



ACTUAL SITE

BURGER KING

409 SOUTH MERIDIAN AVENUE
COZAD, NEBRASKA 69130

OFFERING MEMORANDUM

Represented by:
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INVESTMENT OVERVIEW

| | |
|-----------------------------|--|
| NAME | BURGER KING |
| LOCATION | 409 South Meridian Avenue Cozad, Nebraska 69130 |
| MAJOR CROSS STREETS | On S Meridian Ave, North of I-80 |
| TENANT | S & H RESTAURANTS, LLC |
| PURCHASE PRICE | \$1,288,000 |
| CAP RATE | 6.00% |
| ANNUAL RENT | \$77,267* |
| GROSS LEASEABLE AREA | 2,660 SF |
| RENTAL ESCALATIONS | 1.50% Annually |
| LEASE TYPE | Absolute NNN |
| OWNERSHIP | (Building & Land) Fee Simple |
| YEAR BUILT | 2016 |
| LOT SIZE | ±1.14 Acres |
| LEASE EXPIRATION | December 31, 2035 |
| OPTIONS | Four 5-Year Renewal Options |

* Current Rent is \$76,125 until June 4, 2019. Seller to credit Purchaser shortfall (if any) in rent at the Close of Escrow.

POINTS OF INTEREST

RETAIL | SHOPPING | ENTERTAINMENT

Nearby retailers include **Tractor Supply Co.**, **Dollar General** NAPA Auto Parts; The City of Cozad have eateries such as **Subway**, **Pizza Hut**, **DQ Grill & Chill**

HEALTH CARE

1 mile from **Cozad Community Hospital** (a general hospital with 24-hour emergency care with 21 beds)

The Economy of Cozad is specialized in Agriculture, Forestry, Fishing, Hunting; Wholesale Trade; and Manufacturing. The Largest Industries are Healthcare & Social Assistance; Manufacturing; and Educational Services.

INVESTMENT HIGHLIGHTS

LEASE: 16+ Years Remaining on Absolute NNN Lease with Attractive 1.50% Annual Rental Escalations During Initial Lease Term

TENANT: S & H Restaurants, LLC is an Experienced 5-Unit Operator with Locations Throughout Central Nebraska

SEASONED LOCATION/RECENT REMODEL: Successfully Open & Operating Since 2016 with an Attractive 8.3% Rent to Sales Ratio

TRAFFIC COUNTS: Conveniently Located on S Meridian Ave/NE-92 (Main North/South Thoroughfare in Cozad) where Traffic Counts Exceed 4,550 CPD - North Off I-80 (18,772 CPD)

DEMOGRAPHICS (5-MI): Total Population: 4,398 | Avg HH Income: \$59,944

UNEMPLOYMENT RATE: Nebraska's Rate at 2.8% - National Rate at 3.9% (Dec 2018)



FINANCIAL ANALYSIS

SUMMARY

| | |
|------------------------------|---|
| TENANT | S & H Restaurants, LLC |
| PURCHASE PRICE | \$1,288,000 |
| CAP RATE | 6.00% |
| GROSS LEASABLE AREA | 2,660 SF |
| LEASE STARTS | June 5, 2017 |
| LEASE ENDS | December 31, 2035 |
| YEAR BUILT | 2016 |
| LOT SIZE | ±1.14 Acres |
| EXPENSE REIMBURSEMENT | This is an Absolute NNN lease . Tenant is responsible for all expenses. |
| OPTIONS | Four 5-Year Renewal Options |
| FINANCING | All Cash or Buyer to obtain new financing at Close of Escrow. |

ANNUALIZED OPERATING DATA

| LEASE STARTS | LEASE ENDS | ANNUAL BASE RENT | ANNUAL INVESTOR RETURN | RENTAL INCREASES |
|--------------------------------|-----------------|------------------|------------------------|------------------|
| 06/05/19 | 06/04/20 | \$77,267* | 6.00% | Existing |
| 06/05/20 | 06/04/21 | \$78,426 | 6.09% | 1.50% |
| 06/05/21 | 06/04/22 | \$79,602 | 6.18% | 1.50% |
| 06/05/22 | 06/04/23 | \$80,796 | 6.27% | 1.50% |
| 06/05/23 | 06/04/24 | \$82,008 | 6.37% | 1.50% |
| 06/05/24 | 06/04/25 | \$83,239 | 6.46% | 1.50% |
| 06/05/25 | 06/04/26 | \$84,487 | 6.56% | 1.50% |
| 06/05/26 | 06/04/27 | \$85,754 | 6.66% | 1.50% |
| 06/05/27 | 06/04/28 | \$87,041 | 6.76% | 1.50% |
| 06/05/28 | 06/04/29 | \$88,346 | 6.86% | 1.50% |
| 06/05/29 | 06/04/30 | \$89,672 | 6.96% | 1.50% |
| 06/05/30 | 06/04/31 | \$91,017 | 7.07% | 1.50% |
| 06/05/31 | 06/04/32 | \$92,382 | 7.17% | 1.50% |
| 06/05/32 | 06/04/33 | \$93,768 | 7.28% | 1.50% |
| 06/05/33 | 06/04/34 | \$95,174 | 7.39% | 1.50% |
| 06/05/34 | 12/31/35 | \$96,602 | 7.50% | 1.50% |
| AVERAGE BLENDED RETURN: | | | 6.72% | |

