

Bakken Industrial Suites

1910 50th. Street W., Williston ND



Michael C. McGibben

Golden Gate Business Advisors

San Francisco, California 94133

Direct 800-782-2313 Cell 415-686-4757

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Project Highlights

This is an excellent opportunity to invest in a newly constructed and stabilized industrial asset at the center of the Bakken Oil formation in Williston, North Dakota. The property is offered at a 16 CAP for \$3,975,000.

Zoning: The Bakken Industrial Suites are located in Williston, ND. The site is a total of 3.35 acres with M-1, light industrial zoning.

Size: The building size is 39,000 sq ft with 18' ceilings. There is adequate ceiling height and access to expand the office area into the loft/storage space in each unit.

Yard Space: Each unit includes a yard area with drive through access.

Heating & AC: The office spaces have central heating and AC. The shop area is heated via heat pumps.

Power: The spaces include 3 phase power with one 220 service in each shop.

Bays: Each unit has either two or three bays with overhead doors. The units each have a drive through bay accessing the yard area.

Parking: There are a combined total of 77 parking space which are apportioned to the various units.

Property was completed in February 2014 and is fully leased to mainly oil field services tenants.

Leases are all NNN with annual bumps.

Ironwood Industrial Park is located in Williston, North Dakota, on the corner of 49th Street and 22nd Avenue. The park is behind Walmart and is adjacent to Noble Casing and U.S. Trucking. This area provides easy access to serve the Williston and Bakken area. Ironwood Industrial Park is approximately 70 acres subdivided into 13 lots that are zoned M-1 light industrial.

