



Red Lobster

375 Cherokee Place, Cartersville, GA 30121



Representative Photo

OFFERING MEMORANDUM

EXCLUSIVE NET-LEASE OFFERING

Marcus & Millichap



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375 Cherokee Place, Cartersville, Georgia 30121

PRICE: \$3,416,433 | 5.85%CAP | RENT: \$199,861**PROPERTY DESCRIPTION**

Property	Red Lobster
Property Address	375 Cherokee Place
City, State, ZIP	Cartersville, GA 30121
Building Size (SF)	5,434
Lot Size (Acres)	+/- 1.27

THE OFFERING

Net Operating Income	\$199,861
CAP Rate	5.85%
Purchase Price	\$3,416,433
Price / SF	\$629
Year Opened	1996
Year Remodeled	2011

LEASE SUMMARY

Property Name	Red Lobster
Property Type	Net Leased Casual Dining
Ownership	Private
Tenant	Red Lobster Restaurants, LLC
Guarantor	Red Lobster Intermediate Holdings, LLC
Lease Term	25 Years
Lease Expiration	July 31, 2039
Lease Term Remaining	21 Years
Lease Type	Triple-Net (NNN) Lease
Roof & Structure	Tenant Responsible
Rental Increases	2.00% Annually
Options to Renew	Four (4), Five (5) Year Option Periods
Rental Increases in Options	2.00% Annually

HIGHLIGHTS

- Property is Subject to a 25 Year Triple-Net (NNN) Lease With 21 Years Remaining
- Corporate Guaranty | 704 Locations in the US & Canada
- Strong Inflation Hedge | Attractive 2.0% Annual Increases
- Four (4), Five (5)-Year Tenant Renewal Options
- World's Largest Seafood Restaurant | Serving Customers in 11 Countries



INVESTMENT SUMMARY

Marcus & Millichap is pleased to present the exclusive listing for a Red Lobster property located in Cartersville, Georgia. The property consists of 5,434 square feet of building space and is situated on approximately 1.27 acres of land. The property is subject to a 25-year Triple-Net (NNN) lease with 21 years remaining on the base term. The current rent is \$199,861 and will continue to increase by 2.00% annually. The increases will continue through the four, five-year tenant renewal options.

TENANT SUMMARY

Red Lobster is the largest seafood restaurant concept in the world and is an iconic full service brand with broad demographic appeal and significant advertising budget. 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 \$2.5 billion in revenue and is the 5th largest casual dining concept in North America. Red Lobster was recently acquired by Golden Gate Capital.



FINANCIAL OVERVIEW

ANNUALIZED OPERATING DATA

Current Annual Rent	\$199,861
Base Term Rental Escalations	2.00% Annually

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent
Year 5	\$199,861	\$16,655
Year 6	\$203,859	\$16,988
Year 7	\$207,936	\$17,328
Year 8	\$212,094	\$17,675
Year 9	\$216,336	\$18,028
Year 10	\$220,663	\$18,389
Year 11	\$225,076	\$18,756
Year 12	\$229,578	\$19,131
Year 13	\$234,169	\$19,514
Year 14	\$238,853	\$19,904
Year 15	\$243,630	\$20,302
Year 16	\$248,502	\$20,709
Year 17	\$253,472	\$21,123
Year 18	\$258,542	\$21,545
Year 19	\$263,713	\$21,976
Year 20	\$268,987	\$22,416
Year 21	\$274,367	\$22,864
Year 22	\$279,854	\$23,321
Year 23	\$285,451	\$23,788
Year 24	\$291,160	\$24,263
Year 25	\$296,983	\$24,749

CAP Rate	5.85%
Purchase Price	\$3,416,433

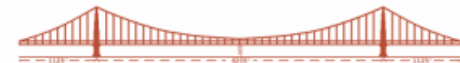
Tenant Overview



- 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.

----- 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 of liquidity.
- Golden Gate Capital has a long, successful track record and significant experience with multi-unit restaurant and retail businesses.



