

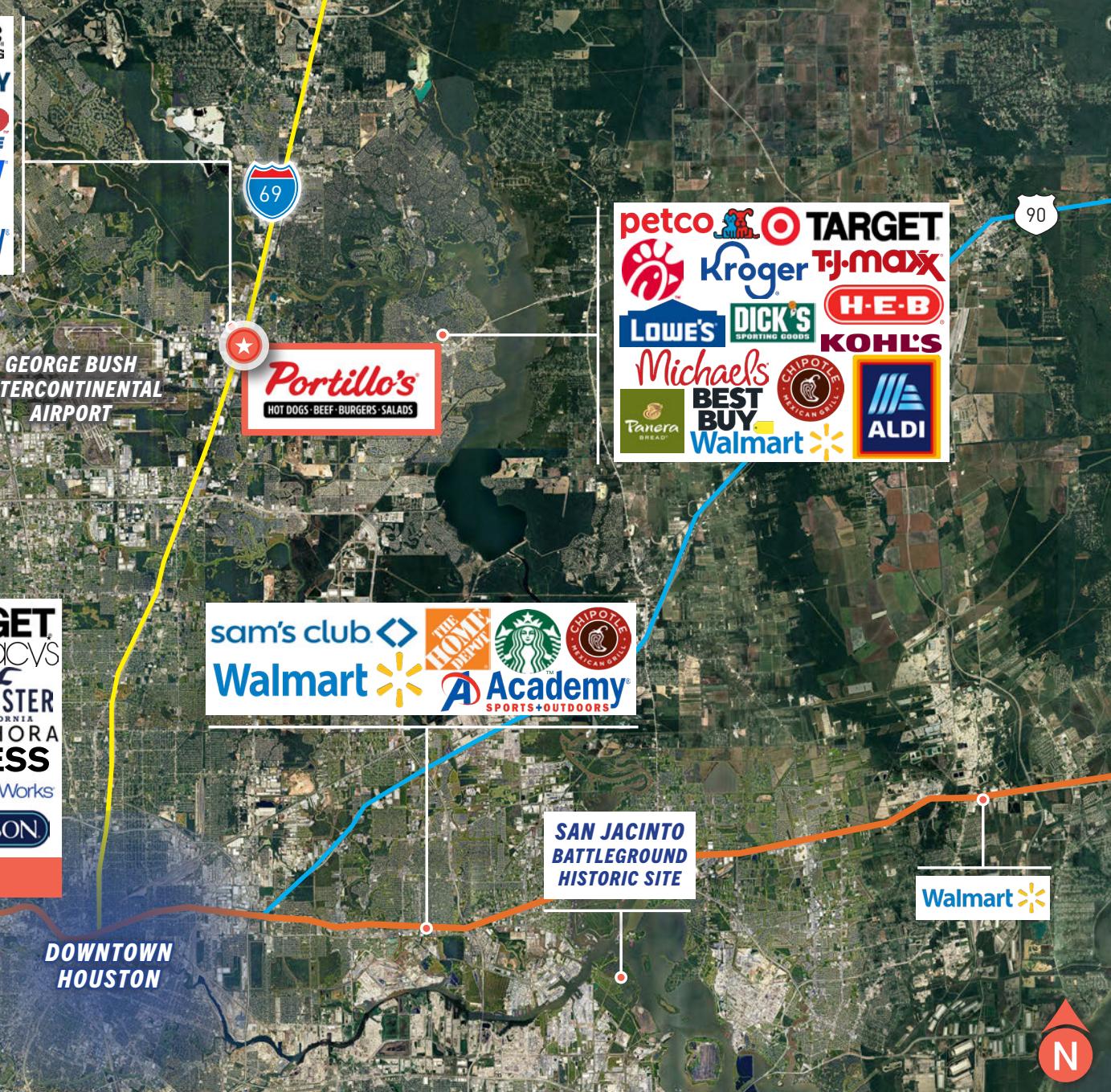
PORTILLO'S - 15 YEAR ABSOLUTE NNN GROUND LEASE

