

# Red Lobster

**EXCLUSIVE NET-LEASE OFFERING**



# OFFERING MEMORANDUM



9415 Pineville-Matthews Road  
Pineville, NC 28134



# Confidentiality and Disclaimer

NNN Properties, Inc. and Bang Realty-North Carolina, 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-North Carolina, Inc. have not and will not verify any of this information, nor has NNN Properties, Inc. and Bang Realty-North Carolina, Inc. conducted any investigation regarding these matters. NNN Properties, Inc. and Bang Realty-North Carolina, 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-North Carolina, 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-North Carolina, 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-North Carolina, Inc. and should not be made available to any other person or entity without the written consent of NNN Properties, Inc. and Bang Realty-North Carolina, 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-North Carolina, 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-North Carolina, Inc. have not verified, and will not verify, any of the information contained herein, nor has NNN Properties, Inc. and Bang Realty-North Carolina, 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-North Carolina, 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-North Carolina, Inc., its affiliates or subsidiaries, or any agent, product, service, or commercial listing of NNN Properties, Inc. and Bang Realty-North Carolina, 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-North Carolina, 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-North Carolina, Inc. have not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. NNN Properties, Inc. and Bang Realty-North Carolina, Inc.'s principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. NNN Properties, Inc. and Bang Realty-North Carolina, 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-North Carolina, Inc. further advises all prospective purchasers that certain NNN Properties, Inc. and Bang Realty-North Carolina, 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-North Carolina, 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-North Carolina, 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: \$4,620,061 | CAP: 6.25% | RENT: \$288,754



## 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 | Target, Home Depot, Sam's Club, Lowe's, Best Buy, REI, Dick's, LongHorn Steakhouse, CVS Pharmacy, JCPenney, Starbucks, and Many More.
- ✓ Strong & Growing Demographics | Population Exceeds 68,000 Individuals Within a Three-Mile Radius & 187,000 Individuals Within a Five-Mile Radius | Greater Than 5% Growth Expected in Five-Years
- ✓ Strong Traffic Counts | Interstate-485 & Pineville-Matthews Road | Over 133,000 & 52,500 Vehicles Per Day, Respectively
- ✓ Charlotte Douglas International Airport | 15-Miles Away | Services over 43 Million Passengers Annually
- ✓ Medical Presence | Atrium Health Pineville | Less Than One Mile Away | State-of-the-Art 307-Bed Medical Center
- ✓ Academic Presence | Six (6) Local Schools Within Eight-Miles | Servicing Over 6,000 Students
- ✓ Excellent Visibility & Frontage on Pineville-Matthews Road

## 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 (2<sup>nd</sup>-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 6<sup>th</sup>-largest casual dining concept in North America







# Financial Analysis

PRICE: \$4,620,061 | CAP: 6.25% | RENT: \$288,754



## PROPERTY DESCRIPTION

Property	Red Lobster
Property Address	9415 Pineville-Matthews Road
City, State ZIP	Pineville, NC 28134
Year Built / Renovated	2008
Building Size (SF)	+/- 7,840
Lot Size (Acres)	+/- 1.85 Acres
Type of Ownership	Fee Simple

