

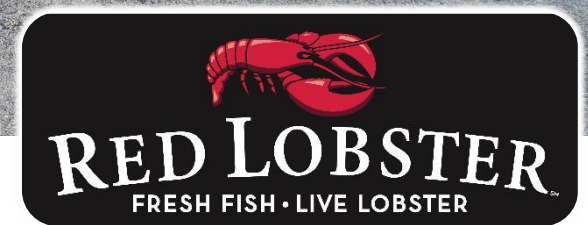
Red Lobster

EXCLUSIVE NET-LEASE OFFERING



Representative Photo

OFFERING MEMORANDUM



416 Commerce Center Drive, Jacksonville, Florida 32225

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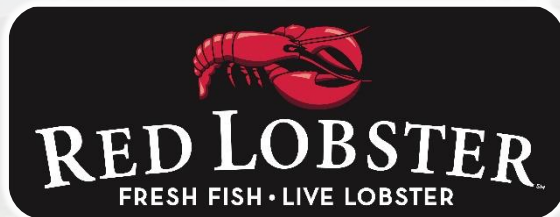
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Financial Analysis

PRICE: \$3,512,981 | CAP: 5.50% | RENT: \$193,214



Property Description

Property	Red Lobster
Property Address	416 Commerce Center Drive
City, State, ZIP	Jacksonville, FL 32225
Year Built / Renovated	2003
Building Size	8,708
Lot Size	+/- 1.00 Acres
Type of Ownership	Fee Simple

The Offering

Purchase Price	\$3,512,981
CAP Rate	5.50%
Annual Rent	\$193,214
Rent Per Square Foot	\$22.18

Lease Summary

Property Type	Net Leased Casual Dining
Tenant	Red Lobster Restaurants, LLC
Guarantor	Red Lobster Intermediate Holdings, LLC
Ownership Type	Private
Original Lease Term	20 Years
Lease Commencement	12/18/2015
Lease Expiration	12/31/2034
Lease Term Remaining	+/- 16 Years
Lease Type	Triple-Net (NNN)
Rental Increases	2% Annually Starting 1/1/2021
Roof & Structure	Tenant Responsible
Options to Renew	Four, Five-Year Options

RENT SCHEDULE

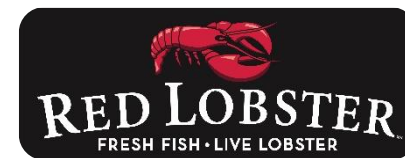
Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation (%)
Year 4 - Current	\$193,214	\$16,101	-
Year 5	\$193,214	\$16,101	-
Year 6	\$193,214	\$16,101	-
Year 7	\$197,078	\$16,423	2.00%
Year 8	\$201,019	\$16,751	2.00%
Year 9	\$205,040	\$17,086	2.00%
Year 10	\$209,141	\$17,428	2.00%
Year 11	\$213,323	\$17,776	2.00%
Year 12	\$217,590	\$18,132	2.00%
Year 13	\$221,942	\$18,495	2.00%
Year 14	\$226,381	\$18,865	2.00%
Year 15	\$230,908	\$19,242	2.00%
Year 16	\$235,526	\$19,627	2.00%
Year 17	\$240,237	\$20,019	2.00%
Year 18	\$245,042	\$20,420	2.00%
Year 19	\$249,942	\$20,828	2.00%
Year 20	\$254,941	\$21,245	2.00%



Investment Highlights

PRICE: \$3,512,981 | CAP: 5.50% | RENT: \$193,214

Property Address: 416 Commerce Center Drive, Jacksonville, FL 32225



About the Investment

- ✓ Long-Term, 20-Year Absolute Triple Net (NNN) Lease With Approximately 16 Years Remaining
- ✓ Long-Term Site History | Site Has Been in Operation Since 2003
- ✓ Tax Free State
- ✓ Strong Real Estate Fundamentals | Low Rent/Foot
- ✓ Corporate Tenant | Corporate Guarantee

