

SECURE
NET LEASE

FILE PHOTO



CHIPOTLE

\$2,874,000 | 4.35% CAP

1420 E. Belt Line Road, Richardson, TX 75081

- ✓ New Construction 10-Year Ground Lease - Corporate Guarantee
- ✓ 10% Every 5 Years, In Primary Term & Options
- ✓ Located near signalized corner with combined 65,000+ VPD
- ✓ Chipotle operating 2,600 restaurants worldwide
- ✓ 2020 Q2 Digital Sales Growth - 216% (YOY) \$829M
- ✓ Minutes from \$1.5B CityLine Development & State Farm HQ



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 2,600 restaurants as of March 31, 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 85,000 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. Steve Ells, founder and former executive chairman, first opened Chipotle with a single restaurant in Denver, Colorado in 1993.

INVESTMENT OVERVIEW

CHIPOTLE | RICHARDSON, TEXAS

\$2,874,000 | 4.35% CAP

 **\$125,000**
NOI

 **±2,398 SF**
BUILDING AREA

 **±0.62 ACRES**
LAND AREA

 **2020**
YR BUILT

 **100%**
OCCUPANCY

 **GROUND LEASE**
LEASE TYPE

- ✓ **Brand New Chipotle in high-traffic area**, next to regional powercenter anchored by Lowe's and Super Target.
- ✓ **Founded in 1993, Chipotle is ranked 12th** in the 50- Fast Food Chains in America with a Revenue of \$5.586B
- ✓ **Located along Belt Line (28,794 VDP)** and South Plano Road (35,949 VPD) just east of Highway 75 (330,000)
- ✓ **Surrounded by high-volume national quick-serve concepts;** Whataburger, Chik-fil-a, Raising Canes, and many others.
- ✓ **Richardson, TX** has a population of 120,981 with a Median Household income of \$76,179.
- ✓ **Minutes from \$1.5 Billion CityLine Mixed-Use Development** featuring nearly 3,000,000 SF. Home to State Farms insurance HQ and Raytheon campuses.

SECURE

NET LEASE

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TENANT OVERVIEW

CHIPOTLE | RICHARDSON, TEXAS



CHIPOTLE MEXICAN GRILL, INC. (chipotle.com)

LESSEE: CHIPOTLE MEXICAN GRILL, INC.

GUARANTOR: CHIPOTLE MEXICAN GRILL, INC.

Chipotle Mexican Grill, Inc. develops and operates fast casual and fresh Mexican food restaurants. It's restaurants primarily offer burritos, tacos, burrito bowls, and salads. Chipotle Mexican Grill, Inc. was founded in 1993 and is based in Denver, Colorado. Chipotle uses high-quality raw ingredients, classic cooking methods and distinctive interior design- features that are more frequently found in the world of fine dining. Chipotle competes in a category of dining called "fast-casual," the fastest growing segment of the restaurant industry, where customers expect food quality that's more in line with full-service restaurants. Chipotle has 2,622 locations worldwide including restaurants in Unites States, Canada, United Kingdom, German, and France. Chipotle categorizes its restaurants as either end-caps (at the end of a line of retail outlets), in-lines (in a line of retail outlets), free-standing or other.

5.586B

REVENUE

CMG

STOCK TICKER



2,600

TOTAL LOCATIONS



IN THE NEWS

CHIPOTLE | RICHARDSON, TEXAS

CHIPOTLE MEXICAN GRILL SET TO OPEN 100TH CHIPOTLANE

Jul 15, Nancy Luna (National Restaurant News)

The Newport Beach, Calif.-based fast-casual chain opened 11 restaurants with car lanes in the first quarter; consumers love the convenience of fetching mobile orders without leaving their car, the brand says..

In April 2018, Brian Niccol, Chipotle Mexican Grill's newly appointed CEO, hinted that drive-thrus could play a big part in the brand's digital business, which at the time was not visible.

Chipotle restaurants with pick-up lanes allow the brand to compete with QSR, but with one advantage: the wait is not as long. Because consumers order ahead, they are able to grab their food at the drive-thru window within minutes.

Today, Chipotlanes are more than an interesting proposition. The drive-thru lanes, designed for customers to pick up mobile orders, are fast becoming a major part of Chipotle's development plans. On Wednesday, the Newport Beach, Calif.-based fast-casual chain said it will open its 100th Chipotle later this month in Ohio.

