

TIM HORTON'S

BRAND NEW 20-YEAR TRIPLE-NET (NNN) SALE LEASEBACK



OFFERING MEMORANDUM

Tim Hortons®

3523 Belmont Ave, Youngstown, OH 44505

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Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other

locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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Tim Hortons®



Investment Highlights

LOCATION

REAL ESTATE FUNDAMENTALS

- ✓ Dense Retail Corridor | Major National Tenants Include: Wendy's, Chase, KFC, Arby's, Taco Bell, Walmart, Aldi, Dollar General, Aaron's, AutoZone, BP, Save-a-Lot, Walgreens, Rite Aid, Subway, Long John Silvers, McDonald's, Bob Evans, Shell, and Denny's
- ✓ Strong Traffic Counts | Belmont Ave & I-80 | Average Daily Traffic Counts of 23,250 & 38,000 Vehicles Respectively
- ✓ Northside Regional Medical Center | Located Just South of the Subject Property | 204-Bed State-of-the-Art Facility

LEASE

LEASE STRUCTURE

- ✓ Brand New 20-Year Sale Leaseback
- ✓ Triple Net (NNN) Lease with Zero Landlord Responsibilities
- ✓ Attractive 2% Annual Rental Increases Starting in Year Six
- ✓ Four (4) Tenant Renewal Periods of Five (5) Years Each

TENANT

TENANT / GUARANTOR

- ✓ Globally Recognized Concept | The Tim Hortons System Includes Approximately 4,600 Stores Across 14 Countries
- ✓ Largest Quick Service Restaurant in Canada | On Average 15% of All Canadians Visit Tim Hortons Each Day
- ✓ Restaurant Brands International | \$30 Billion in System-Wide Sales | Over 25,000 Restaurants in 100 Countries
- ✓ TH Cleveland, LLC | Rapidly Growing Franchisee | Plans to Open ~50 Stores by 2022



Financial Analysis & Investment Summary

PURCHASE PRICE: \$1,669,565 | CAP RATE: 5.75% | RENT: \$96,000

THE OFFERING	
Purchase Price	\$1,669,565
CAP Rate	5.75%
Annual Rent	\$96,000

PROPERTY DESCRIPTION	
Property	Tim Hortons
Property Address	3523 Belmont Ave
City, State ZIP	Youngstown, OH 44505
Building Size (SF)	1,754
Lot Size (Acres)	+/- 0.70 Acres
Type of Ownership	Fee Simple

LEASE SUMMARY	
Property Type	Net-Leased Restaurant
Tenant / Guarantor	TH Cleveland, LLC
Lease Term	20 Years
Lease Commencement	Close of Escrow
Lease Expiration	20 Years from Close of Escrow
Lease Term Remaining	20 Years
Lease Type	Triple Net (NNN)
Roof & Structure	Tenant Responsible
Options to Renew	Four (4), Five (5) Year Option Periods
Rental Increases	2% Annually Starting In Year Six

RENT SCHEDULE			
Lease Year(s)	Annual Rent	Monthly Rent	Rent Escalation
Year 1	\$96,000	\$8,000	-
Year 2	\$96,000	\$8,000	-
Year 3	\$96,000	\$8,000	-
Year 4	\$96,000	\$8,000	-
Year 5	\$96,000	\$8,000	-
Year 6	\$97,920	\$8,160	2.00%
Year 7	\$99,878	\$8,323	2.00%
Year 8	\$101,876	\$8,490	2.00%
Year 9	\$103,913	\$8,659	2.00%
Year 10	\$105,992	\$8,833	2.00%
Year 11	\$108,112	\$9,009	2.00%
Year 12	\$110,274	\$9,189	2.00%
Year 13	\$112,479	\$9,373	2.00%
Year 14	\$114,729	\$9,561	2.00%
Year 15	\$117,023	\$9,752	2.00%
Year 16	\$119,364	\$9,947	2.00%
Year 17	\$121,751	\$10,146	2.00%
Year 18	\$124,186	\$10,349	2.00%
Year 19	\$126,670	\$10,556	2.00%
Year 20	\$129,203	\$10,767	2.00%

