



Offering Memorandum

# Sugar Point Shopping Center

9920 U.S. 90 Alternate, Sugar Land, TX 77478

# Table of Contents

<b>1</b>	Property Offering	<b>9</b>	5YR Cash Out
<b>2</b>	Location Details	<b>10</b>	Rent Roll
<b>3</b>	Property Location	<b>11</b>	About DML
<b>4</b>	Property Plat	<b>12</b>	Equity Stack & Hurdle Details
<b>5</b>	Survey	<b>13</b>	Performance History
<b>6</b>	Project Summary	<b>14</b>	Tenant Information
<b>7</b>	Cash Flow	<b>15</b>	About Fort Bend
<b>8</b>	ROI	<b>16</b>	Next Steps

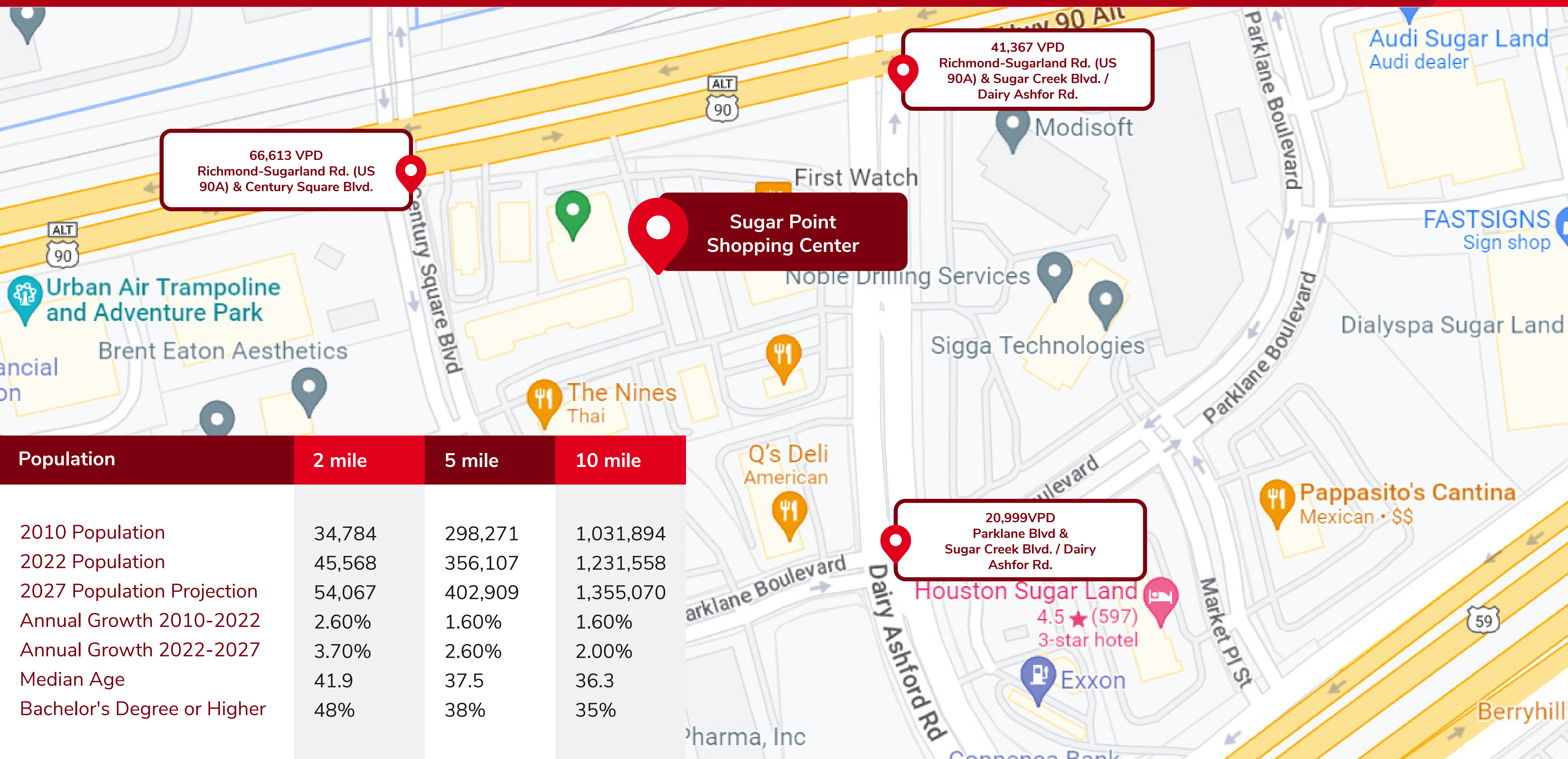


# Property Offering

**DML Capital** is pleased to offer the opportunity to purchase a five building shopping center located in Sugar Land in southwest Houston MSA, in Fort Bend County, Sugar Point Shopping Center. The center is well located with access from three streets, one is a signalized corner with local, regional and national tenants. Sugar Point Shopping Center is comprised of five buildings, three of which are occupied by one tenant and two multi-tenant. The 5,000 SF building is occupied by Sherwin Williams, 8548 SF is occupied by Creative Minds Day Care, 29,183 is occupied by Dynamic Fit Club and the multi tenant buildings are occupied by a variety of local tenants. The center has been 97% occupied since the third quarter of 2019 with previous minimal vacancy since 2018.



