



BURGER KING

BILLINGS, MONTANA

offering memorandum

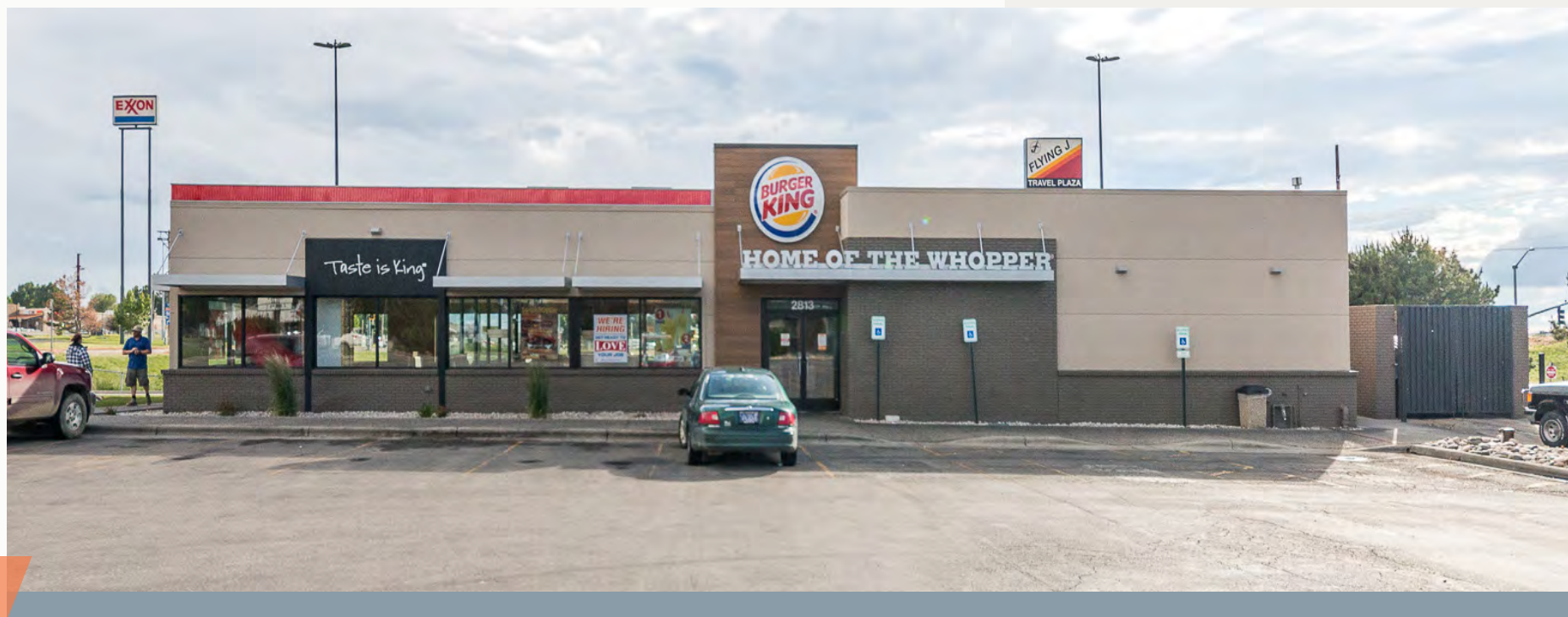
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INVESTMENT OVERVIEW

Marcus and Millichap is pleased to present this Burger King in Billings, Montana; the largest city in the state. There are more than 17 years remaining on Burger King's absolute net lease, where the tenant is responsible for all expenses associated with the asset. The lease is guaranteed by HR Restaurants, Limited Company a wholly owned subsidiary of Meridian Restaurant Unlimited. HR Restaurants represents Meridian's 22 locations in Utah and Montana. Meridian is a 100-unit franchisee restaurant operator across multiple concepts.

This asset boasts strong unit level sales figures, as they have triggered percentage rent in each of the last three years. The subject property also underwent Burger King's 20/20 remodel early in 2015, demonstrating their commitment to the location. Burger King is ideally located nearby Interstate-90, a major highway providing direct access to downtown Billings. This area is also experiencing growth, population within five miles rose 8.5 percent from 2010 to 2018. The household incomes within one mile are more than \$79,000.

Additional tenants in the immediate vicinity include: McDonald's, Casey's, Domino's, Dairy Queen, Subway, and many more.



