



Offering Memorandum

Subject Property

# ASAP Industries

## Midland, TX

9504 South County Road 1270, Midland, TX 79706

 Stan Johnson Co.

# Confidentiality & Restricted Use Agreement

This Confidential Offering Memorandum (“COM”) is provided by Stan Johnson Company (“SJC”), solely for your consideration of the opportunity to acquire the commercial property described herein (the “Property”). This COM may be used only as stated herein and shall not be used for any other purpose, or in any other manner, without prior written authorization and consent of SJC.

This COM does not constitute or pertain to an offer of a security or an offer of any investment contract. This COM contains descriptive materials, financial information and other data compiled by SJC for the convenience of parties who may be interested in the Property. Such information is not all inclusive and is not represented to include all information that may be material to an evaluation of the acquisition opportunity presented. SJC has not independently verified any of the information contained herein and makes no representations or warranties of any kind concerning the accuracy or completeness thereof. All summaries and discussions of documentation and/or financial information contained herein are qualified in their entirety by reference to the actual documents and/or financial statements, which upon request may be made available. An interested party must conduct its own independent investigation and verification of any information the party deems material to consideration of the opportunity, or otherwise appropriate, without reliance upon SJC.

The Property may be financed or withdrawn from the market without notice, and its owner(s) reserve(s) the right to negotiate with any number of interested parties at any time. The Property is offered and sold by its owner(s) as is, where is, and with all faults, without representation or warranty of any kind except for any customary warranties of title.

BY ACCEPTING THIS COM, YOU AGREE THAT: (1) all information contained herein, and all other information you have received or may hereafter receive from SJC relating to the Property, whether oral, written or in any other form (collectively, the “Information”), is strictly confidential; (2) you will not copy or reproduce, and claim as your own without attribution to SJC, all or any part of this COM or the Information; (3) upon request by SJC at any time, you will return and/or certify your complete destruction of all copies of this COM and the Information; (4) for yourself and all your affiliates, officers, employees, representatives, agents and principals, you hereby release and agree to indemnify and hold harmless SJC all of its affiliates, officers, employees, representatives, agents and principals, from and with respect to any and all claims and liabilities arising from or related to the receipt or use of this COM and/or any other Information concerning the Property; (5) you will not provide this COM or any of the Information to any other party unless you first obtain such party’s acceptance and approval of all terms, conditions, limitations and agreements set forth herein, as being applicable to such party as well as to you; and (6) monetary damages alone will not be an adequate remedy for a violation of these terms and that SJC shall be entitled to equitable relief, including, but not limited to, injunctive relief and specific performance, in connection with such a violation and shall not be required to post a bond when obtaining such relief.

Offered exclusively by

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## Point of Contact



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## Stan Johnson Company

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# 1 Investment Overview

**ASAP Industries**

Midland, Texas



Subject Property

# The Offering

Stan Johnson Company, on behalf of Ownership, is pleased to offer for sale the Fee Simple ownership interest in the industrial warehouse located at 9504 South County Road 1270 in Midland, TX (the "Property"). The Property comprises a total of 18,980 square feet of warehouse space across two buildings, positioned on 3.67 acres of stabilized land. The Property is located within the Hawk View Industrial Park, a master-planned 320-acre development focused on serving tenants specializing in oil and gas infrastructure service. The Property has convenient access to intermodal transportation, located within 2 miles of Interstate 20 - the City's primary thoroughfare with 41,547 vehicles per day.

The Property is 100% leased to A.S.A.P Industries Manufacturing, Inc. (the "Tenant"), a specialized Louisiana-based OEM manufacturer of flow through and wellhead components for oil and gas operators. The Property serves as Tenant's critical hub for serving Midland-Odessa and west Texas. Tenant began operations at the Property in 2019 under a 7-year lease. In May 2021, Tenant expanded its footprint by adding an additional 8,900 square foot facility at the Property, subsequently extending the lease out for a firm 7-year lease term upon completion.

The Property is offered with 7.0 years of remaining lease term, providing income security through August 2028. The Lease provides rental escalations 2% annually throughout the base term and 10% at each of the two, five-year renewal options. The Offering comprises an attractive, newly constructed critical use manufacturing facility in a highly strategic region of west Texas. Tenant elected to expand its presence and extend the lease in 2021, exhibiting a strong commitment to the location.