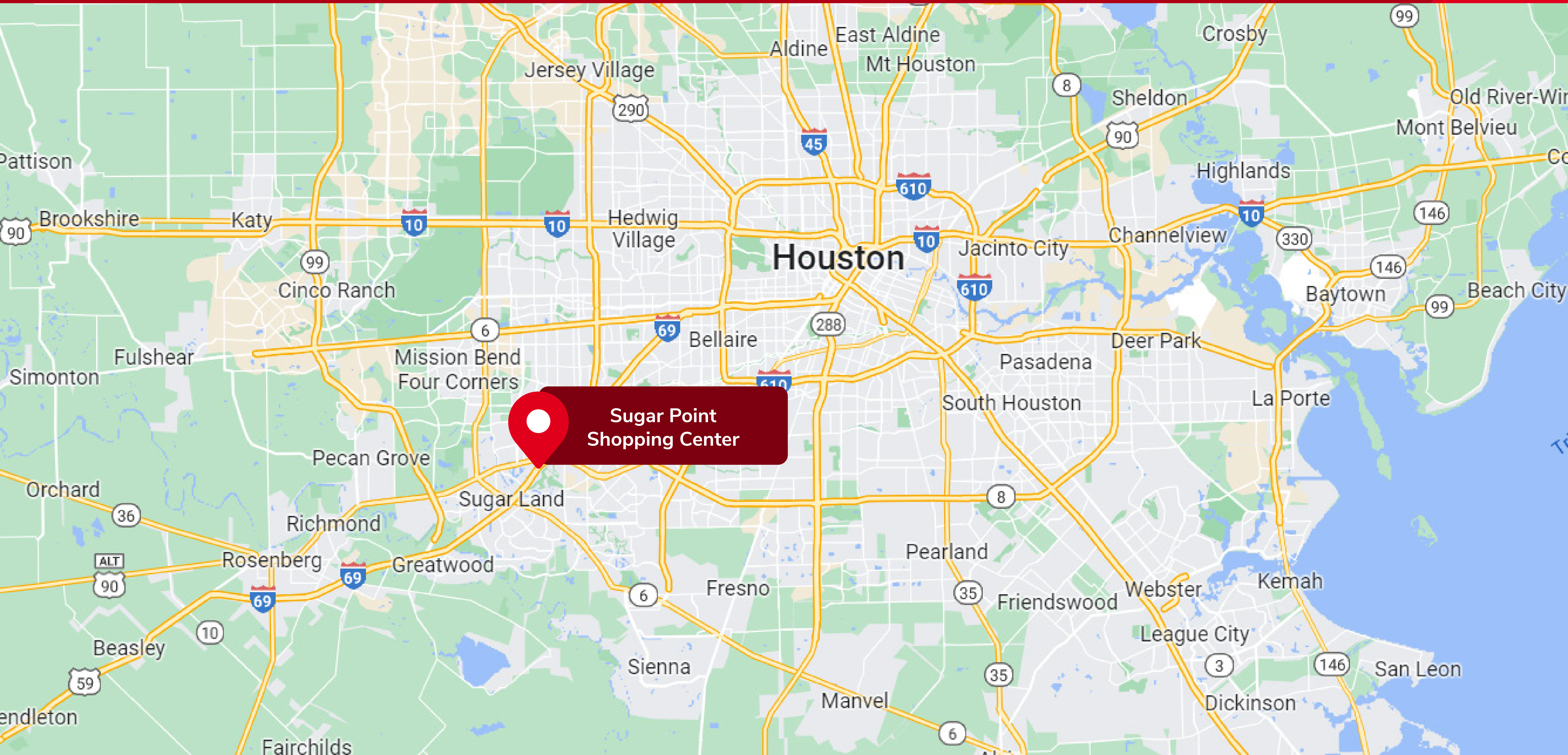
# Location Details



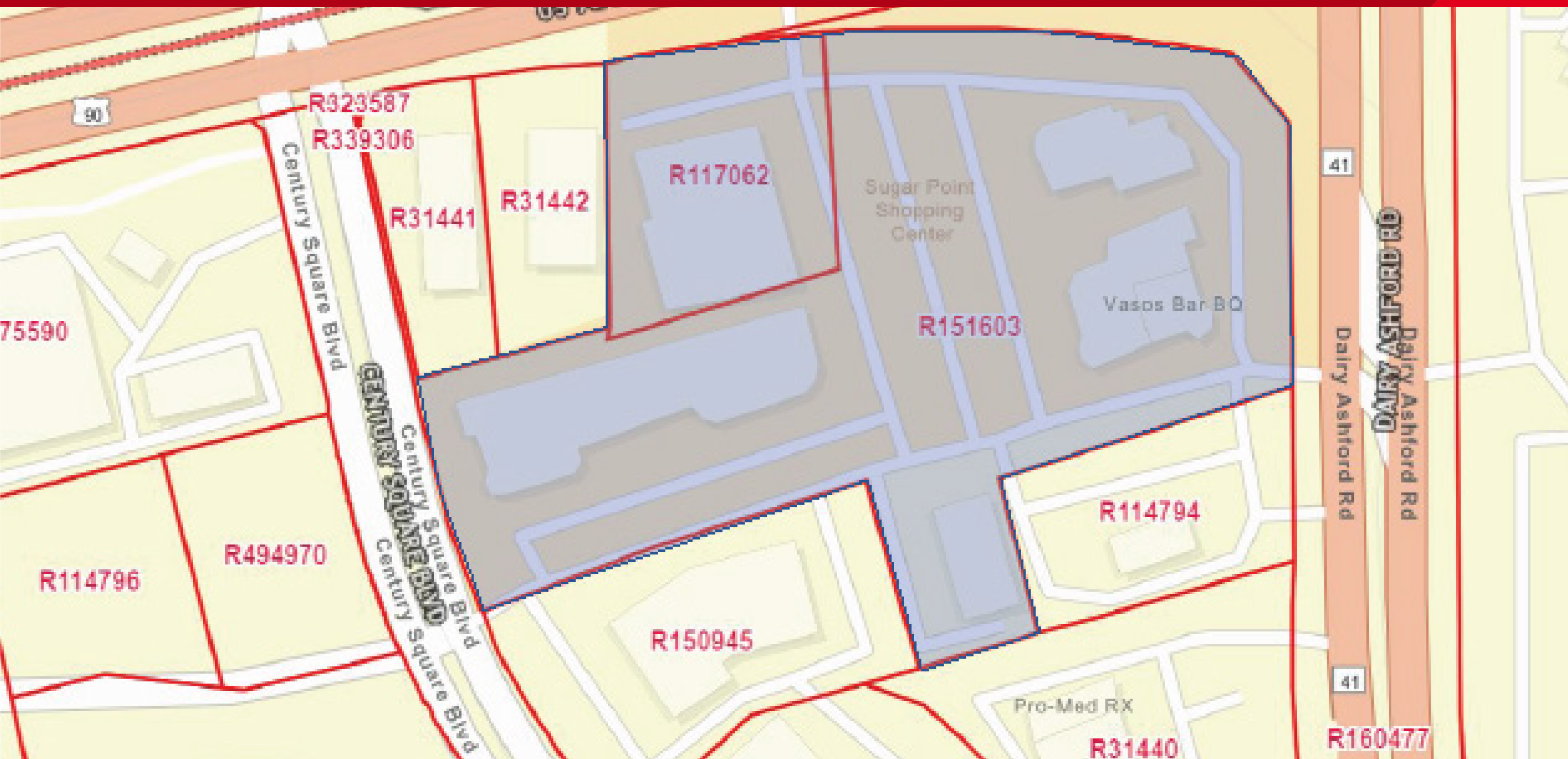
Population	2 mile	5 mile	10 mile
2010 Population	34,784	298,271	1,031,894
2022 Population	45,568	356,107	1,231,558
2027 Population Projection	54,067	402,909	1,355,070
Annual Growth 2010-2022	2.60%	1.60%	1.60%
Annual Growth 2022-2027	3.70%	2.60%	2.00%
Median Age	41.9	37.5	36.3
Bachelor's Degree or Higher	48%	38%	35%



