

Marcus & Millichap
TAG INDUSTRIAL GROUP

PATE TRUCKING

10108 WEST COUNTY ROAD 160

MIDLAND, TX 79706

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Texas Real Estate Commission
P.O. Box 12188
Austin, Texas 78711-2188
(512) 936-3000

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

Marcus & Millichap
TAG INDUSTRIAL GROUP

OFFICES THROUGHOUT THE U.S. AND CANADA
www.marcusmillichap.com

PATE TRUCKING

10108 WEST COUNTY ROAD 160
MIDLAND, TX 79706

PRESENTED BY

NATHAN PARKEY

Associate
Office & Industrial Division
Dallas Office
Office (972) 755-5270
Nathan.Parkey@MarcusMillichap.com
License: TX 774069

DAVIS CAGLE

Senior Associate
Office & Industrial Division
Dallas Office
Office (972) 755-5230
Davis.Cagle@MarcusMillichap.com
License: TX 722097

ADAM ABUSHAGAR

Senior Managing Director Investments
Office & Industrial Division
Dallas Office
Office (972) 755-5223
Adam.Abushagur@MarcusMillichap.com
License: TX 661916

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TAG INDUSTRIAL GROUP





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Marcus & Millichap

The background of the slide is a dark, blue-tinted photograph of an industrial interior. It shows a large, multi-level structure with metal beams, pipes, and several hanging industrial lights. The lighting is dim, creating a moody atmosphere. The structure appears to be a factory or a large warehouse with complex piping and structural elements.

SECTION 1

INVESTMENT OVERVIEW

Marcus & Millichap

OFFERING SUMMARY

- 12,155-Square-Foot Industrial Asset Situated on 6.41 Acres
- Metal Construction Featuring 24' Clear Height, Three Half-Ton Jib Cranes, Five Drive-Through Bays, and Newly Renovated Office Space
 - Fenced-in Yard with Ample Outside Storage Space and Outdoor RV/Man Camp Hookups
 - New Five-Year Lease with Pate Trucking, a Premier Trucking and Tank Service Company
- Centrally Located Between Midland and Odessa, Just Off of Farm to Market 1788 for Access to Interstate 20
- In-Demand Market with Vacancies Down 140 Bps Year-to-Date

Marcus & Millichap is pleased to present the opportunity to acquire the property located at 10108 West County Road 160 in Midland, Texas, leased to Pate Trucking. The subject property consists of approximately 12,155 square feet of industrial space and is situated on 6.41 acres of land. The asset features metal construction, five drive-through bays, three half-ton jib cranes, and a clear height of 24'. The property includes a fenced-in yard with two access gates, ample outside storage space, and offers hookups for outdoor RVs or man camps. Recent renovations to the 3,455-square-foot office space include updates to the break room, conference room, and bathrooms. Located just off of Farm to Market 1788, the subject property is conveniently positioned less than 15 miles from both downtown Midland and Odessa.

Pate Trucking recently signed a five-year lease running through April 2028 with 2.0 percent annual rent escalations. The subject property acts as Pate's newest of nine operating locations spanning the West Texas and New Mexico region. Since 1957, the family-owned trucking company has offered heavy-haul trucking and tank services for the oil industry. From vacuum trucks to blowdown tanks, Pate provides a variety of quality services backed by over six decades of experience.

Midland is a relatively small market, containing 17.2 million square feet of industrial space centered around the oil and natural gas industry. Unlike the national norm, the vacancy rate has steadily dropped in 2023, falling 140 basis points from the end of 2022 to 5.9 percent during Q2 2023. Despite supply tightening, annual rent growth slowed down to 3.7 percent during this time. However, with industrial construction activity representing less than 1 percent of inventory, there are essentially no supply-side pressures on rents and vacancies for the foreseeable future (CoStar). While oil and gas prices experienced a pull-back during the summer of 2022, the stars are aligning for a new cyclical bull market in both commodities. At the current pace, stockpiles of the Strategic Petroleum Reserve could be depleted by mid-2024. The persistence of high inflation and global energy shortages equates to a bright future for Midland, presenting a prime opportunity for industrial investors today.

