



CHIPOTLE
HOUSTON, TEXAS

YURAS
AICALE
FORSYTH
CROWLE

Leased Investment Team

OFFERING MEMORANDUM

\$4,750,000 | 4.00% CAP RATE

- » Rare 20-Year Absolute NNN Chipotle
- » 10% Rental Increases Every Five Years
- » Corporate Lease Guaranteed by Chipotle Mexican Grill (NYSE: "CMG")
- » Easily-Accessible Location in Highly Populated and Growing Area
- » 258,368 Residents Within a Five-Mile Radius of the Property
- » High-Visibility Location Along Little York Road (31,375 AADT)
- » Central Location Near Large Employers, Retailers, and Community Hubs
- » Only Chipotle Location Within a 15-Minute Drive of the Site
- » 2021 Construction Built to Latest Chipotle's Prototype Featuring a Drive-Thru and Outdoor Patio Seating
- » Located in an Income-Tax Free State



FILE PHOTO

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Cushman & Wakefield ("Broker") has been retained on an exclusive basis to market the property described herein ("Property"). Broker has been authorized by the Seller of the Property ("Seller") to prepare and distribute the enclosed information ("Material") for the purpose of soliciting offers to purchase from interested parties. More detailed financial, title and tenant lease information may be made available upon request following the mutual execution of a letter of intent or contract to purchase between the Seller and a prospective purchaser. You are invited to review this opportunity and make an offer to purchase based upon your analysis. If your offer results in the Seller choosing to open negotiations with you, you will be asked to provide financial references. The eventual purchaser will be chosen based upon an assessment of price, terms, ability to close the transaction and such other matters as the Seller deems appropriate.

The Material is intended solely for the purpose of soliciting expressions of interest from qualified investors for the acquisition of the Property. The Material is not to be copied and/or used for any other purpose or made available to any other person without the express written consent of Broker or Seller. The Material does not purport to be all-inclusive or to contain all of the information that a prospective buyer may require. The information contained in the Material has been obtained from the Seller and other sources and has not been verified by the Seller or its affiliates. The pro forma is delivered only as an accommodation and neither the Seller, Broker, nor any of their respective affiliates, agents, representatives, employees, parents, subsidiaries, members, managers, partners, shareholders, directors, or officers, makes any representation or warranty regarding such pro forma. Purchaser must make its own investigation of the Property and any existing or available financing, and must independently confirm the accuracy of the projections contained in the pro forma.

Seller reserves the right, for any reason, to withdraw the Property from the market. Seller has no obligation, express or implied, to accept any offer. Further, Seller has no obligation to sell the Property unless and until the Seller executes and delivers a signed agreement of purchase and sale on terms acceptable to the Seller, in its sole discretion. By submitting an offer, a purchaser will be deemed to have acknowledged the foregoing and agreed to release Seller and Broker from any liability with respect thereto.

Property walk-throughs are to be conducted by appointment only. Contact Broker for additional information.

LEAD BROKERS

MICHAEL T. YURAS, CCIM

Executive Managing Director
415.481.0788
michael.yuras@cushwake.com
CA RE License #01823291

SCOTT CROWLE

Managing Director
415.604.4288
scott.crowle@cushwake.com
CA RE License #01318288

VINCENT AICALE

Executive Director
415.690.5522
vince.aicale@cushwake.com
CA RE License #01728696

RYAN FORSYTH

Executive Director
415.413.3005
ryan.forsyth@cushwake.com
CA RE License #01716551

**YURAS
AICALE
FORSYTH
CROWLE**

Leased Investment Team

www.YAFteam.com

INVESTMENT SUMMARY

ADDRESS	3945 Little York Road, Houston, Texas 77093		
PRICE	\$4,750,000		
CAP RATE	4.00%		
NOI	\$190,000		
TERM	20 years		
RENT COMMENCEMENT	May 2021 (estimate)		
LEASE EXPIRATION	May 2041 (estimate)		
RENTAL INCREASES	10% rental increases every five (5) years		
	YEAR	RENT	RETURN
	1-5	\$190,000	4.00%
	6-10	\$209,000	4.40%
	11-15	\$229,900	4.84%
	16-20	\$252,890	5.32%
	21-25 (option 1)	\$278,179	5.86%
	26-30 (option 2)	\$305,996	6.44%
	31-35 (option 1)	\$336,596	7.09%
	36-40 (option 1)	\$370,256	7.79%
YEAR BUILT	2021 (under construction)		
BUILDING SF	2,400 SF		
PARCEL SIZE	.81 acres (35,284 SF)		
LEASE TYPE	Absolute NNN lease, with tenant responsible for all taxes, insurance, and maintenance, including roof, structure, and parking lot		