Investment Summary

Marcus & Millichap is pleased to present the exclusive listing for the Tim Hortons located at 3523 Belmont Ave. in Youngstown, OH. The newly constructed building consists of 1,754 square-feet and is situated on roughly 0.70 acres of land. This Tim Hortons will be subject to a 20-year absolute triple net (NNN) lease, which will commence upon the close of escrow. The base rent will be \$96,000 and will increase by two percent annually starting in year six and continuing throughout the base term and into each of the four, five-year tenant renewal option periods.



Concept Overview

Tim Hortons®

Tim Hortons is a multinational fast food restaurant that is known for its coffee and donuts. The company was started in 1964 in Hamilton, Ontario by Canadian hockey legend Tim Horton. The first US location opened in 1985 in Amherst, NY and the brand has continued its rapid expansion ever since. Tim Hortons completed its initial public offering in September of 2006, trading on the New York Stock Exchange before being acquired by Restaurant Brands International in 2014. Today, Tim Hortons is Canada's largest quick service restaurant chain, and the brand has more than 4,600 restaurants across fourteen countries.

Fast Facts



Each year, we serve more than 2 billion cups of coffee!



We serve almost 8 of every 10 cups of coffee sold in Canada.



Every day, approximately 15% of all Canadians visit Tim Hortons – that's 5.3 million happy customers daily!



Our coffee masters taste-test more than 75,000 cups per year to maintain our consistently high quality.



Restaurant Brands International Inc. ("RBI") is one of the world's largest quick service restaurant companies with more than \$30 billion in system-wide sales and over 25,000 restaurants in more than 100 countries and U.S. territories. RBI owns three of the world's most prominent and iconic quick service restaurant brands – TIM HORTONS®, BURGER KING®, and POPEYES®. These independently operated brands have been serving their respective guests, franchisees and communities for over 40 years.

Restaurant Brands International Inc. is committed to growing the TIM HORTONS®, BURGER KING®, and POPEYES® brands by leveraging their respective core values, employee and franchisee relationships, and long track record of community support. The brands benefit from the global scale and shared best practices that come through common ownership under Restaurant Brands International Inc.