GOLDEN GATE CAPITAL

OUR HISTORY

FRESH IS IN OUR FOOD

Each day, you'll find an updated selection of fresh fish on our Today's Fresh Fish menu, not to mention live Maine lobster, freshly baked Cheddar Bay Biscuits™, crisp salads and a host of fresh seafood recipes waiting to be explored.

FRESH IS IN OUR KNOWLEDGE

No one knows seafood better than we do. As global seafood buyers, we have employees stationed throughout the world who inspect our seafood the moment it comes out of the water. They ensure it meets standards that are second to none. Then, the renowned chefs at our culinary center deliver the fresh expertise that turns it all into something truly special.

FRESH IS IN OUR DEDICATION

We hold ourselves to the highest standards for service, quality and a welcoming atmosphere. And we're focused on doing what's right – for our employees, in our communities and in the world.

FRESH IS IN OUR COMMITMENT

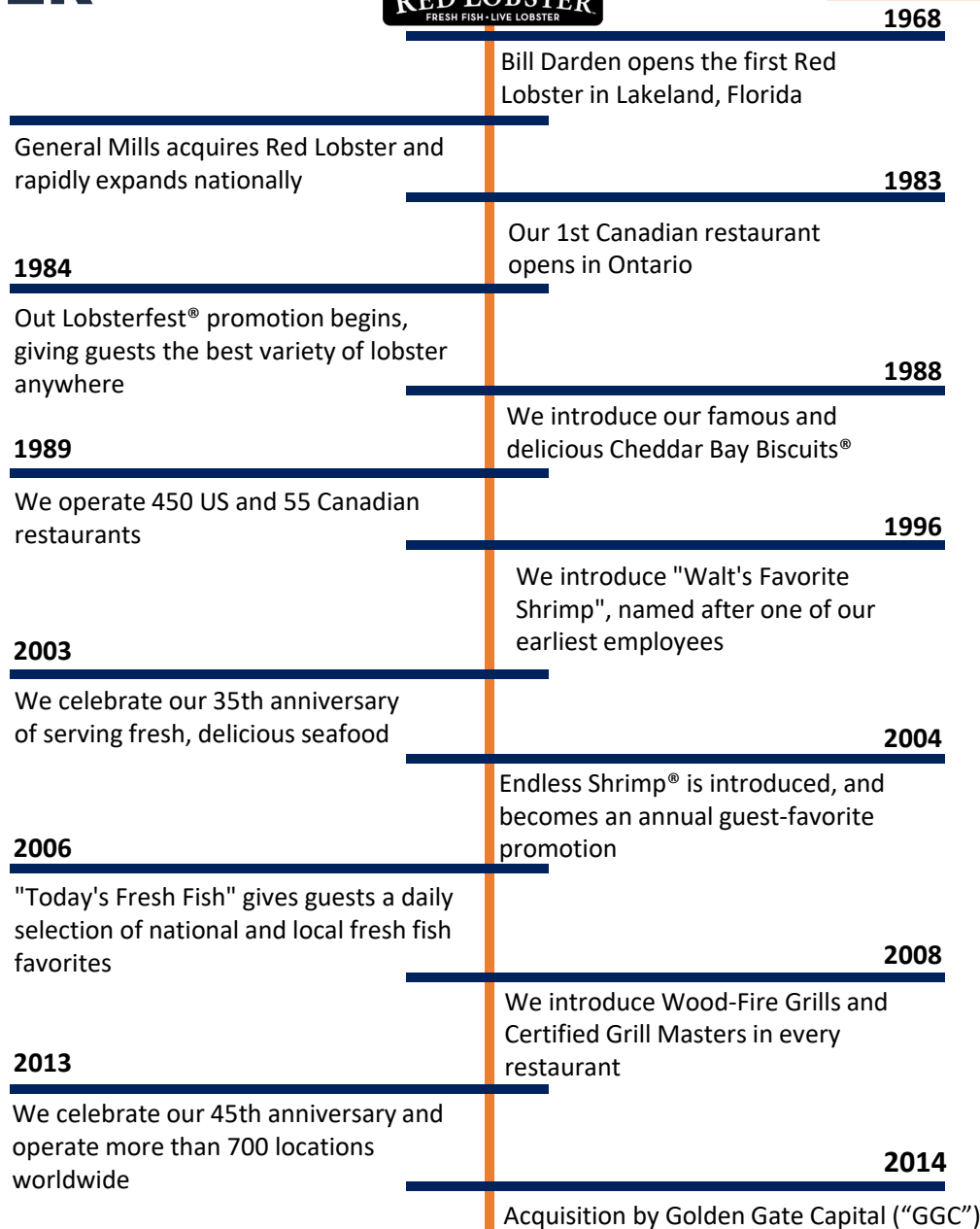
You deserve the freshest food and thinking. So every time you visit one of our seafood restaurants or our online seafood store, you'll find an uncommon commitment to deliver the best of the sea with fresh energy and fresh ideas that we hope will make you want to come back again and again.

