



NRG Realty Group, LLC
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Q2 ALS: 3427 TX-158, MIDLAND, TX

Investment Offering Memorandum



Artificial Lift Services



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Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by NRG Realty Group in compliance with all applicable fair housing and equal opportunity laws.



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EXECUTIVE SUMMARY

NRG Realty Group is pleased to present the opportunity to acquire the US operational headquarters for Q2 Artificial Lift Services in Midland, TX. This mission critical corporate campus serves all administrative, office, and central warehousing and service for Q2's downhole pump business in the US. The improvements consist of 5 buildings spanning 119,747 SF across 14.98 acres. Q2 has consolidated operations into the campus since acquiring the artificial lift business of Lufkin Industries in March of 2025 with the campus serving multiple functions including training, supply and inventory, as well as local fabrication and service. The pump repair shop is one of the largest in the Permian Basin. Q2 is proposing a 10-year NNN sale-leaseback transaction on the site.

INVESTMENT SUMMARY

| Tenant | Property Type | Address | Building SF | Acreage | Year Built | Lease Expiration | Lease | Base Rent (per month) | Annual NOI | Base Rent PSF/Yr |
|----------------------------|---------------|--------------------------|-------------|---------|------------|--------------------|-------|-----------------------|--------------|------------------|
| Q2 Artificial Lift Systems | Industrial | 3427 TX-158, Midland, TX | ±119,747 | 14.98 | Various | 10 Years after COE | NNN | \$48,000.00 | \$576,000.00 | \$4.81 |

ECONOMICS

| Blended Cap Rate | Sales Price | Price PSF |
|------------------|----------------|-----------|
| 8.96% | \$7,200,000.00 | \$60.13 |

RENT TABLE

| Lease Dates | Year 1 | Year 2 | Year 3 | Year 4 | Year 5 | | | | | |
|--------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Monthly Rent | \$48,000.00 | \$49,200.00 | \$50,430.00 | \$51,690.75 | \$52,983.02 | \$54,307.59 | \$55,665.28 | \$57,056.92 | \$58,483.34 | \$59,945.42 |
| NOI | \$576,000.00 | \$590,400.00 | \$605,160.00 | \$620,289.00 | \$635,796.23 | \$651,691.13 | \$667,983.41 | \$684,682.99 | \$701,800.07 | \$719,345.07 |
| Average Escalation | | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| Cap Rate | 8.00%** | 8.20% | 8.41% | 8.62% | 8.83% | 9.05% | 9.28% | 9.51% | 9.75% | 9.99% |



PORTFOLIO SUMMARY

| Tenant | Address | Building SF | Acreage | Year Built | Lease Expiration | Annual NOI | Cap Rate | Sales Price | Price PSF |
|----------------------------|--------------------------------------|-----------------------|---------|---------------------|--------------------|--------------|----------|----------------|-----------|
| Q2 Artificial Lift Systems | 801 SW 9th St, Andrews, TX | 12,500 | 5 | 2015 | 5 Years after COE | \$112,500.00 | 9.00% | \$1,250,000.00 | \$100.00 |
| Q2 Artificial Lift Systems | 3427 TX-158, Midland, TX | ±119,747 | 14.98 | Various | 10 Years after COE | \$576,000.00 | 8.00% | \$7,200,000.00 | \$60.13 |
| Q2 Artificial Lift Systems | 8350 W 42nd St, Odessa, TX | <i>Under Contract</i> | | | | | | | |
| Q2 Artificial Lift Systems | 3401 E 11th Place, Big Spring, TX | 15,500 | 3 | 1994 | 5 Years after COE | \$120,900.00 | 9.75% | \$1,240,000.00 | \$80.00 |
| Q2 Artificial Lift Systems | 1321 NE 14th Ave, Perryton, TX | 12,650 | 6.29 | 1980, 2001, 2003 | 5 Years after COE | \$66,192.00 | 10.00% | \$661,920.00 | \$52.33 |
| Q2 Artificial Lift Systems | 908 25th St SE, Sidney, MT | 13,800 | 3.17 | 2025 | 7 Years after COE | \$21,387.50 | 8.85% | \$2,900,000.00 | \$210.14 |



TENANT OVERVIEW

Q2 Artificial Lift Services



ARTIFICIAL LIFT SERVICES | DOWN HOLE ROD PUMP SPECIALISTS

Q2 Artificial Lift Services (ALS) is a World Class Rod Lift System Solutions company that specializes in the sales, service, engineering and manufacturing of down hole reciprocating pumps. We are a fully integrated company with over 40+ repair and service locations strategically located across Western Canada and the United States.

