



Actual Location



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In Association with Texas Broker, Lunsford Capital Corp.

FINANCIAL OVERVIEW

ADDRESS

2718 Old Chocolate Bayou Road
Pearland, TX 77584

Price	\$9,850,000
Cap Rate	5.40%
Net Operating Income	\$532,000
Rentable Square Footage	28,000
Lot Size	4.02 acres
Type of Ownership	Fee Simple

RENT SCHEDULE

TERM	ANNUAL RENT	MONTHLY RENT
Years 1-2	\$497,000	\$41,416.67
Years 3-5	\$532,000	\$44,333.33
Years 6-10	\$560,000	\$46,666.67
Years 11-15	\$588,000	\$49,000.00
Option 1	\$616,000	\$51,333.33
Option 2	\$644,000	\$53,666.67
Option 3	\$672,000	\$56,000.00

LEASE SUMMARY

Lease Type	NN
Roof & Structure	Landlord
RE Taxes	Tenant
Insurance	Tenant
CAM	Self-maintained by Tenant
Lease Term	15 Years
Lease Dated	August 20, 2014
Rent Commencement	September 2, 2015
Lease Expiration	September 30, 2030
Term Remaining	Approximately 12 ½ Years
Increases	\$1/sf every 5 years
Options	Two x 5 Years One x 4yrs 11 mos
Right of First Refusal	No



TENANT OVERVIEW



Sprouts Farmers Market - SFM, LLC is a subsidiary of Sprouts Farmers Market, Inc a healthy grocery store, provides fresh, natural, and organic food in the United States. The company's stores offer fresh produce, bulk foods, vitamins and supplements, packaged groceries, meat and seafood, deli products, baked goods, dairy and dairy alternatives, frozen foods, body care and natural household items, and beer and wine. As of February 23, 2017, it operated 256 stores in 14 states. The company was founded in 2002 and is headquartered in Phoenix, Arizona. www.sprouts.com

Ownership	Public
Tenant	SFM, LLC (subsidiary of Sprouts Farmers Market, Inc.)
Number of Locations	256
Website	www.sprouts.com

INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- 15 Year NN Lease commenced September 2015.
- Lease guaranteed by SFM, LLC, the operating subsidiary of Sprouts Farmers Market, Inc.
- Tenant operates approximately 256 grocery stores in 14 states.
- Rental Increases every 5 years of \$1/S.F.
- Situated at a signalized corner across from a Kroger grocery-anchored center.
- Rare opportunity to own a freestanding, newly-constructed Sprouts Farmers Market in the highly desirable Houston submarket of Pearland, Texas.
- Pearland is the third largest and fastest growing city in the Houston MSA and the second fastest growing city in the state of Texas.
- Pearland's population growth was 142% from 2000-2010.
- High Traffic Site with approximately 40,000 VPD on nearest reported corner (Cullen and Broadway).

DEMOGRAPHICS

POPULATION	1 Mile	3 Mile	5 Mile
Total Population (2014)	9,492	61,763	125,929
INCOME			
Average Household Income	\$105,428	\$104,746	\$97,296
TRAFFIC COUNTS	W Broadway		
Vehicles Per Day	32,000		