 Offering Price  
**\$3,899,000**

 Cap Rate  
**8.25%**

## Highlights

**Recent Expansion & Lease Extension** | In May 2021, Tenant elected to increase its presence at the location by construction an additional 8,900 square foot facility. At this time, Tenant extended its lease out to reflect a firm 7-year term commencing upon delivery of the new facility. The decision to expand its presence at the site exhibits long-term commitment to location.

**Strategic Market Position** | The Property is located within the Hawk View Industrial Park, a master-planned 320-acre development at the heart of the Permian Basin committed to serving oil and gas infrastructure service operators. The surrounding tenancy by complimentary operators ensures long-term locational commitment and security. The Park is located within a dense oil and gas-focused industrial market with convenient logistical access to the City's primary thoroughfare - Interstate 20.

**Critical Use Facility** | The Property serves as Tenant's critical manufacturing and supply facility serving Midland-Odessa and west Texas. The Property is Tenant's sole facility exclusively serving oil and gas operators of the Permian Basin. Both the building and land are 100% useable with significant groundwork done to accommodate Tenant's operations, further lending to the critical nature of the facility.

**Passive Lease with Annual Rental Escalations** | The Lease provides a passive expense structure with reimbursement for 100% of operating expenses. The Property is offered with 7.0 years of remaining lease term, providing income security through August 2028. The Lease provides rental escalations of 2% annually throughout the base term and 10% at each option period.

**High Growth Texas MSA** | Midland is located between two of the top five fastest growing metro areas in the nation and is positioned above the Permian Basin - the largest oil reserve in the United States. The Midland-Odessa MSA continues to exhibit steady population growth trends above the national average.

**Income Tax-Free State** | Texas is one of seven U.S. states that do not impose a tax on earned personal income.

Property Summary	
Location	9504 South County Road 1270, Midland, TX 79706
Ownership Interest	Fee Simple
Building Size	± 18,980 SF
Lot Size	± 3.67 Acres
Year Built	2019   2021
Lease Summary	
Tenant	A.S.A.P Industries Manufacturing, Inc.
Initial Base Term   Rmng	7.0 years   7.0 years
Expiration Date	August 31, 2028
Annual Rent	\$321,720
Rental Increases	2% annually; 10% options
Renewal Options Rmng	Two (2), Five (5) Year Options
Lease Type	NN - Roof & Structure

# Property Summary

Lease Abstract	
<b>Tenant</b>	A.S.A.P Industries Manufacturing, Inc.
<b>Ownership Interest</b>	Fee Simple
<b>Address</b>	9504 South County Rd 1270, Midland, Texas, 79706
<b>Building Size (SF)</b>	18,980
<b>Land (Acres)</b>	3.67
<b>Year Built   Renovated</b>	2019   2021
<b>Rent Commencement Date</b>	9/1/2021
<b>Expiration Date</b>	8/31/2028
<b>Base Lease Term</b>	7.0
<b>Lease Term Remaining</b>	7.0
<b>Initial Base Rent</b>	\$321,720
<b>Rent Increases</b>	10% in year 6
<b>Renewal Options</b>	Two (2), Five (5) Year Options
<b>Renewal Notice</b>	Not less than One Hundred Twenty (120) days prior to expiration of Term
<b>Renewal Increases</b>	10% Options
<b>Lease Type</b>	NNN
<b>Landlord's Obligations</b>	Landlord shall repair and maintain the roof and structural portions of the Premises, including all systems non-exclusive to the Premises
<b>Tenant's Obligations</b>	Tenant shall keep and maintain the Premises in good condition, and maintain contacts for quarterly maintenance of HVAC
<b>Landlord Insurance</b>	Tenant reimburses 100% of Insurance premiums for Landlord Insurance. Landlord shall maintain the following policies: a) All Risk Extended Coverage of Full Replacement Cost of the Roof and Structural Portions of the Premises; b) Liability Insurance of not less than \$2,000,000 (Two Million Dollars) per occurrence; and c) Rental Loss insurance covering a period of Twelve (12) Months.

