



NRG Realty Group, LLC
214.432.7930 | 432.363.4777
www.nrgrealtygroup.com

Q2 ALS - 11351 & 11353 LOVINGTON HWY, ARTESIA, NM

Investment Offering Memorandum



CONFIDENTIAL DISCLAIMER

All materials and information received or derived from NRG Realty Group its directors, officers, agents, advisors, affiliates and/or any third party sources are provided without representation or warranty as to completeness, veracity, or accuracy, condition of the property, compliance or lack of compliance with applicable governmental requirements, developability or suitability, financial performance of the property, projected financial performance of the property for any party's intended use or any and all other matters.

Neither NRG Realty Group its directors, officers, agents, advisors, or affiliates makes any representation or warranty, express or implied, as to accuracy or completeness of the any materials or information provided, derived, or received. Materials and information from any source, whether written or verbal, that may be furnished for review are not a substitute for a party's active conduct of its own due diligence to determine these and other matters of significance to such party. NRG Realty Group will not investigate or verify any such matters or conduct due diligence for a party unless otherwise agreed in writing.

EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE.

Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third-party independent professionals selected by such party.

All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. NRG Realty Group makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions. NRG Realty Group does not serve as a financial advisor to any party regarding any proposed transaction. All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property.

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.



Justin Dodd | President

Mobile: 214-534-7976

justin@nrgrealtygroup.com

Table of Contents

Executive Summary

Investment Summary Page 3

Economics Page 3

Rent Table Page 3

Tenant Overview

Q2 ALS Page 4

Property Overview

Lease Abstract/Site Desc. Page 5

Subject Property Page 6

Property Photos Pages 7-8

Aerial View Page 9

Building Outlines Page 10

Map Page 11

About Us

About Justin Page 12

About NRG Page 12

EXECUTIVE SUMMARY

NRG Realty Group is pleased to have been retained exclusively to market 11351 & 11353 Lovington Hwy, Artesia, NM, along with its future associated lease via sale-leaseback and eventual tenant, Q2 Artificial Lift Systems, LLC (the "Property"). Q2 Artificial Lift Systems was founded in 2016 and specializes in the sales, service, engineering, and manufacturing of downhole reciprocating pumps. They operate over 40 repair and service locations across Western Canada and the United States, with a state-of-the-art 118,000 sq. ft. manufacturing facility in Red Deer, Alberta where its headquarters are located. Q2 Artificial Lift Services is backed by Pelican Energy Partners, a private equity firm specializing in energy investments.

This acquisition includes the subject property consisting of four buildings totaling 14,500 square feet and situated on 1.71 acres of land. The Property is located on the east side of Artesia off a major thoroughfare with valuable frontage.

This investment presents a compelling opportunity to acquire an industrial property occupied by Q2 Lift Systems through a sale-leaseback transaction, ensuring long-term stability with a well-established tenant. The lease structure offers strong financial returns, beginning with a double-digit cap rate of 10.25% and averaging 10.87% throughout the primary term. The key highlights include a low-basis investment with high yield potential, providing significant upside. Secondly, it'd be a 60-month primary lease term with 3% annual rent escalations, ensuring consistent income growth. Additionally, there are two (2) 36-month renewal options, offering long-term tenancy security. Lastly, it's an industrial asset backed by a strong operating business, reducing investment risk.

In conclusion, with a favorable entry price and stable cash flow, this asset delivers an attractive risk-adjusted return for investors seeking high-yield real estate opportunities with built-in growth potential.

INVESTMENT SUMMARY

Tenant	Property Type	Address	Building SF	Year Built	Acreage	Lease Expiration	Lease	Base Rent (per month)	Annual NOI	Base Rent PSF
Q2 Artificial Lift Services (ALS)	Industrial	11351 & 11353 Lovington Hwy	14,500	2008	1.71	5 Years	NNN	\$8,014.99	\$96,179.88	\$6.63

ECONOMICS		
Cap Rate	Sales Price	Price PSF
10.25%	\$938,340.00	\$64.71

Rent Table	Year 1	Year 2	Year 3	Year 4	Year 5
Monthly Rent	\$8,014.99	\$8,255.44	\$8,503.10	\$8,758.20	\$9,020.94
NOI	\$96,179.88	\$99,065.28	\$102,037.23	\$105,098.35	\$108,251.30
Average Escalation		3.00%	3.00%	3.00%	3.00%
Effective Cap Rate	10.25%	10.56%	10.87%	11.20%	11.54%

TENANT OVERVIEW

Q2 Artificial Lift Systems

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.