# Property Location

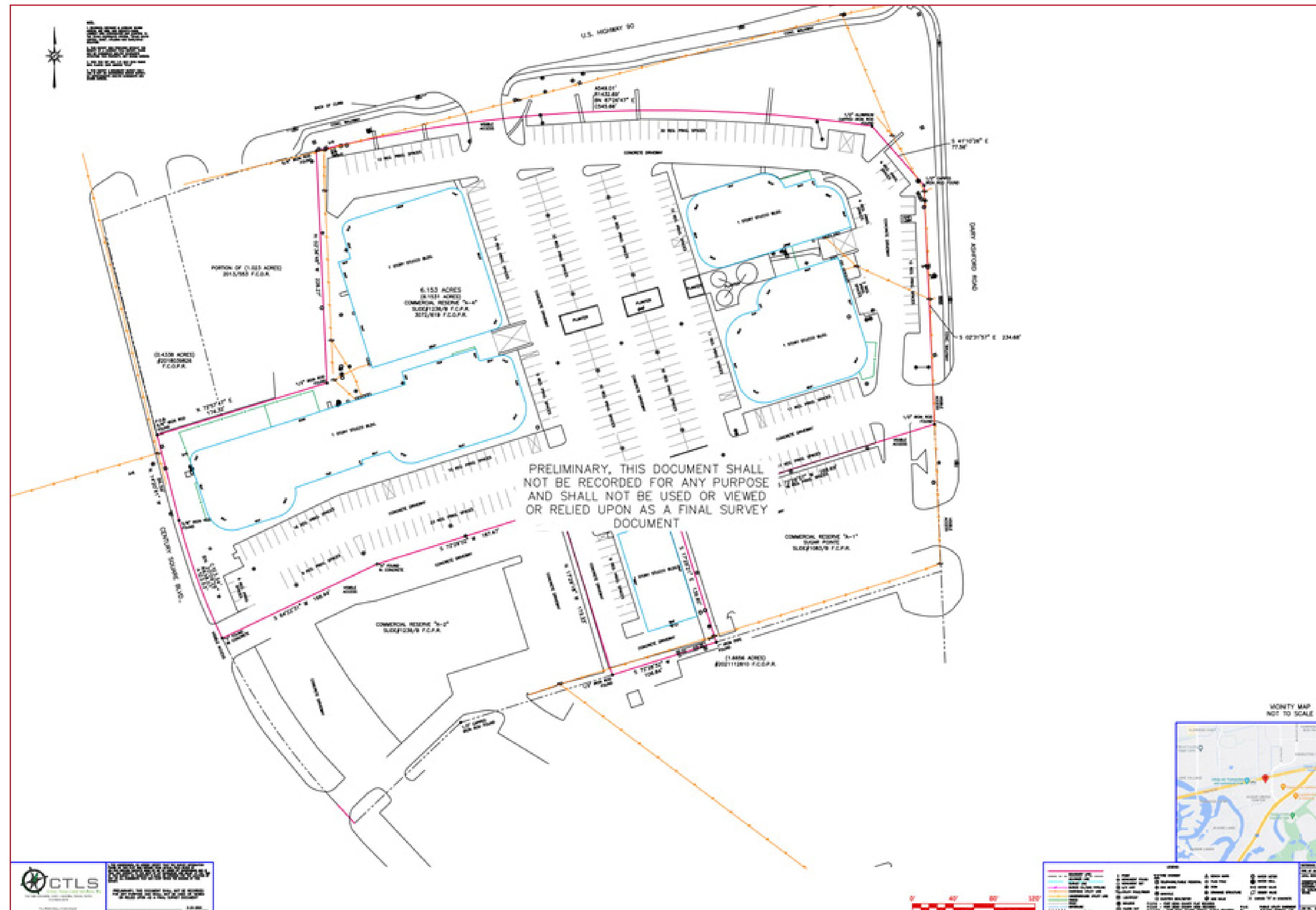


# Property Plat





# Survey





# Deal Summary

Property Summary	
Net Rentable Area	73328 sf
Value / Cost Summary	TOTAL
Purchase Price	\$12,450,000
Going In Cap Rate	9.35%
Estimated Closing Costs & Working Capital	\$265,000
Total Cost	<u>\$12,715,000</u>
Equity Requirement	\$4,000,000
Loan Amount	\$8,715,000
Loan Term 5 Year P&I	5 Years
5 Year Avg Annual Debt Service	\$706,340
Cash Flow	
5 Year Projected Avg NOI	\$1,164,104
5 Year IRR	16.18%





# Cash Flow

	2024	2025	2026	2027	2028
Total SF	73,328	73,328	73,328	73,328	73,328
Total Occupied	70,822	70,822	72,992	72,992	72,992
Rent/SF	\$15.58	\$16.19	\$16.24	\$16.52	\$16.79
Rent Current	1,103,432	1,146,409	1,185,382	1,206,134	1,225,204
Cam Current	526,863	542,669	576,074	593,358	611,158
Total Rent	1,630,295	1,689,078	1,761,456	1,799,492	1,836,362
Reimbursable Expense					
Property Taxes	208,400	214,652	221,092	227,725	234,557
Insurance	109,992	113,292	116,691	120,192	123,798
Opex - Repairs	39,108	40,281	41,489	42,734	44,016
