



DRONE VIDEO



Actual Site

OFFERING MEMORANDUM
APPLEBEE'S NET LEASE INVESTMENT
OPPORTUNITY | 6.5% CAP RATE



BULL REALTY
ASSET & OCCUPANCY SOLUTIONS

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PROPERTY INFORMATION



EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

This **Applebee's** is a 4,740 SF newer-store prototype **located in Dawsonville, GA**, approximately **one hour north of Downtown Atlanta**. The store is strategically located at a **signalized corner** across from over 100,000 SF of newly-developed, thriving big box retailers, including The Home Depot, Hobby Lobby, Marshall's, Kroger, Walmart and more, with **traffic counts over 27,800 VPD**. Within a half mile north are the North Georgia Premium Outlets, a regional discount shopping destination. Directly behind the Applebee's is a Holiday Inn & Suites in the final stages of construction, further demonstrating the **sustained and growing traffic** drawn to the area. U.S. Census Bureau reports have named **Dawson County** one of the **100 fastest growing counties in the nation**. The county's population has increased more than 31% over the last 10 years and has a 10-year job growth prediction of more than 47% higher than the U.S. average of 33.5%.

The Applebee's absolute NNN lease is **corporate guaranteed** and operated by NRP (Neighborhood Restaurant Partners, LLC), a **wholly owned subsidiary** of Atlanta based private equity firm, **Argonne Capital**. NRP operates over **118 Applebee's** in AL, FL, GA and TX. Its parent company, Argonne, is also a large franchisee of IHOP, Krystal, On the Border and John Deere locations.

The current **absolute NNN lease** has been **recently extended to 16 years** with **annual rent increases**. Due to the COVID-19 environment, the tenant requested the lease extension in exchange for modest rent adjustments, which also reflect a projected **lower rent to sales ratio**. The subject property is being offered for \$2,910,000 at a 6.5% cap rate based on the renegotiated 2021 net operating income of \$189,150.

LOCATION OVERVIEW

Dawsonville is located about **40 miles north of metro Atlanta** and is the government seat of Dawson County. It is the gateway to several North Georgia destinations including Lake Lanier, Dahlonega, Blue Ridge Mountains, Appalachian Trail, and Amicalola Falls State Park. The area's growth and popularity in recent years has been **driven primarily by the extension of GA-400**, which has brought restaurants and national retailers, including the North Georgia Premium Outlets which features over 140 outlet designer and name brand stores. Locals and visitors from Atlanta and beyond enjoy this vibrant area along with the many nearby recreational destinations. Despite the current COVID-19 environment, employment demands have increased along with the need for more hotels and vacation getaways.

PROPERTY HIGHLIGHTS

- Prominently-situated real estate at signalized intersection with over 27,800 VPD
- Robust retail trade area with traffic generators including dozens of national retailers
- New Holiday Inn Express & Suites opening adjacent to restaurant
- Area experiencing continued job and population growth well above US averages
- Strong guarantor with recently extended NNN lease to 2036 with annual increases
- Bonus of extra income through June 2021 (see detailed rent schedule)
- **Value priced at \$2,910,000 and a 6.5% cap rate**

KEY FIGURES



Located in Dawsonville, GA
Dense retail corridor



4,740 SF situated on 1.41 Acres



Strong Atlanta-based guarantor



Extra income through 2021



For sale for \$2,910,100 or 6.5% cap rate

FINANCIAL OVERVIEW

PROPERTY & LEASE INFORMATION

| | |
|--------------------|--|
| Property Location: | 1531 GA Hwy-400 S, Dawsonville, GA 30534 |
| County: | Dawson |
| Price: | \$2,910,000 |
| NOI: | \$189,150** |
| Price/SF: | \$613.92 |
| Cap Rate: | 6.5% |
| Rent/SF/YR: | \$39.91 |
| Site Size: | 1.41 Acres |
| Building Size: | 4,740 SF |
| Year Built: | 2005 |
| Type Of Ownership: | Fee Simple |