About the Location

- ✓ Dense Retail Corridor | Walmart, Target, Lowes, Home Depot, Dillard's, AMC, Chick-fil-A, Zaxby's, and McDonald's
- ✓ Compelling Location Fundamentals | Within a One-Mile Radius From Regency Square Mall
- ✓ Strong Academic Presence | Within a Seven-Mile Radius from North Florida University, Jacksonville University, and Florida State College at Jacksonville | Over 69,760 students Enrolled
- ✓ Strong Traffic Counts | Interstate-295 and Atlantic Boulevard | 68,500 and 49,000 Vehicles Per Day
- ✓ Positive Real Estate Fundamentals | Located Less Than Five Miles from Memorial Hospital | A 418-bed Acute Care Hospital

About the Tenant / Brand

- ✓ Approximately 700 Locations With \$2.5 Billion in Revenue
- ✓ Red Lobster Founded in 1968
- ✓ Red Lobster Has Approximately 50% Market Share in Seafood Casual Dining Sector
- ✓ Recently Acquired By Golden Gate Capital (2014) | Over \$15 Billion Under Management



Representative Photo



Representative Photo

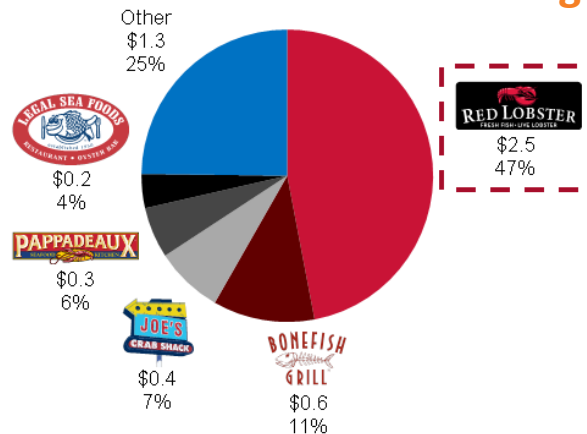
Tenant Overview



- Red Lobster is the largest seafood restaurant concept in the world and is an iconic full service brand with broad demographic appeal and a significant advertising budget (2nd largest in casual dining).
- The Company was founded in 1968 and currently operates 704 restaurants throughout the United States and Canada and has 43 franchised restaurants in international markets.
- Red Lobster is led by an experienced management team with a history of success leading the brand (average 27+ years experience across executive team).
- The company generates \$2.5B in revenue and is the 6th largest casual dining concept in North America.

~50% Share in Seafood Casual Dining

(\$ in billions)



General Information – Red Lobster

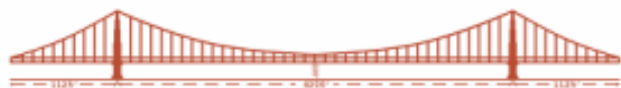
Headquarters	Orlando, FL
Website	www.redlobster.com
Revenue	\$2.5 Billion
Locations	+/- 700



Tenant Overview

The Transaction

- On July 28th, 2014, Golden Gate Capital (“GGC”) acquired Red Lobster from Darden Restaurants.
- Red Lobster is now an independently owned company, completely separate from Darden Restaurants.
- Red Lobster is well capitalized with >\$200M net worth and >\$200M of liquidity.
- Golden Gate Capital has a long, successful track record and significant experience with multi-unit restaurant and retail businesses.



