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OFFERING  
MEMORANDUM



# EZ PIPELINE PADDERS

## 1550 LAREDO DRIVE

ODESSA, TX 79761

**TAG INDUSTRIAL**  
THE ABUSHAGUR GROUP

Marcus & Millichap

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.  
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

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THE ABUSHAGUR GROUP

**Marcus & Millichap**

OFFICES THROUGHOUT THE U.S. AND CANADA  
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## MARKET OVERVIEW

### SECTION 2

Market Analysis • Demographic Analysis

The image is a composite of three vertical panels. The left and right panels show a large industrial building with a high, vaulted metal roof structure. The interior is visible on the left, showing a long, empty space with a concrete floor and a series of vertical support columns. The right panel shows the exterior of the building, featuring a corrugated metal facade and a row of windows. The central panel is a solid dark blue color with white text. The text is centered and reads "SECTION 1" in orange, followed by "INVESTMENT OVERVIEW" in white. At the bottom of the central panel, the name "Marcus & Millichap" is written in white, underlined.

SECTION 1  
INVESTMENT  
OVERVIEW

Marcus & Millichap

# EZ PIPELINE PADDERS

1550 LAREDO DRIVE, ODESSA, TX 79761

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## INVESTMENT HIGHLIGHTS

- 16,570 Square-Foot Industrial Asset, Situated on 3.88 Acres
- Features 28' Clear Height, Three 5-Ton Cranes, Two 10-Ton Cranes, 20' x 60' Paint Booth and 14 Grade-Level Doors
- Three-Year Leaseback with EZ Pipeline Padders, Providing Cost Effective Pipeline Padding Equipment for Over 20 Years
  - The Company Designs and Builds Padding Machines with Fewer Service Issues and a Superior Design to Other Competitive Products
- Fully Fenced Lot with Ample Tenant Outside Storage and Parking Space
- Convenient Location Near I-20 and Grandview Avenue for Easy Access

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## INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 1550 Laredo Drive in Odessa, Texas, leased to EZ Pipeline Padders. The subject property consists of approximately 16,570 square feet of space and is situated on 3.88 acres of land. The asset features metal construction, 28' clear height, overhead cranes, a paint booth, and 14 grade-level doors. With a fully fenced lot, there is ample tenant parking space and outside storage. EZ Pipeline Padders is committed to a three-year sale leaseback, providing cost effective pipeline padding equipment for 20 years. The company designs and builds padding machines with fewer service issues and a superior design to other competitive products. The subject property is at a convenient location near I-20 and Grandview Ave for easy access.

Designing, selling, and servicing the best padding/bedding equipment in the industry, EZ Pipeline Padders has been in business over 22 years.

Utilizing fewer moving parts to reduce maintenance and increase equipment life, the EZ Padder turned a costly process into a productive, easy solution for pipeliners. The modern EZ Padder allows most companies who have invested in this productivity-enhancing solution to see it pay for itself in the first project and become a valuable profit center for the future. The EZ team consists of skilled, professional technicians who service the machines they have designed and built. Everyone involved in the process is also an operator and focuses their considerable talent towards ensuring a great client experience. (ezpadders.com)

As the largest single source of oil and gas deposits in the United States, Odessa has long been known for its rich resources. New businesses have come to the city that have helped diversify the economy as well as reinforce the quality of life standards. Odessa proudly boasts world-class cultural and recreational facilities as well as healthcare and transportation often associated with larger cities. It also serves as the crucial midpoint between Fort Worth and El Paso. Lucrative financial incentives, site selection, logistics, qualified workforce, easy access to foreign markets, and low cost-of-living make it easy to do business (odessatex.com). Major industries include: medical, energy, distribution, manufacturing, and technology.



# PROPERTY DETAILS // EZ Pipeline Padders

1550 LAREDO DRIVE,  
ODESSA, TX 79761

Number of Buildings	1
Total Square Feet	16,570
Warehouse Square Feet	13,920
Office Square Feet	2,410
Year Built	1981
Lot Size	3.88 Acres
Type of Ownership	Fee Simple
Clear Height	28'
Building Class	C
Tenancy	Single
Grade Level Doors	14
Construction	Metal
Market Vacancy	8.70%

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# OFFERING HIGHLIGHTS // EZ Pipeline Padders

**1550 LAREDO DRIVE**  
ODESSA, TX 79761

OFFERING PRICE  
**\$1,227,000**

CAP RATE  
**13.50%**

Offering Price	\$1,227,000
Cap Rate	13.50%
Price/SF	\$74.05
Total Square Feet	16,570
Occupancy	100.00%



