TACO BELL™

510 N Cedar St, Kalkaska, MI 49646

15-Year Sale-Leaseback | Strong Performing Location

MATTHEWS™

Offering Memorandum

Exclusively Listed By

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Property Overview

$2,562,000	**±1.51 AC**	**Absolute NNN**
List Price	Lot Size	Lease Type
5.85%	**±2,346 SF**	**2023**
Cap Rate	GLA	Year Built

Tenant & Location Highlights

- **Strong-Performing Location with Healthy Rent-to-Sales Ratio —** Unit sales support a strong rent coverage ratio, indicating a healthy margin of safety for the operator.
- **15-Year Sale-Leaseback with Long-Term Commitment —** A new 15-year primary term from the Close of Escrow signals operator confidence in the site and provides a long runway of contractual income with Four, 5 Year Options to follow.
- **10% Rental Increases Every 5 Years —** Built-in rent growth throughout the primary term providing a hedge against inflation and supports steady NOI appreciation over the hold period.
- **Absolute Triple Net (NNN) Lease —** Zero landlord responsibilities, Tenant is responsible for taxes, insurance, CAM, and all structural/roof/parking lot maintenance.
- **Experienced, Multi-Unit Operator (30+ Years in Yum! Brands System) —** Leased to 7 Bells, LLC (±14 Units), an established Taco Bell franchisee with a concentrated, Michigan-based portfolio, reflecting deep familiarity with local market dynamics and a proven track record of operational success throughout the state.
- **2023 Construction –** Newer construction Drive Thru location reducing near-term capital expenditure risk and demonstrating a modern prototype for the brand.
- **Strong Brand Affiliation —** Taco Bell is one of the top-performing QSR brands in the country, backed by Yum! Brands (NYSE: YUM), one of the largest restaurant companies globally.
- **Signalized Highway Intersection with Heavy Pass-Through Traffic —** The property sits at the convergence of US-131, M-72, and M-66 (Cedar Street) in downtown Kalkaska, a crossroads that channels the majority of the Village's regional traffic directly past the site, providing consistent visibility and drive-thru convenience for both local residents and passing motorists.
- **Gateway to Northern Michigan Recreation & Tourism Corridor** — Known as the "Trout Capital of Michigan," Kalkaska serves as a gateway community for outdoor recreation (fishing, hunting, and the Kalkaska State Forest) and sits along the primary north-south corridor connecting to Traverse City, driving seasonal tourist and pass-through traffic that supplements the year-round local customer base.

