

Red Lobster

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



271 N Dupont Hwy
Dover, DE 19901

Confidentiality and Disclaimer

NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. hereby advises all prospective purchasers of Net Leased property as follows:

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. have not and will not verify any of this information, nor has NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. conducted any investigation regarding these matters. NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. make no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. expressly deny any obligation to conduct a due diligence examination of this Property for Buyer.

Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms

that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

CONFIDENTIALITY AND DISCLAIMER

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. and should not be made available to any other person or entity without the written consent of NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc.. This Marketing Brochure 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. NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. have not made any investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable; however, NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. have not verified, and will not verify, any of the information contained herein, nor has NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. 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.

NON-ENDORSEMENT NOTICE

NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. are not affiliated with, sponsored by, or endorsed by any commercial tenant or lessee identified in this marketing package. The presence of any corporation's logo or name is not intended to indicate or imply affiliation with, or sponsorship or endorsement by, said corporation of NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc., its affiliates

or subsidiaries, or any agent, product, service, or commercial listing of NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc., and is solely included for the purpose of providing tenant lessee information about this listing to prospective customers.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. AGENT FOR MORE DETAILS.

SPECIAL COVID-19 NOTICE

All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. have not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc.'s principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

*In addition to all other advisements, notices, and disclaimers set forth in this Marketing Brochure, NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. further advises all prospective purchasers that certain NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. related or affiliated parties, and/or its independent contractor salespeople, brokers of record, partners, trustees, beneficiaries, shareholders, members, managers, directors, officers, employees, or agents, along with their respective heirs, successors, personal representatives and/or assigns (collectively, the "NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. Related Parties") may be acting as principals for the Seller or own a direct or indirect beneficial interest in the Property or in its ownership. By accepting this Marketing Brochure, any prospective purchaser shall thereby waive any claim they may have based on a conflict of interest given the NNN Properties, Inc. and Bang Realty-Pennsylvania, Inc. Related Parties' role as both agent for the Seller and as the Seller (or as a principal of the Seller).

Table of Contents

Investment Highlights	4
Financial Analysis	5
Concept Overview	6-12
Surrounding Area	13
Location Overview	14
Property Photos	15
Local Map	16
Regional Map	17
Demographics / Market Overview	18-19





Investment Highlights

PRICE: \$5,087,660 | CAP: 6.15% | RENT: \$312,891



About the Investment

- ✓ Long-Term, Absolute Triple Net (NNN) Lease, Zero Landlord Obligations
- ✓ +/- 19 Years Of Lease Term Remaining With 2.00% Annual Bumps
- ✓ Four (4), Five (5)-Year Tenant Renewal Options
- ✓ Corporate Tenant | Corporate Guarantee

About the Location

- ✓ Dense Retail Corridor | Aldi, CVS, JoAnn Fabrics, Kohl's, Burlington, Dollar Tree, Olive Garden, Panera Bread, Popeyes, Planet Fitness, TD Bank, Starbucks, Target, Wawa, Home Depot, McDonald's, and Many More.
- ✓ Strong & Growing Demographics | Population Exceeds 46,500 Individuals Within a Three-Mile Radius, 82,000 Individuals Within a Five-Mile Radius | Around 5% Growth Expected in Five-Years
- ✓ Strong Traffic Counts | North Dupont Highway & White Oak Road | Over 61,000 & 9,000 Vehicles Per Day, Respectively
- ✓ Military Presence | Dover Air Force Base | Over 9,000 Airmen & Service Members | Largest & Busiest D.O.D. Air Freight Terminal
- ✓ Excellent Visibility & Frontage on North Dupont Highway
- ✓ Academic Presence | Delaware State University & Wesley College Within Two-Miles | Servicing Over 7,000 Students

About the Tenant / Brand

- ✓ 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 705 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.





Financial Analysis

PRICE: \$5,087,660 | CAP: 6.15% | RENT: \$312,891



PROPERTY DESCRIPTION

Property	Red Lobster
Property Address	271 North Dupont Highway
City, State ZIP	Dover, DE 19901
Year Built / Renovated	2010 Remodel
Building Size (SF)	9,283 SF
Lot Size (Acres)	+/- 1.10 Acres
Type of Ownership	Fee Simple

THE OFFERING

Purchase Price	\$5,087,660
CAP Rate	6.15%
Annual Rent	\$312,891

LEASE SUMMARY

Property Type	Net Leased Restaurant
Tenant / Guarantor	Red Lobster Hospitality, LLC
Lease Commencement	December 17 th , 2015
Lease Expiration	July 31 st , 2042
Lease Term Remaining	+/- 19 Years
Lease Type	Absolute Triple-Net (NNN)
Roof & Structure	Tenant Responsible
Rental Increases	2.00% Annually
Options to Renew	Four (4), Five (5)-Year Options

