

Red Lobster

EXCLUSIVE NET-LEASE OFFERING



OFFERING MEMORANDUM



555 S West Street
Wichita, KS 67213

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Investment Highlights

PRICE: \$5,649,904 | CAP: 6.15% | RENT: \$347,469



About the Investment

- ✓ Long-Term 25-Year 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 | Walmart, Sam's Club, Target, Lowe's, Office Depot, Dollar General, Dollar Tree, McDonald's, Burger King, Taco Bell, Wendy's, Pizza Hut, Dominos, Chipotle, Applebee's, Panera, Starbucks, Chick-Fil-A and Many More
 - ✓ Town West Square Shopping Mall | 54+ Retailers | Less Than One-Mile Away
- ✓ Strong Demographics | Population Exceeds 193,000 Individuals Within a Five-Mile Radius With Projected Expected Growth
- ✓ Strong Real Estate Fundamentals | Located Less Than Three-Miles From Dwight D. Eisenhower National Airport | The Largest and Busiest Airport in Kansas | Annual Passenger Volume Exceeds 1.2 Million
- ✓ Strong Traffic Counts | Over 95,500 and 48,250 Vehicles Per Day Along US Route 400 and Interstate-235, Respectively
- ✓ Academic Presence | Friends University and Newman University | Located Less Than Two-Miles From the Subject Property | 3,076+ Students Enrolled
 - ✓ Wichita State University | Roughly Six-Miles Away | 21,000+ Combined Enrollment by Headcount Across All Locations

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 over 700 restaurants throughout the United States and Canada, and has more than 40 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: \$5,649,904 | CAP: 6.15% | RENT: \$347,469



PROPERTY DESCRIPTION

Concept	Red Lobster
Street Address	555 S West Street
City, State ZIP	Wichita, KS 67213
Year Built / Renovated	1982
Estimated Building Size (SF)	8,430
Estimated Lot Size (Acres)	1.74
Type of Ownership	Fee Simple

THE OFFERING

Price	\$5,649,904
CAP Rate	6.15%
Net Operating Income	\$347,469

LEASE SUMMARY

Property Type	Net Leased Restaurant
Credit Type	Corporate
Tenant	Red Lobster Hospitality, LLC
Guarantor	Red Lobster Hospitality, LLC
Original Lease Term	25 Years
Lease Commencement	December 17 th , 2015
Lease Expiration	July 31 st , 2042
Lease Term Remaining	+/- 19 Years
Lease Type	Absolute Triple Net (NNN)
Landlord Responsibilities	None
Rental Increases	2% Annually
Renewal Options Remaining	4, 5-Year Options

RENT SCHEDULE

Lease Year	Annual Rent	Monthly Rent	Rent Escalation
8/1/2022 - 7/31/2023	\$340,656	\$28,388	2%
8/1/2023 - 7/31/2024	\$347,469	\$28,956	2%
8/1/2024 - 7/31/2025	\$354,419	\$29,535	2%
8/1/2025 - 7/31/2026	\$361,507	\$30,126	2%
8/1/2026 - 7/31/2027	\$368,737	\$30,728	2%
8/1/2027 - 7/31/2028	\$376,112	\$31,343	2%
8/1/2028 - 7/31/2029	\$383,634	\$31,969	2%
8/1/2029 - 7/31/2030	\$391,307	\$32,609	2%
8/1/2030 - 7/31/2031	\$399,133	\$33,261	2%
8/1/2031 - 7/31/2032	\$407,115	\$33,926	2%
8/1/2032 - 7/31/2033	\$415,258	\$34,605	2%
8/1/2033 - 7/31/2034	\$423,563	\$35,297	2%
8/1/2034 - 7/31/2035	\$432,034	\$36,003	2%
8/1/2035 - 7/31/2036	\$440,675	\$36,723	2%
8/1/2036 - 7/31/2037	\$449,488	\$37,457	2%
8/1/2037 - 7/31/2038	\$458,478	\$38,207	2%
8/1/2038 - 7/31/2039	\$467,648	\$38,971	2%
8/1/2039 - 7/31/2040	\$477,001	\$39,750	2%
8/1/2040 - 7/31/2041	\$486,541	\$40,545	2%
8/1/2041 - 7/31/2042	\$496,271	\$41,356	2%

INVESTMENT SUMMARY

NNN Pro Group is pleased to present the exclusive listing for a Red Lobster located at 555 S West Street in Wichita, KS. The site consists of roughly 8,430 rentable square feet of building space on estimated 1.74-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.