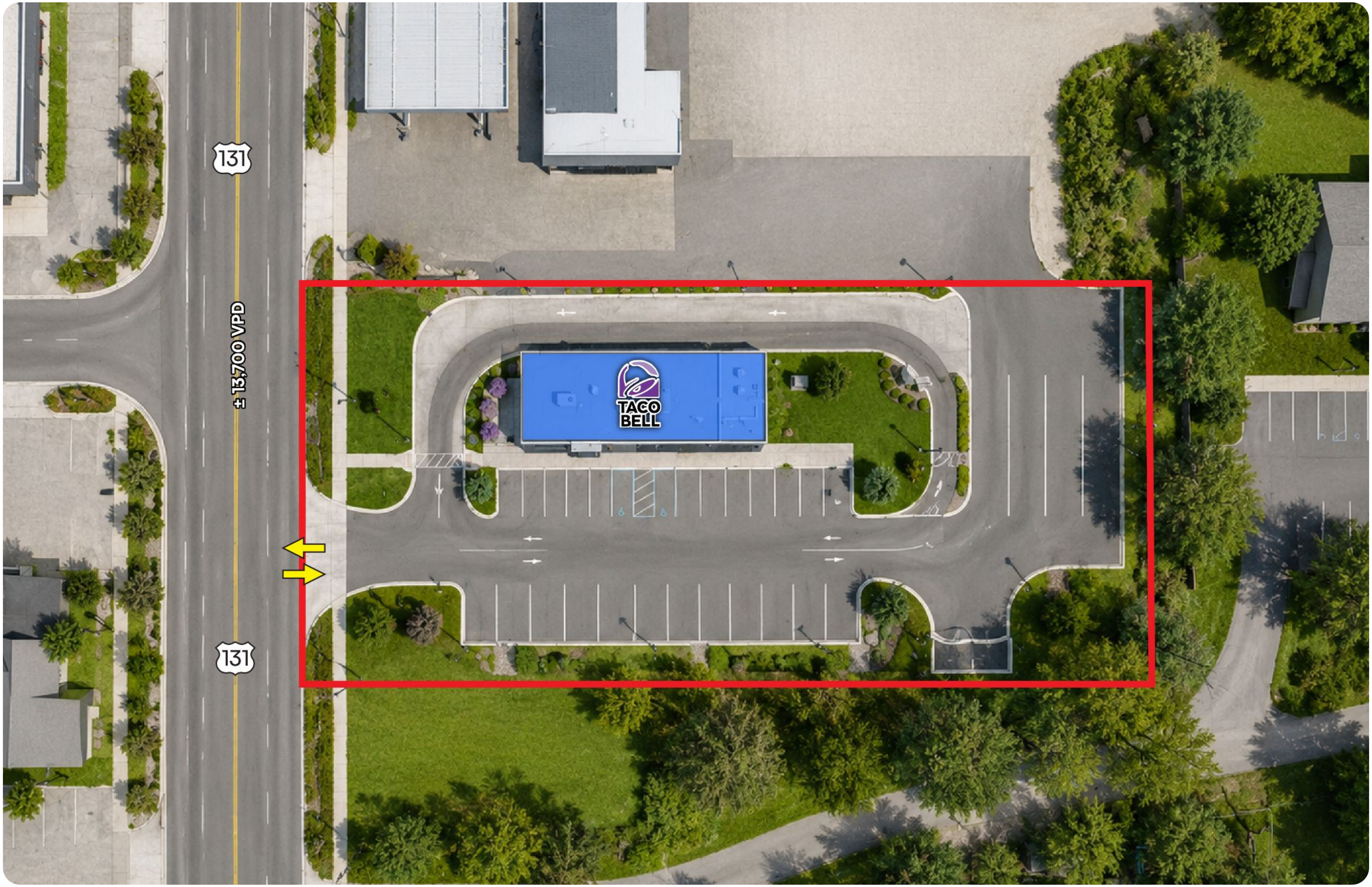
Aerial Map

NE
Northland Plaza
Northland Foods
DOLLAR GENERAL
Little Caesars
Ferrellgas
Ford
CHEVROLET
Huntington
Arby's
O'Reilly AUTO PARTS
ACE Hardware
BURGER KING
Granada Inn Motel
RODEWAY INN
131
CARQUEST
Mobil
TACO BELL
Subject Property
± 13,700 VPD
131

Aerial Map


SW
BIGGBY COFFEE
NORTH COUNTRY AMERICAN INN
KALKASKA MEMORIAL HEALTH CENTER
Kalkaska Memorial Health Center
±112 Beds | ±450 Employees
Birch Street Elementary School
±517 Students
Kalkaska High School
±466 Students
Kalkaska Family Dental
MARATHON
131
± 13,700 VPD
131
G's PIZZERIA
TACO BELL
Subject Property
CARQUEST
Mobil
131

Site Plan



Property Photos

Financial Overview

510 N Cedar St, Kalkaska, MI 49646

Financial Overview

$2,562,000
List Price

5.85%
Cap Rate

2023
Year Built

±13,700 VPD
US-131

$149,862
NOI

Tenant Summary

Brand Name	Taco Bell
Tenant	7 Bells, LLC (±14 Units)
Original Lease Term	15 Years from the Close of Escrow
Rent Increases	10% Every 5-Years
Option Periods	Four, 5 Year Options
Reports Sales	Yes
Lease Type	Absolute Triple Net (NNN)
Parking Lot / CAM	Tenant Responsibility
Property Tax	Tenant Responsibility
Insurance	Tenant Responsibility
Roof/Structure	Tenant Responsibility

Annualized Operating Data

	Monthly Rent	Annual Rent	Increases
Years 1 - 5	**$12,488.51**	**$149,862.16**	**-**
Years 6 - 10	$13,737.36	$164,848.38	10%
Years 11 - 15	$15,111.10	$181,333.21	10%
Option 1	$16,622.21	$199,466.53	10%
Option 2	$18,284.43	$219,413.19	10%
Option 3	$20,112.88	$241,354.51	10%
Option 4	$22,124.16	$265,489.96	10%

Tenant Overview

Year Founded	1962
Headquarters	Irvine, California
Ownership Status	Yum! Brands, Inc.
Employees	±175,000
Locations	8,500+
Annual Revenue	$15.9 Billion

TACO BELL™

Tenant Overview

Taco Bell is a globally recognized quick-service restaurant (QSR) brand specializing in Mexican-inspired cuisine, widely known for its value-oriented menu, innovation in product offerings, and strong cultural relevance among younger consumers. As a flagship brand within Yum! Brands, Inc.,

Taco Bell has established a dominant presence in the fast-food sector, supported by a highly franchised business model, consistent unit-level performance, and an adaptive marketing strategy that emphasizes digital engagement and menu innovation.