Opex - Contract Services	27,915	28,752	29,614	30,502	31,417
Opex - Utilities	76,360	78,651	81,010	83,441	85,944
Opex - Hoa Expenses	20,331	20,941	21,569	22,216	22,882
Opex - Management Fees	63,400	65,302	67,261	69,279	71,357
Total Expenses	545,506	561,871	578,726	596,089	613,971
Net Operating Cash Flow	1,084,789	1,127,207	1,182,730	1,203,403	1,222,391
Annual Debt Service	706,340	706,340	706,340	706,340	706,340
Net Cash FlowAfter Debt Service	378,449	420,867	476,390	497,062	516,051

# ROI

	2023	2024	2025	2026	2027
Cash Flow Available	378,449	420,867	476,390	497,062	516,051
Investment	4,000,000	-	-	-	-
Net Cash FlowAfter Debt Service	378,449	420,867	476,390	497,062	516,051
LP 8% Return	320,000	320,000	320,000	320,000	320,000
Asset Management Fee	58,449	80,000	80,000	80,000	80,000
Prior Unpaid Asset Mgmt Fee	-	-	21,551	-	-
LP 80% of Remainder	-	15,525	40,800	72,214	86,342
Refinance Cash Out	-	-	-	-	4,823,450
Total Cash Flow	320,000	335,525	360,800	392,214	5,229,792
Annual Cash Flow %	8.00%	8.39%	9.02%	9.81%	130.74%
IRR	16.18%				

