TACO BELL™

W 206 US-2, St Ignace, MI 49781

15-Year Sale-Leaseback | Healthy Rent to Sales

MATTHEWS™

Offering Memorandum

Exclusively Listed By

Point Of Contact

Hudson DeJean
Associate Vice President
(602) 218-5242
hudson.dejean@matthews.com
License No. SA704485000 (AZ)

Haidyn DeJean
Senior Associate
(602) 946-4862
haidyn.dejean@matthews.com
License No. SA706736000 (AZ)

Alex DeSoto
FVP & Director
(602) 898-8499
alex.desoto@matthews.com
License No. SA705467000 (AZ)

Simon Assaf
Senior Vice President & Director
(949) 873-0275
simon.assaf@matthews.com
License No. BR663663000 (AZ)

Matthew Fitzgerald | Broker of Record | Broker Lic. No. 6502432668 (MI) | Firm Lic. No. 6505432273 (MI)

MATTHEWS™

Table of Contents

Property Overview

TACO BELL

$1,809,000 List Price	**±1.50 AC** Lot Size	**Absolute NNN** Lease Type
6.00% Cap Rate	**±2,589 SF** GLA	**2022** 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.
- **2022 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.
- **Located at the Gateway to Michigan's Upper Peninsula —** St. Ignace's own city motto is "Gateway to Michigan's Upper Peninsula," and the site sits directly along US-2/BL I-75 at the north end of the Mackinac Bridge, the sole highway link connecting Michigan's Lower and Upper Peninsulas, positioning the property to capture nearly all northbound and southbound regional pass-through traffic.
- **High-Volume, Toll-Bridge-Anchored Traffic Generator —** The Mackinac Bridge carries approximately ±11,600 vehicles per day across the Straits of Mackinac, with St. Ignace serving as the primary stop for fuel, food, and rest immediately following the crossing. The city sits at the north end of the bridge, directly across from Mackinaw City at the south end, making it a natural, high-frequency travel stop.
- **Strong Seasonal Tourism Demand Driver —** The property benefits from heavy seasonal visitor volume, supported by 1,500+ area lodging units (hotels, cabins, and campsites) tied to nearby attractions including Bridge View Park, Straits State Park, and the Father Marquette National Memorial, with additional traffic from ferry access to Mackinac Island; supplementing the year-round local customer base with peak-season tourist demand.