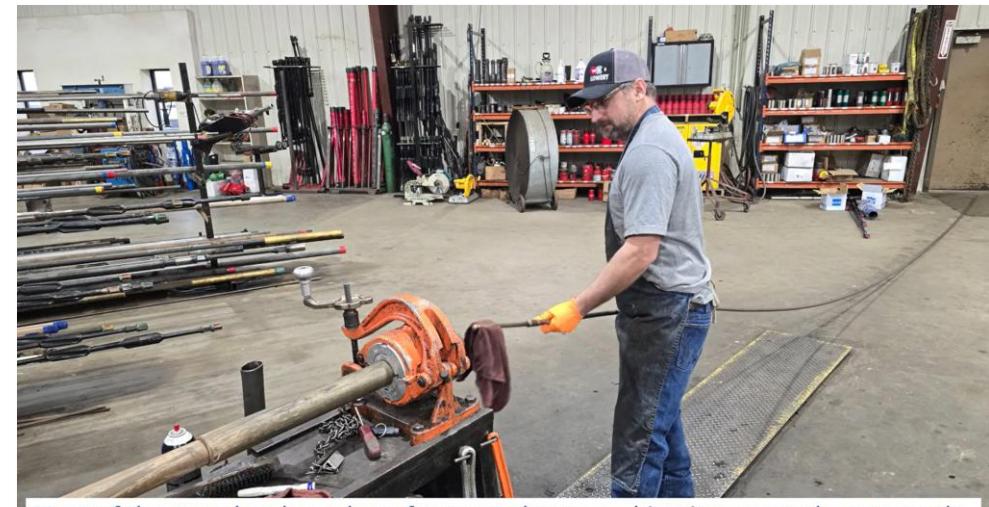
(Source: <https://www.clearflowes.com/>)

Tenant Highlights

Founded	2016
Headquarters	Red Deer, AB, CA
Website	www.q2als.com
Parent Company	Pelican Energy Partners
Headquarters – Canada	Red Deer, AB, CA
Headquarters – US	Midland, TX
Financial Profile	

Revenue, EBITDA, Net Income,
Total Assets, Total Liabilities, etc.

Subject to NDA



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

PRODUCTS

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.

SERVICES

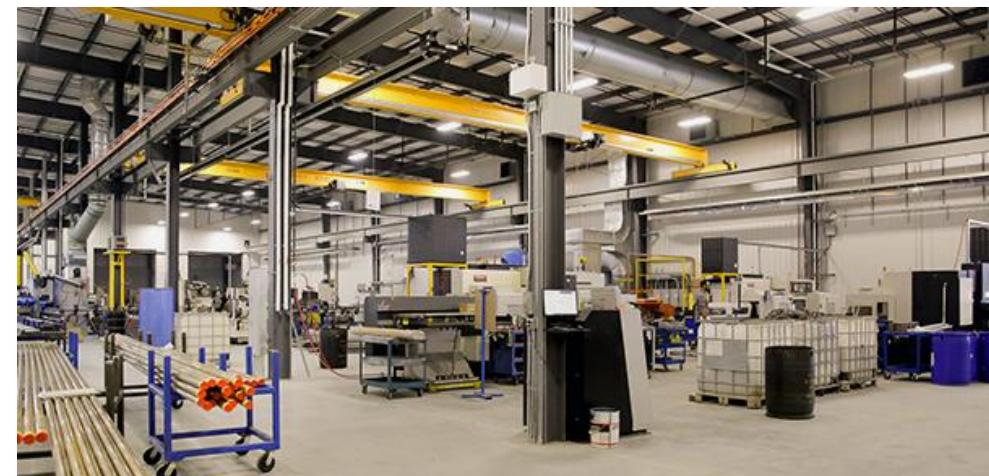
Q2 specializes exclusively in sales, service and manufacturing of down hole rod pumps. Years of experience together with innovative ideas solidify us as leaders in artificial lift.

LOCATIONS

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.

Q2-TRAK

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.