Q2 Artificial Lift Services opened in December 2016 in Red Deer, Alberta Canada. Our Senior Management team has an average of 20+ years working in the oilfield business. Years of experience coupled with innovative new ideas, solidify us as leaders in the industry.

Our state-of-the-art facilities combined have grown to 118,000 sq. ft. with 80,000 sq. ft. of new manufacturing facility and we offer a heat-treated tubing process in our Red Deer facility.

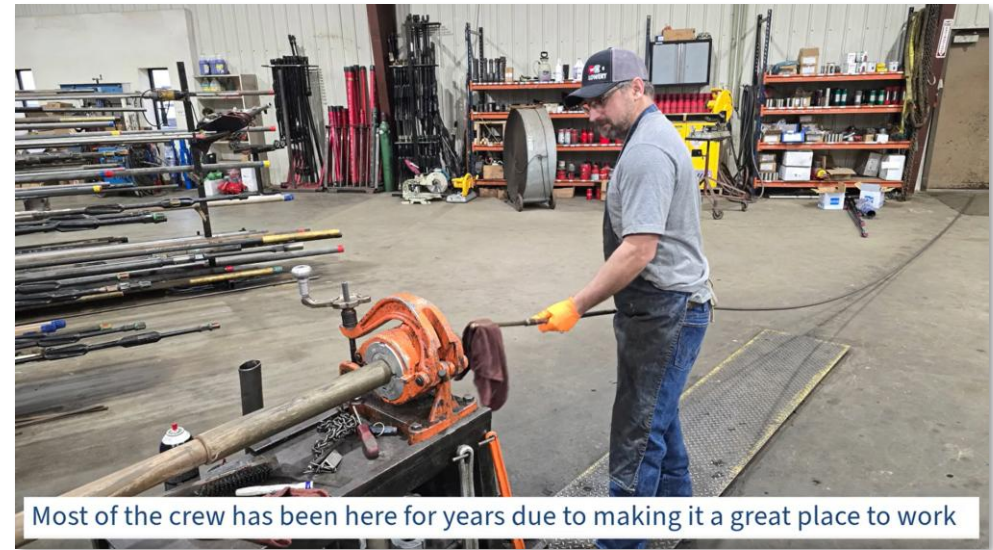
(Source: <https://www.q2als.com/artificial-lift-services/>)

Tenant Highlights

| | |
|--------------|--|
| Founded | 2016 |
| Headquarters | Red Deer, AB, CA |
| Website | www.q2als.com |

Financial Profile

| | |
|-------------------|----------------|
| Revenue | Subject to NDA |
| EBITDA | |
| Net Income | |
| Total Assets | |
| Total Liabilities | |



Most of the crew has been here for years due to making it a great place to work

| | | | |
|---|--|--|--|
| <p>PRODUCTS</p> <p>Q2 offers a complete line of down hole rod pumps, along with engineering, technical and manufacturing support, to meet and exceed the demands of our customers.</p> | <p>SERVICES</p> <p>Q2 specializes exclusively in sales, service and manufacturing of down hole rod pumps. Years of experience together with innovative ideas solidify us as leaders in artificial lift.</p> | <p>LOCATIONS</p> <p>We have a total of 40+ service and repair facilities located throughout Canada and the USA. Q2 head office and manufacturing facility is located in Red Deer, AB, Canada.</p> | <p>Q2-TRAK</p> <p>Q2-Trak Well Tracking System allows our customers the ability to access all data collected on their rod pump inventory & repairs through our field locations.</p> |
|---|--|--|--|



PROPERTY OVERVIEW

3427 TX-158, Midland, TX

Lease Abstract

| | |
|----------------------|--|
| Tenant | Q2 Artificial Lift Systems |
| Building Use | Industrial/Warehouse |
| Rent Commencement | Upon Close of Escrow (COE) |
| Lease Expiration | 10 Years after COE |
| Term Remaining | 10 Years after COE |
| Current Annual Rent | \$576,000.00 |
| Escalations | 2.50% |
| Renewal Options | (2) 5-year renewal options at 2.5% increases |
| Estoppel | Upon Request |
| Financial Reporting | 1x per 12 Months |
| Landlord Obligations | Roof, Structure, Foundation |