We invite you to come in and experience our commitment to quality for yourself. Whether it's choosing your favorite fresh fish from our "Today's Fresh Fish" menu, or selecting your favorite seafood to be prepared over our wood-fired grill, Red Lobster is the place you can enjoy fresh, delicious seafood now and for generations.

RED LOBSTER TIMELINE



EXECUTIVE SUMMARY

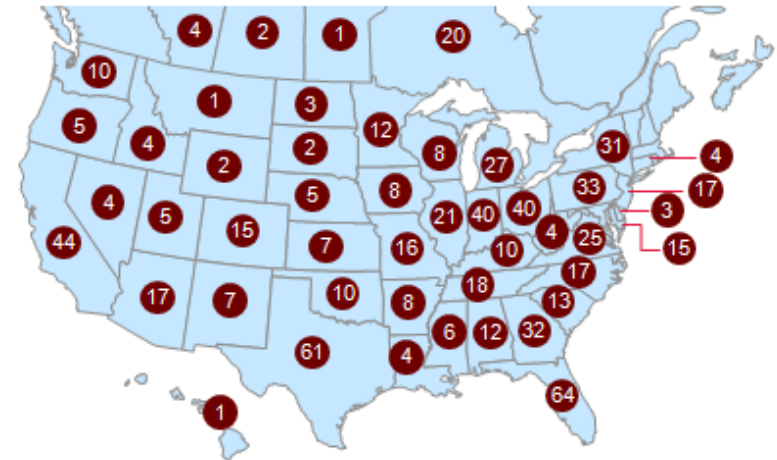


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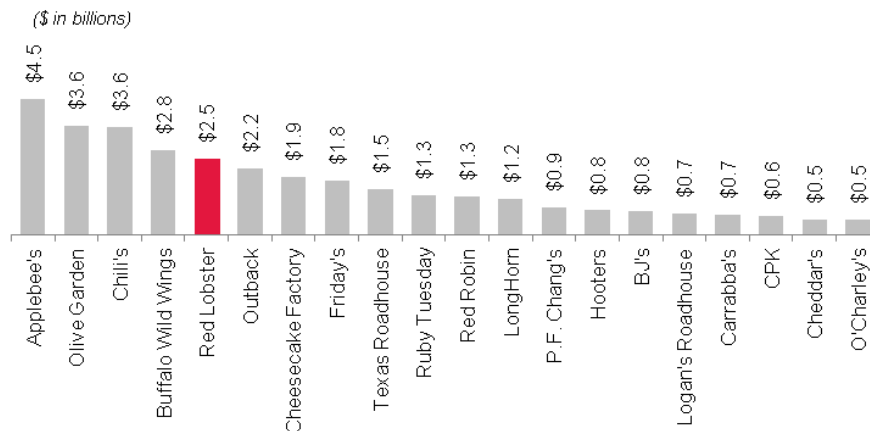
Strong Market Position

- Red Lobster is the largest seafood restaurant concept in the world and the 6th largest casual dining concept in the United States with over \$2.5 billion in annual sales and 704 restaurants.
- The Company is the category killer in the seafood casual dining space, holding almost 50% market share.
 - Largest share of any restaurant concept in any segment.
- 6th largest overall casual dining concept in the US.