NEW 20-YEAR ABSOLUTE NNN LEASE WITH SCHEDULED RENTAL INCREASES

- » Long-Term corporate guaranty by Chipotle Mexican Grill, Inc. (NYSE: "CMG")
- » Absolute NNN lease requires no landlord management, ideal for passive investors
- » Scheduled rental increases, providing a hedge against inflation
- » Features a "Chipotlane" drive-thru for added customer convenience

EASILY ACCESSIBLE LOCATION IN HIGHLY POPULATED AND GROWING AREA

- » 258,368 residents within a five-mile radius of the property
- » Easily accessible location along Little York Road (31,375 AADT)
- » Immediate access to Interstate 69/U.S. Route 59/Eastex Freeway (226,152 AADT), greatly increasing visibility and traffic to the location
- » Projected eight percent average annual household income increase within three miles of the site in the next five years, poising Chipotle and Houston for significant concurrent growth

CENTRAL LOCATION NEAR LARGE EMPLOYERS, RETAILERS, AND COMMUNITY HUBS

- » Surrounded by a strong mix of well-established national tenants in a dense retail corridor, including Raising Cane's, Chick-fil-A, Taco Bell, McDonald's, Walgreens, and many more
- » Only Chipotle location within a 15-minute drive of the site
- » Beneficial proximity to area hubs and attractions, including Keith-Wiess Park, Golf Club of Houston, and Brock Park Golf Course
- » Nine miles from Downtown Houston, the fourth-most populous city in the U.S.

2021 CONSTRUCTION IN A TAX-FREE STATE

- » Features latest Chipotle prototype
- » Includes outdoor patio seating
- » Located in an income-tax free state



FILE PHOTO



Landy Rd



Little York Road
(31,375 AADT)



Eastex Freeway
(226,152 AADT)



Martin's
Hardware & Lumber



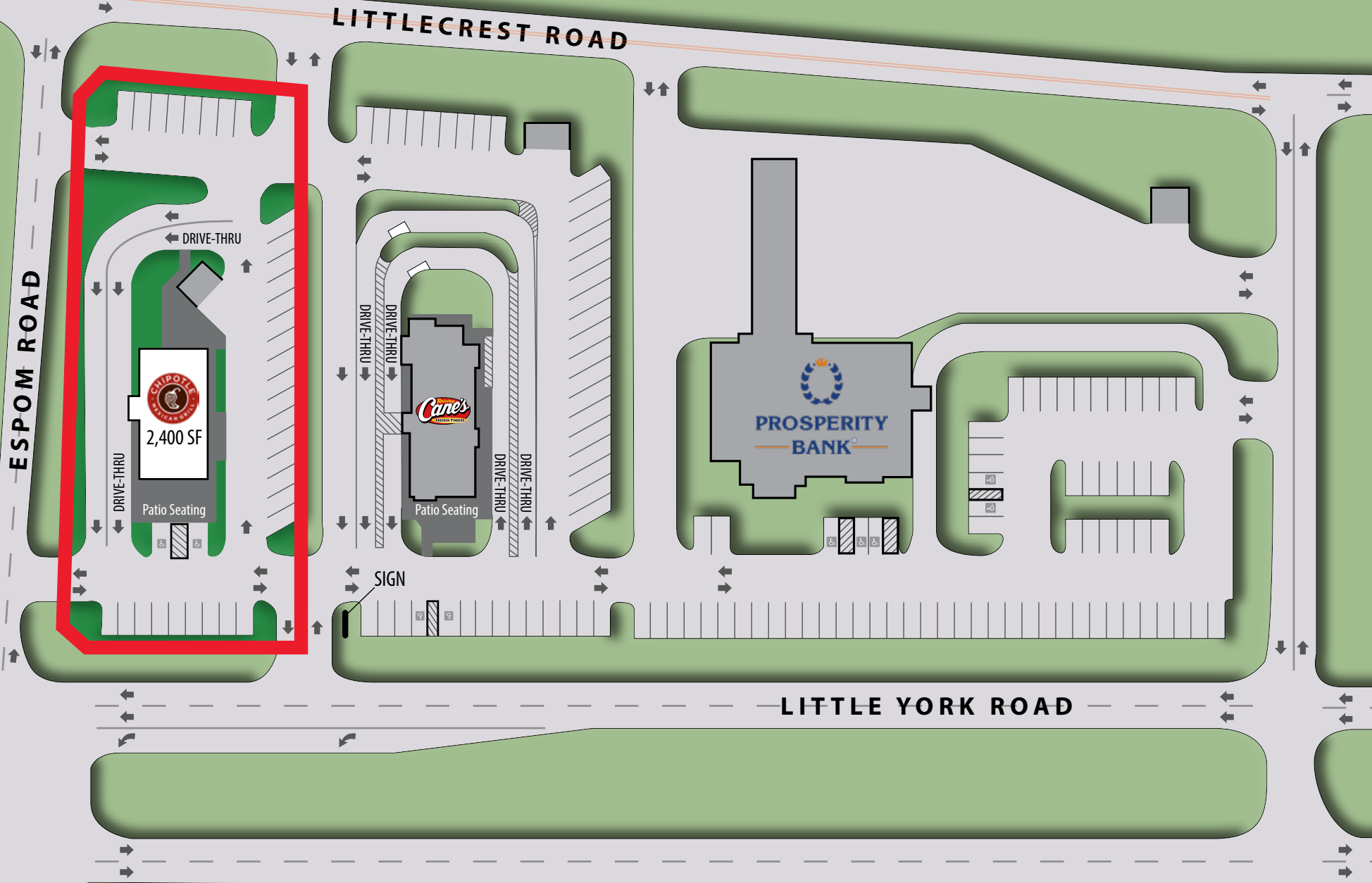
Little York Road
(31,375 AADT)

