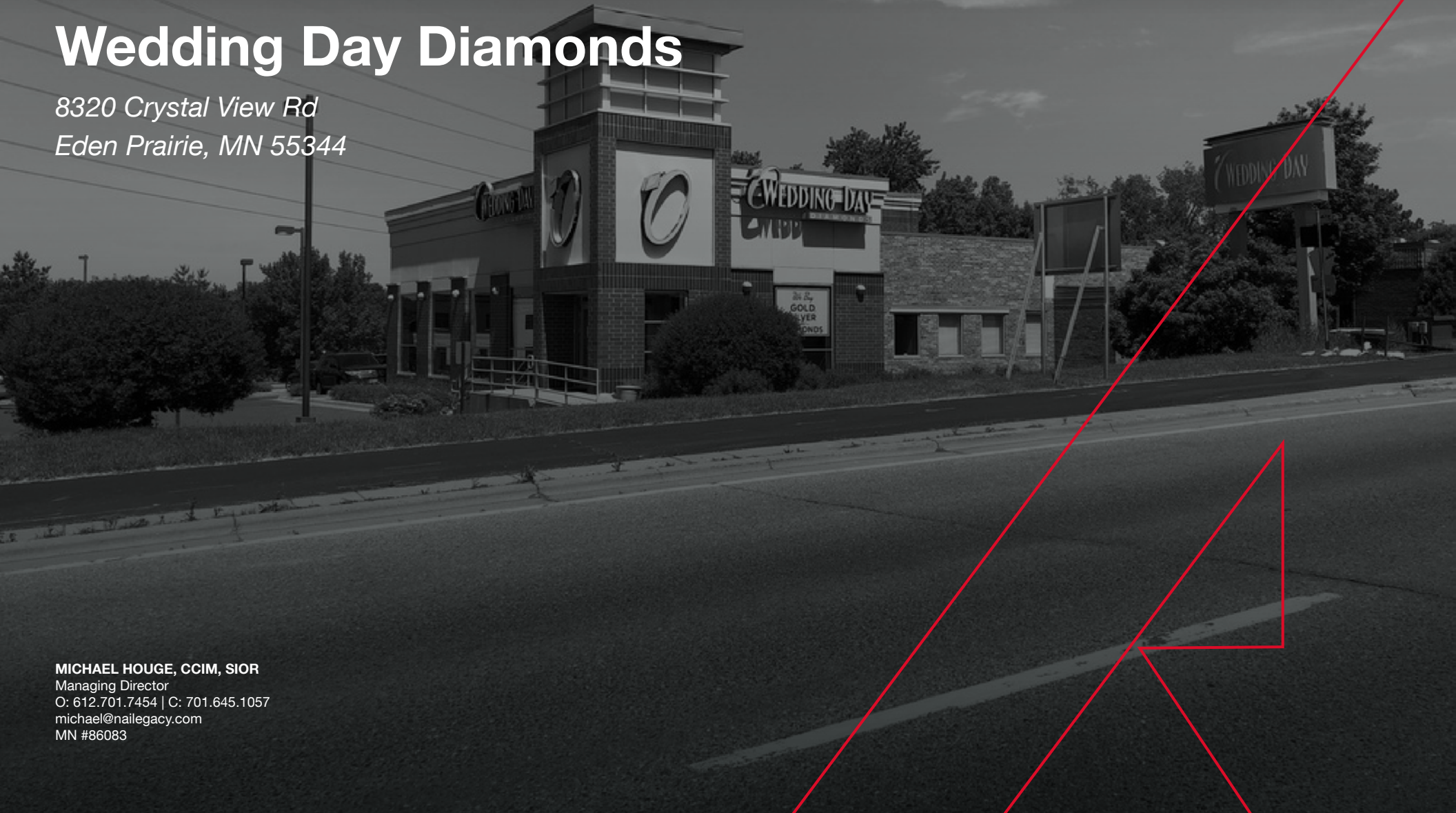




Absolute NNN Leased Sale-Leaseback | Offering Memorandum

Wedding Day Diamonds

*8320 Crystal View Rd
Eden Prairie, MN 55344*



MICHAEL HOUGE, CCIM, SIOR
Managing Director
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MN #86083