Site Description

| | |
|------------------------|-------------|
| Property Type | Industrial |
| Total Square Feet | ±119,747 SF |
| Office Composition | TBD |
| Parcel Size | 14.98 Acres |
| Building to Land Ratio | 18.35% |
| Parking | Surface |
| Year Built | Various |
| Number of Buildings | Multiple |
| Number of Stories | 1 |
| Drive-Up Doors | Multiple |
| Crane(s) | (1) 5-ton |

Construction

| | |
|--------------------|----------|
| Basic Construction | Metal |
| Foundation | Slab |
| Framing | Iron |
| Floors | Concrete |
| Exterior Walls | Metal |
| Roof Type | Metal |



NRG Realty Group

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SUBJECT PROPERTY

3427 TX-158, Midland, TX

PROPERTY DESCRIPTION

The property totals ±119,747 SF across multiple buildings on 14.98 Acres. The building is comprised of office and warehouse space efficiently set up for industrial/commercial services. There are various overhead doors throughout the shop spaces and (1) 5-ton crane. The property features a stabilized yard, fenced with a gated entrance and paved parking out front.

LOCATION DESCRIPTION

The property is located on TX-158 (Garden City Highway) about a 1/5 mile from Interstate 20 in Midland, TX. This industrial area is conveniently located to serve the Midland-Odessa market.

PROPERTY HIGHLIGHTS

- 10-year NNN Lease Term
- 2.5% annual rent escalations
- \$576,000 NOI
- 8.00% Cap Rate
- ±119,747 SF on 5 acres
- Pump Shop: 45,164 SF
- Maintenance Shop: 4,469 SF
- Fab/Weld Shop: 8,990 SF
- Lab: 1,371 SF
- Maintenance Shop 2: 1,034 SF
- Shipping/Receiving: 58, 719 SF
- Various Overhead Doors
- (1) 5-ton Crane
- Stabilized, Paved Yard Space & Parking