LEASE SUMMARY

| | |
|----------------------------|---------------------------------------|
| Trade Name: | Applebee's |
| Lease Type: | NNN |
| Lease Commencement: | 2/1/2012 |
| Lease Expiration: | 10/31/2036 |
| Renewal Options: | Five five-year options |
| Rent Increases: | 1.25% Annual Increases |
| Guarantor: | Neighborhood Restaurant Partners, LLC |
| Landlord Responsibilities: | None |

For mapping purposes, use address [31 Bethel Dr, Dawsonville, GA 30544](#)

RENT SCHEDULE

| Term | Months of Term | Annual Rent | % Increase |
|---------------|--------------------|-------------|------------|
| Current | Pres - 10/31/20 | \$194,385* | - |
| | 11/1/20 - 10/31/21 | \$192,261* | - |
| | 11/1/21 - 10/31/22 | \$189,150** | - |
| | 11/1/22 - 10/31/23 | \$191,514 | 1.25% |
| | 11/1/23 - 10/31/24 | \$193,908 | 1.25% |
| | 11/1/24 - 10/31/25 | \$196,332 | 1.25% |
| | 11/1/25 - 10/31/26 | \$198,786 | 1.25% |
| | 11/1/26 - 10/31/27 | \$201,271 | 1.25% |
| | 11/1/27 - 10/31/28 | \$203,787 | 1.25% |
| | 11/1/28 - 10/31/29 | \$206,334 | 1.25% |
| | 11/1/29 - 10/31/30 | \$208,913 | 1.25% |
| | 11/1/30 - 10/31/31 | \$211,525 | 1.25% |
| | 11/1/31 - 10/31/32 | \$214,169 | 1.25% |
| | 11/1/32 - 10/31/33 | \$216,846 | 1.25% |
| | 11/1/33 - 10/31/34 | \$219,556 | 1.25% |
| | 11/1/34 - 10/31/35 | \$222,301 | 1.25% |
| | 11/1/35 - 10/31/36 | \$225,080 | 1.25% |
| Options 1 - 5 | 11/1/36 - 10/31/61 | \$227,989 | 1.25% |

*Prior to 11/1/21, the **Annual Rent** is based upon the average **monthly rent** for the two prior lease years or "Pres-10/31/20 and 11/1/21-10/31/20."

The **Annual Rent of \$189,150 for the 11/1/21-10/31/22 **Term** is used to establish the asking price and cap rate.

See page 6 for further details on Annual Rent per the lease agreement.

CASH FLOW ANALYSIS WITH FINANCING

Financing Illustration

Purchase Price: \$2,910,000
Cap Rate: 6.50%

Loan Assumptions
LTV: 65%
Equity: \$1,018,500
Debt: \$1,891,500
Interest Rate: 3.99%
Amortization: 25

Ten Year Balloon

| | 2020 - 2021 | 2021-2022 | 2022-2023 | 2023-2024 | 2024-2025 | 2025-2026 | 2026-2027 | 2027-2028 | 2028-2029 | 2029-2030 |
|---------------------------|-------------|------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Gross Income | \$192,262 | \$189,150 | \$191,514 | \$193,908 | \$196,332 | \$198,786 | \$201,271 | \$203,787 | \$206,334 | \$208,913 |
| Operating Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Debt Service | -\$119,683 | -\$119,683 | -\$119,683 | -\$119,683 | -\$119,683 | -\$119,683 | -\$119,683 | -\$119,683 | -\$119,683 | -\$119,683 |
| Net Income | \$72,579 | \$69,467 | \$71,831 | \$74,225 | \$76,649 | \$79,103 | \$81,588 | \$84,104 | \$86,651 | \$89,230 |
| Cash on Cash before taxes | 7.1% | 6.8% | 7.1% | 7.3% | 7.5% | 7.8% | 8.0% | 8.3% | 8.5% | 8.8% |
| Cumulative Income | \$72,579 | \$142,046 | \$213,877 | \$288,102 | \$364,750 | \$443,853 | \$525,441 | \$609,545 | \$696,196 | \$785,426 |