Lease Abstract	
<b>Taxes</b>	Tenant reimburses 100% of Real Estate Taxes
<b>CAM</b>	Tenant reimburses 100% of Common Area Maintenance expenses
<b>Utilities</b>	Tenant shall pay direct to provider
<b>Assignment/Sublet</b>	Not without Landlord written consent
<b>Right of First Refusal</b>	None
<b>Estoppel</b>	Within Five (5) days of Landlord's written request
<b>Property Use</b>	Oilfield Products and/or Services
<b>Financial Reporting</b>	Tenant shall deliver Quarterly and Annual Financial Statement within One Hundred Twenty (120) Days

## Rent Schedule

Dates	Year	Annual Rent	Monthly Rent	Rent PSF (Land)	Increase
09/01/2021 - 08/31/2022	Year 1	\$321,720	\$26,810	\$2.01	-
09/01/2022 - 08/31/2023	Year 2	\$328,154	\$27,346	\$2.05	2.00%
09/01/2023 - 08/31/2024	Year 3	\$334,717	\$27,893	\$2.09	2.00%
09/01/2024 - 08/31/2025	Year 4	\$341,412	\$28,451	\$2.14	2.00%
09/01/2025 - 08/31/2026	Year 5	\$348,240	\$29,020	\$2.18	2.00%
09/01/2026 - 08/31/2027	Year 6	\$355,205	\$29,600	\$2.22	2.00%
09/01/2027 - 08/31/2028	Year 7	\$362,309	\$30,192	\$2.27	2.00%
09/01/2028 - 08/31/2033	Option 1	\$398,540	\$33,212	\$2.49	10.00%
09/01/2033 - 08/31/2038	Option 2	\$438,394	\$36,533	\$2.74	10.00%

# Building Specifications

	Building 1	Building 2
<b>Zoning</b>	I - Industrial	
<b>Land</b>	3.38 AC - 6" Caliche	
<b>Fencing</b>	6' Commercial Grade Fence w/ 3 Strained Bard Wire	
<b>Gate</b>	2 - 25' Cantilever Gate	
<b>Building Dimensions</b>	60' x 34' Office; 60' x 134' Shop	20' x 25' Office; 60' x 140' Shop
<b>Footings</b>	12"x24"	12"x18"
<b>Slab</b>	6" Concrete Slab On Grade	
<b>Clear Height</b>	24' Warehouse	
<b>Exterior Walls</b>	26-Gauge R-Panel	
<b>Insulation</b>	4" Reinforced Vinyl	
<b>Shop Lighting</b>	25 - 6 light LED high bay	18 - 6 light T5 high bay
<b>Exterior Lighting</b>	8 - 400 Watt wall pack; 2 - 100 Watt wall pack for entrance; 2 - 25' Steel on concrete piers w/ 2, 1000 Watt fixtures each	4 - 400 Watt wall pack; 1 - 100 Watt wall pack for entrance
<b>Overhead Door</b>	6 - (14' x 16') High Lifted with Electric Hoist w/ 15' concrete approaches	3 - (14' x 16') High Lifted with Electric Hoist w/ 15' concrete approaches
<b>Roof</b>	26-Gauge corrugated metal panels w/ batt insulation	
<b>HVAC</b>	1 - 5-ton split systems	
<b>Electrical Service</b>	3 Phase 480 volt / 800 amp	



# 2 Tenant Overview

**ASAP Industries**

Midland, Texas

Subject Property

# ASAP Industries Manufacturing



**ASAP Industries Manufacturing** (ASAP), founded in 2003, is one of the largest machine shops along the Gulf Coast providing custom machining services to the Oil & Gas Industry. API licensed and ISO 9001:2008 certified since

2006, ASAP specializes in manufacturing API 6A and 16A products, such as, flanges, spools, and adapters in small to large diameters. ASAP is the premier quick-turn supplier to the industry, by maintaining a large raw material inventory and providing pick-up and delivery along the Louisiana coast to Houston, TX and the surrounding areas. ASAP also provides repair and recertification services for select land BOP's and large diameter spools and adapters. The company's capabilities also include welding, pressure testing, NDE, assembly, and inspection.

## Capabilities

Custom Machining

Manufacturing

Machine Tools

Welding

Products

Equipment Repair



Subject Property



# 3 Location Overview

## ASAP Industries

Midland, Texas

# Location Overview



**Midland** is the county seat of Midland County in west Texas. Midland has a population of 153,768 making it the twenty-eighth most populous city in the state. It is also the hub of the Midland-Odessa Combined Statistical Area which has an estimated population of 348,391. It is located along I-20 and is generally considered the halfway point between El Paso and Fort Worth in Texas.

