

APPLEBEE'S

EXCLUSIVE NET LEASED OFFERING

Representative Photo



OFFERING MEMORANDUM



4610 Gallia St
New Boston, OH 45662

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Investment Highlights



Optimal Lease Structure

- ✓ 15-Year Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive Rental Increases | 1.50% Annually
- ✓ Four (4) Tenant Renewal Periods of Five (5) Years Each

Compelling Location Fundamentals

- ✓ Prime Location Along a Main Thoroughfare | Gallia Street has an Average Daily Traffic Count of 29,000 | Connects the Cities of New Boston and Portsmouth
- ✓ Located in one of the Main Retail Hubs in New Boston | Major Retail and Restaurant Concepts Include: Walmart, Arby's, Bob Evans, Tractor Supply Co, CVS, Ollie's Bargain Outlet, Advance Auto and many more
- ✓ Located Just East of Southern Ohio Medical Center | 220 Bed State of the Art Medical Facility | One of the Largest Medical Centers in the Area

Strong Brand, Exceptional Operator

- ✓ Legacy Apple III, LLC | 20 Strong Performing Unit Entity
- ✓ Part of the Thrive Restaurant Group Family | Experience Operating in the Restaurant Industry Since 1966
- ✓ Thrive Restaurant Group Is Comprised of More Than 80 Restaurant Locations Across 11 States | Includes the Operations of 59 Applebee's Restaurants
- ✓ Long Term Operational History | Restaurant Has Been in Operation Since 2002



Representative Photo



Representative Photo



Financial Analysis & Investment Summary



PRICE: \$1,851,852 | CAP RATE: 6.75% | RENT: \$125,000

PROPERTY DESCRIPTION

Property	Applebee's
Property Address	4610 Gallia St
City, State ZIP	New Boston, OH 45662
Building Size (SF)	5,378
Lot Size (Acres)	+/- 1.25
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$1,851,852
CAP Rate	6.75%
Annual Rent	\$125,000

LEASE SUMMARY

Tenant / Guarantor	Legacy Apple III, LLC
Lease Term	15 Years
Lease Commencement	Close of Escrow
Lease Expiration	15 Years from the Close of Escrow
Lease Term Remaining	15 Years
Lease Type	Triple Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	Four (4), Five (5)-Year
Rental Increases	1.50% Annually

RENT SCHEDULE

Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$125,000	\$10,417	-
Year 2	\$126,875	\$10,573	1.50%
Year 3	\$128,778	\$10,732	1.50%
Year 4	\$130,710	\$10,892	1.50%
Year 5	\$132,670	\$11,056	1.50%
Year 6	\$134,661	\$11,222	1.50%
Year 7	\$136,680	\$11,390	1.50%
Year 8	\$138,731	\$11,561	1.50%
Year 9	\$140,812	\$11,734	1.50%
Year 10	\$142,924	\$11,910	1.50%
Year 11	\$145,068	\$12,089	1.50%
Year 12	\$147,244	\$12,270	1.50%
Year 13	\$149,452	\$12,454	1.50%
Year 14	\$151,694	\$12,641	1.50%
Year 15	\$153,969	\$12,831	1.50%





Concept & Tenant Overview



ABOUT APPLEBEE'S

Founded nearly four decades ago on the principles of exceptional value and family fun, Applebee's Services, Inc. operates what is today the largest casual-dining chain in the world. This prominent eatery draws people of all ages and lifestyles with its fun, family-friendly atmosphere and signature bar and grill menu.

Headquartered in Glendale, CA, Applebee's has been providing customers with great service and even better food since 1980. With over 2,000 locations worldwide, Applebee's is an iconic chain that has strong brand recognition in not only America, but Europe, South America, and the Middle East as well. Applebee's prides itself in the commitment it makes to provide not only the best American food possible, but it's commitment to providing customers with a great dining experience for over 40 years now.