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DISCLAIMER

This analysis included in this investment summary is based on estimates and assumptions of NAI Legacy and its affiliates. NAI Legacy used a specific set of assumptions to create this analysis, but is not representing that any of the assumptions will materialize. There is a certain degree of inherent risk associated with commercial real estate investing, and you as the buyer, are advised to seek advice from your accountant, attorney and or other advisors, and to view this information as hypothetical. Although this analysis can be useful in making decisions about this investment, any of the assumptions could change, which may materially alter your conclusions.

All information furnished by NAI Legacy is from sources judged to be reliable, however, no warranty or representation is made to its accuracy or completeness.

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SECTION 1

Property Information



INVESTMENT HIGHLIGHTS

OVERVIEW

- Sale / Leaseback
- 5.71% Cap Rate
- Absolute Net Lease
- 20 Year Term
- 1.00% Annual Rental Increases
- NO LANDLORD RESPONSIBILITIES
- Excellent Financials
- Established Property in Bustling Suburb
- Retail & Office Space
- Interior Renovation to Retail space and Back-office (Planned for 2021)
- All-new Exterior Signage (Fully Installed by October)
- Blacktop Repaving Repainting Parking Lines
- One of the most well-known jewelry stores in Minnesota

PROPERTY DESCRIPTION

Single-tenant, net lease sale/leaseback of a retail showroom and mission-critical office headquarters. Wedding Day Diamonds is undergoing a complete renovation of the property. This destination retailer is ideally located for both spur-of-the-moment visits as well as appointments.

Investment opportunity for a single-tenant, NNN lease retail showroom and mission-critical office headquarters.



ADDITIONAL
EXTERIOR PHOTOS



PROPERTY DETAILS

Sale Price	\$3,995,000
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LOCATION INFORMATION	
Building Name	Wedding Day Diamonds
Street Address	8320 Crystal View Rd
City, State, Zip	Eden Prairie, MN 55344
County	Hennepin
Market	I-494 Corridor
Sub-market	SW Suburban
Cross-Streets	Flying Cloud Drive & Prairie Center Drive
Side of the Street	West
Signal Intersection	Yes
Road Type	Paved
Market Type	Large
Nearest Highway	I-494
Nearest Airport	Minneapolis - St. Paul International Airport (MSP)

BUILDING INFORMATION	
Building Size	± 5,300 SF
Occupancy %	100.0%
Tenancy	Single
Year Last Renovated	In Prograss

PROPERTY INFORMATION	
Property Type	Retail/Office
Zoning	C-Reg-Ser Commercial Regional Service
Property Subtype	Free Standing Building
Lot Size	± 0.69 Acres
APN #	14-116-22-31-0030
Lot Frontage	± 165 FT
Lot Depth	± 313 FT
Traffic Count	± 17,500 VPD
Traffic Count Street	Flying Cloud Drive

PARKING & TRANSPORTATION	
Parking Type	Surface/Covered

UTILITIES & AMENITIES	
Restrooms	4
Gas	Natural Gas
Water	City of Eden Prarie
Sewer	City of Eden Prairie

RETAIL
FLOOR



Financial Analysis



FINANCIAL SUMMARY

INVESTMENT OVERVIEW*	
Price	\$3,995,000
Cap Rate	5.71%
Investment Type	Sale-Leaseback
Lease Duration	20 Years
Rent Increases	1.00% Annual Rental Increases
OPERATING DATA	
Vacancy Cost	\$0.00
Operating Expenses	\$0.00
Net Operating Income (Year 1)	\$228,000

"PANDEMIC" PROOF TENANT

- No negative impact on the demand for bridal engagement and fashion jewelry
- Increased market share during the COVID-19 pandemic

COMPANY HIGHLIGHTS

Eight (8) locations across Minnesota:

- Burnsville
- Richfield
- Minnetonka
- Eden Prairie
- Maple Grove
- St. Cloud
- Woodbury
- Roseville
- 9th location opening in Minnesota in early 2022
- Diverse revenue mix ranging from bridal engagement rings, fashion jewelry, wedding bands, jewelry repairs, etc.
- Prototype jewelry business model in 2009 allowing Tenant to operate leanest jewelry store operation nationwide



FINANCIAL HIGHLIGHTS*

- 2020 same-store sales were up 6% over 2019 (with stores closed for ± 2.5 months due to CV-19)
- 2021 projected same-store sales are to finish the year up 16% YOY
- 2017-2021 Estimated Compound Annual Growth Rate averaging 8% per year

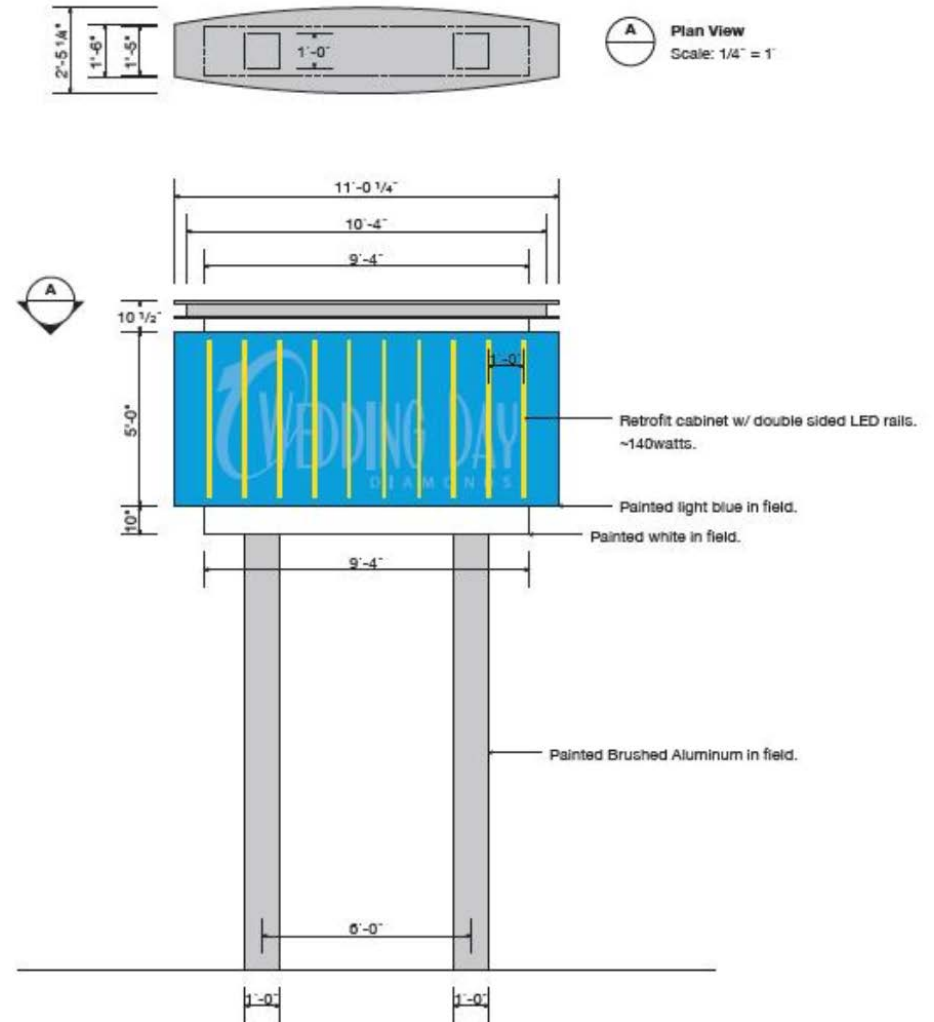
*Additional financial information will be provided with an NDA