# 5YR Cash Out

VALUE AT YR 5	\$18,800,000
CASH OUT REFINANCE	\$13,160,000
LOAN OUTSTANDING AT YR 5	\$8,274,791
CASH OUT TO LP YR 5	\$4,823,450
TOTAL CASH RETURN	\$6,638,331
AVERAGE ANNUAL CASH ON CASH	13.2%
IRR	16.2%

# Rent Roll

Unit(s)	Lease	Lease Type	Area	Lease From	Lease To	Term	Monthly Rent	Monthly Rent Per Area	Annual Rent	Annual Rent Per Area	Annual Rec. Per Area	Annual Misc Per Area	Security Deposit	LOC Amount/ Bank Guarantee
100C	Varghese P. John, D.M.D., P.C.	Retail	3,901.00	07/01/2015	12/31/2025	126	7,151.83	1.83	85,821.96	22.00	6.09	0.00	8,920.29	0.00
100D	F2N, Inc.	Retail	1,483.00	04/01/2008	05/31/2026	218	2,780.63	1.88	33,367.56	22.50	6.07	0.00	2,788.04	0.00
120D	King's BBQ, LLC	Retail	3,897.00	03/01/2019	08/31/2029	126	7,959.62	2.04	95,515.44	24.51	6.10	0.00	9,560.64	0.00
140D	Abington World LLC	Retail	1,336.00	04/01/1998	06/30/2026	339	2,511.68	1.88	30,140.16	22.56	6.11	0.00	3,019.37	0.00
150C	First Watch Restaurants, Inc.	Retail	4,059.00	02/06/2014	12/31/2024	131	6,325.28	1.56	75,903.36	18.70	5.82	0.00	0.00	0.00
160D	Advanced Technology & Testing Solutions, LLC	Retail	1,468.00	03/01/2018	06/30/2026	100	2,446.67	1.67	29,360.04	20.00	6.05	0.00	2,622.83	0.00
170D	Bluebonnet Cleaners	Retail	1,365.00	04/01/1998	03/31/2025	324	2,302.30	1.69	27,627.60	20.24	6.07	0.00	1,856.40	0.00
175D	Pegasus Travel	Retail	657.00	06/01/2013	11/30/2024	138	913.78	1.39	10,965.36	16.69	6.03	0.00	1,103.76	0.00
200B	Richard Williams	Retail	1,930.00	11/01/2018	01/31/2025	75	3,114.91	1.61	37,378.92	19.37	6.09	0.00	15,079.72	0.00
220B, 260B	Houston Swim Club	Retail	7,995.00	06/10/2001	06/30/2031	361	8,361.44	1.05	100,337.28	12.55	6.08	0.00	5,047.50	0.00
270B	Haller Enterprises, Inc.	Retail	3,553.00	05/01/2019	03/31/2031	143	4,737.33	1.33	56,847.96	16.00	6.08	0.00	0.00	0.00
290B	Haller Enterprises, Inc	Retail	4,995.00	07/01/1999	03/31/2031	381	6,660.00	1.33	79,920.00	16.00	6.01	0.00	4,387.50	0.00
A	Dynamic Fit Club	Retail	29,183.00	01/16/2012	01/31/2034	265	31,189.35	1.07	374,272.20	12.83	6.09	0.00	27,821.13	0.00
E	Sherwin Williams #7350	Retail	5,000.00	08/01/1993	07/31/2028	420	4,679.70	0.94	56,156.40	11.23	0.26	0.00	0.00	0.00
268B	VACANT		2,170.00			0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
999	VACANT		336.00			0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Current			73,328.00				91,134.52	1.24	1,093,614.24	14.91	5.46	0.00	82,207.18	0.00