In the first quarter, the chain, which has seen digital sales soar during the pandemic, opened 11 restaurants with Chipotlanes. The brand now has drive-thru lanes in 32 states.



CLICK HERE TO READ MORE

EXPANDING CHAINS SEE OPPORTUNITY IN POST-PANDEMIC REAL ESTATE

Jonathan Maze, July 17, 2020 (Restaurant Business)

Big restaurant chains, such as Chipotle and Domino's, expect real estate to become more favorable as locations close. But drive-thru locations could surge in value.

As restaurants close across the country, executives of big chains are sensing opportunity for expansion, expecting a more favorable environment for real estate that will give them good locations, better terms or both.

Some are not even waiting. Chipotle Mexican Grill, for instance, has contacted

Chipotle, for instance, plans to develop aggressively its mobile-order Chipotlanes

the operators of desirable locations that haven't closed yet and offered to buy out their remaining lease.

Indeed, numerous executives in interviews and on earnings calls, including Chipotle, have suggested that they expect a more favorable environment for real estate, and said they are positioning themselves to take advantage.

The environment could ease lease costs, but it could also make sites available that were not available just a few months ago, enabling companies to get into new markets or desirable neighborhoods.

More chains than ever are looking at sites that have available drive-thrus.



CLICK HERE TO READ MORE

LEASE OVERVIEW

CHIPOTLE | RICHARDSON, TEXAS

INITIAL LEASE TERM	10 Years, Plus (3), 5-Year Options to Renew
RENT COMMENCEMENT	October 2020
LEASE EXPIRATION	October 2030
LEASE TYPE	Corporate Ground Lease
RENT INCREASES	10% Every 5 Years, In Primary Term & Options
ANNUAL RENT YRS 1-5	\$125,000
ANNUAL RENT YRS 6-10	\$137,500
OPTION 1	\$151,250
OPTION 2	\$166,375
OPTION 3	\$183,012

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Tom Thumb

SECONDS SURPLUS

APEX SUPPLY COMPANY

LeeMAH ELECTRONICS

NWS

NTE FOOD & SERVICE CENTER

BLOCK24 APARTMENTS (396 UNITS)

DOLLAR GENERAL Pet Supermarket McDonald's QT Jack in the Box O'Reilly FARMERS INSURANCE

HICKMAN ELEMENTARY SCHOOL (499 STUDENTS)

INTERNATIONAL LEADERSHIP OF TEXAS, GARLAND HIGH SCHOOL (622 STUDENTS)

Lone Star Cold Storage

POLYTRONIX

The HR Group

TRIDENT

DARTMOUTH ELEMENTARY SCHOOL (399 STUDENTS)

RICHARDSON TERRACE ELEMENTARY (527 STUDENTS)

ALDI INDIA BAZAAR Youfit Quiznos CHASE Applebee's LAIFITNESS

APOLLO JUNIOR HIGH SCHOOL (650 STUDENTS)

DOLLAR TREE Thrift City Tuesday Morning Harbor Freight Tools SHERWIN WILLIAMS TACO BELL KFC

BUENO Taco Bueno CVS pharmacy

LEE'S SANDWICHES GameStop metro SUBWAY

BRIGHTER HORIZONS ACADEMY (828 STUDENTS)

PNB Bruce Miller Nurseries

Little Caesars McDonald's

E BELT LINE ROAD ± 28,794 VPD

Staples SALLY BEAUTY Burlington PPG Car's Firehouse Subs TITLEMAX

TARGET ROSS LOWE'S petco SHOE CARNIVAL WHATABURGER Chick-fil-e PANDA EXPRESS SONIC

ST. JOSEPH CATHOLIC SCHOOL (299 STUDENTS)

TEAM BUNGO athena

ExxonMobil

Kroger SONIC Bank of America

SUBJECT PROPERTY 1420 E. BELT LINE ROAD

PLANO ROAD ± 35,949 VPD

BERKNER HIGH SCHOOL (2621 STUDENTS)

Albertsons STARBUCKS PAPA JOHN'S ups

Walgreens

SONTERRA AT BUCKINGHAM APARTMENTS (312 UNITS)

Fiesta BIG LOTS! LESLIE'S SHIMMING POOL SUPPLIES Jack in the Box SUBWAY GameStop

THE HOME DEPOT GOLDEN CHICK Grippa Hamburgers

DALLAS-FORT WORTH METROPOLITAN AREA (27.2 MILES)