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 the economic driving force. The two largest cities are Midland with over 140,000 residents and Odessa with roughly 123,000 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

PATE TRUCKING

10108 WEST COUNTY ROAD 160, MIDLAND, TX 79706

Number of Buildings	1
Total Square Feet	12,155
Warehouse Square Feet	8,700
Office Square Feet	3,455
Office Ratio	28%
Year Built	2015/2023
Lot Size	6.41 Acres
Type of Ownership	Fee Simple
Clear Height	24'
Parking Surface	Crushed Gravel
Building Class	B
Tenancy	Single
Grade Level Doors	10
Jib Cranes	3 Half-Ton Cranes
Construction	Metal
Power	3-Phase/480
Zoning	Outside City Limits
Roof Type	Metal
Market	Midland



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. © 2023 Marcus & Millichap. All rights reserved. (Activity ID: ZAE0060381)

PATE TRUCKING

10108 WEST COUNTY ROAD 160, MIDLAND, TX 79706

OFFERING PRICE
\$1,950,000

CAP RATE
8.31%

PRO FORMA CAP RATE
8.47%

Offering Price	\$1,950,000
Cap Rate	8.31%
Pro Forma Cap Rate	8.47%
Price/SF	\$160.43
Total Square Feet	12,155
Rental Rate	\$13.33
Lease Type	Triple-Net (NNN)
Lease Term	Five Years
Rental Increases	2% Annually
Tenancy	Single
Occupancy	100.00%

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RENT ROLL

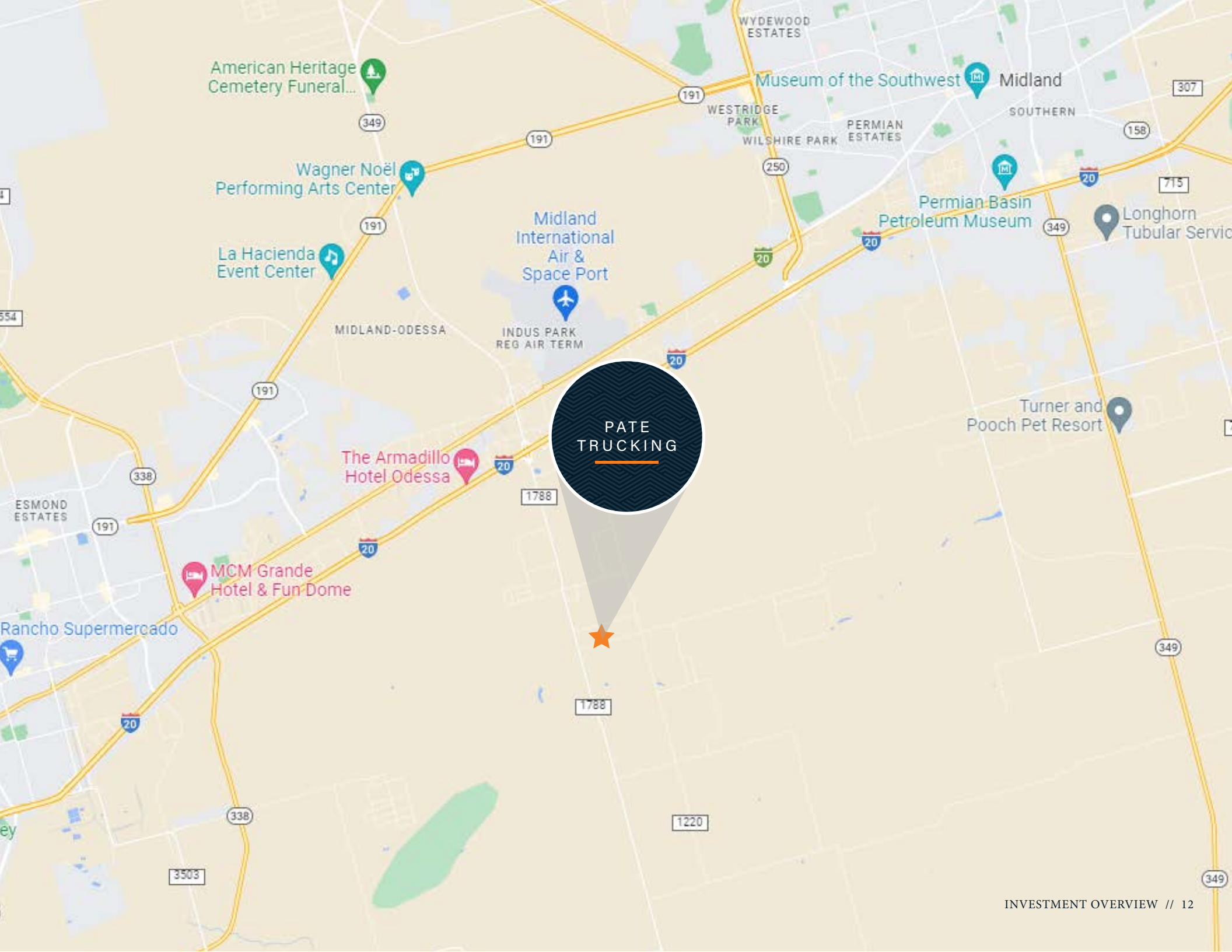
Tenant Name	Square Feet	% Bldg Share	Lease Dates Comm. Exp.		Annual Rent per Sq. Ft.	Total Rent Per Month	Total Rent Per Year	Pro Forma Rent Per Year	Changes on	Rent Increase	Lease Type	Renewal Options and Option Year Rental Information
Pate Trucking Co.	12,155	100.0%	5/1/23	4/30/28	\$13.33	\$13,500	\$162,000	\$165,240	May-2024	2% Annual Increases	NNN	(1) 5-Year Renewal Option at 2% Annual Increases
Total	12,155				\$13.33	\$13,500	\$162,000	\$165,240				
Occupied Tenants: 1			Unoccupied Tenants: 0		Occupied GLA: 100.00%		Unoccupied GLA: 0.00%					
Total Current Rents: \$13,500					Occupied Current Rents: \$13,500		Unoccupied Current Rents: \$0					

