

WATERCRESS SHOPS

7044 University Dr NW, Huntsville AL, 35806

OFFERING MEMORANDUM

Colliers

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OFFERING MEMORANDUM

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WATERCRESS SHOPS
Huntsville, AL

Property Highlights

Address	7044 University Dr NW, Huntsville AL, 35806
Year Built	Watercress Shops built 2011 Buffalo Wild Wings built 2016 Handel's Ice Cream built 2017
Total Land Size	6.79 Acres
Parking	233 Spaces
Pin	15-07-26-2-000-006.005
Use	Commercial Use
Financing	Free & Clear

$417,315
EXISTING NOI

21,226 SF
TOTAL GLA

94%
OCCUPANCY



5.8%
10-Year CAGR

3.67
WALT

127,651
2025 Population within a 5-Mile Radius

$133,471
Average Household Income within a 3-Mile Radius

INVESTMENT HIGHLIGHTS

Necessity Retail
Watercress Shops is shadow-anchored by a high-traffic Kroger and features a complementary mix of medical, restaurant, and service-oriented tenants. These necessity-based uses generate consistent daily traffic, enhance cross-shopping, and support long-term tenant demand.

Exceptional Real Estate Fundamentals
Located at the signalized intersection of Highway 72 West and Jeff Road (44,700 VPD), the property benefits from excellent visibility and access along a major corridor connecting Huntsville and Madison. The surrounding trade area features significant residential density and continued development, complemented by proximity to MidCity District, a major regional destination anchored by Topgolf and The Orion Amphitheater.

Upside Potential
The property offers embedded rent growth, with Cuts By Us and Kay Cleaners rolling without renewal options, providing ownership control to reset rents to market and grow NOI. Additionally, subdividing the parcels creates potential arbitrage by selling Buffalo Wild Wings and Handel's Ice Cream into the STNL market, generating proceeds that reduce the remaining basis in the shops.

High-Quality Construction & Design
The property features high-quality construction and attractive architectural design that enhances its visibility, curb appeal, and overall tenant experience. These durable improvements differentiate the center from competing retail properties and support long-term tenant demand and residual value.

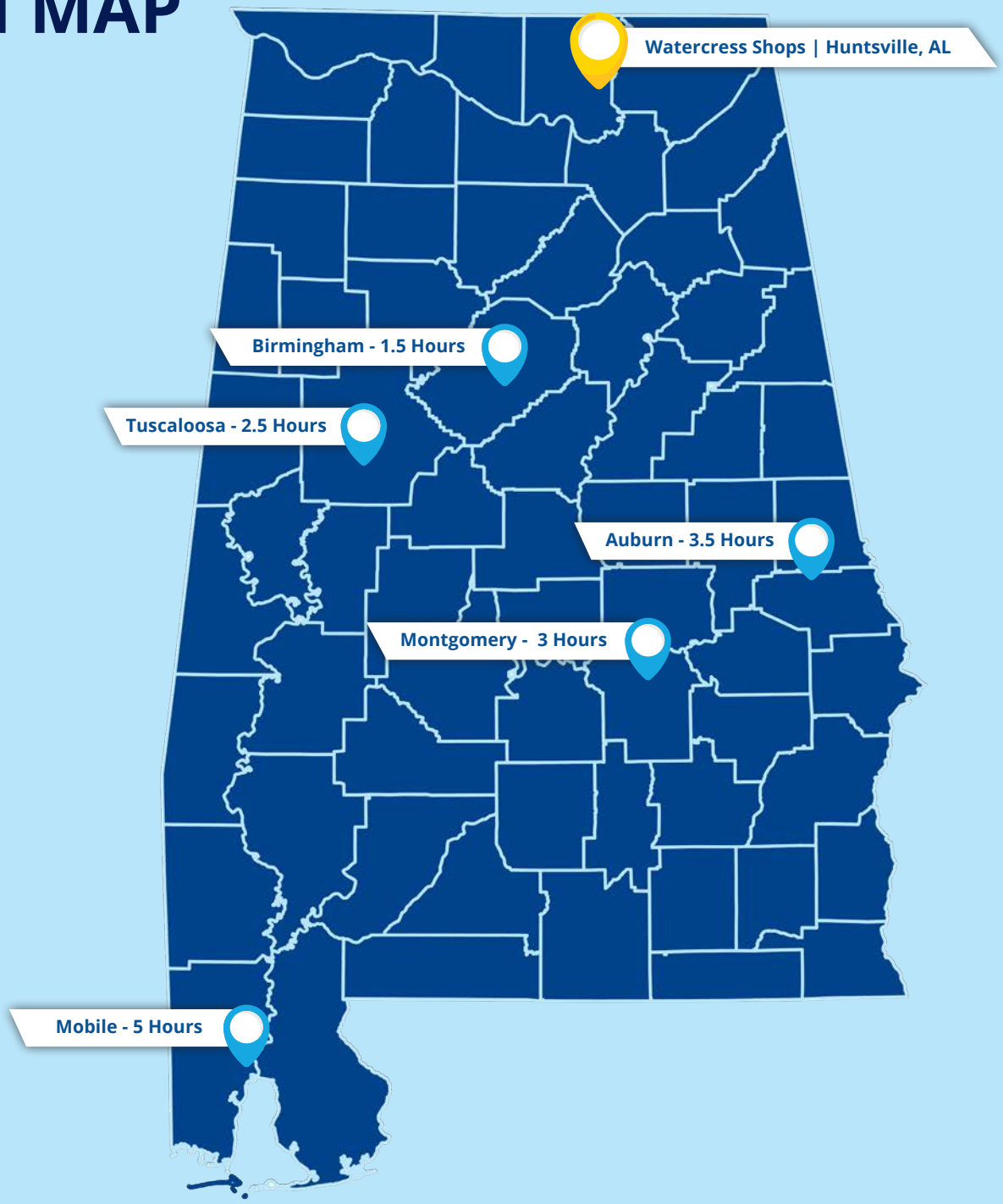
Huntsville Growth
Huntsville continues to attract major investment, highlighted by Eli Lilly's planned $6+ billion facility, U.S. Space Command's future headquarters, and continued aerospace expansion. These investments support high-paying job creation, continued population growth, and durable retail demand—strengthening Huntsville's appeal to investors.

