

# PRICE REDUCED SINGLE-TENANT NNN LEASED FACILITY

235 Benton Road | Rosenberg, (Sugar Land-Houston) TX  
Sales Price: \$5,800,000.00 (\$39.84/SF) Cap Rate 11.30%



**GRUBB & ELLIS.**  
From Insight to Results



## EXCLUSIVE ADVISORS

Frank Onarato  
713-599-5156

[Frank.onarato@grubb-ellis.com](mailto:Frank.onarato@grubb-ellis.com)

Henry Hagendorf, CCIM, LEED AP  
713-599-5119

[Henry.hagendorf@grubb-ellis.com](mailto:Henry.hagendorf@grubb-ellis.com)

Beth Young, CCIM, LEED AP  
713-599-5127

[Beth.young@grubb-ellis.com](mailto:Beth.young@grubb-ellis.com)

235 BENTON ROAD  
ROSENBERG, TEXAS  
(Sugar Land-Houston)

## TABLE OF CONTENTS

INVESTMENT OVERVIEW

---

FINANCIAL ANALYSIS

---

TENANT INFORMATION

---

PROPERTY VISUALS

---

FORT BEND COUNTY

---

### EXCLUSIVE ADVISORS

Frank Onarato  
713-599-5156  
Frank.onarato@grubb-ellis.com

Henry Hagendorf, CCIM, LEED AP  
713-599-5119  
Henry.hagendorf@grubb-ellis.com

Beth Young, CCIM, LEED AP  
713-599-5127  
Beth.young@grubb-ellis.com



**GRUBB & ELLIS.**  
From Insight to Results

*DISCLAIMER INFORMATION: THE MATERIAL CONTAINED HEREIN IS BASED ON INFORMATION AND SOURCES DEEMED TO BE RELIABLE, BUT NO REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, IS BEING MADE BY GRUBB & ELLIS COMPANY, ITS AGENTS NOR THE SELLER OR ANY OF THEIR REPRESENTATIVES, AFFILIATES, OFFICERS, EMPLOYEES, SHAREHOLDERS, PARTNERS AND DIRECTORS, AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN. SUMMARIES CONTAINED HEREIN OF ANY LEGAL OR OTHER DOCUMENTS ARE NOT INTENDED TO BE COMPREHENSIVE STATEMENTS OF THE TERMS OF SUCH DOCUMENTS, BUT ONLY OUTLINES OR SUMMARIES OF SOME OF THE PRINCIPAL PROVISIONS CONTAINED THEREIN. NEITHER AGENT NOR THE SELLER SHALL HAVE ANY LIABILITY WHATSOEVER FOR THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED HEREIN OR OTHER WRITTEN OR ORAL COMMUNICATION OR INFORMATION TRANSMITTED OR MADE AVAILABLE OR ANY ACTION TAKEN OR DECISION MADE BY THE RECIPIENT WITH RESPECT TO THE PROPERTY. INTERESTED PARTIES ARE TO MAKE THEIR OWN INVESTIGATIONS, PROJECTIONS AND CONCLUSIONS WITHOUT RELIANCE UPON THE MATERIAL CONTAINED THEREIN.*



## INVESTMENT OVERVIEW

### Location:

235 Benton, Rosenberg, TX (15 miles west of Beltway 8/ Sam Houston Tollway on Houston's west side).

### Buildings:

Eight (8) buildings totalling 145,591 square feet. 9.6% coverage ratio. The facility consists of seven (7) buildings used for inventory and product display and one (1) building for office purposes. Seven buildings range in size from 19,520 to 24,708 square feet. The eighth building, used for office purposes, is 2,400 square feet.

### Land Area:

34.885 Acres/1,519,599 SF

### Tenant:

SBS / Bison Building Materials, LLC – DBA Stock Building Supply. See Tenant Information section for more detail.

### Parent Company:

Wolseley Plc - 49% - [www.wolseley.com](http://www.wolseley.com) - Public company based in the U.K.

The Gores Group - 51% - [www.gores.com](http://www.gores.com) - Los Angeles based private equity firm with \$2.7 Billion in equity under management. Invested \$75 Million in tenant in July 2010.