GOLDEN GATE CAPITAL





Surrounding Area

Property Address: 416 Commerce Center Drive, Jacksonville, Florida 32225



FL-113



Surrounding Area Photos

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Surrounding Area Photos

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Actual Site





Location Overview

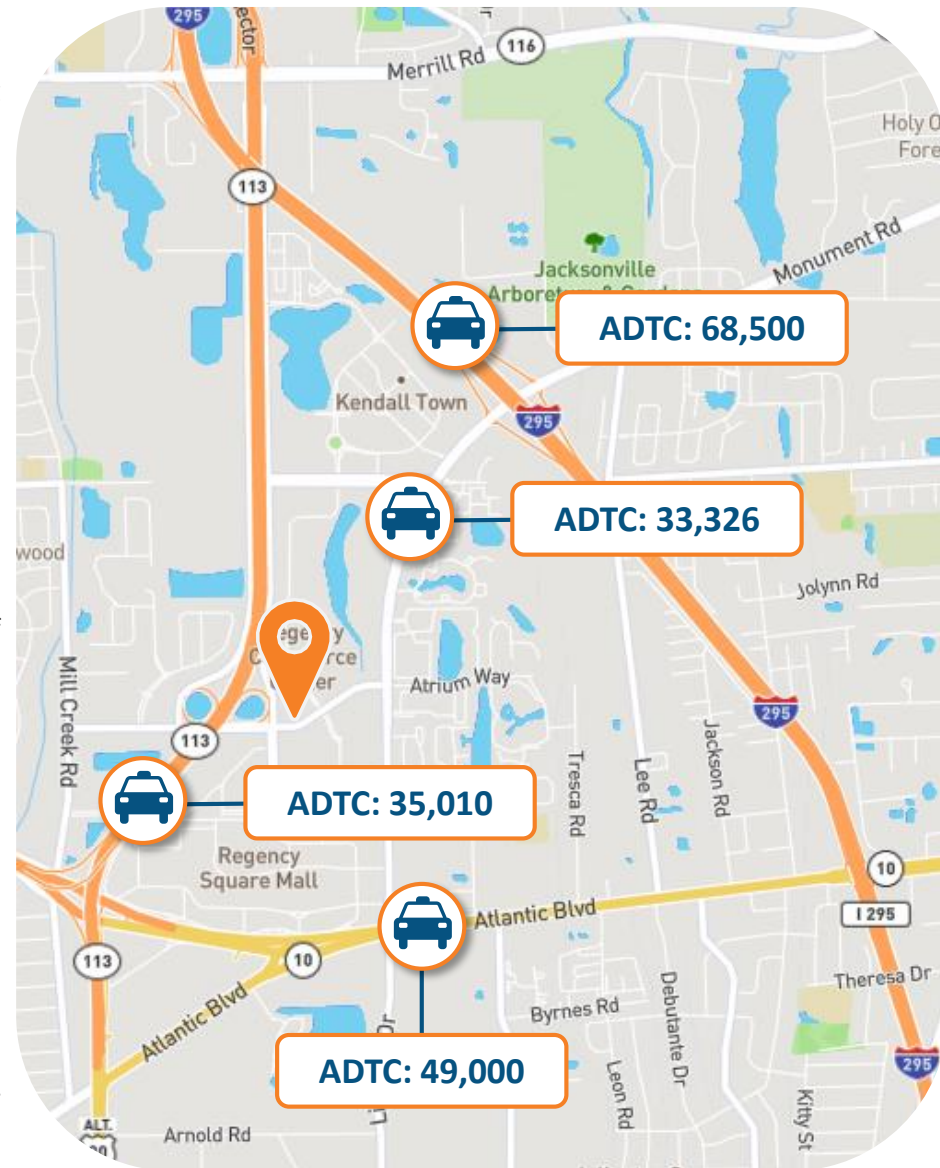
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The subject investment property is situated on Commerce Center Drive, which is positioned in a highly dense traffic corridor. The subject Red Lobster is located near an exit of FL-113, which boasts average daily traffic counts exceeding 35,010. Atlantic Boulevard, to the south, and Monument Road, to the east, bring an additional 49,000 and 33,326 vehicles into the immediate area each day. Additionally, Interstate-295, the beltway around central Jacksonville experiences average daily traffic counts of roughly 68,500. There are more than 207,311 individuals residing within a five-mile radius of the subject property.

