



Grand Sky Multi-tenant Building

Grand Sky Blvd. & Lady Hawk Drive
Grand Sky Business Park, Emerado, ND

Sale Price

\$3,999,000

Contents

1. Executive Summary
2. UAS Industry and Grand Sky
3. Current Leases/Tenants
4. Cash Flow Summary
5. MT1/Grand Sky Images
6. About IDP & GSDC
7. Disclosure
8. Appendix



Executive Summary

Summary

Infinity Development Partners, LLC (“IDP”) is the sole owner of Grand Sky Development Company, LLC (“GSDC”), the developer of Grand Sky, the nation’s first commercial UAS business park located in Grand Forks County, North Dakota.

GSDC is currently in year five of a fifty-year sub-lease with Grand Forks County for Grand Sky. GSDC is sub-leasing the property from Grand Forks County who, in turn, is leasing the property from the U.S. Air Force for the same term.

Grand Sky MT1 LLC (“GSMT”), an affiliate of IDP, is a single purpose entity which owns and operates an approximately 18,000 square foot multi-tenant building on Grand Sky (“MT1”).

Opportunity

Grand Sky is the premier unmanned aerial systems facility in the country with current tenants that include Northrop Grumman and General Atomics Aeronautical Systems, Inc. MT1 supports the growing demand for office and/or shop-related space at Grand Sky. MT1 is located on approximately 2.16 acres leased by GSMT from GSDC and developed to support organizations that desire to have space at Grand Sky that is located off the flight line. MT1 is a high-bay Multi-Tenant Flex/Mixed-Use facility comprising of 18,000 +/- square feet, constructed on over 2 acres with generous parking. The building has eight flexible high bay spaces for office and shop/warehouse, each containing approximately 2,250 sf with abundant parking. First class construction and design including structural steel frame, concrete floors and metal and brick exterior and over \$4.5 million in tenant improvements.

Property Summary	
Address	Grand Sky Blvd & Lady Hawk Drive
Market	Grand Sky
Property Type	Flex-Office
GLA (sf)	18,000
NLA (sf)	17,825
Suites	8
Bay Height	19 ft.
Year Built	2021
Parking Spaces	99
Parking Ratio	5.5
Acres	2.16
Price	\$3,999,000