2020 - 2022 Monthly Income Breakdown

| | Nov 2020 | Dec 2020 | Jan 2021 | Feb 2021 | Mar 2021 | Apr 2021 | May 2021 | Jun 2021 | Start of Rent Adjustment per 2nd Lease Amendment | | | | Sum |
|-------------|----------|----------|----------|----------|----------|----------|----------|----------|--|----------|----------|----------|-----------|
| | | | | | | | | | Jul 2021 | Aug 2021 | Sep 2021 | Oct 2021 | |
| 2020 - 2021 | \$16,249 | \$16,249 | \$16,249 | \$16,249 | \$16,249 | \$16,249 | \$16,249 | \$16,249 | \$15,568 | \$15,568 | \$15,568 | \$15,568 | \$192,262 |
| 2021 - 2022 | \$15,763 | \$15,763 | \$15,763 | \$15,763 | \$15,763 | \$15,763 | \$15,763 | \$15,763 | \$15,763 | \$15,763 | \$15,763 | \$15,763 | \$189,150 |

These rates are based upon a composite of various lenders and can vary based upon the lender's underwriting guidelines, buyer qualifications and the final LTV used. Contact Bull Realty for the names of the various lenders for further information.

PHOTOS



Actual Location



Actual Location

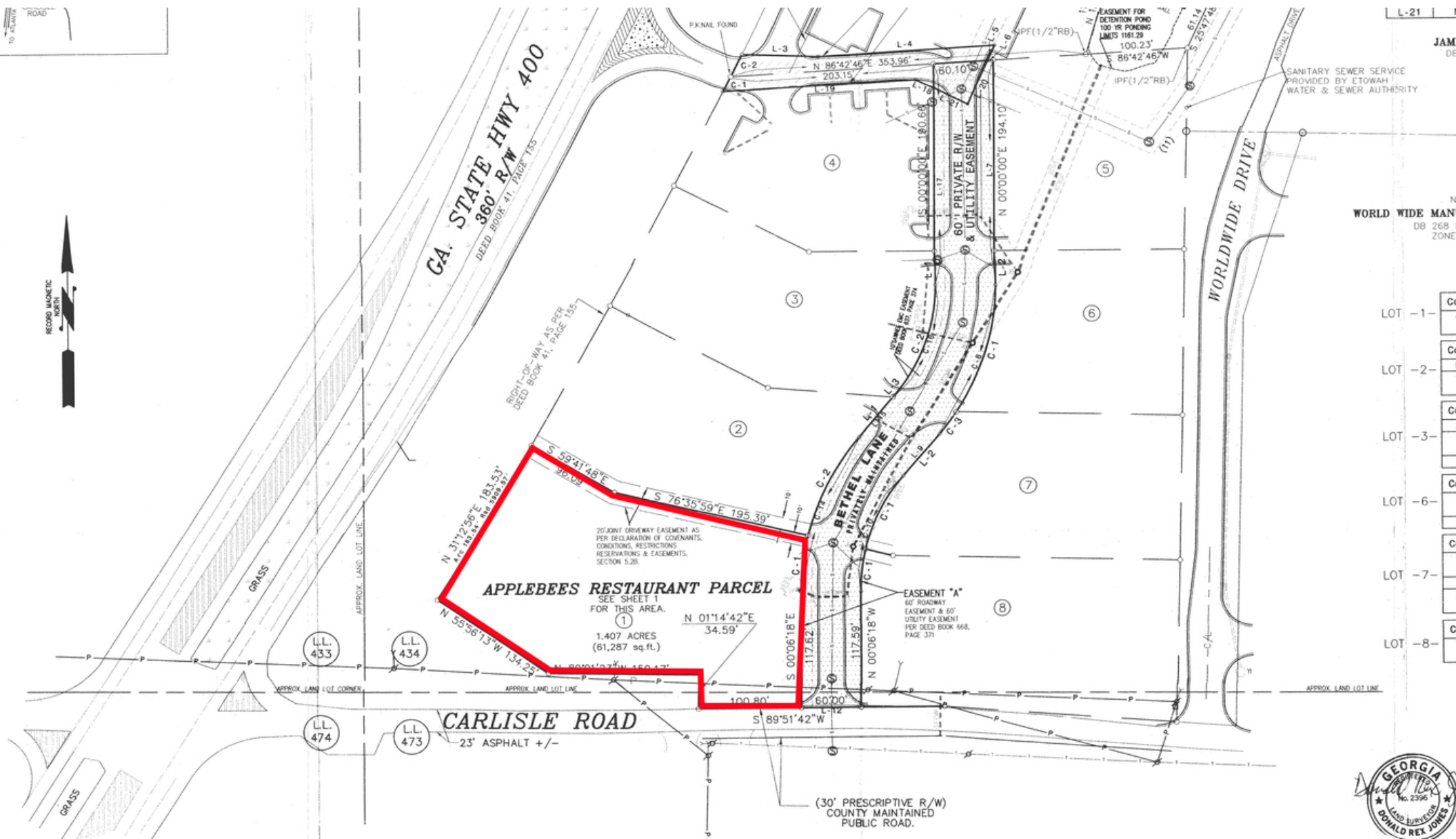


Stock Image



Stock Image

SURVEY



AREA OVERVIEW

HomeGoods

ULTA
BEAUTY

Kroger

Marshalls

PETCO
Where the pets go.