Midland is known for its downtown skyline and is nicknamed “The Tall City.” For many years, the downtown district housed the tallest buildings between Fort Worth and Phoenix. Midland’s development was fueled by several energy booms and has long been a hub for Texas oil and gas activity.

Recently, the expansion of the **Permian Basin** oilfields has once again helped accelerate growth in the area. Midland is a major focal point for the play due to its location geographically and the pre-existing infrastructure in and around the city.

**Odessa** is a city in and the county seat of Ector County, Texas, with a small portion of the city extending into Midland County. Odessa has a population of 129,928 making it the 31st-most populous city in Texas. It is the principal city of the Odessa, Texas Metropolitan Statistical Area.

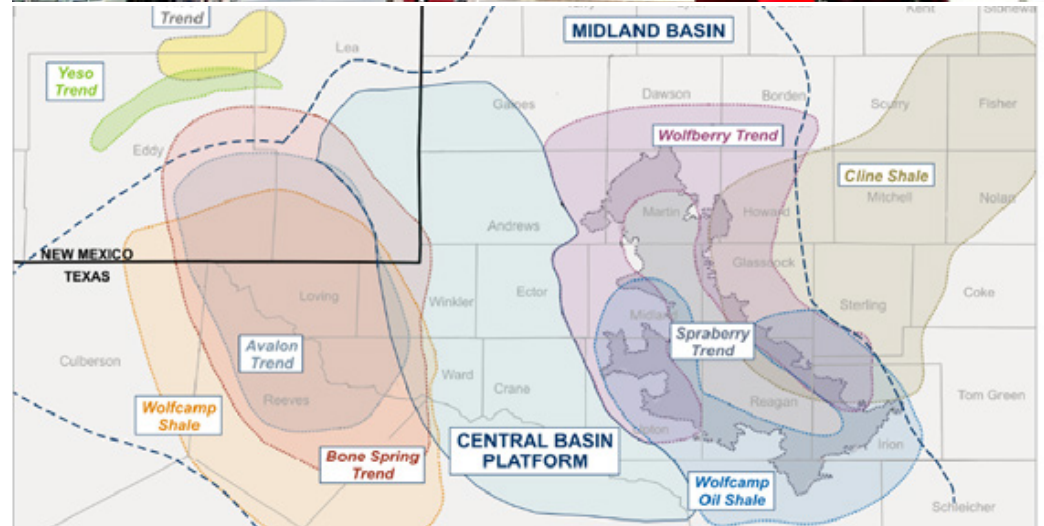
Midland and Odessa are two of the 10 fastest-growing metro areas in 2018; Midland was first, with 4.3% growth. Odessa was fifth, with 3.2% growth.



Midland Skyline



Downtown Midland



# Permian Basin • Texas & New Mexico

As one of the oldest and most widely recognized oil and gas producing regions in the United States, the **Permian Basin** covers approximately 86,000 square miles and encompasses 52 counties in New Mexico and Texas. It spans almost 250 miles east and west and 300 miles north and south. Unlike other plays across the country, the Permian Basin is unique due to its complex geology and contains several sub-basins each with its own characteristics. As of July 2021, there were 424 operating rigs across the Permian Basin, over half of all operating rigs in the United States. The area also led the country in rig count growth and the expansion of horizontal drilling in the area has made it the number one focus of unconventional activity in the United States.




**5.3K+**  
barrels per day



**424**  
rig count



**40%**  
of all US oil  
production



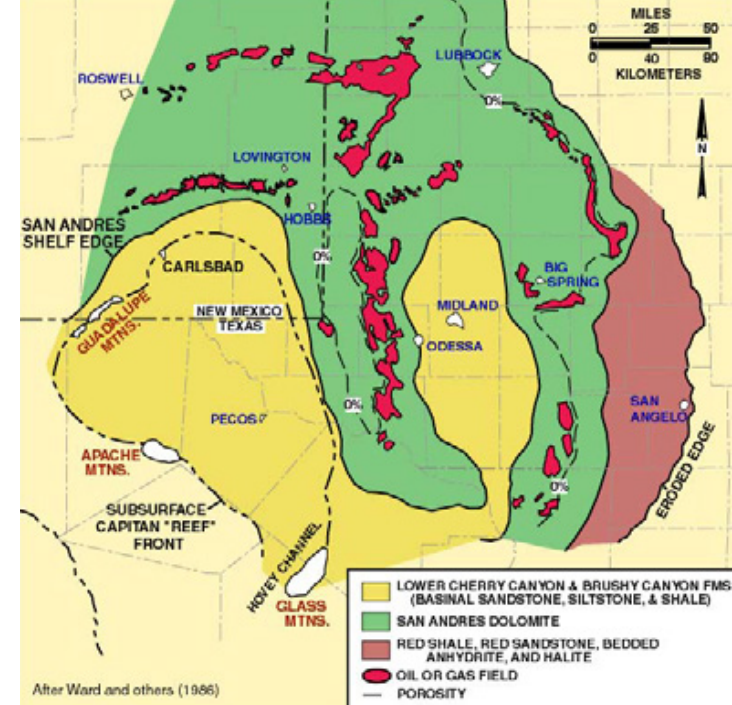
**80%**  
rig count increase since  
last year