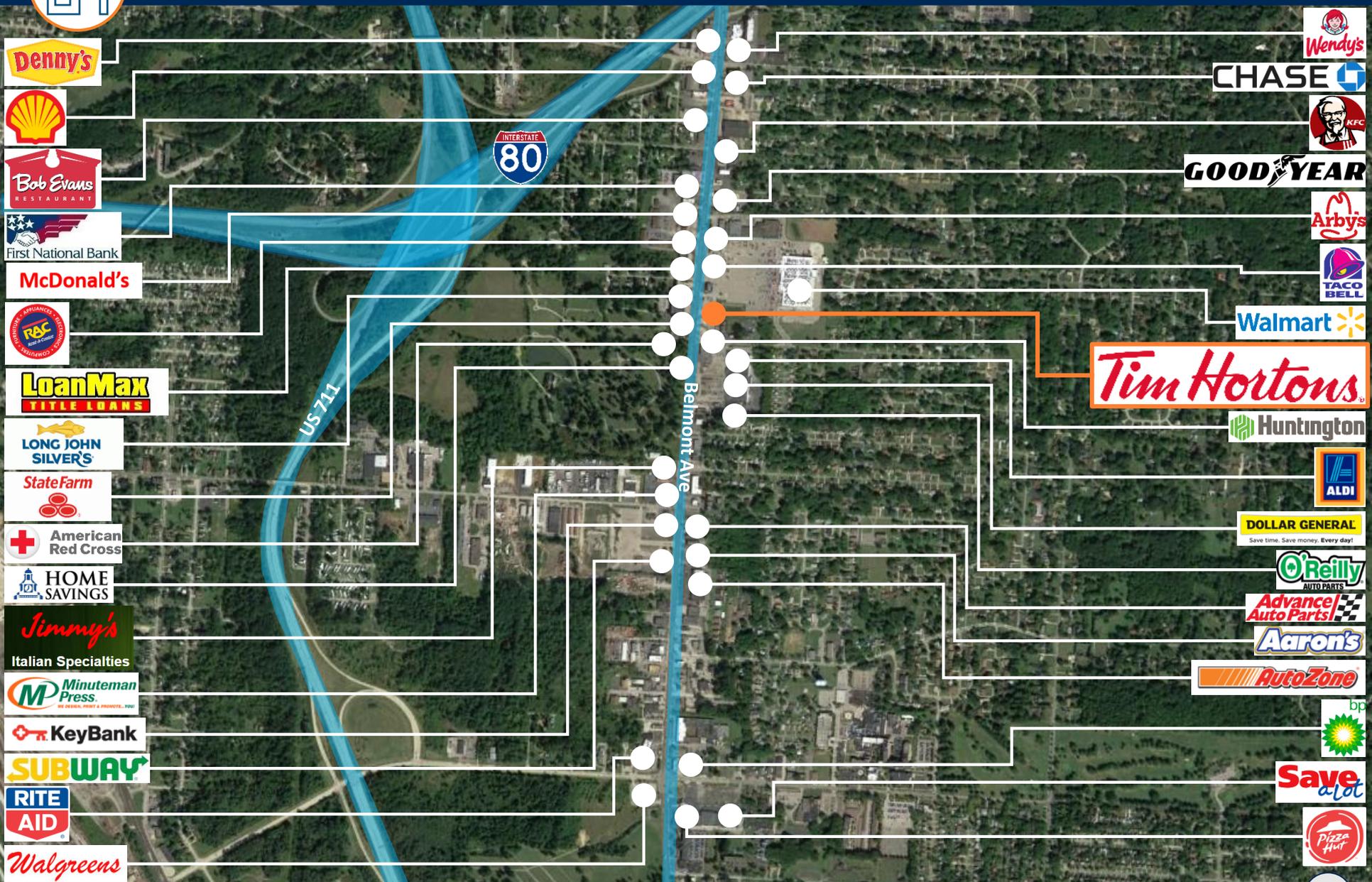
TH Cleveland, LLC

TH Cleveland is a rapidly growing franchisee in the Tim Hortons System. Currently, the brand operates six units with seven more units scheduled to open this year, and plans to open approximately 50 stores by 2022.





Surrounding Area





Location Overview

This Tim Hortons property is located at 3523 Belmont Avenue in Youngstown, Ohio. Youngstown is a city in, as well as the county seat of, Mahoning County.