PLANNED INTERIOR RENOVATION



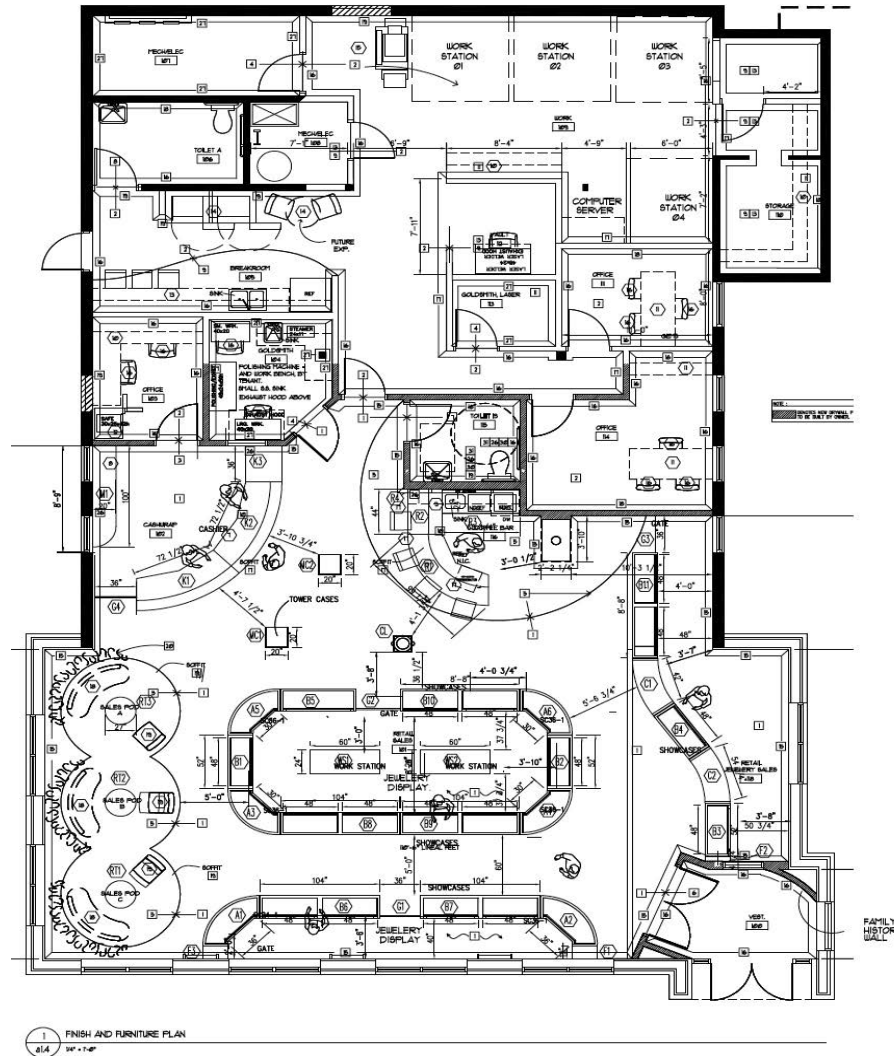
PLANNED SIGNAGE RENOVATIONS



HEADQUARTERS
PHOTOS



FLOOR PLAN



tanek

architecture
specialty millwork
virtual vision
project management
118 E. 26th Street
Suite 300
Minneapolis, MN 55404
P-612-879-8225
F-612-879-8152
www.tanek.com

construction documents

Wedding Day Jewelers
bldg. renovation and addition
eden prairie, mn

I hereby certify that this plan, specification or report was prepared by me or under my direct supervision and that I am a duly licensed architect under the laws of the state of Minnesota.