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
8/1/2022 - 7/31/2023	\$306,756	\$25,563	2%
8/1/2023 - 7/31/2024	\$312,891	\$26,074	2%
8/1/2024 - 7/31/2025	\$319,149	\$26,596	2%
8/1/2025 - 7/31/2026	\$325,532	\$27,128	2%
8/1/2026 - 7/31/2027	\$332,043	\$27,670	2%
8/1/2027 - 7/31/2028	\$338,683	\$28,224	2%
8/1/2028 - 7/31/2029	\$345,457	\$28,788	2%
8/1/2029 - 7/31/2030	\$352,366	\$29,364	2%
8/1/2030 - 7/31/2031	\$359,414	\$29,951	2%
8/1/2031 - 7/31/2032	\$366,602	\$30,550	2%
8/1/2032 - 7/31/2033	\$373,934	\$31,161	2%
8/1/2033 - 7/31/2034	\$381,413	\$31,784	2%
8/1/2034 - 7/31/2035	\$389,041	\$32,420	2%
8/1/2035 - 7/31/2036	\$396,822	\$33,068	2%
8/1/2036 - 7/31/2037	\$404,758	\$33,730	2%
8/1/2037 - 7/31/2038	\$412,853	\$34,404	2%
8/1/2038 - 7/31/2039	\$421,110	\$35,093	2%
8/1/2039 - 7/31/2040	\$429,532	\$35,794	2%
8/1/2040 - 7/31/2041	\$438,123	\$36,510	2%
8/1/2041 - 7/31/2042	\$446,886	\$37,240	2%

INVESTMENT SUMMARY

NNN Pro Group is pleased to present the exclusive listing for a Red Lobster located at 271 N Dupont Hwy in Dover, DE. The site consists of roughly 9,283 rentable square feet of building space on estimated 1.10-acre parcel of land. This Red Lobster is subject to a 25-year absolute triple-net (NNN) lease, which commenced December 17th, 2015. The current annual rent is scheduled to increase by 2% annually throughout the base term and in each of the 4, 5-year renewal options.



Concept Overview



About Red Lobster



- 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 700+ restaurants throughout the United States and Canada and has 40+ franchised restaurants in international markets.
- The company generates \$2.5B in revenue and is the 6th largest casual dining concept in North America.

The Transaction

- On August 31st, 2020, a group led by Thai Union Group (“TUG”) acquired Red Lobster from Golden Gate Capital.
- Thai Union Group was previously a minority owner of Red Lobster – first acquiring a 25% stake in the company in 2016.
- The new ownership group now includes Thai Union Group, current Red Lobster management, and a newly formed investment group, Seafood Alliance, which is led by two prominent global restaurant operators.





Concept Overview



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.