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PROPERTY PHOTOS

3427 TX-158, Midland, TX



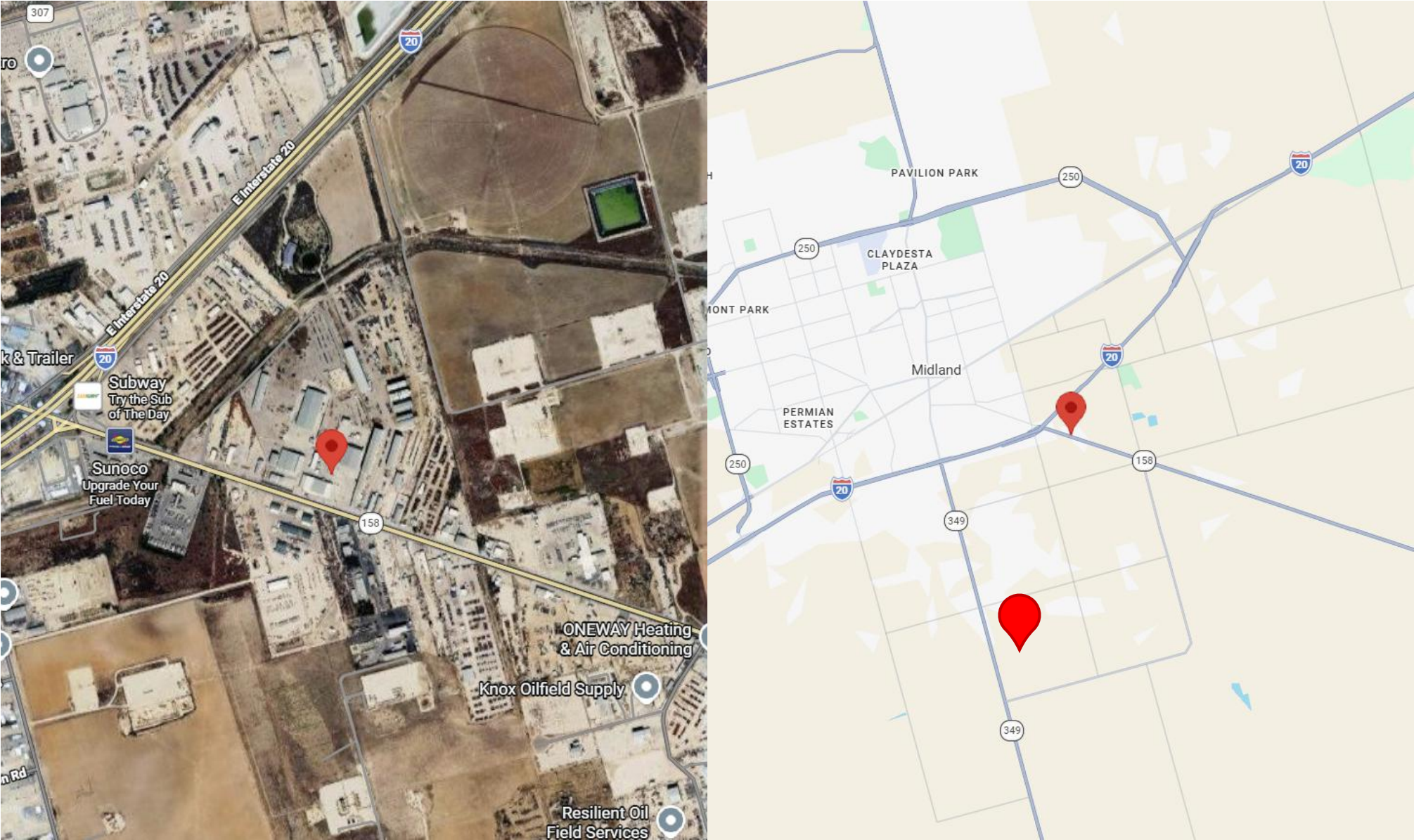
PROPERTY PHOTOS

3427 TX-158, Midland, TX



PROPERTY MAP

801 SW 9th St, Andrews, TX



BROKER PROFILE



JUSTIN DODD

President & Managing Broker

214-534-7976

justin@nrgrealtygroup.com

Justin founded NRG Realty Group in February of 2015 to fill the need of a professional commercial real estate company that specializes in the shale play markets. Since founding NRG, Justin has brokered over 400 office and industrial deals for energy-related clients in every major US shale play valued at over \$300,000,000. Prior to NRG, he worked for a turnkey brokerage, development, and construction company that focused on the energy sector. His primary roles were business development and brokerage, but also managing client's projects through the acquisition, design, and construction scope.

Justin is a lifelong Texan whose experience in the oilfield started from day one. His father worked in exploration and production and would often take him to visit well sites during his youth. These trips to rural locations started the passion for the oil and gas industry that Justin carries with him today. He is a graduate of Baylor University with a degree in Real Estate & Finance (Sic'Em Bears!) and enjoys spending time with his wife and four kids.



LAYTON LOWRY

Vice President

972-989-8611

layton@nrgrealtygroup.com

Layton joined NRG Realty Group in March of 2020 as an Associate and worked his way up to earn the title of Vice President in December 2025. He graduated from Texas Christian University with his B.S. in Pre-Law/Political Science in May of 2015, and then went on to law school where he graduated from Oklahoma City University School of Law with his Juris Doctor degree. Prior to NRG, he worked for an estate planning law firm in north Dallas, and then a real estate acquisitions firm where he focused on real estate transactions and investments. Although he gained valuable experience and enjoyed his work, commercial real estate has always been the career path Layton wanted to pursue.

As a Dallas native, he is excited to be here for this opportunity and to begin the next chapter of his career. Aside from work, his interests include spending time with family, friends, exploring the great outdoors, and being involved in his local church.



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Information About Brokerage Services

11/2/2015

Texas law requires all real estate licensees 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:
 - 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.

| | | | |
|---|----------------|----------------------------------|-----------------------|
| <u>NRG Realty Group LLC</u> | <u>9004023</u> | <u>Justin@NRGRealtygroup.com</u> | <u>(214)534-7976</u> |
| Licensed Broker /Broker Firm Name or Primary Assumed Business Name | License No. | Email | Phone |
| <u>Justin Dodd</u> | <u>0601010</u> | <u>Justin@NRGRealtygroup.com</u> | <u>(214)534-7976</u> |
| Designated Broker of Firm | License No. | Email | Phone |
| <u>N/A</u> | <u>N/A</u> | <u>N/A</u> | |
| Licensed Supervisor of Sales Agent/ Associate | License No. | Email | Phone |
| <u>Justin Dodd</u> | <u>0601010</u> | <u>Justin@NRGRealtygroup.com</u> | <u>(214)534-7976+</u> |
| Sales Agent/Associate's Name | License No. | Email | Phone |

Buyer/Tenant/Seller/Landlord Initials

Date

Regulated by the Texas Real Estate Commission
TXR-2501

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Justin Dodd

Information available at www.trec.texas.gov
IABS 1-0 Date

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The Energy Focused Real Estate Company

BROKERAGE & SITE SELECTION

DEVELOPMENT & DUE DILIGENCE

BUILD TO SUIT

INVESTMENTS

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