INVESTMENT HIGHLIGHTS

- Burger King in Billings, Montana | The Largest City in the State
- Recently Renovated | Asset Received Burger King "20/20" Remodel in 2015
- More than 17 Years Remaining on Absolute Net Lease | Zero Landlord Responsibilities
- Lease is Guaranteed by Wholly Owned Subsidiary of Meridian Restaurant Unlimited, Limited Company | 100-Unit Franchisee Restaurant Operators Across Multiple Concepts
- Strong Unit Level Performance | Percentage Rent Collected in Each of the Last Three Years | Contact Listing Broker for More Information
- Located Nearby Interstate-90 | Providing Direct Access to Downtown Billings
- Growing Population | Population Rose 8.5 Percent from 2010 to 2018 | Average Household Incomes Within One Mile More Than \$79,000
- Capital Commitment to Downtown Billings | One Big Sky Center: Mixed Use Development (\$120 Million)
- Additional Tenants in the Immediate Vicinity Include: McDonald's, Casey's, Domino's, Dairy Queen, Subway, and Many More.



FINANCIAL OVERVIEW

2813 OLD HARDIN ROAD
BILLINGS, MONTANA 59101

PRICE	\$1,379,829
CAP RATE	5.85%
NOI	\$80,720
PRICE PER SQUARE FOOT	\$369.73
RENT PER SQUARE FOOT	\$21.63
YEAR BUILT	1995
APPROXIMATE LOT SIZE	1.84 Acres
GROSS LEASEABLE AREA	3,732
TYPE OF OWNERSHIP	Fee Simple
LEASE GUARANTOR	H.R. Restaurants Limited Company (L.C.)
LEASE TYPE	Triple-Net (NNN)
ROOF AND STRUCTURE	Tenant Responsible



Investment
Overview

Financial
Overview

Lease
Summary

Tenant
Overview

Market
Overview

LEASE SUMMARY

LEASE COMMENCEMENT DATE 5/7/2015

LEASE EXPIRATION DATE 5/6/2035

LEASE TERM 20 Years

TERM REMAINING 17+ Years

PERCENTAGE RENT 8 Percent of Gross Sales

OPTIONS TO RENEW 4, 5-Year



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TENANT OVERVIEW

Every day, more than 11-million guests visit Burger King restaurants around the world. And they do so because Burger King restaurants are known for serving high-quality, great-tasting, and affordable food. Founded in 1954, Burger King is the second largest fast food hamburger chain in the world. The original Home of the Whopper, Burger King's commitment to premium ingredients, signature recipes, and family-friendly dining experiences is what has defined their brand for more than 50 successful years. In 2010, 3G Capital, a global multi-million-dollar investment firm focused on long term value creation, purchased Burger King Corporation, making it a privately-held company. In 2014, Burger King purchased Tim Hortons, and after the deal closed Burger King was renamed Restaurant Brands International, Incorporated. As of June 2017, 3G capital owns more than 96 percent of Restaurant Brands International.

Meridian Restaurants was founded in 2002 with 14 restaurants, and in 2016 they attained a long-term goal of 100 restaurants consisting of three top-tier brands across eight mid-western states: Burger King, El Pollo Loco, and Chili's. The tenant; NDM Restaurants, Limited Company; is a wholly owned subsidiary of Meridian Restaurants Unlimited, Limited Company. The lease is corporately guaranteed by Meridian Restaurants Unlimited, Limited Company; as well as a full-term personal guaranty from the entity's principals: David A. Harper and Stephan L Ralston.

Harper is a Senior Restaurant Operations Executive with more than 25 years of experience in multi-unit management, financial accountability, strategic planning, and project management in both franchisee and company operations. As of March 2016, Harper was an operating partner in more than 70 Burger Kings registering more than \$68-Million in annual sales.

TENANT PROFILE

TENANT TRADE NAME	Burger King
OWNERSHIP	Private
TENANT	Burger King
LEASE GUARANTOR	H.R. Restaurants Limited Company (L.C.) Wholly Owned Subsidiary of Meridian Restaurants
NUMBER OF LOCATIONS	22 Locations
HEADQUARTERED	South Ogden, Utah