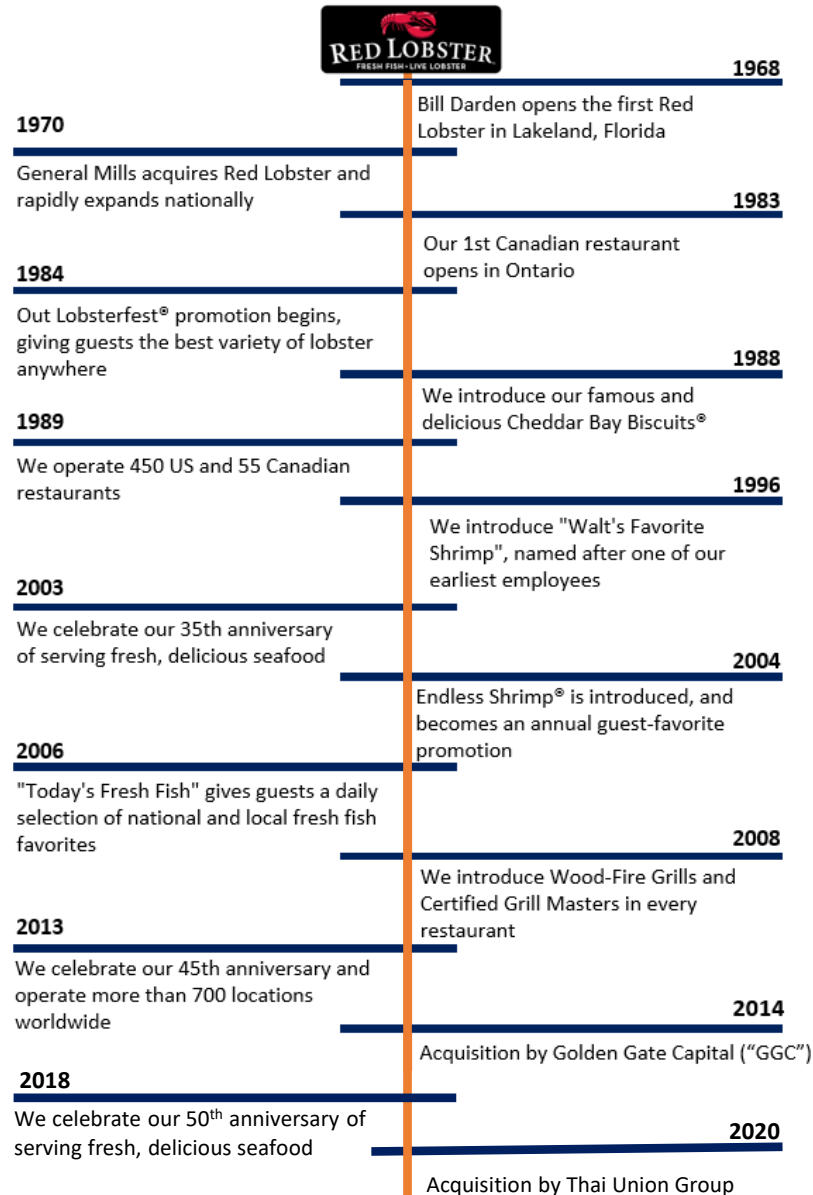
FRESH IS IN OUR COMMITMENT

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





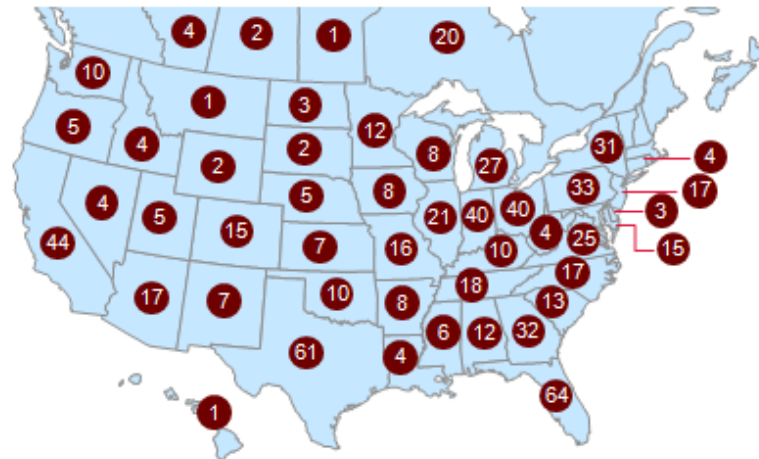
Concept Overview



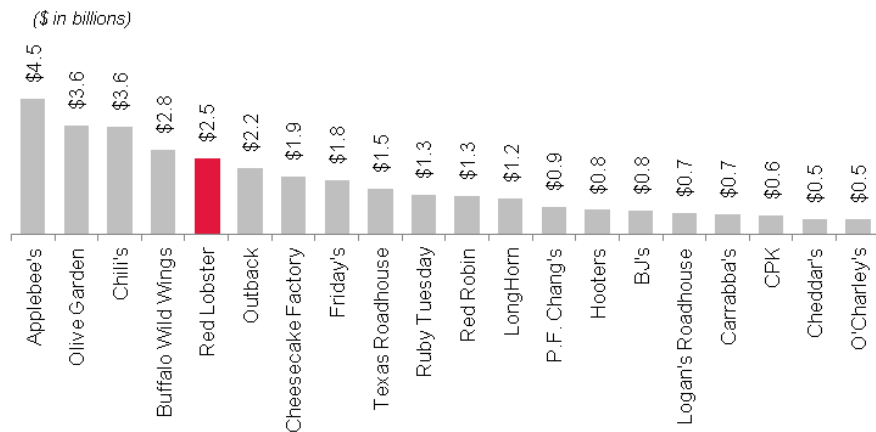
Strong Market Position

- 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.

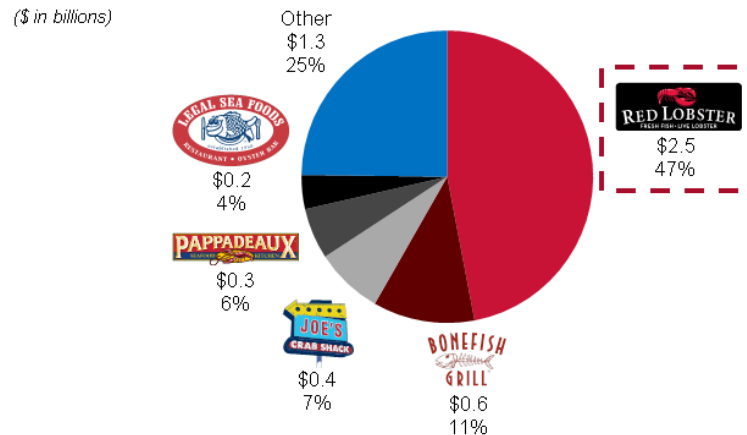
Significant Scale With Broad Geographic Reach



6th Largest Casual Dining Concept in the US



~50% Share in Seafood Casual Dining