## THE OFFERING

Purchase Price	\$4,620,061
CAP Rate	6.25%
Annual Rent	\$288,754

## LEASE SUMMARY

Property Type	Net Leased Restaurant
Tenant	Red Lobster Hospitality, LLC
Guarantor	Red Lobster Intermediate Holdings, LLC
Lease Commencement	December 17 <sup>th</sup> , 2015
Lease Expiration	July 31 <sup>st</sup> , 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	\$283,092	\$23,591	2%
<b>8/1/2023 - 7/31/2024</b>	<b>\$288,754</b>	<b>\$24,063</b>	<b>2%</b>
8/1/2024 - 7/31/2025	\$294,529	\$24,544	2%
8/1/2025 - 7/31/2026	\$300,419	\$25,035	2%
8/1/2026 - 7/31/2027	\$306,428	\$25,536	2%
8/1/2027 - 7/31/2028	\$312,556	\$26,046	2%
8/1/2028 - 7/31/2029	\$318,808	\$26,567	2%
8/1/2029 - 7/31/2030	\$325,184	\$27,099	2%
8/1/2030 - 7/31/2031	\$331,687	\$27,641	2%
8/1/2031 - 7/31/2032	\$338,321	\$28,193	2%
8/1/2032 - 7/31/2033	\$345,088	\$28,757	2%
8/1/2033 - 7/31/2034	\$351,989	\$29,332	2%
8/1/2034 - 7/31/2035	\$359,029	\$29,919	2%
8/1/2035 - 7/31/2036	\$366,210	\$30,517	2%
8/1/2036 - 7/31/2037	\$373,534	\$31,128	2%
8/1/2037 - 7/31/2038	\$381,005	\$31,750	2%
8/1/2038 - 7/31/2039	\$388,625	\$32,385	2%
8/1/2039 - 7/31/2040	\$396,397	\$33,033	2%
8/1/2040 - 7/31/2041	\$404,325	\$33,694	2%
8/1/2041 - 7/31/2042	\$412,412	\$34,368	2%

## INVESTMENT SUMMARY

NNN Pro Group is pleased to present the exclusive listing for a Red Lobster located at 9415 Pineville-Matthews Road in Pineville, NC. The site consists of roughly 7,840 rentable square feet of building space on estimated 1.85-acre parcel of land. This Red Lobster is subject to a 25-year absolute triple-net (NNN) lease, which commenced December 17<sup>th</sup>, 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 (2<sup>nd</sup> 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 6<sup>th</sup> 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





