



NET LEASE INVESTMENT OFFERING



RED LOBSTER (LEASE EXTENSION)
120 DISK DRIVE
RAPID CITY, SD 57701



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EXECUTIVE SUMMARY

The Boulder Group is pleased to exclusively market for sale a single tenant net leased Red Lobster property located Rapid City, South Dakota. Red Lobster has been operating at this location since 1988 and just extended their lease. Red Lobster has recently signed a new lease extension through December 2034, which further demonstrates their commitment to the site. The lease is absolute triple net and features zero landlord responsibilities. There are 10% rental escalations every five years. Red Lobster plans to renovate/remodel this location within the next 24 months.

The 8,300 square foot building is strategically located just off Interstate 90 (34,318 VPD). It is positioned on an outparcel to Uptown Rapid, formerly Rushmore Mall – a 831,000 SF regional shopping center that experiences over 4,000,000 visitors each year. Uptown Rapid was recently acquired by Rockstep Capital who plans to rejuvenate the property by adding uses other than retail to the mix. Uptown Rapid is the only enclosed shopping mall within 250 miles. Tenants surrounding the retail corridor include Lowe's Home Improvement, PetSmart, Ashley HomeStore, Fleet Farm, Best Buy, Kohl's, AMC Theaters, Hobby Lobby, and several others others. There are 76,884 people living within five miles of the property earning an average annual household income of \$68,393.

Red Lobster, the world's largest seafood restaurant company, has grown to become an iconic casual dining brand since its first location opened in Florida in 1968. The company currently operates 700+ restaurants throughout the United States and Canada and has 40+ franchised restaurants in international markets. Red Lobster is led by an experienced management team with a history of success leading the brand and generates \$2.6B in revenue, making it the 6th largest casual dining concept in North America.



INVESTMENT HIGHLIGHTS

- Recently executed lease extension through December 2034
- NNN lease presents zero landlord responsibilities
- 10% rental escalations every five years
- Red Lobster has operated at this location since 1988 demonstrating their commitment to the site
- Red Lobster to renovate/remodel this location within the next 24 months
- Positioned on an outparcel to Uptown Rapid, formerly Rushmore Mall – a 831,000 SF regional shopping center that experiences over 4,000,000 visitors each year
- Uptown Rapid was recently acquired by Rockstep Capital who plans to rejuvenate the property by adding uses other than retail to the mix
- Uptown Rapid is the only enclosed shopping mall within 250 miles
- Tenants surrounding retail corridor include Lowe's Home Improvement, PetSmart, Ashley HomeStore, Fleet Farm, Best Buy, Kohl's, AMC Theaters, Hobby Lobby, and many others
- Located just off Interstate 90 (34,318 VPD)
- 76,884 people living within five miles of the property earning an average annual household income of \$68,393



PROPERTY OVERVIEW

Price:	\$2,266,667
Cap Rate:	5.25%
Net Operating Income:	\$119,000 ¹
Tenant:	Red Lobster Hospitality LLC
Lease Expiration Date:	12/31/2034
Renewal Options:	Two 5-year
Rental Escalations ² :	1/1/2027: \$130,661 Option 1: \$144,025 Option 2: \$158,448
Lease Type:	NNN
Year Built/Renovated:	1988/2014
Building Size:	8,300 SF
Land Size:	1.58 AC