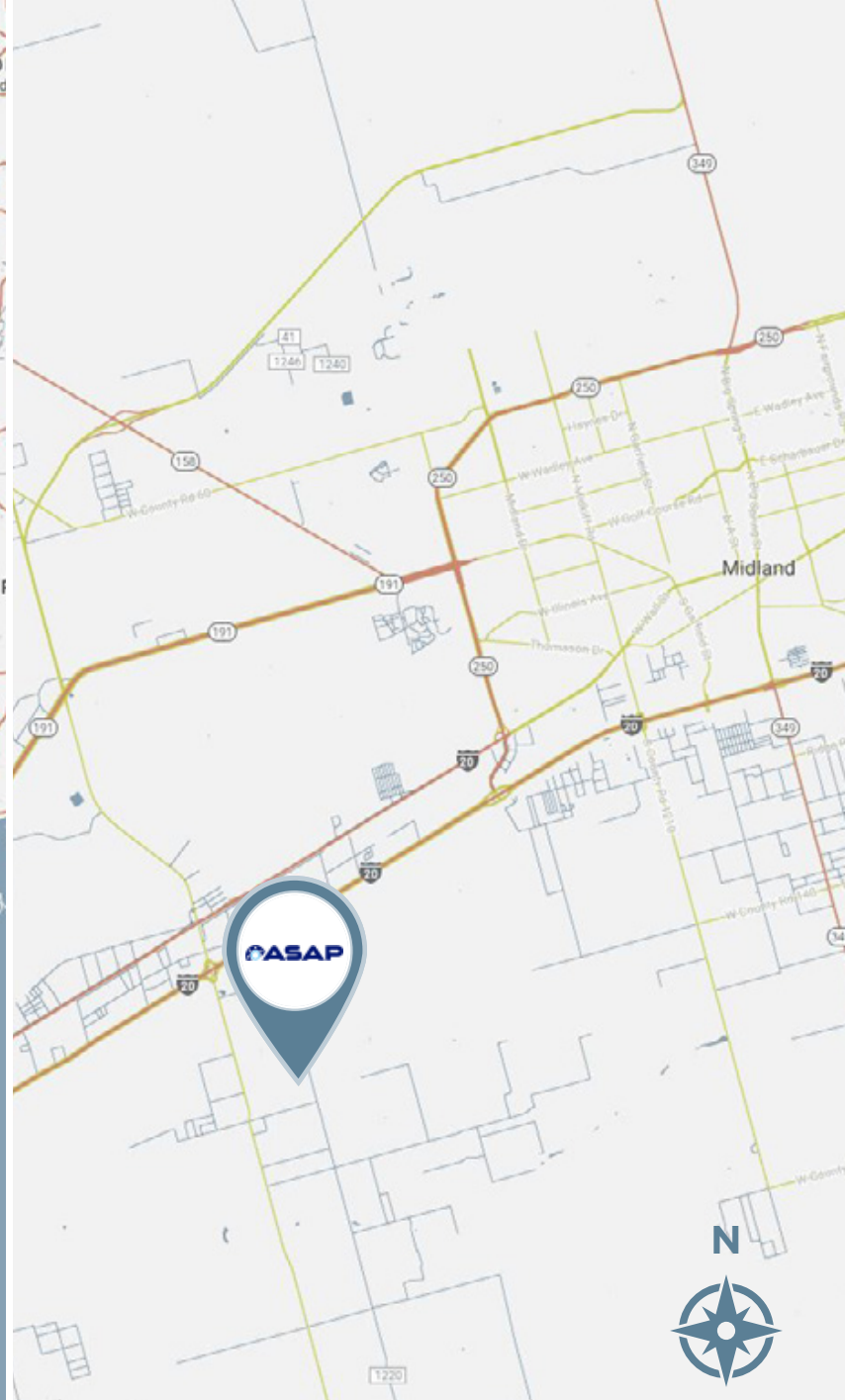
In February 2021, Nasdaq reported domestic oil was trading at \$61 per barrel, one of the highest points since the pandemic hit the U.S. in March 2020. Prices were on a steady incline since the beginning of February which started at about \$52 per barrel, records show.

