florida. This was the largest acquisition for the company and Doherty remodeled all restaurants with a more contemporary look.

Applebee's Recent Accolades

- 🏆 Chain of the year – Restaurant Hospitality Magazine
- 🏆 Top Performer In Management Retention Award – People Report
- 🏆 One of America's Best Managed Companies - Forbes

COMPANY OVERVIEW

Company	Dine Brands Global, Inc.
Brands	Applebee's, IHOP
Headquarters	Glendale, CA
Locations	3,700
Employees	28,000+
Ticker (NYSE)/Stock Price	DIN/\$70.09
Market Cap	\$1.25 Billion
Credit Rating	NR
Top 200 Franchise Ranking (2016)	26 th
Revenues (2017)	\$604 Million
Website	www.applebees.com

TENANT OVERVIEW

Tenant	Doherty Florida JTB, LLC
Founded	1985
Headquarters	Allendale, NJ
Stores	150
States w/ locations	NY, NJ, GA, FL
Website	www.dohertyinc.com



Market

Market Overview

Applebee's – Jacksonville, FL

Market

Jacksonville Market Overview

- Jacksonville is the largest city by population in the state of Florida and the largest city by area in the contiguous United States, with approximately 850,000 residents across 875 square miles. The economic growth of Jacksonville continues to boost the city's stature in the national and international marketplace. In fact, Jacksonville is consistently rated one of the 'Hottest Cities in America' for business expansions and relocations in an annual poll featured in Expansion Management Magazine.



Jacksonville Economy & Growth

- A fresh drive among residents is present to spur growth, as businesses and leaders of Jacksonville look to create a thriving and vibrant downtown to rival similar cities of its size across the US. This push is spurred by momentum from Florida's positive economic influences and local economic wins, as well as national real estate trends. While the last Decade has brought much of the same for the Central Business District's (CBD) office properties and vacancy rate levels, the birth of a few new major developments has made now the time to get excited about downtown Jacksonville's future. Additional longer-term projects are building excitement around the future of downtown. Jacksonville Jaguars owner Shad Khan is undertaking a major redevelopment of The Shipyards to connect the sports complex to downtown. Additionally, The District, a health and wellness focused mixed-use development, will be home to the CBD's first new hotel in 16 years.



Ranked **10th** as
one of the Top
Emerging
Destinations in the
U.S. by *TripAdvisor*

Ranked **16th** as
one of the Top 50
best places to live
in America by
Business Insider

Ranked in Top
cities and regions
in the world for
fostering
successful startups
by USC Marshall

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