

APPLEBEE'S

EXCLUSIVE NET LEASED OFFERING

Representative Photo



OFFERING MEMORANDUM



202 Kanawha Mall
Charleston, WV 25387

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Activity ID: ZAB0330135



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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

- ✓ Dense Retail Corridor | Lowes, Dollar Tree, Family Dollar, Chase Bank, BB&T, AutoZone, O'Reilly Auto Parts, Kmart, Bob Evans, IHOP, Burger King, Arby's, Pizza Hut and Many More
- ✓ Strong Traffic Counts | MacCorkle Ave SE and West Virginia Turnpike | Average 20,437 and 35,188 Vehicles Per Day Respectively
- ✓ Compelling Location Fundamentals | Located in Charleston, WV | State Capital and Most Populous City in West Virginia
- ✓ Strong Academic Presence | West Virginia University's Charleston Division and University of Charleston Located Two Miles From the Subject Property | Total Enrollment Exceeds 2,500 Students

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 1998



Representative Photo



Representative Photo



Financial Analysis & Investment Summary



PRICE: \$2,296,296 | CAP RATE: 6.75% | RENT: \$155,000

PROPERTY DESCRIPTION

Property	Applebee's
Property Address	202 Kanawha Mall
City, State ZIP	Charleston, WV 25387
Building Size (SF)	4,345
Lot Size (Acres)	+/- 0.95
Year Opened	1998
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$2,296,296
CAP Rate	6.75%
Annual Rent	\$155,000

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	\$155,000	\$12,917	-
Year 2	\$157,325	\$13,110	1.50%
Year 3	\$159,685	\$13,307	1.50%
Year 4	\$162,080	\$13,507	1.50%
Year 5	\$164,511	\$13,709	1.50%
Year 6	\$166,979	\$13,915	1.50%
Year 7	\$169,484	\$14,124	1.50%
Year 8	\$172,026	\$14,335	1.50%
Year 9	\$174,606	\$14,551	1.50%
Year 10	\$177,225	\$14,769	1.50%
Year 11	\$179,884	\$14,990	1.50%
Year 12	\$182,582	\$15,215	1.50%
Year 13	\$185,321	\$15,443	1.50%
Year 14	\$188,101	\$15,675	1.50%
Year 15	\$190,922	\$15,910	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



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



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

Jon takes over operations of Sasnak.



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

Darrel & David sell their 26 Pizza Huts to PepsiCo.



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



Darrel Rolph becomes a Pizza Hut franchisee in IA.

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



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.