111 FM 1960 WEST, HUMBLE (HOUSTON), TEXAS

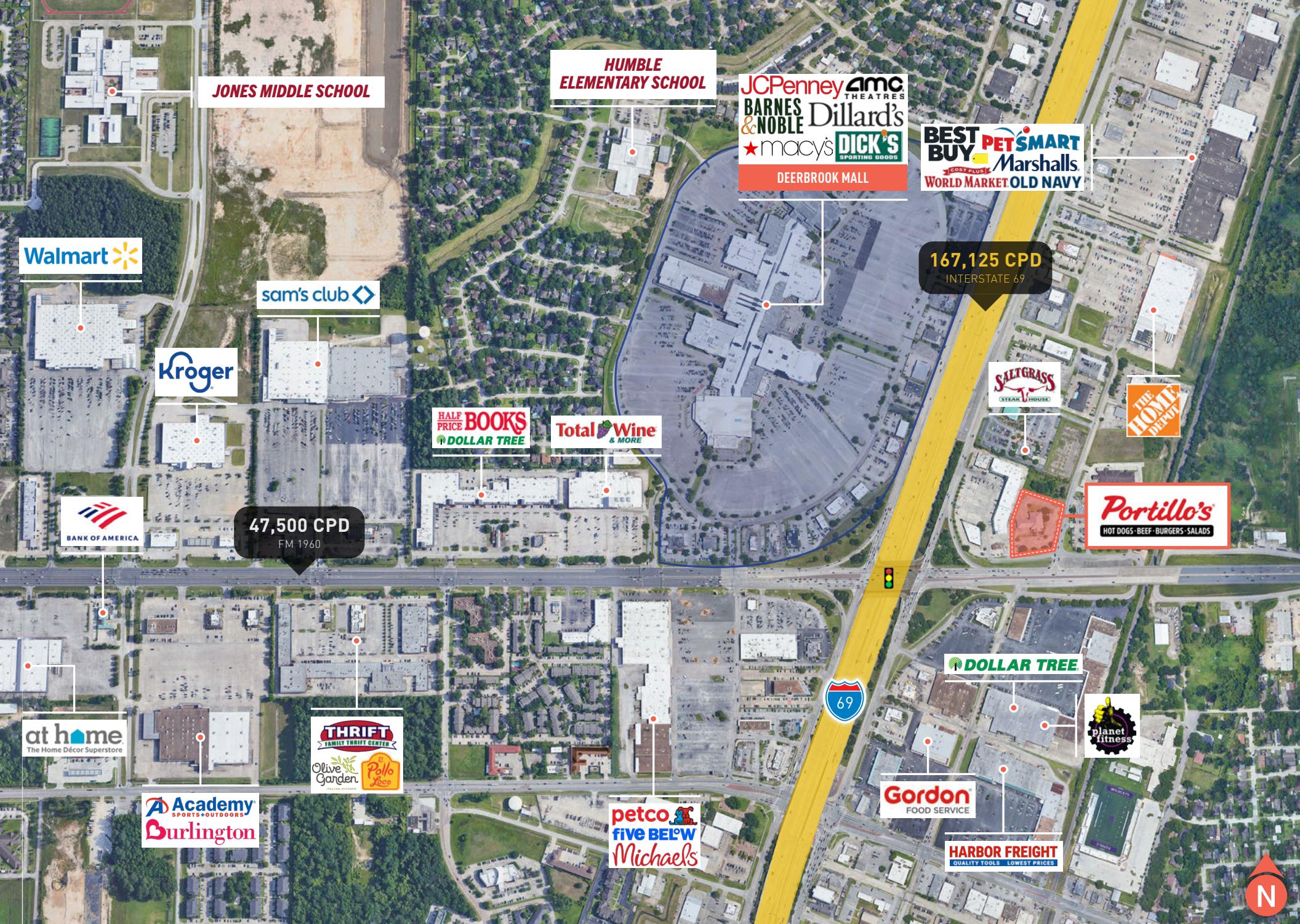


OFFERING MEMORANDUM

Marcus & Millichap



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Executive Summary

111 FM 1960 West, Humble (Houston), TX 77338

FINANCIAL SUMMARY

Price	\$6,560,000
Cap Rate	5.0%
Building Size	6,250 SF
Net Cash Flow	5.0% \$328,000
Year Built	2025
Lot Size	2.210 Acres

LEASE SUMMARY

Lease Type	Absolute Triple-Net (NNN) Ground Lease
Tenant	Portillo's*
Guarantor	Corporate
Est. Rent Commencement Date	February 10, 2026
Est. Lease Expiration Date	February 9, 2041
Lease Term	15 Years
Rental Increases	10% Every 5 Years
Renewal Options	4, 5 Year Options

* Tenant has a right to assign the lease if the proposed transferee has a net worth of at least \$50,000,000 at the time of the transfer, and will be released from liability.