The Permian will produce over 500 barrels per rig next month, according to the agency's Drilling Productivity Report.

Investments in Permian Basin oil and gas operations continued to grow as a national energy company announced it acquired assets in the Delaware Basin near the Texas-New Mexico state line. U.S. Energy Development Corporation said it purchased interests in the Shetland development project in Eddy County, New Mexico and the WarWink project in Winkler County, Texas. Shetland included 14 producing oil wells and six proposed wells expected to go into production by the middle of 2021. The WarWink purchase had two oil wells expected to also produce in mid-2021.

These projects followed U.S. Energy's spending of more than \$100 million in new projects in the past year, and the company intends to continue seeking acquisitions in the Permian Basin through 2021.





Butch's Rathole and Anchor Services

South Gridiron Battery

Midland International Air & Space Port

**PRODUCTS**

Palm Harbor Midland

Deep Well Tubular Services

Framing Square Lumber Co.

Baker Hughes

GREYHOUND  
CAT BAYMONT INN & SUITES

Work-Interstate-20 (± 22,842 VPD)

ATS Agri-Empresa Trans Load & Storage

TEAM

REW MATERIALS

DAWSON

Schlumberger

SAFETY Celebrating 10 Years!

INTERSTATE 20

Interstate 20 (± 41,547 VPD)

Loves



**Subject Property**  
ASAP Industries

One Source

IG SERVICES

Hawk View Industrial Park



# Midland Demographics



Population	3 miles	5 miles	10 miles
2020 Population	684	1,286	98,010
2025 Population	760	1,467	106,110
2010-2020 Annual Rate	0.99%	2.02%	2.17%
2020-2025 Annual Rate	2.13%	2.67%	1.60%



