

ABSOLUTE NNN LEASED INDUSTRIAL BUILDING | FOR SALE



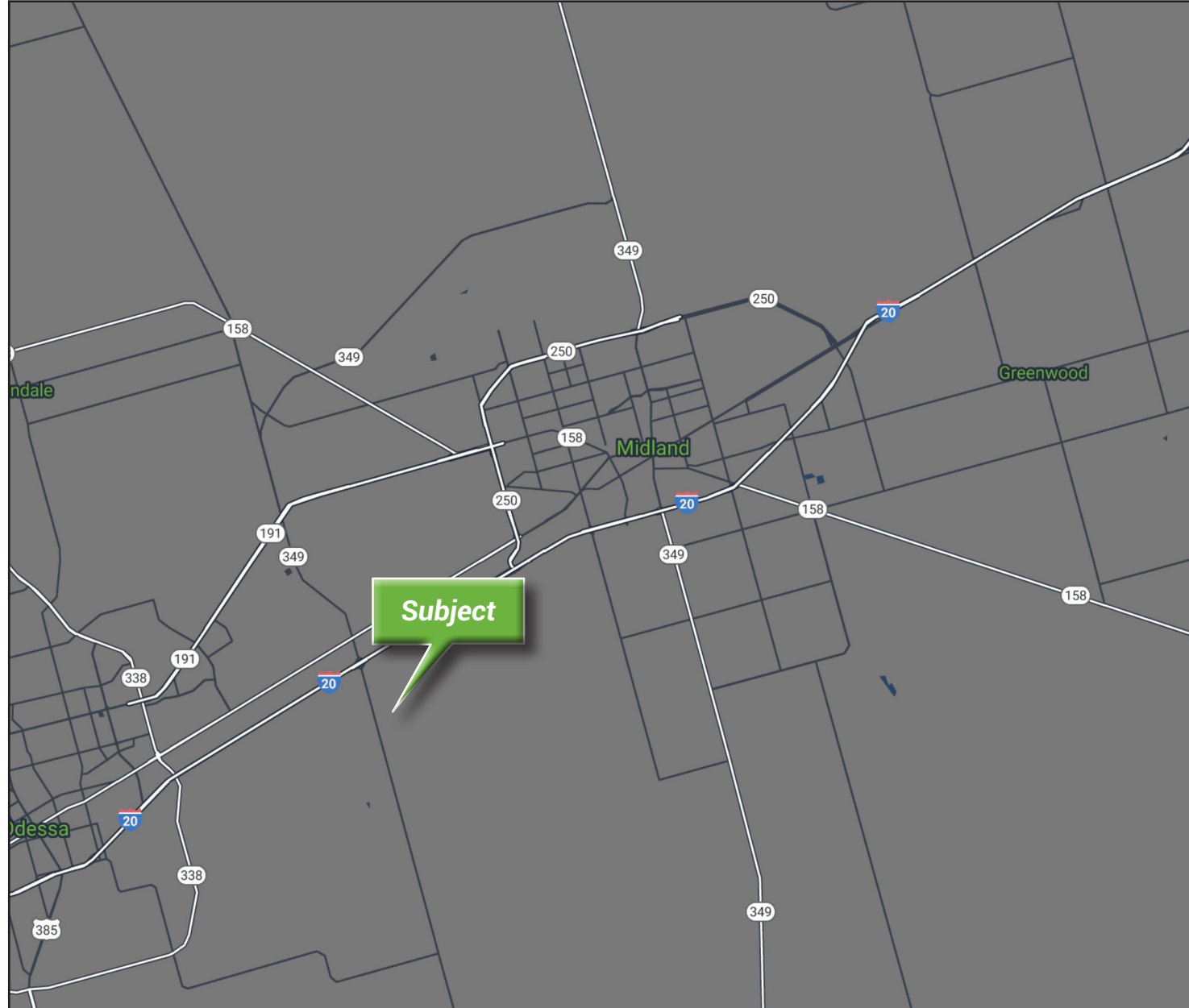
DRILLCHEM

OFFERING SUMMARY

Sales Price	\$1,742,000
Cap Rate	7.75%
NOI	\$135,000

Property Overview

Oldham Goodwin Group is pleased to present DrillChem – Midland Location for your consideration. The property consists of a new construction single tenant industrial building totaling 7,500 SF on 1.72 acres. DrillChem has almost 20 years of history as an integrated specialty chemical provider to an international customer list in the Oil and Gas, Water Treatment, Metal working, and lubricants markets. With a new 7 year absolute NNN lease term, brand new construction, and a tenant with excellent financials and year over year growth, this investment offers stable cash flow with no landlord responsibility.