ROSS
DRESS FOR LESS

DOLLAR TREE

HOBBY LOBBY

BEALLS
Outlet

North Georgia Premium Outlets

Ruby Tuesday

AMERICAN EAGLE
OUTFITTERS

POLO
RALPH LAUREN

GAP
FactoryStore

Nike
FactoryStore

carter's

Publix. Walmart

THE HOME
DEPOT

FIVE GUYS
BURGERS and FRIES

LONGHORN
STEAKHOUSE

Chili's

IHOP

Panera
BREAD

CHEVROLET

Chipotle

verizon

STARBUCKS
COFFEE

T

SHERWIN-WILLIAMS

Coming Soon
Fall 2020

Holiday Inn
Express
& Suites

27,800 VPD

GA-400

Carlisle Road

Applebee's

RETAILER MAP



IN THE AREA



HOLIDAY INN EXPRESS & SUITES

This Holiday Inn Express & Suites is in the final stages of construction and is located directly behind the subject property. This convenient and local hotel is planning on opening Fall 2020 and will provide hospitality to not only local people of Dawsonville but also travelers from out of state.



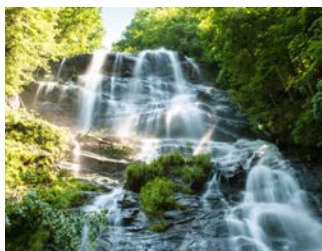
LAKE LANIER ISLANDS RESORT

Located less than an hour from Atlanta, Lanier Islands is Georgia's most popular lake destination. Encompassing immense natural beauty in an intimate setting, the luxury Georgia resort and surrounding property are perfect for family vacations, romantic escapes, wedding and more.