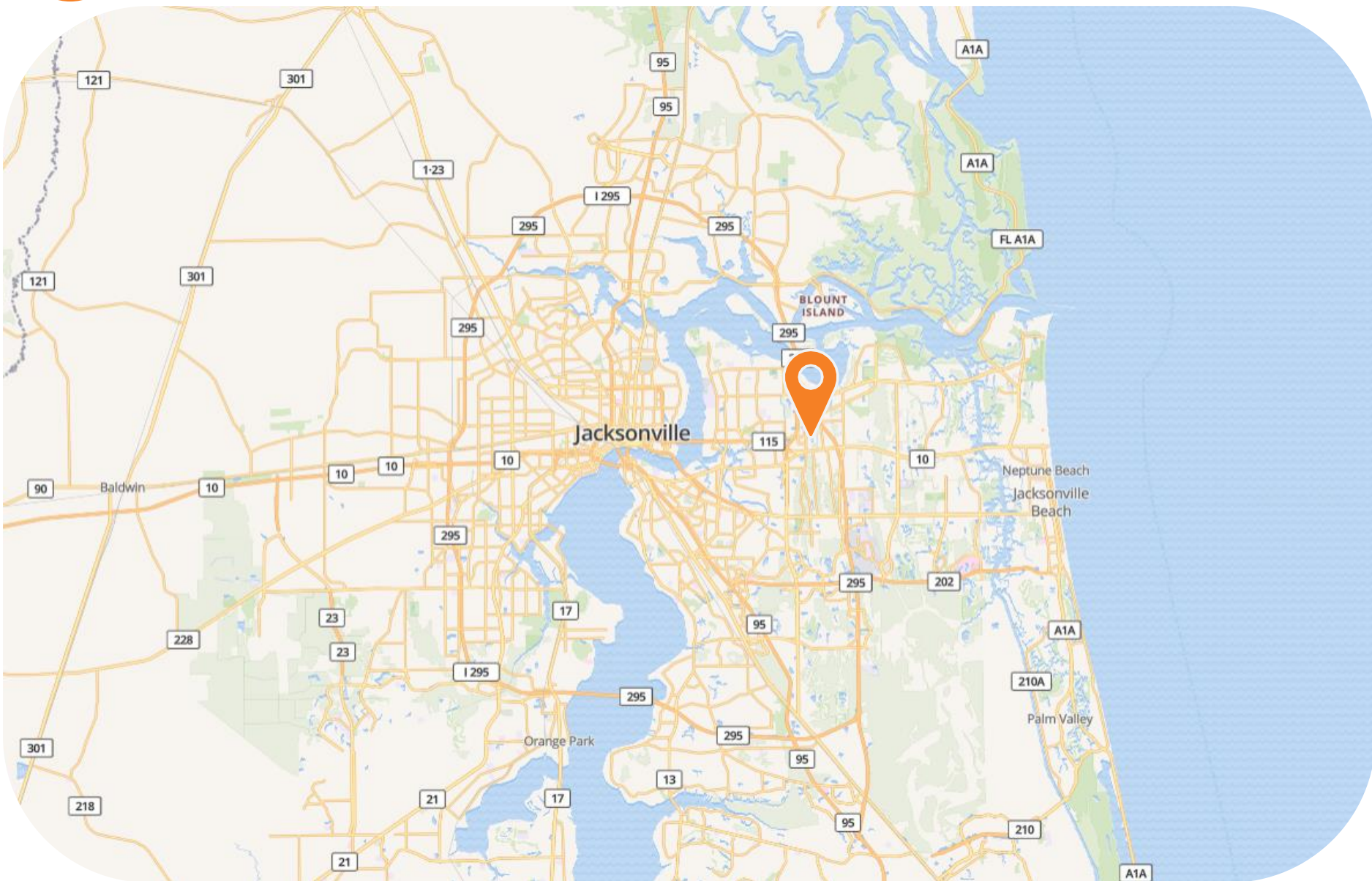
The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, including: Walmart, Target, Lowes, Home Depot, Dillard's, AMC, Chick-fil-A, Zaxby's, and McDonald's. This subject Red Lobster is within a one-mile radius of Regency Square Mall. Additionally, the subject property is within a five-mile radius of Memorial Hospital, a 418-bed acute care hospital that offers a full line of services. Jacksonville's only professional sports team, the Jacksonville Jaguars, play all their home games at TIAA Bank Field, which is within a six-mile radius of the subject property. The three higher education institutions in Jacksonville are all located within a seven-mile radius of the subject property. The University of North Florida, Jacksonville University, and Florida State College at Jacksonville boast a combined enrollment exceeding 69,760 students.