Affluent Trade Area
The property serves an affluent trade area with an average household income of approximately $133,471, exceeding Huntsville MSA and national averages. This high-disposable-income consumer base supports strong demand and rent levels for restaurant, service, and specialty retail tenants.





LOCATION MAP





PROPERTY OVERVIEW

Watercress Shops | Huntsville, AL
Offering Memorandum


MEXICAN
CANTINA
EL OLMECA
7044 B
OPEN
BIENVENIDOS
EL OLMECA


FOUR LEAVES




Fusion
NAIL & SPA
Cleaners
CUTS by US
OPEN
Open Sun 10-5
Walk-ins Welcome
7046 C


COSTCO WHOLESALE
THE HOME DEPOT
STAPLES
LOWE'S
Academy SPORTS+OUTDOORS
SPROUTS FARMERS MARKET
KOHL'S
HOBBY LOBBY
T.J.maxx
WAFFLE HOUSE
Wendy's
KFC
SONIC
Shell
TEXAS ROADHOUSE
Highland Pointe Apartments
292 Units
.92 Acre Outparcel
Available Seperately
Kroger
Fuel Center
1.20 Acre Outparcel
Available Seperately
Holiday Inn Express & Suites Huntsville West
109 Hotel Rooms
ExtraSpace Storage
1.84 Acre Outparcel
Available Seperately
LEARNING ZONE
18 Watercress Green Apartments
364 Units
Kroger
University Dr NW
44,700 VPD
POPEYES
LOUISIANA KITCHEN
BUFFALO WILD WINGS


Walden at Providence Apartments
244 Units
2020 Providence Apartments
360 Units
Downtown Huntsville
15 Minutes
The Orion Amphitheatre
8,000 Seats
Lockheed Martin
1,600+ Employees
Village of Providence
345 Units
Oakwood University
1,250+ Students
MidCity District
Walmart
petco
Volkswagen
mazda
Audi
WATERCRESS CAR WASH
ExtraSpace Storage
BUFFALO WILD WINGS
bealls
ROSS DRESS FOR LESS
TJ.maxx
TARGET
IKEA
HIBBETT SPORTS
Burlington
University Dr NW 44,700 VPD
GOODYEAR
POPEYES LOUISIANA KITCHEN
Kroger



#	TENANT	SF
1	Fusion Nails	1,750
2	Kay Cleaners	1,367
3	Cuts By US	1,315
4	AVAILABLE	1,367
5	Cabana Wax	1,400
6	Four Leaves	4,167
7	El Olmeca	2,800
8	Buffalo Wild Wings	5,500
9	Handel's Ice Cream	1,560
	TOTAL	21,226 SF
	OCCUPANCY	94%

TENANT OVERVIEWS
Buffalo Wild Wings

Buffalo Wild Wings is the nation's leading sports bar brand, with more than 1,300 locations across North America and international markets. Founded in 1982, Buffalo Wild Wings has established itself as a leader in the casual dining industry through its signature wings, extensive menu offerings, and entertainment-driven dining experience centered around live sports.

The brand continues to expand its digital ordering platform, loyalty program, and off-premise business while benefiting from the operational strength of Inspire Brands, one of the world's largest restaurant companies. Supported by strong national brand recognition, an established franchise network, and continued investment in growth initiatives, Buffalo Wild Wings remains one of the most recognizable and successful brands in the restaurant industry.



1,300+
Restaurants

10K+
Employees

1982
Founded

Inspire Brands is one of the world's largest restaurant companies, headquartered in Atlanta, Georgia. Founded in 2018, the company owns and operates a portfolio of iconic restaurant brands, including Buffalo Wild Wings, Arby's, Sonic Drive-In, Jimmy John's, Dunkin', and Baskin-Robbins. Collectively, Inspire's brands comprise more than 33,000 restaurants across nearly 60 countries and generate over $33 billion in annual system sales, providing significant operational scale, brand recognition, and financial strength.

TENANT OVERVIEWS
Shops



1 - Fusion Nails
Fusion Nails is a beauty salon specializing in nail care services, including manicures, pedicures, gel polish, and artificial nail enhancements.

2 - Kay Cleaners
Kay Cleaners is a full-service dry cleaning business offering garment cleaning, pressing, alterations, and laundry services for individuals and local businesses.

3 - Cuts By Us
Cuts By Us is a value-oriented hair salon providing haircuts, styling, coloring, and grooming services for men, women, and children.

4 - Vacant
Vacant

5 - Cabana Wax
Cabana Wax is a personal care studio specializing in professional waxing services for men and women, offering facial and body hair removal treatments.

6 - Four Leaves
Four Leaves is a full-service Asian fusion restaurant specializing in fresh sushi, hibachi entrées, noodle dishes, and authentic Chinese, Japanese, Thai, and Korean favorites.

7 - El Olmeca
El Olmeca is a neighborhood Mexican restaurant offering authentic Mexican dishes, combination platters, and beverages for dine-in and takeout customers.

8 - Handel's Ice Cream
Handel's Homemade Ice Cream is a premium ice cream retailer serving handcrafted ice cream, frozen desserts, shakes, and specialty treats made from fresh ingredients.