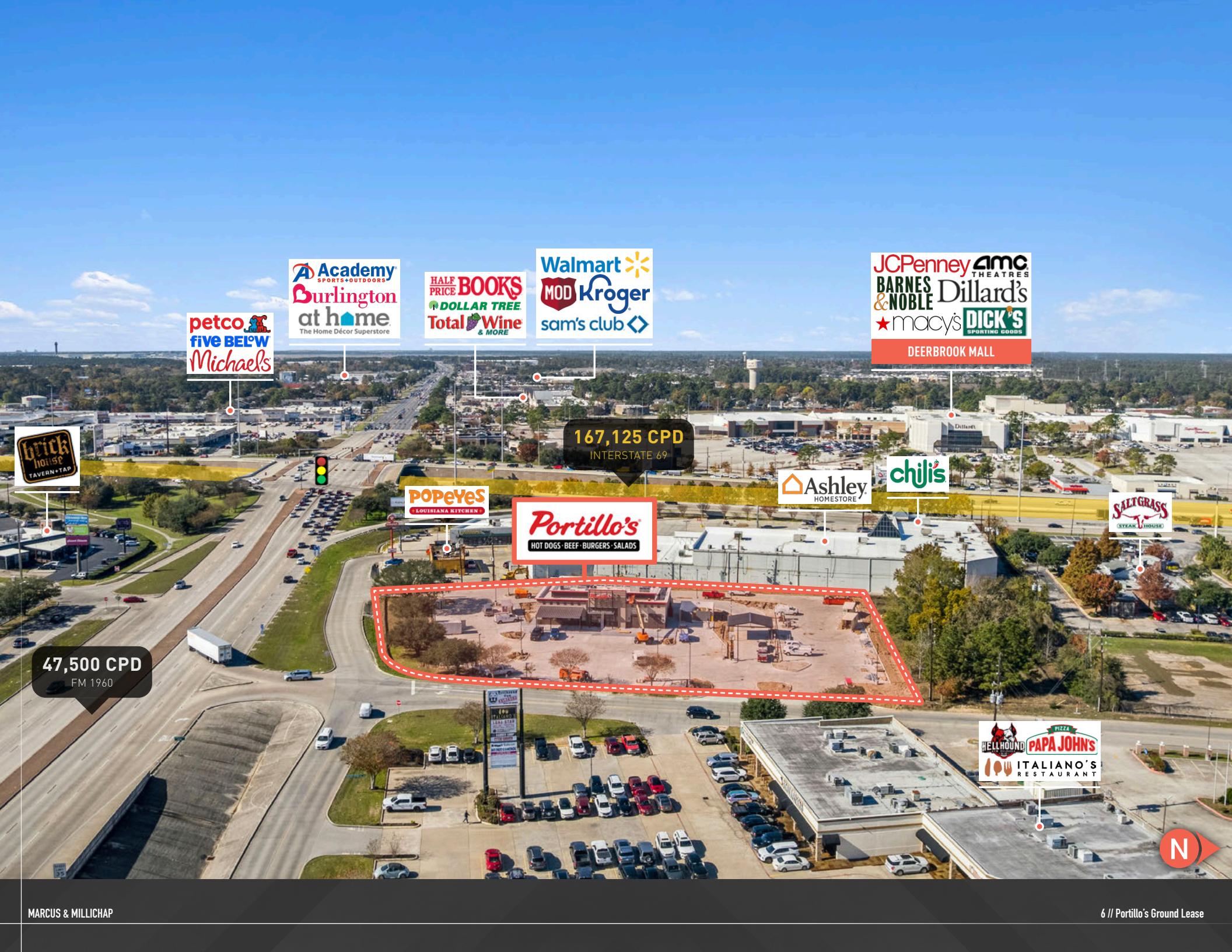
ANNUALIZED OPERATING DATA

Lease Years	Annual Rent	Cap Rate
Years 1 – 5	\$328,000.00	5.00%
Years 6 – 10	\$360,800.00	5.50%
Years 11 – 15	\$396,880.00	6.05%
Renewal Options	Annual Rent	Cap Rate
Option 1 (Years 16 – 20)	\$436,568.00	6.66%
Option 2 (Years 21 – 25)	\$480,224.80	7.32%
Option 3 (Years 26 – 30)	\$528,247.28	8.05%
Option 4 (Years 31 – 35)	\$581,072.09	8.86%

Base Rent	\$328,000
Net Operating Income	\$328,000
Total Return	5.0% \$328,000









Property Description



INVESTMENT HIGHLIGHTS

- » New 15-Year Absolute Triple-Net (NNN) Ground Lease
- » 10% Rental Increases Every 5 Years with Multiple Renewal Options
- » **Corporate Guaranty by Portillo's (NASDAQ: PTLO) - ±100 Locations**
- » Brand New High-Quality 2025 Construction with a Drive-Thru
- » **155,967 Residents within a 5-Mile Radius - Growing Trade Area in the Houston MSA**
- » Average Household Income Exceeds \$99,000 in the Surrounding Area
- » **Easily Accessible Location Immediately Off the I-69 Freeway with Excellent Frontage Along FM 1960 (±47,500 Cars per Day)**
- » Situated within a Dense Retail Corridor, Across from Deerbrook Mall and Surrounded by National Tenants: Walmart Supercenter, Sam's Club, At Home, etc.