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

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

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



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

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



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

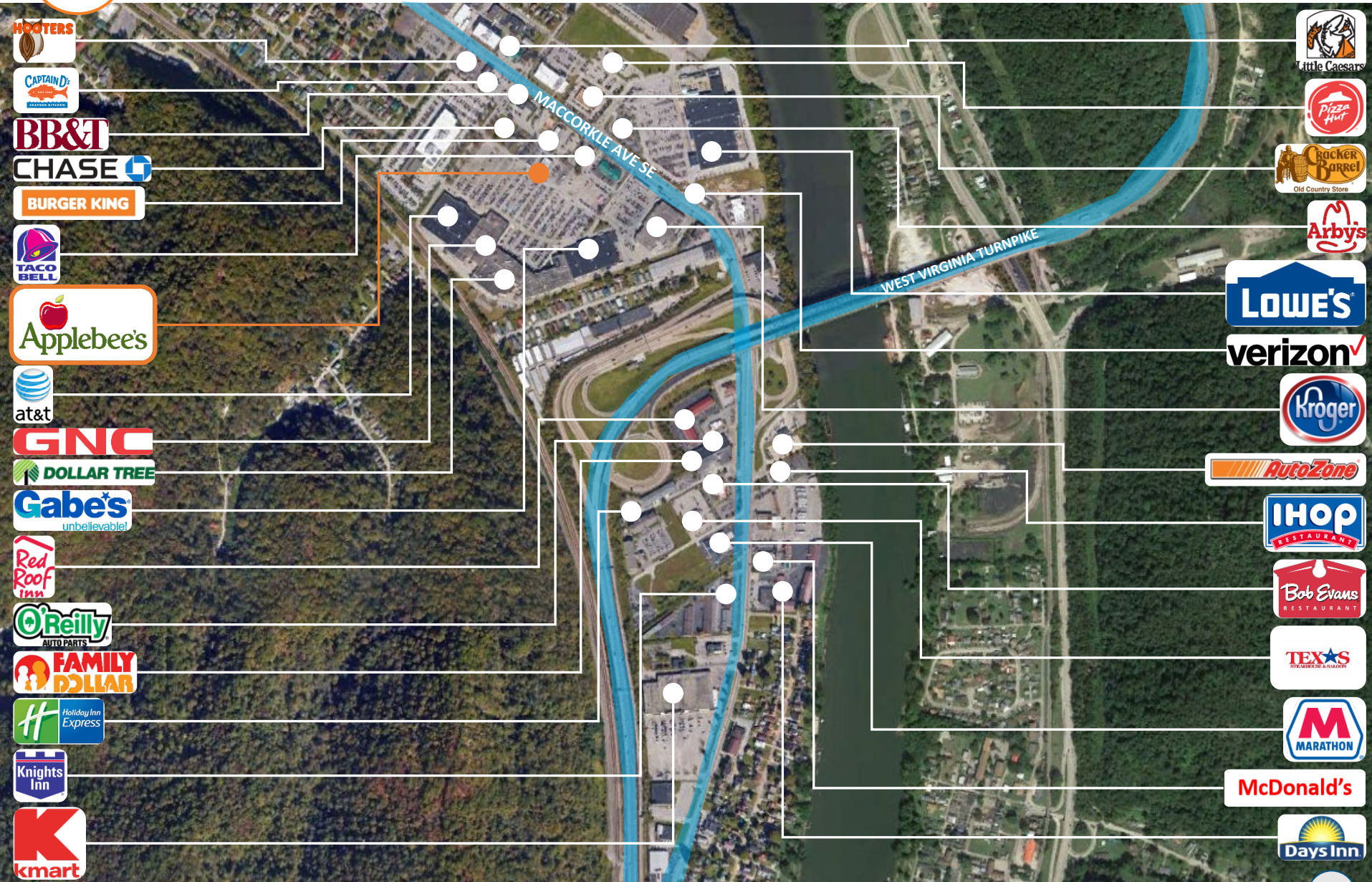
- Member - Franchise People Council

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



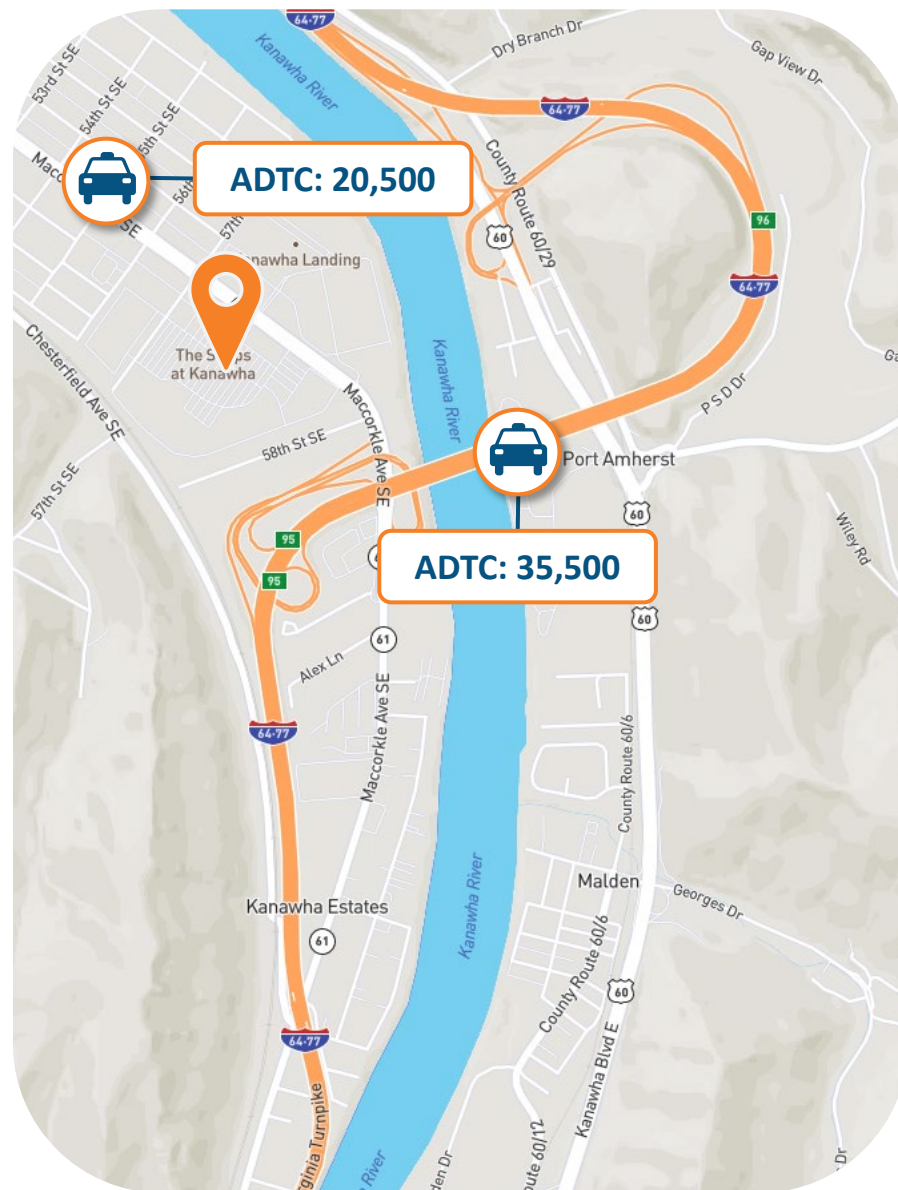


Location Overview

The subject investment property is situated Kanawha Mall in The Shops at Kanawha. Kanawha Mall intersects with MacCorkle Ave SE which boasts average daily traffic counts exceeding 20,500 vehicles. MacCorkle Ave SE intersects with West Virginia Turnpike which brings an additional 35,500 vehicles into the immediate area. There are more than 36,300 individuals residing within a five-mile radius of the subject property and 107,500 individuals within a ten-mile radius.

The subject property benefits from being well-positioned in The Shops at Kanawha surrounded by major national retailers, academic institutions and a full-service hospital. Major national retailers in the area include: Lowe's, Dollar Tree, Family Dollar, Chase Bank, BB&T, AutoZone, O'Reilly Auto Parts, Kmart, Bob Evans, IHOP, Burger King, Arby's, Pizza Hut, as well as many more. Two miles from the subject property is CAMC Memorial Hospital, a full-service hospital with one of the highest volume heart programs in the United States; each year CAMC physicians perform more than 1,600 open-heart bypass surgeries. Additionally, West Virginia University's Charleston Division and University of Charleston are both within two miles of the subject property. These two schools have a total combined enrollment exceeding 2,500 students.

Located at the confluence of the Elk and Kanawha rivers, Charleston has an estimated population of approximately 50,000 people. Charleston is the center of government, commerce and industry for Kanawha County, of which it is the county seat. Major economic drivers in the city include trade, utilities, government, medicine, and education. Charleston is home to many college campuses as it hosts a branch campus of West Virginia University that serves as a clinical campus for the university's medical and dental schools. Students at either school must complete their class work at the main campus in Morgantown but can complete their clinical rotations at hospitals in Morgantown, the Eastern Panhandle, or Charleston. Students from West Virginia School of Osteopathic Medicine may also complete their clinical rotations at the branch campus, after completing their first two academic years at the main campus in Lewisburg. The city is also home to a 1,000-student private college, the University of Charleston, formerly Morris Harvey College.





