



4333 Oil Belt Lane
Abilene, TX 79605

OFFERING MEMORANDUM



EXCLUSIVE LISTING AGENTS:

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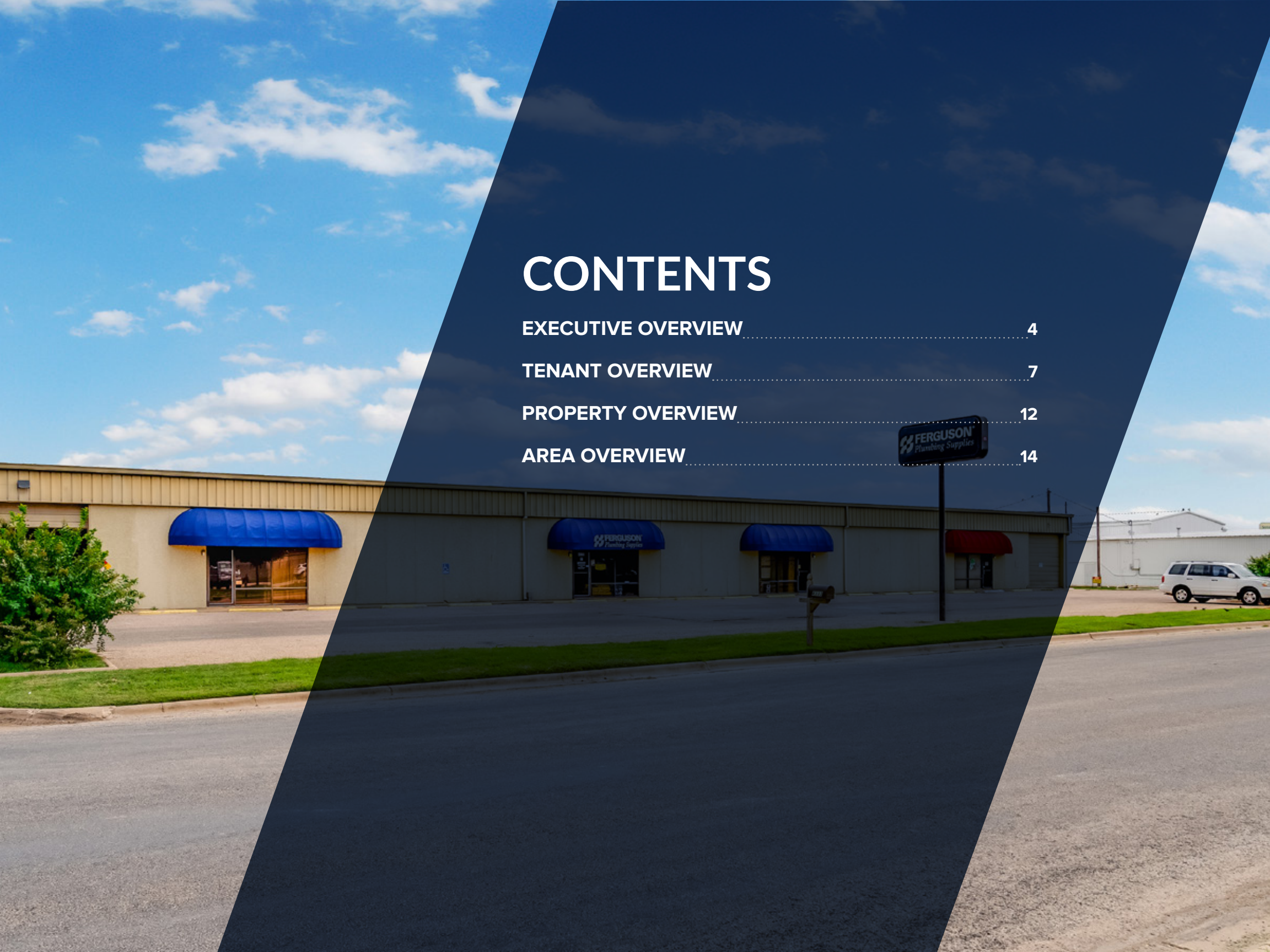
Broker of Record

LIC # 9005919 (TX)



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An aerial photograph of an industrial and commercial district. The foreground shows a multi-story office building with a stone facade and a large parking lot. To the right, there are several large industrial warehouses and smaller commercial buildings. The background is filled with more industrial structures and green fields under a blue sky with scattered clouds. A large, dark blue diagonal overlay covers the right half of the image, containing the title text and a large number '1'.

