



NET LEASE INVESTMENT OFFERING



LONGHORN STEAKHOUSE
(CORPORATE SALE LEASEBACK)
6015 ARGYLE FOREST BLVD, JACKSONVILLE, FL



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EXECUTIVE SUMMARY

The Boulder Group and Lee & Associates are pleased to exclusively market for sale a single tenant net leased LongHorn Steakhouse sale leaseback opportunity. The LongHorn Steakhouse lease will have an initial primary term of five years upon close of escrow. This absolute net lease will feature 1.5% annual rental escalations. LongHorn Steakhouse is known for a “Passion for Grilling” fresh, tender, juicy steaks and offers guests the widest variety of cuts and numerous preparations, including its signature bone-in Outlaw Ribeye, all served in a relaxed, warm atmosphere inspired by a rancher’s home. LongHorn has more than 500 restaurants across 40 states. The tenant will be RARE Hospitality Management, LLC, a subsidiary of Darden Restaurants, Inc. Darden Restaurants, Inc. is publicly traded (NYSE: DRI) with a market capitalization in excess of \$14 billion and is an investment grade rated company (Standard & Poor’s: BBB)*.

The LongHorn Steakhouse property is strategically located in a regionally dominant retail corridor within the Jacksonville MSA. The property is located immediately off of Blanding Blvd (82,000 VPD.) The Longhorn Steakhouse is an outparcel to Argyle Village shopping center (Publix, Bed Bath & Beyond, Michaels, TJ Maxx, Jo-Ann, Five Below and others.) The restaurant is also positioned near Walmart Supercenter, Sam’s Club, Home Depot, PetSmart, At Home, Best Buy, Burlington, Harbor Freight, Floor & Décor and many other national tenants. LongHorn Steakhouse is easily accessible from Interstate 295 (95,500 VPD.)

This is a strong performing location with a rent coverage in excess of 3.5x and under 6% rent to sales.

There will be five years remaining on the corporately guaranteed LongHorn Steakhouse lease upon close of escrow. The lease will feature 1.5% annual rental escalations and require no landlord responsibilities. Additionally, there will be three 5-year renewal option periods. The tenant will be RARE Hospitality Management, LLC, a subsidiary of Darden Restaurants, Inc. Darden Restaurants, Inc. (NYSE: DRI) is a multi-brand restaurant operator.

**As of January 2020*



INVESTMENT HIGHLIGHTS

- Located within the Jacksonville MSA
- This is a strong performing location with low rent to sales ratio and rent coverage in excess of 3.5x
- Corporate lease
- 1.5% annual rental escalations
- Absolute triple net - No landlord responsibilities
- Florida is an income tax free state
- Long operating history since 1992
- Strategically located in a regionally dominant retail corridor within the Jacksonville MSA
- Outparcel to Publix and TJ Maxx anchored shopping center
- Easily accessible from Interstate 295 (83,000 VPD)
- Positioned near Walmart Supercenter, Sam's Club, Home Depot, PetSmart, At Home, Best Buy, Burlington, Harbor Freight, Floor & Décor and many other national tenants.
- 151,585 people living within a 5 mile radius of the property
- Average household income of \$70,990 within 5 miles of site