Applebee's continues to grow and prosper, and further differentiates itself with innovative attractions, like the popular Carside to Go service available at many of its restaurants. And the company continually works to add greater value and broaden its appeal, as evidence by the "It's a Whole New Neighborhood" campaign, indicative of a fresh re-energizing approach and promise of new, enticing menu items.

ABOUT THRIVE RESTAURANT GROUP

Legacy Apple III, LLC is a part of the Thrive Restaurant Group, which is a seasoned restaurant operator with more than 50 years of experience in the industry. Thrive Restaurant Group has been operating in the restaurant space since 1966 when Darrel Rolph became a Pizza Hut franchisee and opened his first store. From there the brand took off, expanding rapidly.

In 1998, Thrive Restaurant Group built 9 Applebee's in Iowa and well as acquiring 16 Applebee's in Iowa and Illinois. This started a long and successful partnership with Applebee's, as they have grown their operational footprint of the brand to 59 restaurants, including their most recent acquisition of 20 units. Thrive Restaurant Group continues its successful operational career and is expected to further grow their operations footprint in the years to come.





Thrive Restaurant Group History



1966

1968

1973

1981

1994

1997

1998

2002

2011

2014

2017

2018

2019

2020

Darrel Rolph becomes a Pizza Hut franchisee in IA.

Darrel & David Rolph form Sasnak Management Corporation and build Pizza Huts in VA, WV and FL.

Darrel & David sell their 26 Pizza Huts to PepsiCo.

Form Apple Corps, LP; Build nine Applebee's in IA; Acquire 16 Applebee's in IA and IL.

Jon takes over operations of Sasnak.

Jon & Lauren Rolph found HomeGrown, a daytime eatery restaurant in Wichita, Kansas. Nigel POS is launched at opening.

Open two more HomeGrown locations in Wichita; Jon & Lauren found Peace, Love & Pie in Wichita, which offers unique twists on the classic dessert.

Pizza Hut goes public; Darrel merges his 5 stores into the new public company and stays on as National Director of Operations.

Darrel & David found Carlos O'Kelly's Mexican Cafes in Cedar Rapids, IA; Grows to 49 restaurants in ten states.

Darrel & David found US Restaurant Properties, a publicly traded REIT.

David's son, Jon, returns to the company.

Close several Carlos O'Kelly's locations & the restaurant is rebranded.

Sasnak becomes Thrive Restaurant Group; Jon forms Legacy Apple, LLC.; Acquires 8 Applebee's locations in SD, IA, and NE; Acquires 8 more units in TN & KY from a second acquisition.

Acquisition of 20 Applebee's units in WV, OH, KY, VA.





Thrive Restaurant Group Operations Team



David Rolph – Chairman

David began his restaurant career in 1970 as an Assistant Manager at Pizza Hut – just to help pay for college. This job turned into ownership of 26 Pizza Huts across Virginia, West Virginia, and Florida, and a 40 year partnership with his brother, Darrel. David and Darrel started Sasnak Management in 1973 and their own restaurant concept in 1981, which was a casual dining Mexican restaurant called Carlos O’Kelly’s. By the time they sold their Pizza Huts in 1994, they were operating 24 Carlos restaurants in 10 states between Kansas and Washington, DC. Carlos continued to grow by 3 to 4 stores per year for the next decade. In 1998, they bought 16 Applebee’s in Iowa and Illinois and have since built 9 more. These 25 units make up Apple Corps, LP. Darrel passed away in 2011. A new partnership with David’s son, Jon, led to the acquisition of 16 stores across South Dakota, Iowa, and Tennessee in April and July of 2018. These stores operate under the banner of Legacy Apple, LLC. David plays guitar in a local band, and he’s an avid pilot, fly fisherman, and grandfather.