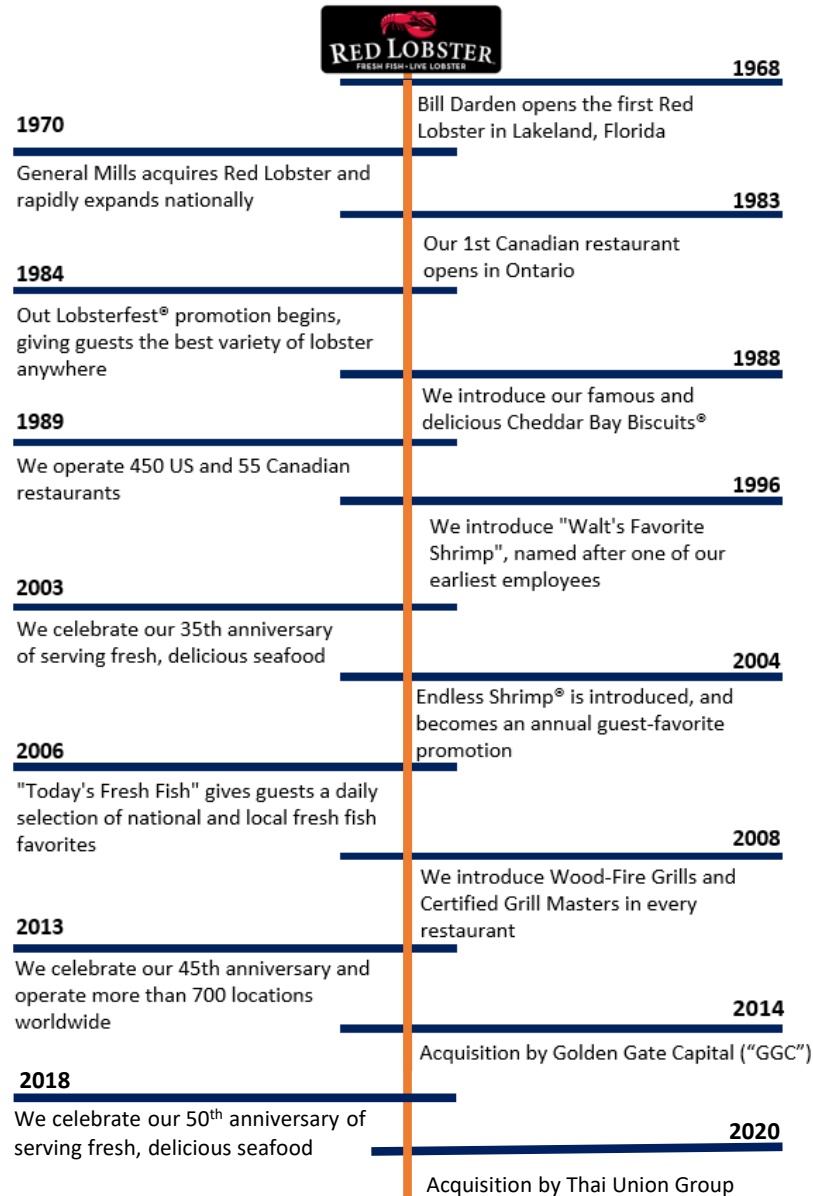
FRESH IS IN OUR COMMITMENT

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.



Concept Overview





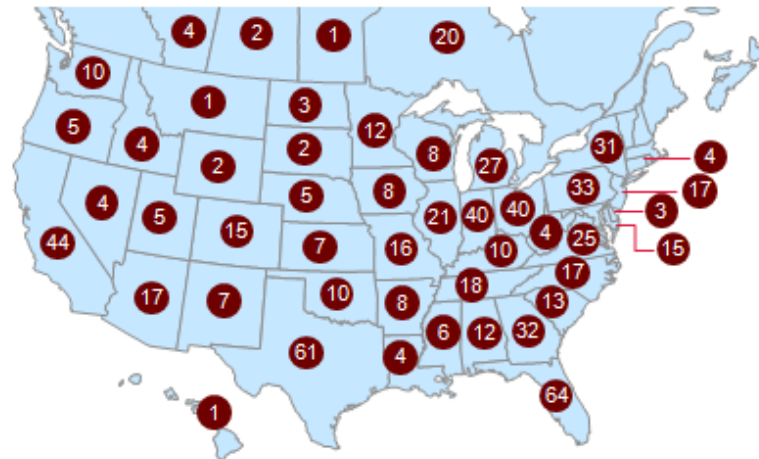
Concept Overview



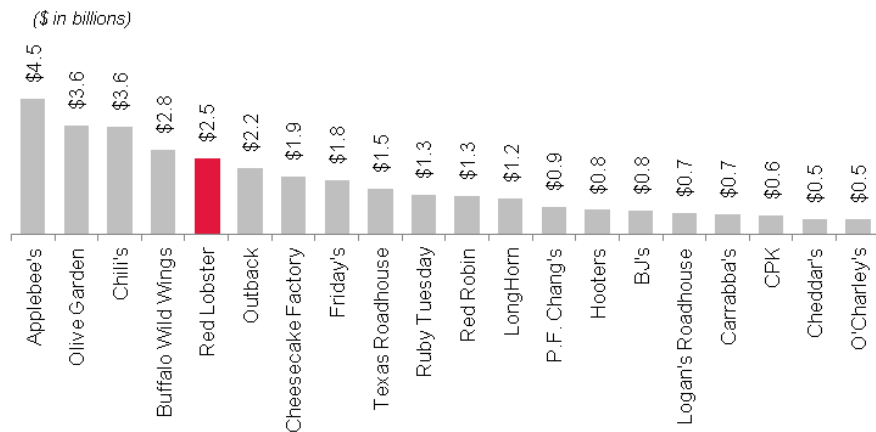
Strong Market Position

- 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 700+ 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.

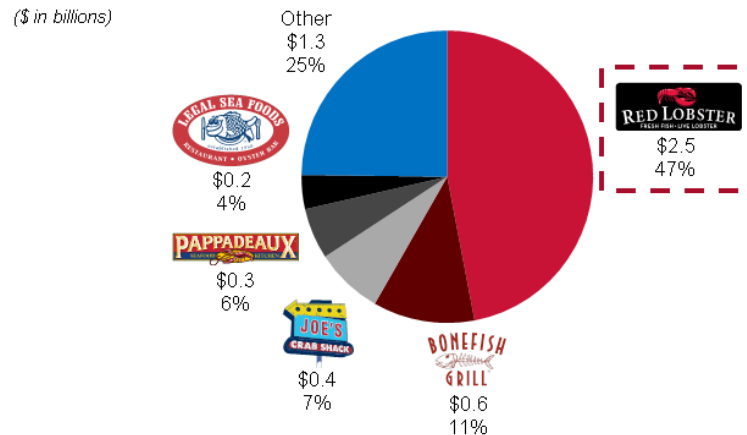
Significant Scale With Broad Geographic Reach