NRG Realty Group
nrgrealtygroup.com
432.363.4777

Investment Offering Memorandum | 4

PROPERTY OVERVIEW

11351 & 11353 Lovington Hwy, Artesia, NM

Lease Abstract

Tenant	Q2 Artificial Lift Systems
Building Use	Industrial/Warehouse
Rent Commencement	Upon Close of Escrow ("COE")
Lease Expiration	5 years after COE
Term Remaining	5 years after COE
Current Annual Rent	\$96,179.85
Escalations	3%
Renewal Options	(2) 24-month renewal options at continuation of 3% annual increases
Estoppel	Upon request
Financial Reporting	Once every 12 months
Landlord Obligations	Roof, structure, foundation



Site Description

Property Type	Industrial
Total Square Feet	14,500 SF
Office Square Feet	4,900 SF
Parcel Size	1.71 Acres
Building to Land Ratio	27.99%
Parking	Surface
Year Built	2008
Years Expanded	NA
Number of Buildings	3
Number of Stories	1
Dock-High Doors	0
Grade-Level Doors	7
Clear Heights	UNK
Wash-Bay	No
Crane(s)	No

Construction

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

SUBJECT PROPERTY

11351 & 11353 Lovington Hwy, Artesia, NM

PROPERTY DESCRIPTION

This property features 3 buildings totaling 14,500 SF on 1.71 Acres. Building 1 is 8,800 SF comprised of 3,000 SF office, 2,200 SF storage, and 3,600 SF shop – all HVAC. The office includes a reception/parts counter, 5 offices (one with window), 2 bathrooms, and a coffee bar. The storage room has (1) 10' overhead door and is connected to the office space. The shop features (1) 20' overhead door, shop office, and bathroom. Building 2 is 2,500 SF. The 1,900 SF office space includes reception area, 6 office, 2 bathrooms, and a coffee bar. The remaining 600 SF is storage with (1) 10' overhead door. Building 3 is 3,200 SF of warehouse with (4) 12' overhead doors, a shop office, and bathroom – all HVAC.

LOCATION DESCRIPTION

The Property is located on N Lovington Hwy in Artesia, NM. Artesia is North of Carlsbad and West of Hobbs, NM.

PROPERTY HIGHLIGHTS

- 3 Buildings Totaling 14,500 SF
- 1.71 Acre Lot
- Parts Counter, Multiple Grade-Level Doors
- 5-Year Term with 3% Annual Escalations
- 10.25% Cap Rate
- \$96,179.85 NOI
- Stable and Reliable Tenant