Investment Highlights

- Tenant has a diversified customer base composed of >70 customers YTD 2018, with no single customer representing more than 14% of total revenue
- Sales in North America, South America, Saudi Arabia, and China, with organic growth opportunities both in existing markets and expansion into new geographical regions
- Clean Phase 1 Environmental
- New construction located in a new industrial park
- Strategically located five miles from Midland International Airport and three miles from Interstate 20
- The Permian Basin accounts for 60% of Texas crude production and 16% of US crude production
- The Permian Basin has 50% of active rigs in Texas and 25% of active rigs in the country



LEASE SUMMARY

Tenant	DrillChem
Lease Type	Absolute NNN
Roof & Structure	Steel Joist and Canopy Roof
Lease Term	7 years
Lease Commencement Date	12/1/2018
Lease Expiration Date	12/1/2025
Options	One renewal option at market rates and terms

ANNUALIZED OPERATING DATA

Years	Annual Rent	Annual Rent/SF	Cap Rate
1-7	\$135,000	\$18.00/SF	7.75%





TENANT SUMMARY

Tenant	DrillChem
Ownership	Private
Years in Business	18
Headquarters Location	The Woodlands, TX

Tenant Profile

DrillChem

With over 18 years of history serving the oil and gas industry, DrillChem is a premier specialty chemical company with product lines servicing the drilling completion, work over, and horizontal direction drilling market segments. After undergoing a management buyout in 2016, the company is currently owned by 4 individuals, making up the senior management team.





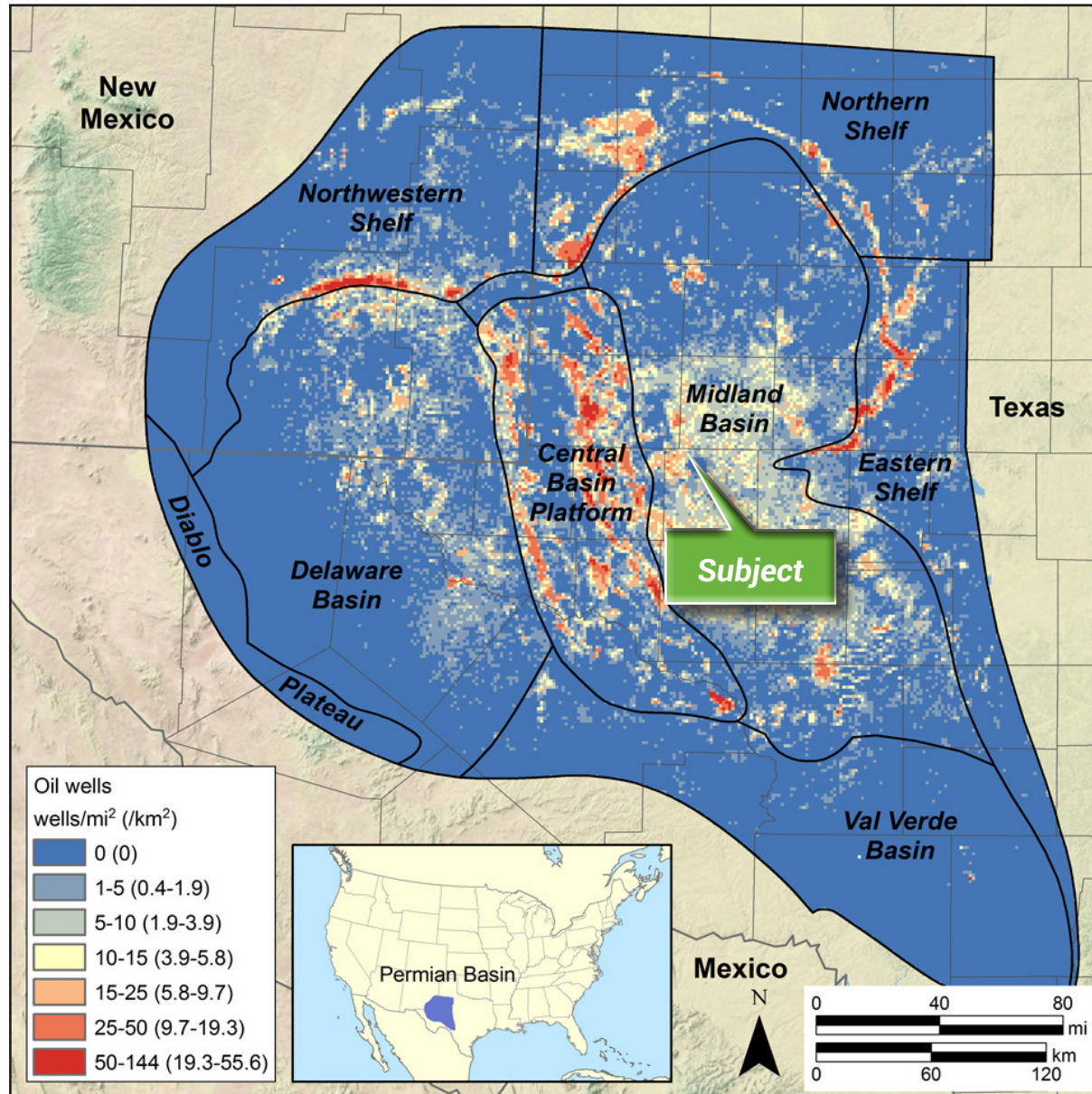
BUILDING INFORMATION

Address	6407 SCR 1273, Midland, TX 79706
Building Area	7,500 SF
Year Built	2018
Foundation	Reinforced concrete slab
Exterior Walls	Galvanized steel
Framing	Steel
Roof Cover	Steel
Structure	Steel
Utilities	Well & septic