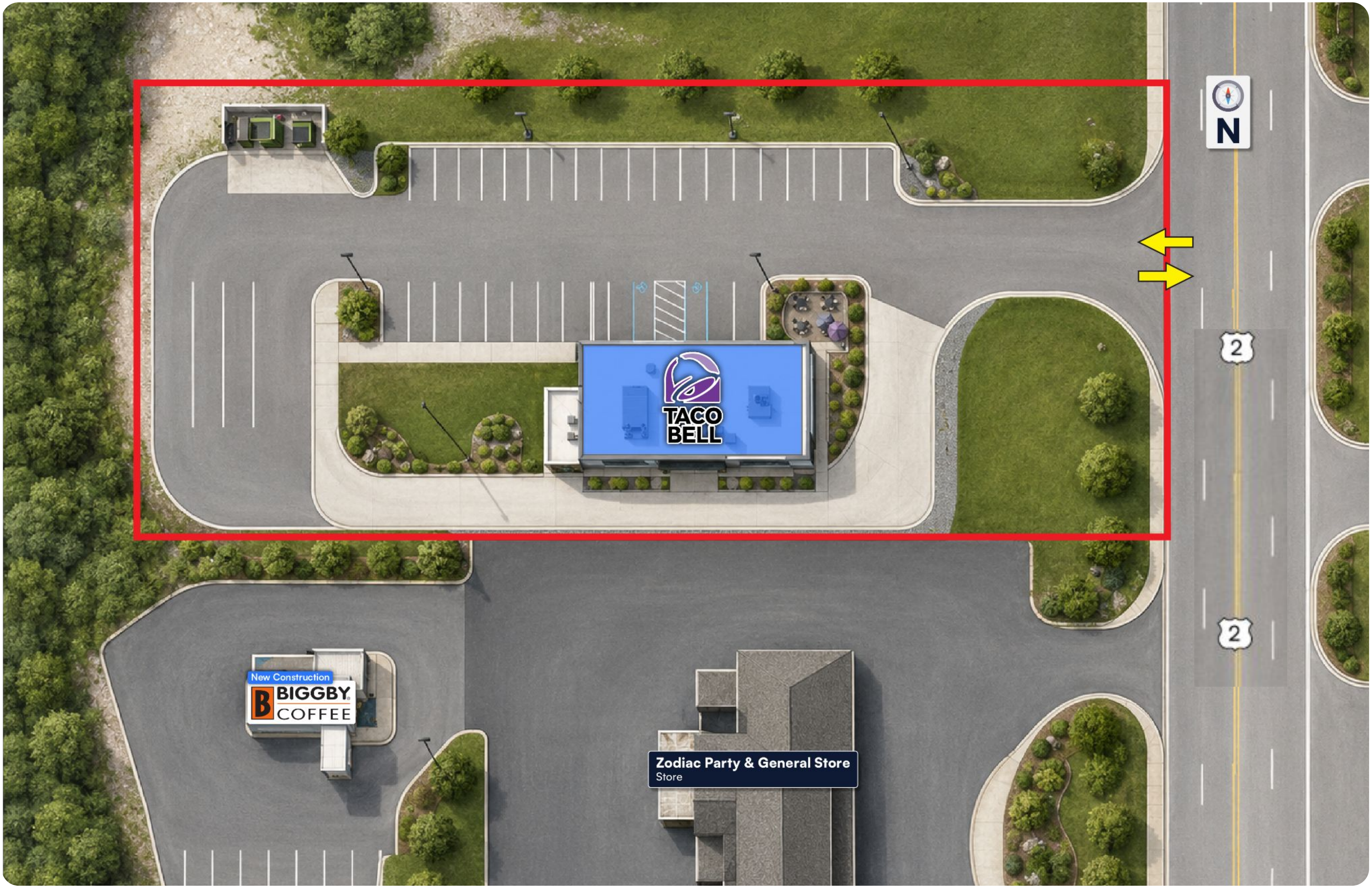
Aerial Map

SE
Cedar Hill Lodge
FAMILY FARE.
In Your Neighborhood
Quality
INN & SUITES
EZ Mart
Convenience Store
SUBWAY
St. Ignace Happy Car Wash
Car Wash
FRED'S TRUCK STOP
ST. IGNACE, MI
Clyde's Drive-In
Restaurant
TACO BELL
Subject Property
Zodiac Party & General Store
Store
New Construction
BIGGBY COFFEE

Aerial Map

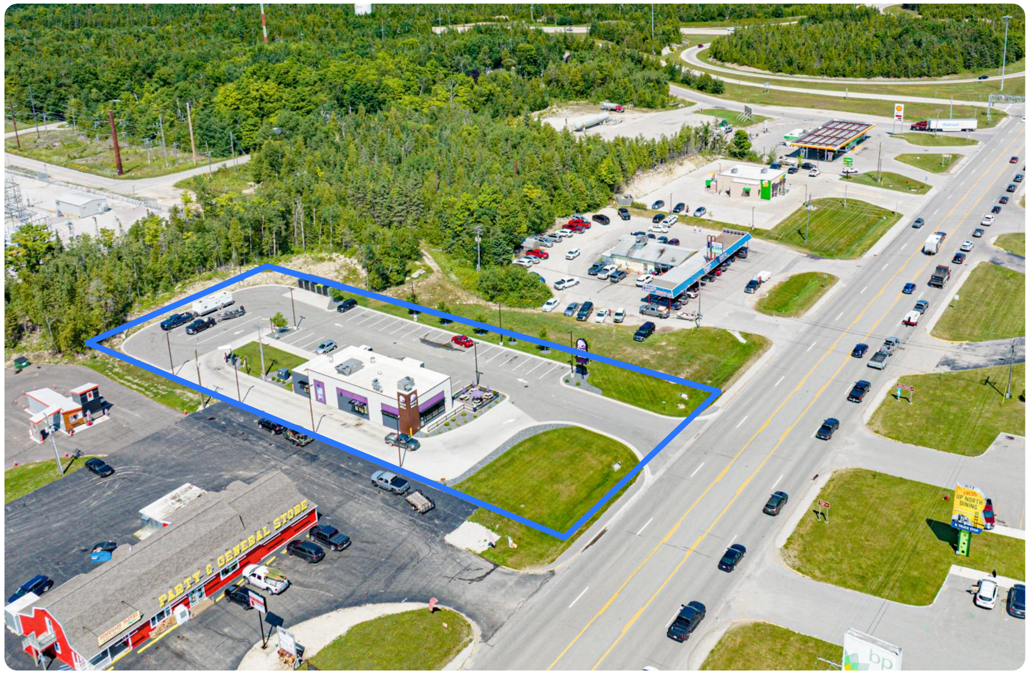
NW
U.P. STATE CREDIT UNION
Bridging Your Financial Dream
BURGER KING
McDonald's
CIRCLE K
St. Ignace LaSalle High School
±117 Students
St. Ignace Elementary & Middle School
±240 Students
St Ignace Michigan Electric Substation 1
Electrical Substation
New Construction
BIGGBY COFFEE
bp
Zodiac Party & General Store
Store
TACO BELL
Subject Property
FRED'S TRUCK STOP
ST. IGNACE, MI
Truck Stop
2
Clyde's Drive-In
Restaurant