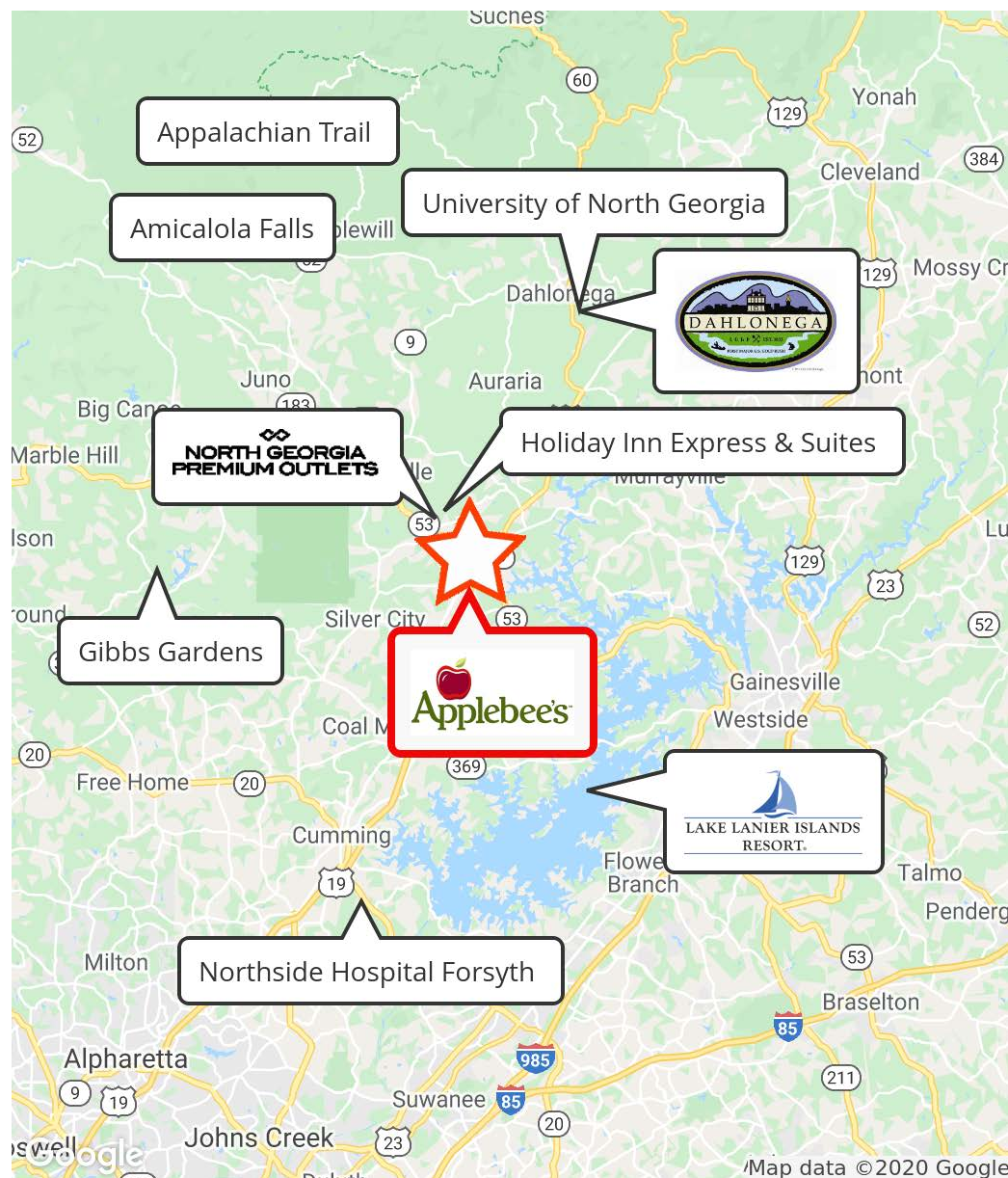
DAHLONEGA

Dahlonega is a growing community, known for an abundance of activities, including hiking through the foothills of the Blue Ridge Mountains; panning for gold in knee deep bubbling streams; strolling through the historic and delightful downtown square, which boasts delicious restaurants, art galleries, shopping and more.



NORTH GEORGIA PREMIUM OUTLETS

The North Georgia Premium Outlets is an outdoor style village that offers over 140 designer and name-brand outlet stores that include Coach, Kate Spade, Nike and more. The outlets are located just 45 minutes north of Atlanta on Highway-400.