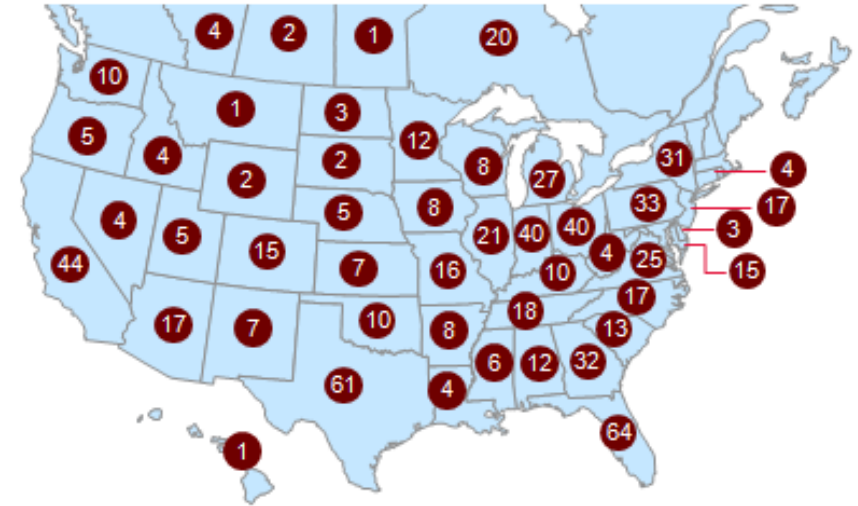
# Concept Overview



## Strong Market Position

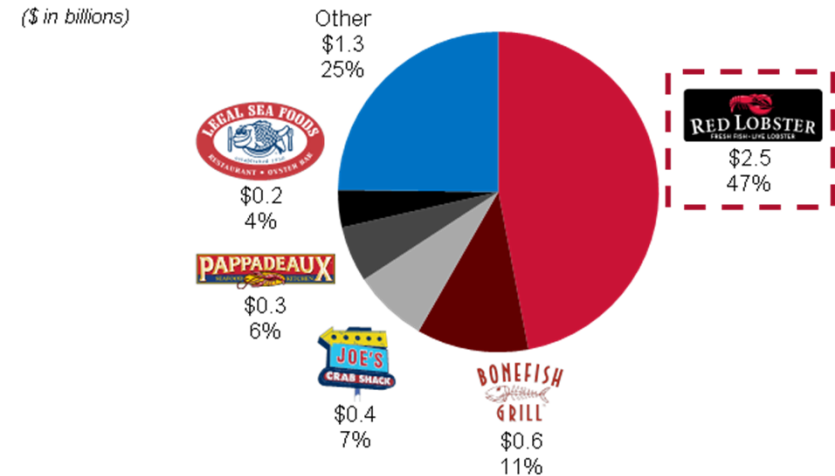
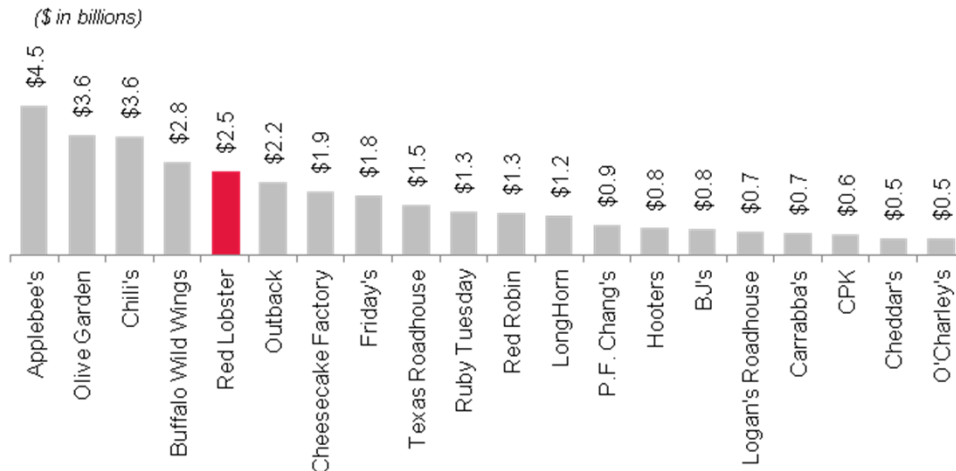
- Red Lobster is the largest seafood restaurant concept in the world and the 6<sup>th</sup> largest casual dining concept in the United States with over \$2.5 billion in annual sales and 700+ restaurants.
- The Company is the category killer in the seafood casual dining space, holding almost 50% market share.
  - Largest share of any restaurant concept in any segment.
- 6<sup>th</sup> largest overall casual dining concept in the US.

## Significant Scale With Broad Geographic Reach



## 6<sup>th</sup> Largest Casual Dining Concept in the US

## ~50% Share in Seafood Casual Dining







# Concept Overview



## Iconic Brand With Unparalleled Customer Loyalty

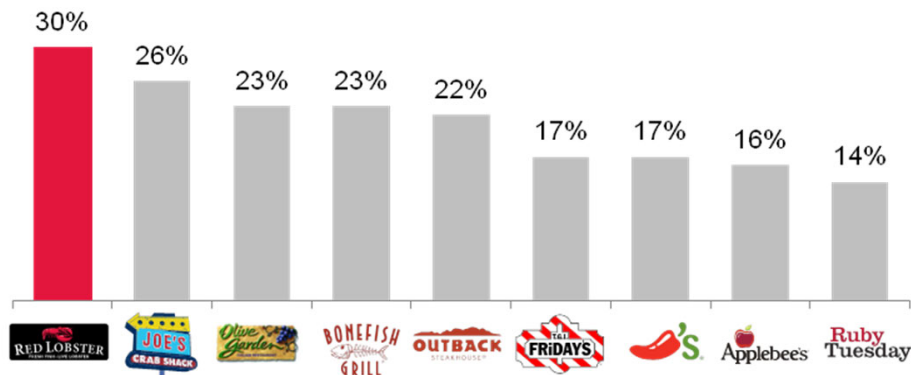
- Red Lobster has strong consumer appeal and broad usage across multiple dining out occasions, including high-crave, healthier “good for you” and special meal occasions.
- The brand has a strong foundation of loyal guests, who visit 1-2 times per month and account for more than 50% of sales.
- Red Lobster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

