TACO BELL™

4861 220th Ave., Reed City, MI 49677

Absolute NNN Lease | Strong Franchisee (±70 Units)

MATTHEWS™

Offering Memorandum

Exclusively Listed By

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Property Overview

$2,557,000	**±1.60 AC**	**Absolute NNN**
List Price	Lot Size	Lease Type
5.67%	**±2,892 SF**	**2020**
Cap Rate	GLA	Year Built

Tenant & Location Highlights

- **±13.7 Years Remaining on 15-Year Primary Term —** Long-term lease signed with a 15-year initial term, providing long term in place income for an investor.
- **CPI-Based Annual Rental Increases (1.50% Cap) —** Annual escalations tied to CPI provide a built-in inflation hedge, with increases capped at a maximum of 1.50% annually, offering predictable, steadily growing NOI throughout the lease term.
- **Four (4), 5-Year Option Periods —** Additional renewal options extend the lease's total potential term well beyond the primary period, demonstrating tenant's long-term commitment to the site.
- **Absolute Triple Net (NNN) Lease —** Zero landlord responsibilities, Tenant is responsible for taxes, insurance, CAM, and all structural/roof/parking lot maintenance.
- **2020 Construction —** Newer construction reduces near-term capital expenditure risk and reflects a modern prototype build.
- **Experienced Operator —** Leased to Black River Bells, LLC (±70 Units), an established Taco Bell franchisee, reflecting operational depth and brand commitment within the system. They are a subsidiary of Sundance, Inc (280 Units)
- **Demand Driven Rest Stop —** Located right off US-131 with ±18,100 travelers per day. Reed City sits at the crossing of US-131 and US-10, making it one of the few true multi-highway interchange towns in this part of the state and positioning the site to capture both local and regional pass-through traffic.
- **Regional Trade Hub for a Rural, Multi-County Trade Area —** US-131 connects Reed City to Big Rapids, home to Ferris State University, along the same corridor, and Reed City functions as the primary retail and services stop along US-131/US-10 for surrounding rural Osceola County communities, supporting a trade area that extends well beyond the city's own population base.