6th Largest Casual Dining Concept in the US



~50% Share in Seafood Casual Dining





Concept Overview



Iconic Brand With Unparalleled Customer Loyalty

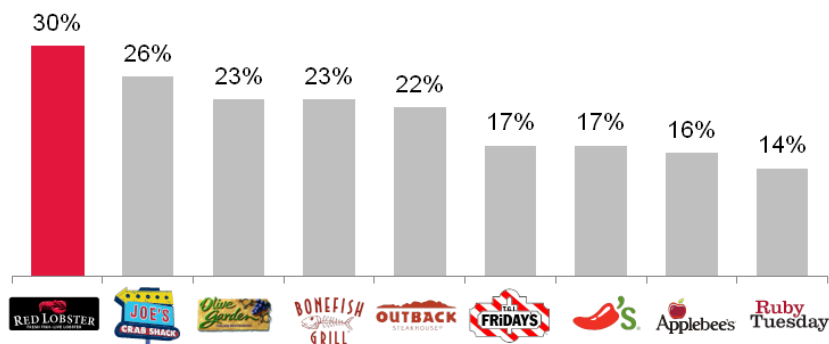
- Red Lobster has strong consumer appeal and broad usage across multiple dining out occasions, including high-crave, healthier “good for you” and special meal occasions.
- The brand has a strong foundation of loyal guests, who visit 1-2 times per month and account for more than 50% of sales.
- Red Lobster 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





Concept Overview



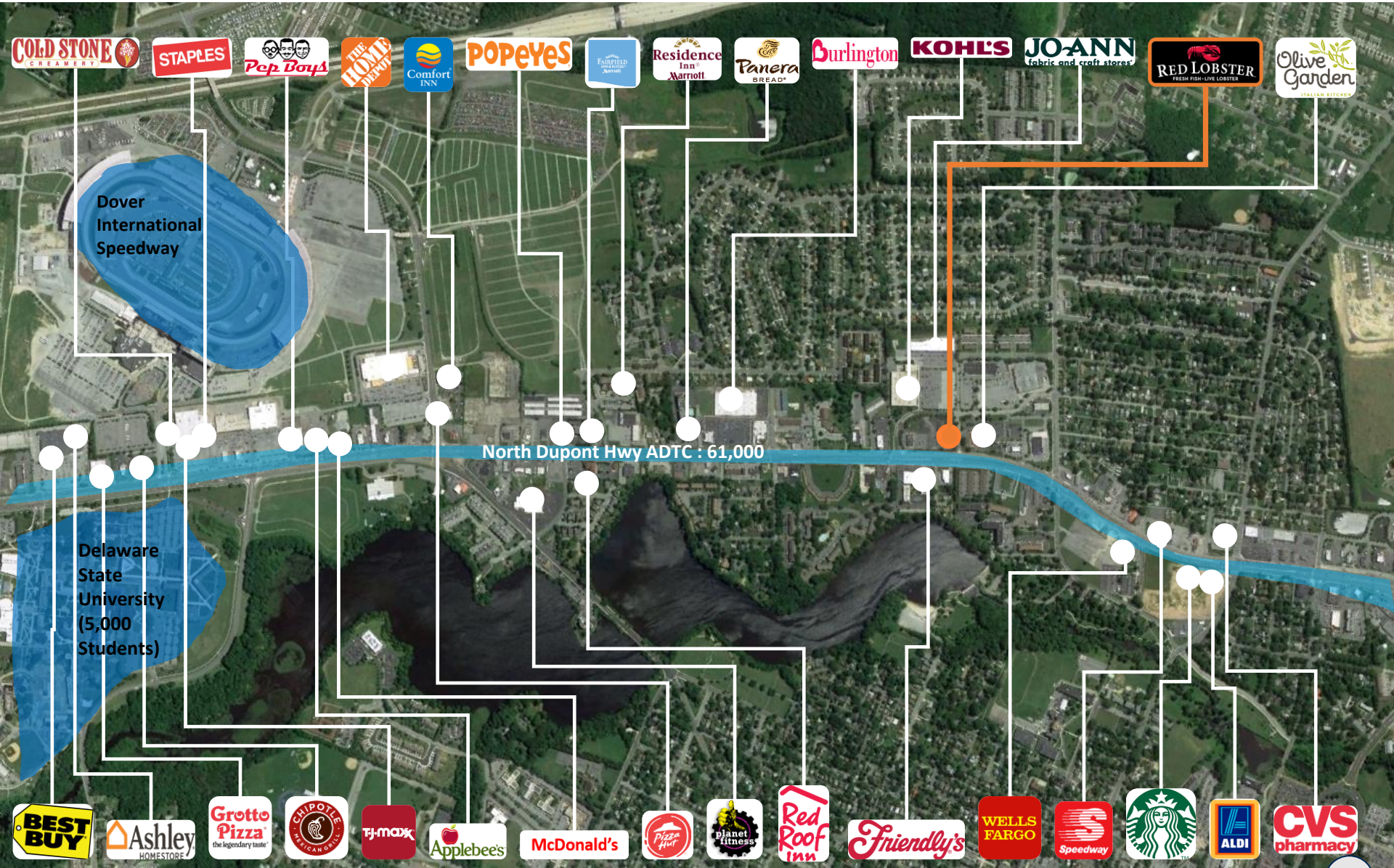
- Founded in 1977, Thai Union has a rich history of commitment to seafood expertise and innovation around the world.
- Thai Union Group, based out of Thailand with offices North America, Europe, the Middle-East and Asia, currently serves as a main supplier of seafood for Red Lobster's across the world.
- Thai Union Group has been listed on the Stock Exchange of Thailand (SET) since November 1994
 - Prior to the Red Lobster acquisition, Thai Union Group reported annual sales of over \$4.1 Billion
- Through acquisitions and organic growth, TUG's ambitious expansion strategy has established a diverse global brand portfolio. Covering three continents, their brands are consumer favorites and market leaders with a wide range of products including shelf-stable seafood products, frozen and chilled seafood, PetCare products and more.
- TUG has a long, successful track record and significant experience servicing consumers, supermarkets, restaurants, hospitality and others.