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## OPERATING STATEMENT // EZ Pipeline Padders

Income	Current	Per SF	Pro Forma	Per SF
Scheduled Base Rental Income	165,700	10.00	165,700	10.00
Expense Reimbursement Income				
Net Lease Reimbursement				
Insurance	4,971	0.30	4,971	0.30
Real estate Taxes	15,502	0.94	15,502	0.94
Total Reimbursement Income	\$20,473	100.0%	\$20,473	100.0%
Effective Gross Revenue	\$186,173	\$11.24	\$186,173	\$11.24

Operating Expenses	Current	Per SF	Pro Forma	Per SF
Insurance	4,971	0.30	4,971	0.30
Real Estate Taxes	15,502	0.94	15,502	0.94
Total Expenses	\$20,473	\$1.24	\$20,473	\$1.24
Expenses as % of EGR	11.0%		11.0%	
Net Operating Income	\$165,700	\$10.00	\$165,700	\$10.00

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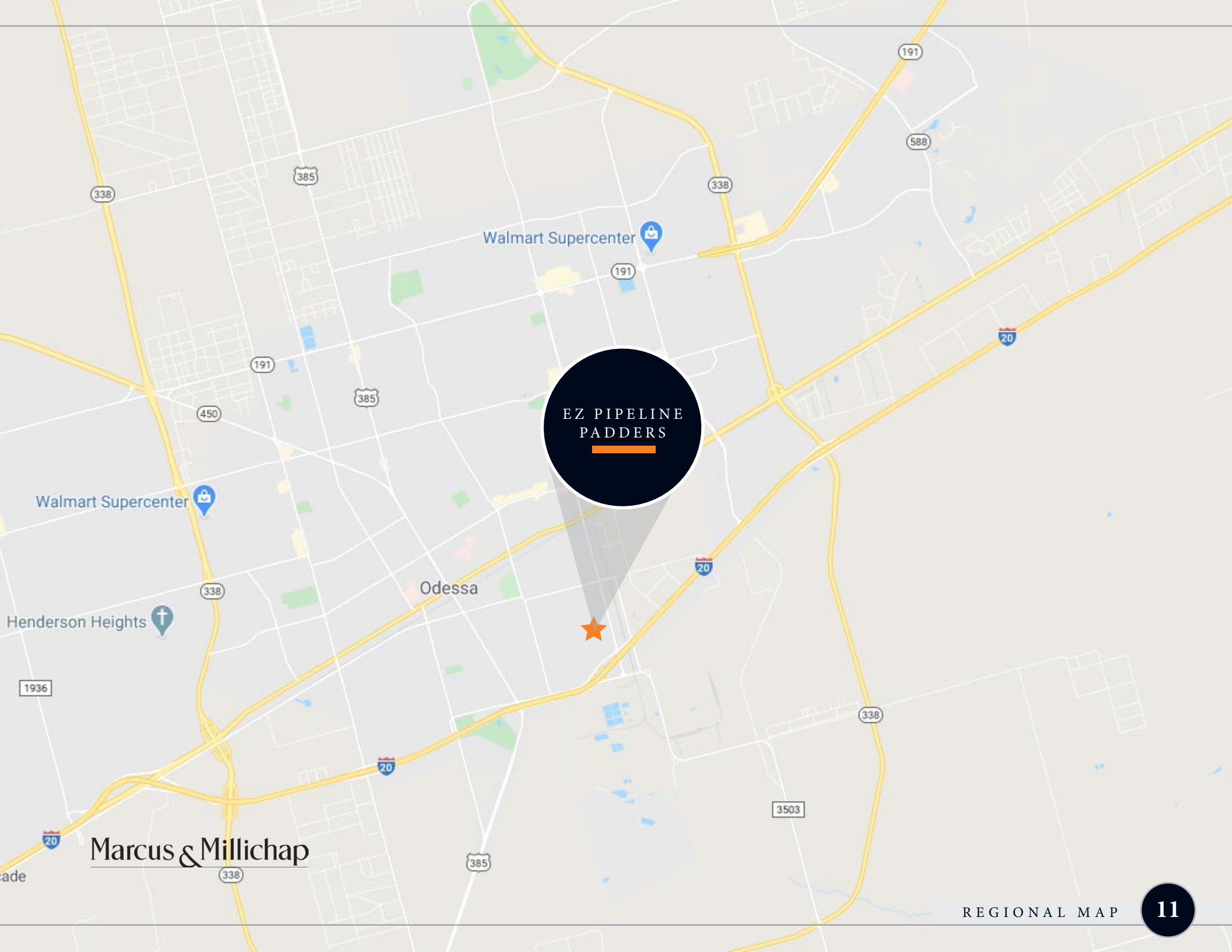
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## RENT ROLL // EZ Pipeline Padders

