

COMMERCIAL INVESTMENT ADVISORS

IN ASSOCIATION WITH LOCAL BROKER CIRRUS COMMERCIAL RETAIL SERVICES, INC.

BURGER KING

908 6th Avenue SE

Aberdeen, South Dakota 57401



OFFERING MEMORANDUM

\$1,469,000



9805 East Bell Road | Suite 140 | Scottsdale, AZ 85260

(480) 214-5088 phone | (480) 907-2955 fax | www.ciadvisor.com



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**ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR
COMMERCIAL INVESTMENT ADVISORS FOR MORE DETAILS.**



BURGER KING

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INVESTMENT OVERVIEW

Name:	BURGER KING
Location:	SEC of 6 th Avenue SE & Dakota Street Aberdeen, South Dakota
Purchase Price:	\$1,469,000
Current CAP Rate:	7.75%
Annual Rent:	\$113,846
Rental Increases:	10% Every 5 Years
Rentable Square Feet:	3,530
Price per Sq. Ft.:	\$416.15
Lease Type:	Absolute NNN
Ownership Tenant:	Fee Simple
Year Built Renovated:	1976 2012
Lot Size:	0.72 Acre
Lease Expiration:	January 31, 2032



Prototype Photo – Building will look similar after remodel.

INVESTMENT HIGHLIGHTS

- Brand New 20-Year Absolute NNN Lease
- 10% Rental Escalations Every 5 Years
- Guaranteed by an Experienced 26-Unit Franchisee that has been in the Burger King System for over 30 Years!
- Sale Leaseback Proceeds are Being Contributed to a +/- \$450,000 Full Renovation of the Building
- South Dakota has the 3rd Lowest Unemployment Rate in the U.S. (According to the US Department of Labor – Bureau of Labor Statistics: <http://www.bls.gov/web/laus/laumstrk.htm>)
- South Dakota is a Non-Income Tax State





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FINANCIAL SUMMARY

SUMMARY

Tenant:	BURGER KING
Purchase Price:	\$1,469,000
Current CAP Rate:	7.75%
Gross Leasable Area (GLA):	3,530 Sq. Ft.
Price per Square Foot:	\$416.15
Year Built Renovated:	1976 2012
Lot Size:	0.72 Acre
Lease Expiration:	January 31, 2032

PROPOSED FINANCING SUMMARY

All Cash or Buyer to obtain new financing at close of escrow.

Loan Amount (65%):	\$954,850
Down Payment (35%):	\$514,150
Rate:	5.25% - 5-Year Fixed
Amortization:	20 to 25 Years

*** For more information, please contact Shawn B. Givens of Capstone Financial Solutions at (636) 778-0870. ***

LOCATION

SEC of 6th Avenue SE & Dakota Street
Aberdeen, South Dakota

ANNUALIZED EXPENSES

This is an Absolute NNN lease. Tenant is responsible for all expenses.

ANNUALIZED OPERATING DATA

	Current 2012	Proforma 2017	Proforma 2022	Proforma 2027	
Net Operating Income:	\$113,846	\$125,231	\$137,754	\$151,529	
Annual Investor Return:	7.75%	8.52%	9.38%	10.32%	= 9.0% Average Blended Return





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RENT ROLL

TENANT	SQ. FT.	ANNUAL RENT	ESCALATIONS	LEASE START	LEASE TERMINATION	EXPENSE REIMBURSEMENT	OPTIONS
Burger King	3,530	\$113,846	10% Every 5 years	February 1, 2012 (Est.)	January 31, 2032	NNN*	Four 5-Year Options

* This is an Absolute NNN Lease. Tenant is responsible for all Expenses including Taxes, Insurance & Common Area Maintenance.





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TENANT PROFILE



ABOUT BURGER KING

The original HOME OF THE WHOPPER®, the BURGER KING® system operates more than 12,300 locations serving over 11 million guests daily in 78 countries and territories worldwide. Approximately 90 percent of BURGER KING® restaurants are owned and operated by independent franchisees, many of them family-owned operations that have been in business for decades.

In October 2010, Burger King Corp. was purchased by 3G Capital, a multi-billion dollar, global investment firm focused on long-term value creation, with a particular emphasis on maximizing the potential of brands and businesses.

For more information on 3G Capital, please go to <http://3g-capital.com>.

To learn more about Burger King Corp., please visit the company's website at www.bk.com.