Global Brands and Partnerships





Surrounding Area





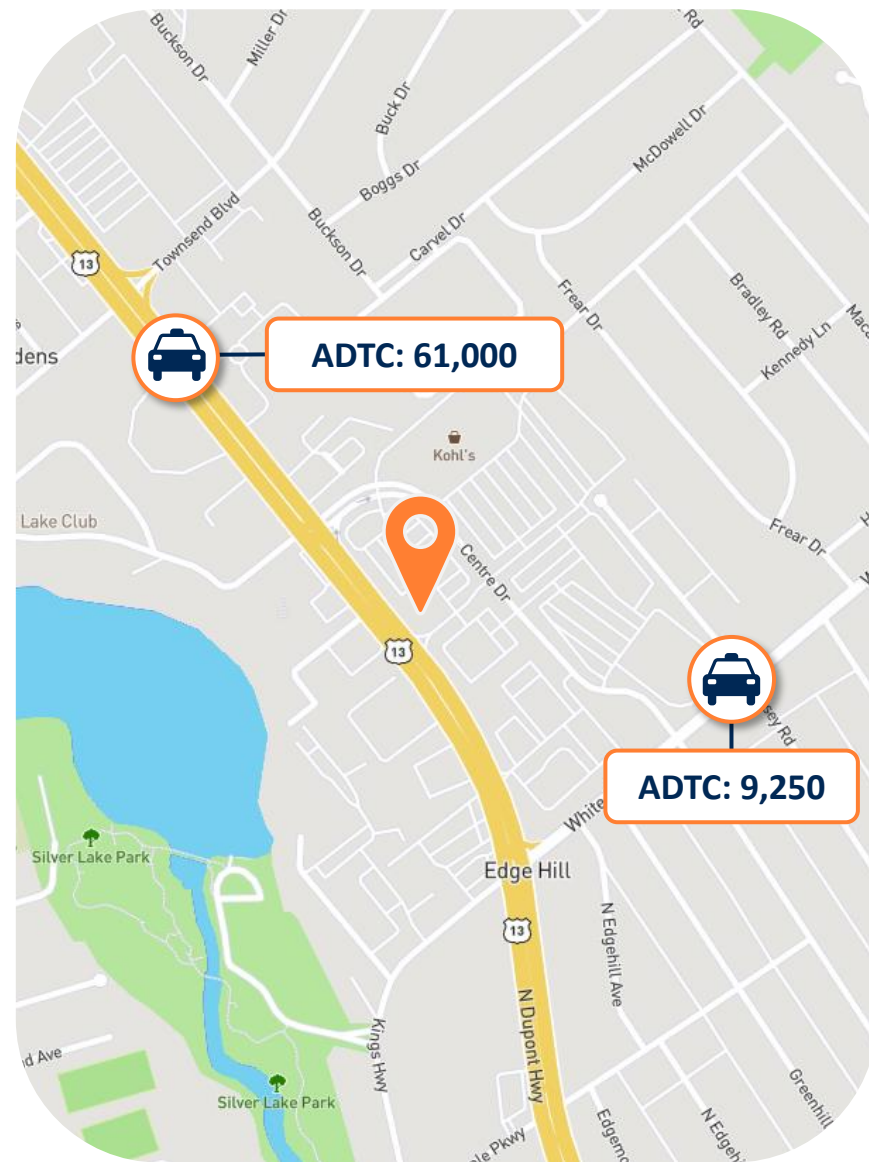
Location Overview



This Red Lobster investment property is situated on North Dupont Highway, which boasts an average daily traffic count exceeding 61,000 vehicles. There are more than 10,000 individuals residing within a one-mile radius of the subject property, more than 46,500 individuals within a three-mile radius, and over 82,000 within a five-mile radius.

The subject property is strategically situated in a highly dense retail corridor that consists of numerous regional and national tenants, shopping centers and hospitality accommodations, all within close proximity of this site. Major national tenants in the immediate area include: CVS Pharmacy, Home Depot, Aldi, Kohl's, TD Bank, Starbucks, McDonald's, Wawa, and Target in addition to many others. This Red Lobster benefits from a strong academic presence in the immediate area with both Wesley College and Delaware State University servicing over 7,000 students within two-miles of the property. The subject property also benefits from being only four-miles from the Dover Air Force Base. Dover Air Force Base is a 3,900-acre property that is home to over 9,000 airmen and service members, it is the busiest & largest air freight terminal in the Department of Defense. Two weekends a year, NASCAR races are held at Dover International Speedway, attracting over 65,000 spectators.