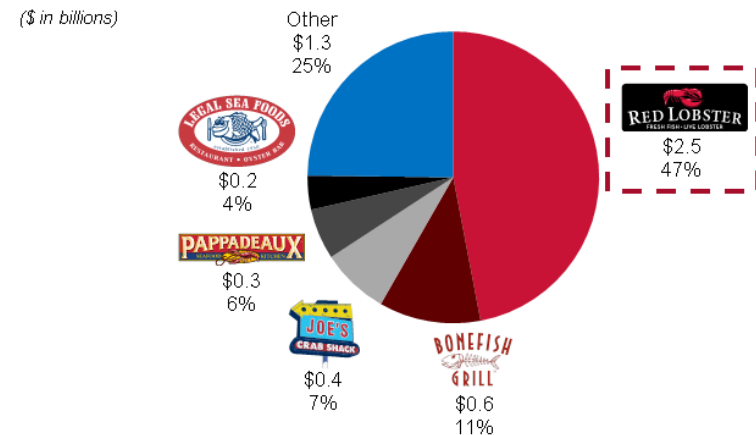
Significant Scale With Broad Geographic Reach



6th Largest Casual Dining Concept in the US



~50% Share in Seafood Casual Dining



TENANT OVERVIEW

Iconic Brand With Unparalleled Customer Loyalty

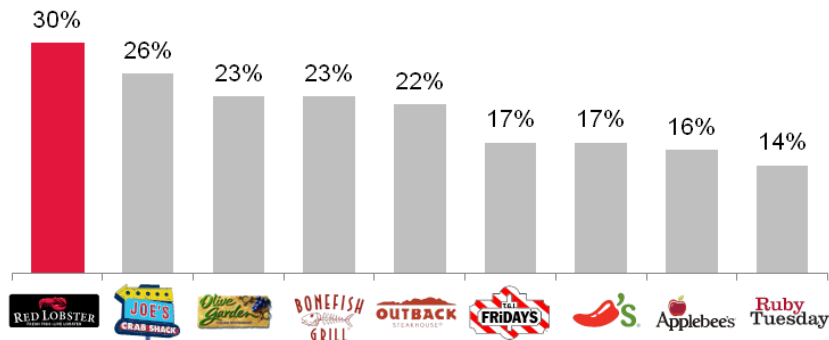
- Red Lobster has strong consumer appeal and broad usage across multiple dining out occasions, including high-crave, healthier “good for you” and special meal occasions.
- The brand has a strong foundation of loyal guests, who visit 1-2 times per month and account for more than 50% of sales.
- Red Lobster is the clear leader in casual dining seafood, and the most indispensable brand among major casual dining concepts, further indicating strong consumer loyalty.

Healthy and Recently Remodeled Restaurant Base

- Over \$320 million invested in remodels covering >90% of restaurants over the past 8 years.
- \$1.4 billion in overall capital expenditure investment over the past 10 years.
- New Bar Harbor format has strong appeal across customer base.
- 100% of restaurants are cash flow positive.

Indispensability vs. Peers

Indispensability (How difficult it would be for me to ‘give up’ ever going there again) - % very difficult (10 out of 10) shown



New Bar Harbor Format

Before



After



Management Team

Red Lobster is led by an experienced management team with prior success leading the brand.



Kim Lopdrup
CEO
(30 years in Restaurant Industry)

- Kim served as President of Red Lobster from FY2005 to FY2011, a period of consistent, above-market growth for the brand
- Prior to his return to Red Lobster, Kim served as President of Specialty Restaurant Group and New Business
- Before joining Darden, Kim served as EVP and COO of North America for Burger King, and at Dunkin' Brands as VP of Marketing and CEO of its international division
- BBA, College of William & Mary; MBA with distinction, Harvard Business School



Salli Setta
President
(27 years in Restaurant Industry)