DEMOGRAPHICS

Population, Households, and Income by Radius

Population

	1 Mile	3 Miles	5 Miles
2026 Population	4,666	47,755	127,651
Est. 2031 Population	4,986	51,435	135,546
2010 Population	2,349	30,717	93,603
2026 - 2031 Pop. Change	6.9%	7.7%	6.2%
2000 - 2026 Pop. Change	278.4%	137.1%	89.4%

Households

	1 Mile	3 Miles	5 Miles
2026 Households	2,393	22,060	53,810
Est. 2031 Households	2,610	24,427	58,473
2010 Households	1,066	12,290	36,607
2026 - 2031 HH. Change	9.1%	10.7%	8.7%
2000 - 2026 HH. Change	373.9%	197.9%	109.2%

Income

	1 Mile	3 Miles	5 Miles
Average HH. Income	$116,056	$133,479	$129,810

*Demographics provided by Colliers Hydra.

127K
2026 Population within a 5-mile radius

$133K
Avg. HH. Income within a 3-mile radius

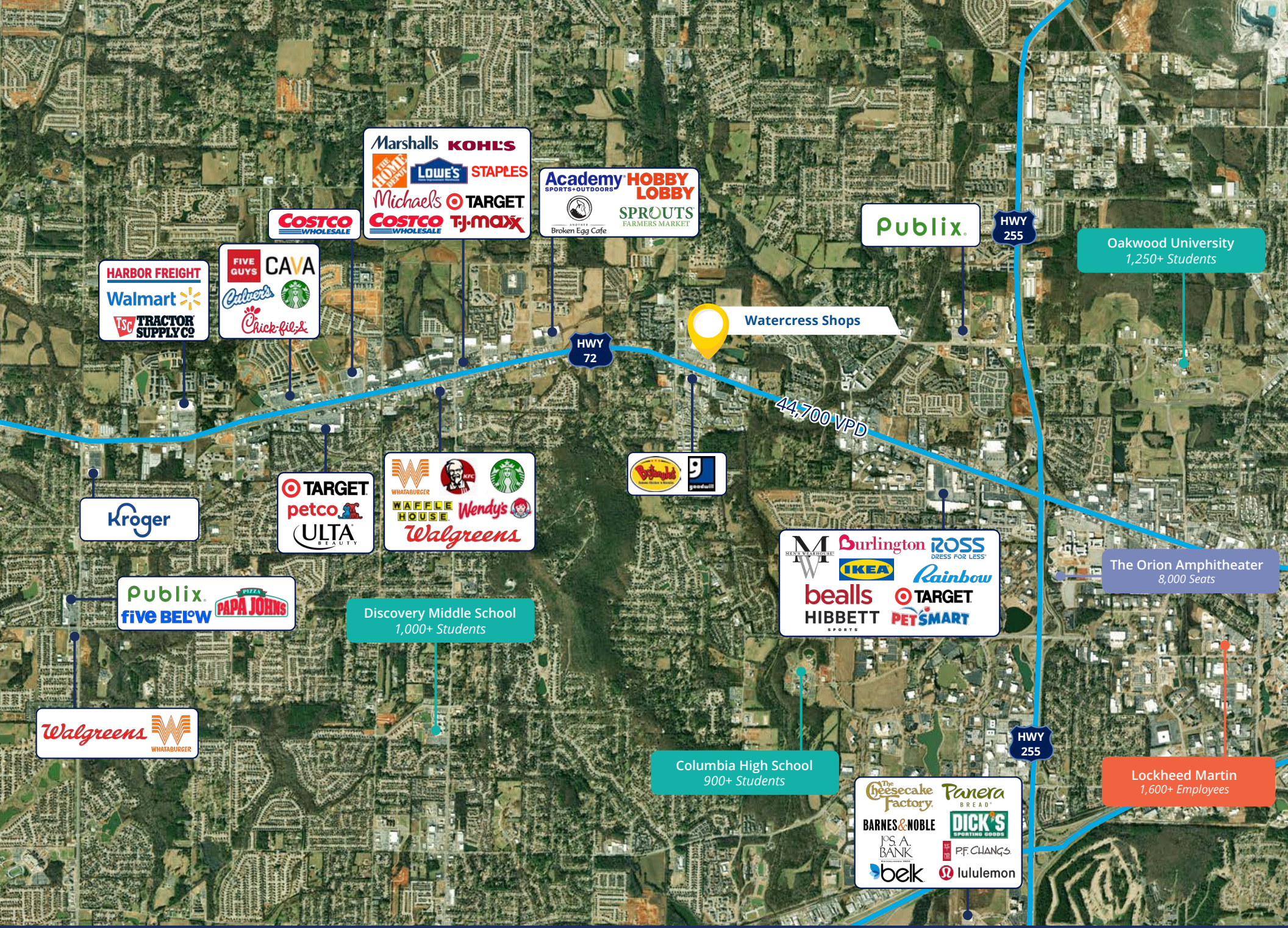
278.4%
Pop. Growth since 2000 within a 1-mile radius