OPERATING STATEMENT

Income	Current		Per SF	Pro Forma		Per SF
Scheduled Base Rental Income	162,000		13.33	165,240		13.59
Expense Reimbursement Income						
Net Lease Reimbursement						
Insurance	4,254		0.35	4,254		0.35
Real Estate Taxes	10,639		0.88	10,639		0.88
Total Reimbursement Income	\$14,893	100.0%	\$1.23	\$14,893	100.0%	\$1.23
Effective Gross Revenue	\$176,893		\$14.55	\$180,133		\$14.82

Operating Expenses	Current		Per SF	Pro Forma		Per SF
Insurance	4,254		0.35	4,254		0.35
Real Estate Taxes	10,639		0.88	10,639		0.88
Total Expenses	\$14,893		\$1.23	\$14,893		\$1.23
Expenses as % of EGR	8.4%			8.3%		
Net Operating Income	\$162,000		\$13.33	\$165,240		\$13.59

Insurance Expense Estimated.



PATE
TRUCKING



PATE
TRUCKING





TENANT SUMMARY



Purchased in 1957 by the Mead Family of Denver City, Pate Trucking started with just four fluid hauling trucks. Today, the company is owned and operated by the third generation of Meads with 200 trucks in its fleet that stretches over nine yards across the Permian Basin area. From pump and transport to flatbed trucks and more, Pate has a variety of trucks that service the oil and gas industry. With 800 tanks consisting of nine different models, Pate offers several tanking services. In addition to its fleet of trucks and tanks, Pate offers other services such as rig moving, heavy hauling, and fork lifting.

TENANT

Pate Trucking

DATE FOUNDED

1957

www.patetrucking.com

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 2,143 debt
and equity
financings in 2022



National platform operating
within the firm's
brokerage offices



\$12.8 billion total
national volume
in 2022



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

The background of the slide is a dark, blue-toned photograph of an industrial interior. It shows a large, multi-level structure with metal beams, pipes, and several hanging industrial lights. The lighting is dim, creating a moody atmosphere. The structure appears to be part of a factory or a large warehouse.