Tenant Name	Square Feet	% Bldg Share	Lease Dates		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Lease Type	Renewal Options and Option Year Rental Information
			Comm.	Exp.						
EZ Pipeline Padders	16,570	100.0%	1/1/21	12/31/23	\$10.00	\$13,808	\$165,700	\$165,700	NNN	(3) Three-Year Renewal Options
<b>Total</b>	<b>16,570</b>				<b>\$10.00</b>	<b>\$13,808</b>	<b>\$165,700</b>	<b>\$165,700</b>		
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%			
Total Current Rents: \$13,808					Occupied Current Rents: \$13,808		Unoccupied Current Rents: \$0			

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EZ PIPELINE  
PADDERS



Walmart Supercenter

Walmart Supercenter

Odessa

Henderson Heights

Marcus & Millichap



Williams Paving & Excavation

Hays Magnet Academy

EZ PIPELINE PADDERS

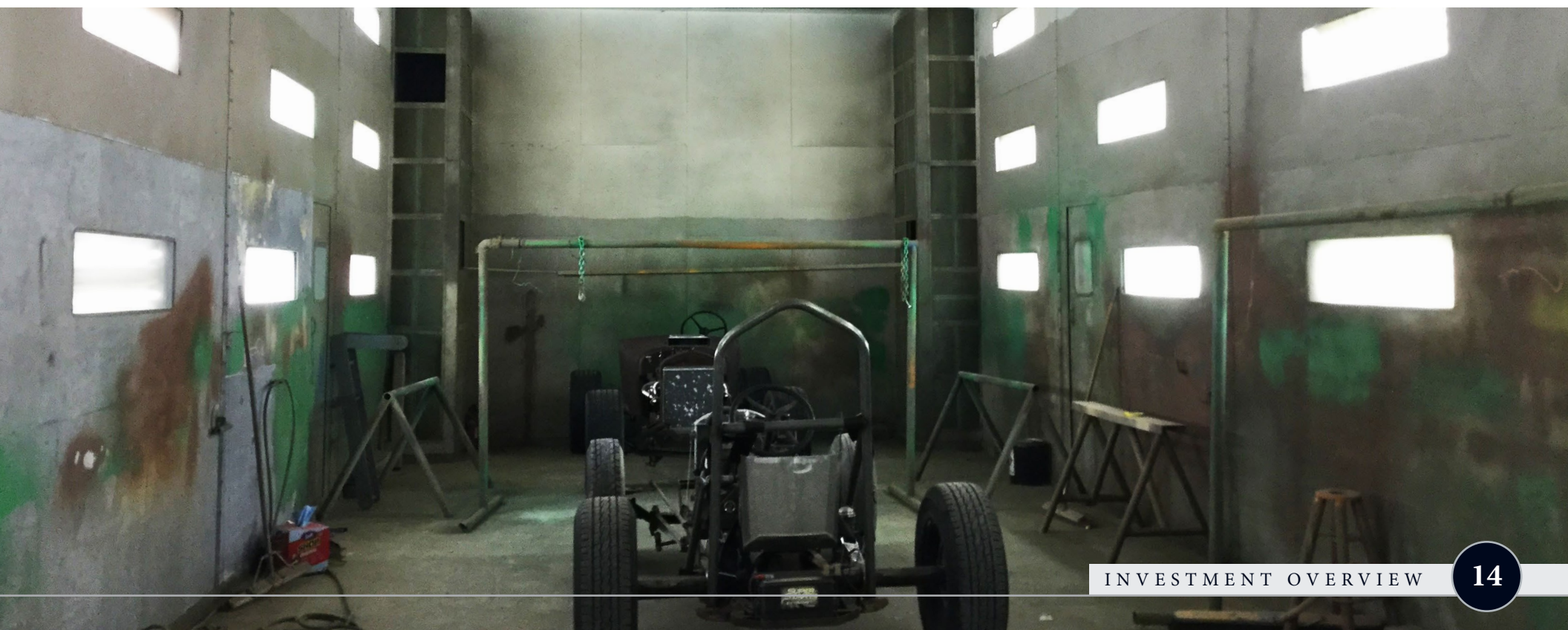
United Rentals

Cummins Sales and Service

Affirmed First Aid & Safety

Marcus & Millichap





# MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources, providing the most competitive rates and terms.

We leverage out prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac, and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues for the benefit of our clients.