SURROUNDING RETAIL & POINTS OF INTEREST

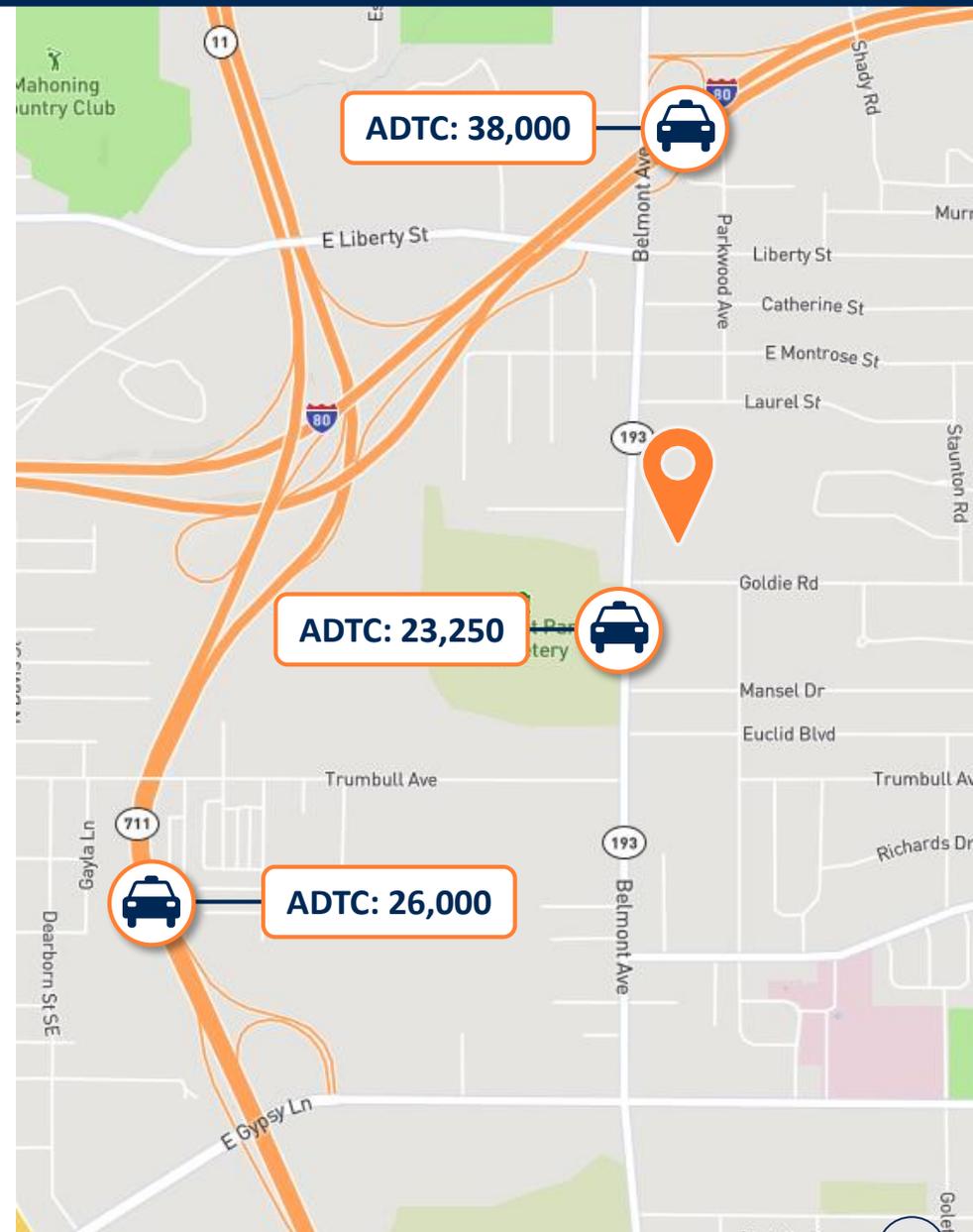
This Tim Hortons is strategically situated in a dense retail corridor and benefits from its proximity to numerous major retail and restaurant concepts. These major retail and restaurant concepts include: Wendy's, Chase, KFC, Arby's, Taco Bell, Walmart, Huntington Bank, Aldi, Dollar General, Aaron's, AutoZone, BP, Save-a-Lot, Pizza Hut, Walgreens, Rite Aid, Subway, Key Bank, State Farm, Long John Silvers, McDonald's, Bob Evans, Shell, and Denny's. In addition to these numerous retail and restaurant concepts, the subject property is located just down the street from the Northside Regional Medical center, which is a 204 bed state-of-the-art medical facility. Another attraction to the immediate area is Liberty High School, which sits just north of the subject property. Liberty High School has a total enrollment of approximately 500 students.