Property Photos



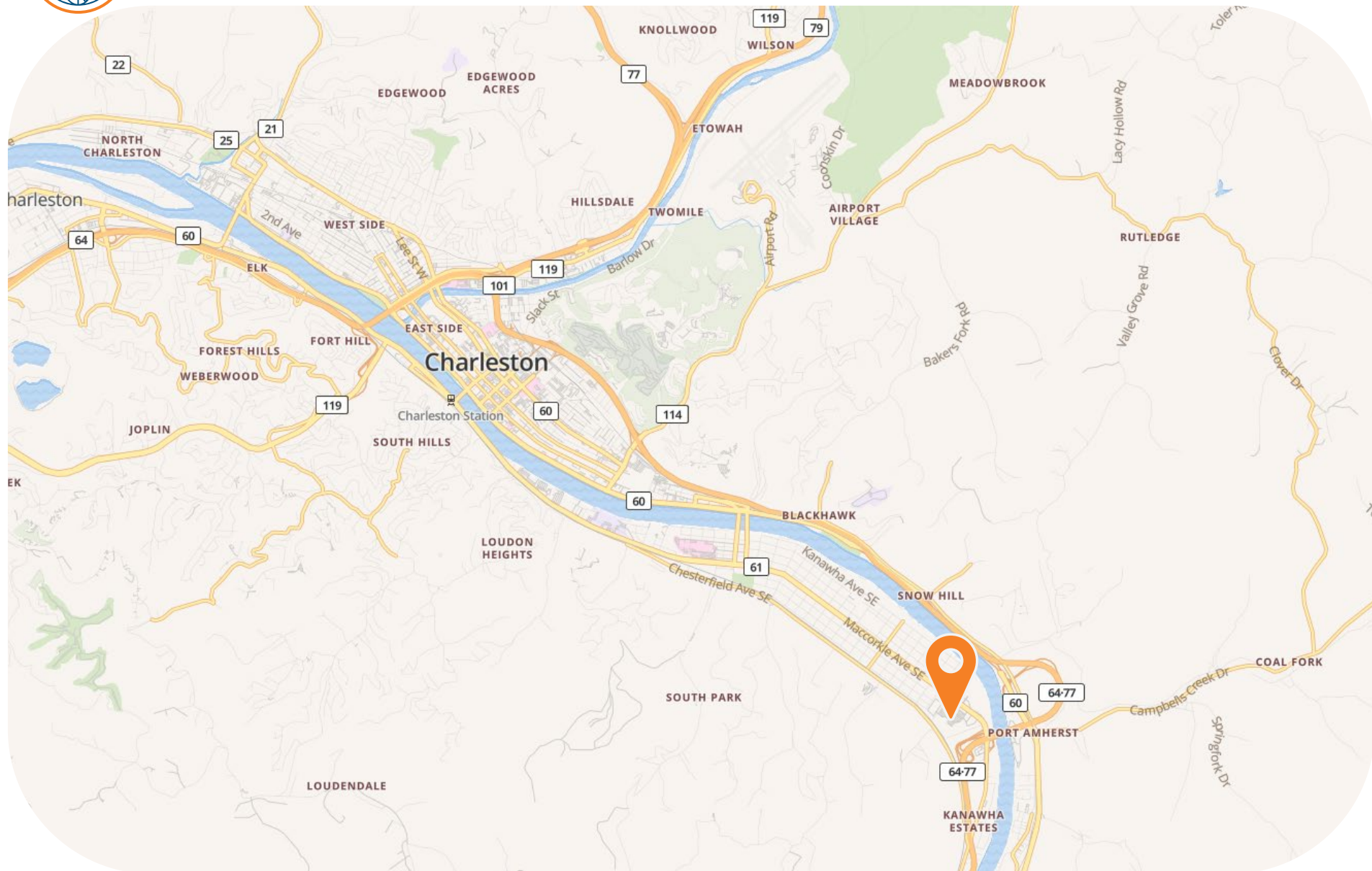


Surrounding Area Photos



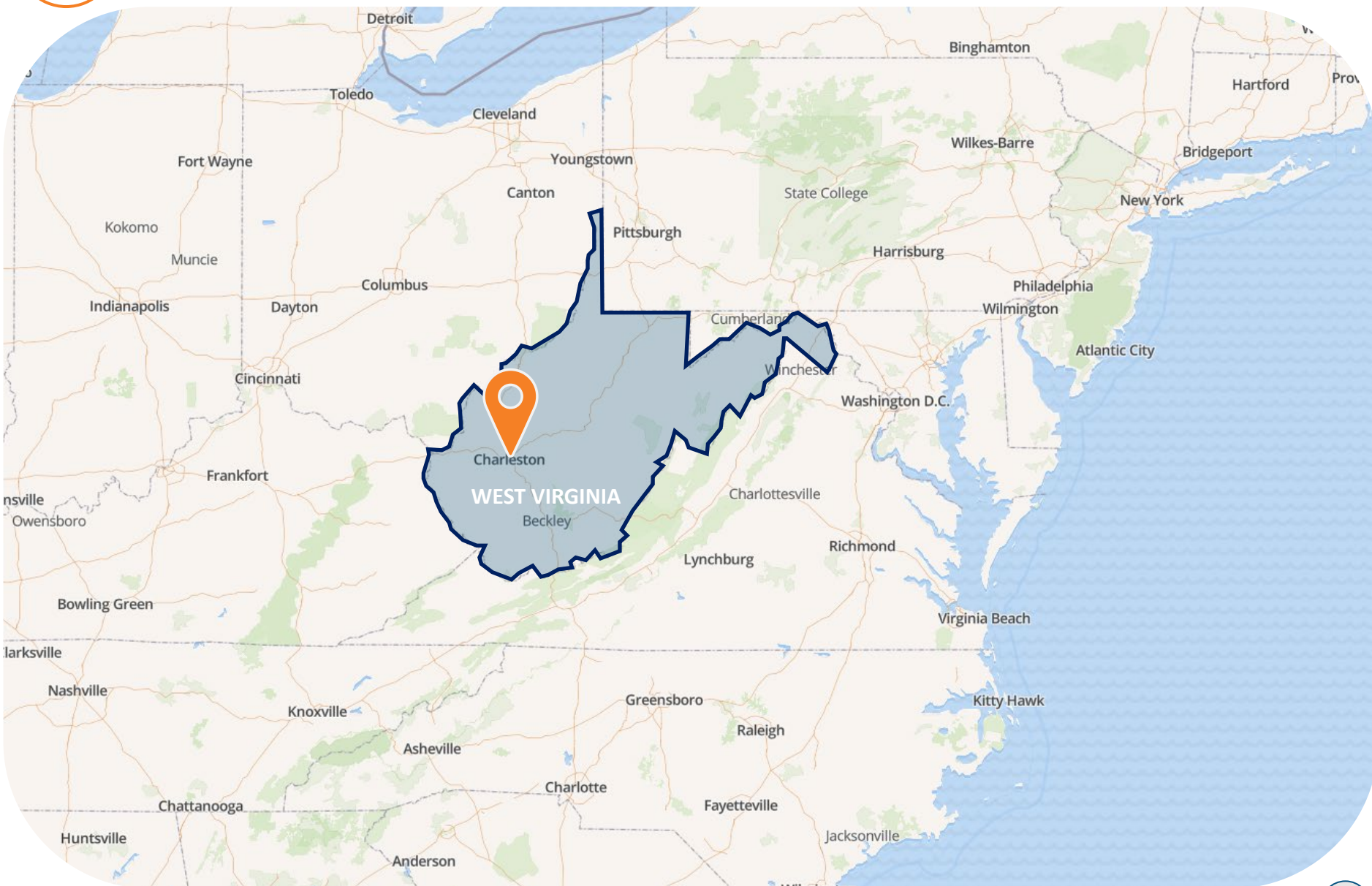


Local Map



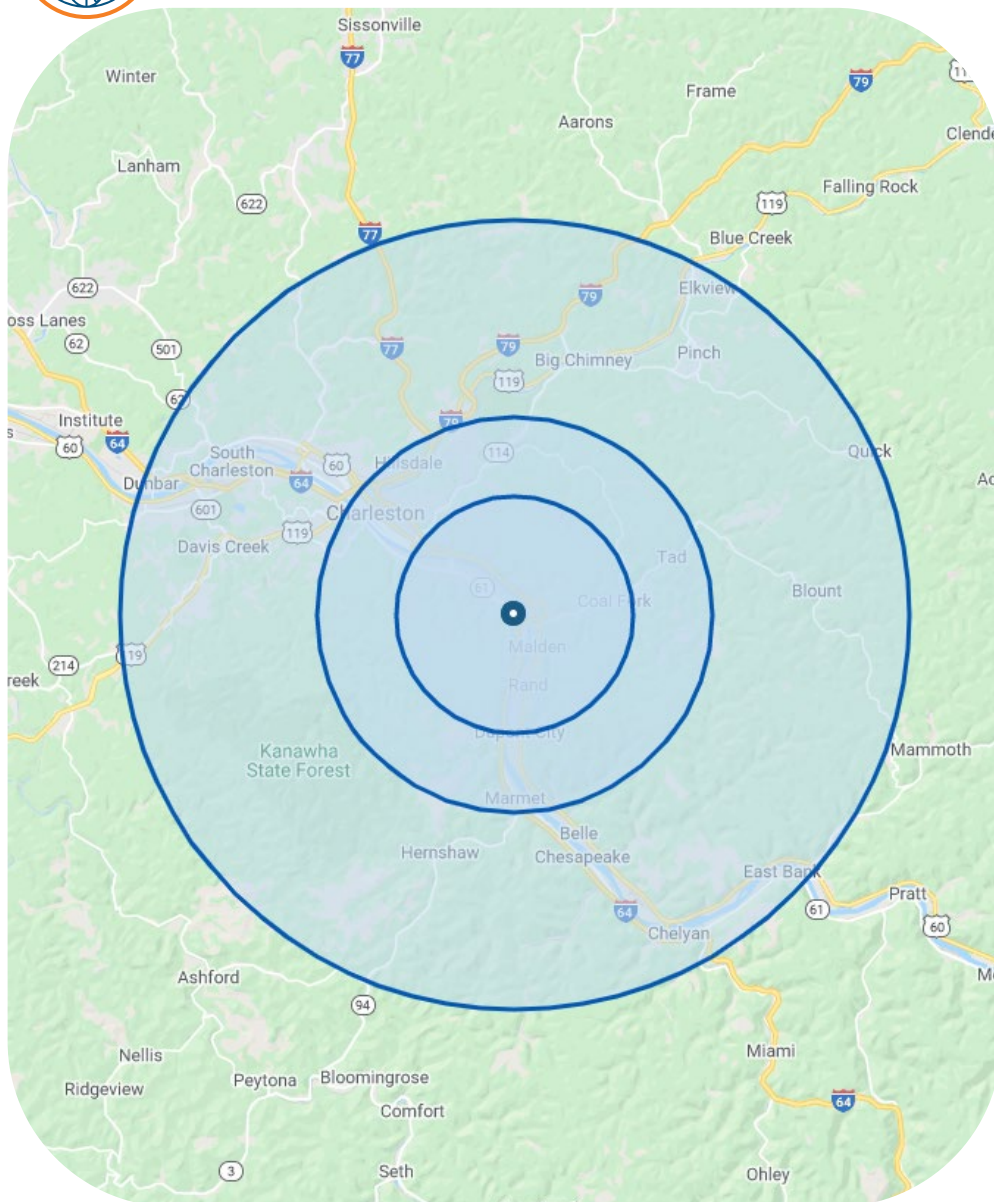


Regional Map





Demographics



POPULATION

	3 Miles	5 Miles	10 Miles
2023 Projection	16,028	36,170	106,463
2018 Estimate	15,910	36,324	107,726
2010 Census	15,855	36,886	110,627
2000 Census	16,828	39,330	115,598

INCOME

Average	\$76,094	\$74,790	\$68,439
Median	\$47,736	\$45,750	\$45,122
Per Capita	\$35,305	\$34,933	\$30,933

HOUSEHOLDS

2023 Projection	7,370	16,803	48,160
2018 Estimate	7,257	16,773	48,405
2010 Census	7,194	16,964	49,453
2000 Census	7,611	17,957	51,403

HOUSING

2018	\$136,755	\$140,853	\$124,572
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EMPLOYMENT

2018 Daytime Population	31,326	79,793	157,091
2018 Unemployment	6.01%	5.58%	5.10%
2018 Median Time Traveled	19 Mins	18 Mins	20 Mins

RACE & ETHNICITY

White	82.57%	82.84%	85.35%
Native American	0.05%	0.06%	0.04%