SECTION EXECUTIVE OVERVIEW ONE

1

INVESTMENT HIGHLIGHTS

- **Ferguson is the Largest U.S. distributor of plumbing supplies, PVF, waterworks and fire, and fabrication products** – With annual revenue of \$20.75B
- **Investment Grade Credit** – Ferguson has a long-term investment grade credit rating of BBB+ from S&P Global outperforming similar industrial tenants – HD Supply, Sunbelt Rentals, Watsco, and MRC Global
- **Strong National Companies-** Ferguson has a revenue of \$15B annually with Hillenbrand generating \$1.6B
- **Attractive Return-** Deal is offered at an 7.50% CAP rate with an in-place increase to 8.00% in September 2019
- **Growing Cash Flow** - Ferguson has a 6.3% base rent increase to go in effect 9/1/2019
- **Extremely Functional Building** - 24,000SF with 7 docks on 1.86 Acres
- **Tenant Split** - Ferguson occupies 15,000 SF with Batesville occupying 9,000 SF
- **Long Operating History-** Batesville has been at this location for over 20 years
- **Great Freeway Access-** Located directly off Interstate-18 making it ideal for industrial suppliers.
- **Industrial Components-** Building features 18ft clear height, 7-grade level docks, ± 20,000 SF fenced yard

FINANCIAL SUMMARY

» LIST PRICE	\$1,472,013
» NOI	\$110,401
» CAP RATE	7.50%
» TOTAL BUILDING AREA	24,000 SF
» TOTAL LAND AREA	± 1.86 Acres

ANNUALIZED OPERATING DATA

Ferguson							
	Monthly Rent	Annual Rent	Rent PSF	Base Property Tax	Insurance	Total NOI	CAP Rate
Current-9/1/2019	\$6,188	\$74,250	\$4.95	\$5,247	\$9,002	\$110,401	7.50%
9/1/2019-9/1/2022	\$6,750	\$81,000	\$5.40	\$5,247	\$9,002	\$117,151	8.00%
Option 2: 9/1/2022-9/1/2025	\$7,000	\$84,000	\$5.60	\$5,247	\$9,002	\$120,151	8.20%
Option 3: 9/1/2025-9/1/2028	\$7,263	\$87,150	\$5.81	\$5,247	\$9,002	\$123,301	8.40%

Batesville			
	Monthly Rent	Annual Rent	Rent PSF
1/1/2018-12/31/2020	\$4,200	\$50,400	\$5.60



An aerial photograph of an industrial and commercial area. In the foreground, there are several large industrial buildings with white and grey roofs, some with open bays. A parking lot with various vehicles is visible. In the middle ground, there's a large, multi-story commercial building with a stone facade and a parking lot. To the right, a tall, white water tower stands out against the sky. The background shows a dense residential area with many trees and houses. A dark blue diagonal overlay covers the right side of the image, and the text "SECTION 2 TENANT OVERVIEW TWO" is centered over it.

SECTION 2
TENANT OVERVIEW
TWO

TENANT SUMMARY

Tenant Trade Name	Ferguson
SF Occupied	15,000 SF
Type of Ownership	Fee Simple
Lease Guarantor	Corporate Guarantee
Lease Type	NN
Roof and Structure	Owner Responsible
Original Lease Term	7 Years
Rent Commencement Date	9/1/2014
Lease Expiration Date	9/1/2022
Term Remaining on Lease	±4 Years
Increase	(9/1/2019-9/1/2022) - 9.1% Option 2 - 3.7% Option 3 - 3.75%
Options	Two, 3-Year

Tenant Trade Name	Batesville
SF Occupied	9,000 SF
Type of Ownership	Fee Simple
Lease Guarantor	Corporate Guarantee
Lease Type	NN
Roof and Structure	Owner Responsible
Original Lease Term	3 Years
Rent Commencement Date	1/1/2018
Lease Expiration Date	12/31/2020
Term Remaining on Lease	±2 Years
Increase	None
Options	None



SURROUNDING TENANTS





Sales
\$15 B



Locations
± 1,400



Employees
± 24,000



Distribution Centers
10

TENANT OVERVIEW

Ferguson raises the bar for industry standards as the top-rated wholesale supplier of commercial and residential plumbing supplies. However, our expertise goes beyond plumbing. We are a diverse distributor that spans multiple businesses including HVAC/R, waterworks and industrial. In the past 64 years, we've grown from a local distributor to a \$15 billion dollar company with more than 1,400 locations and over 24,000 associates nationwide. We pride ourselves on delivering world-class service and our customers know that “Nobody expects more from us than we do” is more than just a tagline to Ferguson associates. It's a cultural belief that is demonstrated every day through exceptional customer service, product selection and industry knowledge.