Closed 1,707 debt and equity financings in 2017



National platform operating within the firm's brokerage offices



\$5.63 billion total national volume in 2017



Access to more capital sources than any other firm in the industry

## WHY MMCC?

Optimum financing solutions to enhance value

Enhanced control through MMCC's ability to qualify investor finance contingencies

Enhanced control through quickly identifying potential debt/equity sources, processing, and closing buyer's finance alternatives

Enhanced control through MMCC's ability to monitor investor/due diligence and underwriting to ensure timely, predictable closings



SECTION 2

# MARKET OVERVIEW

Marcus & Millichap



# MIDLAND-ODESSA TEXAS

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Located in West Texas, the Midland-Odessa metro is considered to be an energy capital as the Permian Basin is one of the biggest oil fields in the world and is home to some of the largest petroleum-producing companies. The metro consists of Martin, Midland and Ector counties. The public sector is a top job provider, but the private sector is driving the economic growth. The two largest cities are Midland with nearly 130,000 residents and Odessa with roughly 112,000 residents.



ENERGY  
HUB



AFFORDABLE  
HOUSING



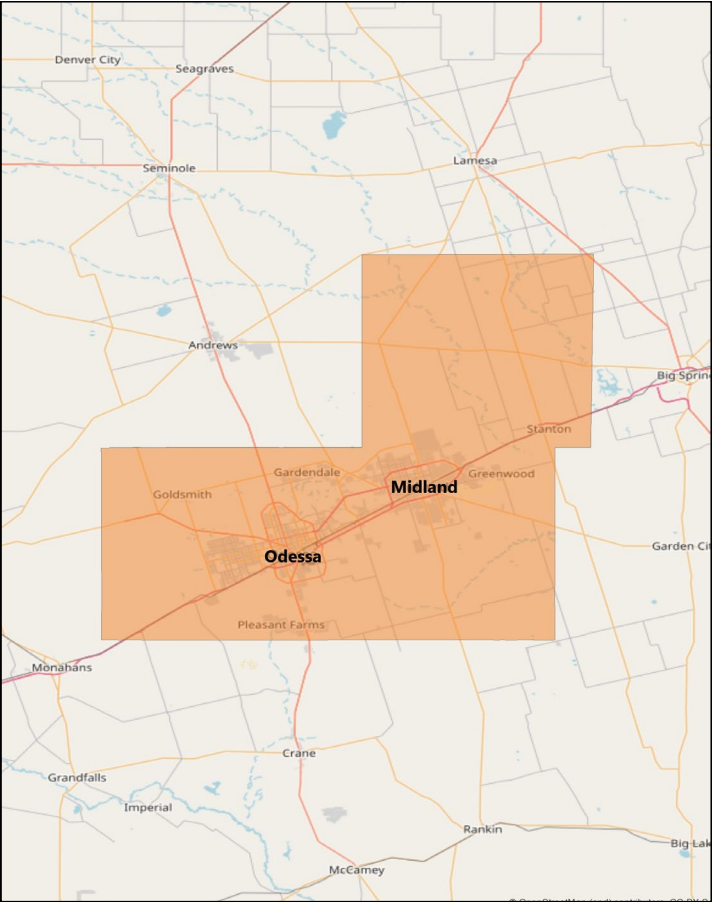
HIGHER  
EDUCATION

# METROPLEX GROWTH // EZ Pipeline Padders

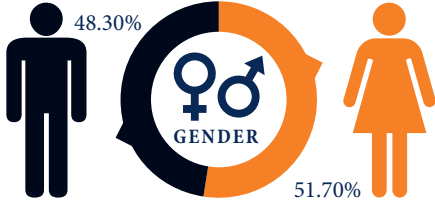


## ECONOMY

The oil and energy sector drives the Midland-Odessa economy. The Permian Basin covers more than 86,000 square miles and is believed to contain as much as 46 billion barrels of oil. Petroleum powerhouses such as ExxonMobil, Chevron, and Occidental Petroleum have major operations in the area. Odessa has become a regional distribution hub for many companies outside of the energy industry. Family Dollar has its Texas Distribution Center in Odessa. Of the top 10 employers in Midland-Odessa, four are in the healthcare field. This sector is driven in part by Texas Tech University Health Sciences Center.