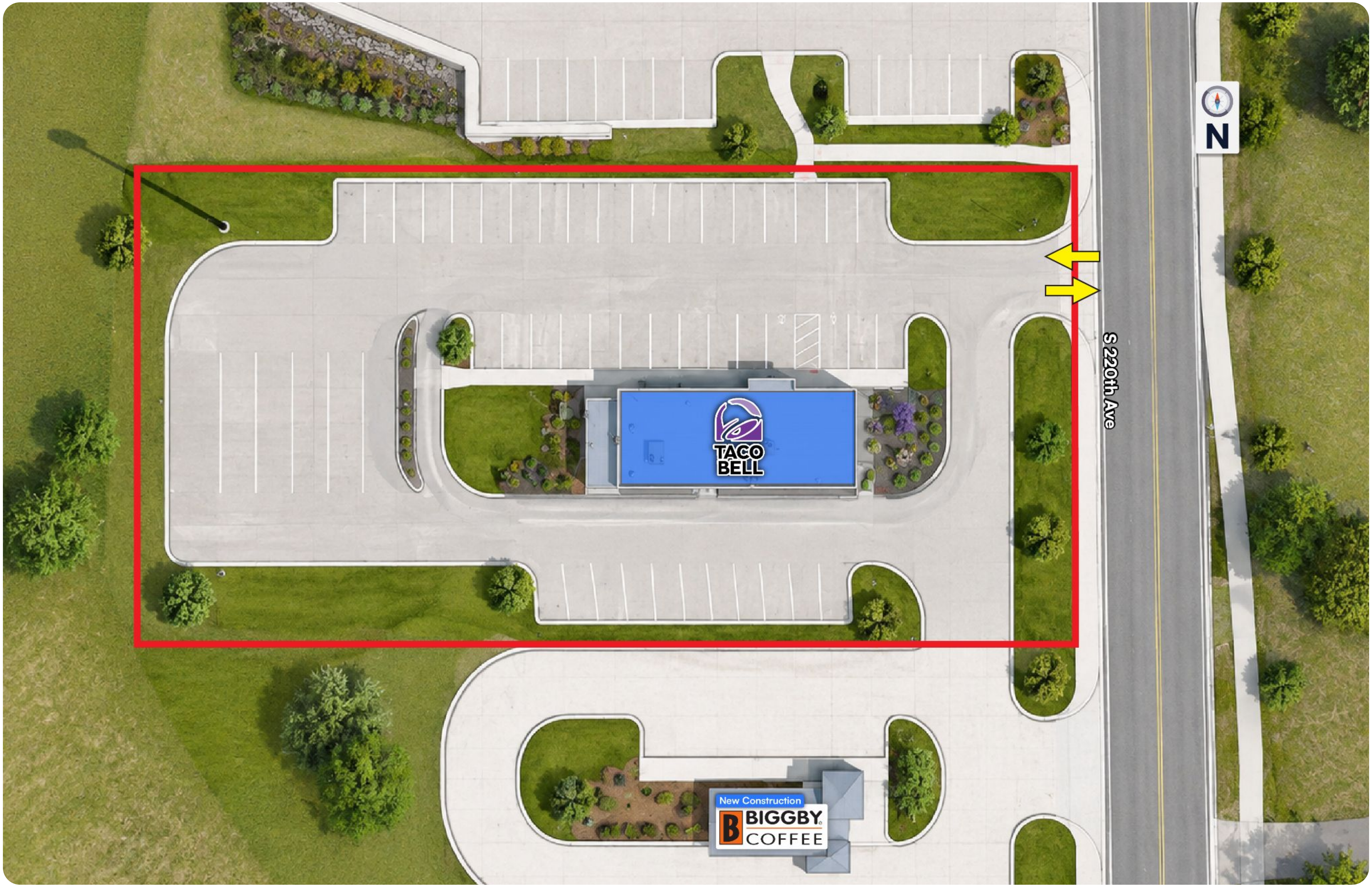
Aerial Map

To the North
Cadillac.......................... ±28 Miles
Traverse City.....................±74 Miles
Petoskey......................... ±118 Miles
N
WOLVERINE
POWER COOPERATIVE
INVIO
AUTOMATION
BURGER KING
Johnny's
131
± 18,100 VPD
131
10
10
10
McDonald's
WESCO
SNACK HQ
SUBWAY
TACO BELL
Subject Property
S 220th Ave

Aerial Map


TUBELITE
DEPENDABLE
FOX REED CITY
RC REED CITY
G.T. NORMAN ELEMENTARY
LEADING THE PACK
COINHUB
Huntington
E
FAMILY Farm&Home
Reed City
±1.4 Miles Away
DOLLAR GENERAL
10
McDonald's
10
WESCO SNACK HQ
TACO BELL
New Construction
BIGGBY COFFEE
WEST MICHIGAN CREDIT UNION
A Division of WMCU
S 220th Ave
Subject Property
SUBWAY

Site Plan



Property Photos

Financial Overview

4861 220th Ave., Reed City, MI 49677

Financial Overview

$2,557,000
List Price

5.67%
Cap Rate

2020
Year Built

±18,100 VPD
US-131

$145,013
NOI

Lease Summary

Tenant	Black River Bells, LLC (±70 Units)
Brand Name	Taco Bell
Commencement Date	5/13/2025
Lease Expiration Date	5/31/2040
Original Lease Term	15 Years
Lease Term Remaining	±13.7 Years
Rent Increases (see footnote)	CPI (Capped at 1.50% Annually)
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

(1) Base Annual Rental increases are calculated as three (3) times the change in CPI [Initial Base Annual Rental × 3 × ((Variable Index / Base Index) – 1.0)], subject to a cap of 1.5% per Adjustment Date and a floor equal to the prior year's Base Annual Rental (no decreases). Based on historical CPI trends, increases are estimated to approximate the 1.5% cap in most years.