Dover is the capital and second-largest city in the U.S. state of Delaware. Dover is one of the fast-growing areas in the state of Delaware, due in large part to the relatively low cost of living. Consequently, the Kent County government is a major employer in the area as well. Apart from the state and county governments, Dover's significant employers include Dover Air Force Base, located within the southeast corporate limits of the city.





Property Photos



Subject Property

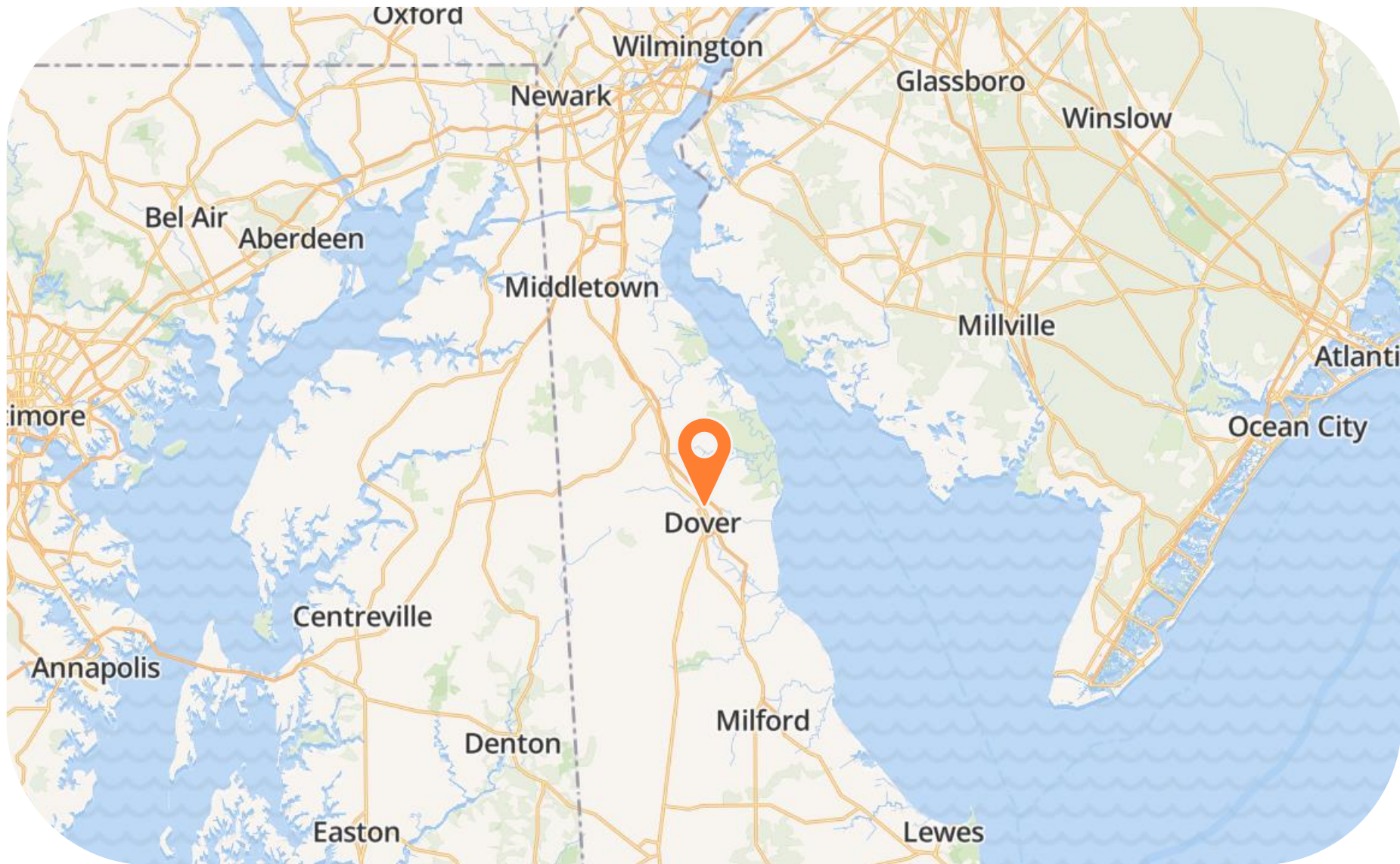


Surrounding Area Photos



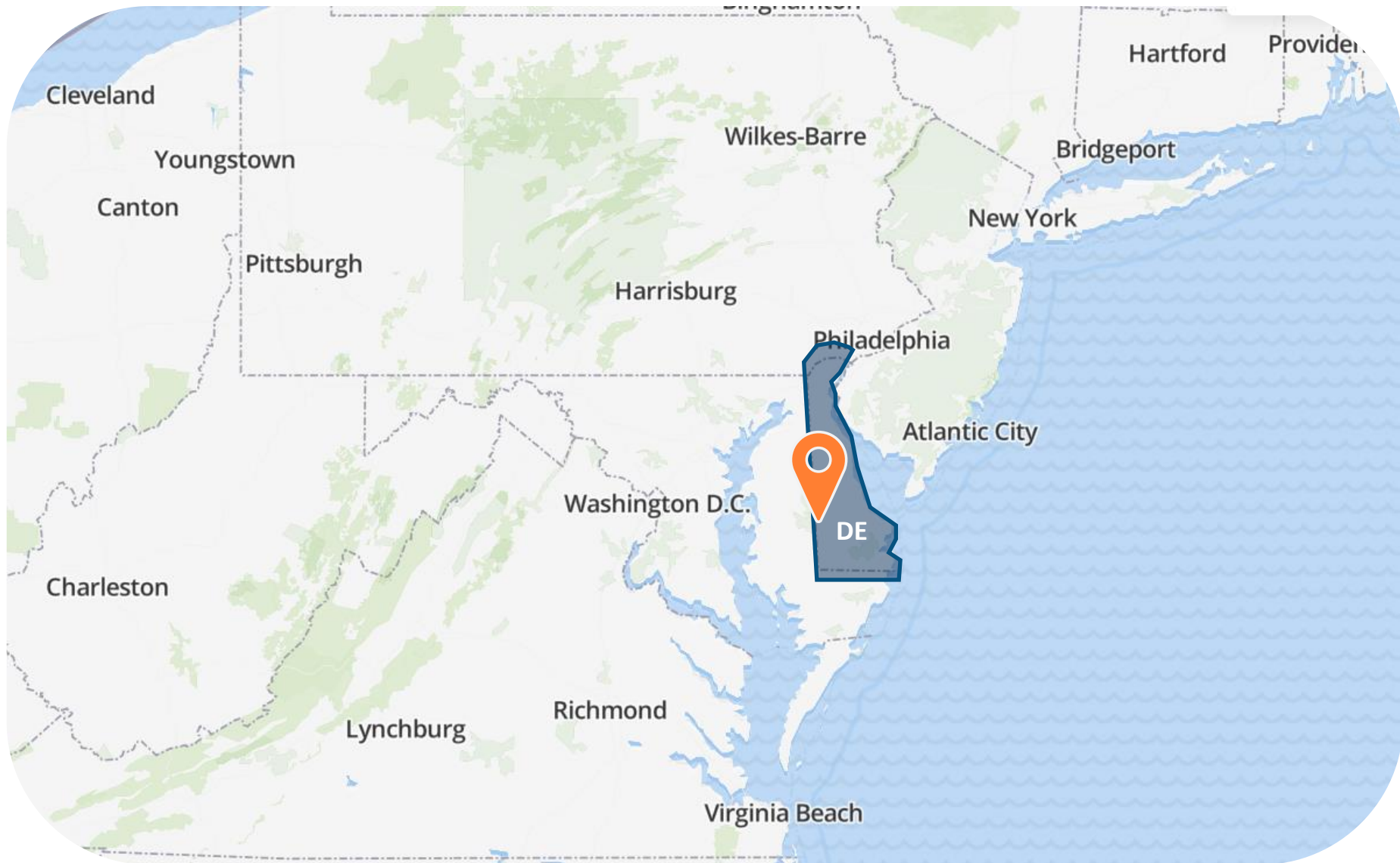


Local Map



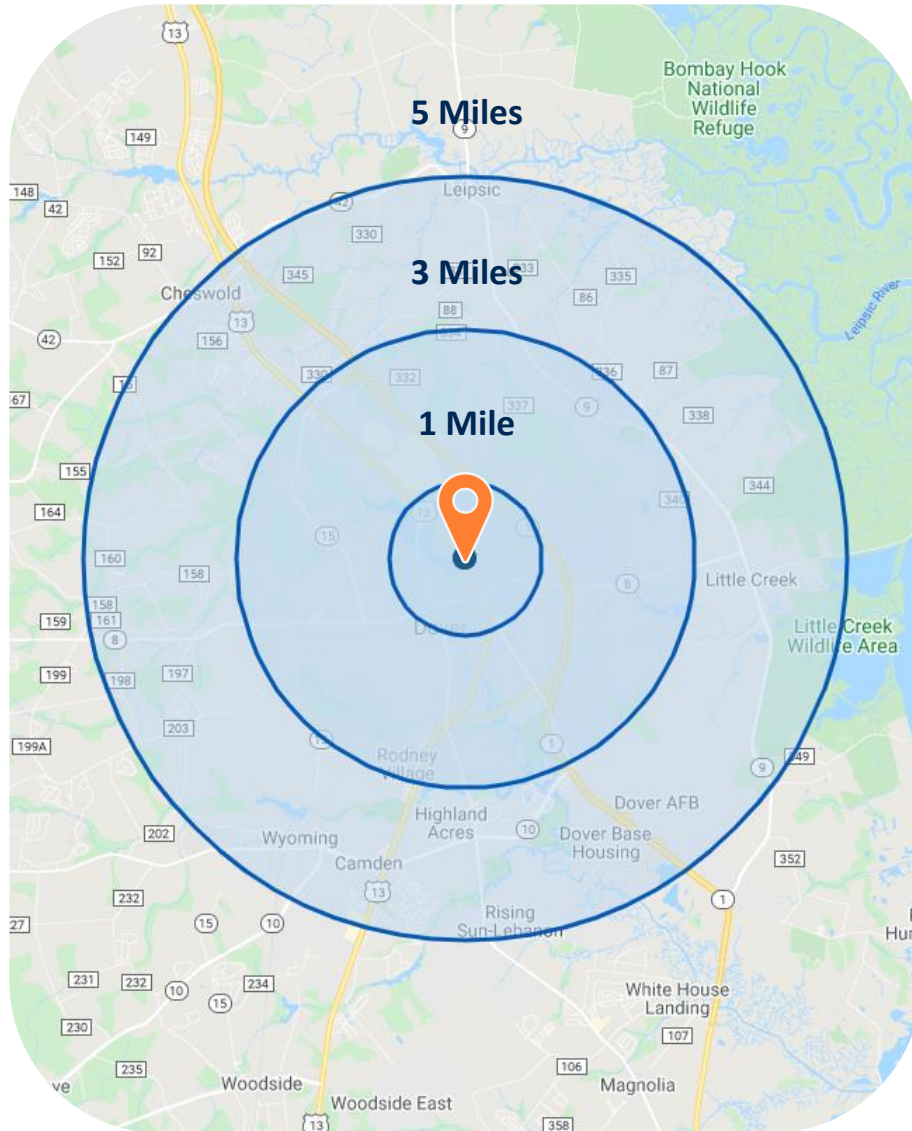


Regional Map





Demographics



POPULATION TRENDS

	1 Mile	3 Miles	5 Miles
2010 Population	10,938	41,296	68,842
2022 Population	11,555	46,978	82,238
2027 Population Projection	12,399	50,949	89,774
Annual Growth 2010-2022	0.50%	1.10%	1.60%
Annual Growth 2022-2027	1.50%	1.70%	1.80%

HOUSEHOLD TRENDS

	1 Mile	3 Miles	5 Miles
2010 Households	4,300	15,971	25,823
2022 Households	4,504	18,096	30,816