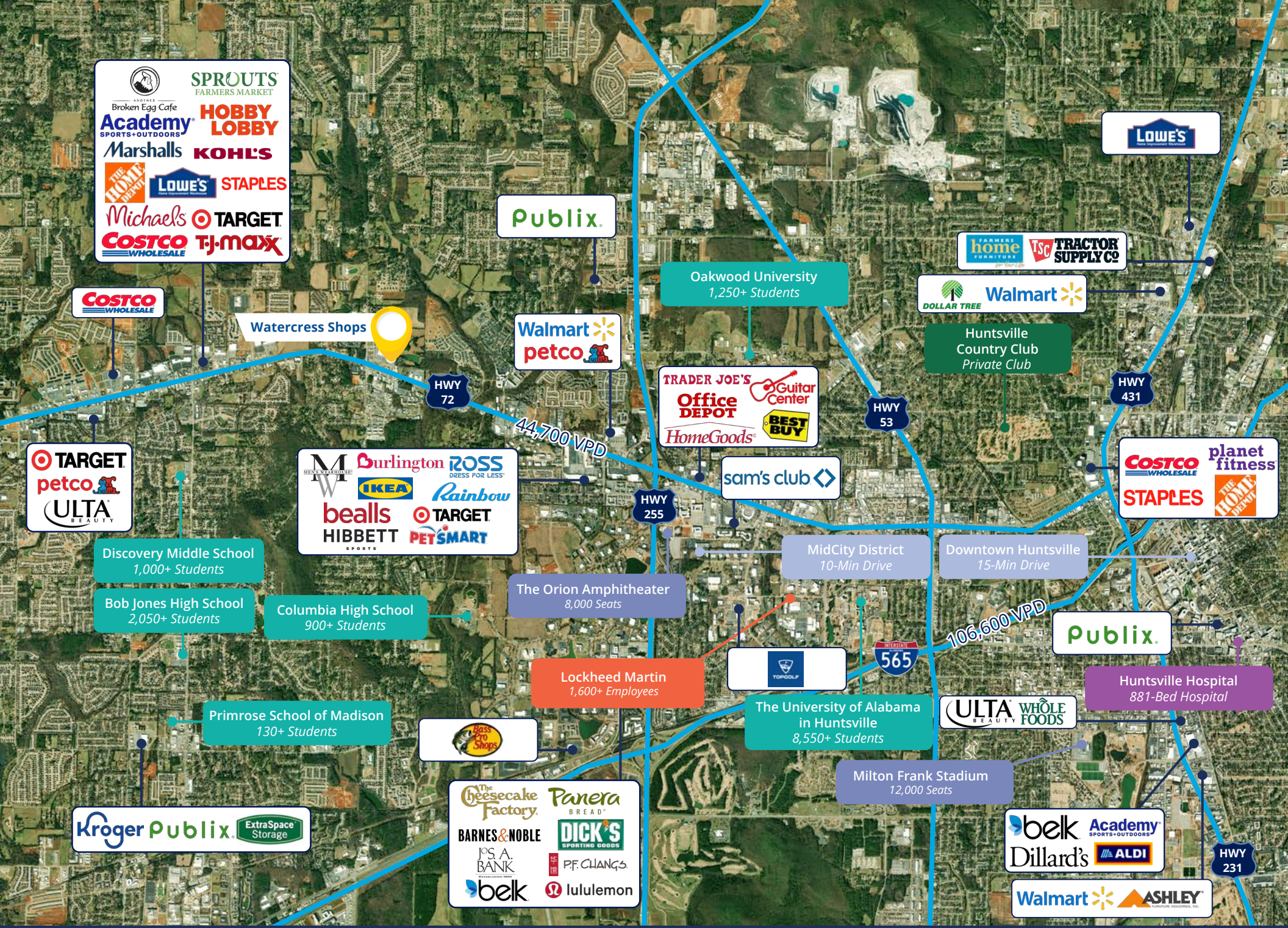
53K
Households within a 5-mile radius



MARKET OVERVIEW

Watercress Shops | Huntsville, AL
Offering Memorandum


Marshalls
KOHL'S
THE HOME DEPOT
LOWE'S
STAPLES
Michaels
TARGET
COSTCO WHOLESALE
T.J.maxx
Academy SPORTS+OUTDOORS
HOBBY LOBBY
Broken Egg Cafe
SPROUTS FARMERS MARKET
COSTCO WHOLESALE
Publix.
HWY 255
Oakwood University
1,250+ Students
HARBOR FREIGHT
Walmart
TRACTOR SUPPLY Co
FIVE GUYS
CAVA
Culver's
Chick-fil-A
Watercress Shops
HWY 72
44,700 VPD
TARGET
petco
ULTA BEAUTY
WHATABURGER
KFC
WAFFLE HOUSE
Wendy's
Walgreens
goodwill
Kroger
Publix.
five BELOW
PAPA JOHN'S
Discovery Middle School
1,000+ Students
Burlington
ROSS DRESS FOR LESS
IKEA
Rainbow
bealls
TARGET
HIBBETT SPORTS
PETSMART
The Orion Amphitheater
8,000 Seats
Walgreens
WHATABURGER
Columbia High School
900+ Students
HWY 255
The Cheesecake Factory
Panera BREAD
BARNES&NOBLE
DICK'S SPORTING GOODS
JOS. A. BANK
P.F. CHANG'S
belk
lululemon
Lockheed Martin
1,600+ Employees


Watercress Shops
HWY 72
44,700 VPD
HWY 255
HWY 53
HWY 431
HWY 231
INTERSTATE 565
106,600 VPD
Oakwood University
1,250+ Students
Huntsville Country Club
Private Club
Discovery Middle School
1,000+ Students
Bob Jones High School
2,050+ Students
Columbia High School
900+ Students
Primrose School of Madison
130+ Students
The Orion Amphitheater
8,000 Seats
MidCity District
10-Min Drive
Downtown Huntsville
15-Min Drive
Lockheed Martin
1,600+ Employees
The University of Alabama in Huntsville
8,550+ Students
Huntsville Hospital
881-Bed Hospital
Milton Frank Stadium
12,000 Seats
Publix
Walmart
petco
TRADER JOE'S
Office DEPOT
Guitar Center
BEST BUY
HomeGoods
sam's club
LOWE'S
TRACTOR SUPPLY CO
DOLLAR TREE
COSTCO WHOLESALE
planet fitness
STAPLES
THE HOME DEPOT
TARGET
ULTA BEAUTY
Burlington
ROSS
IKEA
Rainbow
bealls
HIBBETT
PETSMART
SPROUTS FARMERS MARKET
Broken Egg Cafe
Academy SPORTS+OUTDOORS
HOBBY LOBBY
Marshalls
KOHL'S
Michaels
T.J.maxx
Bass Pro Shops
The Cheesecake Factory
Panera BREAD
BARNES&NOBLE
DICK'S SPORTING GOODS
JOS. A. BANK
P.F. CHANG'S
belk
lululemon
Kroger
Publix
ExtraSpace Storage
WHOLE FOODS
Academy SPORTS+OUTDOORS
Dillard's
ALDI
Walmart
ASHLEY

HUNTSVILLE, AL
Market Overview

Centrally located in the northernmost part of the state, Huntsville is Alabama's largest city and the county seat of Madison County. Widely recognized as one of the Southeast's most livable cities, Huntsville is consistently ranked among the best places to live and work by national publications.