SECTION 2

MARKET OVERVIEW

Marcus & Millichap

MIDLAND-ODESSA TEXAS

Located in West Texas, the Midland-Odessa metro is considered 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 has supported recent economic growth. The two largest cities are Midland, with over 138,000 residents, and Odessa, where roughly 123,000 citizens live.



ENERGY
HUB



FAST-GROWING
POPULATION

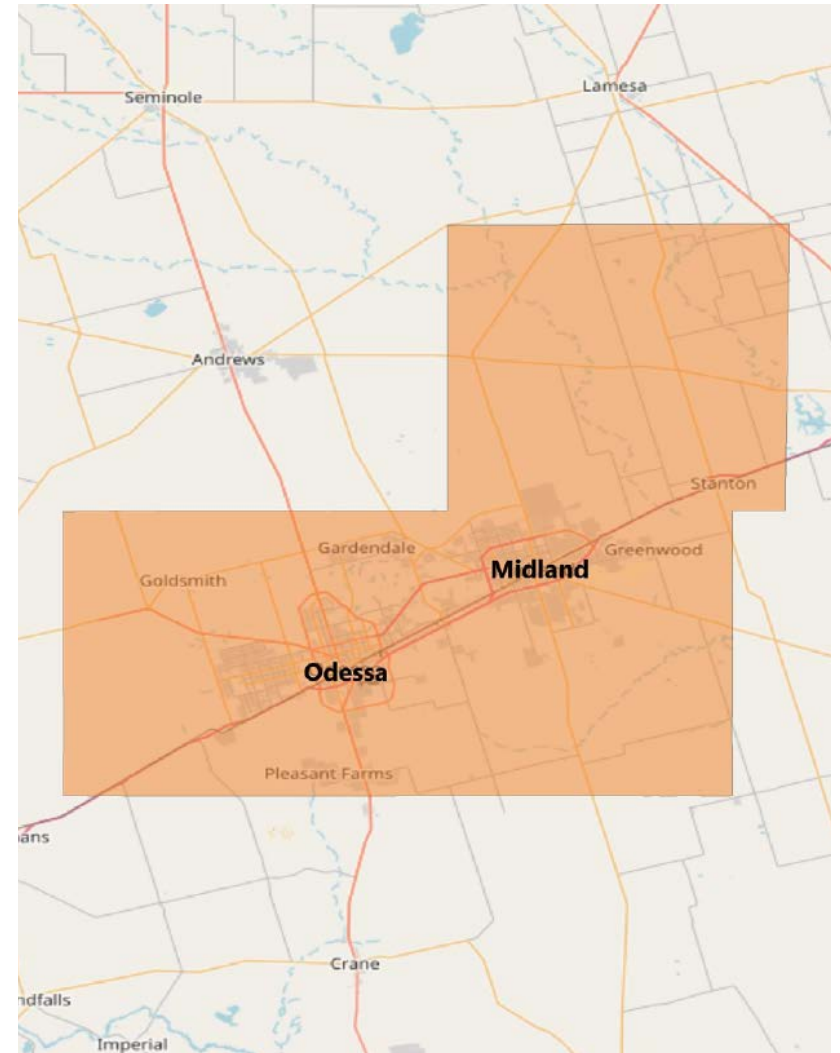
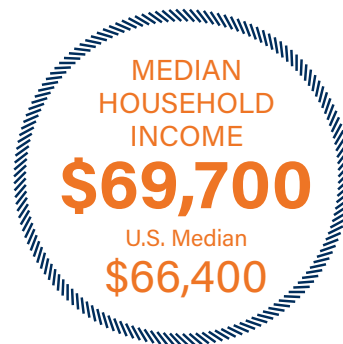
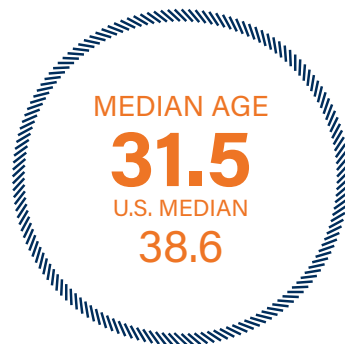


HIGHER
EDUCATION

METROPLEX GROWTH

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 a 907,000-square-foot distribution center in Odessa. Health care centers represent some of the metro's largest employers. These facilities include the Texas Tech University Health Sciences Center and the Odessa Regional Medical Center.