* Current Rent is \$76,125 until June 4, 2019. Seller to credit Purchaser shortfall (if any) in rent at the Close of Escrow.

TENANT OVERVIEW



THE PARENT COMPANY

Founded in 1954, the **BURGER KING®** brand is the second largest fast food hamburger chain in the world. Burger King menu items include the Whopper, Double Quarter Pound King™, Big King XL, Original Chicken, Big Fish, Chicken Fries, Double Croissan'wich®, BK™ Ultimate Breakfast Platter, French Fries, Onion Rings, Cini Minis, Spun Shakes, Pies, etc.

The original HOME OF THE WHOPPER®, the BURGER KING® system **operates more than 16,000 locations in more than 100 countries and U.S. territories.** Almost 100 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.

<https://www.bk.com/>

ABOUT THE TENANT S & H RESTAURANTS, LLC

S & H Restaurants, LLC is an experienced 5-unit operator with locations throughout Central Nebraska.

| | |
|------------------------|--|
| TYPE | PUBLIC |
| TRADED AS | NYSE: QSR |
| S&P RATINGS | B+ DEC 19 2014 |
| INDUSTRY | RESTAURANTS – FOOD SERVICE |
| # OF LOCATIONS | 16,000 LOCATIONS IN OVER 100 COUNTRIES & U.S. TERRITORIES |

www.rbi.com

Restaurant Brands International Inc. ("RBI") is one of the world's largest quick service restaurant companies with more than \$30 billion in system-wide sales and over 25,000 restaurants in more than 100 countries and U.S. territories.

RBI owns three of the world's most prominent and iconic quick service restaurant brands – TIM HORTONS®, BURGER KING®, and POPEYES®.

These independently operated brands have been serving their respective guests, franchisees and communities for over 45 years.