Concept Overview



Iconic Brand With Unparalleled Customer Loyalty

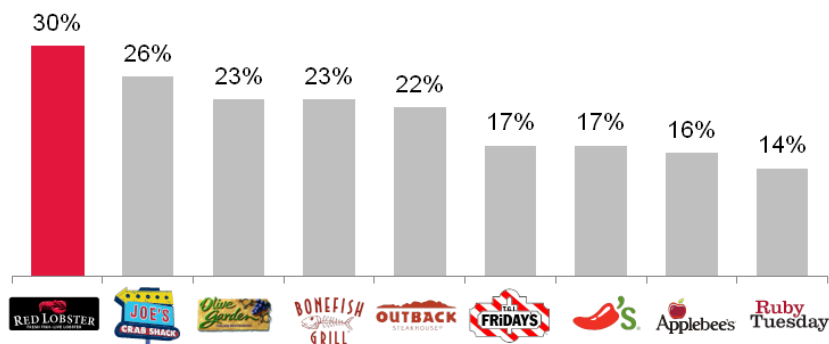
- Red Lobster has strong consumer appeal and broad usage across multiple dining out occasions, including high-crave, healthier “good for you” and special meal occasions.
- The brand has a strong foundation of loyal guests, who visit 1-2 times per month and account for more than 50% of sales.
- Red Lobster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