African American	12.05%	11.48%	9.65%
Asian/Pacific Islander	2.14%	2.24%	1.62%



Market Overview



Charleston, West Virginia

Charleston

Charleston is the capital and most populous city in the state of West Virginia. Located at the confluence of the Elk and Kanawha rivers, the city has an estimated population of approximately 50,000 people. Charleston is the center of government, commerce and industry for Kanawha County, of which it is the county seat. Major economic drivers in the city include trade, utilities, government, medicine, and education. Charleston is home to many college campuses as it hosts a branch campus of West Virginia University that serves as a clinical campus for the university's medical and dental schools. Students at either school must complete their class work at the main campus in Morgantown but can complete their clinical rotations at hospitals in Morgantown, the Eastern Panhandle, or Charleston. Students from West Virginia School of Osteopathic Medicine may also complete their clinical rotations at the branch campus, after completing their first two academic years at the main campus in Lewisburg. The city is also home to a 1,000-student private college, the University of Charleston, formerly Morris Harvey College.

Charleston is home to numerous annual events and fairs that take place throughout the city, from the banks of the Kanawha River to the capitol groups. The West Virginia Dance Festival, held between April 25 and 30, features dance students from across the state that attend classes and workshops in ballet, jazz, and modern dance. The city also hosts the annual Gazette-Mail Kanawha Majorette and Band Festival for the eight public high schools in Kanawha County. The festival began in 1947 and has continued on as an annual tradition. The festival is held at the University of Charleston Stadium at Laidley Field in Downtown Charleston. It is the city's oldest music festival.



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