### Rail Served:

1,555 Feet of Rail on Site.

### Surplus Property:

There is surplus land for additional buildings.

### Customer Base:

Fort Bend County is home to 38 master planned communities including three of the top ten fastest growing master planned communities in the United States. Home values continue to appreciate and lot inventory rates are under six and a half months. Fort Bend County captures 16 percent of the new home market share in the Houston region yet only accounts for eight percent of the regional population. Stock Building Supply is located within two miles of Greatwood, Sugarland, TX which is home to 2,320 homes and a population of 9,500. The median household income is \$143,338. See Fort Bend County section for master planned communities.

### Hazardous Materials:

Per the Tenant's lease, "Landlord represents and warrants to Tenant that, as of the date of the Lease (i) to Landlord's actual knowledge, there are no pending actions or proceedings in which any person, entity or governmental authority has alleged the violation of Environmental Laws with respect to the Premises or the presence, release, threat of release or placement of any hazardous materials at, on or under the Premises, and (ii) Landlord has not received any notice (or knowledge thereof) that any governmental authority has determined that there has been a violation of environmental laws at or in connection with the Premises.



LEASE AND FINANCIAL OVERVIEW

**RENT ROLL**

RENT ROLL Stock Building Supply Property					Sales Price \$5,800,000		
235 Benton Road Rosenberg, TX							
Total S.F.		145,591				Annualized Rent With Close Date of August 31, 2011	Annualized Cap Rate
Lease Term	Begin 7/1/10	End 6/30/17	Annual Amount	Per SF	Rent Roll Cap Rate		
Base Rent (Assumption of 3% Per Year Increase)	7/1/10	6/30/11	\$627,684	\$4.31			
	7/1/11	6/30/12	\$646,515	\$4.44	11.15%	\$649,747	11.20%
	7/1/12	6/30/13	\$665,910	\$4.57	11.48%	\$669,240	11.54%
	7/1/13	6/30/14	\$685,887	\$4.71	11.83%	\$689,317	11.88%
	7/1/14	6/30/15	\$706,464	\$4.85	12.18%	\$709,996	12.24%
	7/1/15	6/30/16	\$727,658	\$5.00	12.55%	\$731,296	12.61%
	7/1/16	6/30/17	\$749,488	\$5.15	12.92%	\$753,235	12.99%
Rent Increases:	Base rent is increased each July equal to the CPI increase however the minimum increase is 2% but not greater than 4%.					(Assumes renewal with 3% increase in Base Rent)	

**Renewal Option:**

One (1) five- (5-) year renewal option with nine (9) months prior notice. The renewal Base Rent shall be the greater of the increase in CPI since the prior year Base Rent increase, not to exceed four percent (4%) nor be less than two percent (2%). The Premises shall be renewed in the then-current condition without any Landlord allowance.

**Landlord Repairs:**

The Landlord is responsible for the "Building's Structure" only.

**Tenant Expenses:**

All other expenses at the property in a NNN lease structure.

**Expense Administration:**

Taxes and insurance expenses are estimated in advance by the

Landlord for each calendar year and the tenant pays for one-twelfth of these expenses each month. The Landlord pays the actual taxes and insurance costs. These expenses are reconciled the following year.



### Assumable Financing:

There are two (2) notes totaling approximately \$2,003,561 (09/2011) on the property that can be assumed. The information on the notes are as follows:

Note One:

Balance 09/2011	\$1,444,958
Interest Rate	7.27%
Maturity Date	May 1, 2016
Assumption Fee	1% of the outstanding loan balance

Note Two:

Balance 09/2011	\$558,603
Interest Rate	6.46%
Maturity Date	May 1, 2016
Assumption Fee	1% of the outstanding loan balance

### Assumption Language:

Lender shall have the right to condition its consent to any proposed sale or transfer upon, among other things, Lender's approval of the transferee's creditworthiness and management ability, and the transferee's execution, prior to the sale or transfer, of a written assumption agreement containing such terms as Lender may require including, if required by Lender, the imposition of a transfer fee of one percent (1%) of the then outstanding balance of the Indebtedness.