Eastex Freeway
(226,152 AADT)



Langly Rd

SITE PLAN



TENANT SUMMARY



Chipotle Mexican Grill, Inc. (NYSE: CMG) is cultivating a better world by serving responsibly sourced, classically-cooked, real food with wholesome ingredients without artificial colors, flavors or preservatives. Chipotle had over 2,700 restaurants as of September 30, 2020, in the United States, Canada, the United Kingdom, France and Germany and is the only restaurant company of its size that owns and operates all its restaurants. With more than 94,000 employees passionate about providing a great guest experience, Chipotle is a longtime leader and innovator in the food industry. Chipotle is committed to making its food more accessible to everyone while continuing to be a brand with a demonstrated purpose as it leads the way in digital, technology and sustainable business practices.

For more information, please visit www.chipotle.com.

HEADQUARTERS	Denver, CO	# OF LOCATIONS	2,700+
TICKER	NYSE: "CMG"	REVENUE	\$5.5B

LEASE ABSTRACT

TENANT	Chipotle Mexican Grill, Inc.		
GUARANTOR	Chipotle Mexican Grill, Inc.		
ADDRESS	3945 Little York Road, Houston, Texas 77093		
RENT COMMENCEMENT	May 2021 (estimate)		
LEASE EXPIRATION	May 2041 (estimate)		
RENEWAL OPTIONS	Four (4) five (5) year options		
RENTAL INCREASES	YEAR 1-5 6-10 11-15 16-20 21-25 (option 1) 26-30 (option 2) 31-35 (option 1) 36-40 (option 1)	RENT \$190,000 \$209,000 \$229,900 \$252,890 \$278,179 \$305,996 \$336,596 \$370,256	RETURN 4.00% 4.40% 4.84% 5.32% 5.86% 6.44% 7.09% 7.79%
REAL ESTATE TAXES	Tenant shall pay all real estate taxes.		
INSURANCE	Tenant shall pay all insurance costs.		
REPAIR & MAINTENANCE	Tenant, at its sole cost and expense, shall maintain in good order, condition and repair (including replacements and upgrades thereof but excluding ordinary wear and tear, loss by fire or other casualty not required to be repaired by Tenant under this Lease or damage caused by Landlord), all portions of the Premises, including but not limited to all structural components thereof (roof, ceiling, walls, floors, floor slabs) and all mechanical systems (electrical, HVAC, plumbing, etc.), utility lines serving the Premises, Common Areas on the Premises (including parking areas, drives and landscape areas).		
MAINTENANCE BY LANDLORD	None		
RIGHT OF FIRST REFUSAL	Tenant shall have ten (10) business days to respond to Landlord, in writing, as to whether or not Tenant wishes to purchase the Property.		

PROPERTY OVERVIEW

LOCATION

The property has an easily accessible location along Little York Road, with visibility and access to 31,375 vehicles per day. The property benefits from its central location in a highly populated area, with 258,368 residents living within a five-mile radius of the location. The site also has a beneficial location in near Interstate 69/U.S. Route 59/Eastex Freeway, which experiences a high traffic count of 226,152 AADT. With a projected eight percent average annual household income increase within three miles of the site in the next five years, Chipotle and Houston are poised for significant concurrent growth.