Jon Rolph – President & CEO

After graduating from Baylor University, Jon joined the family business in 2002. He held a number of key positions in the company, including restaurant-level operations, V.P. of Administration & Marketing, and as COO of Carlos O’Kelly’s, eventually succeeding his father as President of Sasnak Management, which was rebranded to Thrive Restaurant Group in 2019. Jon has served on the boards of several local and national organizations. Currently, Jon is on the Board of Directors of Intrust Bank, Greater Wichita Partnership Co-Chair, Applebee’s Franchise Tech Council Chairman, and Applebee’s Franchise Business Council Vice President, he is also the Secretary and Board Member for Centralized Supply Chain Services. Most recently, he was appointed to the Kansas Board of Regents. In 2015 he partnered with High Touch Technologies to engineer a modern Point of Sale system for restaurants, which was named Nigel. In 2017 Jon and his wife, Lauren, founded HomeGrown, a breakfast/lunch eatery, and launched Nigel at the opening. Two years later, two more HomeGrown locations opened along with an emerging pie concept, Peace, Love & Pie.



Greg Stroud – CFO

Greg joined Thrive in 2017 as Chief Financial Officer. He’s originally from New Mexico, a graduate of New Mexico State University, and a graduate of the GE Financial Services Training Program. He began his career managing tax and financial processes and developing Six Sigma expertise at General Electric. He joined Koch Industries in 1997, where he led multiple organizations including Risk Management, Procurement, Information Technology, Indirect Tax, and Accounting. His leadership spanned employees in 6 countries and across corporate-wide capabilities that touched every Koch company. In the community, he coached youth sports for 10 years, served in youth ministry for 15 years, and serves on the Elder Board at Pathway Church for the past 8 years. He also serves on the Advisory Board for a regional design-build construction firm.



Thrive Restaurant Group Operations Team



Mike Coffey - COO

Mike started his restaurant career as a manager for Bennigan's restaurant in 1992 after completing his Officer Basic Course with the US Army Reserve. He was promoted to GM in 1994. In 1996, Mike joined Chili's as a manager. During his 21 year tenure with Chili's he was promoted to GM in 1997, Area Director in 2001, and to Regional Director in 2011, where he supervised 64 restaurants located in North Carolina, South Carolina, West Virginia and Virginia. Mike spent a year as an Area Operating Partner with Panera Bread in 2017 before joining Thrive Restaurant Group as the COO of their Applebee's division in 2018. Mike is an Applebee's Culinary Test Partner and was elected to the Applebee's Franchise Operations Council in 2019.



Ryan Bond - CPO

Ryan joined Thrive in April 2011. He brought with him a wide variety of work experiences -- he has worked in start-ups, pharmaceuticals, manufacturing and higher education -- in sales, business development and teaching faculty roles. Additionally, he's helped and equipped more than two-dozen organizations to achieve better futures for themselves through his organization development consulting. Ryan has led and contributed to a variety of projects with the common theme of creating experiences that bring out the best in our brands, each other and our guests. Some of that work is tangible -- restaurant design, training programs, process improvement; and some conceptual -- asking questions, shaping mindsets, leadership development, and brand design. In 2019 Ryan became Thrive's Chief People Officer and was elected to the Applebee's Franchise People Council.

Brand Involvement and Individual Awards

Jon Rolph

- Chairman - Franchise Technology Council
- Vice President - Franchise Business Council
- Secretary & Board of Directors - Centralized Supply Chain Service

Mike Coffey

- Member - Franchise Operations Council
- Culinary Test Partner

Ryan Bond

- Member - Franchise People Council

Recent Company-Wide Recognition

- **2017** - Highest Guest Retention
- **2018** - Deal Maker of the Year
- **2018** - Culinary Innovator of the Year
- **2019** - Culinary Partner of the Year
- **2019** - Top 10 in Ticket Times



Surrounding Area



Save time. Save money. Every day!



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GAME TESTED. ATHLETE APPROVED.