The city boasts a powerful economic engine driven by technology, aerospace, and defense, anchored by the U.S. Army's Redstone Arsenal, NASA's Marshall Space Flight Center, and Cummings Research Park, the second-largest research park in the U.S. Huntsville is also home to multiple Fortune 500 companies, along with a diverse base of manufacturing, retail, and service industries, making it one of the most well-rounded and future-ready markets in the Southeast.



Source: Huntsville.org

Top 20
U.S. Metros for Millennials
(Source: CoomericalCafe, 2025)

Top 20
Best Mid-Size Cities in the United States
(Source: HGTV, 2025)

#1
The Most Innovative Companies in Economic Development 2025
(Source: Fast Company, 2025)

#10
Best Place to Live in the South
(Source: Travel + Leisure, 2024)

#2
Best Place to Live in Alabama
(Source: USA Today, 2024)

#4
Best Performing Large City
(Source: Milken Institute, 2025)

"ROCKET CITY"
Military and Research Significance



Cummings Research Park

Cummings Research Park (CRP) is the second largest research park in the country and the fourth largest in the world. It is one of the world's leading science and technology business parks, with a mixture of Fortune 500 companies, local and international high-tech enterprises, U.S. space and defense agencies, thriving business incubators and competitive higher-education institutions. CRP is the home of over 300 companies, more than 26,000 employees and 13,500 students.



NASA Marshall Space Flight Center

For more than six decades, NASA and the nation have relied on Marshall Space Flight Center in Huntsville, to deliver its most vital propulsion systems and hardware, flagship launch vehicles, world-class space systems, state-of-the-art engineering technologies and cutting-edge science and research projects and solutions. The center has a total workforce of nearly 7,000 employees and an annual budget of approximately $5 billion.



FBI

The FBI has had a presence at Redstone Arsenal in Huntsville for more than 50 years. Today, over 1,000 employees work there in various operational and enterprise capacities. The FBI Redstone Arsenal state-of-the art facilities present new opportunities to build their capabilities, create new partnerships, further their mission, and support our vision of becoming the FBI's innovation and technology center of excellence.

Top Industries

14%
Professional, Scientific, & Technical Services

13.2%
Health Care & Social Assistance

12.7%
Manufacturing

10.3%
Retail Trade

8.3%
Educational Services

Local Stats

215K
Huntsville's population is more than 215,000, representing a 20% increase from the 2010 census. More than 1.2 million people reside in the Hunstville metro area.

115.3K
Huntsville has roughly 115,300 housing units, accommodating the increasing number of households in the MSA.

GROWING SPACE PRESENCE
Redstone Arsenal

Redstone Arsenal is a 38,000-acre federal research, development, test, and engineering center and is home to the Army's missile, aviation and missile defense programs, the Missile Defense Agency, the Defense Intelligence Agency, and NATO's MEADS program. Redstone is the principal location for Army materiel management, logistics, and foreign military sales. NASA's Marshall Space Flight Center is also headquartered at Redstone. Arsenal agencies and program offices currently employ more than 37,000 people who manage more than $50 billion in annual federal budgets. Redstone is home to more than 60 different federal organizations and contractor operations.



Relocation of U.S. Space Command: A Developing Story
In September 2025, the White House announced that U.S. Space Command — one of the Defense Department's 11 unified combatant commands — would be relocating from Peterson Space Force Base, Colorado, to the Army's Redstone Arsenal in Huntsville, Alabama. According to the White House, the move will result in more than 30,000 jobs for the state of Alabama, as well as hundreds of billions of dollars in investments. Spacecom was originally created in September 1985 before being disestablished in October 2002, with its forces and responsibilities being transferred to U.S. Strategic Command. The command was reestablished in August 2019.



Huntsville's Thriving Space Presence

38K
Acres

37K+
Total Workforce

60+
Federal Organizations/ Contractor Operations

30K+
Jobs Added in the State of Alabama

$36.2B
Contributed to Alabama's Economy

$265.2M
In State Tax Revenue

HUNTSVILLE GATEWAY TO GROWTH

Connectivity, Commerce, & Innovation

Huntsville is North Alabama's gateway to gloabl connectivity. The city is equipped with four unique services that deliver opportunities for business and travel: Huntsville International Airport (HSV), International Intermodal Center, Jetplex Industrial Park, and Spaceport at HSV. The convergence of commercial passenger service, cargo operations, and business enterprises sets the Port of Huntsville apart as unique among airports and cargo ports in the United States

Huntsville International Airport (HSV)

Named the Best Small Airport in the U.S. by Newsweek in a 2024 online reader poll, HSV served 1.57 million customers in 2024, with more than 70 commercial passenger flights on peak days to 14 non-stop destinations. The airport features two parallel runways with lengths of 10,000 feet and 12,600 feet, the second-longest in the southeast.

International Intermodal Center

The International Intermodal Center (IIC) located at the Port of Huntsville is a thriving inland port offering air and rail cargo services. With more than $70 million invested to date, the International Intermodal Center currently serves over 400 companies and 14 steamship lines. The IIC features 1 million square feet air cargo ramp space and 436,000 square feet of air cargo warehouse and distribution facilities.

Jetplex Industrial Park

Jetplex Industrial Park is a premier industrial and commercial park offering unparalleled access to air, rail, and highway transportation. Encompassing over 4,000 acres, the park is designed to meet diverse business requirements, making it an ideal location for companies in automotive supply, electronics, aviation/aerospace, and more. Over 70 companies representing 11 different countries are located at the Park.

