

Marcus & Millichap
TAG INDUSTRIAL GROUP

GRYPHONESP

3800 NORTH FARM TO MARKET ROAD 1788

MIDLAND, TX 79707

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

Marcus & Millichap
TAG INDUSTRIAL GROUP

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SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- 27,150-Square-Foot Industrial Flex Asset Situated on 3 Acres
 - Masonry Construction Featuring 24 Single Office Spaces and 9,650 Square Feet of Shop Space
 - Well Built Out with Multiple Training Rooms, Conference Room and Large Atrium Near Lobby Area
 - Nearly Four Years Remaining on Lease with GryphonESP with Three Renewal Options at a 25% Rental Increase
- GryphonESP Provides a Wide Range of Services Including On-Site Safety, First Responder, and Training Services to the Oil and Gas Industry
 - The Company Operates Out of Five Different Locations Across Texas, Oklahoma and Ohio to Better Serve Clients in Those Areas
 - Fully Fenced Lot with Large Concrete Pad and Tenant Outside Storage Space
 - Central Location between Midland and Odessa with Frontage Along Highway 349

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 3800 North FM Road 1788 in Midland, Texas, leased to GryphonESP. The subject property consists of approximately 27,150 square feet of space and is situated on three acres of land. The asset is an industrial flex property featuring masonry construction, 24 single office spaces, and 9,650 square-feet of warehouse space. The fully-fenced lot has a large concrete pad and tenant outside storage space. The subject property is well built out with multiple training rooms, a conference room, and a large atrium near the lobby area. With frontage along Highway 349, the subject property lies in a central location between Midland and Odessa.

There are nearly four years remaining on the lease with GryphonESP and three renewal options at a 25 percent rental increase. GryphonESP provides a wide range of services including on-site safety, first responder, and training services to the oil and gas industry. The company operates out of five different locations across Texas, Oklahoma and Ohio to better serve clients in those areas.

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 140,000 residents and Odessa with roughly 120,000 residents.

Midland is the center of America's oil and gas production. Petroleum production and all things in between are prevalent in the area, but Midland is making great efforts and success in diversifying into additional industries such as aerospace. Interstate 20 runs through Midland, making it easy to transport goods and raw materials throughout the country. Rated the No. 1 state for business by U.S. corporate executives, this is an excellent place to start or grow a business in Texas. (midlandtxedc.com). Major employers include: Halliburton, Hilliard, Legacy Reserves, Midland College, Midland Health, Patterson-UTI, Pioneer Natural Resources, Schlumberger, Weatherford, Baker Hughes, Chevron, ConocoPhillips, Bloomberg, and more.

PROPERTY DETAILS

GRYPHONESP

3800 NORTH FARM TO MARKET ROAD 1788, MIDLAND, TX 79707

Number of Buildings	2
Total Square Feet	27,150
Warehouse Square Feet	9,650
Office Square Feet	17,500
Year Built	2012/2013
Lot Size	3 Acres
Type of Ownership	Fee Simple
Building Class	B
Tenancy	Single
Grade Level Doors	5
Construction	Masonry
Market Vacancy	7.90%



GRYPHONESP

3800 NORTH FARM TO MARKET ROAD 1788, MIDLAND, TX 79707

OFFERING PRICE
\$2,200,000

CAP RATE
8.80%

Offering Price	\$2,200,000
Cap Rate	8.80%
Price/SF	\$81.03
Total Square Feet	27,150
Occupancy	100%



This information has been secured from sources we believe to be reliable, but we make no representations or warranties, express or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies. Marcus & Millichap is a service mark of Marcus & Millichap Real Estate Investment Services, Inc. © 2021 Marcus & Millichap. All rights reserved. (Activity ID: ZAB0061042)

RENT ROLL

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.						
GryphonESP	27,150	100.0%	9/1/19	9/1/24	\$7.13	\$16,135	\$193,620	\$242,025	NNN	(3) Three-Year Options at 25% Increase. ROFR
Total	27,150				\$7.13	\$16,135	\$193,620	\$242,025		
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%			
			Total Current Rents: \$16,135		Occupied Current Rents: \$16,135		Unoccupied Current Rents: \$0			