- Salli was named President of Red Lobster in July of 2013
- Prior to her promotion to President, Salli served as Red Lobster's EVP of Marketing, before which she held numerous roles in Marketing and Culinary at Olive Garden during its turnaround, including VP Marketing and SVP Culinary and Beverage
- 24 years of experience in restaurant marketing, advertising and menu development; named "Menu Strategist of the Year" in 2003; recipient of three Menu Masters' Awards and a Silver Effie for her work on the "Hospitaliano" ad campaign
- BA, University of Central Florida; MBA, Florida Institute of Technology



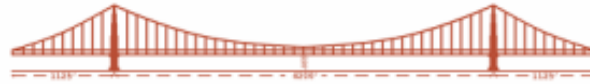
Bill Lambert
CFO
(11 years in Restaurant Industry)

- Bill served as CFO of Red Lobster from FY2006 to FY2010
- Prior to his return to Red Lobster, Bill served as CFO of LongHorn Steakhouse
- Prior to joining Darden and Red Lobster, Bill spent 21 years with Federated Department Stores in various roles including CFO of Macy's Central
- BS, Duke University; MBA, University of Michigan



Chip Wade
EVP
Operations
(29 years in Restaurant Industry)

- Darryl "Chip" Wade is EVP of Operations at Red Lobster
- Previously, Chip held positions in Enterprise Operations at Darden and as SVP of its Smokey Bones brand
- Outside of Darden, Chip previously served as COO of Legal Sea Foods and in various operations management roles at TGI Friday's
- BA, Widener University; MBA, University of Texas