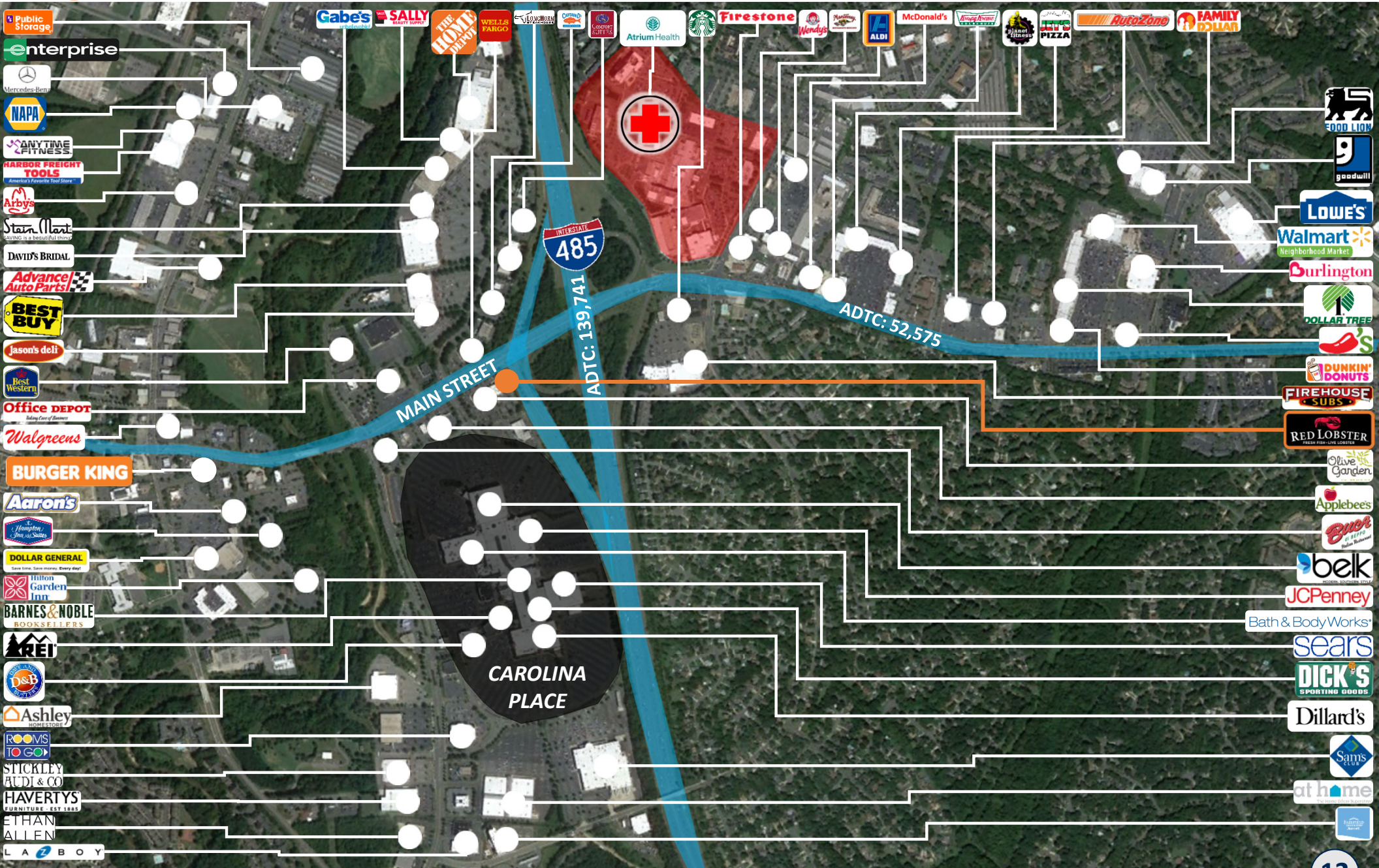
## *Global Brands and Partnerships*







# Surrounding Area







# Location Overview



This Red Lobster investment property is situated on Pineville-Matthews road, which boasts an average daily traffic count exceeding 52,500 vehicles. Pineville-Matthews road intersects & provides access to Interstate-485 which brings an additional 133,000 vehicles into the immediate area daily. There are more than 68,000 individuals residing within a three-mile radius of the subject property and more than 187,000 individuals residing 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: Target, Home Depot, Sam's Club, Lowe's, Best Buy, REI, Dick's, Longhorn Steakhouse, CVS Pharmacy, JCPenney, AND Starbucks in addition to many others. Additionally, there is a significant academic presence in the immediate area. There are 10 local schools servicing over 4,200 students within a three-mile radius of the subject property. Atrium Health Pineville is less than one-mile away from the subject property. Atrium Health Pineville is a state-of-the-art, 307-bed medical center providing both inpatient and outpatient services. Within an eight-mile radius of the subject property, there are six local schools that service over 6,000 local students. The most notable academic institution is Smith Mecklenburg High School which is three-miles away and services over 3,000 students.