# About DML

## Sajjid Dawood



Sajjid Dawood is a co-founder of DML Capital and has been a partner at the firm for 13 years, leading its growth and development since its launch in 2010. Sajjid's extensive experience of over 25 years in the real estate industry has undoubtedly contributed to his and DML Capital's success. His strategic vision and leadership have played a pivotal role in establishing DML Capital as a highly respected and successful real estate development firm in the region. With a diverse portfolio of projects, ranging from commercial properties to mixed-use developments, Sajjid has demonstrated his ability to navigate complex deal structures and achieve success across various ventures. Sajjid is mathematically inclined which contributes to his attention to detail. His negotiation techniques and experience in the field have contributed greatly to the establishment of DML Capital. From the start of DML Capital in 2010 to now, Sajjid has contributed to the development of over 750 acres of real estate, growing the company's assets from 1.2 million to over 500 million. Currently, the firm manages over 1 million square feet of retail real estate. In his spare time, he enjoys traveling with his family, golfing, and trying foods of different cultures. Sajjid was raised in Houston as he moved at a young age and loves to give back to his community.

## Anil Mohammed



Anil Mohammed is a co-founder of DML Capital and has been a partner at the firm for 13 years, leading its growth and development since its launch in 2010. After graduating from Emory University in 2009 with a BBA in finance and economics, he came back home to Houston to grow his families business in retail fueling stations and fast food. Anil soon discovered his passion for developing retail real estate. In 2010, Anil and his partners, Sajjid Dawood and Saleem Lakhani, bought their first shopping center. Fast forward to 2023, Anil has contributed to the development of over 750 acres of real estate, growing the company's assets from 1.2 million to over 500 million. Currently, the firm manages over 1 million square feet of retail real estate. Anil has a knack for finding opportunistic deals and a track record of turning failed management into positive cash flowing assets that provide long-term stable growth for the company and its partners. He values long-term relationships based on trust and loyalty and is committed to delivering exceptional results for DML Capital's clients. When not working, Anil enjoys traveling to discover new cultures and experiences, gaining valuable perspective and inspiration. He is an avid skier and loves hitting the slopes whenever he has the chance. Anil lives in West University with his wife and dog. As a Houston native, he finds it fulfilling to contribute to the city's evolution by developing real estate properties in his hometown.

## Saleem Lakhani



Saleem Lakhani, CPA is a successful entrepreneur, co-founder of DML Capital, and founder and managing member of Saleem Lakhani CPA PLLC. With over 15 years of experience in the real estate and accounting industries, he has established himself as a leading expert in these fields. As a co-founder of DML Capital, Saleem has played a pivotal role in driving the success of the company, positioning it as one of the most respected and successful real estate development firms in the region. His leadership and strategic vision have been instrumental in overseeing a wide range of projects, from commercial properties to mixed-use developments, and navigating complex deal structures. Saleem has a special appreciation for Houston as he received his Bachelor's degree in Finance and Accounting from the University of Houston and continues to expand his knowledge and expertise in his field. Before founding DML Capital and Saleem Lakhani CPA PLLC, Saleem worked for leading public accounting firms Arthur Andersen and Grant Thornton, where he gained valuable experience in auditing, accounting, and financial reporting. At Saleem Lakhani CPA PLLC, he provides expert financial and accounting advice to clients across various industries, leveraging his deep understanding of tax law, financial reporting, and accounting to help businesses achieve financial success. He is a licensed CPA with a passion for delivering exceptional service to his clients.

# Equity Stack & Hurdle Details

12

Units to Sponsor  
for \$300,000

74

LP Units @  
\$50,000 Each

First

8%

of Free Cash Flow  
to LPs

Additional

80%

of All Remaining Cash  
to LPs after 2% Asset  
Management Fees

# Performance History

1.6x

AVG equity Multiple  
of exited deals

40%

AVG IRR  
of exited deals

4 yrs

AVG Hold Period  
of exited deals

24.5%

AVG cash on cash/yr  
return of current portfolio

\$153,000,000

Total Value of deals Acquired in last 1 year

# Tenant Information



## Dynamic Fit Club

(Lease Expires 1/31/2034)

They aim to provide a gym that's beyond friendly, beyond spotless, beyond well-equipped. A gym with every amenity you want, in one place. A gym that blows your mind but not your wallet. They are setting out to reinvent fitness clubs because they believe you've been underserved and overcharged. Because everybody deserves an awesome gym, AND DYNAMIC IS IT!