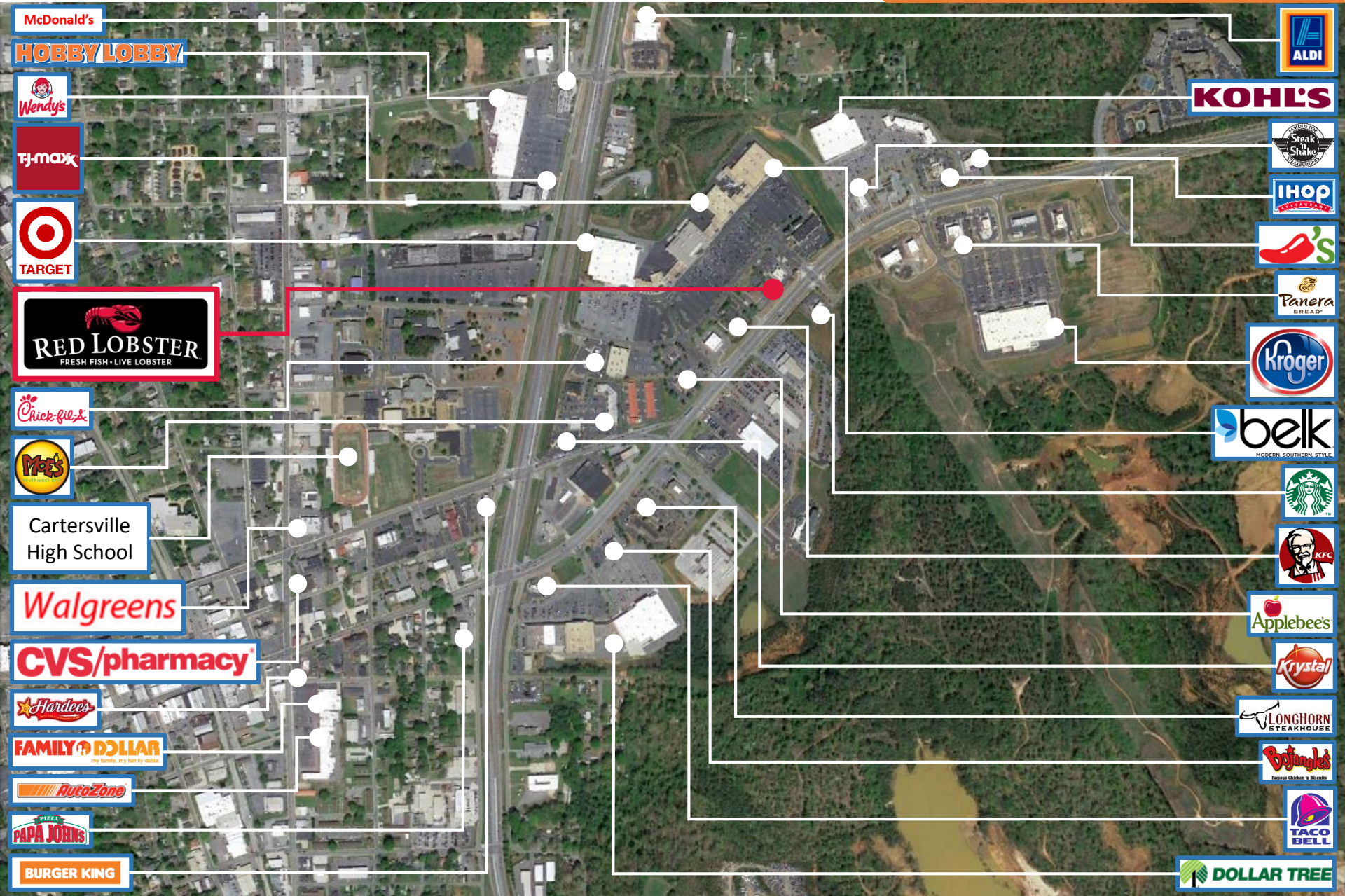
GOLDEN GATE CAPITAL

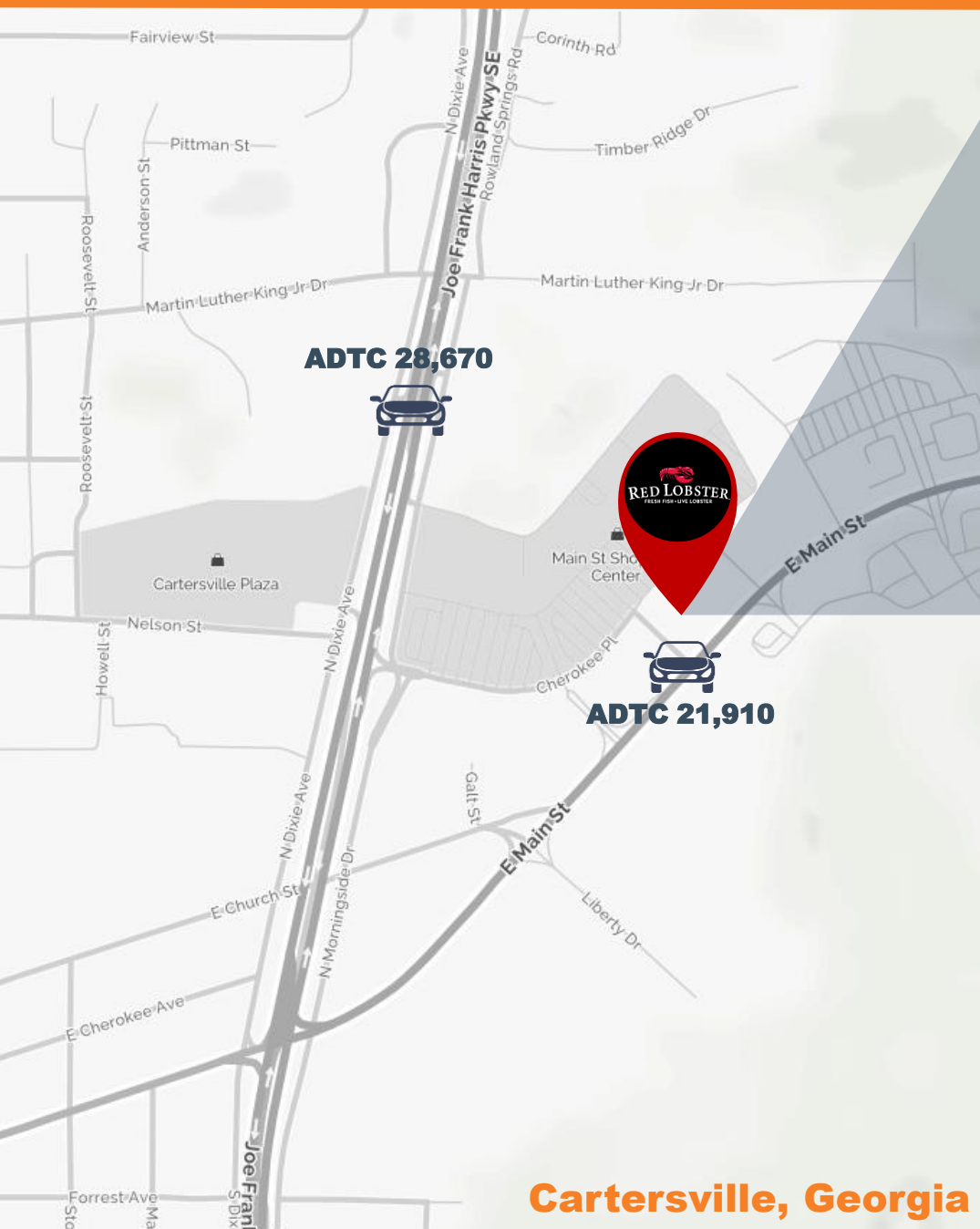
- Golden Gate Capital (GGC) is a San Francisco-based Private Equity firm with over \$15 billion of capital under management.
- GGC has been one of the most active acquirers of multi-unit restaurant and retail companies.
 - Over the past 10 years, GGC has invested in restaurant and retail companies with annual revenues in excess of \$15 billion.
- GGC's investors include leading educational endowments, non-profit foundations, and selected entrepreneurs and managers.
- Investment approach is to partner with strong management teams to acquire strong, established brands with an opportunity to grow earnings through better execution, productivity improvements and unit growth.
- Excellent track record with acquiring and growing divisions of corporations.