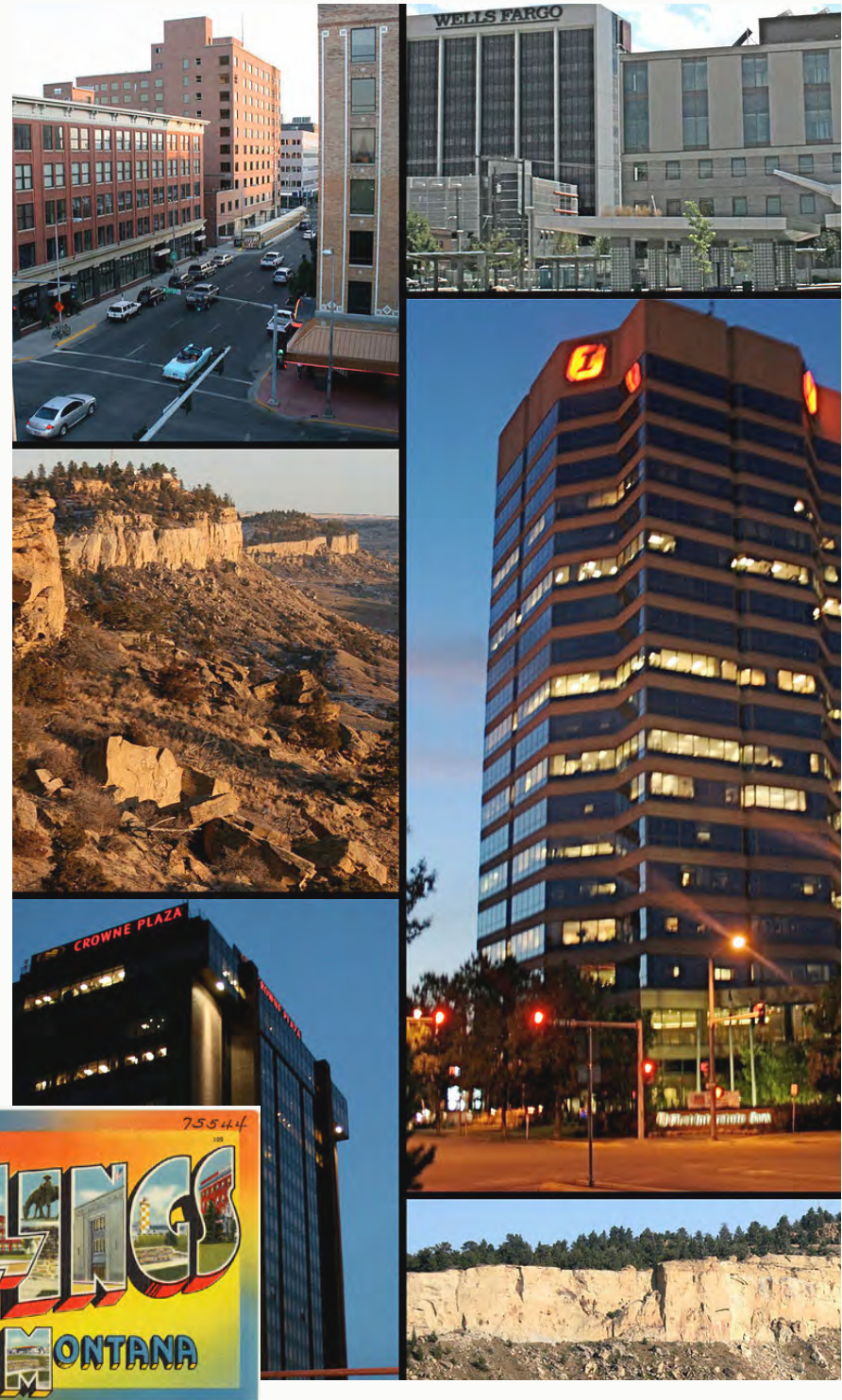
ABOUT BILLINGS

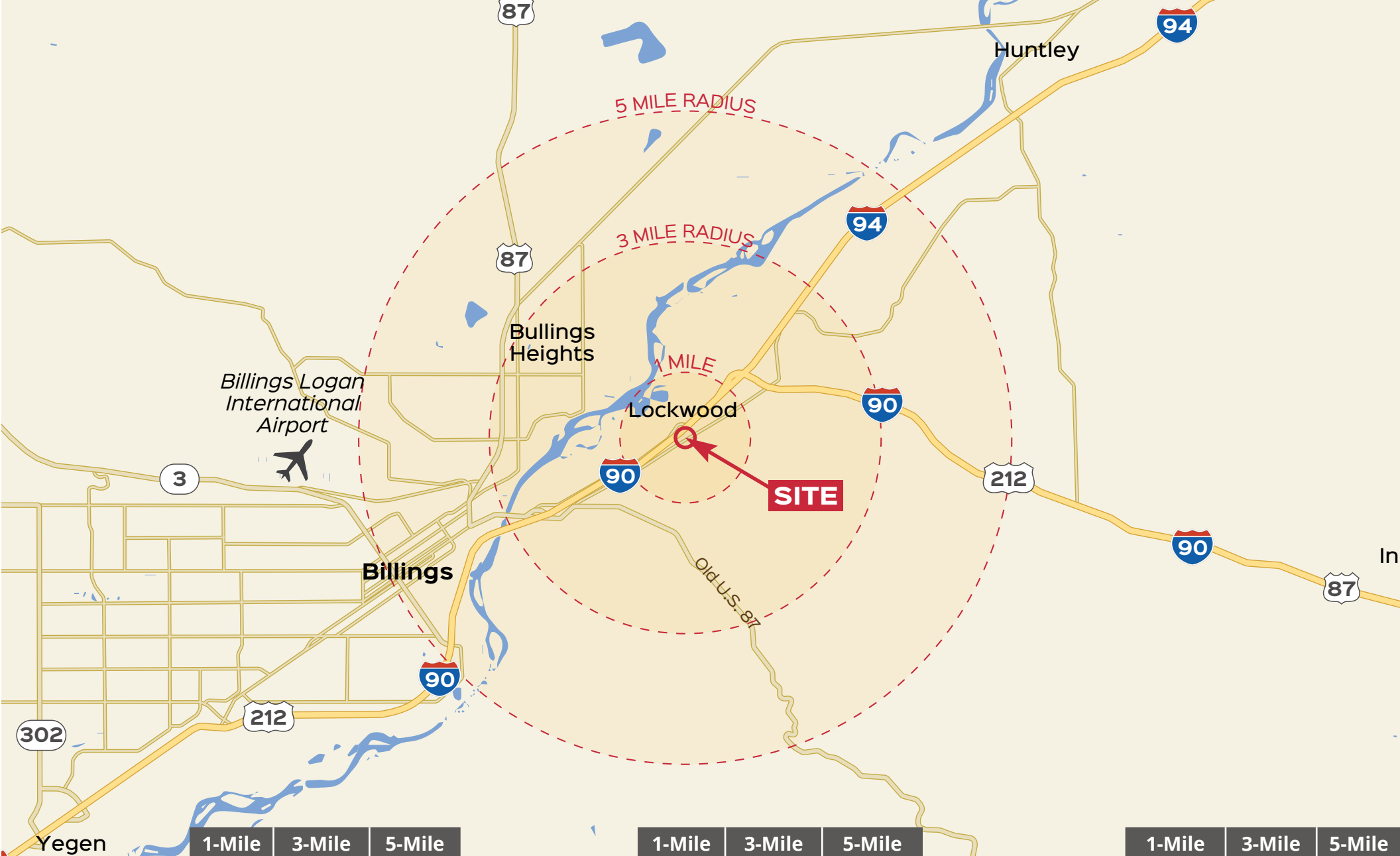
Billings is the largest city in the U.S. state of Montana, and the principal city of the Billings Metropolitan Area with a trade area of over half a million people. The city is experiencing rapid growth and a strong economy; it has had and is continuing to have the largest growth of any city in Montana. Parts of the metro area are seeing hyper growth. From 2000 to 2010 Lockwood, an eastern suburb of the city, saw growth of 57.8%, the largest growth rate of any community in Montana.

The geographic location of Billings was essential to its economic success. Billings' future as a major trade and distribution center was basically assured from its founding as a railroad hub due to its geographic location. As Billings quickly became the region's economic hub it outgrew the other cities in the region. The Billings trade area serves over a half million people. A major trade and distribution center, the city is home to many regional headquarters and corporate headquarters. With Montana having no sales tax, Billings is a retail destination for much of Wyoming, North and South Dakota as well as much of Montana east of the Continental Divide. \$1 out of every \$7 spent on retail purchases in Montana is being spent in Billings. The percentage of wholesale business transactions done in Billings is even stronger, Billings accounts for more than a quarter of the wholesale business for the entire state, these figures do not include Billings portion of sales for Wyoming and the Dakotas. Billings is an energy center; Billings sits amidst the largest coal reserves in the United States as well as large oil and natural gas fields.