TENANT INFORMATION

## TENANT INFORMATION

Stock Building Supply (SBS) is a leading building materials and solutions company for professional homebuilders and contractors



in the United States. They pride themselves in providing exceptional customer experience for builders and contractors who are engaged in single- and multi-family residential, repair and remodel and light commercial construction.

They are a leading building materials and solutions company and serve many markets throughout the United States. SBS leverages their national presence to offer the products that homeowners demand, delivered with “customer-focused, associate-driven” spirit.

### COMPANY HISTORY

Stock Building Supply was founded as Carolina Builders Corporation (CBC) in Raleigh, North Carolina, in 1922. Carolina Holdings, Inc., was formed in 1993 as the holding company for CBC and its acquired properties, which soon generated over \$1 billion in annual revenues and held the first coast-to-coast footprint in the industry. The name was changed to Stock Building Supply in 2000 to reflect this national presence.

In May 2009, The Gores Group, LLC, a private equity firm focused on acquiring controlling interests in mature and growing businesses purchased a majority ownership of SBS, which now benefits from the firm’s operating experience and flexible capital. Because of The Gores Groups’ business and financial acumen, SBS now is a stronger, leaner, more focused and innovative corporation with strategic locations throughout the United States.

Stock Building Supply Holdings, LLC (Stock), an affiliate of The Gores Group, announced on July 1, 2010 that it completed its purchase of the assets of Bison Building Holdings, Inc. (Bison) and its subsidiaries pursuant to Section 363 of Chapter 11 of the U.S. Bankruptcy Code. The combination of Stock Building Supply and Bison Building Holdings created the largest building



materials distributor in Houston and is Stock’s second successful acquisition this year.

The Bison acquisition was part of Stock’s growth strategy within the residential construction market. In addition to the acquisition of Bison, Stock Building Supply recently completed the acquisition of National Home Centers, Inc. in Arkansas in April 2010.

Headquartered in Raleigh NC, Stock Building Supply currently operates in 20 key residential markets including Washington DC, Paradise PA, Richmond VA, Raleigh-Durham, Charlotte, Winston-Salem/Greensboro NC, Greenville SC, Columbia SC, Atlanta, Austin, Amarillo, Houston, Lubbock, San Antonio, Albuquerque, Salt Lake City, Southern UT, Northern ID/Eastern WA, Central and Northwest Arkansas and Los Angeles. For more information, please visit [www.stockbuildingsupply.com](http://www.stockbuildingsupply.com).

### STOCK BUILDING SUPPLY’S GREEN MOVEMENT

As more customers demanded eco-friendly, energy efficient homes Stock Building Supply implemented programs to meet these demands. SBS has fourteen locations certified by the Forest Stewardship Council.

Being “FSC Certified” shows that you comply with the highest social and environmental standards on the market. As public concerns about the



state of the world's forests and timber resources increases, FSC provides you with a credible solution to complex environmental and social issues.

An FSC certificate label is an effective way to get public and consumer recognition of your responsible practices. This gives you credibility with customers and business partners as well as financial institutions and watchdog organizations. FSC certification helps to protect the brand and reputation and it allows you to access highly environmentally sensitive markets. Increasingly, governments and others specify FSC Certified products in their procurement programs.

#### Stock Building Supply Services:

- Cabinetry and Flooring
- Doors, Windows and Stairs
- Insulation and Drywall
- Locks
- Lumber, Decking and Boards
- Millwork, Mouldings and Trim

- Siding, Roofing and Exterior Features
- Wall Panels, EWP, Trusses, Hangers and Connectors

#### About The Gores Group, LLC

Founded in 1987, The Gores Group, LLC is a private equity firm focused on acquiring controlling interests in mature and growing businesses which can benefit from the firm's operating experience and flexible capital base. The firm combines the operational expertise and detailed due diligence capabilities of a strategic buyer with the seasoned M&A team of a traditional financial buyer. The Gores Group, LLC has become a leading investor having demonstrated over time a reliable track record of creating substantial value in its portfolio companies alongside management. The firm's current private equity fund has committed equity capital of \$2.9 billion. Headquartered in Los Angeles, California, The Gores Group, LLC maintains offices in Boulder, Colorado and London. For more information, please visit [www.gores.com](http://www.gores.com).