Select Restaurant Investments

Restaurant Private Equity Investments







HIGHLIGHTS

- Major National Tenants In Surrounding Area Include: CVS, Walgreens, Target, Kroger, Hobby Lobby, T.J. Maxx, Belk, Kohl's & Many More
- Strong Traffic Counts | East Main Street and Joe Frank Harris Parkway | 21,910 and 28,670 Daily Vehicles Respectfully
- Cartersville Medical Center | Two-Miles From Subject Property | 119-Bed Acute Care Hospital
- Historic Downtown Cartersville | Grand Theatre, Booth Western Art Museum and the Bartow History Center

MAJOR EMPLOYERS

EMPLOYER	# OF EMPLOYEES *
Bartow County Board Education	1,891
Sport & Physical Rehabilit	700
Shaw Industries Plant 15	600
Meritan Inc	522
Steak N Shake	514
District Engineer	492
Cartersville School Board	415
E M S	300
Walmart	300
Bartow County Sheriffs Dept	257
Shaw Industries Plant 12	251
McDonalds	233

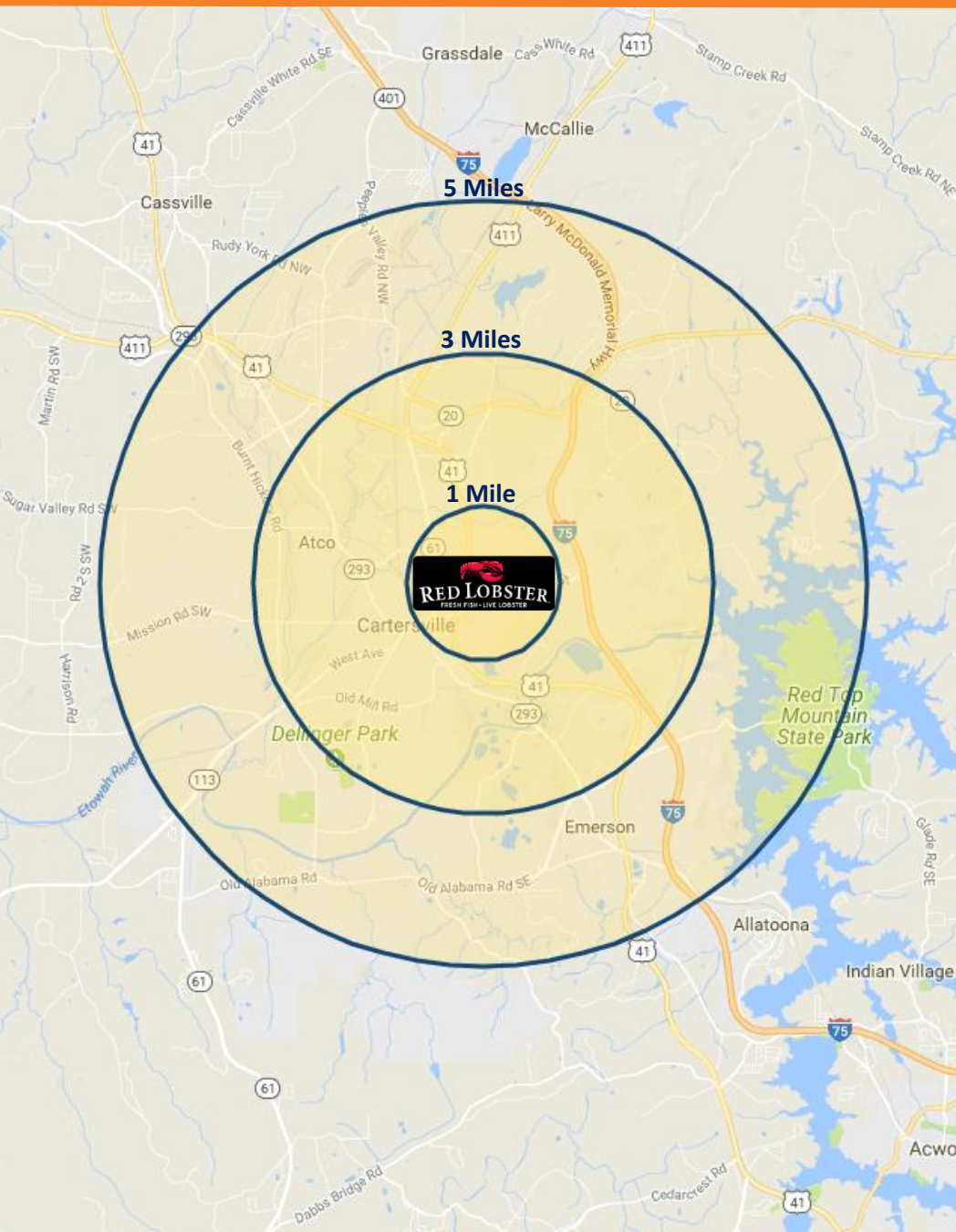
LOCATION OVERVIEW

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Traffic Counts and Demographics

Cartersville, Georgia

Marcus & Millichap 14



POPULATION

	1 Mile	3 Miles	5 Miles
2022 Projection	4,167	25,761	44,699
2017 Estimate	3,804	23,618	40,979
2010 Census	3,676	22,834	39,513
2000 Census	2,866	17,285	29,390

INCOME

Average	\$49,074	\$62,525	\$63,531
Median	\$38,966	\$48,472	\$50,354
Per Capita	\$18,387	\$23,307	\$23,748

HOUSEHOLDS

2022 Projection	1,555	9,676	16,943
2017 Estimate	1,377	8,653	15,115
2010 Census	1,349	8,473	14,760
2000 Census	1,015	6,366	10,821

HOUSING

2017	\$126,013	\$161,016	\$151,525
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EMPLOYMENT

2017 Daytime Population	7,460	34,516	49,996
2017 Unemployment	11.81%	6.08%	5.89%
2017 Median Time Traveled	28 Mins	26 Mins	27 Mins

RACE & ETHNICITY

White	57.66%	68.76%	72.36%
Native American	0.49%	0.13%	0.10%
African American	21.28%	19.25%	16.68%
Asian/Pacific Islander	3.11%	1.49%	1.34%

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