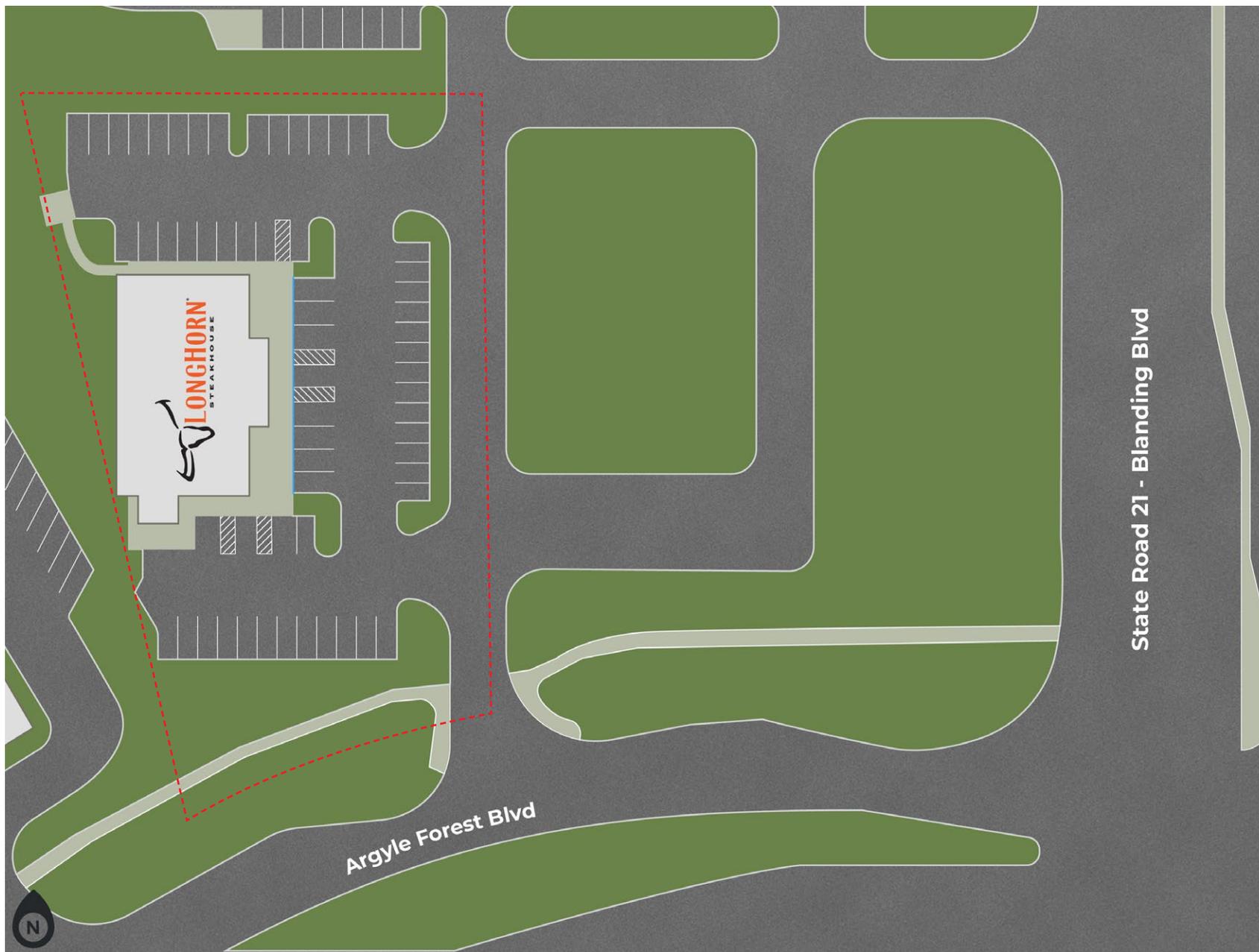
PROPERTY OVERVIEW

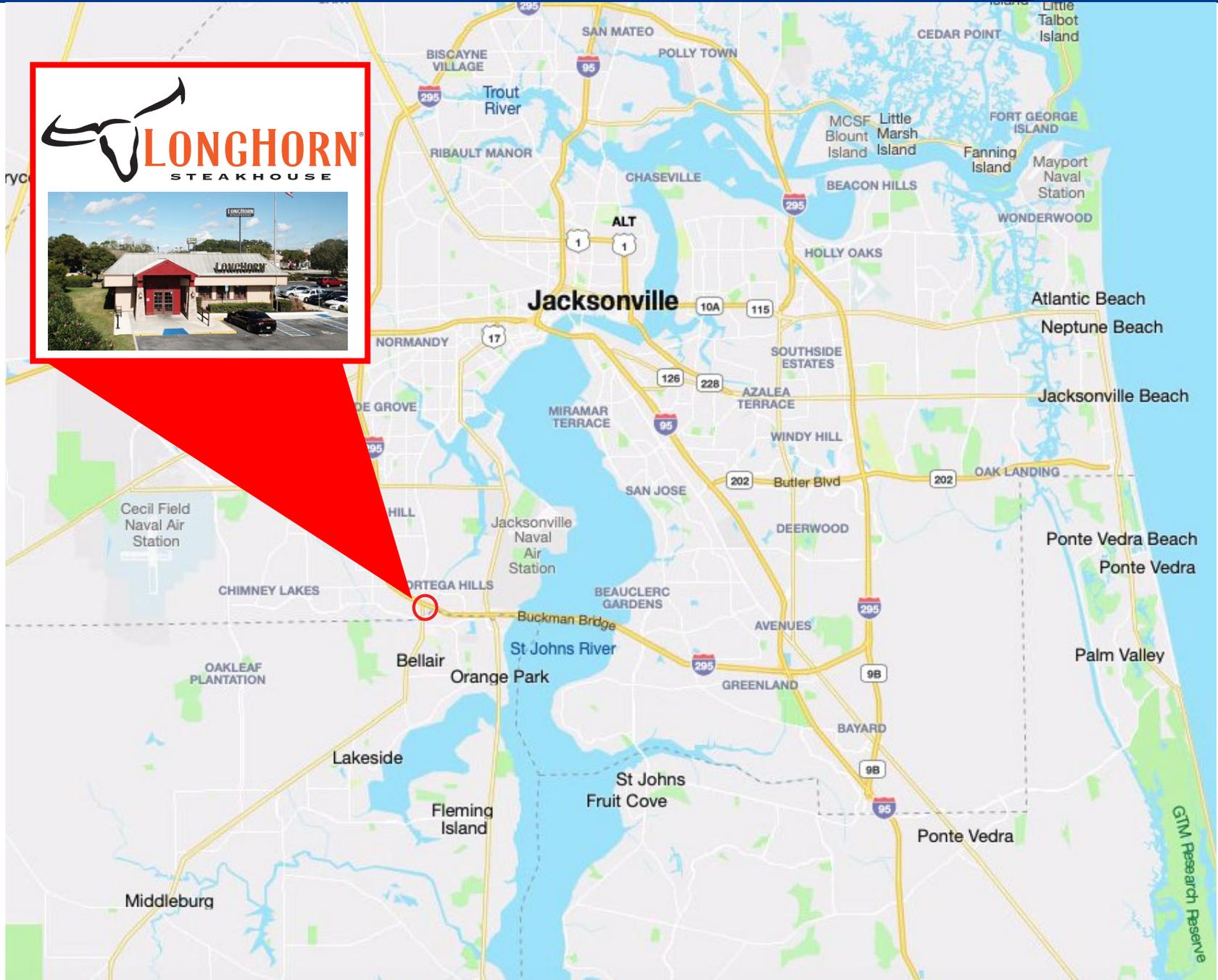
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|--------------------------|--|
| Price: | \$3,416,667 |
| Current Cap Rate: | 6.00% |
| Net Operating Income: | \$205,000 |
| Rental Escalations: | 1.5% Annual |
| Renewal Options: | Three 5-Year |
| Lease Commencement Date: | Close of Escrow |
| Lease Term: | 5 Years |
| Tenant: | Rare Hospitality Management d/b/a Longhorn Steakhouse |
| Year Built/Renovation: | 1992/2001 |
| Lease Type: | NNN |
| Building Size: | 5,300 SF |
| Land Size: | 1.2 Acres |











DEMOGRAPHICS

POPULATION

| | 1-Mile | 3-Mile | 5-Mile |
|-------------------|--------|--------|---------|
| Total Population: | 8,672 | 65,767 | 151,585 |
| Total Households: | 3,734 | 25,540 | 55,883 |

INCOME

| | 1-Mile | 3-Mile | 5-Mile |
|---------------------------|----------|----------|----------|
| Average Household Income: | \$54,631 | \$68,457 | \$70,990 |



CITY OF JACKSONVILLE, FLORIDA

Jacksonville is the most populous city in Florida, the most populous city in the southeastern United States and the largest city by area in the contiguous United States. As of 2018, Jacksonville's population was estimated to be 903,889. The Jacksonville metropolitan area has a population of 1,523,615 and is the fourth largest in Florida.