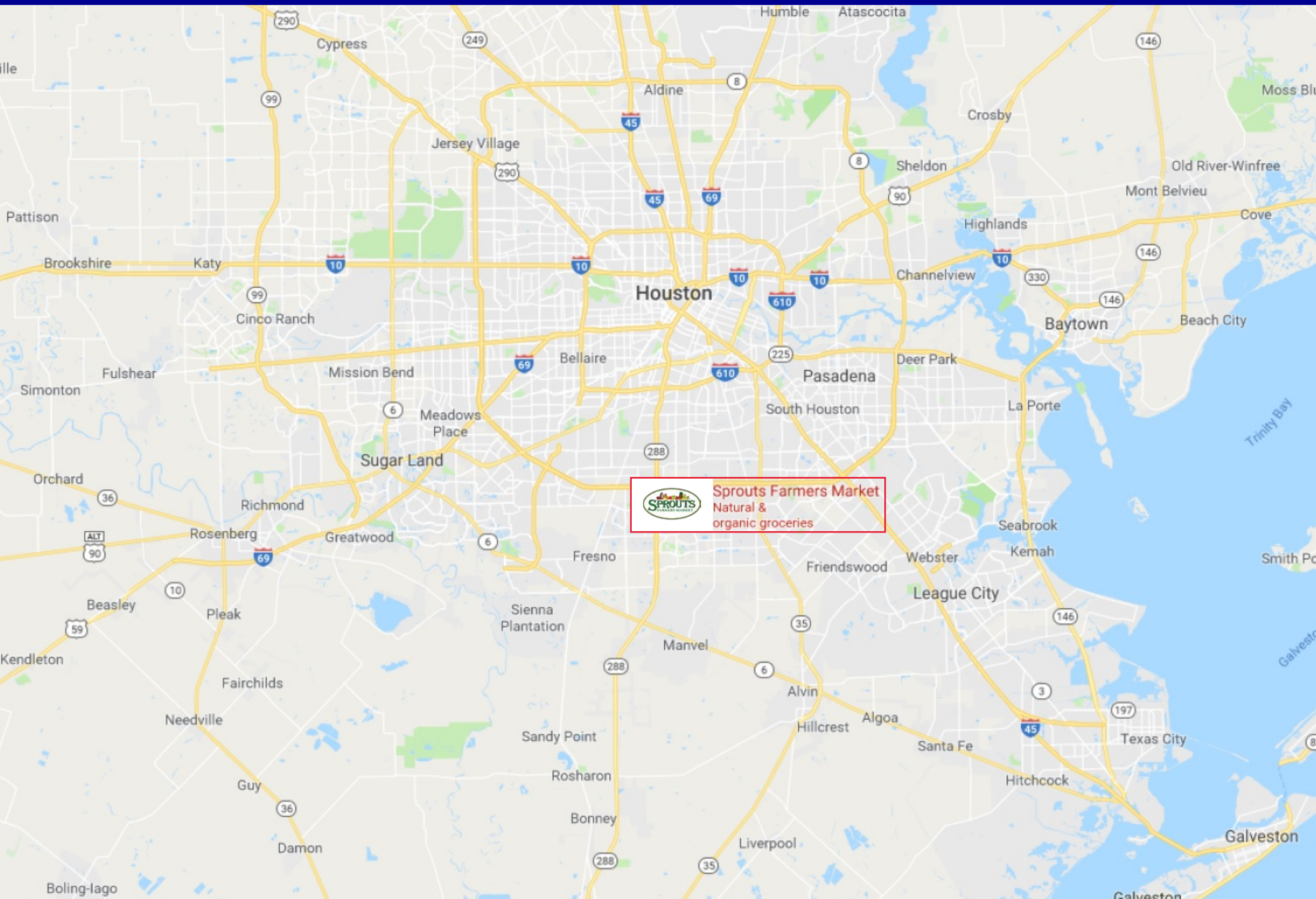
AREA OVERVIEW

Eighty-three percent of Pearland is residential, which is the primary contributing factor to the high population. Pearland's population growth rate from 2000 to 2010 was 142 percent, which ranked Pearland as the 15th fastest growing city in the U.S. during that time period, compared to other cities with a population of 10,000 or greater in 2000. Pearland is the third largest city in the Houston MSA, and from 2000 to 2010, ranked as the fastest growing city in the Houston MSA and the second fastest growing city in Texas. Just a 20-minute drive to downtown Houston, Pearland's strategic location within the Houston MSA provides access to over 2.8 million talented workers in industries such as energy, manufacturing and healthcare, including over 7,500 Texas Medical Center employees that live within the Pearland city limits.