Spaceport at HSV

In 2022, Huntsville International Airport became the first commercial airport approved by the Federal Aviation Administration as a "Spaceport", with the ability to land a commercial vehicle from space. At the time, there were only 20 licensed U.S. Spaceports. Working with Sierra Nevada Space, HSV anticipates that the company's Dream Chaser spacecraft could be the first space vehicle to land at a commercial airport, and that could happen at HSV.



$1.8 Billion
Total Regional Economic Impact

$2 Billion
Total Capital Investments to Date

38%
of State Aviation Jobs (HSV)

38.5%
of the State's Total Payroll

Source: The Port of Huntsville



ECONOMIC OVERVIEW

Watercress Shops | Huntsville, AL
Offering Memorandum

RENT ROLL

Tenant	Suite Number	Square Footage	Lease Start	Lease Expiration	PSF	Rent Monthly	Annual	Expense Recovery Method
Anchored Tenants								
Kroger (REA Only)	REA-P1	0	-	-	$0.00	$0	$0	**CAM:** Fixed at (74.36%)
Outlot 1 (REA Only) REA Contribution: *Per the REA, the owner of Outlot 1 shall owe a Fixed Contribution of $500/Year to the owner of Watercress Shops if and when a strcuture is built on the lot.*	REA-O1	0	-	-	$0.00	$0	$0	**None**
Texas Road House (REA Only) **Outlot 2 & 3**	REA-O2-3	0	-	-	$0.00	$0	$0	**CAM**: Fixed ($1,000/Year)
Outlot 4 (REA Only) REA Contribution: *Per the REA, the owner of Outlot 4 shall owe a Fixed Contribution of $500/Year to the owner of Watercress Shops if and when a strcuture is built on the lot.*	REA-O4	0	-	-	$0.00	$0	$0	**None**
Popeyes (REA Only) **Outlot 5**	REA-O5	0	-	-	$0.00	$0	$0	**CAM:** Fixed ($500/Year)
Goodyear Tire (REA Only) **Outlot 6**	REA-O6	0	-	-	$0.00	$0	$0	**CAM:** Fixed ($1,000/Year)
Watercress Car Wash (REA Only) **Outlot 7**	REA-O7	0	-	-	$0.00	$0	$0	**CAM:** Fixed ($1,000/Year)

RENT ROLL

Tenant	Suite Number	Square Footage	Lease Start	Lease Expiration	PSF	Rent Monthly	Annual	Expense Recovery Method
Shop Tenants								
Buffalo Wild Wings	7042	5,500	09/10/15	07/11/31	$27.00	$12,375	$148,500	**CAM:** PRS 5% Non-cumulative CAM Cap **INS:** PRS **TAX:** PRS **MGMT:** PRS (incl. w/ CAM for Cap) Tenant reimburses CAM/MGMT off a 123,852 SF Denominator
				Renewal Option(s):		(3) 5-Year Options		
				Option 1	$29.03	$13,303	$159,638	
				Option 2	$31.20	$14,301	$171,610	
				Option 3	$33.54	$15,373	$184,481	
Four Leaves	7044A	4,167	10/01/22	09/30/27	$22.00	$7,640	$91,674	**CAM:** PRS 5% Non-cumulative CAM Cap **INS:** PRS **TAX:** PRS **MGMT:** PRS (incl. w/ CAM for Cap) Tenant reimburses CAM/MGMT off a 123,852 SF Denominator
				Renewal Option(s):		(2) 5-Year Options		
				Option 1	$23.10	$8,021	$96,258	
				Option 2	$24.26	$8,423	$101,071	
El Olmeca	7044B	2,800	06/01/22	12/31/31	$24.71	$5,765	$69,186	**CAM:** PRS 5% Non-cumulative CAM Cap **INS:** PRS **TAX:** PRS **MGMT:** PRS (incl. w/ CAM for Cap) Tenant reimburses CAM/MGMT off a 123,852 SF Denominator
				Rent Increase(s):				
				01/01/28	$25.20	$5,881	$70,569	
				01/01/29	$25.71	$5,998	$71,981	
				01/01/30	$26.22	$6,118	$73,420	
				Renewal Option(s):		(1) 5-Year Option		
				Option 1		MKT		
Fusion Nails	7046A	1,750	04/01/26	04/01/36	$20.92	$3,051	$36,608	**CAM:** PRS **INS:** PRS **TAX:** PRS **MGMT:** PRS Tenant reimburses CAM/MGMT off a 123,852 SF Denominator
				Rent Increase(s):				
				04/01/27	$21.55	$3,142	$37,707	
				04/01/28	$22.19	$3,236	$38,838	
				04/01/29	$22.86	$3,334	$40,003	
				04/01/30	$23.54	$3,434	$41,203	
				04/01/31	$24.25	$3,537	$42,439	
				04/01/32	$24.98	$3,643	$43,712	
				04/01/33	$25.73	$3,752	$45,024	
				04/01/34	$26.50	$3,865	$46,374	
				04/01/35	$27.29	$3,980	$47,766	