Why Invest in Taco Bell?

- **Experienced Franchise Operator –** 7 Bells, LLC is an established Taco Bell franchisee with extensive restaurant operating experience.
- **Backed by a Leading Brand –** Benefits from the strength and recognition of the Taco Bell and Yum! Brands franchise system.
- **Proven Operating Platform –** Operates under a standardized franchise model designed for consistent performance.
- **Strong Consumer Demand –** Supported by Taco Bell's loyal customer base and value-oriented menu.
- **National Marketing Support –** Leverages Taco Bell's digital platforms, advertising, and ongoing menu innovation.

Franchisee Overview

7 Bells, LLC

Taco Bell Store Count	Headquarters	Franchisee of
±14 Locations	Houghton Lake, MI	Yum! Brands, Inc. (NYSE: YUM)

Tenant Overview

7 Bells, LLC is a privately held, multi-brand quick-service restaurant franchise operator serving communities throughout Michigan. As an affiliate of Northland Investments, Inc. and Bells and Birds, Inc., the company has established a strong regional presence through the ownership, development, and operation of nationally recognized restaurant brands, including Taco Bell, KFC, Long John Silver's, and A&W. With more than three decades of operating experience, 7 Bells has demonstrated a consistent commitment to strategic expansion, modern restaurant development, and long-term investment in underserved Midwestern markets.

In recent years, the company has accelerated its growth through new ground-up developments and redevelopment projects, including the introduction of Taco Bell and KFC restaurants in communities such as Cheboygan, Bad Axe, and Williamsburg, Michigan. As a franchisee of Yum! Brands, 7 Bells benefits from one of the world's largest restaurant franchising systems while maintaining experienced local ownership and operations focused on long-term market growth.

Investment Strengths

- Experienced multi-brand QSR franchise operator with over 30 years of operating history
- Long-standing franchise relationship with Yum! Brands
- Active developer of new ground-up restaurants and redevelopment projects
- Strong regional market knowledge across Michigan
- Diversified portfolio of nationally recognized restaurant concepts

Current Marketing Strategy

7 Bells leverages the national marketing, digital ordering platforms, loyalty programs, and promotional campaigns of Taco Bell and KFC while pursuing continued growth through strategic new-store development, restaurant modernization, and expansion into underserved Michigan markets.

Taco Bell In The News

Inside Taco Bell’s Aggressive Strategy To Double Profits, Reach $3 Million AUV, And Surpass 10,000 Units

Taco Bell has launched an ambitious plan to significantly boost its financial performance and global presence. The strategy aims to double profits, achieve an average unit volume (AUV) of $3 million, and expand beyond 10,000 locations worldwide. Key components of this plan include innovative menu offerings, enhanced digital ordering systems, and targeted marketing campaigns designed to resonate with a diverse customer base. By focusing on these areas, Taco Bell seeks to strengthen its market position and drive substantial growth in the coming years.