TRAFFIC COUNTS & DEMOGRAPHICS

The subject property has approximately 37,000 individuals residing within a three-mile radius and 93,000 individuals within a five-mile radius of the property. This Tim Hortons property is located on Belmont Avenue, which has an average daily traffic count of 23,250 vehicles. The subject property also benefits from its close proximity to Interstate-80 and Highway 711, which bring an approximate total of 38,000 and 26,000 vehicles, respectively, into the immediate area, on average, each day.

YOUNGSTOWN, OH

Youngstown is situated on the Mahoning River approximately 65 miles southeast of Cleveland and 61 miles northwest of Pittsburgh. Despite having its own media market, Youngstown is often included in commercial and cultural depictions of both Northeast Ohio as well as the greater Pittsburgh region due to these proximities. The city is also strategically positioned as the midway point in-between New York and Chicago along Interstate-80. Youngstown is the site of several steel and metalworking operations, and has experienced considerable economic transformation, blending the historic cornerstones of its economy, such as manufacturing and metalworking, with new and exciting start up companies. The Youngstown Business Incubator is located in the heart of downtown Youngstown and houses several start-up technology companies. Some of these companies have earned recognition on both a regional and national level, including Turning Technologies, which has been rated by *Inc. Magazine* as the fastest-growing privately held software company in the United States and the 18th fastest-growing privately help company overall.