2027 Household Projection	4,836	19,652	33,698
Annual Growth 2010-2022	0.50%	1.30%	1.80%
Annual Growth 2022-2027	1.50%	1.70%	1.90%

AVERAGE HOUSEHOLD INCOME (2022)

	1 Mile	3 Miles	5 Miles
Average Household Income (2022)	\$54,358	\$63,554	\$69,009

MEDIAN HOUSEHOLD INCOME (2022)

	1 Mile	3 Miles	5 Miles
Median Household Income (2022)	\$43,006	\$47,553	\$53,367

HOUSEHOLDS BY HOUSEHOLD INCOME (2022)

	1 Mile	3 Miles	5 Miles
< \$25,000	1,440	4,946	6,991
\$25,000 - 50,000	1,243	4,656	7,729
\$50,000 - 75,000	769	2,942	5,545
\$75,000 - 100,000	420	2,101	3,681
\$100,000 - 125,000	310	1,360	2,468
\$125,000 - 150,000	166	881	1,921
\$150,000 - 200,000	103	826	1,787
\$200,000+	53	385	694



Market Overview



Dover, DE



Dover, is the capital and second-largest city in the U.S. state of Delaware. It is also the county seat of Kent County, and the principal city of the Dover, DE Metropolitan Statistical Area, which encompasses all of Kent County and is part of the Philadelphia-Wilmington-Camden, PA-NJ-DE-MD Combined Statistical Area. It is located on the St. Jones River in the Delaware River coastal plain. It was named by William Penn for Dover in Kent, England. As of 2020, the city had an estimated population of 38,500.

Two weekends a year, NASCAR races are held at Dover International Speedway, attracting about 65,000 spectators. The races bring in increased patronage for local businesses, and hotels and motels sell out weeks in advance. Many race fans camp in RVs and tents adjacent to the track. These races, and in recent years adjacent slot machine gambling at Dover Downs Hotel & Casino, contribute millions of dollars to Dover's economy. Additionally, Firefly Music Festival, a three-day music festival with over 100 artists, is hosted in the Woodlands of Dover International Speedway annually since 2012. Firefly attracts over 50,000 individuals to the immediate area annually.

Russell Wachtler
rwachtler@nnnpro.com
332.345.4206
NY: 10401294048

Eddie DeMatteis
edematteis@nnnpro.com
332.345.7782
NY: 10401375476

Glen Kunofsky
NY: 49KU1129178



EXCLUSIVE NET-LEASE OFFERING