Firestone Complete Auto Care Chevron The Flooring Market

Walmart Neighborhood Market FALLAS CVS pharmacy DOLLAR GENERAL

VALERO

Walgreens

DAVIS ELEMENTARY SCHOOL (589 STUDENTS)

BELTERRA APARTMENTS (288 UNITS)

LIBERTY JUNIOR HIGH SCHOOL (631 UNITS)

O. HENRY ELEMENTARY SCHOOL (447 STUDENTS)

JACKSON TECHNOLOGY CENTER FOR MATH AND SCIENCE (1,327 STUDENTS)

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SITE OVERVIEW

CHIPOTLE | RICHARDSON, TEXAS

 **2020**
YR BUILT

 **±2,398 SF**
BUILDING AREA

 **±0.62 ACRES**
LAND AREA

NEIGHBORING RETAILERS

Staples	Harbor Freight Tools
Burlington	ALDI
Lowe's	Wendy's
Shoe Carnival	Smoothie King
Ross Dress for Less	Panda Express
Target	Whataburger
Petco	Little Caesars Pizza
Sonic Drive-In	The Home Depot
Chick-fil-A	Albertsons
Dollar Tree	Walgreens
Tuesday Morning	Walmart Neighborhood Market

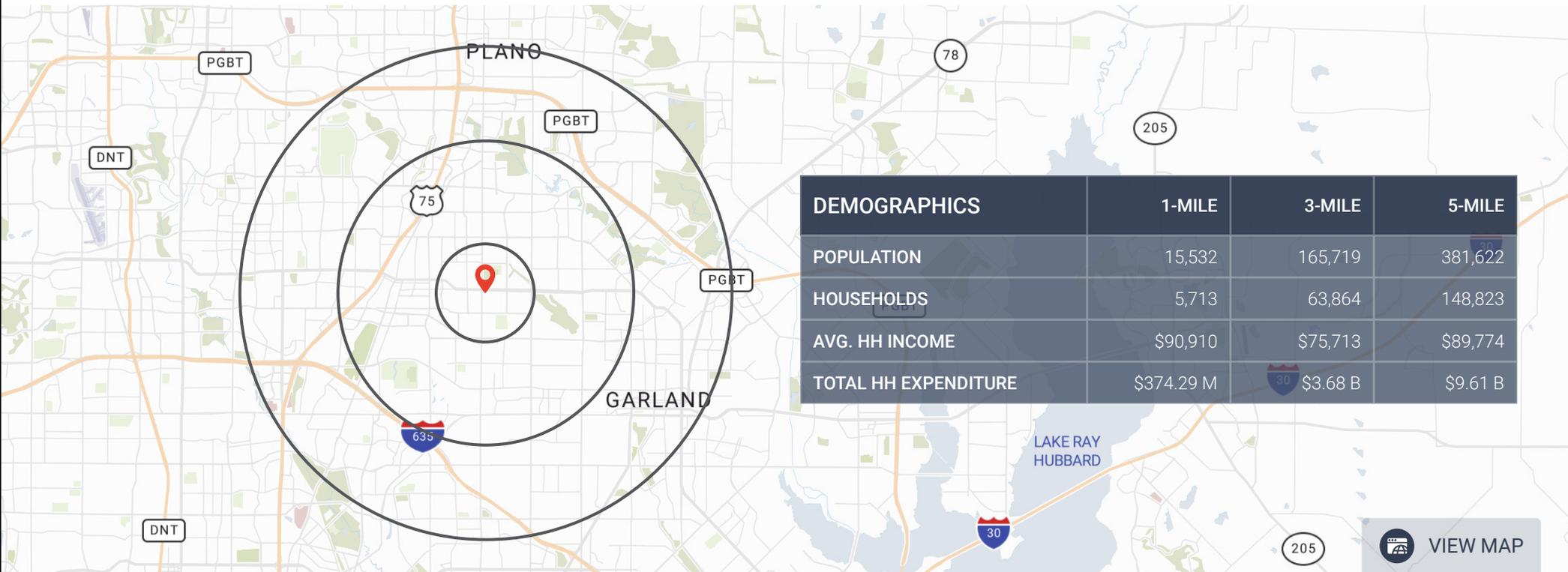
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LOCATION OVERVIEW

CHIPOTLE | RICHARDSON, TEXAS



ECONOMIC DRIVER'S (# of Employees)