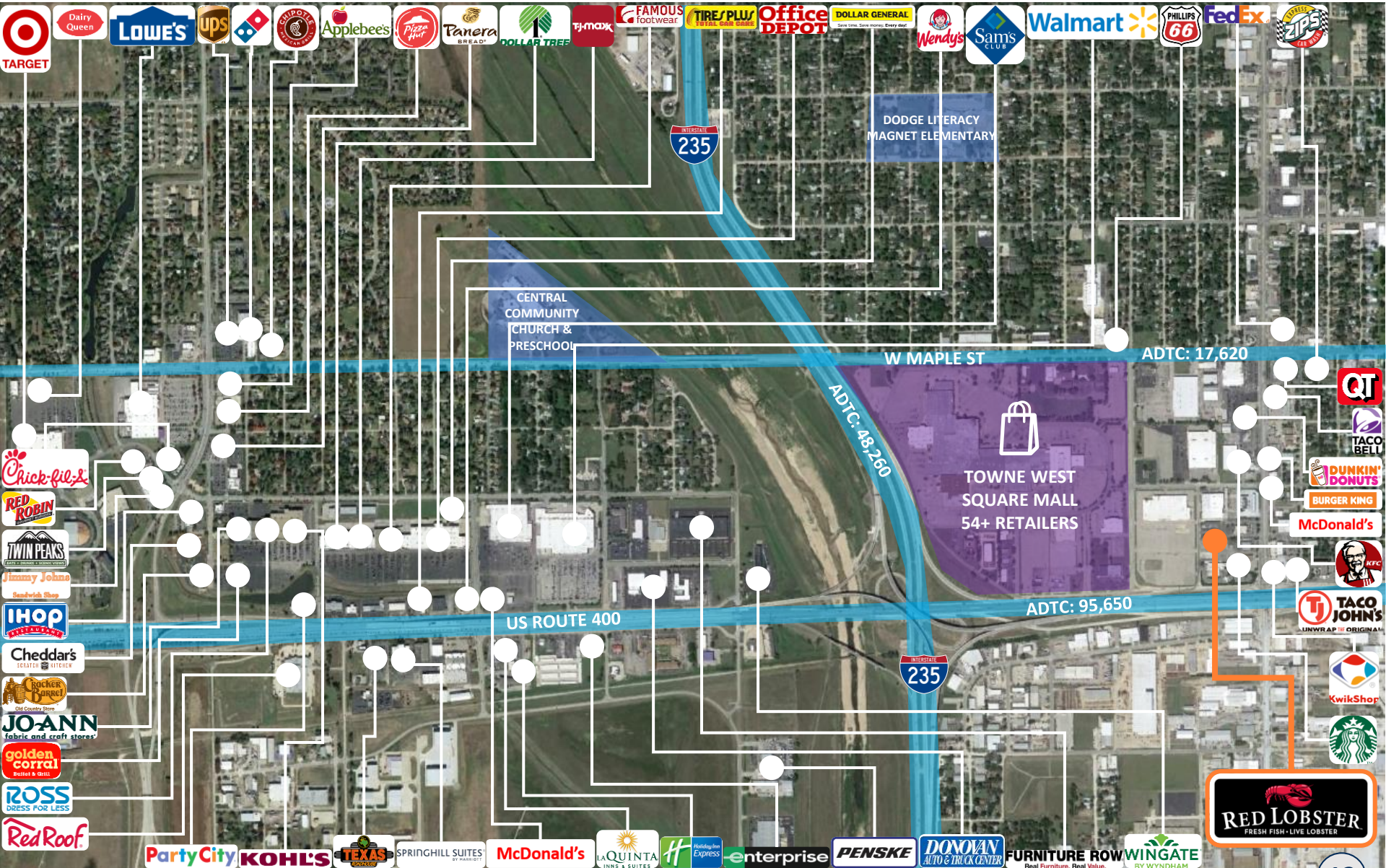
- Founded in 1977, Thai Union has a rich history of commitment to seafood expertise and innovation around the world.
- Thai Union Group, based out of Thailand with offices North America, Europe, the Middle-East and Asia, currently serves as a main supplier of seafood for Red Lobster's across the world.
- 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.

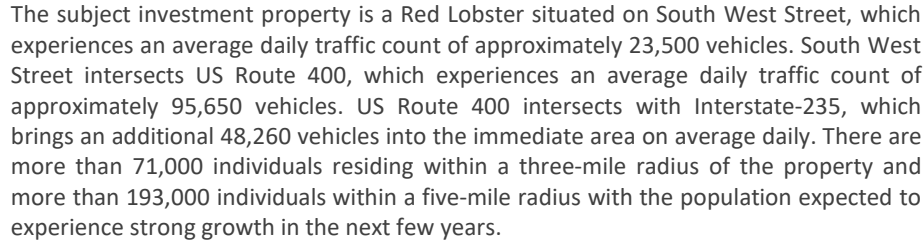
Global Brands and Partnerships





Surrounding Area





This Red Lobster property benefits from being well-positioned in a dense retail corridor consisting of national and local tenants, academic institutions and shopping centers. Major national tenants in the area include: Walmart, Sam's Club, Target, Lowe's, Office Depot, Dollar General, Dollar Tree, McDonald's, Burger King, Taco Bell, Wendy's, Pizza Hut, Dominos, Chipotle, Applebee's, Panera, Starbucks, Chick-Fil-A and many more. The subject property also benefits from compelling location fundamentals. Wichita Dwight D. Eisenhower National Airport is located less than three-miles from the subject property and is the largest and busiest airport in the state of Kansas. This Red Lobster also profits from a strong academic presence within the immediate area. Most notable are Friends University and Newman University, which are located less than two-miles from the subject property and has a total combined enrollment exceeding 3,076 students. Wichita State University is less than six-miles away and has a total enrollment of over 21,000 students.