ABOUT THE TENANT

Horizon Food Service is a franchisee of Burger King Corporation, and operates 26 Burger King restaurants in Nebraska, Kansas and South Dakota. They pride themselves on being a leader in their markets and are proud to be a member of the Burger King family. Since their beginning in 1980 with 2 locations in Lincoln, Nebraska, they have now grown to 26, and most recently opened our newest location in Lincoln.



TENDERCRISP® Chicken Sandwich



WHOPPER® Value Meal (Small)



Chicken Tenders





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AERIAL PHOTO



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DEMOGRAPHICS & MAPS

2011 CENSUS BASIC DEMOGRAPHICS - GENERAL COMPARISON REPORT

	1 Mile:	3 Miles:	5 Miles:
POPULATION:			
Total Population	12,927	26,785	28,574
Total Daytime Population	15,888	31,521	33,038
% Population Change 1990-2011	N/A	1.76%	2.97%
% Household Change 1990-2011	3.75%	11.34%	12.73%
% Population Change 2000-2011	0.84%	3.32%	3.92%
% Household Change 2000-2011	2.34%	6.17%	6.77%
INCOME:			
Average Household Income	\$41,220	\$59,081	\$61,193



Unemployment Rates for States

Unemployment Rates for States
Monthly Rankings
Seasonally Adjusted
Oct. 2011^P

Rank	State	Rate
1	NORTH DAKOTA	3.5
2	NEBRASKA	4.2
3	SOUTH DAKOTA	4.5
4	NEW HAMPSHIRE	5.3
5	VERMONT	5.6





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LOCATION OVERVIEW

ABERDEEN, SOUTH DAKOTA

Aberdeen (county seat of Brown County) is a recognized center of regional and federal government offices, education, health care, financial services, retailers, wholesalers and manufacturing. Brown County is one of the most productive agricultural counties in South Dakota. In recent years, the area has been transformed from a trade center serving family farms to a regional agricultural center with ever-expanding grain terminals, processing facilities and ethanol plants.

Aberdeen is the birthplace of many corporate headquarters and franchises including: Super 8 Motels, Expetec, the K.O. Lee Company, Wooden Mallet, Midstates Printing, Dacotah Bank, Hub City, Inc., Wyndham World Wide, Cabinets Universal, Primrose Retirement Communities, Kitchen Tune-Up, etc. The city also hosts local, regional and national companies such as Wells Fargo Auto Finance, 3M, BAE Systems, Twin City Fan and most recently, Molded Fiberglass Companies.

CROSSROADS OF AMERICA - Aberdeen is a convenient connection point for two major trans-continental highways, U.S. Highway 12 (the Yellowstone Trail), runs from Plymouth Rock, MA to Puget Sound, Washington. U.S Highway 281 runs from the International Peace Garden in Canada to International Bridges across the Rio Grande River, joining Texas and Mexico.

AGRICULTURE – Aberdeen lies at the heart of the most productive agriculture land in South Dakota. Prairie and farmland surround the region, providing habitat for a wide variety of birds, deer and other wildlife. Flowering grasslands stretch to the horizon and waves roll majestically across the fields of wheat and corn. Ethanol production and wheat exports have stimulated the agricultural economy and large, modern processing facilities dot the countryside, providing millions of tons of product and hundreds of jobs. **The Aberdeen region is home to four (4) ethanol plants which help boost the local economy and provide a cleaner burning fuel option for its residents.**

EDUCATION – **Northern State University (NSU)** is a public institution that was founded in 1901. It has a total **undergraduate enrollment of 2,686**, its setting is urban, and the campus size is 72 acres. It utilizes a semester-based academic calendar. NSU community takes pride in the institution and in providing an advanced teaching and learning environment. Integrating technology across the curriculum, NSU offers excellence in liberal and professional education with programs in Arts and Sciences, Business, Education and Fine Arts. www.northern.edu

Presentation College is a private institution. It has a **total undergraduate enrollment of 704** and its setting is urban. Presentation College's ranking in the 2012 edition of Best Colleges is Regional Colleges (Midwest), Tier 2. In addition to its popular health and medical related programs, business and secondary education are also attracting students. Personal attention, staff and faculty promote individualized learning to help students succeed in today's competitive environment. The academic programs include classroom work and on-the-job experience gained through internships, externships and supervised clinical practice. www.presentation.edu