MARKET POSITION

- Largest U.S. distributor of plumbing supplies, PVF, waterworks and fire and fabrication products
- Third largest distributor of industrial and HVAC/R products



Sales
\$1.6 B



Locations
± 80



Employees
± 6,000



Distribution Centers
6

TENANT OVERVIEW

Batesville (Subsidiary of Hillenbrand)

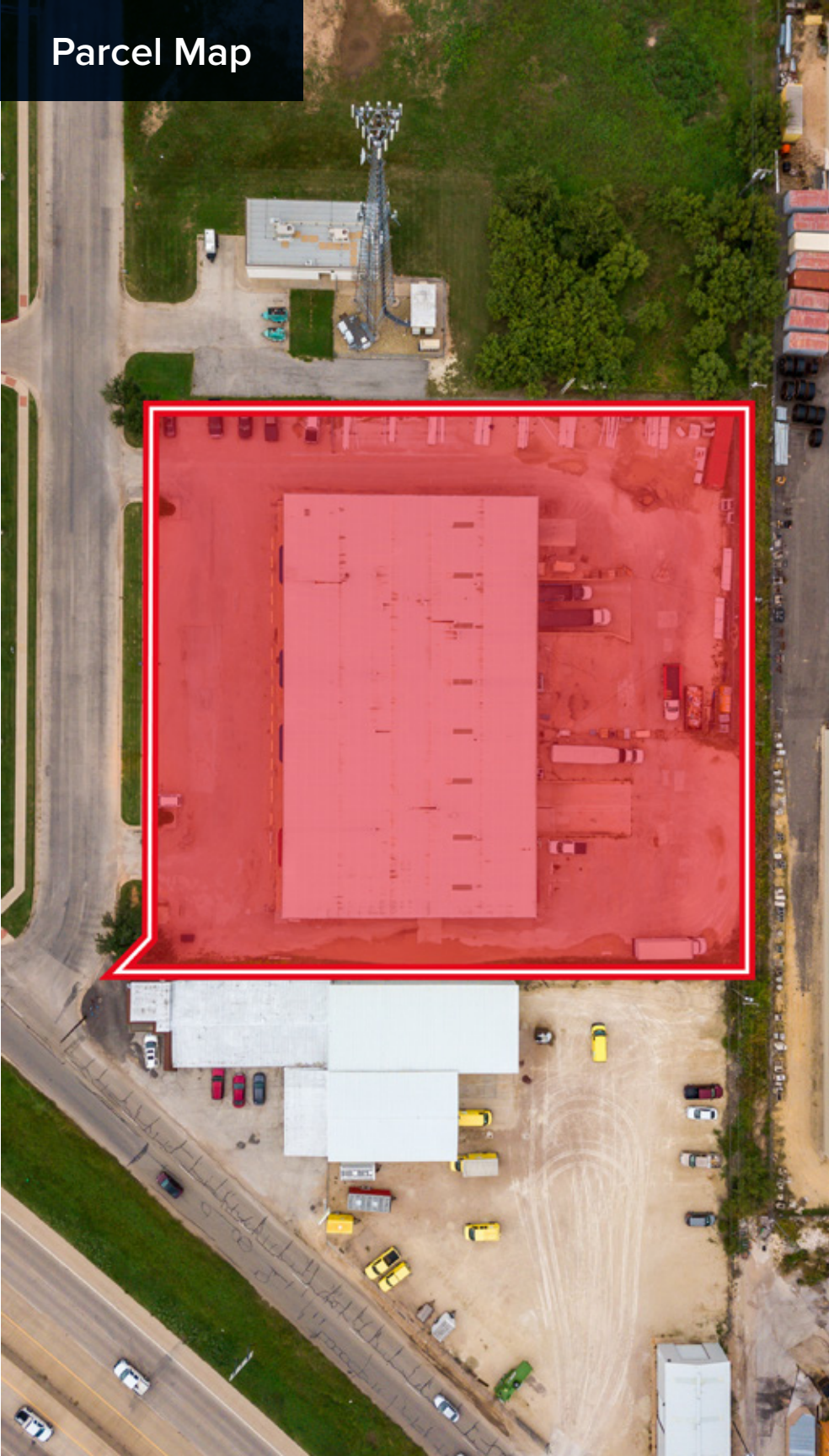
- For more than 100 years, Batesville has partnered with funeral directors to help families honor the lives of those they love. Batesville is a leader in the North American death care industry through the manufacturing and sale of funeral services products, including burial caskets, cremation products, selection room display fixturing and technology solutions for funeral homes. The company has remained a market leader through manufacturing excellence, product innovation, superior customer service and reliable delivery. 35% of Hillenbrand total revenue.