DEMOGRAPHIC OVERVIEW

DEMOGRAPHICS



| | |
|----------|--------|
| 1 Mile | 912 |
| 5 Miles | 21,828 |
| 10 Miles | 88,315 |

POPULATION



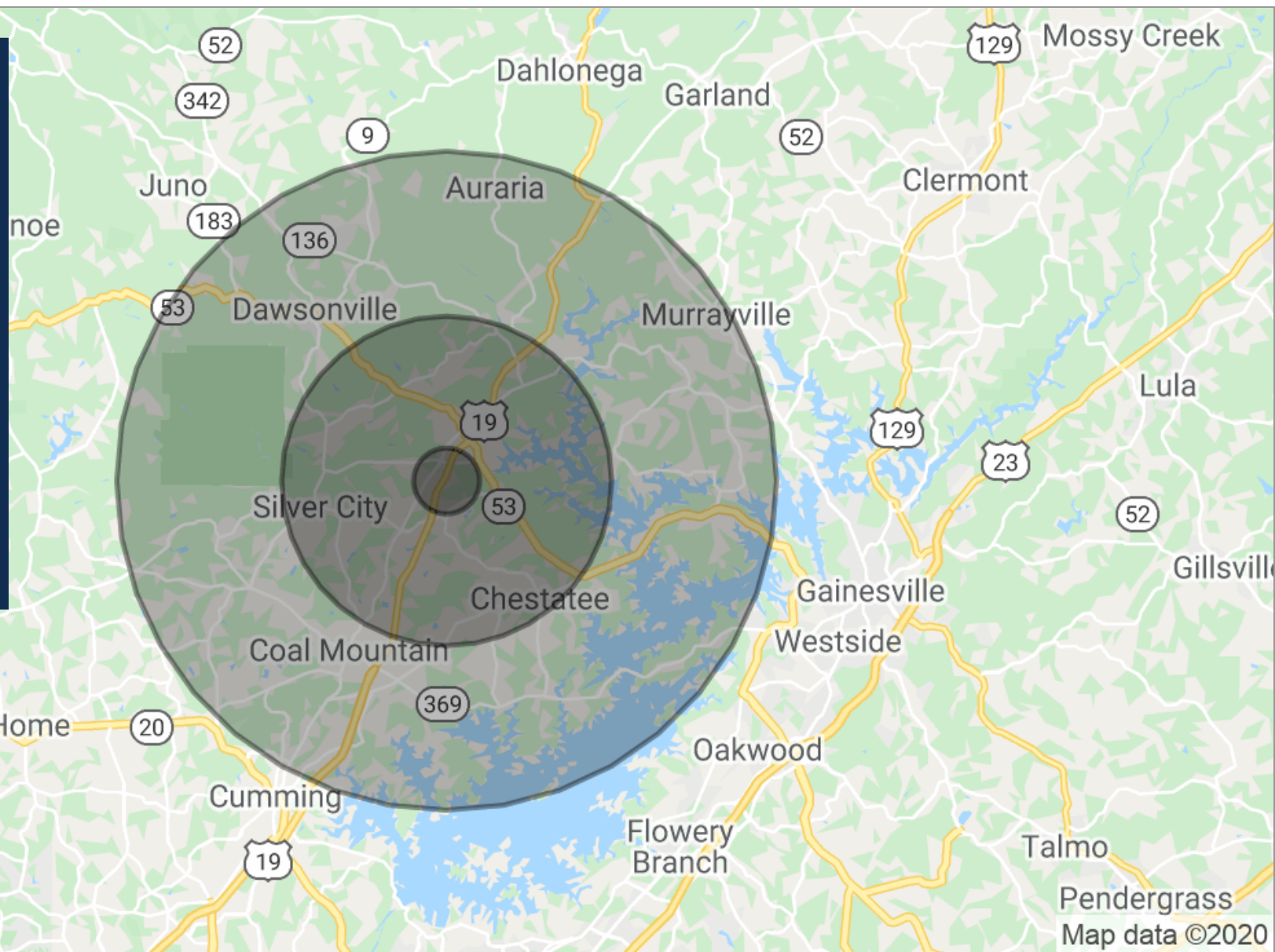
| | |
|----------|--------|
| 1 Mile | 341 |
| 5 Miles | 7,870 |
| 10 Miles | 31,401 |

HOUSEHOLDS



| | |
|----------|----------|
| 1 Mile | \$81,063 |
| 5 Miles | \$78,585 |
| 10 Miles | \$80,081 |

AVG. HH INCOME



Pendergrass
Map data ©2020

ABOUT THE AREA

DAWSONVILLE, GA

Dawsonville, GA, located approximately 55 miles north of Downtown Atlanta, is the government seat of Dawson County. It is located about 10 miles northwest of Lake Lanier. Lake Lanier, maintained by the Army Corp of Engineers, has over 1,000 miles of shoreline and is a large recreational venue for boaters and second homes. In fact, over 10 million people visit Lake Lanier annually.