Marcus & Millichap

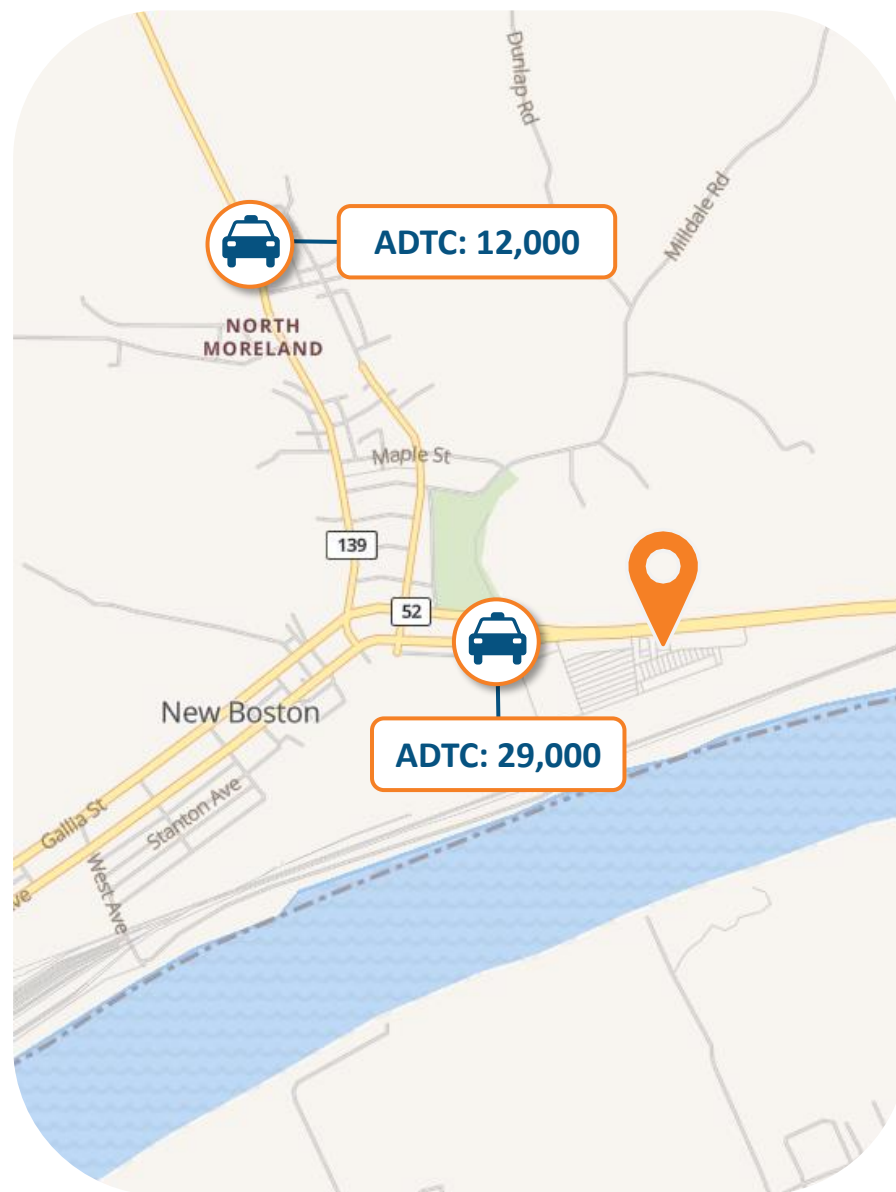


Location Overview

The subject investment property is situated along Gallia St, which is a main thoroughfare running directly through the heart of New Boston and connecting the city to nearby Portsmouth. The road brings approximately 29,000 vehicles, on average, directly past the subject property each day. Additionally, nearby Harrisonville Rd brings an additional 12,000 vehicles into the immediate area, on average, each day. There are approximately 13,000 people living within a three-mile radius of the subject property and 15,000 living within a five-mile radius.

The subject property benefits from being well-positioned in a highly dense retail corridor consisting of national and local tenants, shopping centers and manufacturing facilities. Major national retail and restaurant concepts in the immediate area include: Advance Auto, KFC, CVS, Walmart, Arby's, Bob Evans, Gordmans, GNC, Ollie's Bargain, Outlet, and Dollar General. In addition to these numerous retail and restaurant concepts, the subject property benefits from being located approximately three miles east of the Southern Ohio Medical Center. This 220-bed state-of-the-art medical facility provides emergency and surgical care, as well as a wide range of other healthcare services. As one of the largest medical facilities in the region, Southern Ohio Medical Center attracts patients from all over the Southern Ohio region.