Professional Seal
24815
License number: State:



0003-00
as noted
two / ksp

city review 03/07/03
resubmit to city 03/26/03
issued for bid 06/02/03

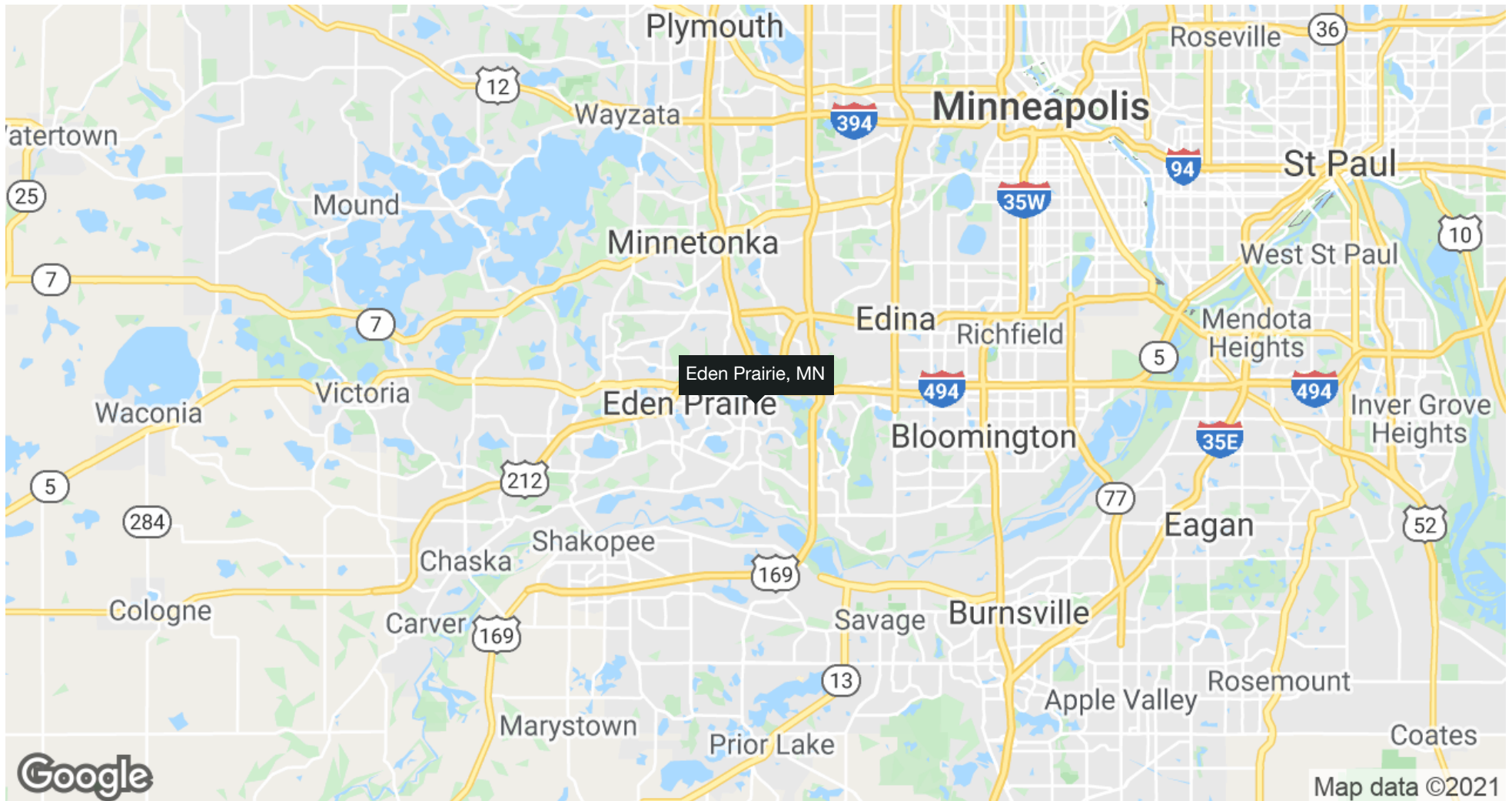
finish plan,
furniture plan
and schedules
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SECTION 3