DEMOGRAPHICS

1-mile

3-miles

5-miles

Population

2029 Projection	6,825	46,186	164,427
2024 Estimate	6,680	44,452	155,967
Growth 2024 - 2029	2.17%	3.90%	5.42%

Households

2029 Projections	2,894	16,490	57,797
2024 Estimate	2,827	15,852	54,547
Growth 2024 - 2029	2.39%	4.03%	5.96%



Tenant Overview



Portillo's®

HOT DOGS • BEEF • BURGERS • SALADS



OAKBROOK, IL
Headquarters



±100
Locations



PORTILLOS.COM
Website



1963
Founded

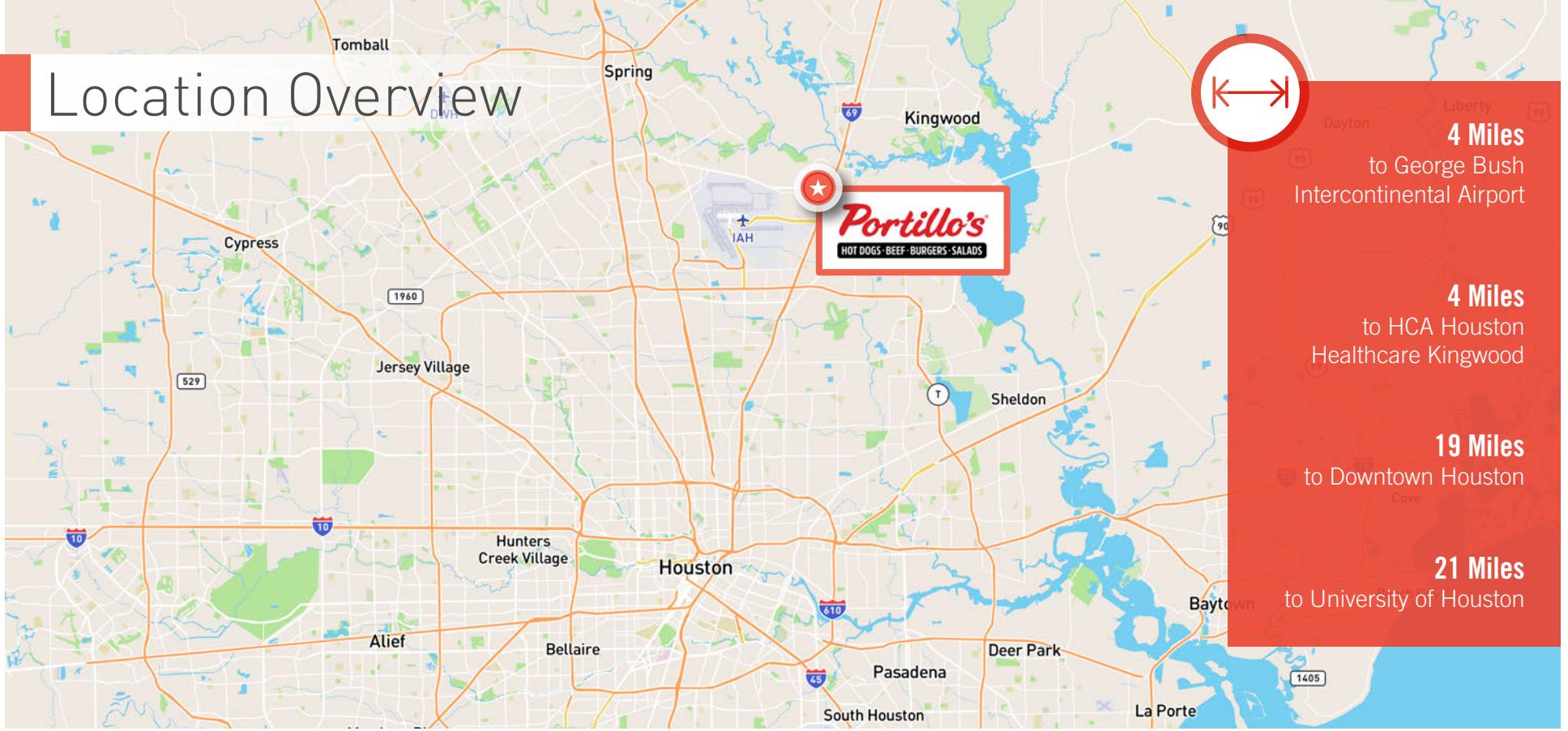
Portillo's (NASDAQ: PTLO) is a fast-casual restaurant concept known for its menu of iconic Chicago-style street food. Portillo's serves customers through high-energy, multichannel restaurants designed to ignite the senses and create a memorable dining experience.