As a result of the expansion of GA-400, the area has grown significantly, leading to the development of the North Georgia Premium Outlets and later, the big box retailers and national food chains. Dawsonville is the gateway to many North Georgia attractions including Dahlonega and nearby Amicalola State Park which contains Amicalola Falls, the tallest cascading waterfall in America east of the Mississippi River. Lake Lanier has many recreational activities including swimming, fishing and boating. Dawson County has been the beneficiary of many Atlantans who want to get out of the "bigger city" and enjoy a more suburban, but accessible lifestyle.

Dawsonville continues to put out the "welcome mat" for locals and tourists and hosts a number of festivals and events, including The Mountain Moonshine Festival the 4th weekend in October. The Dawsonville town square comes alive with plays, clogging, and other entertainment.



DEMOGRAPHICS (5-MILE)

POPULATION



32,169

MEDIAN INCOME



\$80,081

MEDIAN AGE



37.1

EMPLOYMENT RATE



96.7%

MED. HOME PRICE



\$267,946

TENANT PROFILE

Dine Equity Inc.

DineEquity, INC., headquartered in Glendale, California, originated in what was originally IHOP Corporation. In November 2017, they took over Applebee's and became one of the largest casual dining chain companies in the world. Today there are more than 3,700 Applebee's and IHOP restaurants in 18 countries. Ninety nine percent of those are franchised to more than 400 franchisee partners.

Applebee's

There is a lot to love about Applebee's. Founded nearly three decades ago on the principles of exceptional value and family fun, Applebee's Services, Inc., franchises what is today the largest casual-dining chain in the world, with over 1,775 restaurants in 50 states, 15 international countries and one U.S. territory. We take pride in having a friendly, welcoming, neighborhood environment. Applebee's continues to set the standards for best practices in the restaurant industry. People Report recently awarded Applebee's the Heart of the Workplace Award, Top performer in Management Retention Award, Excellence in Retention Award, and Catalyst Award. Forbes named Applebee's One of America's Best Managed Companies, and Restaurant Hospitality Magazine named Applebee's Chain of the Year.

Argonne Capital Group

Founded in 2003, Argonne Capital Group, based in Atlanta, GA, and is a closely-held private investment firm that seeks to make equity investment in a diverse range of middle market enterprises. Unlike traditional private equity firms, Argonne independently capitalizes each investment it makes, allowing the firm meaningful flexibility in the types of transactions it pursues and an indefinite time horizon for its ownership of any given asset. This flexibility has made Argonne a preferred acquirer in situations involving closely-held companies or unique deal dynamics.

Since inception, Argonne has completed 19 acquisitions and now boasts a portfolio of 10 companies including Applebee's, Krystal, IHOP and On the Border, that generates \$1.6 billion in annual sales and employs over 32,000 people.

Argonne is the fourth largest Applebee's in the country with approximately 120 locations.

Neighborhood Restaurant Partners, LLC

NRP is a subsidiary of Argonne Capital which the Applebee's restaurant group operates more than 120 locations in Alabama, Florida, Georgia and Texas. Over 37 of these locations are in the metro Atlanta area.