Financial Summary

Annualized Operating Data

Years	Monthly Rent	Annual Rent	Increase
Current - 5/31/2027	**$12,084.42**	**$145,013.05**	**-**
6/1/2027 - 5/31/2028	$12,265.69	$147,188.25	1.50% (est)
6/1/2028 - 5/31/2029	$12,449.67	$149,396.07	1.50%
6/1/2029 - 5/31/2030	$12,636.42	$151,637.01	1.50%
6/1/2030 - 5/31/2031	$12,825.96	$153,911.57	1.50%
6/1/2031 - 5/31/2032	$13,018.35	$156,220.24	1.50%
6/1/2032 - 5/31/2033	$13,213.63	$158,563.54	1.50%
6/1/2033 - 5/31/2034	$13,411.83	$160,942.00	1.50%
6/1/2034 - 5/31/2035	$13,613.01	$163,356.13	1.50%
6/1/2035 - 5/31/2036	$13,817.21	$165,806.47	1.50%
6/1/2036 - 5/31/2037	$14,024.46	$168,293.56	1.50%
6/1/2037 - 5/31/2038	$14,234.83	$170,817.97	1.50%
6/1/2038 - 5/31/2039	$14,448.35	$173,380.24	1.50%
6/1/2039 - 5/12/2040	$14,665.08	$175,980.94	1.50%
5/13/2040 - 5/31/2030	$14,885.05	$178,620.65	1.50%

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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 –** Black River 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

Black River Bells, LLC

Taco Bell Store Count	Headquarters	Subsidiary of
±70 Locations	Brighton, MI	Sundance, Inc (200+ Locations)

Tenant Overview

Black River Bells LLC is a large, privately held Taco Bell franchise operator in the Midwest and a subsidiary of Sundance, Inc., a multi-brand restaurant operator with more than 200 locations. Black River Bells owns and operates a growing portfolio of Taco Bell restaurants across multiple states and has demonstrated an active expansion strategy through both new ground-up development and acquisitions of existing restaurant portfolios. As a franchisee of Yum! Brands, the company benefits from the strength of one of the world's leading quick-service restaurant systems while also leveraging the broader operating experience and scale of its parent company.

The company operates numerous Taco Bell locations throughout Michigan, Ohio, Illinois, and surrounding Midwestern markets, with continued expansion through new development and strategic acquisitions. In 2025, Black River Bells significantly expanded its footprint through the acquisition of 35 Taco Bell restaurants from Midwest franchise operators Bells and Birds, Inc. and Marianne, Inc., further establishing itself as a prominent regional franchise organization. The company's ongoing investment in remodels, relocations, and new construction underscores a long-term commitment to the Taco Bell system and reflects confidence in the brand's continued growth. Black River Bells also benefits from the resources, operating infrastructure, and multi-unit restaurant experience of parent company Sundance, Inc.

Investment Strengths

- Experienced multi-unit Taco Bell franchise operator backed by Sundance, Inc.
- Parent company operates a diversified restaurant portfolio of 200+ units
- Active developer of new ground-up restaurant locations
- Demonstrated acquisition-driven growth strategy
- Benefits from Taco Bell's nationally recognized brand and operating platform
- Long-term investment in remodels and store modernization
- Backed by the operational systems, marketing, and supply chain of Yum! Brands

Current Marketing Strategy

Black River Bells leverages Taco Bell's national advertising campaigns, digital ordering ecosystem, loyalty platform, and value-focused menu strategy while expanding its regional footprint through acquisitions, relocations, remodels, and new restaurant development.

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.