The site benefits from its location near large employers, retailers, and community hubs. The property is surrounded by a strong mix of well-established national tenants in a dense retail corridor, including Raising Cane's, Chick-fil-A, Taco Bell, McDonald's, Walgreens, and many more. Visibility to the site is also increased by its central location as the only Chipotle restaurant within a 15-minute drive of the site. The location maintains a beneficial proximity to major area hubs and attractions, including Keith-Wiess Park, Golf Club of Houston, and Brock Park Golf Course. The site also experiences increased activity from its proximity and easy access to Downtown Houston, the fourth-most populous city in the United States.

ACCESS

Access from Little York Road, Littlecrest Road, and Espom Road

TRAFFIC COUNTS

Little York Road:	31,375 AADT
Interstate 69/U.S. Route 59/Eastex Freeway:	226,152 AADT

PARKING

35 parking stalls, including two (2) handicap stalls

YEAR BUILT

2021 (under construction)

NEAREST AIRPORT

George Bush Intercontinental Houston Airport (IAH | 20 miles)



FILE PHOTO



AREA OVERVIEW

Houston is the fourth largest city in the United States and the largest city in Texas, with a population of 2.3 million people. Houston has a diverse and broad economic base in the healthcare, energy, aeronautics, and technology industries, and is home to the second most Fortune 500 company headquarters in the U.S. Houston also has a strong international presence; the Port of Houston ranks first in the United States in international commerce and is the 16th busiest port in the world. More than 90 foreign governments have consular representation in Houston, and there are 35 active foreign chambers of commerce and trade associations in the city. Additionally, 19 foreign banks representing nine nations operate in Houston, providing financial assistance to the international community.

Houston is the seat of Harris County and the economic center of the Houston–Sugar Land–Baytown Metropolitan Statistical Area (MSA), the fifth largest metropolitan area in the U.S., with 6.8 million residents. The Houston MSA is growing rapidly; from 2000 to 2030, the metropolitan area is projected to rank fifth in the nation in population growth—adding 2.66 million people. The metro area is the largest economic and cultural center of the American South and is included in the Texas Triangle megapolitan area, anchored by the metro areas of Houston, Dallas–Fort Worth, and San Antonio. The Texas Triangle is home to more than 70 percent of all Texans. In the next 40 years, the population of the Texas Triangle has been projected to grow more than 65 percent, or an additional ten million people, leading to 78 percent of Texans living and working within the Texas Triangle.

- » Metro Houston added nearly 92,000 residents in 2018, boosting the region's population to nearly 7 million. Since the April 2010 census, Houston has added nearly 1.1 million residents, a gain comparable to what the region saw in the 2000s. Houston's population should exceed 7.1 million by the end of the decade.
- » Every county in the Houston metro area gained population in 2018, with Harris County capturing the most residents.
- » Houston-area realtors sold 7,072 single-family homes in March 2019, a 4.9 percent increase from last year and a record for the month of March, according to data from the Houston Association of Realtors (HAR). The single-family home median price increased 2.1 percent to \$240,000.
- » Houston is home to the Texas Medical Center, the largest medical center in the world, with more than 106,000 employees, 58 institutions, thousands of volunteers, and 10 million patient visits per year.

LARGEST EMPLOYERS IN HOUSTON MSA	# OF EMPLOYEES
WALMART	34,000
H-E-B	26,956
MEMORIAL HERMANN HEALTH SYSTEM	26,011
HOUSTON METHODIST	22,247
THE UNIVERSITY OF TEXAS MD ANDERSON	20,189
KROGER	17,188
MCDONALD'S	16,100
JOHNSON SPACE CENTER	14,200
UNITED AIRLINES	14,084
TEXAS CHILDREN'S HOSPITAL	13,445