Pineville is a suburban town in the southernmost portion of Mecklenburg County, North Carolina situated in the Waxhaws district between Charlotte, North Carolina and Fort Mill, South Carolina . Charlotte is the most populous city in North Carolina, the county seat of Mecklenburg Country and the 17th most populous city in the United States. Charlotte is home to the corporate headquarters of Bank of America and the east coast operations of Wells Fargo, which along with other financial institutions, makes it the third -largest banking center in the United States. Charlotte is home to a number of universities and colleges, the most notable of which is the University of North Carolina at Charlotte . The University of North Carolina at Charlotte is the largest institution of higher education in Charlotte and the fastest -growing institution in the UNC system, with a total enrollment of 29 ,308 students . The Charlotte Douglas International Airport is the sixth busiest airport in both the U . S . and the world overall as measured by traffic . It experienced more than 45 million passengers during 2017 . The Charlotte Center city has also seen remarkable growth over the last decade . Numerous residential units continue to be built uptown, including over 20 skyscrapers under construction, recently completed, or in the planning stage . Many new restaurants, bars and clubs now operate in the Uptown area and there are Several projects transforming the Midtown Charlotte/Elizabeth area .







# Property Photos







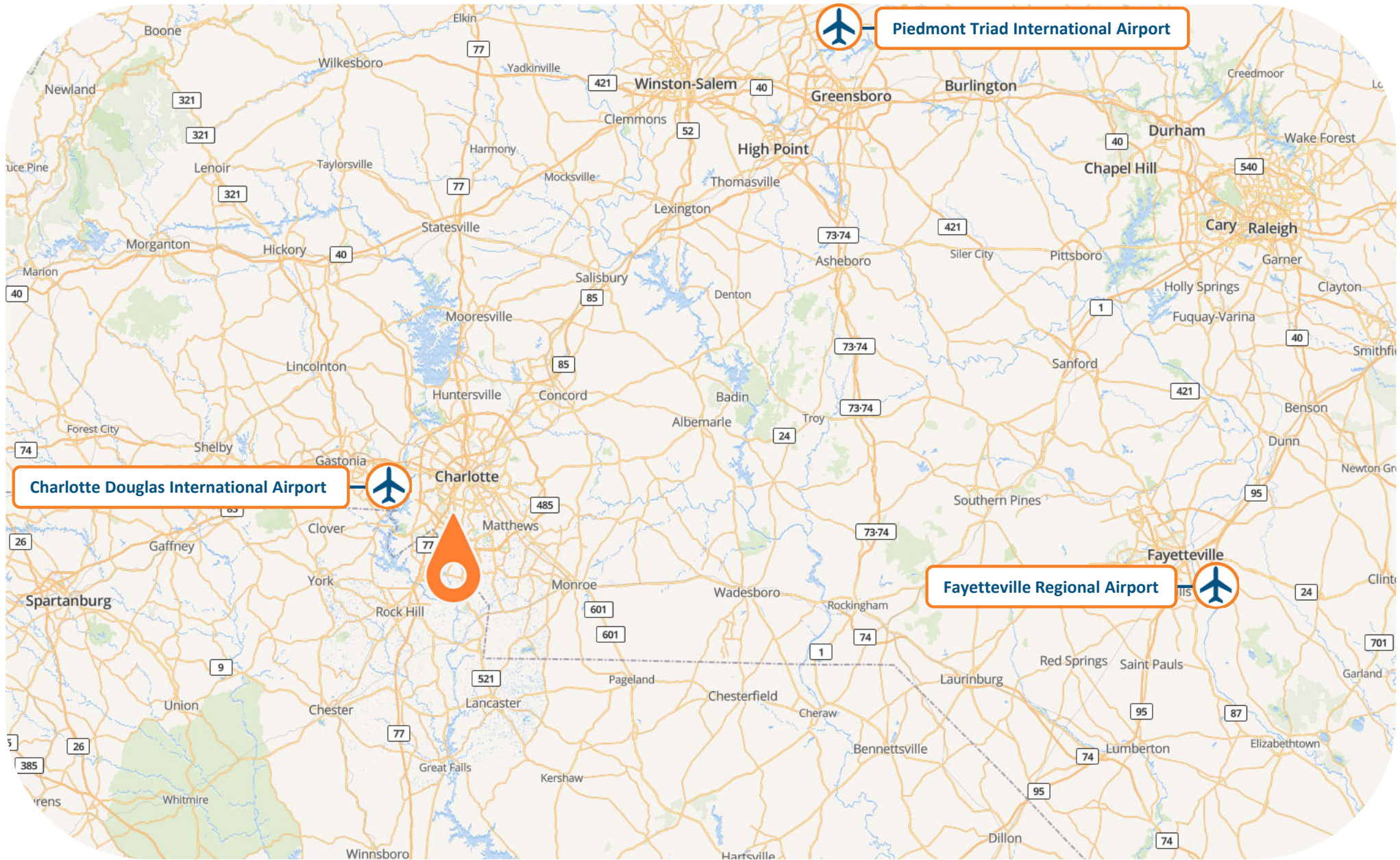
# Surrounding Area Photos







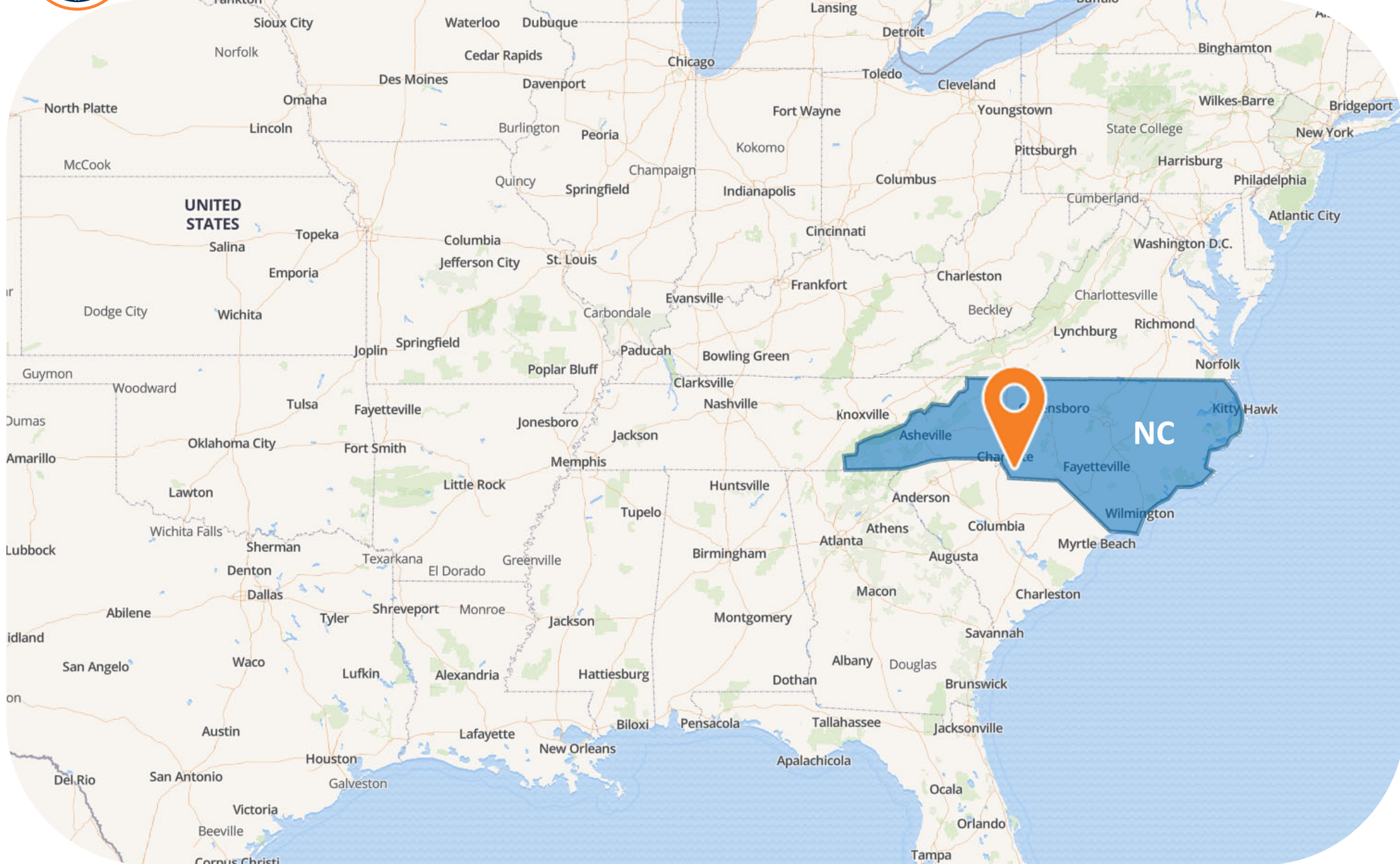
# Local Map



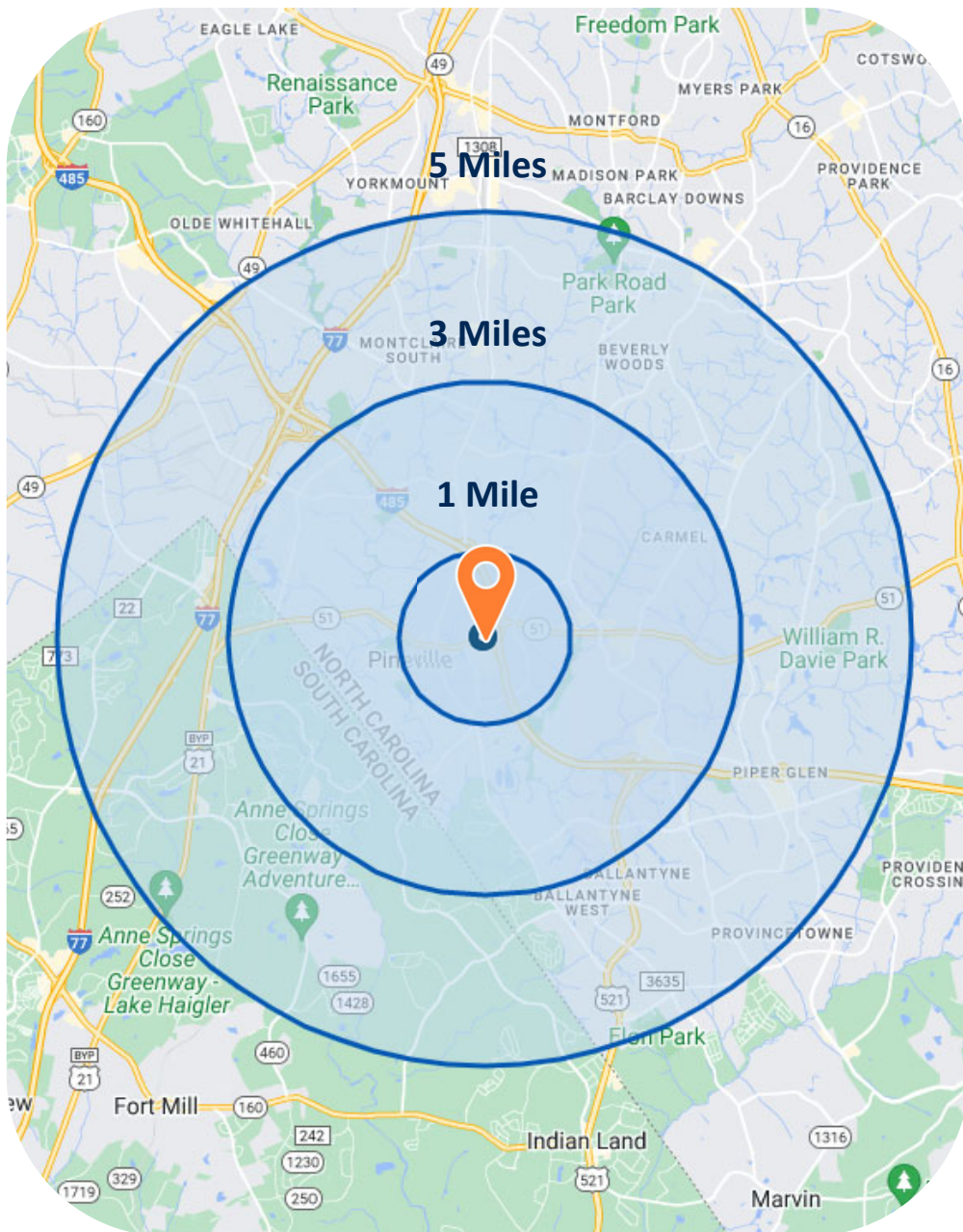




# Regional Map







	1 Mile	3 Miles	5 Miles
POPULATION TRENDS			
2010 Population	6,259	58,131	148,948
2022 Population	6,786	68,135	187,229
2027 Population Projection	7,332	75,138	208,098
Annual Growth 2010-2022	0.70%	1.40%	2.10%
Annual Growth 2022-2027	1.60%	2.10%	2.20%
HOUSEHOLD TRENDS			
2010 Households	2,753	25,280	61,792
2022 Households	2,908	28,810	75,758
2027 Household Projection	3,130	31,604	83,856
Annual Growth 2010-2022	0.50%	1.10%	1.70%
Annual Growth 2022-2027	1.50%	1.90%	2.10%
AVERAGE HOUSEHOLD INCOME (2022)	\$73,838	\$98,813	\$113,618
MEDIAN HOUSEHOLD INCOME (2022)	\$61,945	\$70,825	\$83,788