Hillenbrand

- Our vision is to become a world-class, global diversified industrial company with a proven record of success driven by the Hillenbrand Operating Model. Our businesses use core technologies combined with leading engineering applications expertise to develop and manufacture highly-engineered product solutions. We leverage our strong financial foundation and the Hillenbrand Operating Model to deliver sustainable revenue growth, margin expansion and free cash flow. We reinvest in our business organically and through strategically relevant acquisitions to create shareholder value. We are committed to our strategy and believe it will lead to profitable growth and shape Hillenbrand into a world-class company.
- \$1.6B REVENUE 37% GROSS MARGIN 2.1% DIVIDEND YIELD



SECTION 3
PROPERTY
OVERVIEW
THREE



THE OFFERING

Property Name	Ferguson/Batesville
Property Address	4333 Oil Belt Lane Abilene, TX 79605

SITE DESCRIPTION

GLA	24,000
Lot Size	1.86 AC (80,934 SF)
Number of Stories	One
Type of Ownership	NN
Parking	35 Spaces
Parking Ratio	1.46
Year Built	1974
APN	15500001800

CONSTRUCTION

Roof	Steel
Roof & Structure	Owner Responsibility



SECTION 3
AREA OVERVIEW
THREE

ABILENE, TX

Abilene is a city in West Texas located off Interstate 20 about 150 miles west of Fort Worth, Texas. It is the county seat of Taylor County and the principal city in the Abilene Metropolitan Statistical Area. The area is largely supported by agriculture and maintains some manufacturing, three small colleges, and universities and the nearby Dyess Air Force Base. Abilene’s cultural aspects are centered on this mix of the local college and university campuses, the agriculture community of the surrounding area and the established evangelical churches.

A railroad divides the city down the center into north and south. The historic downtown area is on the north side of the railroad. There are three lakes in the immediate area: Lytle Lake on the western edge of Abilene Regional Airport, Kirby Lake on the southeast corner of the US 83/84 and Loop 322 interchange, and Lake Fort Phantom Hill in Jones County in northern Abilene providing numerous opportunities for water recreation to residents and visitors alike.

LOCAL ECONOMY

The economy in Abilene was originally solely based on the livestock and agricultural sectors. Today, the economy is based strongly on government, education, healthcare, and manufacturing. The petroleum industry is prevalent in the surrounding area also. The city has established incentives to bring new businesses to the area, including job training grants, and relocation grants. Dyess Air Force Base has had a significant cultural and economic influence on the area as it is one of the city’s largest employers. The base is located on the west side of the city.

ABILENE CHRISTIAN UNIVERSITY

Founded in 1906, Abilene Christian University (ACU) is a private, non-profit university in Abilene, Texas, affiliated with the Churches of Christ. The university’s 208-acre campus enjoys a city setting, offering the over 4,000 enrolled students an engaging, vibrant community. Known for incorporating cutting-edge technology into learning, ACU has positioned itself as the leader in the integration of mobile-learning technology. ACU continues to receive worldwide recognition for its innovation in and out of the classroom.



POPULATION

	1-Mile	3-Mile	5-Mile
2010 Census	6,399	43,345	93,993
2018 Estimate	6,404	45,538	98,203
2023 Projection	6,418	45,789	98,674

HOUSEHOLDS

	1-Mile	3-Mile	5-Mile
2010 Census	2,839	17,847	37,122
2018 Estimate	2,903	19,046	39,466
2023 Projection	2,982	19,627	40,66
Growth: 2010 to 2018	2.23%	6.71%	6.32%
Growth: 2018 to 2023	2.74%	3.05%	3.03%

INCOME

	1-Mile	3-Mile	5-Mile
2018 Est. Average Household Income	\$73,648	\$69,515	\$64,099

CONFIDENTIALITY & DISCLAIMER STATEMENT

This Offering Memorandum contains select information pertaining to the business and affairs of the **Ferguson** located at **4333 Oil Belt Ln, Abilene, TX 79605** (“Property”). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

The Offering Memorandum and its contents are confidential;

You will hold it and treat it in the strictest of confidence; and

You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser’s sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES
I N D U S T R I A L



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.

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Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
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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