PROPERTY PHOTOS

11351 & 11353 Lovington Hwy, Artesia, NM

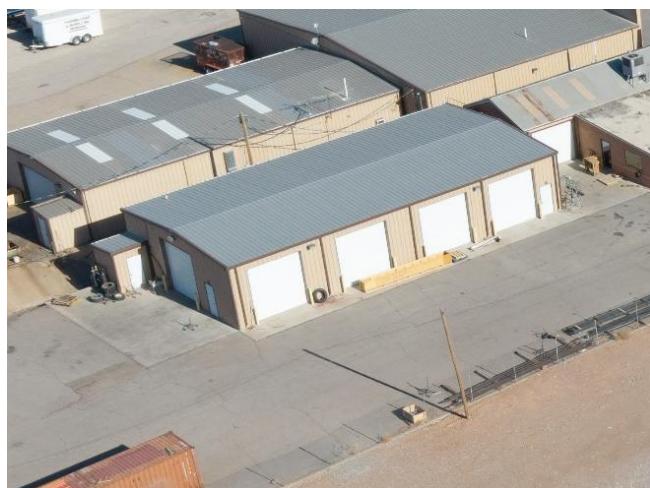
Building 1



PROPERTY PHOTOS

11351 & 11353 Lovington Hwy, Artesia, NM

Buildings 2 & 3



PROPERTY PHOTOS

11351 & 11353 Lovington Hwy, Artesia, NM



PROPERTY PHOTOS

11351 & 11353 Lovington Hwy, Artesia, NM

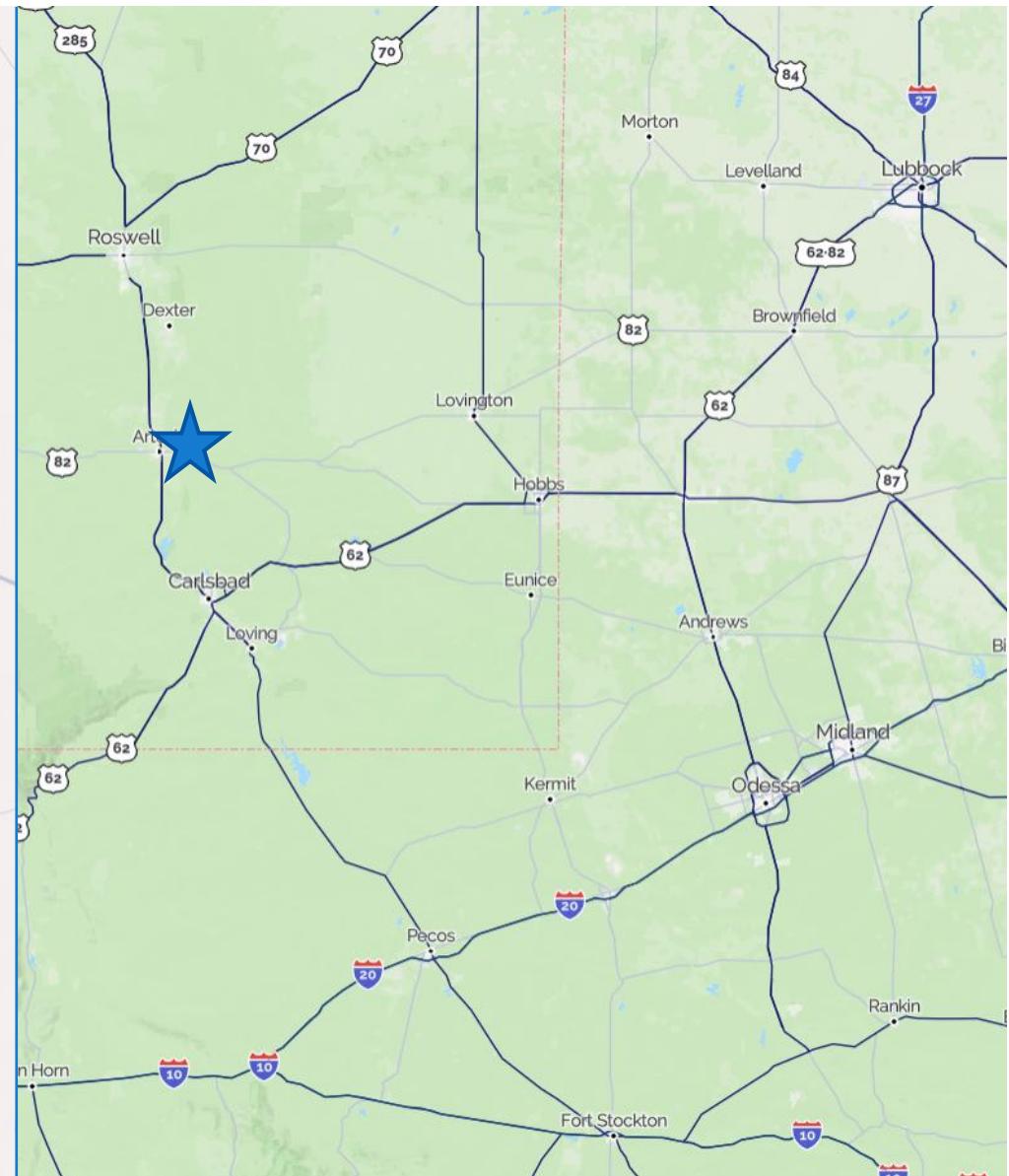
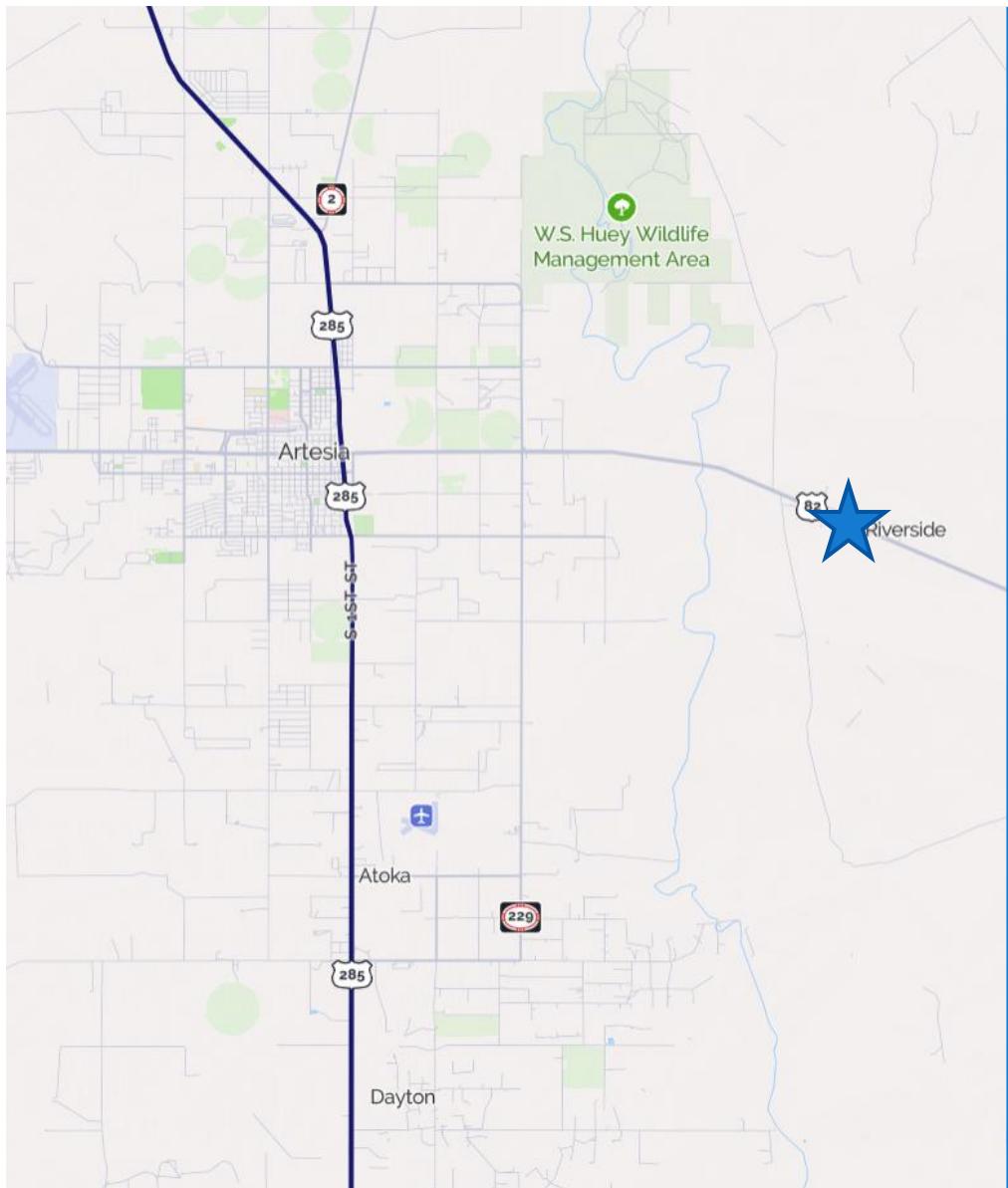