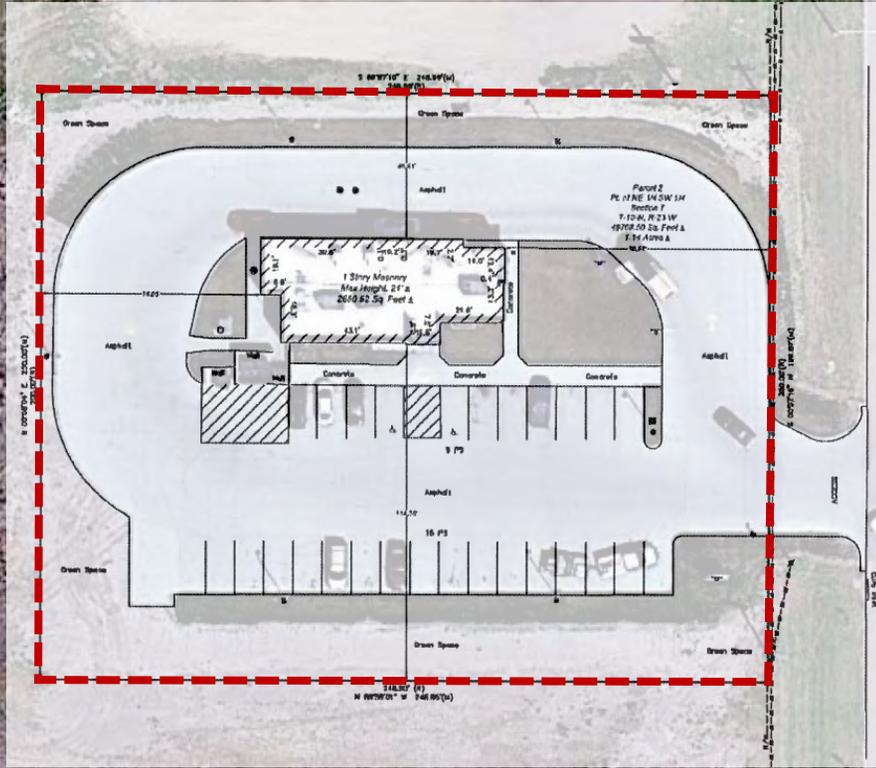


SITE PHOTOS ACTUAL

INTERIOR



SURVEY



LOT SIZE
±1.14 Acres

GLA
2,660 SF

BURGER KING | COZAD, NEBRASKA

AERIAL



BURGER KING | COZAD, NEBRASKA

AERIAL CITY VIEW



BURGER KING | COZAD, NEBRASKA

LOCATION OVERVIEW

Cozad is a city in Dawson County, Nebraska. The town is on the Great Plains of central Nebraska, along the Union Pacific Railroad and U.S. Highway 30, just north of the Platte River. Cozad is part of the Lexington, Nebraska Micropolitan Statistical Area. The town has a total area of 2.62 square miles and a population close to 4,000.

Cozad Community Health System offers comprehensive inpatient and outpatient services, 24-hour emergency care, Home Health and Hospice services, Physical Therapy and a full array of other services. The hospital has 21 beds and the 24-hour clinic provides a wide variety of services within the scope of Family Medicine and OB care to Geriatrics. Services include; preventive health services, counseling, prenatal and postnatal obstetrical care, wellness exams and many other services designed to deliver health care to the entire family.

Cozad Community Schools consist of a high school, middle school, elementary, and an early education center with 951 students. The district is implementing the 21st Century Classroom Learning Initiative to bring classrooms, instruction, and student engagement into the 21st century. Students are able to access resources, cooperate and collaborate with other students and teachers, and create quality content.

Paulsen Building and Supply opened for business in Cozad after moving from the Blair, Nebraska area in 1946. Paulsen is a general contractor and material supplier of Asphalt and Concrete Paving, Building Construction, Redi-Mix Concrete and Aggregate Supplies. They employ over 300 people.

Cozad Alfalfa, Inc. is a producer of organic-certified, dehydrated alfalfa pellets. Cozad, Nebraska was once known as the "alfalfa capital of the world." The surrounding Dawson County grows and produces 25% of the dehydrated alfalfa in the United States.

|  | 2018 DEMOGRAPHICS | | |
|---|-------------------|----------|----------|
| | 1-MI | 3-MI | 5-MI |
| TOTAL POPULATION | 1,415 | 4,087 | 4,398 |
| DAYTIME POPULATION | 1,092 | 3,441 | 3,768 |
| AVG HH INCOME | \$43,655 | \$58,797 | \$59,944 |





Nebraska jobless rate at 2.8 percent for fourth consecutive month

The Associated Press – December 22, 2018

LINCOLN — Nebraska's preliminary November unemployment rate of 2.8 percent matched the three previous months' figures, according to a report Friday by the Nebraska Labor Department.

The department said the rate is down a tenth of a point from the year-ago figure of 2.9 percent. Last month's Nebraska rate was well below the U.S. number, which also was unchanged: 3.7 percent.

"November was another strong month for manufacturing, with a 3 percent employment increase over the year," said State Labor Commissioner John Albin. "The month also saw historical highs for both statewide labor force employment and Lincoln labor force employment."

Nonfarm employment was 1,039,938, up 12,753 over the year and up 2,263 over the previous month, the report said. Private industries with the most growth year over year were professional and business services, up 4,881; leisure and hospitality services, up 3,546; and manufacturing, up 3,028. Month to month, the largest gains were seen in trade, transportation and utilities, up 4,024; education and health, up 468; and other services, up 26.

Also, Iowa tied Hawaii for the nation's lowest preliminary unemployment rate in November: 2.4 percent. Iowa Workforce Development released the state figure Friday, saying it matched Iowa's October number and was half a point lower than the 2.9 percent of November 2017. The department says there were an estimated 40,600 unemployed Iowa residents in November.

The preliminary Omaha-area rate for November declined to 2.5 percent from 2.6 in October. The new rate was a tenth of a point lower than the 2.6 percent of November 2017. Lincoln's preliminary rate dropped three-tenths of a point, hitting 2.2 percent, compared with 2.5 percent in October. The year-ago figure was 2.3 percent. Grand Island's preliminary rate for November was 2.6 percent, down a tenth from October's 2.7 percent. The November 2017 figure was 2.7 percent.

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