- State Farm Insurance (7,000)
- Children's Home Healthcare Inc. (4,500)
- Verizon (3,000)
- Raytheon (1,900)
- University of Texas at Dallas (1,500)
- Qorvo Texas, LLC (1,400)
- Fujitsu Network Communications, Inc. (1,400)
- Rockwell Collins, Inc. (944)
- Texas Capital Bancshares, Inc. (888)
- RP Newco XX LLC (800)
- Learjet Inc. (750)
- Ait Holdings LP (720)
- Cve Technology Group, Inc. (700)
- Government Employees Insurance Company Inc. (686)
- Rkm Utility Services, Inc. (620)

LOCATION OVERVIEW

CHIPOTLE | RICHARDSON, TEXAS



Richardson is home to the famous CityLine mixed-use development. The \$1.5 billion dollar development houses nearly 3,000,000 SF of Office Space, Restaurants, Retail, Entertainment, a Specialty Grocery Center, and more.

Over 10,000 employees from State Farm Insurance and Raytheon inhabit CityLine's borders. The State Farm facility is home to over 7,000 employees, while Raytheon's facilities house more than 1,900 employees.

CityLine's convenient location offers access to Dallas' major highways, DART, DFW airport, Love Field, abundant on-site parking, trails, and plenty of fresh air.

\$1.5 B

CITYLINE IS A \$1.5 BILLION MIXED-USE DEVELOPMENT IN CONVENIENT PROXIMITY TO THE SUBURBS OF DALLAS.

2.9 M SF

CITYLINE FEATURES 2.6 MILLION SF OF OFFICE SPACE, 230,000 SF OF RESTAURANTS/RETAIL, 125,000 SF SPECIALTY GROCERY CENTER, AND 41,000 SF OFFICE CENTER.

STATE FARM HQ

HOME TO STATE FARM'S STATE-OF-THE-ART REGIONAL HUB IN RICHARDSON, WITH OVER 7,000+ EMPLOYEES AND CAPACITY UP TO 10,000 WORKERS.

LOCATION OVERVIEW

CHIPOTLE | RICHARDSON, TEXAS



RICHARDSON TEXAS

 **120,981**
POPULATION

 **\$76,719**
MEDIAN HOUSEHOLD INCOME

Richardson is an affluent inner suburb of Dallas, TX and has a population of 120,981. Located in Dallas and Collin County it is the home of University of Texas Dallas and the Telecom Corridor, which is home to a high concentration of telecommunication companies. There are more than 5,000 businesses with Richardson's 28 miles, including AT&T, Verizon, Cisco Systems, Samsung, Texas

The current population is **120,981 with 14% lower crime rate** than the national average.

Instruments, and Fujitsu. Richardson has four Dallas Area Rapid Transit Light rail stations and has built the Eismann Center for Performing Arts and Corporate Presentations. Richardson is ranked #12 of Best Cities to live in America and #6 for the Best Suburbs for Young Professionals In Texas. Richardson is located in the Dallas-Ft. Worth Metroplex with a population of 7,573,136. Dallas-Fort Worth is expected to lead the nation's metro areas for new residents with a population growth rate of 17.9 percent for 2020-2029.

\$314,150

MEDIAN HOME VALUE IN RICHARDSON IS \$314,150.

\$76,719

RICHARDSON HOUSEHOLD INCOME OF \$76,719 WITH DALLAS-FORT WORTH MEDIAN INCOME AT \$59,175.

IN THE NEWS

CHIPOTLE | RICHARDSON, TEXAS

HOW DID RICHARDSON GROW FROM A COMMUNITY OF COTTON FIELDS TO THE SILICON PRAIRIE? SOME KEY MOMENTS

Hannah Evans, March 4, 2020 (*The Dallas Morning News*)

One foot in Dallas County, one foot in Collin County: The city's prime location has seen a steady increase in population since it was incorporated in 1925.

Besides the city's economy, residents enjoy the convenience of location and culture, a top-notch public university, a rapidly expanding community college, and vibrant arts and recreation programs. According to the city of Richardson website, "in the 1840s, settlers from Tennessee and Kentucky began arriving in the Richardson area, which was inhabited by Comanche and Caddo Indian

With a rich history dating to the 1840s, Richardson has seen a steady growth from a small farming settlement to a prospering part of *North Texas' Silicon Prairie*.

tribes." The settlers created a community called Breckinridge in the area around present-day Richland College.