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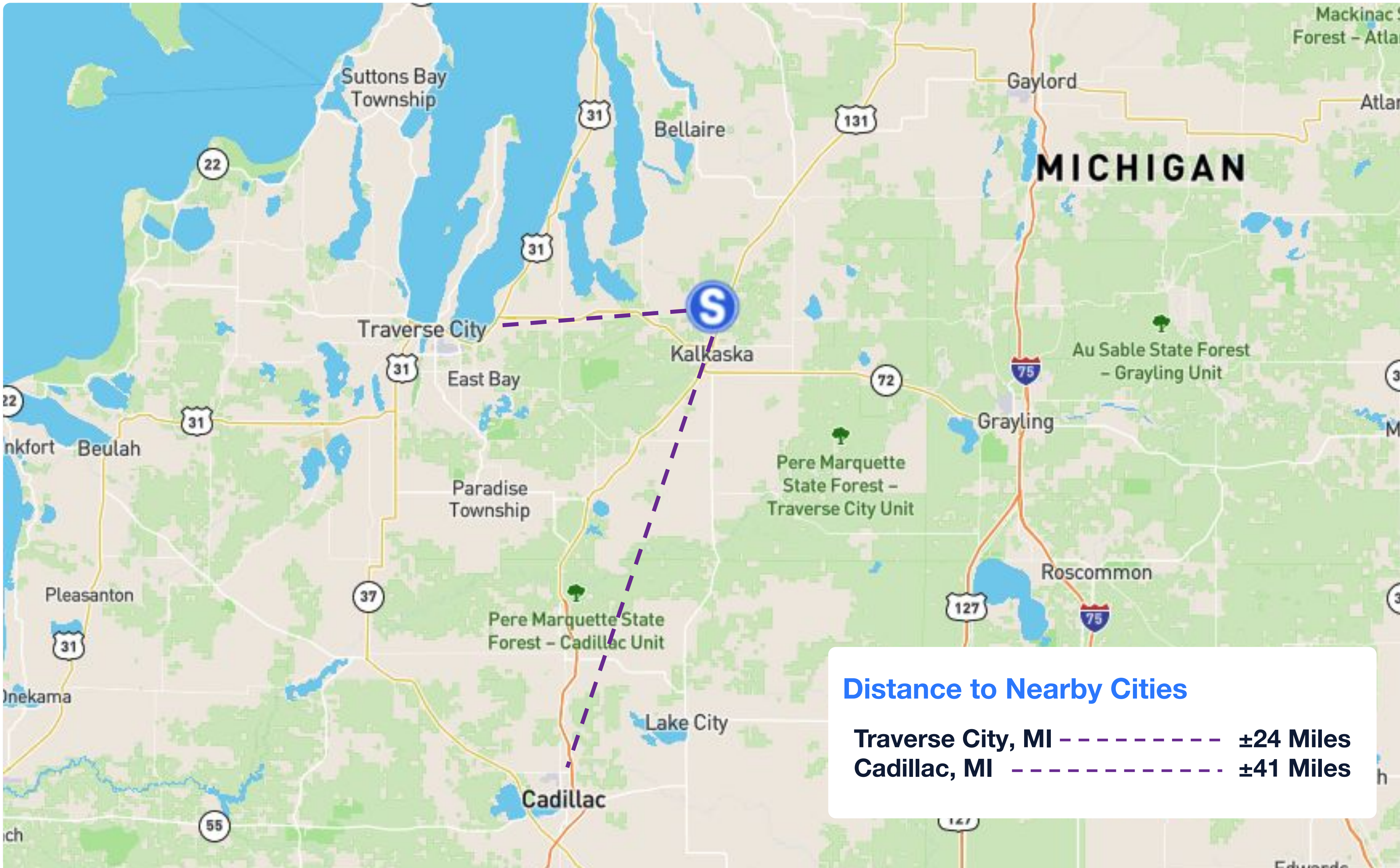
Why Owning The Tech Stack Is The Key To Yum!’s Future

Yum! Brands, the parent company of Taco Bell, KFC, Pizza Hut, and Habit Burger & Grill, has introduced "Byte by Yum!", a cutting-edge, AI-driven technology platform. This proprietary system integrates various essential functions—such as online and mobile ordering, point of sale, kitchen and delivery optimization, menu management, inventory, and labor management—into a unified tech suite. The implementation of Byte aims to enhance digital transactions, improve order accuracy, streamline operations, and boost overall customer satisfaction across all its restaurant brands.

qsrmagazine.com

Market Overview

510 N Cedar St, Kalkaska, MI 49646



Kalkaska, MI

Local Market Overview

Located in Northern Michigan, Kalkaska serves as an important commercial and service center for residents throughout Kalkaska County and neighboring communities. Positioned at the crossroads of US-131 and M-72, the village benefits from consistent local traffic as well as seasonal visitation generated by the region's abundant lakes, forests, and year-round outdoor recreation. Its strategic location provides convenient access to larger employment and retail centers, including Traverse City and Gaylord, while maintaining a lower cost environment that supports local businesses and encourages long-term investment.

The local economy is supported by healthcare, education, manufacturing, tourism, agriculture, and small business activity, creating steady demand for neighborhood-serving retail and essential services. Seasonal tourism associated with nearby Torch Lake, state forests, snowmobiling, fishing, and recreational trails provides an additional boost to consumer spending throughout the year. With limited new retail development, stable occupancy levels, and continued demand for convenience-oriented businesses, Kalkaska offers a favorable environment for retailers seeking highway visibility, a loyal customer base, and a broad regional trade area.

Property Demographics

Population	3-Mile	5-Mile	10-Mile
Current Year Estimate	3,790	5,546	13,920
Households	**3-Mile**	**5-Mile**	**10-Mile**
Current Year Estimate	1,512	2,263	5,822
Income	**3-Mile**	**5-Mile**	**10-Mile**
Average Household Income	$82,633	$83,518	$90,369

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