PROPERTY VISUALS



Stock Building Supply – Millwork Building On-Site



Stock Building Supply Office On-Site



Stock Building Supply – Millwork Building On-Site



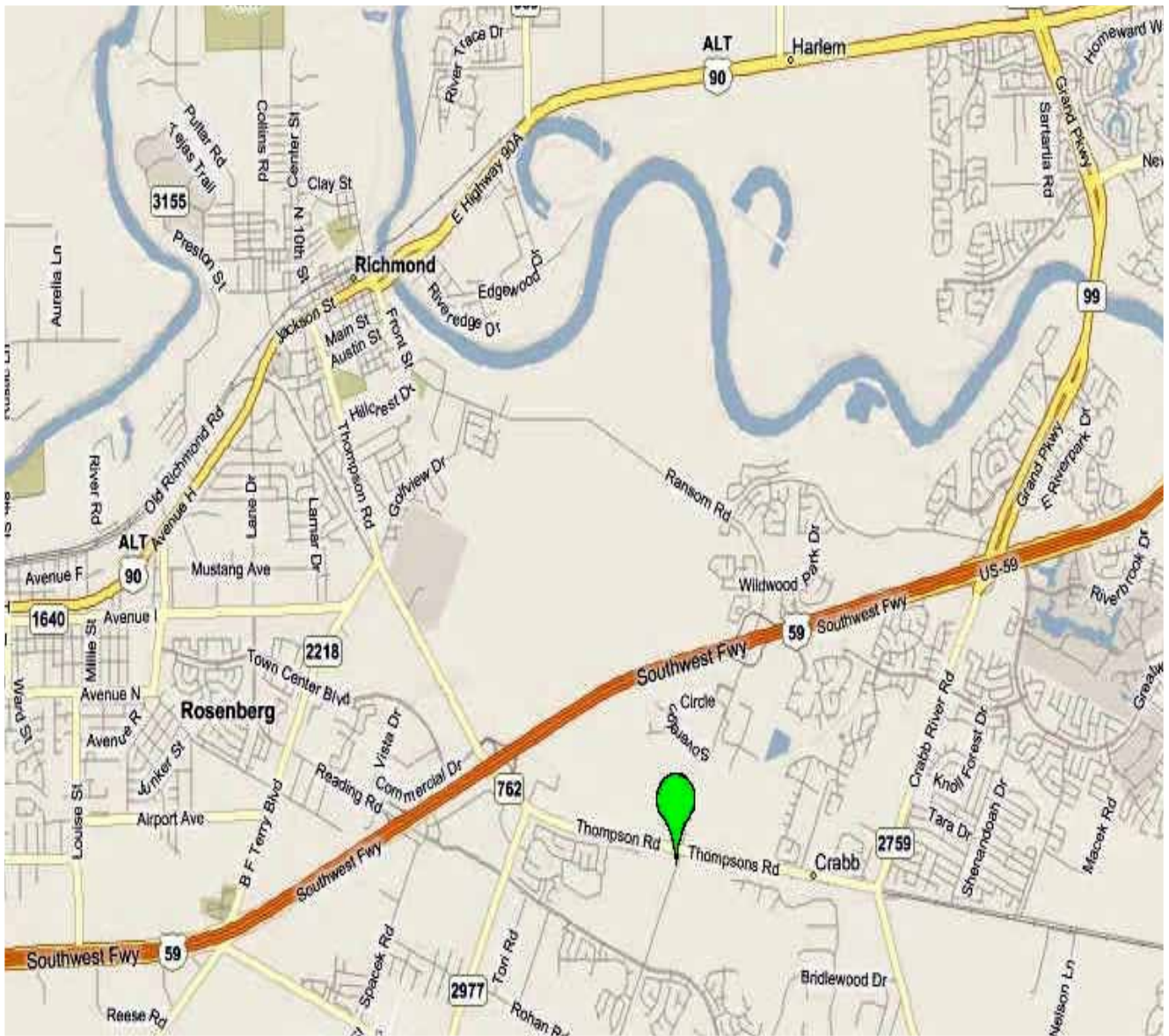
Stock Building Supply Inventory On-Site



Rail Service to Stock Building Supply



Neighborhood Housing Development







## FORT BEND COUNTY

For more than fifteen years, Fort Bend has been in the top twenty counties in the United States for economic excellence and population growth.