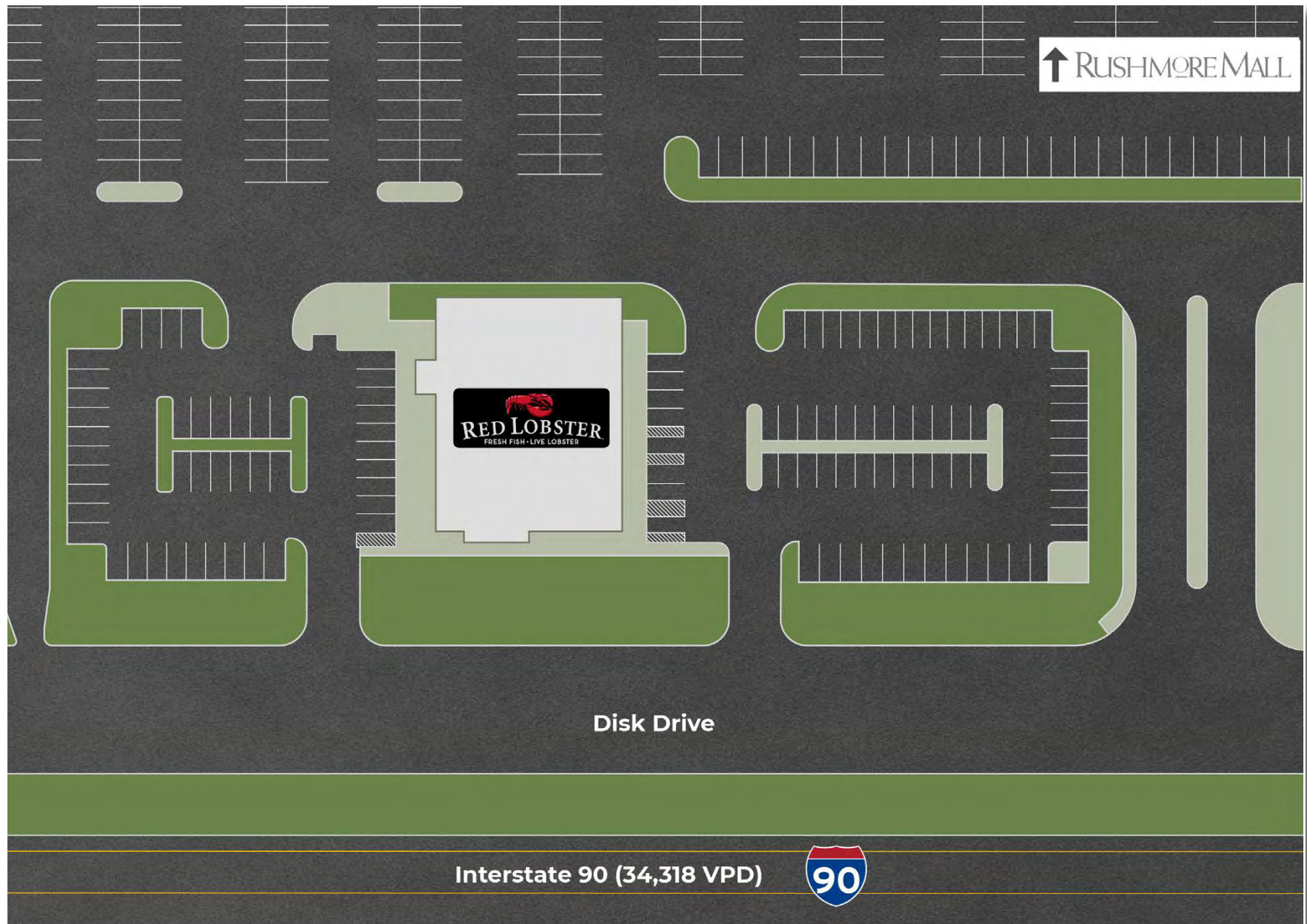
1) NOI includes a \$4,000 shopping center maintenance contribution paid by tenant. Landlord is entitled to collect the maintenance contribution without any offsetting expense. Beginning January 2026, the maintenance contribution will increase 2% annually. Rent is abated until 2/28/2023 – seller to credit buyer at closing for any rent deficiency.

2) Inclusive of shopping center maintenance contribution.











DEMOGRAPHICS

POPULATION

	1-Mile	3-Mile	5-Mile
Total Population:	7,317	33,996	76,884
Total Households:	2,854	14,310	32,268

INCOME

	1-Mile	3-Mile	5-Mile
Median Household Income:	\$31,732	\$37,913	\$51,940
Average Household Income:	\$44,778	\$54,793	\$68,393