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Market Overview

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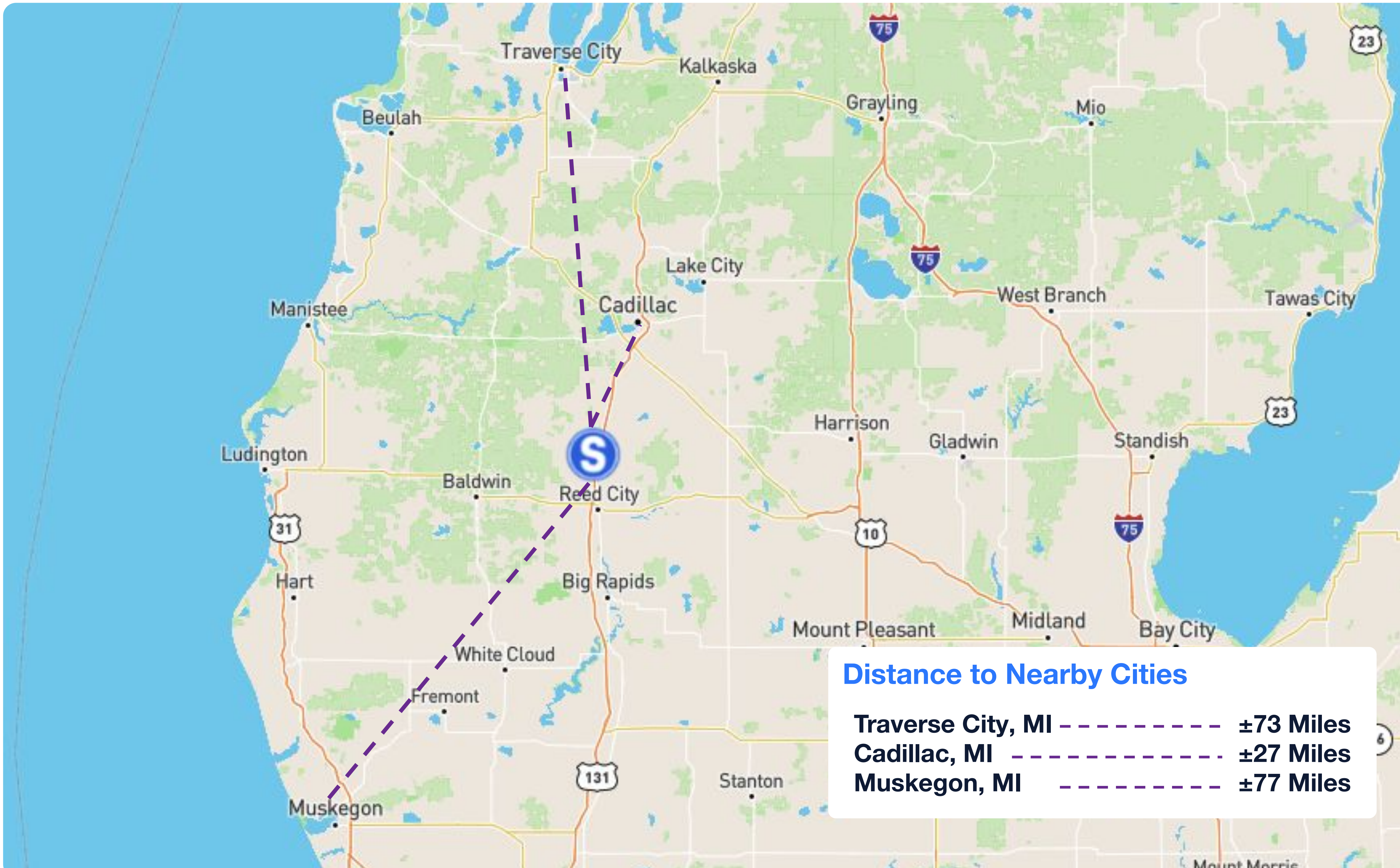

Distance to Nearby Cities

Traverse City, MI	**±73 Miles**
Cadillac, MI	**±27 Miles**
Muskegon, MI	**±77 Miles**

Reed City, MI

Osceola County

Local Market Overview

Located in central northern Michigan, Reed City serves as a regional commercial hub for Osceola County and surrounding rural communities. The city's strategic location at the intersection of US-10 and US-131 provides exceptional connectivity between West Michigan, Northern Michigan, and the Lake Michigan shoreline, supporting steady consumer traffic and regional commerce. Reed City's accessible transportation network, affordable business environment, and role as a center for retail, healthcare, education, and public services make it an important destination for residents across a broad trade area.

The local economy is anchored by healthcare, manufacturing, agriculture, education, and tourism, providing consistent demand for neighborhood-serving retail and essential services. Seasonal recreational activity throughout the surrounding lakes, forests, and trail systems—including the White Pine Trail State Park and nearby outdoor destinations—supplements year-round consumer spending. Limited retail development and modest competition have helped maintain stable market fundamentals, while the city's highway visibility and regional accessibility continue to attract retailers seeking to serve both local residents and travelers moving between Grand Rapids, Cadillac, and Northern Michigan.

Property Demographics

Population	3-Mile	5-Mile	10-Mile
Current Year Estimate	3,578	5,227	13,134
Households	**3-Mile**	**5-Mile**	**10-Mile**
Current Year Estimate	1,504	2,208	5,561
Income	**3-Mile**	**5-Mile**	**10-Mile**
Average Household Income	$80,341	$83,994	$85,459

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