Wichita is the largest city and the county seat of Sedgwick County, Kansas. The city became an aircraft production hub known as "The Air Capital of the World". Textron Aviation, Learjet, Airbus, and Boeing/Spirit AeroSystems continue to operate design and manufacturing facilities in Wichita, and the city remains a major center of the American aircraft industry. Several airports located within the city of Wichita include McConnell Air Force Base, Colonel James Jabara Airport, and Wichita Dwight D. Eisenhower National Airport, the largest airport in Kansas. As an industrial hub, Wichita is a regional center of culture, media, and trade. It hosts several universities, large museums, theaters, parks, shopping centers, and entertainment venues, most notably Intrust Bank Arena and Century II Performing Arts & Convention Center. The city's Old Cowtown Museum maintains historical artifacts and exhibits the city's early history. Moreover, Wichita is the birthplace of famous restaurants such as White Castle and Pizza Hut.





Property Photos



Subject Property



Subject Property



Subject Property



Subject Property

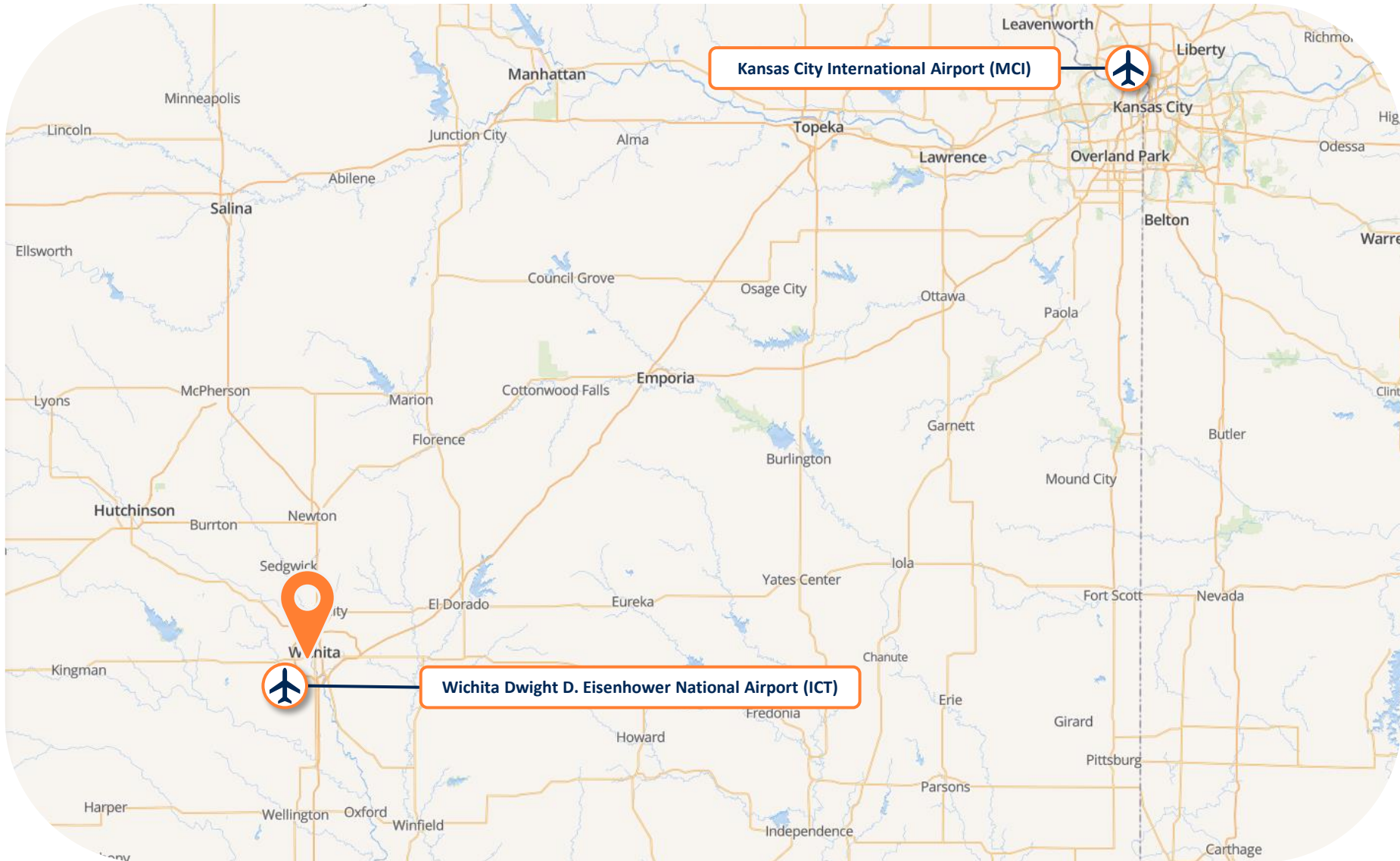


Surrounding Area Photos



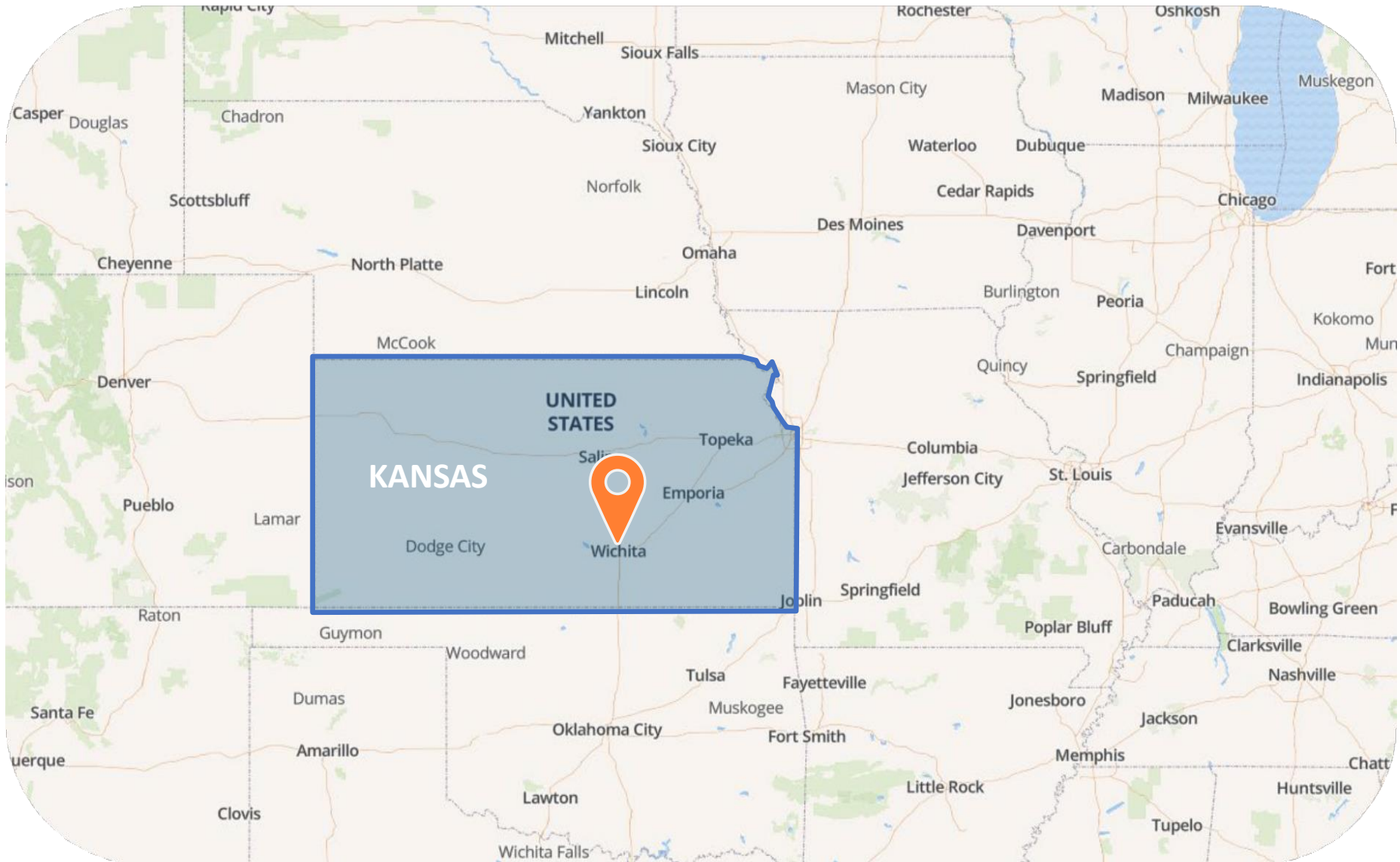


Local Map



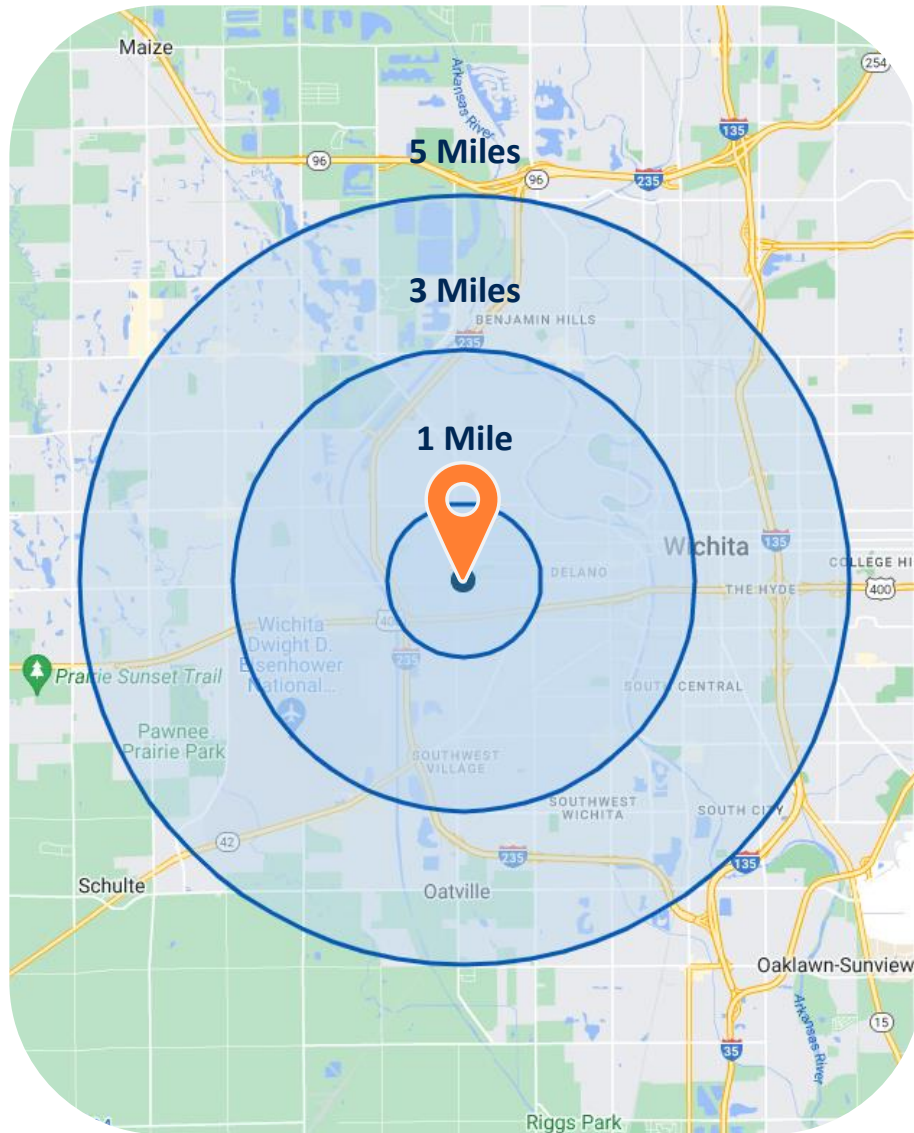


Regional Map





Demographics



POPULATION TRENDS

	1 Mile	3 Miles	5 Miles
2010 Population	5,741	70,794	192,387
2022 Population	5,865	71,211	193,710
2027 Population Projection	5,999	72,633	197,609
Annual Growth 2010-2022	0.20%	0.00%	0.10%
Annual Growth 2022-2027	0.50%	0.40%	0.40%

HOUSEHOLD TRENDS

	1 Mile	3 Miles	5 Miles
2010 Households	2,325	30,553	77,579
2022 Households	2,375	30,976	78,671
2027 Household Projection	2,429	31,644	80,371
Annual Growth 2010-2022	0.10%	0.20%	0.30%
Annual Growth 2022-2027	0.50%	0.40%	0.40%

AVERAGE HOUSEHOLD INCOME (2022)

	1 Mile	3 Miles	5 Miles
Average Household Income (2022)	\$54,825	\$56,776	\$62,985

MEDIAN HOUSEHOLD INCOME (2022)

	1 Mile	3 Miles	5 Miles
Median Household Income (2022)	\$43,401	\$45,876	\$49,358

HOUSEHOLDS BY HOUSEHOLD INCOME (2022)