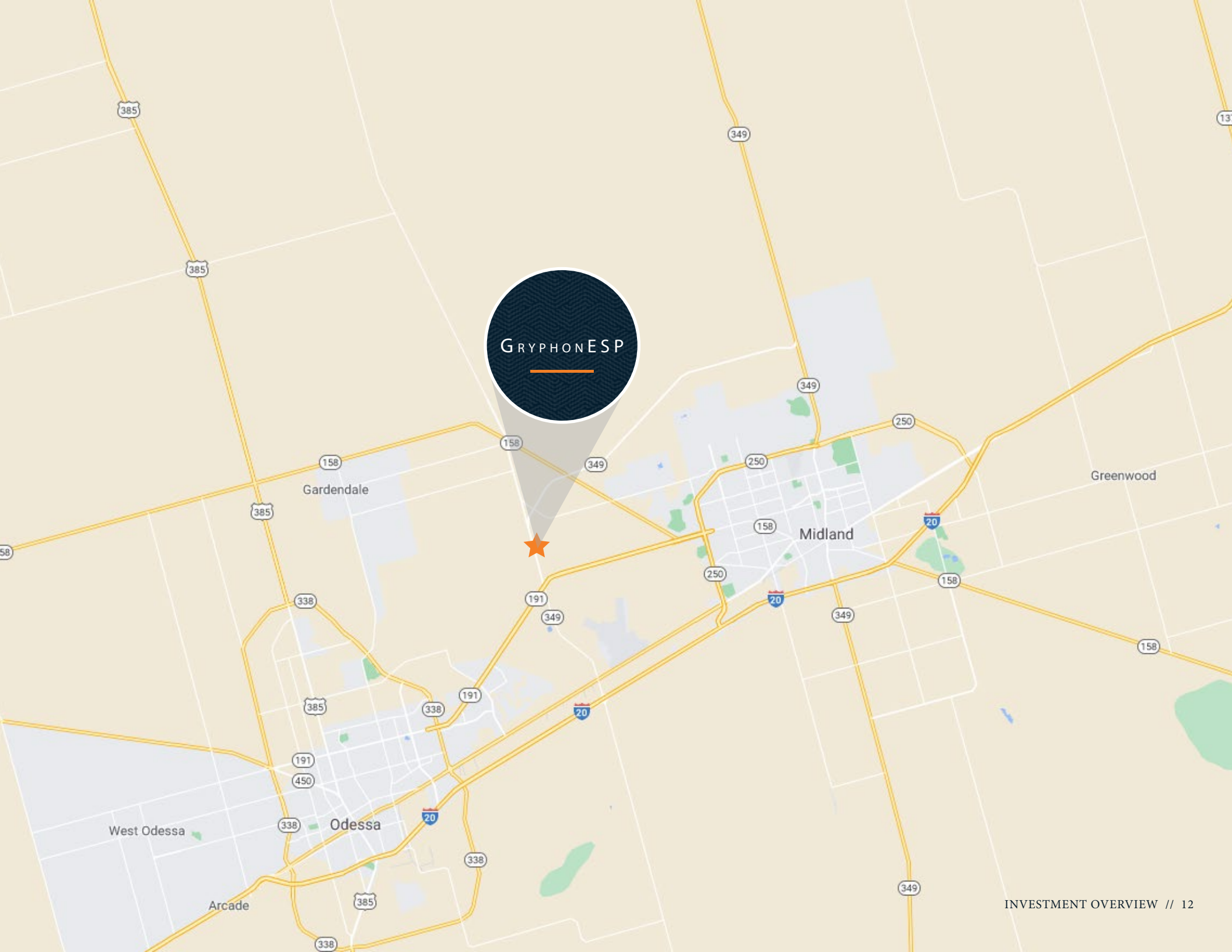
- Notes:
- Landlord's Right to Terminate: Landlord may terminate the lease after 30 days written notice in the event that Landlord enters into a binding contract for the sale of all or substantially all of the Premises, or Landlord enters into a lease of the Premises with a third party for a term and rental amount greater than that provided in the Lease.
 - Tenant's Right to Terminate: Tenant may terminate the Lease after 30 days written notice in the event that Landlord assigns its interest in the Lease to a third party, ownership of the Property changes, or Landlord undergoes a Change of Control of 25% or more equity ownership.
 - Tenant Right of First Refusal: In the event of termination pursuant to the terms above, the Tenant shall have a period of 30 days to enter into a purchase contract or lease with the Landlord upon the same terms as the contract or lease.

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	193,620		7.13	242,025		8.91
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	21,005		0.77	21,005		0.77
Real estate Taxes	40,216		1.48	40,216		1.48
Total Reimbursement Income	\$61,221	100.0%	\$2.25	\$61,221	100.0%	\$2.25
Effective Gross Revenue	\$254,841		\$9.39	\$303,246		\$11.17

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	21,005		0.77	21,005		0.77
Real Estate Taxes	40,216		1.48	40,216		1.48
Total Expenses	\$61,221		\$2.25	\$61,221		\$2.25
Expenses as % of EGR	24.0%			20.2%		
Net Operating Income	\$193,620		\$7.13	\$242,025		\$8.91

*Flood insurance included in operating expenses to cover eastern portion of parcel that sits within a flood zone.