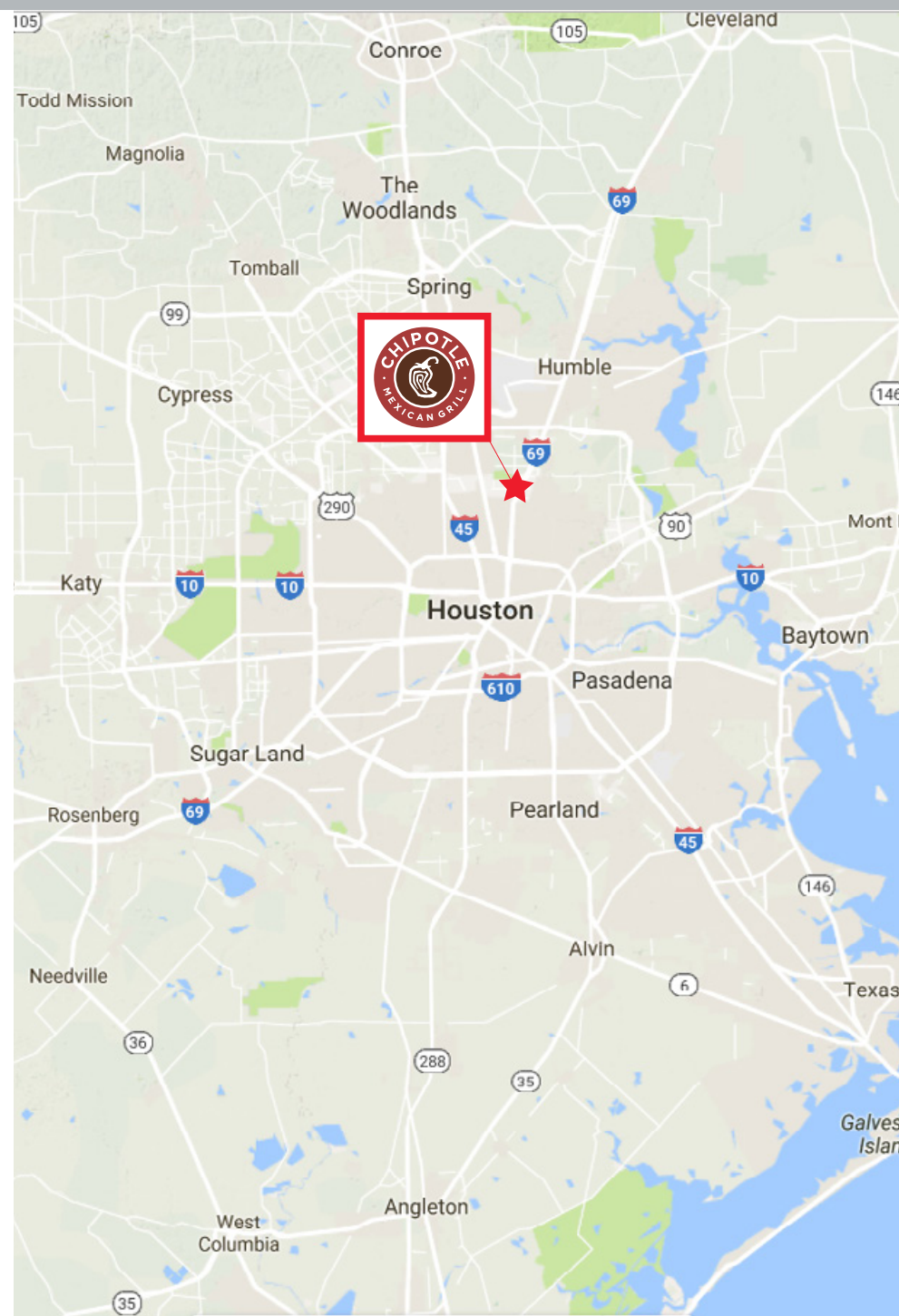
DEMOGRAPHIC PROFILE

2020 SUMMARY	1 Mile	3 Miles	5 Miles
Population	11,371	110,924	258,368
Households	2,850	31,062	75,496
Families	2,318	24,156	56,539
Average Household Size	3.92	3.55	3.40
Owner Occupied Housing Units	1,731	17,641	38,216
Renter Occupied Housing Units	1,119	13,420	37,280
Median Age	29.5	30.9	31.0
Average Household Income	\$48,881	\$46,923	\$46,490

2025 ESTIMATE	1 Mile	3 Miles	5 Miles
Population	11,856	115,798	269,545
Households	2,956	32,358	78,404
Families	2,407	25,159	58,740
Average Household Size	3.94	3.56	3.42
Owner Occupied Housing Units	1,786	18,558	39,989
Renter Occupied Housing Units	1,170	13,800	38,415
Median Age	30.0	31.8	31.9
Average Household Income	\$52,257	\$50,634	\$49,862



POPULATION OF 258,368
WITHIN FIVE MILES



INFORMATION ABOUT BROKERAGE SERVICES



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

11-2-2015



TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone
Buyer/Tenant/Seller/Landlord Initials		Date	



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MICHAEL T. YURAS, CCIM
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415.481.0788
michael.yuras@cushwake.com
CA RE License #01823291

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415.604.4288
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CA RE License #01728696

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Cushman and Wakefield Inc. LIC. # 00616335