## First Watch (Egg & I)

(Lease Expires 12/31/2024)

First Watch restaurants are only open from 7:00 AM to 2:30 PM. First Watch Restaurants Inc. acquired The Egg & I Restaurants, in a deal that merged the two largest chains in the burgeoning breakfast-and-lunch segment. Florida-based First Watch mostly has units in Eastern markets, while The Egg & I is concentrated in Western markets.



## Houston Swim Club

1961 under the guidance of University of Houston head coach and U.S. Olympic coach Phill Hansel. after the swim school was purchased by Bonnie Howe in 1994 that it began its evolution into what it is today. With the help of many, she built it into the thriving family owned and operated business that continues to provide quality swim lessons from 7 convenient locations in the Houston area.



# Tenant Information



## Sherwin-Williams

(Lease Expires 7/31/2023)

Sherwin-Williams® Paint has over 1700 Paint Colors. Get Paint Color Tips, Project Ideas & Product Advice from the Pros at Sherwin-Williams. Color Matching Services. Expert Paint Advice. 4,000+ Store Locations.

---



## King's BBQ

(Lease Expires 8/31/2029)

King's BBQ is a classic style barbecue restaurant, that was originally started in 2006, The Luna family, Owners of Kings BBQ have perfectionated the skills of cooking juicy meats since 2006. King's BBQ has 6 locations throughout the greater Houston area.

---



## Creative Minds Child Development Center

(Lease Expires 3/31/2031)

Since 1999, Creative Minds Child Development Center has been serving the Sugar Land and surrounding community. We are a family run business that started with a love for children, and the desire to ensure the future success of children by strengthening early childhood education. The school has earned accreditation from the National Association for the Education of Young Children (NAEYC)—the world's largest organization working on behalf of young children.



# About Fort Bend



Fort Bend has been called the most ethnically diverse county in America, with a population that comes close to an equal distribution of the nation's four major ethnic groups. The county seat is Richmond. The largest city by population in the county is Houston; however, most of Houston's population is located in neighboring Harris County. In 2015, Fort Bend County became Texas's wealthiest county, with a median household income of \$95,389 and a median family income of \$105,944, surpassing Collin and Rockwall Counties since the 2000 census.

Sugar Land is the largest city entirely in Fort Bend County, located in the southwestern part of the Houston–The Woodlands–Sugar Land metropolitan area. Located about 19 miles southwest of downtown Houston, Sugar Land is a populous suburban municipality centered around the junction of Texas State Highway 6 and Interstate 69/U.S. Route 59.

Sugar Land is one of the most affluent and fastest-growing cities in Texas. Its population increased more than 158% between 1990 and 2000. Between 2000 and 2007, Sugar Land also had a 46% increase in jobs. As of the 2010 census, the city's population was 78,817. Following the annexation of the Greatwood and New Territory communities in December 2017, the city's population was estimated at 118,488 as of 2019.

In the 2010s, development began on the Imperial master-planned community, located in undeveloped territory east of Sugar Land Regional Airport and incorporating the former refinery property of Imperial Sugar Company. This development includes Constellation Field, home of the Sugar Land Space Cowboys, originally an independent baseball team but later a member of affiliated Minor League Baseball. Retail needs are to be served in the planned Imperial Market development. In 2017, the 6,400-seat Smart Financial Centre concert hall opened its doors.

Sugar Land is home to the headquarters of Imperial Sugar; the company's main sugar refinery and distribution center were once located in the city. The Imperial Sugar crown logo is featured in the city seal and logo.

# Next Steps

- 1** Confirm Interest by completing interest form  
<https://forms.gle/z7mdoWURTeRme6JX9>
- 2** Sign Subscription Agreement
- 3** All funds due by December 5th





Questions?

Call or Email

✉ Saleem@dml.capital

✉ Sajjid@dml.capital

✉ Anil@dml.capital