SITE INFORMATION

Size	1.72 AC
Legal Description	LEGAL1 BLK: 001, LEGAL3 LOT: 16E, LEGAL5, ADDN: HAWKVIEW ADDITION
Access	Access via one point of ingress & egress on SCR 1273
Zoning	None
Frontage	Frontage on South County Road 1273

Permian Basin Map



MIDLAND, TEXAS



Midland, Texas is a warm and inviting West Texas city, conveniently located on Interstate 20, halfway between Fort Worth and El Paso. Easily accessible, it boasts Midland International Air & Space Port, serviced daily by American, Southwest, and United Airlines and is the closest airport to Big Bend National Park.

Midland, nicknamed “The Tall City,” is home to everything from presidents and petroleum to a vibrant arts community. It features over 185,000 square feet of meeting space, many unique museums, delicious food, and exciting music and nightlife. It is a thriving community of more than 136,000 people and is the geographic center in The Permian Basin, which is said to contain 16%+ of the nation’s oil reserves and is the largest oil production region in the country. In recent years, Midland has been named the second best place to live in Texas by Movoto Real Estate and the second-fastest growing city and the city with the highest income per capita in the United States by MSN Money.

The city’s successes in the oil industry have allowed a community of its size to offer visitors world-class attractions like the \$81-million Wagner Noël Performing Arts Center, the Permian Basin Petroleum Museum, and the George W. Bush Childhood Home.

Disclaimer

This Offering Memorandum was prepared by Oldham Goodwin Group, LLC (Broker) solely for the use of prospective purchasers of 6407 SCR 1273, Midland, Texas 79706 (Property). Neither the Broker nor the owner of the property (Owner) makes any representations or warranty, expressed or implied, as to the completeness or the accuracy of the material contained in the Offering Memorandum.

The Offering Memorandum is solely a solicitation of interest - not an offer to sell the Property. The Owner and Broker expressly reserve the right to reject any or all expressions of interest or offers to purchase the Property and expressly reserve the right to terminate discussions with any entity at any time with or without notice. The Owner shall have no legal commitment or obligations to any entity that is reviewing the Offering Memorandum or making an offer to purchase the Property unless and until such an offer for the Property is approved by the Owner and the signature of the Owner is affixed to a Real Estate Purchase Agreement prepared by the Owner.

This Offering Memorandum is confidential. By accepting the Offering Memorandum, you agree that you will hold the Offering Memorandum and its contents in the strictest confidence, that you will not copy or duplicate any part of the Offering Memorandum, that you will not disclose the Offering Memorandum or any of its contents to any other entity without the prior written authorization of the Owner, and that you will not use the Offering Memorandum in any way detrimental to the Owner or Broker.

The information above has been obtained from sources believed reliable. While we do not doubt its accuracy, we have not verified it and make no guarantee, warranty or representation about it. It is your responsibility to independently confirm its accuracy and completeness. Any projections, opinions, assumptions or estimates used are for example only and do not represent the current or future performance of the property. The value of this transaction to you depends on tax and other factors which should be evaluated by your tax, financial and legal advisors. You and your advisors should conduct a careful, independent investigation of the property to determine to your satisfaction the suitability of the property for your needs. This investment involves various risks and uncertainties.

You should purchase interest only if you can afford a complete loss of your investment you should carefully consider the risk factors involved in this investment. You may not receive any income from this investment nor a complete return of all your investment. Historical or current real estate performance is no guarantee of future real estate investment product results.

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.

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:
 - » that the owner will accept a price less than the written asking price;
 - » that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - » 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.

Oldham Goodwin Group, LLC

Licensed Broker/Broker Firm Name or Primary Assumed Business Name

532457

Licensed No.

Casey.Oldham@OldhamGoodwin.com

Email

(979) 268-2000

Phone

Designated Broker of Firm

Licensed No.

Email

Phone

Licensed Supervisor of Sales Agent/Associate

Licensed No.

Email

Phone

Sales Agent/Associate's Name

Licensed No.

Email

Phone

Buyer / Tenant / Seller / Landlord Initials

Date

**For More Information About This Property,
Please Contact**

OLDHAM GOODWIN GROUP

Aaron Morris, CCIM

**Market Manager | Houston
Vice President | Investment Sales
O: 281.256.2300 | C: 713.585.5715
E: Aaron.Morris@OldhamGoodwin.com**

Tyler Reiley

**Associate | Investment Sales
O: 281.256.2300 | C: 713.598.6332
E: Tyler.Reiley@OldhamGoodwin.com**

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Bryan / College Station

2800 South Texas Avenue, Suite 401
Bryan, Texas 77802
O: 979.268.2000

Houston

5050 Westheimer Road, Suite 300
Houston, Texas 77056
O: 281.256.2300

San Antonio / South Texas

200 East Grayson Street, Suite 102
San Antonio, Texas 78215
O: 210.404.4600