Snip of 'H. and T. Railroad' from Jan. 17, 1896. (*The Dallas Morning News*)

The Houston and Texas Central Railway was enticed with a land donation from William J. Wheeler and Bernard Reilly on June 23, 1873. They chose the land over the small settlement of Breckinridge, just a few miles away.

The men declined to have the new settlement named after them.



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RICHARDSON: 'INTERNATIONAL BUSINESS CAPITAL OF NORTH TEXAS'

Ben Russell, March 20, 2018 (*NBCDFW*)

Included in that growth is a strong push from international corporations into the region and, increasingly, into one city in particular: Richardson.

By comparison, Plano – Richardson's immediate neighbor to the north and a city with a population more than double that of Richardson – has 63 foreign-owned businesses operating in the city.

"What I have to do is convince them, first, that Texas is a place that they should come do business," said Mike Skelton, the Director of the Mayor's Office of

There are more than 60 foreign-owned companies that have operations in Richardson. Because the number can fluctuate it is difficult to tell exactly what that number is, according to representatives from the City of Richardson, *but the most recent count put it at 64*.

International Business. "And then I can talk to them about Dallas-Fort Worth. And then once I can talk about that then I can get to the specifics of Richardson."

Skelton and his team hosted 28 foreign delegations in 2017 alone, representing countries primarily from Europe, Asia and South America.

Skelton likens his primary role as a concierge, of sorts, who works to connect the companies with the services that they require to do business in America – legal services, accountants, banking, visa requests, access to a local employment base, market research, etc.



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DALLAS-FORTH WORTH METRO

CHIPOTLE | RICHARDSON, TEXAS

METRO STATISTICS

TOTAL POPULATION	7,573,136
GDP	\$480 B
NATIONAL ECONOMY RANKING	3rd
WORLD ECONOMY RANKING	10th
FORTUNE 500 COMPANIES	25

CHIPOTLE MEXICAN GRILL
SUBJECT PROPERTY
 1420 E. BELT LINE ROAD

UNIVERSITY OF NORTH TEXAS
 37,973 Students
 Ranked #5 Best Graduate Schools for Homeland Security Programs

UNIVERSITY OF TEXAS AT DALLAS
 29,543 Students
 Top 100 Business Schools

SMU World Changers Shaped Here
 11,739 Students
 Ranked #40 Best Part-Time MBA Program

DFW DALLAS/FORT WORTH INTERNATIONAL AIRPORT
 64 Million Annual Passengers
 American Airlines Hub

UTA UNIVERSITY OF TEXAS AT ARLINGTON
 41,988 Students
 Ranked #20 Top Performers on Social Mobility

AMERICAN AIRLINES CENTER
 20,000 Seating Capacity
 Dallas Stars #14 Most Valuable Hockey Team (\$525M)

Dallas Love Field
 16.2 Million Annual Passengers
 Southwest Airlines Hub

GLOBE LIFE PARK
 49,115 Seating Capacity
 Texas Rangers #13 Most Valuable MLB Team (\$1.7B)

AT&T STADIUM
 100,000 Seating Capacity
 Dallas Cowboys #1 Most Valuable NFL Team (\$5.5B)

HILL COLLEGE
 4,236 Students
 20 Different Fields of Study

NAVARRO COLLEGE
 9,000 Students
 9th Best Community College in Texas

The Palace
 Opened in 1921 for Performing Arts

CORSICANA MUNICIPAL AIRPORT
 1 Hour South of Dallas
 Annual Airsho* Hosted by Coyote Squadron Commemorative Airforce

PEARCE
 15,000 Documents from the Civil War

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NET LEASE

WE LOOK FORWARD TO HEARING FROM YOU

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(424) 220-6430

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TEXAS DISCLAIMER

CHIPOTLE | RICHARDSON, TEXAS

APPROVED BY THE TEXAS REAL ESTATE COMMISSION FOR VOLUNTARY USE

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

INFORMATION ABOUT BROKERAGE SERVICES

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties' consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

IF THE BROKER REPRESENTS THE OWNER:

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written – listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information known to the agent.

IF THE BROKER REPRESENTS THE BUYER:

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests

of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

IF THE BROKER ACTS AS AN INTERMEDIARY:

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- ▷ shall treat all parties honestly;
- ▷ may not disclose that the owner will accept a price less than the asking price submitted in a written offer unless authorized in writing to do so by the owner;
- ▷ may not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- ▷ may not disclose any confidential information or any information that a part specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions of the other party.