New Boston is a village in Scioto County, Ohio along the Ohio River. New Boston is located approximately five miles east of Portsmouth, Ohio, which is a city in, as well as the county seat of, Scioto County, Ohio. Portsmouth sits in southern Ohio, located approximately 41 miles south of Chillicothe and approximately 115 miles west of Cincinnati. Portsmouth major employers include Southern Ohio Medical Center, Kings Daughters Medical Center, Shawnee State University, Norfolk Southern Corp and OSCO Industries. The city has a history tied to nuclear engineering thanks to the Portsmouth Gaseous Diffusion Plant, which is located just outside of the city. The plant has earned recognition for its efforts to transform from a plant that was focused on enriching uranium for nuclear weapons in the 1960s to currently focusing on producing clean fuel for other commercial nuclear plants. Currently, there is a significant development plan surrounding the plant, which is being funded by Fluor/B&W. Graf Brothers Flooring and Lumber, the world's largest manufacturer of rift and quartered oak products has a significant presence in the city. The company operates two major satellite lumber yards in the city. Another internationally recognizable company with significant operations in the city is Sole Choice Inc., which is one of the largest manufacturers of shoelaces in the world.





Property Photos



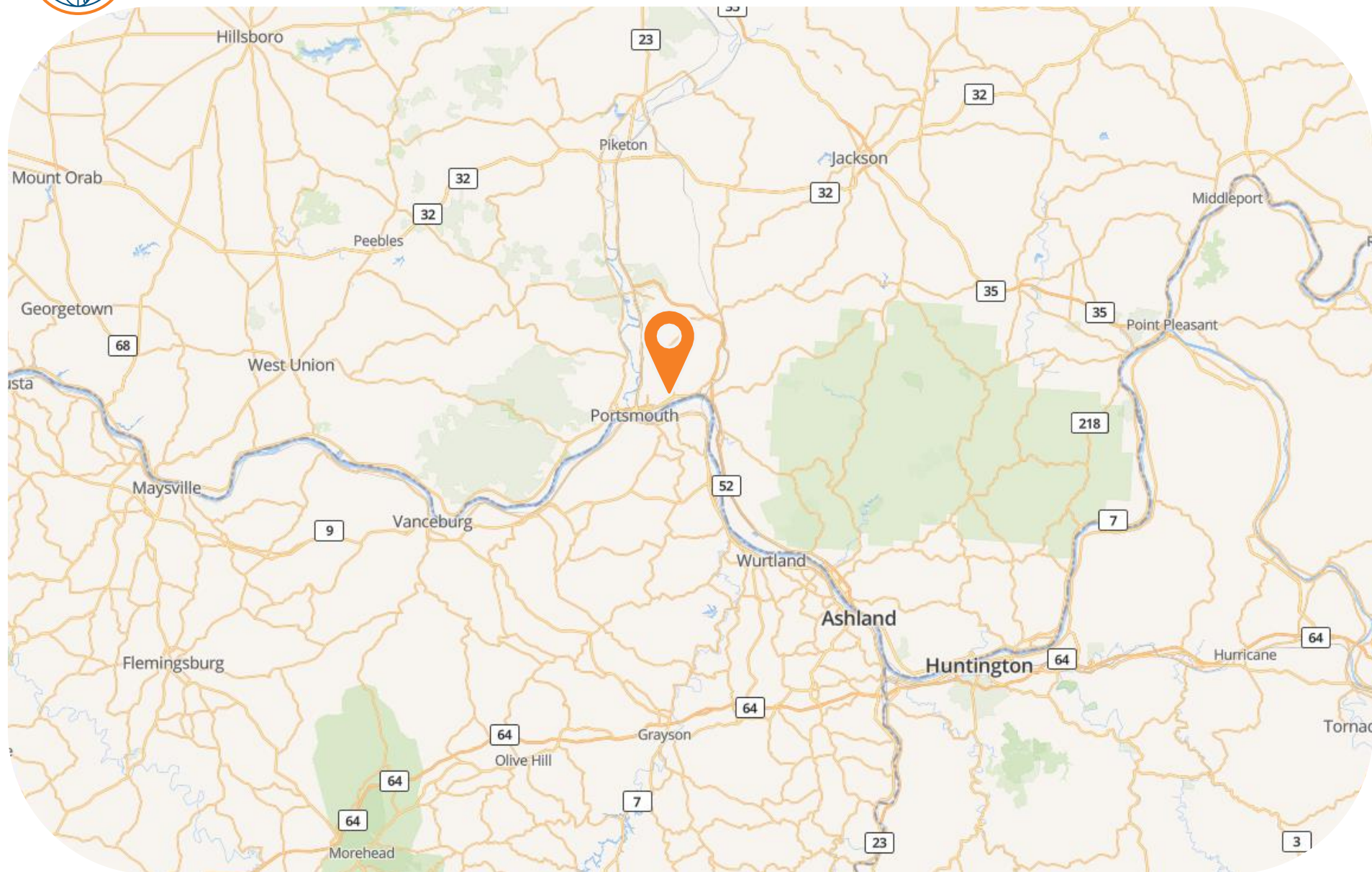


Surrounding Area Photos





Local Map



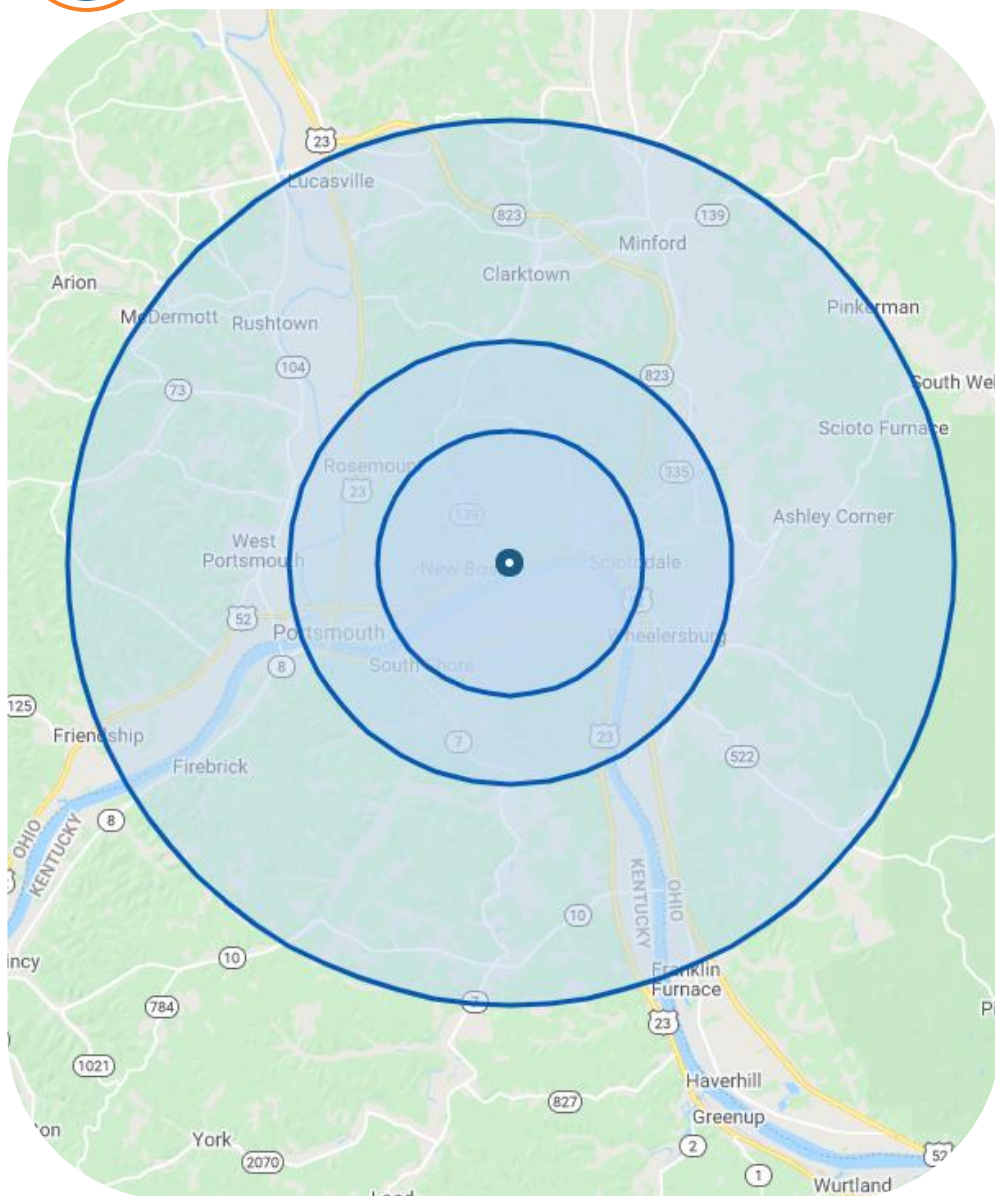


Regional Map





Demographics



	3 Miles	5 Miles	10 Miles
POPULATION			
2023 Projection	12,931	15,315	17,537
2018 Estimate	12,855	15,166	17,339
2010 Census	12,807	15,060	17,188
2000 Census	13,278	15,617	17,785
INCOME			
Average	\$71,971	\$71,593	\$73,175
Median	\$61,372	\$60,899	\$61,871
Per Capita	\$30,218	\$29,934	\$30,142
HOUSEHOLDS			
2023 Projection	5,461	6,446	7,273
2018 Estimate	5,366	6,310	7,110
2010 Census	5,340	6,255	7,034
2000 Census	5,146	6,046	6,782
HOUSING			
2018	\$140,664	\$141,455	\$143,185
EMPLOYMENT			
2018 Daytime Population	15,707	18,072	19,263
2018 Unemployment	2.99%	2.79%	2.66%
2018 Median Time Traveled	12 Mins	12 Mins	13 Mins
RACE & ETHNICITY			
White	91.48%	91.90%	92.54%
Native American	0.14%	0.12%	0.11%
African American	1.51%	1.35%	1.24%
Asian/Pacific Islander	1.71%	1.59%	1.43%



Market Overview



Portsmouth, Ohio

Portsmouth

Portsmouth is a city in, as well as the county seat of, Scioto County, Ohio. Portsmouth sits in southern Ohio, located approximately 41 miles south of Chillicothe and approximately 115 miles west of Cincinnati. Portsmouth major employers include Southern Ohio Medical Center, Kings Daughters Medical Center, Shawnee State University, Norfolk Southern Corp and OSCO Industries. The city has a history tied to nuclear engineering thanks to the Portsmouth Gaseous Diffusion Plant, which is located just outside of the city. The plant has earned recognition for its efforts to transform from a plant that was focused on enriching uranium for nuclear weapons in the 1960s to currently focusing on producing clean fuel for other commercial nuclear plants. Currently, there is a significant development plan surrounding the plant, which is being funded by Fluor/B&W. Graf Brothers Flooring and Lumber, the world's largest manufacturer of rift and quartered oak products has a significant presence in the city. The company operates two major satellite lumber yards in the city. Another internationally recognizable company with significant operations in the city is Sole Choice Inc., which is one of the largest manufacturers of shoelaces in the world.

Portsmouth is home to many famous historical landmarks and buildings, including the Columbia Music Arena and Indian Head Rock, which is an 8-ton sandstone boulder, with names and images of important figures in the area carved onto it. Portsmouth also offers its citizens a wide array of outdoor activities, with fourteen parks located within the city limits.



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