# DEMOGRAPHICS // EZ Pipeline Padders



# DEMOGRAPHICS // EZ Pipeline Padders

POPULATION	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Population	4,912	48,991	111,420
■ 2019 Estimate			
Total Population	4,617	47,283	107,097
■ 2010 Census			
Total Population	4,092	43,569	98,552
■ 2000 Census			
Total Population	3,386	41,087	90,632
■ Daytime Population			
2019 Estimate	4,889	70,825	132,763
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2024 Projection			
Total Households	1,738	17,602	41,003
■ 2019 Estimate			
Total Households	1,629	16,948	39,244
Average (Mean) Household Size	2.82	2.71	2.67
■ 2010 Census			
Total Households	1,432	15,579	35,888
■ 2000 Census			
Total Households	1,199	14,761	33,543

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2019 Estimate			
\$200,000 or More	0.39%	2.64%	3.28%
\$150,000 - \$199,000	0.47%	3.68%	4.23%
\$100,000 - \$149,000	9.54%	13.61%	15.19%
\$75,000 - \$99,999	5.56%	11.79%	13.02%
\$50,000 - \$74,999	15.85%	17.90%	19.00%
\$35,000 - \$49,999	12.30%	13.13%	13.66%
\$25,000 - \$34,999	13.79%	11.88%	10.26%
\$15,000 - \$24,999	16.67%	12.26%	10.21%
Under \$15,000	25.42%	13.12%	11.16%
Average Household Income	\$43,961	\$68,567	\$75,197
Median Household Income	\$30,816	\$49,467	\$56,500
Per Capita Income	\$15,513	\$24,859	\$27,807
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2019 Estimate Total Population	4,617	47,283	107,097
Under 20	38.09%	31.57%	31.73%
20 to 34 Years	21.50%	23.94%	24.86%
35 to 39 Years	5.65%	6.63%	6.76%
40 to 49 Years	9.95%	11.34%	11.23%
50 to 64 Years	13.73%	15.57%	15.02%
Age 65+	11.10%	10.96%	10.39%
Median Age	28.14	31.50	30.94
■ Population 25+ by Education Level			
2019 Estimate Population Age 25+	2,531	28,972	64,898
Elementary (0-8)	16.94%	11.17%	8.09%
Some High School (9-11)	19.16%	14.97%	14.00%
High School Graduate (12)	29.68%	29.25%	28.89%
Some College (13-15)	20.69%	22.17%	24.45%
Associate Degree Only	2.34%	5.99%	6.40%
Bachelors Degree Only	3.93%	9.59%	11.50%
Graduate Degree	1.55%	3.39%	4.11%
■ Time Travel to Work			
Average Travel Time in Minutes	22	21	21



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# 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:
  - 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.

MARCUS & MILLICHAP	9002994	<a href="mailto:TIM.SPECK@MARCUSMILLICHAP.COM">TIM.SPECK@MARCUSMILLICHAP.COM</a>	972-755-5200
_____ Licensed Broker /Broker Firm Name or Primary Assumed Business Name	_____ License No.	_____ Email	_____ Phone
TIM A. SPECK	432723	<a href="mailto:TIM.SPECK@MARCUSMILLICHAP.COM">TIM.SPECK@MARCUSMILLICHAP.COM</a>	972-755-5200
_____ Designated Broker of Firm	_____ License No.	_____ Email	_____ Phone
TIM A. SPECK	432723	<a href="mailto:TIM.SPECK@MARCUSMILLICHAP.COM">TIM.SPECK@MARCUSMILLICHAP.COM</a>	972-755-5200
_____ Licensed Supervisor of Sales Agent/Associate	_____ License No.	_____ Email	_____ Phone
ADAM ABUSHAGUR	661916	<a href="mailto:ADAM.ABUSHAGUR@MARCUSMILLICHAP.COM">ADAM.ABUSHAGUR@MARCUSMILLICHAP.COM</a>	972-755-5223
_____ Sales Agent/Associate's Name	_____ License No.	_____ Email	_____ Phone

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

\_\_\_\_\_  
Date

# EZ PIPELINE PADDERS

1550 LAREDO DRIVE

ODESSA, TX 79761

PRESENTED BY

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## DAVIS CAGLE

Associate

National Office and Industrial Properties Group

Dallas Office

Office 972.755.5230

[Davis.Cagle@marcusmillichap.com](mailto:Davis.Cagle@marcusmillichap.com)

License: TX 722097

## ADAM ABUSHAGUR

Senior Vice President Investments

National Office and Industrial Properties Group

Dallas Office

Office 972.755.5223

[Adam.Abushagur@marcusmillichap.com](mailto:Adam.Abushagur@marcusmillichap.com)

License TX 661916

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