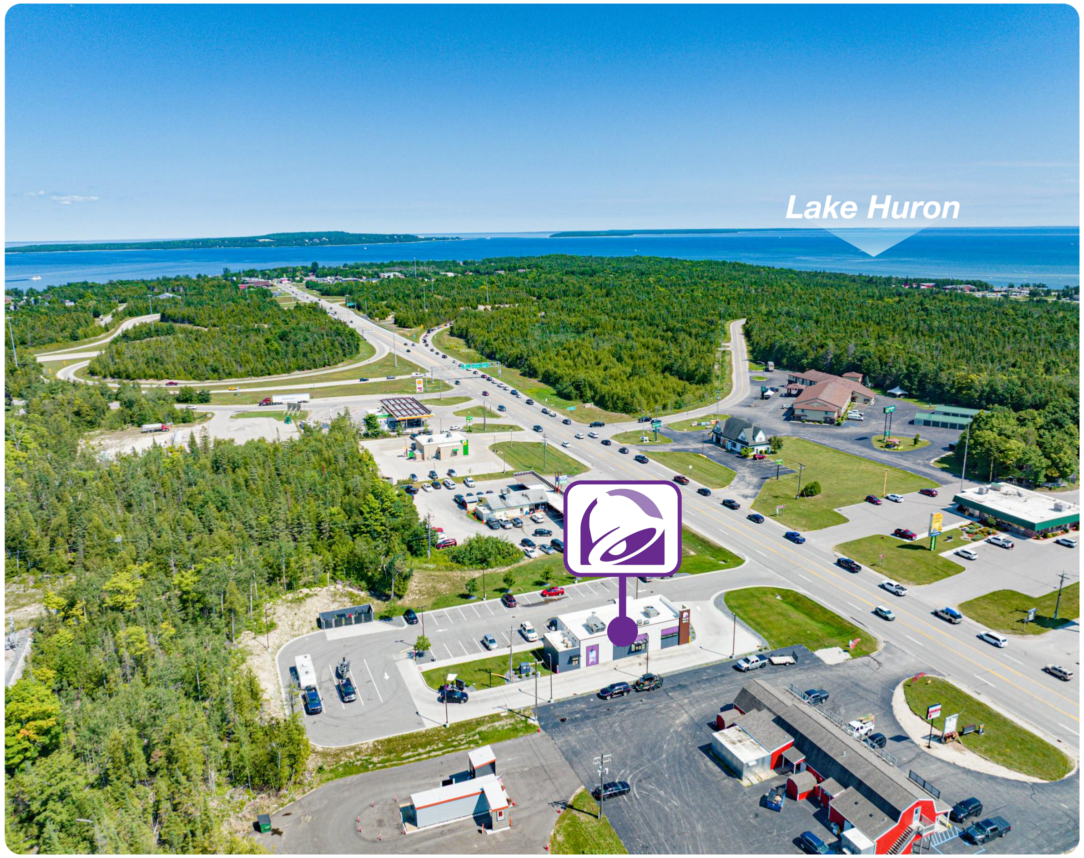
Site Plan



N
2
2
TACO BELL
New Construction
BIGGBY COFFEE
Zodiac Party & General Store
Store

Property Photos





Financial Overview

W 206 US-2, St Ignace, MI 49781

Financial Overview

$1,809,000
List Price

6.00%
Cap Rate

2022
Year Built

$108,510
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	**$9,042.50**	**$108,510.01**	**-**
Years 6 - 10	$9,946.75	$119,361.01	10%
Years 11 - 15	$10,941.43	$131,297.11	10%
Option 1	$12,035.57	$144,426.82	10%
Option 2	$13,239.13	$158,869.51	10%
Option 3	$14,563.04	$174,756.46	10%
Option 4	$16,019.34	$192,232.10	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.