NRG Realty Group
nrgrealtygroup.com
432.363.4777

Investment Offering Memorandum | 10

PROPERTY MAP

11351 & 11353 Lovington Hwy, Artesia, NM



NRG Realty Group
nrgrealtygroup.com
432.363.4777

Investment Offering Memorandum | 11

BROKER PROFILE



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.

JUSTIN DODD

President & Managing Broker
214-534-7976
justin@nrgrealtygroup.com

ABOUT NRG

“The Commercial Focused Realty Group”

NRG was formed to provide individuals and companies who operate in the tertiary shale plays a single point of contact for each of their real estate transactions and facility needs throughout the United States.

We have spent years building relationships with corporate real estate directors, energy executives, local brokers, developers, general contractors, municipalities, and investors in each of the major basins.

These relationships allow us to effectively provide a variety of transaction options based on our client's needs.

We have represented clients on existing office and industrial facilities for lease, purchase, build to suit, unimproved land for development, and direct sales, subletting existing space, sale-leaseback transactions, and sale of land for commercial purposes.

www.nrgrealtygroup.com



NRG Realty Group
nrgrealtygroup.com
432.363.4777



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.

NRG Realty Group LLC	9004023	justin@nrgrealtygroup.com	214-534-7976
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Justin Dodd	0601010	justin@nrgrealtygroup.com	214-534-7976
Designated Broker of Firm	License No.	Email	Phone
John W.B McDaniel	405514	John@nrgrealtygroup.com	214-325-4851
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Layton Lowry	725411	Layton@nrgrealty.com	972-989-8611
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date



The Energy Focused Real Estate Company

BROKERAGE & SITE SELECTION

DEVELOPMENT & DUE DILIGENCE

BUILD TO SUIT

INVESTMENTS

Dallas Office

6191 State Hwy 161, Suite 430, Irving, TX

214.432.7930

NRG Realty Group, LLC

nrgrealtygroup.com

@NRGRealtyGroup

Midland Office

1611 W Illinois Ave, Midland, TX

432.363.4777

All information furnished regarding property for sale, rental or financing is from sources believed to be reliable, but no warranty or representation is made to the accuracy thereof and same is submitted to errors, omissions, change of price, rental or other conditions prior to sale, lease or financing or withdrawal without notice. The information contained herein is not a substitute for a thorough due diligence investigation. No liability of any kind based on the information is to be imposed on the broker herein.