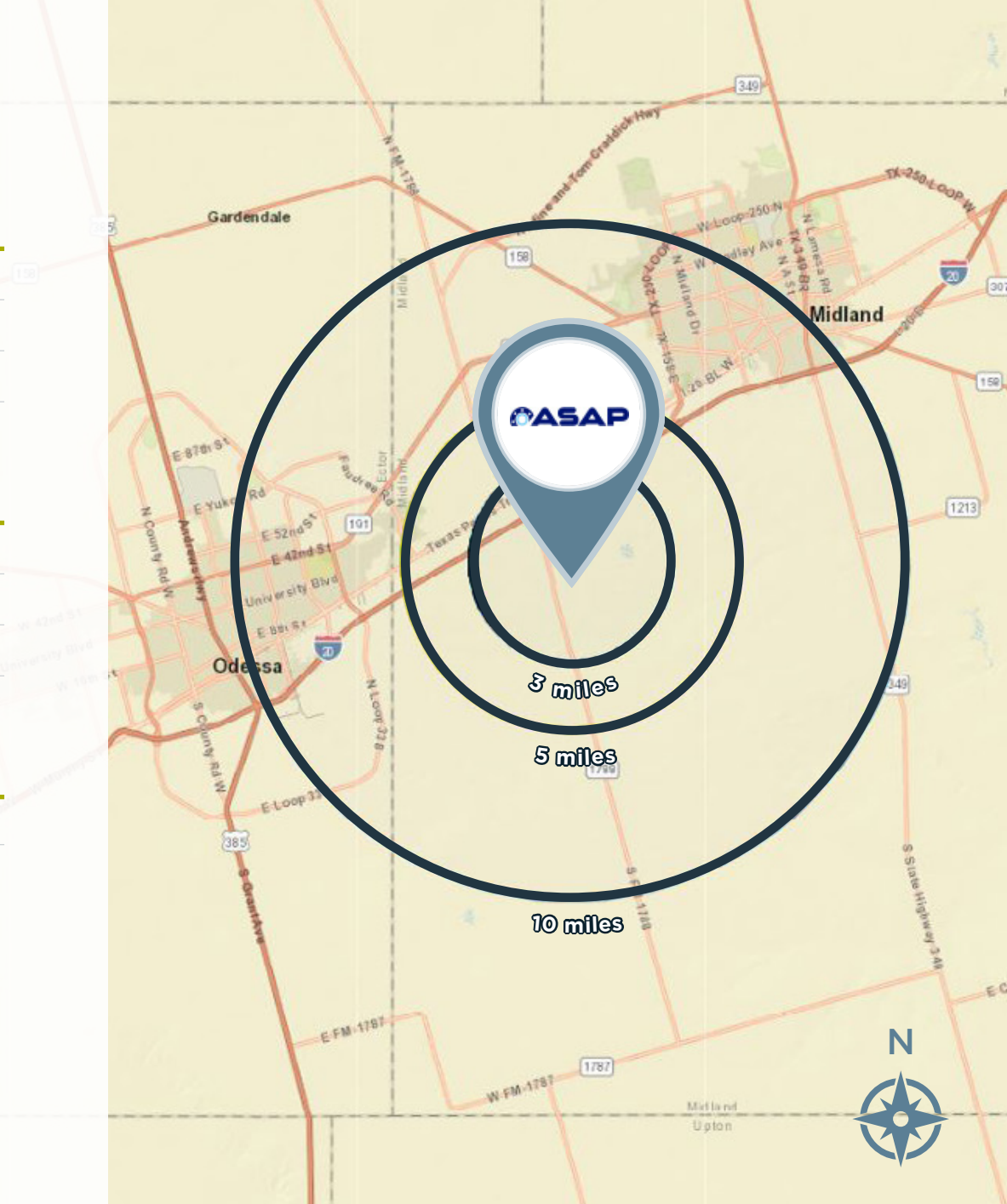
Households	3 miles	5 miles	10 miles
2020 Total Households	264	494	37,126
2025 Total Households	294	564	40,179
2010-2020 Annual Rate	1.02%	1.96%	2.18%
2020-2025 Annual Rate	2.18%	2.69%	1.59%



Household Income	3 miles	5 miles	10 miles
2020 Median Household Income	\$90,230	\$81,102	\$76,920
2020 Average Household Income	\$139,837	\$124,359	\$99,581