qsrmagazine.com

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

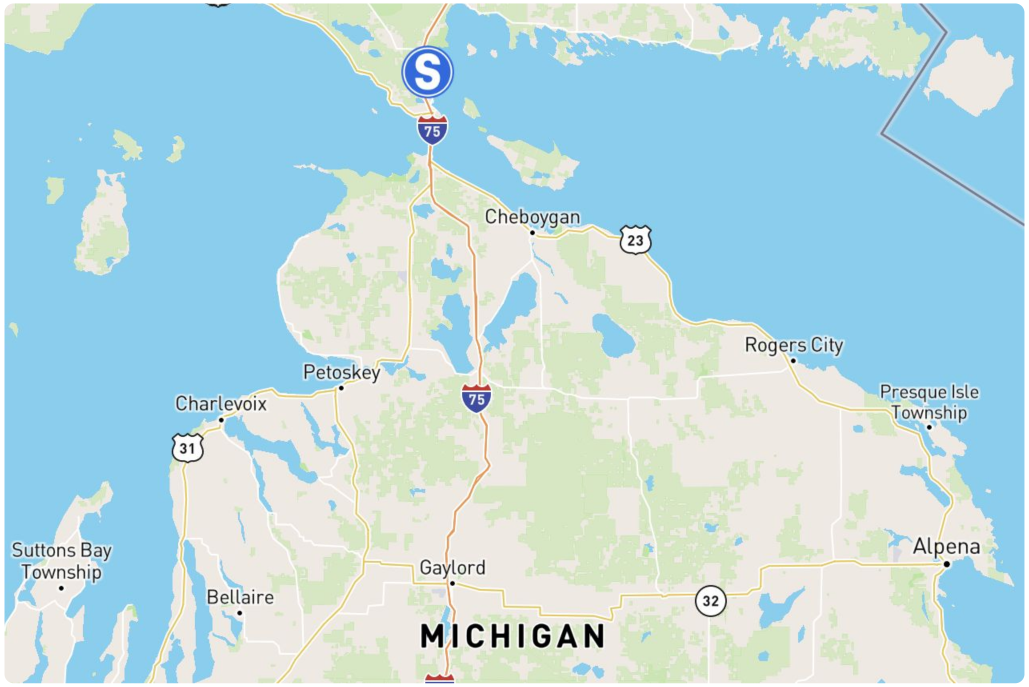
W 206 US-2, St Ignace, MI 49781

St Ignace, MI

Local Market Overview

Positioned at the northern gateway to the Mackinac Bridge, St. Ignace serves as one of Northern Michigan's premier tourism-driven retail markets. While the permanent population is modest, the city benefits from millions of annual visitors traveling to Mackinac Island, the Upper Peninsula, and surrounding recreation destinations. This seasonal influx significantly expands the consumer base, supporting restaurants, convenience retail, outdoor recreation outfitters, gift shops, hospitality, and service-oriented businesses.

Retail demand is concentrated along U.S. 2, Business I-75, and the downtown waterfront, where pedestrian activity and tourism create strong visibility. National brands are limited, allowing many locally owned businesses to capture visitor spending. Retail performance is closely tied to the tourism season, though year-round demand is supported by local residents, government services, healthcare, and regional traveler.



Property Demographics

Population	3-Mile	5-Mile	10-Mile
Current Year Estimate	2,394	3,025	5,259

Households	3-Mile	5-Mile	10-Mile
Current Year Estimate	1,118	1,432	2,530

Income	3-Mile	5-Mile	10-Mile
Average Household Income	$76,220	$79,322	$82,093

MATTHEWS™

Exclusively Listed By

Point Of Contact

Hudson DeJean
Associate Vice President
(602) 218-5242
hudson.dejean@matthews.com
License No. SA704485000 (AZ)

Haidyn DeJean
Senior Associate
(602) 946-4862
haidyn.dejean@matthews.com
License No. SA706736000 (AZ)

Alex DeSoto
FVP & Director
(602) 898-8499
alex.desoto@matthews.com
License No. SA705467000 (AZ)

Simon Assaf
Senior Vice President & Director
(949) 873-0275
simon.assaf@matthews.com
License No. BR663663000 (AZ)

Matthew Fitzgerald | Broker of Record | Broker Lic. No. 6502432668 (MI) | Firm Lic. No. 6505432273 (MI)