Jacksonville's location on the St. Johns River and the Atlantic Ocean proved instrumental to the growth of the city and its industry. Jacksonville has a sizable deepwater port, which helps make it a leading port in the U.S. for automobile imports, as well as the leading transportation and distribution hub in the state. The strength of the city's economy lies in its broad diversification. While the area once had many thriving dairies, such as Gustafson's Farm and Skinner Dairy, this aspect of the economy has declined over time. The area's economy is balanced among distribution, financial services, biomedical technology, consumer goods, information services, manufacturing, insurance, and other industries.

Jacksonville is home to the headquarters of four Fortune 500 companies: CSX Corporation, Fidelity National Financial, Fidelity National Information Services and Southeastern Grocers. Interline Brands is based in Jacksonville and is owned by The Home Depot. Other notable companies based in Jacksonville or with a large presence include Florida Blue, Swisher International Group, BOA Merrill Lynch, Fanatics, Crowley Maritime, Web.com, Firehouse Subs and Deutsche Bank. Naval Air Station Jacksonville, located SW of downtown, employs more than 25,000 people.





LONGHORN STEAKHOUSE

LongHorn Steakhouse is known for fresh, boldly seasoned and expertly grilled steaks – like the signature bone-in Outlaw Ribeye® – all served in a relaxed, warm atmosphere inspired by a rancher’s home. Founded in 1981 in Atlanta, Georgia, the restaurant began with one man’s passion for perfect steak but had very few guests to convince. Then a freak snowstorm hit Atlanta in 1982, stranding motorists and drawing them to one of the only hospitable places available - a restaurant then called LongHorn Steaks Restaurant & Saloon. Tales of expertly grilled steaks soon spread like wildfire, and the legend of LongHorn was born.

By 1990, the restaurant had spread throughout the East, Midwest and Southwest United States and Puerto Rico. In 2007, the restaurant, now called LongHorn Steakhouse, was purchased by Darden Restaurants, Inc. (NYSE: DRI). Today, LongHorn Steakhouse is headquartered in Orlando, Florida and has more than 500 restaurants across 40 states.

| | |
|-----------------|--|
| Website: | www.LongHornsteakhouse.com |
| Locations: | 500+ |
| Year Founded: | 1981 |
| Parent Company: | Darden Restaurants Inc. |



DARDEN RESTAURANTS, INC.

Darden Restaurants, Inc. is the premier full-service restaurant company featuring a portfolio of category-leading brands that include Olive Garden, LongHorn Steakhouse, Bahama Breeze, Seasons 52, Cheddar’s Scratch Kitchen, The Capital Grille, Eddie V’s and Yard House. Each of its brands enjoys industry-leading average unit volumes that together generate approximately \$8 billion in annual sales across more than 1,700 locations. Headquartered in Orlando, Florida, Darden employs more than 184,000 team members who serve more than 390 million meals annually. Darden has been named to the FORTUNE “100 Best Companies to Work For” list on an annual basis.

Darden Restaurants, Inc. is a publicly traded company on the New York Stock Exchange using the symbol “DRI”. The company is investment grade rated by all major rating agencies including Standard & Poor’s (BBB) and Moody’s (Baa2).

| | |
|----------------|--|
| Website: | www.darden.com |
| Locations: | 1,700+ |
| Stock Ticker: | NYSE: DRI |
| Credit Rating: | S&P: BBB Moody’s: Baa2 |
| Headquarters: | Orlando, FL |

CONFIDENTIALITY & DISCLAIMER

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and/or Lee & Associates and should not be made available to any other person or entity without the written consent of The Boulder Group and/or Lee & Associates.

This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. The Boulder Group and Lee & Associates has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group and Lee & Associates have not verified, and will not verify, any of the information contained herein, nor has The Boulder Group or Lee & Associates conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

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