GRYPHONESP



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GryphonESP

N State Hwy 349





TENANT SUMMARY

“Our mission at GryphonESP is to provide immediate experienced medical first responders & firefighters at remote locations, providing a safety net of initial measures to save lives and property until local support arrives.”

TENANT

GryphonESP

HEADQUARTERS

Houston, TX

LOCATIONS

5

EMPLOYEES

171

www.gryphonesp.com



GryphonESP provides a large variety of services for the oil and gas industry including industrial services, emergency services, retail services, consulting services, security services, safety services, fire suppression, and safety training.

The oil and gas industry is the epitome of a dangerous job. Whether concerns are for gas detection, fire safety, cooling or shower trailers, specialized safety personnel, training or medical services – GryphonESP has everything you need for high-risk safety.

GryphonESP has a focus in safety, especially in remote areas where local first responders are not nearby or where it may take an extended time for them to get to location. The 24/7 presence of their trained first responders is invaluable for helping to prevent loss of life and property in medical or fire emergencies. They also provide rescue teams for confined space entry, H2S equipment, and general safety training. In addition, they provide training for compliance with company, local, or national standards to help maintain a higher level of safety at work sites. GryphonESP provides a safety net to assist operations by allowing workers on clients' locations to remain focused on their jobs. By using GryphonESP, clients can reduce the likelihood and consequences of incidents and increase the profitability of assets while improving safety for the local community and employees.

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 1,944 debt and equity financings in 2019



National platform operating within the firm's brokerage offices



\$7.18 billion total national volume in 2019



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

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

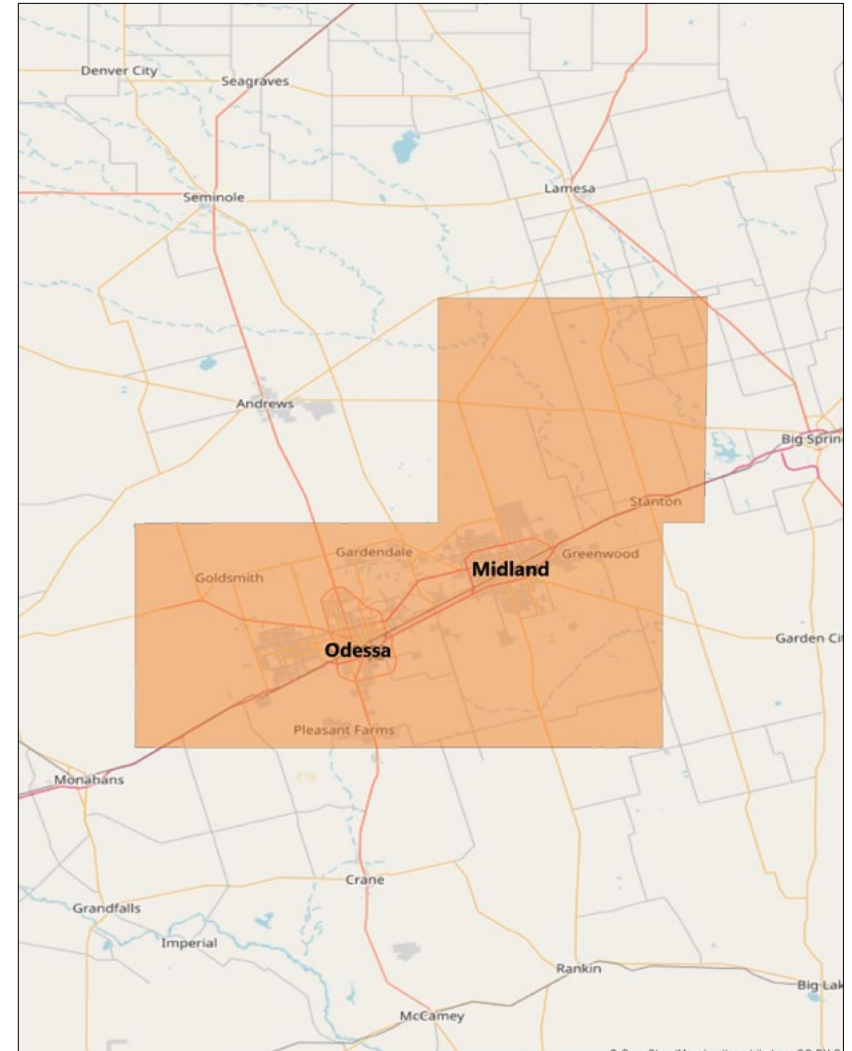
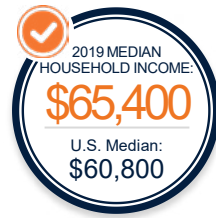