Jacksonville is a seaport city, the most populous city in the state of Florida, and the most populous city in the southeastern United States. The city is the cultural, commercial and financial center of Northern Florida. A major military and civilian deep-water port, the city's riverine location supports two United States Navy bases and the Port of Jacksonville, Florida's third-largest seaport. The Port of Jacksonville is a leading port in the United States for automobile imports, as well as the leading transportation and distribution hub in the state. Jacksonville serves as headquarters for various banking, insurance, healthcare, logistics, and other institutions. One professional sports team, the Jacksonville Jaguars of the National Football League, plays their home games in downtown Jacksonville. Jacksonville is home to 22 miles of beaches that allow residents or visitors to surf, kayak, swim, boat, and fish.





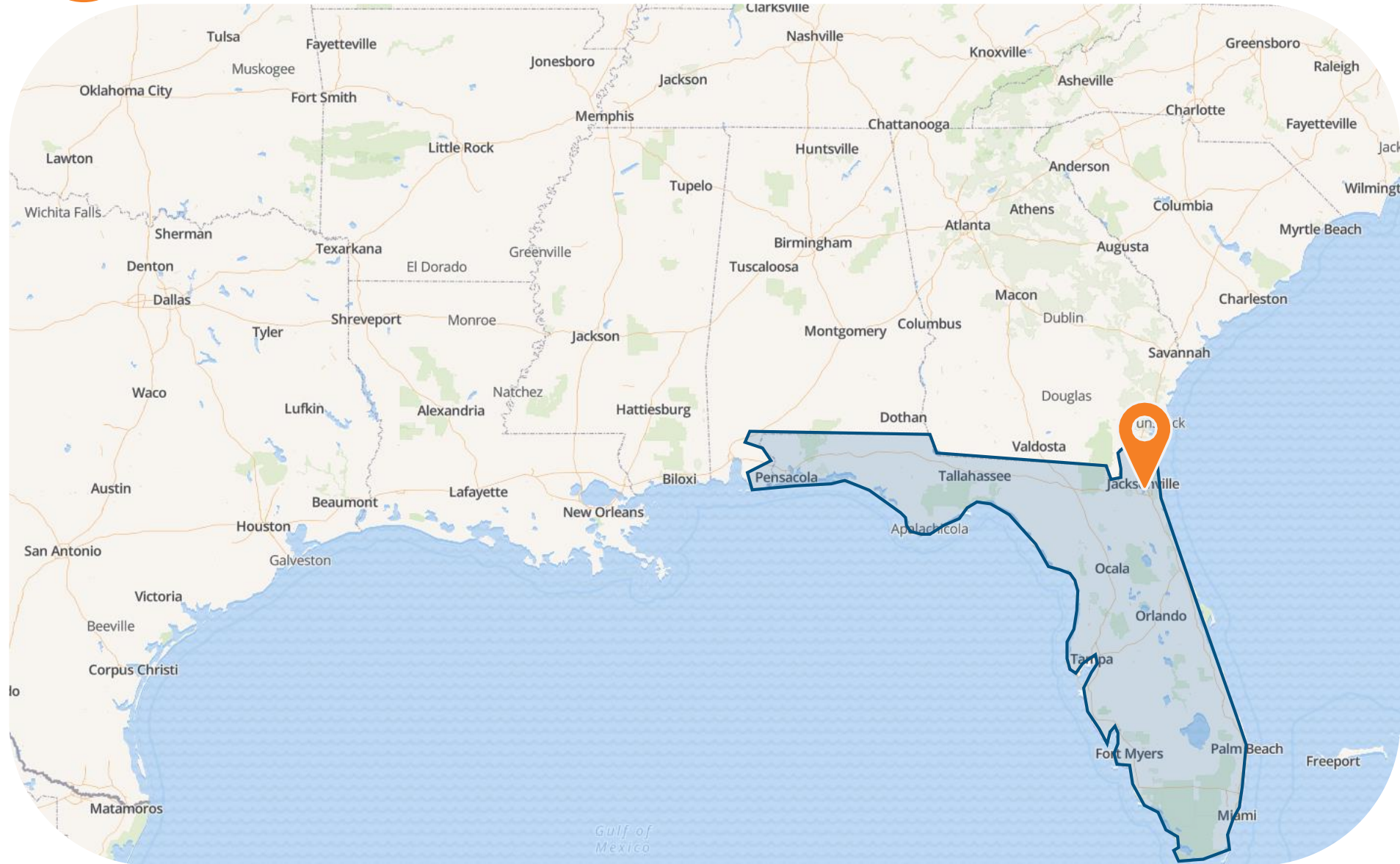
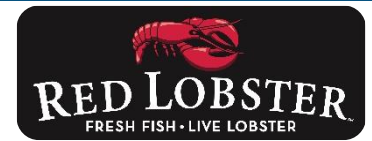
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Regional Map

