

REPRESENTATIVE PHOTO



1821 CHEROKEE AVE SW | CULLMAN, AL

OFFERING MEMORANDUM

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

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INVESTMENT HIGHLIGHTS



»» **10-Year Lease with Rent Bumps:** Absolute NNN Lease with 10% rent increases every five years during the initial term and each option period.



»» **Corporately Guaranteed Lease by Chipotle Mexican Grill INC.** – (NYSE:CMG) publicly traded company.



»» **Zero Landlord Responsibilities** (Mailbox Money).



»» **Drive Through Location!** This is Chipotle's latest, state of the art prototype. There are only a handful of Chipotle's in the U.S. with a drive through.



»» **Incredible Retail Corridor:** The property is surrounded by retailers such as Chick Fil A, Aldi, Walmart Supercenter, Lowe's Home Improvement, TJ Maxx, Starbucks, Aspen Dental, and many more. The property is located on the corner of a lighted intersection that contains Chick Fil A (West corner) and Aldi (East corner) - one of the strongest grocery chains in the U.S.



»» **Significant Tenant Investment:** Chipotle is paying for the renovation of the building.

FINANCIAL OVERVIEW

PROPERTY SUMMARY

»	PROPERTY ADDRESS	1821 Cherokee Ave SW Cullman, AL 35055
»	LIST PRICE	\$2,135,922
»	LIST CAP RATE	5.15%
»	TOTAL BUILDING AREA	±3,540 SF
»	TOTAL LAND AREA	±0.83 AC
»	YEAR BUILT	2009/2019
»	APN	17-05-22-3-001-002.005

TENANT SUMMARY

Tenant	Chipotle
Type of Ownership	NNN
Lease Guarantor	Corporate (NYSE:CMG)
Lease Type	NNN
Roof and Structure	Tenant Responsible
Original Lease Date	6/6/19
New Rent Commencement Date	10/1/19
Lease Expiration Date	9/30/29
Term Remaining	10 years
Increases	Ten percent (10%) every five (5) years
Options	Four (4) five (5) year options

ANNUALIZED OPERATING DATA

	Annual Rent	Monthly Rent	CAP
Current (years 1-5)	\$110,000.00	\$9,166.66	5.15%
Current (years 6-10)	\$121,000.00	\$10,083.33	5.67%
Option 1 (years 11-15)	\$133,100.00	\$11,091.66	6.23%
Option 2 (years 16-20)	\$146,410.00	\$12,200.83	6.85%
Option 3 (years 21-25)	\$161,051.00	\$13,420.92	7.54%
Option 4 (years 26-30)	\$177,156.10	\$14,763.01	8.29%

CHIPOTLE





- » **COMPANY NAME**
Chipotle Mexican Grill, Inc
- » **OWNERSHIP**
Public (NYSE: CMG)
- » **YEAR FOUNDED**
1993
- » **INDUSTRY**
Fast Casual
- » **HEADQUARTERS**
Newport Beach, CA
- » **WEBSITE**
www.chipotle.com
- » **REVENUE 2017**
\$4.5B
- » **REVENUE INCREASE RATE**
14.7%
- » **EMPLOYEES**
64,570
- » **LOCATIONS**
2,250

Chipotle is a popular quick-service restaurant chain. With over 2,250 locations, the eatery is known for their burritos and other Mexican food items. Customers can create any type of burrito, salad, bowl, or tacos. The company claims to offer more than 65,000 choices. The company is devoted to finding the very best ingredients with respect for animals, farmers and the environment with their signature "Food with Integrity" dedication. Chipotle relies on word of mouth for their marketing strategy as well as taking on the digital world with their app.

The company is praised for having the quality of a full-service restaurant at a price and speed comparable to that of quick service. The quality ingredients used gives Chipotle a competitive advantage. The restaurant believes in fresh food but also is conscious of the environment. They only choose suppliers who ensure the ingredients are as flavorful as possible while still being environmentally safe. A large majority of the meat served at Chipotle restaurants comes from animals raised on vegetarian diets. Chipotle serves more naturally raised meat than any other restaurant in the United States.

LEASE ABSTRACT

Tenant	Chipotle Mexican Grill of Colorado, LLC a Colorado limited liability company
Guarantor	Chipotle Mexican Grill, Inc., a Delaware corporation
Corporate Address:	191 W Nationwide Blvd, Suite 250, Columbus, OH, 43215 ATTN: Lease Administration Store No. 01-3512
Chipotle Store No.	01-3512
Building Size:	3,540 sf
Original Date of Lease	6/6/19
New Rent Commencement:	10/1/19
Lease Expiration:	9/30/29
New Lease Term:	10 Years
Current Rent:	\$110,000.00
Renewal Options:	Four (4), Five (5) year options 1. \$133,100.00 2. \$146,410.00 3. \$161,051.00 4. \$177,156.10
Required Advance Notice of Exercise of Renewal Options:	180 days before the Expiration Date of the Primary Term
Repairs and Maintenance:	Landlord has no obligation for repairs and maintenance of the Premises (NNN).
Real Estate Taxes:	All such taxes and assessments shall be payable by tenant directly to the taxing authority prior to delinquency (without penalty) of such taxes, provided that Landlord has advised Tenant of its share of such taxes and assessments in a written notice, including a copy of the tax bill no later than the twentieth (20th) day prior to delinquency. In the event Landlord fails to furnish Tenant with the notice and information described in the immediately preceding sentence at the time therein set forth, Tenant shall nevertheless pay such taxes and assessments (exclusive of any penalty and interest) within twenty-five (25) days following receipt of such notice and information from Landlord and Landlord shall be responsible for the payment of any penalties and interest which may be imposed. 11.1
Insurance:	Tenant shall at all times during the Term hereof and at its own cost and expense procure and continue in force a policy of commercial general liability insurance (also known as broad form comprehensive general liability insurance), insuring against liability for bodily injury, property damage and personal injury arising out of the use, operation or occupancy of the Premises in an amount of not less than Three Million Dollars (\$3,000,000), combined single limit. Tenant shall provide to Landlord upon written request a certificate of insurance reflecting such coverage. Tenant shall name Landlord and it's lender, property manager, successors and assigns and beneficiaries as additional insured. 12.1
Estoppel:	Within 15 business days after Tenant's receipt of Landlord's written request thereof, execute, and acknowledge and deliver to Landlord an Estoppel Certificate... 27.1