RENT ROLL

Tenant	Suite Number	Square Footage	Lease Start	Lease Expiration	PSF	Rent Monthly	Annual	Expense Recovery Method
Shop Tenants								
Handel's Ice Cream	7086	1,560	07/22/16	03/31/31	$33.88	$4,404	$52,853	**CAM:** PRS **INS:** PRS **TAX:** PRS **MGMT:** PRS Tenant reimburses CAM/MGMT off a 123,852 SF Denominator
				Renewal Option(s):		(1) 5-Year Option		
				Option 1	$37.27	$4,845	$58,138	
Cabana Wax	7046E	1,400	04/01/20	03/31/30	$26.50	$3,092	$37,100	**CAM:** PRS 5% Non-cumulative CAM Cap on Controllables **INS:** PRS **TAX:** PRS **MGMT:** PRS (incl. w/ CAM for Cap) Tenant reimburses CAM/MGMT off a 123,852 SF Denominator
				Rent Increase(s):				
				05/01/27	$27.03	$3,154	$37,842	
				05/01/28	$27.57	$3,217	$38,599	
				05/01/29	$28.12	$3,281	$39,371	
				Renewal Option(s):		(1) 5-Year Option		
				Option 1		MKT		
Kay Cleaners	7046B	1,367	06/01/20	06/02/28	$23.10	$2,631	$31,576	**CAM:** PRS 5% Non-cumulative CAM Cap **INS:** PRS **TAX:** PRS **MGMT:** PRS (incl. w/ CAM for Cap) Tenant reimburses CAM/MGMT off a 123,852 SF Denominator
Cuts by Us	7046C	1,315	06/01/20	05/31/27	$23.92	$2,621	$31,452	**CAM:** PRS 5% Non-cumulative CAM Cap **INS:** PRS **TAX:** PRS **MGMT:** PRS (incl. w/ CAM for Cap) Tenant reimburses CAM/MGMT off a 123,852 SF Denominator
Vacant Tenants								
Vacant Tenant 1	7046D	1,367	-	5 Years	$27.00	$3,076	$36,909	**CAM:** PRS + 15% Admin **INS:** PRS + 15% Admin **TAX:** PRS + 15% Admin **MGMT:** PRS + 15% Admin
				Rent Increase(s):				
				Year 2	$27.81	$3,168	$38,016	
				Year 3	$28.64	$3,263	$39,157	
				Year 4	$29.50	$3,361	$40,331	
				Year 5	$30.39	$3,462	$41,541	

ECONOMIC SUMMARY

For the Years Ending	Forecast Year 1 Dec-2027 Existing	Forecast Year 1 Dec-2027 Pro Forma	Forecast Year 2 Dec-2028	Forecast Year 3 Dec-2029	Forecast Year 4 Dec-2030	Forecast Year 5 Dec-2031	Forecast Year 6 Dec-2032	Forecast Year 7 Dec-2033	Forecast Year 8 Dec-2034	Forecast Year 9 Dec-2035	Forecast Year 10 Dec-2036
Rental Revenue											
Potential Base Rent	$501,413	$538,322	$554,965	$563,549	$577,652	$594,227	$631,537	$640,009	$644,798	$656,103	$710,660
Absorption & Turnover Vacancy	-	-	(12,220)	-	-	-	(7,131)	(14,411)	-	(9,606)	(26,667)
Scheduled Base Rent	501,413	538,322	542,745	563,549	577,652	594,227	624,406	625,598	644,798	646,497	683,993
Total Rental Revenue	501,413	538,322	542,745	563,549	577,652	594,227	624,406	625,598	644,798	646,497	683,993
Other Tenant Revenue											
Expense Recoveries											
Common Area Maintenance	67,586	76,359	87,585	96,549	99,445	102,428	103,806	105,241	111,926	120,651	141,795
Insurance	102,657	110,783	113,097	119,736	123,328	127,028	129,269	131,591	138,807	142,245	146,942
Property Taxes	63,506	68,533	69,964	74,071	76,293	78,582	79,968	81,405	85,869	87,996	90,901
Property Management	3,553	5,623	7,577	9,272	9,520	9,797	9,825	9,548	10,656	11,925	16,435
Total Expense Recoveries	237,302	261,298	278,223	299,628	308,586	317,835	322,868	327,785	347,258	362,817	396,073
Total Other Tenant Revenue	237,302	261,298	278,223	299,628	308,586	317,835	322,868	327,785	347,258	362,817	396,073
Total Tenant Revenue	738,714	799,619	820,968	863,176	886,238	912,063	947,273	953,383	992,057	1,009,314	1,080,066
Potential Gross Revenue	738,714	799,619	820,968	863,176	886,238	912,063	947,273	953,383	992,057	1,009,314	1,080,066
Effective Gross Revenue	738,714	799,619	820,968	863,176	886,238	912,063	947,273	953,383	992,057	1,009,314	1,080,066
Operating Expenses											
Common Area Maintenance	118,454	118,454	122,008	125,668	129,438	133,321	137,321	141,440	145,683	150,054	154,556
Insurance	109,723	109,723	113,015	116,405	119,897	123,494	127,199	131,015	134,945	138,994	143,164
Property Taxes	67,877	67,877	69,913	72,011	74,171	76,396	78,688	81,049	83,480	85,985	88,564
Property Management	22,161	23,989	24,629	25,895	26,587	27,362	28,418	28,601	29,762	30,279	32,402
Reserves	3,184	3,184	3,184	3,184	3,184	3,184	3,184	3,184	3,184	3,184	3,184
Total Operating Expenses	321,399	323,226	332,749	343,163	353,277	363,757	374,810	385,289	397,055	408,496	421,869
Net Operating Income	$417,315	$476,393	$488,219	$520,013	$532,961	$548,306	$572,464	$568,094	$595,002	$600,818	$658,197
Leasing Costs											
Tenant Improvements	-	-	6,906	-	-	-	3,962	8,006	-	4,434	10,797
Leasing Commissions	-	-	14,850	-	-	-	8,519	17,215	-	11,475	32,121
Total Leasing Costs	-	-	21,756	-	-	-	12,481	25,221	-	15,909	42,918
Total Leasing & Capital Costs	-	-	21,756	-	-	-	12,481	25,221	-	15,909	42,918
Cash Flow Before Debt Service	417,315	476,393	466,464	520,013	532,961	548,306	559,983	542,873	595,002	584,909	615,279
Cash Flow Available for Distribution	417,315	476,393	466,464	520,013	532,961	548,306	559,983	542,873	595,002	584,909	615,279