HIGHER
EDUCATION

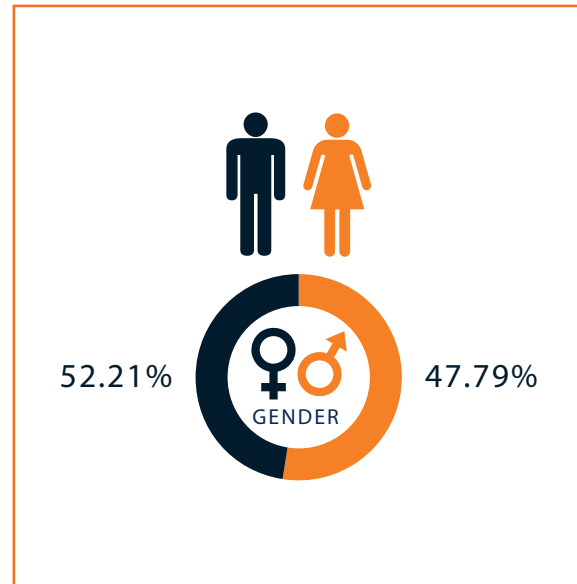
METROPLEX GROWTH

ECONOMY

The oil and energy sector drives the Midland-Odesa 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-Odesa, four are in the healthcare field. This sector is driven in part by Texas Tech University Health Sciences Center.



DEMOGRAPHICS



DEMOGRAPHICS

POPULATION	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Population	150	2,726	5,870
■ 2020 Estimate			
Total Population	120	2,177	4,730
■ 2010 Census			
Total Population	67	1,231	2,718
■ 2000 Census			
Total Population	29	581	1,645
■ Daytime Population			
2020 Estimate	275	4,603	10,482
HOUSEHOLDS	1 Miles	3 Miles	5 Miles
■ 2025 Projection			
Total Households	43	969	2,250
■ 2020 Estimate			
Total Households	34	777	1,796
Average (Mean) Household Size	2.81	2.81	2.71
■ 2010 Census			
Total Households	19	439	1,023
■ 2000 Census			
Total Households	9	214	612

HOUSEHOLDS BY INCOME	1 Miles	3 Miles	5 Miles
■ 2020 Estimate			
\$200,000 or More	12.73%	13.93%	18.30%
\$150,000 - \$199,000	9.59%	9.28%	11.16%
\$100,000 - \$149,000	27.04%	25.26%	22.86%
\$75,000 - \$99,999	14.74%	15.82%	14.31%
\$50,000 - \$74,999	12.16%	12.48%	11.87%
\$35,000 - \$49,999	9.31%	8.84%	8.77%
\$25,000 - \$34,999	6.30%	6.30%	5.82%
\$15,000 - \$24,999	4.72%	4.80%	3.81%
Under \$15,000	3.44%	3.29%	3.10%
Average Household Income	\$120,632	\$127,200	\$145,437
Median Household Income	\$99,024	\$97,700	\$104,230
Per Capita Income	\$34,470	\$45,362	\$55,312
POPULATION PROFILE	1 Miles	3 Miles	5 Miles
■ Population By Age			
2020 Estimate Total Population	120	2,177	4,730
Under 20	27.41%	27.98%	29.65%
20 to 34 Years	21.40%	21.03%	21.16%
35 to 39 Years	7.34%	7.07%	7.12%
40 to 49 Years	12.12%	11.99%	11.92%
50 to 64 Years	20.48%	20.47%	19.63%
Age 65+	11.24%	11.48%	10.53%
Median Age	35.74	35.64	34.49
■ Population 25+ by Education Level			
2020 Estimate Population Age 25+	81	1,449	3,062
Elementary (0-8)	1.38%	1.37%	1.33%
Some High School (9-11)	3.89%	4.34%	4.08%
High School Graduate (12)	34.83%	34.13%	30.18%
Some College (13-15)	27.67%	28.54%	27.90%
Associate Degree Only	12.58%	12.42%	11.32%
Bachelors Degree Only	15.02%	14.36%	18.50%
Graduate Degree	4.27%	4.46%	6.33%
■ Time Travel to Work			
Average Travel Time in Minutes	25	25	24



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.

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Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

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