Subject Property Photos



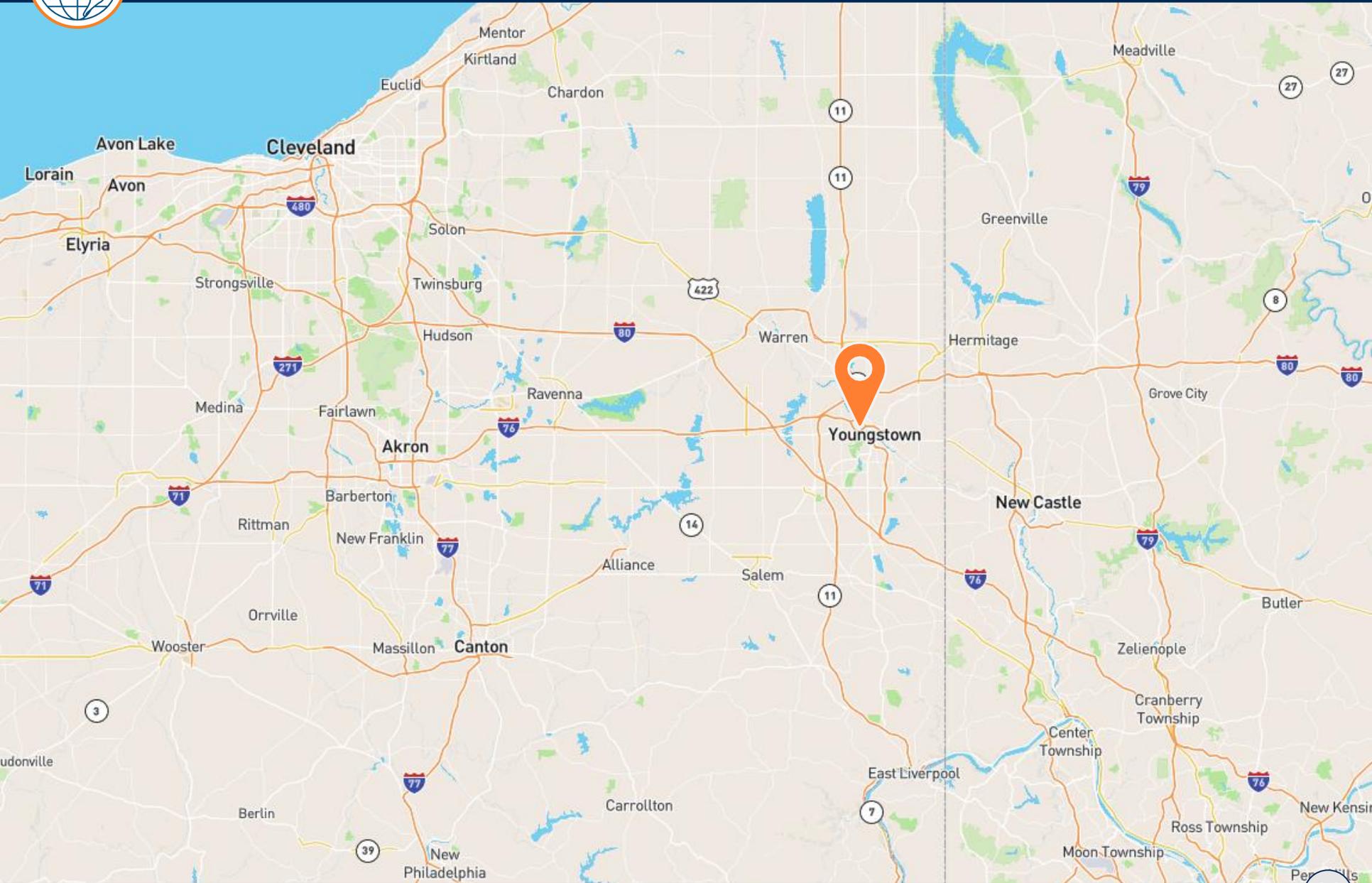


Surrounding Area Photos



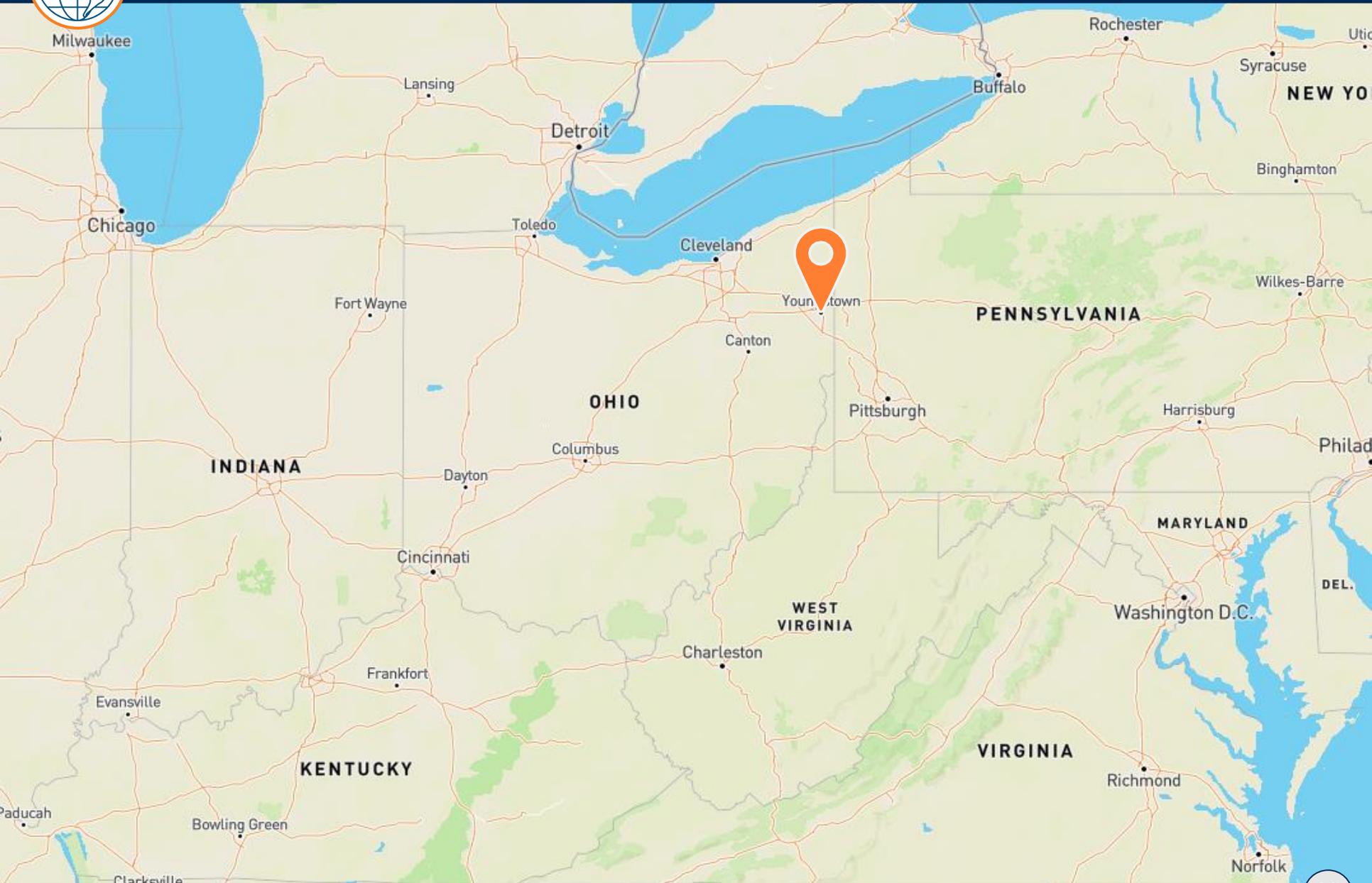


Local Map



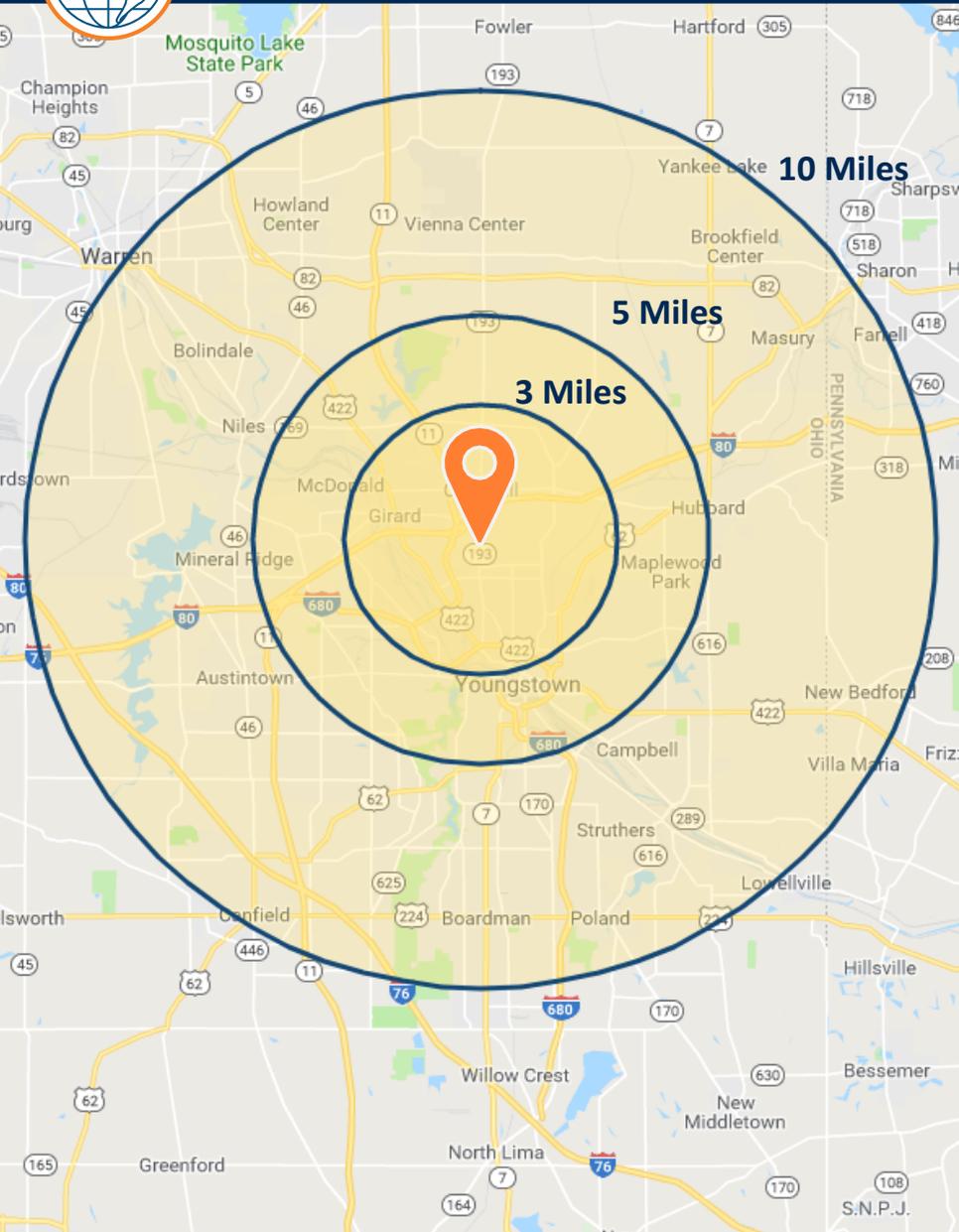


Regional Map





Demographics



DEMOGRAPHICS

	3 Miles	5 Miles	10 Miles
Population			
2017 Estimate	37,054	92,547	301,159
Income			
Average	\$50,375	\$49,259	\$58,266
Median	\$35,541	\$35,269	\$42,955
Per Capita	\$19,883	\$20,530	\$24,530
Households			
2022 Projection	13,629	35,982	124,202
2017 Estimate	14,029	37,087	124,950
2010 Census	14,666	38,517	129,720
2000 Census	16,142	42,771	136,474
Employment			
2017 Daytime Population	51,045	106,873	300,352
2017 Unemployment	10.58%	10.62%	8.14%
2017 Median Time Traveled	21 Mins	22 Mins	22 Mins





Market Overview