ARGONNE
CAPITAL GROUP



CONTACT INFORMATION



BROKER PROFILES



NANCY MILLER, CCIM, MBA
President, Net Lease Investment Group

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PROFESSIONAL BACKGROUND

Nancy Miller joined Bull Realty in 2001. Her brokerage practice focuses on single tenant net lease and multi-tenant retail investment properties. Nancy is a partner with the firm and heads the National Net Lease Investment Group. Her focus includes working with investors, 1031 exchange transactions and developers throughout the US. She is an industry recognized savvy and knowledgeable investment expert. In the last 5+ years, she has brokered over 125 single tenant transactions. Nancy also publishes an electronic investor newsletter, and participates in a quarterly national retail industry survey done by Morgan Stanley. Periodically, Nancy contributes to Bull Realty's retail blogs appears on the Commercial Real Estate Show, a national weekly commercial real estate radio show hosted and produced in Atlanta by Michael Bull, Bull Realty's founder and President.

Nancy has held a real estate license for over 25 years and is licensed in several states. She is a Life Member of the Atlanta Commercial Board of Realtors and a member of the International Council of Shopping Centers (ICSC). She also holds the prestigious CCIM designation and has a Bachelor of Arts degree from Tulane University and an MBA from Emory University's Goizueta Business School, where she is a guest lecturer.



ROB TAYLOR
V.P. The Retail Group

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PROFESSIONAL BACKGROUND

Rob Taylor has become known as the go-to-broker to sell retail investment properties in the southeast U.S.

Rob's focus is on understanding his client's goals, evaluating options and implementing strategies to achieve maximum results. Whether the mission be increasing cash flow, building net worth or maximizing values, Rob's services are tailored to your success. A vital part of any investment strategy is ultimately selling for top dollar when the time is right. Rob leverages his experience with Bull Realty's state-of-the-art marketing tools and resources to maximize value.

- Custom disposition campaigns
- Sale-leaseback transactions
- 1031 exchange strategies
- Asset management consulting
- Developer portfolio sales

Rob has 30 years' experience in real estate development and construction with the financial acumen to advise clients. Prior to his real estate focus, he had a successful career in application development while consulting with corporations such as IBM, UPS and ADP. Rob grew up in Atlanta, attended Georgia Tech and enjoys mountain biking, motocross and stand-up comedy.

DISCLAIMER

Bull Realty has been retained as the exclusive listing broker to arrange the sale of the Subject Property.

This Offering Memorandum contains selected information pertaining to the Property but does not purport to be all-inclusive or to contain all of the information that a prospective purchaser may require. All financial projections are provided for general reference purposes only and are based upon assumptions relating to the general economy, competition and other factors, which therefore, are subject to material change or variation. Prospective purchasers may not rely upon the financial projections, as they are illustrative only. An opportunity to inspect the Property will be made available to qualified prospective purchasers.

In this Offering Memorandum, certain documents, including financial information, are described in summary form and do not purport to be complete or accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to review independently all documents.

This Offering Memorandum is subject to prior placement, errors, omissions, changes or withdrawal without notice and does not constitute a recommendation, endorsement, suitability or advice as to the value of the Property by Bull Realty Inc. or the current Owner/Seller. Each prospective purchaser is to rely upon its own investigation, evaluation and judgment as to the advisability of purchasing the Property described herein.

Owner/Seller expressly reserve the right, at its sole discretion, to reject any or all expressions of interest or offers and/or to terminate discussions with any party at any time with or without notice. Owner/Seller shall have no legal commitment or obligation to any purchaser reviewing this Offering Memorandum or making an offer on the Property unless a written agreement for the purchase of the Property has been fully executed, delivered and approved by the Owner/Seller and any conditions to the purchaser's obligations therein have been satisfied or waived. The Owner/Seller reserves the right to move forward with an acceptable offer prior to the call for offers deadline.

This Offering Memorandum may be used only by parties approved by the Broker. The Property is privately offered, and by accepting this Offering Memorandum, the party in possession hereof agrees (i) to return it if requested and (ii) that this Offering Memorandum and its contents are of a confidential nature and will be held and treated in the strictest confidence. No portion of this Offering Memorandum may be copied or otherwise reproduced or disclosed to anyone without the prior written authorization of Bull Realty, Inc. The terms and conditions set forth above apply to this Offering Memorandum in its entirety and all documents, disks and other information provided in connection therewith.