LOCATION MAP



HUNTSVILLE
42.1 MILES

10-MILES

30-MILES

60-MILES



BIRMINGHAM
44.6 MILES

AREA OVERVIEW

CULLMAN, AL

Cullman is a thriving 21st Century community fueled by its quaint heritage and indelible Southern charm. With a population currently hovering just over 15,000, Cullman is the county seat and largest of Cullman County's 12 municipalities. Cullman is located halfway between Birmingham and Huntsville and is the epicenter for multiple major highway systems. Cullman offers an impressive array of local attractions, hotels,

restaurants, retail establishments, educational and medical facilities, and access to cultural, sporting, and entertainment events. Cullman supports progressive economic development, technological advancements, and creative quality-of-life endeavors. Cullman offers 21st Century living while maintaining the quintessential Southern charm that immediately engages visitors.

DEMOGRAPHICS

POPULATION	1 - MILE	3 - MILE	5 - MILE
2024 Projection	3,259	16,087	26,359
2019 Estimate	3,154	15,732	25,679
2010 Census	2,982	15,229	24,643
Growth 2010-2018	3.33%	2.26%	2.65%
HOUSEHOLDS	1 - MILE	3 - MILE	5 - MILE
2024 Projection	1,510	6,714	10,716
2019 Estimate	1,458	6,567	10,447
2010 Census	1,372	6,366	10,052
Growth 2010-2018	3.57%	2.24%	2.58%
INCOME	1 - MILE	3 - MILE	5 - MILE
Average Household Income	\$53,369	\$56,802	\$59,930

CULLMAN ECONOMY



Cullman has a diverse and growing business community, and with a 4.8% unemployment rate and an extremely low crime rate, Cullman is an ideal environment to start a family, own a business, work, play, worship, shop, live. In 2014, Cullman received a Silver Excellence in Economic Development Award for Business Retention & Expansion from the International Economic Development Council (IEDC); was ranked #5 as Most Business-Friendly City in Alabama by the Alabama Policy Institute, and was named the #2 U.S.

Micropolitan Area by Site Selection magazine. In addition, Cullman was named #1 in Alabama for New & Expanding Industry in 2016 and 2013 rankings by the State of Alabama, and Southern Business & Development magazine ranked Cullman the #6 Community that is a Manufacturing Location No-Brainer.

WHY CULLMAN?

Modern infrastructure, market access, modest business costs and a business-friendly community are all good reasons to locate your business in Cullman. Companies choose Cullman, Alabama as the location for their facilities because it is dedicated to helping local businesses thrive.

Cullman, Alabama has consistently been named among the top Micropolitans in the United States, by such trade publications as Site Selection and Southern Business & Development magazines. In 2017, there were 31 new and expanding companies in Cullman, creating 253 new and expanding jobs, with \$61,924,000 new and expanding investment.

TOP EMPLOYERS



CULLMAN ACCOLADES

- #1** in Alabama for expanding industries
(Ala. Dept. of Commerce 2018)
- #1** in Alabama “Best Place to Raise Children”
(2013 Bloomberg Businessweek)
- #1** in Alabama for new and expanding industry
(2012, 2013, 2014, 2015, 2017, 2018)
- #5** Most Business Friendly City in Alabama
(2014 Alabama Policy Institute)
- #6** Community that is a Manufacturing Location No-Brainer
(Southern Business & Development)
- #7** Micropolitan Area in the U.S.
(2019 Site Selection magazine)
- » Community Economic Development Award - “Revitalization and Redevelopment of Downtown Cullman”
(2015 Southern Economic Development Council)
- » Gold Award for Educators in Industry
(IEDC- 2018)
- » Silver Award for AGCOR Steel Expansion/Retention Project
(IEDC- 2018)
- » Bronze Award for Partnership with Education for the Sequence Health Project
(IEDC - 2017)

TOP 100 MICROPOLITANS IN THE POLICOM ECONOMIC STRENGTH RANKINGS

NEW DEVELOPMENTS

Over \$1,000,000,000 invested from 2009-2018 by expanding industries

- » Newk’s (Announced July 2019)
- » Marco’s Pizza (April 2019)
- » Shrimp Basket (May 2019)
- » The All Steak (April 2019)
- » Diablo’s (April 2019)
- » Rock n Roll Sushi (January 2019)
- » Firehouse Subs

TOTAL GROSS RECEIPTS FOR RESTAURANTS IN CULLMAN, AL

2016: \$100,493,773

2017: \$108,411,699 (7.88% increase)

2018: \$120,027,953 (10.71% increase)

2016-2018: +\$19,534,180 (19.44% increase)

CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of **Chipotle** located at **1821 Cherokee Ave SW | Cullman, AL 35055 ("Property")**. It has been prepared by Matthews Retail Advisors. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Retail Advisors. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Retail Advisors expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Retail Advisors or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



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