Location Information



REGIONAL MAP



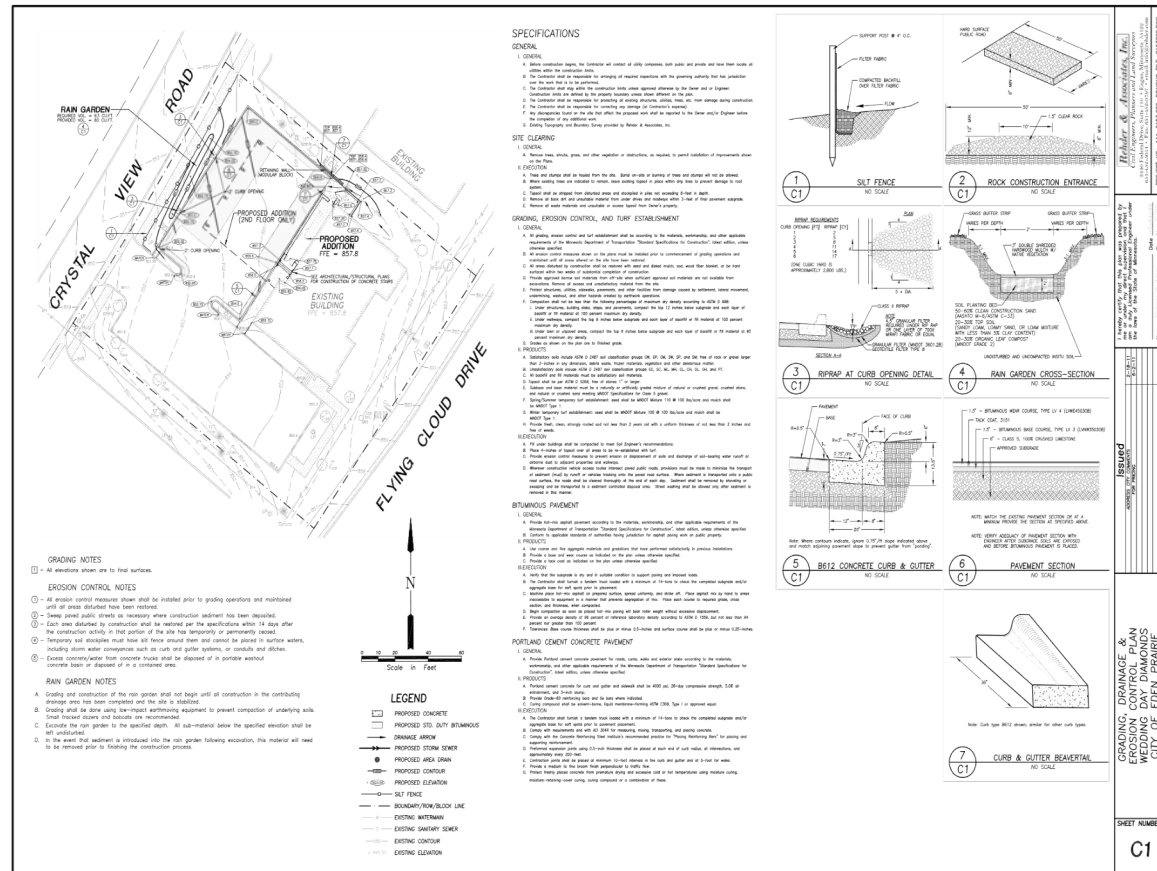
LOCATION MAP



RETAILER MAP



SITE PLAN



SECTION 4

Demographics

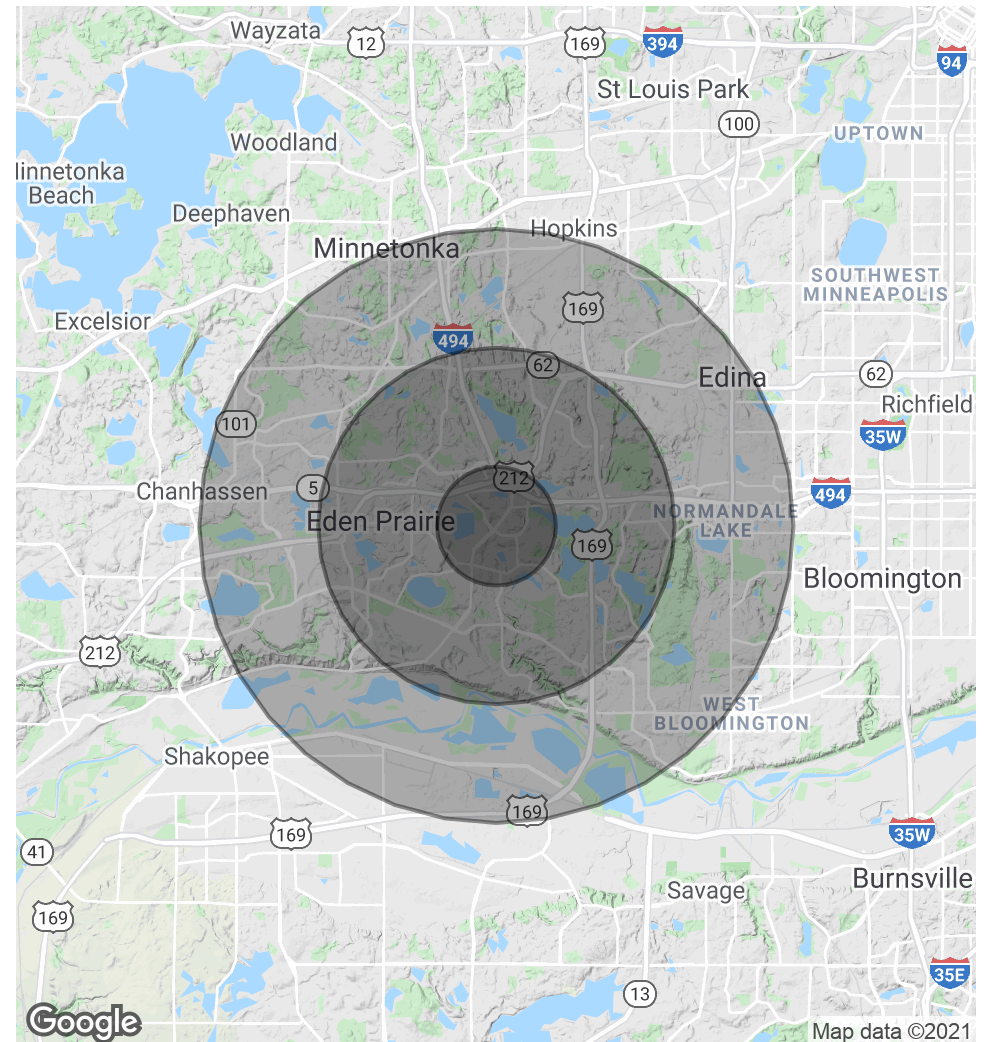


DEMOGRAPHICS MAP & REPORT

POPULATION	1 MILE	3 MILES	5 MILES
Total Population	7,999	46,845	131,275
Average age	31.7	37.5	40.1
Average age (Male)	30.9	35.7	38.6
Average age (Female)	32.4	38.7	41.1

HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
Total households	3,596	19,731	53,978
# of persons per HH	2.2	2.4	2.4
Average HH income	\$78,539	\$106,853	\$114,527
Average house value	\$291,320	\$380,696	\$389,836

* Demographic data derived from 2010 US Census



SALE-LEASEBACK BENEFITS

Flexible Lease Terms

The seller has a lot of power in sale-leasebacks to negotiate their lease. Because the seller is also the lessee, they can create a lease that is attractive to both the seller as well as the investor. Normally, a lease attractive to both parties will run for 15 years. The seller can also create term extension options, or terms for early termination, or for an option to buy.

Greater Value to the Real Estate

A sale-leaseback uses the company's investment more efficiently because it can be structured to finance the full market value of the company's land and building(s).