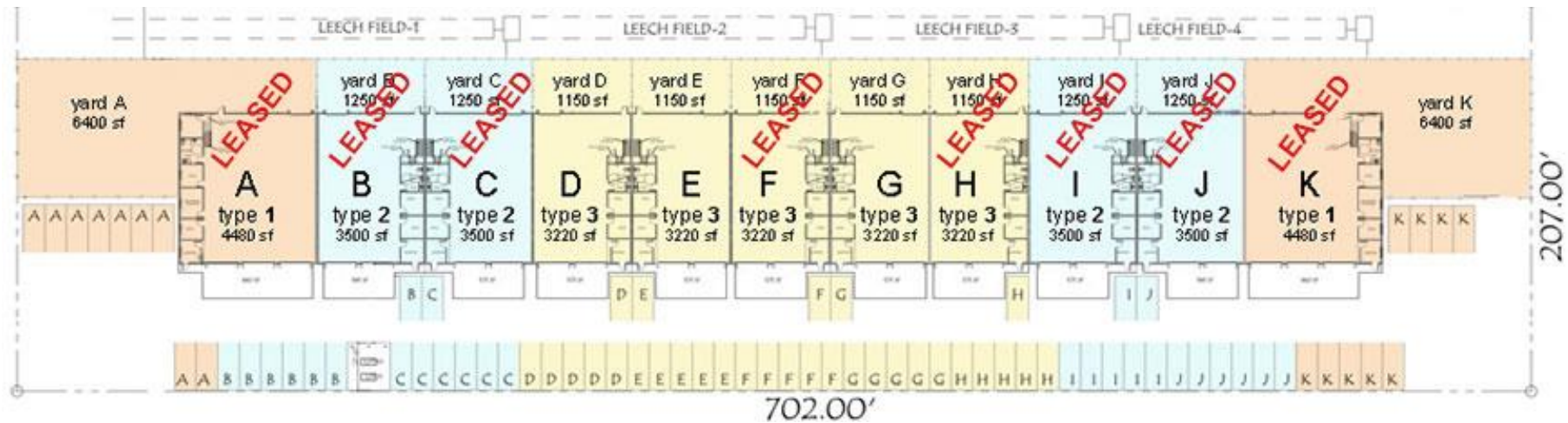
Aerial Site Photo



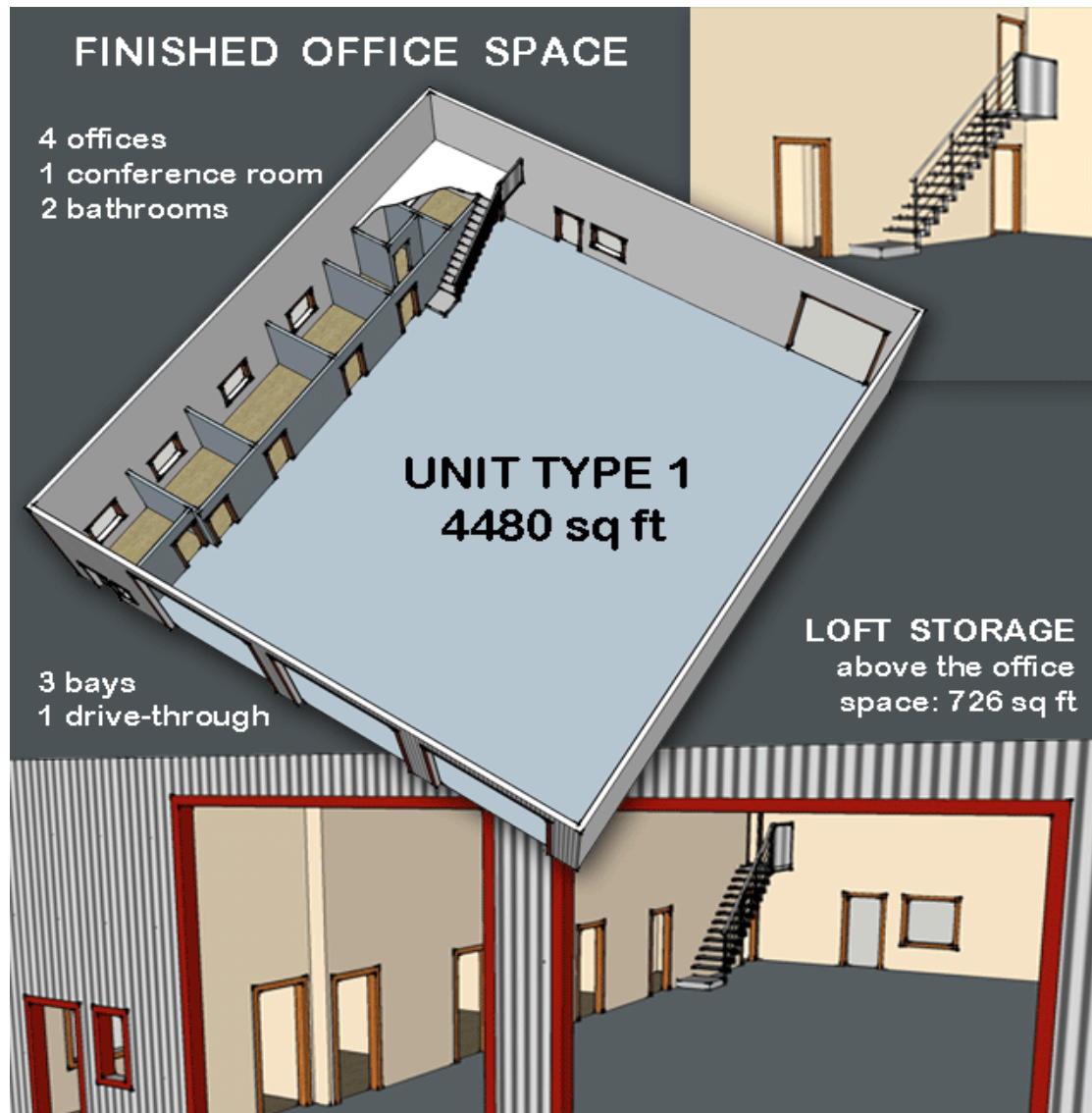
Exterior Building Photo



Site Plan



Unit Type 1



Unit size: 4480 sq ft

Yard: 6300 sq ft

Bays: 3 bays -70' depth

Drive Through: 1

Office Space:

- 4 offices
- 1 conference room
- 2 bathrooms

Loft Storage:

- 726 sq ft
- above the office space

Designated Parking:

- 9 spaces

Power:

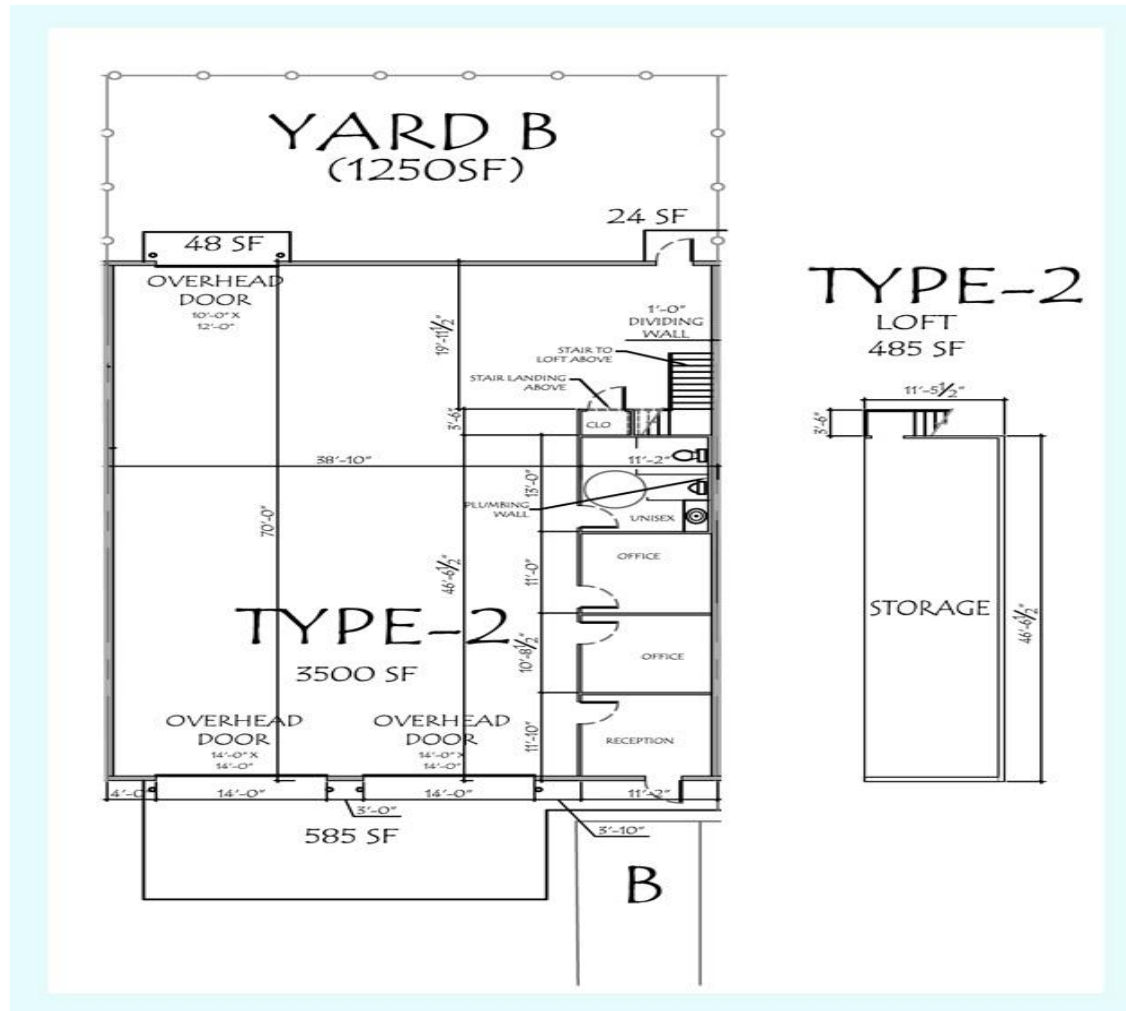
- service provider: "Mountrail Williams"
- building: 3 phase/ 208/ 120 Volt
- each unit has a 220 outlet

Lighting:

- T5 high output fluorescent high bay lighting in shop

- 2' x 4' prismatic fluorescent lighting in office areas

Unit Type 2



Unit size: 3500 sq ft

Yard: 1500 sq ft

Bays: 2 bays - 70' depth

Drive Through: 1

Office Space:

- 3 offices
- 2 bathrooms

Loft Storage:

- 485 sq ft
- above the office space

Designated Parking:

- 7 spaces

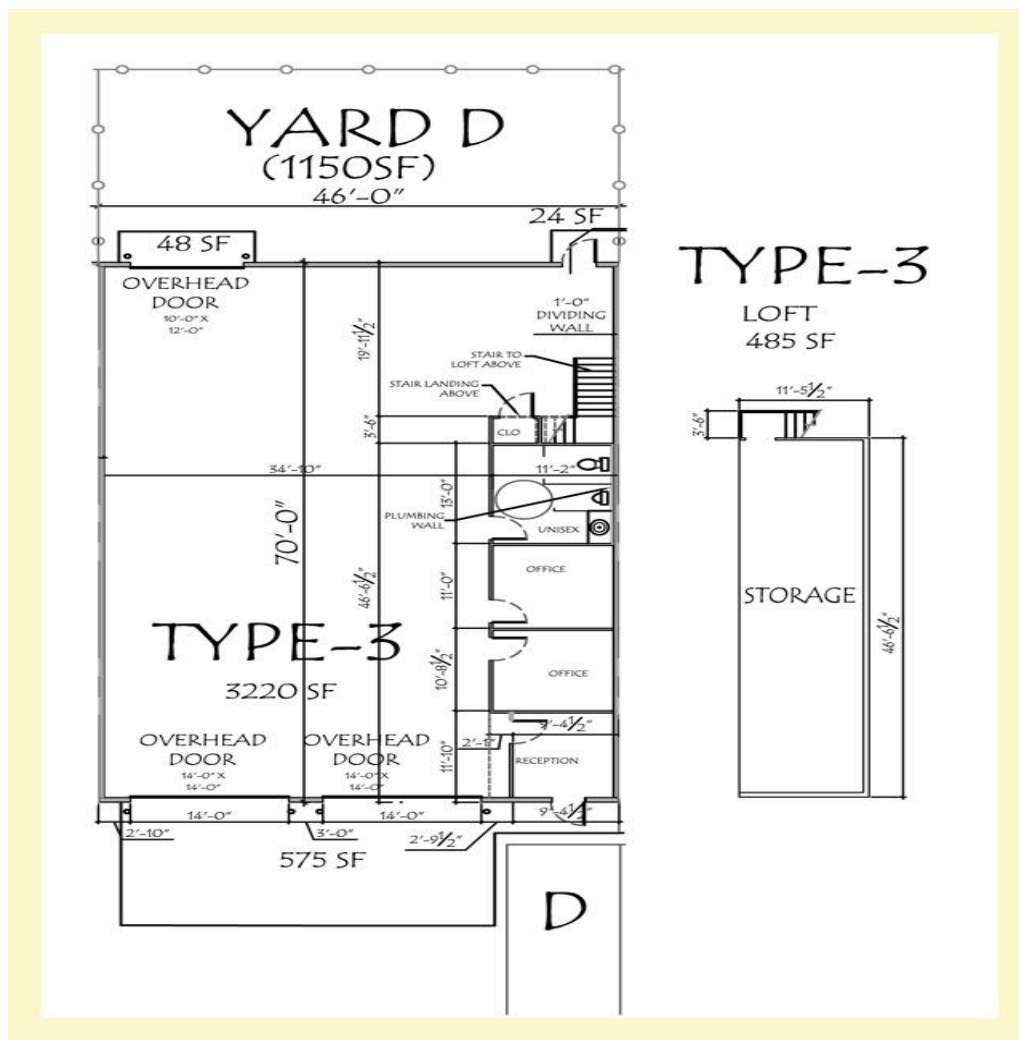
Power:

- service provider: "Mountrail Williams"
- building: 3 phase/ 208/ 120 Volt
- each unit has a 220 outlet

Lighting:

- T5 high output fluorescent high bay lighting in shop
- 2' x 4' prismatic fluorescent lighting in office areas

Unit Type 3



Unit size: 3220 sq ft

Yard: 1150 sq ft

Bays: 2 bays - 70' depth

Drive Through: 1

Office Space:

- 3 offices
- 2 bathrooms

Loft Storage:

- 485 sq ft
- above the office space

Designated Parking:

- 6 spaces

Power:

- service provider: "Mountrail Williams"
- building: 3 phase/ 208/ 120 Volt
- each unit has a 220 outlet

Lighting:

- T5 high output fluorescent high bay lighting in shop

- 2' x 4' prismatic fluorescent lighting in office areas

Rent Roll

Unit	Tenant	Square Feet	Net Rent/Mo.	Price/SF/Mo.
A	Team services	4480	\$7,093.00	\$1.58
B	Alltite	3500	\$5,250.00	\$1.50
C	English Bros	3500	\$5,250.00	\$1.50
D	Shale services	3220	\$4,830.00	\$1.50
E	ATI	3220	\$4,830.00	\$1.50
F	Alpha Mechanical	3220	\$4,830.00	\$1.50
G	DYPEX	3220	\$4,830.00	\$1.50
H	Inspectorate	3220	\$4,830.00	\$1.50
I	Borjax	3500	\$5,250.00	\$1.50
J	Mirror Image Environmental	3500	\$5,250.00	\$1.50
K	Mirror Image Environmental	4480	\$7,720.00	\$1.72
Totals		39060	\$59,963.00	\$1.54
Annual Totals			\$719,556.00	\$18.42