Since its founding in 1963, Portillo's has grown into a treasured brand with a passionate nationwide following. Its diverse menu features All-American classics such as Chicago-style hot dogs and sausages, Italian beef sandwiches, chopped salads, burgers, crinkle-cut french fries, homemade chocolate cake, and milkshakes. Portillo's creates a unique consumer experience by combining the best attributes of fast casual and quick service concepts with an exciting energy-filled atmosphere and restaurant model capable of generating tremendous volumes.

Property Photos



Location Overview



Humble is a city located in the Houston metropolitan area in the northeast quadrant of Harris County, home to nearly 17,000 residents. As a suburb of Houston, Humble is linked economically to the Greater City of Houston region. Many of the area residents work in Houston's diverse business community that includes the petrochemical industry, world-renowned medical facilities, energy, and manufacturing. The city also benefits from being immediately adjacent to the Houston Intercontinental Airport.

HOUSTON METROPOLITAN AREA

As the fifth-most populous metro area in the United States, Houston houses more than 7.4 million people in southeastern Texas. Roughly one-third of residents live in the city of Houston. Local population counts also exceed

100,000 residents in Pasadena, Pearland, The Woodlands, Sugar Land and League City. The market is composed of nine counties: Harris, Galveston, Brazoria, Fort Bend, Chambers, Montgomery, Austin, Liberty and Waller.

The Houston metro is expected to add 629,000 people through 2028, translating to the formation of roughly 240,000 households, generating demand for housing. The metropolitan area's favorable location and climate translate to an abundance of outdoor activities. More than a dozen state parks and recreation areas lie within a short drive of Houston's city limits, as well as more than 500 local parks and open spaces, various cultural venues and museums. Johnson Space Center is a popular tourist and educational destination.



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.

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Sales Agent/Associate's Name	License No.	Email	Phone
Regulated by the Texas Real Estate Commission	Buyer/Tenant/Seller/Landlord's Initials	Date	Information available at www.trec.texas.gov IABS 1-0

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NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

By accepting this Marketing Brochure, you agree to treat the information contained herein regarding the lease terms as confidential and proprietary and to only use such information to evaluate a potential purchase of this net leased property.

The information contained in this Marketing Brochure has been obtained from sources we believe to be reliable. However, Marcus & Millichap has not and will not verify any of this information, nor has Marcus & Millichap conducted any investigation regarding these matters. Marcus & Millichap makes no guarantee, warranty or representation whatsoever about the accuracy or completeness of any information provided.

As the Buyer of a net leased property, it is the Buyer's responsibility to independently confirm the accuracy and completeness of all material information before completing any purchase. This Marketing Brochure is not a substitute for your thorough due diligence investigation of this investment opportunity. Marcus & Millichap expressly denies any obligation to conduct a due diligence examination of this Property for Buyer.

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.

CONFIDENTIALITY AGREEMENT

The information contained in the following offering memorandum is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from Marcus & Millichap and it should not be made available to any other person or entity without the written consent of Marcus & Millichap. By taking possession of and reviewing the information contained herein the recipient agrees to hold and treat all such information in the strictest confidence. The recipient further agrees that recipient will not photocopy or duplicate any part of the offering memorandum. If you have no interest in the subject property at this time, please return this offering memorandum to Marcus & Millichap.

This offering memorandum has been prepared to provide summary, unverified financial and physical information to prospective purchasers, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation. Marcus & Millichap has not made any investigation, and makes no warranty or representation with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCBs or asbestos, the compliance with local, state and federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property. The information contained in this offering memorandum has been obtained from sources we believe to be reliable; however, Marcus & Millichap has not verified, and will not verify, any of the information contained herein, nor has Marcus & Millichap conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein. Prospective buyers shall be responsible for their costs and expenses of investigating the subject property.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONTACT THE MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

For financing options, please reach out to:

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