Youngstown, OH is a city in, as well as the county seat of, Mahoning County, with small portions of the city extending into Trumbull County. Youngstown is situated on the Mahoning River approximately 65 miles southeast of Cleveland and 61 miles northwest of Pittsburgh. Despite having its own media market, Youngstown is often included in commercial and cultural depictions of both Northeast Ohio as well as the greater Pittsburgh region due to these proximities. The city is also strategically positioned as the midway point in-between New York and Chicago along Interstate-80. Youngstown is the site of several steel and metalworking operations, and has experienced considerable economic transformation, blending the historic cornerstones of its economy, such as manufacturing and metalworking, with new and exciting start up companies. The Youngstown Business Incubator is located in the heart of downtown Youngstown and houses several start-up technology companies. Several of these companies have earned recognition on both the regional and national level. One of these companies is Turning Technologies, which has been rated by *Inc. Magazine* as the fastest-growing privately held software company in the United States and the 18th fastest-growing privately held company overall. Youngstown continues to commit to projects all throughout its city to help to grow current businesses as well as attract new one to the area.

MAJOR EMPLOYERS

Employer	# of Employees
Mahoning Valley Hematology Oncology	3,000
St Elizabeth Health Center	2,500
Papa Johns	1,722
GE	1,571
Forge Industries Inc	1,250
Trumbull Memorial Hospital	1,001
McDonald's	900
St Joseph Warren Hospital	900
Wic Program	830
Walmart	800
US Post Office	762
JC Penney	745

of Employees based on 10-mile radius

Marcus & Millichap

EXCLUSIVE NET LEASE OFFERING

Tim Hortons®

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