In 2009, Fortune Small Business magazine named Billings the best small city in which to start a business. Billings has a diverse economy including a large and rapidly growing medical corridor that includes inpatient and outpatient health care. Billings has a large service sector including retail, hospitality and entertainment.

Corporate headquarters include Stillwater Mining Company, Kampgrounds of America, First Interstate Bank, Computers Unlimited, Tire-Rama, Western Plains Machinery, Tractor & Equipment Co., Optimum, Corporate Air, Employee Benefits Management Services, Edwards Jet Service, Waggoners Trucking, Meadowlark Agency, Ryan Restaurant Corp., CTA Architects & Engineers, JGA Architects, Electrical Consultants Inc. engineering, WorleyParsons Engineering, Energy Labs, and others.





	1-Mile	3-Mile	5-Mile		1-Mile	3-Mile	5-Mile		1-Mile	3-Mile	5-Mile
2000 Population	2,512	13,123	33,791	2000 Households	898	4,826	13,134	2018 Average HH Income	\$79,628	\$74,982	\$72,946
2010 Population	2,803	16,192	40,560	2010 Households	1,063	6,279	16,135	2018 Median HH Income	\$60,972	\$59,758	\$56,881
2018 Population	3,079	17,953	44,043	2018 Households	1,184	7,001	17,530	2018 Per Capita Income	\$30,620	\$29,240	\$29,034

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

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.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.



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