Property Address: 416 Commerce Center Drive, Jacksonville, Florida 32225





Demographics

Property Address: 416 Commerce Center Drive, Jacksonville, Florida 32225



1 Mile 3 Miles 5 Miles

POPULATION

2022 Projection	6,858	84,263	207,311
2017 Estimate	7,206	80,871	196,563
2010 Census	6,640	75,988	184,667
2000 Census	4,681	74,362	169,252

INCOME

Average	\$53,117	\$58,163	\$65,199
Median	\$41,851	\$44,126	\$48,052
Per Capita	\$25,651	\$22,871	\$25,197

HOUSEHOLDS

2022 Projection	3,179	16,152	36,468
2017 Estimate	3,187	16,027	34,762
2010 Census	3,133	15,611	33,626
2000 Census	3,452	16,383	31,604

HOUSING

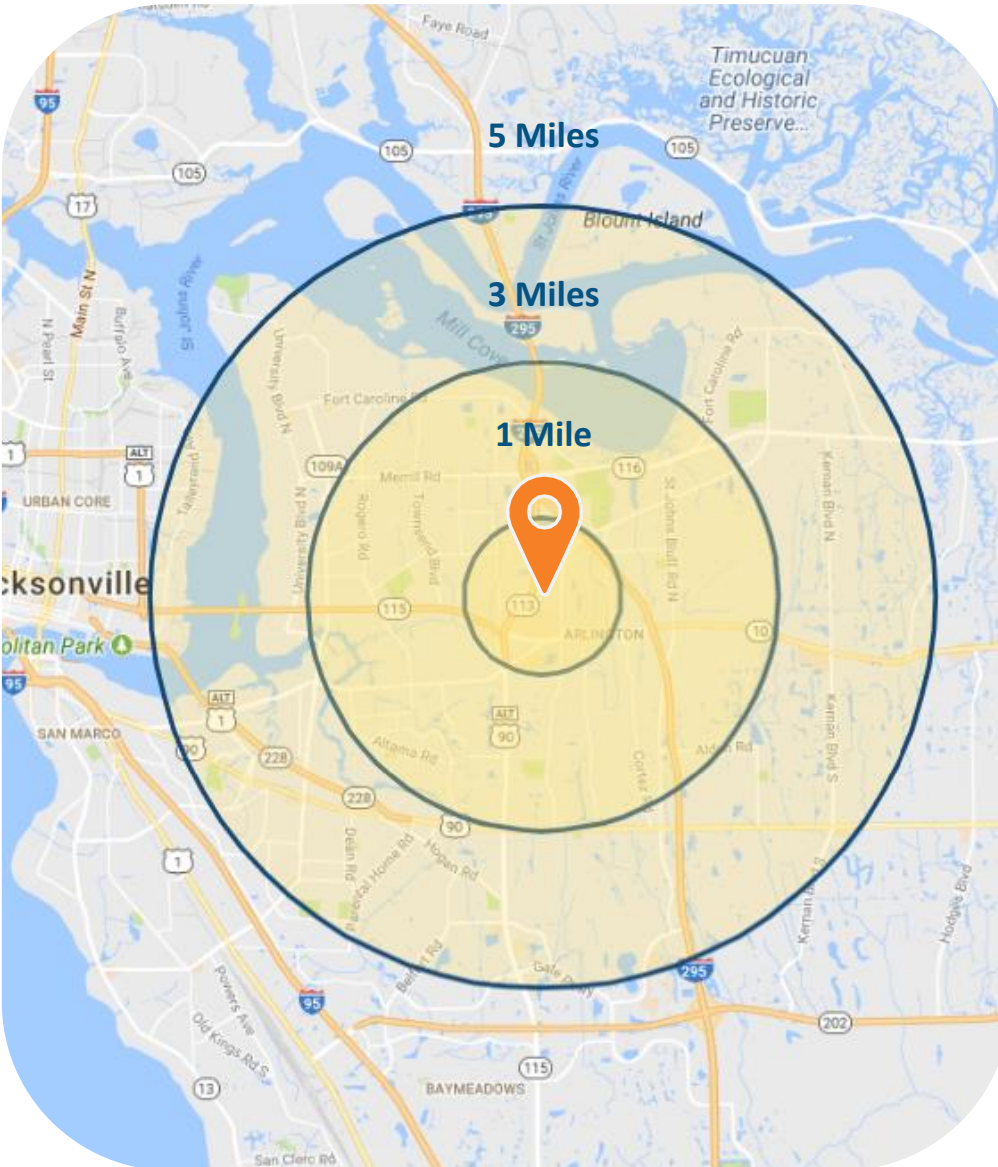
2017	\$168,813	\$178,955	\$172,214
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EMPLOYMENT