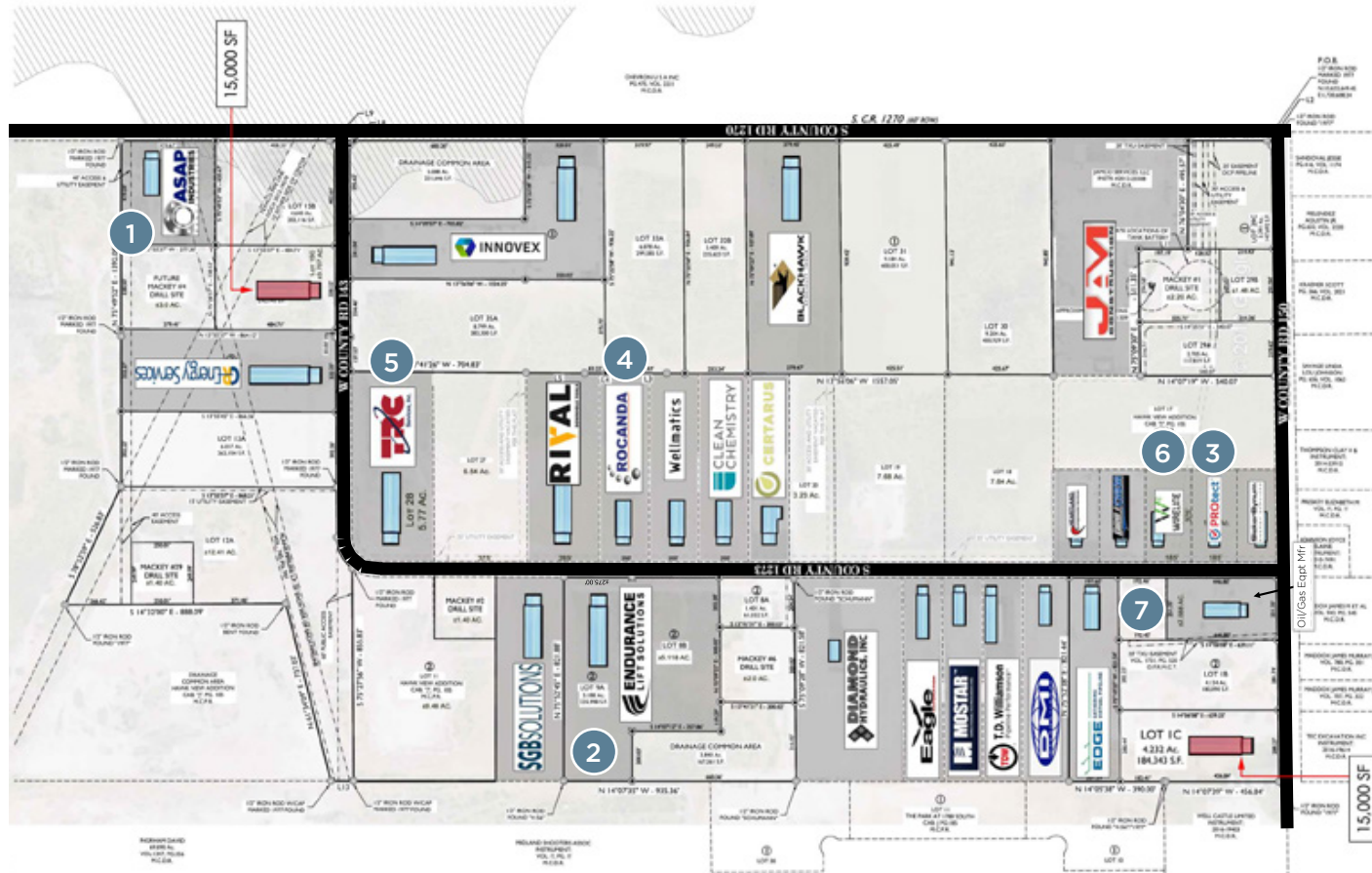
**98K**  
population  
(10 miles)

**\$139K**  
avg. HH inc.  
(3 miles)



# Available | Hawk View Industrial Park Properties

	Tenant (Click for OM)	Year Built	Building Area (SF)	Land Area (AC)	Annual Rent	Rent PSF (Land)	LTR	Rental Increases	Options	Price	Cap Rate
1	A.S.A.P Industries Manufacturing, Inc.	2019   2021	18,980	3.67	\$321,720	\$2.01	7.0 yrs	2% annually	2, 5yr	\$3,899,000	8.25%
2	Endurance Lift Solutions, LLC	2019	20,800	10.31	\$513,600	\$1.14	10.4 yrs	10% in Year 6; 2% in Years 11 & 12	2, 5yr	\$6,225,000	8.25%
3	PROtect, LLC	2021	6,250	1.59	\$105,000	\$1.52	4.8 yrs	Flat	1, 5yr	\$1,200,000	8.75%
4	Rocanda Enterprises Ltd.	2019	10,080	3.49	\$179,040	\$1.18	4.9 yrs	10% in Year 6	1, 3yr; 2, 5yr	\$2,046,000	8.75%
5	Total Rod Concepts, Inc.	2019	20,800	5.11	\$310,800	\$1.40	7.9 yrs	10% in Year 6	2, 5yr	\$3,767,000	8.25%
6	Wireline Widgets, LLC	2021	6,250	1.59	\$85,937	\$1.24	4.8 yrs	2% annually	1, 5yr	\$982,000	8.75%
7	Leading Oil & Gas Equipment Manufacturer	2019	10,080	2.56	\$171,360	\$1.51	3.4 yrs	2% annually	2, 5yr	\$1,958,000	8.75%



# Hawk View Industrial Park Photos





going beyond

**Offered Exclusively By:**

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The information contained herein was obtained from sources believed reliable, however, Stan Johnson Company makes no guaranties, warranties or representations as to the completeness thereof. The presentation of this Property for sale, rent or exchange is submitted subject to errors, omissions, change of price or conditions, or withdrawal without notices.



# 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.

SJCO-Holdings, LLC	9003332		918-494-2690
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
James Gibson	392926		918-494-2690
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

\_\_\_\_\_  
Buyer/Tenant/Seller/Landlord Initials

\_\_\_\_\_  
Date