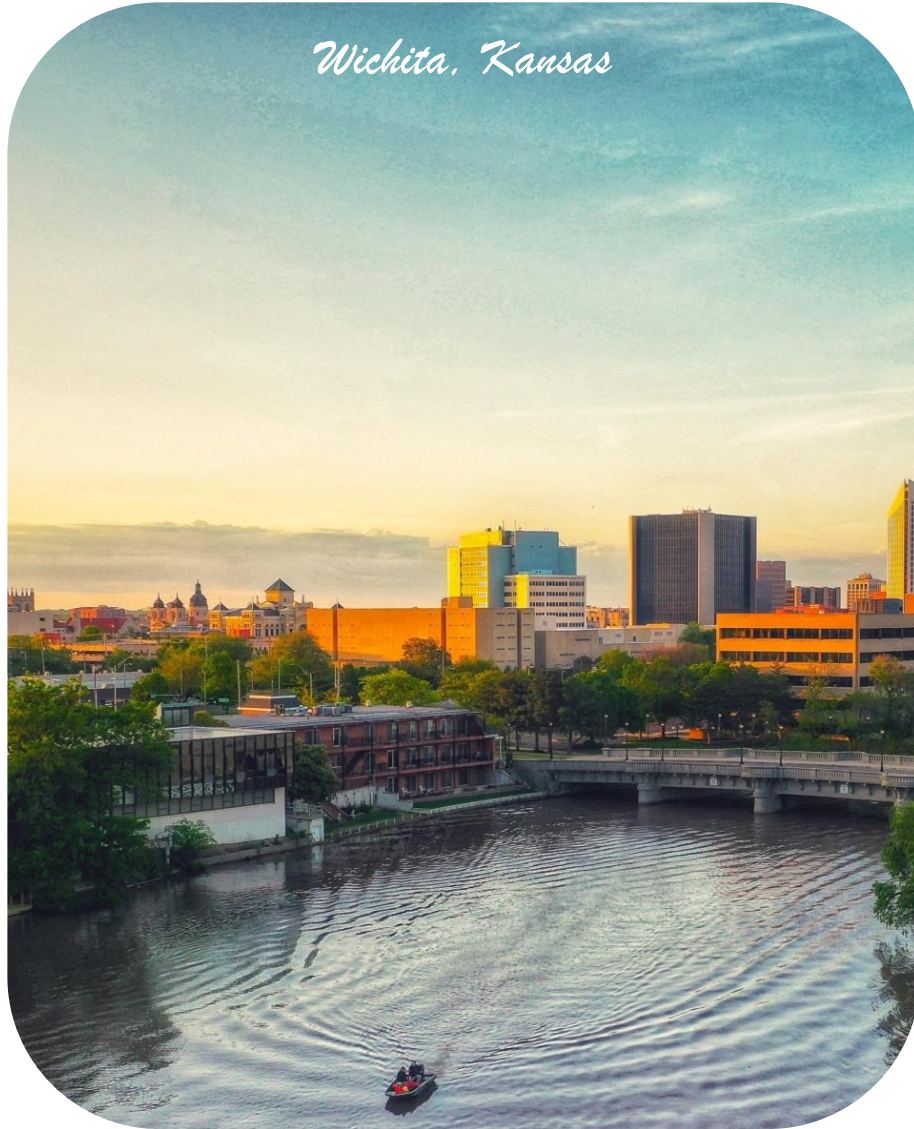
	1 Mile	3 Miles	5 Miles
< \$25,000	672	7,907	19,166
\$25,000 - 50,000	724	8,991	20,677
\$50,000 - 75,000	450	6,608	16,199
\$75,000 - 100,000	254	3,088	8,399
\$100,000 - 125,000	137	2,418	6,806
\$125,000 - 150,000	32	930	3,081
\$150,000 - 200,000	75	699	2,683
\$200,000+	30	336	1,661



Market Overview



Wichita, Kansas



Wichita is the largest city in Kansas and the county seat of Sedgwick County. In the 1920s and 1930s, businessmen and aeronautical engineers established aircraft manufacturing companies in Wichita, including Beechcraft, Cessna and Stearman Aircraft. The city became a US aircraft production hub known as the “Air Capital of the World.” Textron Aviation, Learjet, Airbus and Spirit AeroSystems continue to operate design and manufacturing facilities in Wichita, and the city remains a major center of the American aircraft industry. Wichita is also home to McConnell Air Force Base and Wichita Dwight D Eisenhower National Airport, the largest airport in Kansas.

As an industrial hub, Wichita is a regional center of culture, media and trade. It hosts several universities, large museums, theaters, parks and entertainment venues, notably Intrust Bank Arena and Century II Performing Arts Convention Center. The city’s Old Cowtown Museum maintains historical artifacts and exhibits on the city’s early history. Wichita State University is the third largest post secondary institution in the state, with a total enrollment exceeding 15 000 students. Healthcare is also a prominent industry sector in Wichita, employing approximately 28 000 people in the area. The Kansas Spine Hospital opened in 2004 as did a critical care tower at Wesley Medical Center. In July 2010 Via Christi Health, which is the largest provider of healthcare services in Kansas, opened a hospital that serves the northwest area of Wichita. Museums and landmarks devoted to science, culture, and area history are also located throughout the city. Several lie along the Arkansas River west of downtown, including the Exploration Place Science and Discovery Center, the Mid America All Indian Center, the Old Cowtown Living History Museum, and the Keeper of the Plains statue and its associated display highlighting the daily lives of Plains Indians. Other museums in Wichita include the Wichita Sedgwick County Historical Museum, Sedgwick County Memorial Hall and Soldiers and Sailors Monument, Museum of World Treasures and the Great Plains Transportation Museum.

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