2017 Daytime Population	12,813	48,249	91,967
2017 Unemployment	5.17%	5.56%	5.88%
2017 Median Time Traveled	22 Mins	24 Mins	25 Mins

RACE & ETHNICITY

White	88.85%	79.52%	76.17%
Native American	0.15%	0.18%	0.28%
African American	4.03%	12.85%	14.97%
Asian/Pacific Islander	1.67%	2.03%	2.25%





Market Overview

City: Jacksonville | County: Duval | State: Florida

Jacksonville, Florida



Jacksonville has a young population and a strong, diversified economy.

In 2017, Jacksonville had an estimated population of 892,062, ranking them as the twelfth largest city in the United States. Historically, military operations, sea trade, and paper manufacturing drove Jacksonville's expansion. Growing technical, manufacturing, service, and tourism industries have supplemented this foundation. The metro is home to three Fortune 500 companies: Fidelity National Information Services, Fidelity National Financial, and CSX. The city has developed a large financial services sector, led by Bank of America, Fidelity National, and Citibank. Jacksonville's emerging industrial base is centered largely around medical product research and manufacturing. More than 8 million tons of cargo pass through Jacksonville's port each year, and the development of cruise ship service will promote further expansion. Jacksonville's riverine location facilitates Naval Station Mayport, Naval Air Station Jacksonville, and the U.S. Marine Corps Blount Island Command. Jacksonville's military bases and the nearby Naval Submarine Base Kings Bay form the third largest military presence in the United States.

Warm weather and sunshine attract many to communities such as Atlantic Beach, Neptune Beach and Jacksonville Beach. Sport fishing, golf, and tennis are among the most popular recreational activities. Others take advantage attractions like the Museum of Science & History, the Cummer Museum of Art, the Mandarin Museum & Historical Society, and the Museum of Contemporary Art Jacksonville. Additional sites of interest include the home of the Jacksonville Jaguars, TIAA Bank Field, and the Jacksonville Zoo, as well as the Jacksonville Landings, a mix of retail and restaurants along the St. Johns River. For those visiting Jacksonville, the Jacksonville International Airport is one option of arrival. The airport had an annual passenger traffic that exceeded 5,591,886 passengers in 2017.

Major Employers

Employer	Estimated # of Employees
HCA Inc	3,050
Comcast	1,600
Memorial Health	1,380
Crowley American Transport	1,300
Carib Energy (usa) LLC	1,130
Crowley Marine Services Inc	1,007
Walmart	937
Winn-Dixie	929
Crowley Liner Services Inc	911
Florida Community College	744
Mercantile Bank	722



Marcus & Millichap

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