DEMOGRAPHICS



417

Total Population
Within 5 miles



52.2%



47.8%



\$114,432

Average Household Income
Within 5 miles



257

Employees
Within 1 Mile

DEMOGRAPHICS

POPULATION	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Population	0	64	462
2022 Estimate			
Total Population	0	58	417
2010 Census			
Total Population	0	47	334
2000 Census			
Total Population	0	20	190
Daytime Population			
2022 Estimate	0	84	612
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2027 Projection			
Total Households	0	22	163
2022 Estimate			
Total Households	0	19	147
Average (Mean) Household Size	0.0	3.0	3.0
2010 Census			
Total Households	0	16	119
2000 Census			
Total Households	0	7	65

HOUSEHOLDS BY INCOME	1 Mile	3 Miles	5 Miles
2022 Estimate			
\$200,000 or More	0.0%	8.0%	8.0%
\$150,000-\$199,999	0.0%	16.8%	16.2%
\$100,000-\$149,999	0.0%	29.1%	28.6%
\$75,000-\$99,999	0.0%	13.1%	13.2%
\$50,000-\$74,999	0.0%	14.4%	14.5%
\$35,000-\$49,999	0.0%	9.9%	10.0%
\$25,000-\$34,999	0.0%	2.2%	2.5%
\$15,000-\$24,999	0.0%	3.6%	3.9%
Under \$15,000	0.0%	2.9%	3.3%
Average Household Income	\$0	\$116,090	\$114,432
Median Household Income	\$	\$105,917	\$104,145
Per Capita Income	\$0	\$38,931	\$40,227
POPULATION PROFILE	1 Mile	3 Miles	5 Miles
Population By Age			
2022 Estimate Total Population	0	58	417
Under 20	0.0%	34.3%	34.0%
20 to 34 Years	0.0%	21.2%	21.2%
35 to 39 Years	0.0%	8.5%	8.5%
40 to 49 Years	0.0%	13.8%	13.5%
50 to 64 Years	0.0%	15.3%	15.4%
Age 65+	0.0%	6.9%	7.3%
Median Age		31.5	31.8
Population 25+ by Education Level			
2022 Estimate Population Age 25+	0	34	249
Elementary (0-8)	0.0%	6.1%	6.3%
Some High School (9-11)	0.0%	4.8%	5.3%
High School Graduate (12)	0.0%	26.2%	26.3%
Some College (13-15)	0.0%	30.3%	30.1%
Associate Degree Only	0.0%	8.8%	8.7%
Bachelor's Degree Only	0.0%	19.1%	18.7%
Graduate Degree	0.0%	4.7%	4.5%
Travel Time to Work			
Average Travel Time to Work in Minutes	0.0	32.0	31.0



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	TIM.SPECK@MARCUSMILLICHAP.COM	972-755-5200
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
TIM A. SPECK	432723	TIM.SPECK@MARCUSMILLICHAP.COM	972-755-5200
Designated Broker of Firm	License No.	Email	Phone
TIM A. SPECK	432723	TIM.SPECK@MARCUSMILLICHAP.COM	972-755-5200
Licensed Supervisor or of Sales Agent/Associate	License No.	Email	Phone
ADAM ABUSHAGUR	661916	ADAM.ABUSHAGUR@MARCUSMILLICHAP.COM	972-755-5223
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

PATE TRUCKING

10108 WEST COUNTY ROAD 160
MIDLAND, TX 79706

PRESENTED BY

NATHAN PARKEY

Associate
Office & Industrial Division
Dallas Office
Office (972) 755-5270
Nathan.Parkey@MarcusMillichap.com
License: TX 774069

DAVIS CAGLE

Senior Associate
Office & Industrial Division
Dallas Office
Office (972) 755-5230
Davis.Cagle@MarcusMillichap.com
License: TX 722097

ADAM ABUSHAGAR

Senior Managing Director Investments
Office & Industrial Division
Dallas Office
Office (972) 755-5223
Adam.Abushagur@MarcusMillichap.com
License: TX 661916

Marcus & Millichap
TAG INDUSTRIAL GROUP