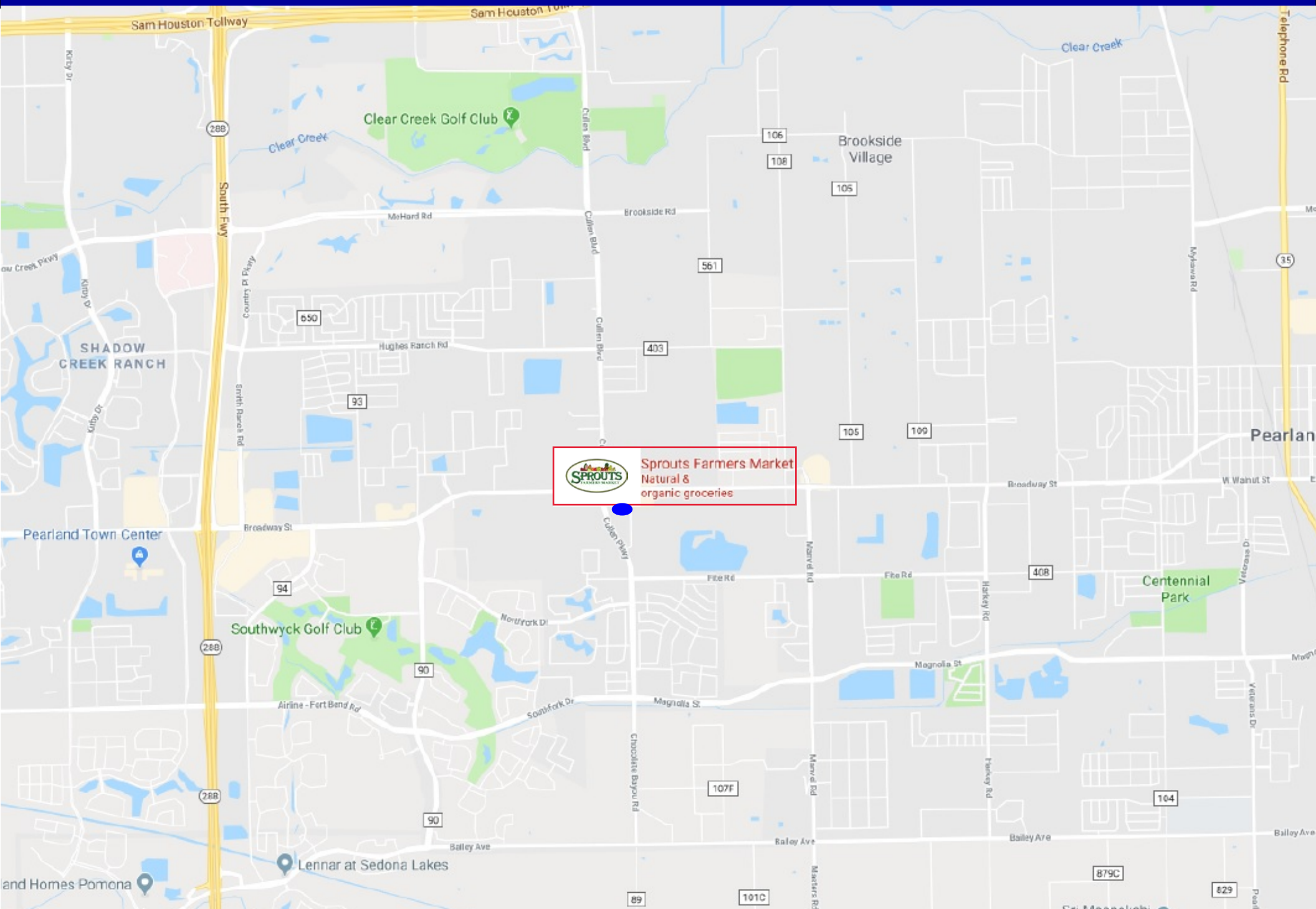
Established in 1995 by the voters of the City of Pearland, the Pearland Economic Development Corporation (PEDC) is the lead economic development group for this thriving, business-friendly community. Pearland's skilled workforce is a reflection of the outstanding companies located in the community and region.

Pearland's workforce and community amenities have made it an attractive location for large medical-related companies seeking new quarters. Kelsey-Seybold Clinic's new 170,000-square-foot administrative office opened in the Fall of 2013, with 800 employees. Pearland's largest employers include: Pearland Independent School District, Wal-Mart Stores, Home Depot, City of Pearland, Target, Kemlon Packaging Service Company, HEB, Lowe's, Dillards and Macy's. Since 2005, Pearland's estimated labor force has grown from just over 31,302 to 51,974 in 2013.

REGIONAL MAP



LOCAL MAP



AERIAL PHOTO



SITE PLAN