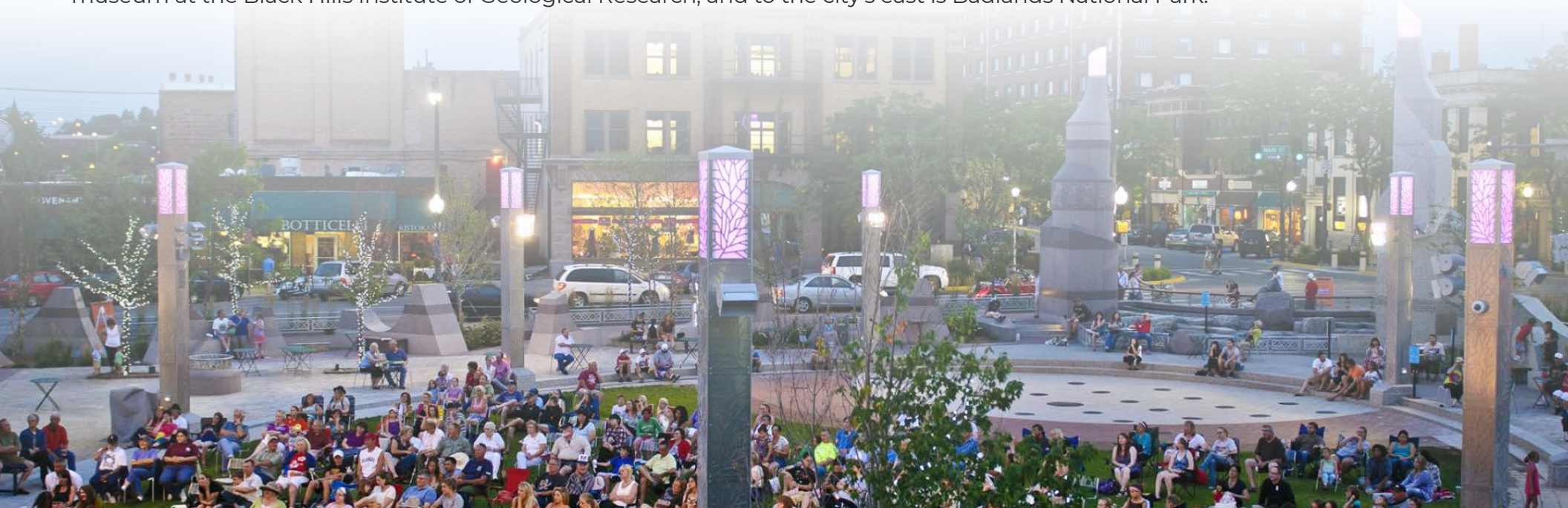


CITY OF RAPID CITY, SOUTH DAKOTA

Rapid City is the second most populous city in South Dakota and the county seat of Pennington County. Named after Rapid Creek, where the settlement developed, it is in western South Dakota, on the Black Hills' eastern slope. The population was 80,169 as of the 2020 Census.

Known as the "Gateway to the Black Hills" and the "City of Presidents" because of the life-size bronze president statues downtown, Rapid City is split by a low mountain ridge that divides the city's western and eastern parts. Ellsworth Air Force Base is on the city's outskirts. Camp Rapid, part of the South Dakota Army National Guard, is in the city's western part.

Rapid City is home to such attractions as Art Alley, Dinosaur Park, the City of Presidents walking tour, Chapel in the Hills, Storybook Island, and Main Street Square. The historic "Old West" town of Deadwood is nearby. In the neighboring Black Hills are the tourist attractions of Mount Rushmore, the Crazy Horse Memorial, Custer State Park, Wind Cave National Park, Jewel Cave National Monument, and the museum at the Black Hills Institute of Geological Research, and to the city's east is Badlands National Park.



RED LOBSTER

Red Lobster, the world's largest seafood restaurant Company, has grown to become an iconic casual dining brand since its first location opened in Florida in 1968. The company currently operates 700+ restaurants throughout the United States and Canada and has 40+ franchised restaurants in international markets. Red Lobster is led by an experienced management team with a history of success leading the brand and generates \$2.6B in revenue, making it the 6th largest casual dining concept in North America. In 2021, Red Lobster was recognized on the Forbes list of America's Best Large Employers, and "My Red Lobster Rewards Program" named to Newsweek's list of America's Best Loyalty Program.

In 2016, Thai Union made a strategic investment in Red Lobster after supplying the brand for more than 20 years. The investment not only marked a strategic step for Thai Union to build direct-to-consumer channel, but also allowed Thai Union to leverage restaurant industry expertise from the Red Lobster management team and increased synergies with Thai Union's core businesses through product development and expansion of suppliers. In 2020, Thai Union, Seafood Alliance - an investor group consisting of highly experienced global restaurateurs and hospitality industry executives, and Red Lobster Management, acquire the remaining equity stake in the brand.

Company Website:	www.redlobster.com
Company Type:	Private
Parent:	Thai Union Group (TUG)
Number of Total Stores:	749
Headquarters:	Orlando, FL



CONFIDENTIALITY & DISCLAIMER

The information contained in the following Offering Memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from The Boulder Group and should not be made available to any other person or entity without the written consent of The Boulder Group.

This Offering Memorandum 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. The Boulder Group has not made any investigation, and makes no warranty or representation.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, The Boulder Group has not verified, and will not verify, any of the information contained herein, nor has The Boulder Group 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.

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