OPERATING EXPENSES

For the Years Ending	Forecast Year 1 Dec-2027	Forecast Year 2 Dec-2028	Forecast Year 3 Dec-2029	Forecast Year 4 Dec-2030	Forecast Year 5 Dec-2031	Forecast Year 6 Dec-2032	Forecast Year 7 Dec-2033	Forecast Year 8 Dec-2034	Forecast Year 9 Dec-2035	Forecast Year 10 Dec-2036
Operating Expenses										
CAM - Rentz Landscape Management	42,966	44,255	45,583	46,950	48,359	49,809	51,304	52,843	54,428	56,061
CAM - Huntsville Utilities Irrigation	1,105	1,138	1,172	1,207	1,244	1,281	1,319	1,359	1,400	1,442
CAM - Power Vac Parking Sweeping	14,660	15,100	15,553	16,019	16,500	16,995	17,505	18,030	18,571	19,128
CAM - Southern Sealing Services	1,910	1,967	2,026	2,087	2,150	2,214	2,281	2,349	2,420	2,492
CAM - Professional Fire & Security	4,245	4,372	4,504	4,639	4,778	4,921	5,069	5,221	5,377	5,539
CAM - Brindall Sprinkler Inspection	902	929	957	986	1,015	1,046	1,077	1,109	1,143	1,177
CAM - Talent Heating & Air	8,523	8,779	9,042	9,313	9,593	9,880	10,177	10,482	10,797	11,121
CAM - AlaTenn Plumbing	2,971	3,060	3,152	3,246	3,344	3,444	3,548	3,654	3,764	3,876
CAM - HSV Utilities Parking Lights	5,182	5,337	5,498	5,663	5,832	6,007	6,188	6,373	6,564	6,761
CAM - HSV Utilities Fire Meter	6,701	6,902	7,109	7,322	7,542	7,768	8,001	8,241	8,489	8,743
CAM - HSV Utilities HP, 1 7044 Address	471	485	500	515	530	546	562	579	597	615
CAM - HSV Utilities HP 2, 7046 Address	394	406	418	431	443	457	470	485	499	514
CAM - Republic Services: Shops	9,512	9,797	10,091	10,394	10,706	11,027	11,358	11,699	12,050	12,411
CAM - Republic Services: BWW	12,422	12,795	13,178	13,574	13,981	14,401	14,833	15,277	15,736	16,208
CAM - Republic Services: Handles	6,490	6,685	6,885	7,092	7,305	7,524	7,749	7,982	8,221	8,468
INS - Marsh McLennan Agency	6,929	7,137	7,351	7,572	7,799	8,033	8,274	8,522	8,777	9,041
INS - The Hartford	102,794	105,878	109,054	112,326	115,696	119,166	122,741	126,424	130,216	134,123
TAX - Property Tax	67,877	69,913	72,011	74,171	76,396	78,688	81,049	83,480	85,985	88,564
Property Management	23,989	24,629	25,895	26,587	27,362	28,418	28,601	29,762	30,279	32,402
Reserves	3,184	3,184	3,184	3,184	3,184	3,184	3,184	3,184	3,184	3,184
Total Operating Expenses	**$323,226**	**$332,749**	**$343,163**	**$353,277**	**$363,757**	**$374,810**	**$385,289**	**$397,055**	**$408,496**	**$421,869**

FINANCIAL ASSUMPTIONS

Market Leasing Assumptions	REA	Shops $40.00 NNN	Shops $35.00 NNN	Shops $32.50 NNN	Shops $30.00 NNN	Shops $27.00 NNN
Market Rent (PSF)	$0.00 PSF	$40.00 PSF	$35.00 PSF	$32.50 PSF	$30.00 PSF	$27.00 PSF
Recoveries	Continue Prior	NNN (incl. MGMT) + 15% Admin	NNN (incl. MGMT) + 15% Admin	NNN (incl. MGMT) + 15% Admin	NNN (incl. MGMT) + 15% Admin	NNN (incl. MGMT) + 15% Admin
Rent Increases	-	3% Annual	3% Annual	3% Annual	3% Annual	3% Annual
Lease Term	99 Years	5 Years	5 Years	5 Years	5 Years	5 Years
Renewal Probability	100%	75%	75%	75%	75%	75%
Down Time	0 Months	6 Months	6 Months	6 Months	6 Months	6 Months
Commissions						
New	0.00%	6.00%	6.00%	6.00%	6.00%	6.00%
Renew	0.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Tenant Improvements						
New	$0.00 PSF	$10.00 PSF	$10.00 PSF	$10.00 PSF	$10.00 PSF	$10.00 PSF
Renew	$0.00 PSF	$0.00 PSF	$0.00 PSF	$0.00 PSF	$0.00 PSF	$0.00 PSF

Underwriting Assumptions

1) Analysis Period: January 1, 2027 - December 31, 2037.

2) Analysis includes contractual rent bumps and assumes all renewal options are exercised. Furthermore, analysis includes 12 months of income from tenants who are set to expire before or during Year 1 of the Analysis Period without any renewal options.

3) Common Area Maintenance & Insurance expenses are based on the 2025 Income Statement, grown by 3.00% twice to reflect a 2027 Budget.

4) Property Tax expenses are based off the 2025 Tax Bill pulled from the Madison County Tax website, subsequently grown by 3.00% twice for 2027.

5) Property Management Fee is based on 3.00% of Effective Gross Revenue.

6) Analysis includes $0.15 PSF for Reserves above the line.

7) Analysis assumes 3.00% for general inflation.

8) Analysis does not consider any of the tenant's CAM Caps where applicable, as there has been not been a basis provided for any of such Caps.

9) Analysis assumes that the base rent increases by 5% in each of Four Leaves' (2) 5-Year Options, as the tenant's lease does not specify what the rate will be.

10) Lease expiration dates are based on our review of the leases.

WATERCRESS SHOPS

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OFFERING MEMORANDUM

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