Financial Projections

Bakken Industrials Proforma	Year 1	Year 2	Year 3	Year 4	Year 5
	\$	\$	\$	\$	\$
Gross Potential Rent (1)	719,556.00	741,142.68	763,376.96	786,278.27	809,866.62
	\$	\$	\$	\$	\$
NNN Reimbursements	43,430.00	43,430.00	43,430.00	43,430.00	43,430.00
	\$	\$	\$	\$	\$
Total Gross Income	762,986.00	784,572.68	806,806.96	829,708.27	853,296.62
Adjustments to Gross Income					
	\$	\$	\$	\$	\$
Maintenance Reserve (2)	21,586.68	22,234.28	22,901.31	23,588.35	24,296.00
	\$	\$	\$	\$	\$
Management Fee (3)	28,782.24	29,645.71	30,535.08	31,451.13	32,394.66
	\$	\$	\$	\$	\$
Vacancy Reserve (4)	28,782.24	29,645.71	30,535.08	31,451.13	32,394.66
	\$	\$	\$	\$	\$
Total Effective Gross Income	683,834.84	703,046.99	722,835.49	743,217.66	764,211.29
Operating Expenses					
Insurance	\$10,900.00	\$10,900.00	\$10,900.00	\$10,900.00	\$10,900.00
Property Taxes	\$29,930.00	\$29,930.00	\$29,930.00	\$29,930.00	\$29,930.00
Common Area Utilities	\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00	\$2,600.00
Total Operating Expenses	\$43,430.00	\$43,430.00	\$43,430.00	\$43,430.00	\$43,430.00
	\$	\$	\$	\$	\$
Net Operating Income	640,404.84	659,616.99	679,405.49	699,787.66	720,781.29

Mortgage (5)					
Interest	\$170,636.80	\$168,842.93	\$165,116.43	\$161,199.82	\$157,082.84
Principle	\$71,032.72	72826.59	76553.09	80469.7	84586.68
Total Mortgage Expense	\$241,669.52	\$241,669.52	\$241,669.52	\$241,669.52	\$241,669.52
Net Cash Flow	\$398,735.32	\$417,947.47	\$437,735.97	\$458,118.14	\$479,111.77
Cash on Cash Return	26.60%	27.53%	28.60%	29.70%	30.83%
Cash on Cash plus Principle Paid Return	30.32%	31.46%	32.72%	33.03%	34.39%

1. 3% Annual Bumps are Scheduled
2. Figured at 3% of Gross Potential Rent
3. Figured at 4% of Gross Potential Rent
4. Figured at 4% of Gross Potential Rent
5. Mortgage is 70% LTV at 5% fully amortized over 25 years

Area/City Description

Williston's economy, while historically agricultural, is increasingly being driven by the oil industry. Williston lends its name to the Williston Basin, a huge subterranean geologic feature known for its rich deposits of petroleum, coal and potash. Williston sits in the center of the Bakken formation, which by the end of 2012 was predicted to be producing more oil than any other site in the United States, surpassing even Alaska's Prudhoe Bay, the longtime leader in domestic output in the United States. Williston has seen a huge increase in population and infrastructure investments during the last several years with expanded drilling using the 'frac' petroleum extraction technique in the Bakken Formation and Three Forks Groups. State of North Dakota oil production statistics can be viewed at the following link: <https://www.dmr.nd.gov/oilgas/stats/historicaloilprodstats.pdf>. In 1995, the U.S. Geological Survey estimated that there were 150 million barrels of oil "technically recoverable" from the Bakken shale. In April 2008, the number was said to be about four billion barrels; in 2010 geologists at Continental Resources, the major drilling operation in North Dakota, estimated the reserve at eight billion. In March 2012, after the discovery of a lower shelf of oil, it announced a possible 24 billion barrels. Although current technology allows for extraction of only about 6% of the oil trapped 0.99–1.99 mi (1.6–3.2 km) beneath the earth's surface, recoverable oil might eventually exceed 500 billion barrels.

Williston's position in the 640 square mile Bakken Oil formation is shown on the following map:

Bakken Industrial Suites

1910 50th. Street W., Williston ND