Excellent schools, affordable housing, and extensive recreational facilities have attracted families with impressive demographic profiles. This results in a local employment base that provides relocating companies with a diverse mix of professional, technical, skilled, and unskilled labor with the highest educational attainment levels in the region.

### A Glimpse of Fort Bend County:

- Population: 547,876
- College Educated: 39%
- Average Household Income: \$108,135
- Percent of Families: 83%

### Fort Bend Life

#### Whether you are looking for:

- A booming business environment with easy access to anywhere in Greater Houston,
- Unsurpassed quality of and variety in residential options,
- Superior schools, diverse shopping and dining options,
- A b u n d a n t recreational, cultural, and entertainment opportunities,
- A nurturing, safe place for your children to grow up in,
- Or just a place with great neighbors...



#### In Fort Bend County, you can have it all.

- Premier master-planned communities,
- Traditional small-town neighborhoods,
- Farm & ranch living,
- Short commutes to business and industrial centers.

## PLANNED COMMUNITIES IN FORT BEND COUNTY

(With a minimum designed development population of 1,000 residents)

As of March, 2010

Master Planned Communities are one of the key factors underlying the success of Fort Bend County. Deed restrictions, active home owners associations, a focus on quality and high standards serves

as a magnet to those looking to move or relocate within or to the Houston area. While the rest of the country experiences deflation in home prices, Fort Bend continues to have appreciation in both median and mean home values, notwithstanding the recession. Also inventory rates are under six and a half months in each of the Fort Bend HAR areas indicating future appreciation potential. Finally, three of the top ten fastest growing Master Planned Communities in the Country are in Fort Bend County. A testament to the drawing power of master planned communities, good schools, low crime rates, and highway infrastructure is the fact that Fort Bend County accounts for eight percent (8%) of the regional population, yet captured sixteen percent (16%) of the new home market share in the Houston region.

The total designed development population (DDP) for the thirty-eight planned communities contained in this report is expected to exceed 300,560 persons. DDP within the communities is based on the total estimated lots for each community x 3.14 people per lot (a historical benchmark population per lot). Assuming Fort Bend County's population doubles over the next 10 to 20 years, we will add another 500,000+ people in Fort Bend. The planned communities represented here account for approximately 60% of the needed housing stock to meet future growth needs of the county.