Retain Control of the Real Estate

Most sale leasebacks are structured as absolute, triple-net leases. This means that the tenant is responsible for the taxes, insurance, and normal operating expenses that they were responsible for when the property was user-owned. A long-term, 'hands-off' investor provides the seller the opportunity to maintain complete control over the property which is why this option is so attractive for the seller. The investor and the seller can work together to create options for future expansion or sublease of the property, but the business owner maintains a similar level of property control as when they owned the property themselves.

Capital for Growth

A sale-leaseback positions the seller to be able to use more of their assets. With this sale option, the seller can purchase additional facilities, technology, and equipment, buy out a shareholder, a special cash distribution to shareholders, key employees, or simply prepare for retirement. Additionally, sale-leasebacks can be used as an off-balance finance sheet that assists in turning a non-earning property asset into growth capital. Many businesses do not have this option without a sale-leaseback because of the tightening credit markets, so sellers are able to save the bank financing and their restrictions for future endeavors. Sale leasebacks provide business owners with heightened flexibility on the best use of their the cash looked up in real estate.

SALE-LEASEBACK BENEFITS

No Financial Covenants

Because of the lease and sale structure, there are fewer regulations that restrict the business. The company has an elevated level of control over its own operations. A sale-leaseback allows a company to enjoy some of the benefits of ownership while taking some financial "chips off the table"

Corporate Structuring/Exit Financing

A sale-leaseback is a very efficient method to access capital. If the business can provide good historical financials and projections of profitability financials based on a solid business model, then investors will want to jump in quickly. With the assistance of an investor, the business has the financial freedom to make additional capital investments in their business or use the funds for increasing compensation for key employees, or acquisitions. within its business.

Potential Tax Savings

Another benefit of a sale-leaseback is the tax savings for the business. In general, the lessee engaged in a lease can write off their entire lease payment as an expense for tax purposes. As the property owner, the only tax deductions available are usually the interest expense and property depreciation.

Attractive Implied Financing Rates

Cap rates or investor returns are embedded within future rent payments in a sale-leaseback, and while they are typically slightly higher than normal mortgage rates, there are advantages to the sale-leaseback. The sale-leaseback provides cash proceeds for up to 100% of the market value of the property, while a typical mortgage will only provide cash proceeds for an average of 65-75% of the *appraised* value of the property. The sale-leaseback investor has the real estate as collateral and a relationship with the seller (tenant) through the lease agreement.

Advisor Bio



**MEET THE
THE TEAM**

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License:
MN #86083
ND #7909

MICHAEL HOUGE

CCIM, SIOR, MANAGING DIRECTOR

Michael Houge, CCIM, SIOR is the Managing Director of NAI Legacy, a member of the NAI Global network of over 7,000 professionals and 400 offices worldwide. NAI Legacy is coupling the latest technology with a traditional emphasis on customer service. Our team provides strategic guidance, administrative support and brokerage services for properties totaling nearly 2,500,000 square feet. With business lines including property management, traditional sales, and leasing services, and 1031 tax-deferred exchange solutions, the NAI Legacy team is adept at navigating all aspects of quality commercial real estate assignments.

Mr. Houge has over 30 years of experience in project leasing and investment sales. Michael is a specialist in the sale of net-leased investment properties, 1031 Tax Deferred Exchanges, and more recently, commercial real estate in the Bakken oilfield markets of Western North Dakota. Mr. Houge has completed over a billion dollars in investment property transactions. Michael has also leased well over a million square feet as a landlord and tenant representative and is a frequent contributor and author in various real estate trade publications and he speaks frequently on panels and in conferences on investment sales, capital markets, marketing, the net-lease industry, 1031 tax-deferred exchanges, and North Dakota real estate.

Specialties Include: • The Purchase or Sale of Net-Leased Properties • 1031 Tax-Deferred Exchanges • Commercial Real Estate Investments • Energy (Oil Field) Related Real Estate • Real Estate Technology • Office Properties • Retail and Industrial Real Estate • Land Sales • Financing • Property Sales and Acquisitions • Consulting for Real Estate Projects • Public Speaking and Presenting on Related Topics • Real Estate Marketing • Branding and Web-Based Initiatives • Investment Analysis



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