HOUSEHOLDS BY HOUSEHOLD INCOME (2022)			
< \$25,000	437	3,677	7,934
\$25,000 - 50,000	661	6,285	13,636
\$50,000 - 75,000	776	5,304	12,582
\$75,000 - 100,000	533	3,988	10,599
\$100,000 - 125,000	221	2,415	6,981
\$125,000 - 150,000	72	1,811	5,659
\$150,000 - 200,000	85	2,235	7,349
\$200,000+	124	3,094	11,016



# Market Overview



*Charlotte, NC*



**Charlotte** is located in the Piedmont and is the county seat of Mecklenburg County. Charlotte is the most populous city in North Carolina and the 17th-most populous city in the United States. Between 2004 and 2014, Charlotte was ranked as the country's fastest-growing metro area and tops the 50 largest U.S. cities as the millennial hub. Charlotte is home to the corporate headquarters of Bank of America and the east coast operations of Wells Fargo, which along with other financial institutions, make it the third-largest banking center in the United States. Charlotte has six Fortune 500 companies in its metropolitan area. Listed in order of their rank, they are: Bank of America, Lowe's, Duke Energy, Nucor (steel producer), Sonic Automotive and Sealed Air Corp. The Charlotte area includes a diverse range of businesses, including foodstuffs such as Chiquita Brands International, Harris Teeter, Snyder's-Lance, Carolina Foods Inc, Bojangles', Food Lion, Compass Group USA, and Coca-Cola Bottling Co. Consolidated. Motor and transportation companies include RSC Brands, Continental Tire the Americas, LLC., Meineke Car Care Centers, and Carlisle Companies. The Charlotte Region has a major base of energy-oriented organizations and has become known as "Charlotte USA – The New Energy Capital." There are more than 240 companies in the region directly tied to the energy sector, collectively employing more than 26,400 people. The area is an increasingly growing trucking and freight transportation hub for the East Coast as well. The Charlotte Center city has also seen remarkable growth over the last decade. Numerous residential units continue to be built uptown, including over 20 skyscrapers under construction, recently completed, or in the planning stage. Many new restaurants, bars and clubs now operate in the Uptown area and several projects are transforming the Midtown Charlotte/Elizabeth area.



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