**Aliana:** 2,044 acre master-planned, resort-styled, luxury multi-use community.

2010 Estimated Population: 380

Designed Development Population: 15,000

**Bonbrook Plantation:** 800 acre family oriented community.

2010 Estimated Population: 1,353

Designed Development Population: 5,024

Revised March, 2010

**Cinco Ranch Southwest:** 7,500 acres.

2010 Estimated Population: 5,740

Designed Development Population: 7,451

**Cross Creek Ranch:** 3,200 acres of lakes, parks and home sites.

2010 Estimated Population: 732

Designed Development Population: 18,840

**Dell Webb Community:**

2010 Estimated Population: 0

Designed Development Population: 4,710

**Firethorne:** 1,400 acres.

2010 Estimated Population: 3,150

Designed Development Population: 11,304

**Fulbrook:** 908-acre Brazos River frontage tract.

2010 Estimated Population: 572

Designed Development Population: 1,507

**Fulshear Crossing:** 631 acre community with 1360 homes.

2010 Estimated Population: -0-

Designed Development Population: 4,760

**Fulshear Creek Crossing:** 670 acre community with 1100 homes.

2010 Estimated Population: 69

Designed Development Population: 3,454

**Grand Mission:** 1,200 acres.

2010 Estimated Population: 4,362

Designed Development Population: 9,225

**Great Oaks:** 170-acre planned community will have 600 lots at completion.

2010 Estimated Population: 1,360

Designed Development Population: 1,884

**Hillwood Property:** 7,000 acre home master planned community.

2010 Estimated Population: 0

Designed Development Population: 21,980

**Kingdom Heights:** 572-acre master-planned community.

2010 Estimated Population: 1,061

Designed Development Population: 4,396

**Lakemont:** 877-acres.

2010 Estimated Population: 5,071

Designed Development Population: 7,850

**Lake Olympia:** 1,000-acre planned community contains 130 acres of natural lakes.

2010 Estimated Population: 4,870

Designed Development Population: 5,850

**Lakes of Bella Terra:**

2010 Estimated Population: 628

Designed Development Population: 5,024

**Long Meadow Farms:** 1,400-acres.

2010 Estimated Population: 3,413

Designed Development Population: 7,222

**Old Orchard:** 205-acre gated community.

2010 Estimated Population: 1,416

Designed Development Population: 1,922

**Olympia Estates:** 1,170 acre master planned community.

2010 Estimated Population: 926

Designed Development Population: 1,350

**Parkway Lakes:** 1,100-acre community will produce an estimated 4,500 lots. 2010 Estimated Population: 4,029

Designed Development Population: 14,130

**Pine Mill Ranch:** 528 acre master planned community.

2010 Estimated Population: 1,570

Designed Development Population: 5,024

**River Park West:** 545-acre community.

2010 Estimated Population 2,449

Designed Development Population 3,250

**River's Edge:** 368-acre planned community.

2010 Estimated Population: 1,451

Designed Development Population: 2,512

**Rivers Run @ The Brazos:**

2010 Estimated Population: 543

Designed Development Population: 1,774

**Riverstone:** 3,700-acre, waterside community is master-planned for 6,000 homes.

2010 Estimated Population: 4,424

Designed Development Population: 18,840

**Seven Meadows:**

2010 Estimated Population: 8,582

Designed Development Population: 8,582

**Sienna Plantation:** 9,958-acre master-planned community.

2010 Estimated Population: 16,642

Designed Development Population: 21,980

**Silver Ranch:**

2010 Estimated Population: 869

Designed Development Population: 6,280

**Summer Lakes:**

2010 Estimated Population: 879

Designed Development Population: 3,592

**Sunrise Meadow:**

2010 Estimated Population: 1736

Designed Development Population: 3,058

**Tamarron Lakes:** 747-acre planned community.

2010 Estimated Population: -0-

Designed Development Population: 7,222

**Teal Run:**

2010 Estimated Population: 7,875

Designed Development Population: 7,985

**Telfair:** 2,018 acre master-planned community.

2010 Estimated Population: 4,811

Designed Development Population: 15,000

**TerraVista Lakes:** Proposed planned with 1,117 acres.

2010 Estimated Population: -0-

Designed Development Population: 9,734

**Vicksburg:** 635 acre planned community.

2010 Estimated Population: 5,181

Designed Development Population: 19,829

**Walnut Creek:**

2010 Estimated Population: 462

Designed Development Population: 3,768

**Westheimer Lakes:** 592-acres.

2010 Estimated Population: 6,914

Designed Development Population: 7,677

**Weston Lakes:** 1,493 acre planned community featuring 24-hr guard gated entry.

2010 Estimated Population: 3,046

Designed Development Population: 4,688

**WoodCreek Reserve:** 500 acre master planned community.

2010 Estimated Population: 597

Designed Development Population: 1,570

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

**B**efore 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:

- (1) shall treat all parties honestly;
- (2) may not disclose that the owner will accept a price less than the asking price unless authorized in writing to do so by the owner;
- (3) 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
- (4) may not disclose any confidential information or any information that a party 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.

If you choose to have a broker represent you, you should enter into a written agreement with the broker that clearly establishes the broker's obligations and your obligations. The agreement should state how and by whom the broker will be paid. You have the right to choose the type of representation, if any, you wish to receive. Your payment of a fee to a broker does not necessarily establish that the broker represents you. If you have any questions regarding the duties and responsibilities of the broker, you should resolve those questions before proceeding.

Real estate licensee asks that you acknowledge receipt of this information about brokerage services for the licensee's records.

Buyer, Seller, Landlord or Tenant

Date

Texas Real Estate Brokers and Salesmen are licensed and regulated by the Texas Real Estate Commission (TREC). If you have a question or complaint regarding a real estate licensee, you should contact TREC at P.O. Box 12188, Austin, Texas 78711-2188 or 512-465-3960.