Executive Summary

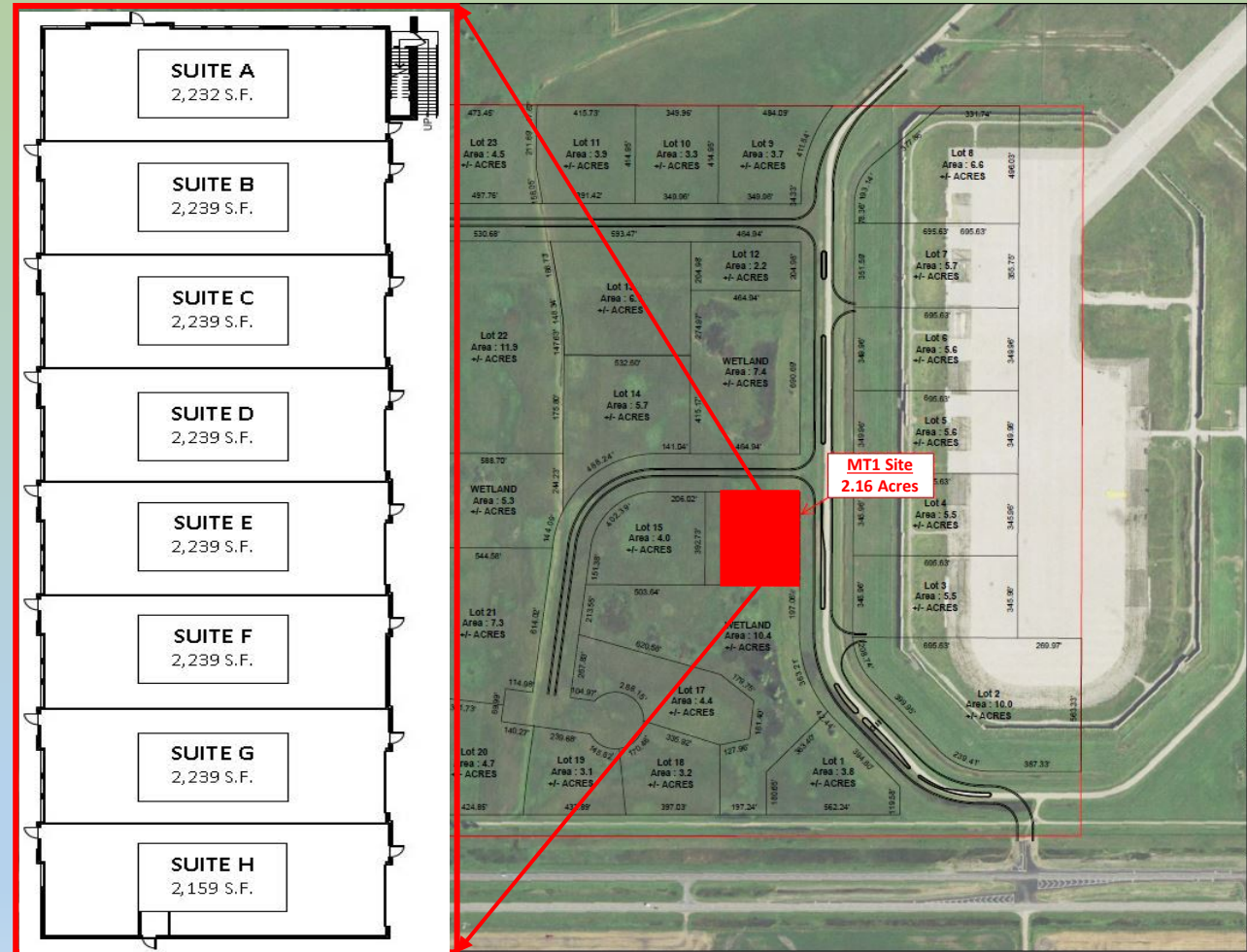
MT1 Overview

- Well positioned, 18,000 SF mixed-use building consisting of 8 individual high-bay units of approximately 2,250 SF (gross), adaptable to office and warehouse uses.
- First class construction and design including structural steel frame, concrete floors and metal and brick exterior.
- 99 parking spots (5.5 ratio)
- Access to the Grand Sky amenities including on-site hangars.

Location

Grand Sky Business Park, ND

- Grand Sky Blvd & Lady Hawk Drive
- Highly visible from Grand Sky Blvd.



UAS Industry and Grand Sky

Unmanned Aerial Systems Growth

The Unmanned Aerial Systems (UAS) market is one of the fastest growing industries in the world, with compound annual growth estimates in the range of 30% to 40%. While typically referred to as “drones”, UAS have grown far beyond just hobby drones and consumer quadcopters. The commercial application of UAS to businesses in many industries has begun to bring disruptive change to a variety of businesses and governmental operations. A report entitled “2018 State of Drones” indicates that 10% of companies surveyed are already using drones, with construction & engineering (35%), government (24%), transportation & warehousing (13%) and insurance (12%) showing the highest rates of adopting drone use. Market studies have estimated the global commercial UAS market will reach in excess of \$100 Billion by 2020.

Implications for Grand Sky

Grand Sky is perfectly positioned to take advantage of the projected growth in the UAS industry. Specifically, Grand Sky is already home to Northrop Grumman and General Atomics, two manufacturers of the largest UAS currently in operation, the Global Hawk and the Reaper, respectively. As the Commercial UAS market continues to mature and more non-Department of Defense applications are developed, there will be a need for locations to conduct flight operations such as those being conducted at Grand Sky.

The MT1 building serves as an excellent opportunity for both public and private sector organizations to locate on a small footprint at Grand Sky and take advantage of proximity to large UAS operators like Northrop Grumman and General Atomics. Additionally, the extensive physical infrastructure, which includes an FAA-approved Beyond-Visual-line-of-Sight (BVLOS) system along with ground and air support, positions Grand Sky to help companies capitalize on growth opportunities within the UAS sector.

Current Leases / Tenants

Tenants

MT1 is currently 100% occupied with long-term leases to tenants including General Atomics Aeronautical Systems, University of North Dakota – Northern Plains UAS Test Site, Innovets Aerospace, LLC and Grand Sky Airfield Operations LLC. All leases contain Common Area Maintenance charges to be paid by the tenants for all property related expenses in proportion to the leased square footage.

Current Rent Roll

Tenant	Occupied Space	Lease Expiration	NRSF	Current Rent Payable (Mo)	Current Rent Payable (Annual)	Rent Paid Through
Grand Sky Airfield Operations LLC (GSAO)	Unit A	12/28/2030	722	\$6,775	\$81,298	Current
Innovets Aerospace, LLC (Innovets)	Unit A	2/15/2031	440	\$1,421	\$17,056	Current
GSAO/Innovets Shared Common Area	Unit A		1,070	N/A	N/A	Current
General Atomics Aeronautical Systems, Inc.	Units B-F	7/1/2026	11,195	\$16,128	\$193,530	Current
University of North Dakota on behalf of Northern Plains UAS Test Site	Units G-H	10/31/2031	4,398	\$6,411	\$76,934	Current
Total			17,825	\$30,735	\$368,818	
Percentage Occupied	100.00%					

Cash Flow Summary

Four Year In-Place Proforma NOI

The property is fully leased at the present time, with leases in place with General Atomics Aeronautical Systems, the State of North Dakota's Northern Plains UAS Test Site, and Grand Sky.

	Year 1	Year 2	Year 3	Year 4
Begin Date	6/1/22	6/1/23	6/1/24	6/1/25
End Date	5/31/23	5/31/24	5/31/25	5/31/26
Revenue				
Base Rent	\$368,793	\$379,467	\$390,471	\$401,795
CAM Recovery	\$20,000	\$20,600	\$21,218	\$21,855
Vacancy and Credit Loss (2%)	<u>(\$7,376)</u>	<u>(\$7,589)</u>	<u>(\$7,809)</u>	<u>(\$8,036)</u>
Net Revenue	\$381,417	\$392,477	\$403,880	\$415,613
Expenses				
CAM	<u>(\$20,000)</u>	<u>(\$20,600)</u>	<u>(\$21,218)</u>	<u>(\$21,855)</u>
Land Lease	<u>(\$64,955)</u>	<u>(\$66,839)</u>	<u>(\$68,777)</u>	<u>(\$70,772)</u>
Total Expenses	<u>(\$84,955)</u>	<u>(\$87,439)</u>	<u>(\$89,995)</u>	<u>(\$92,626)</u>
NOI	\$296,462	\$305,038	\$313,885	\$322,987

MT1/Grand Sky Images



MT1/GrandSky Images



MT1/Grand Sky Images

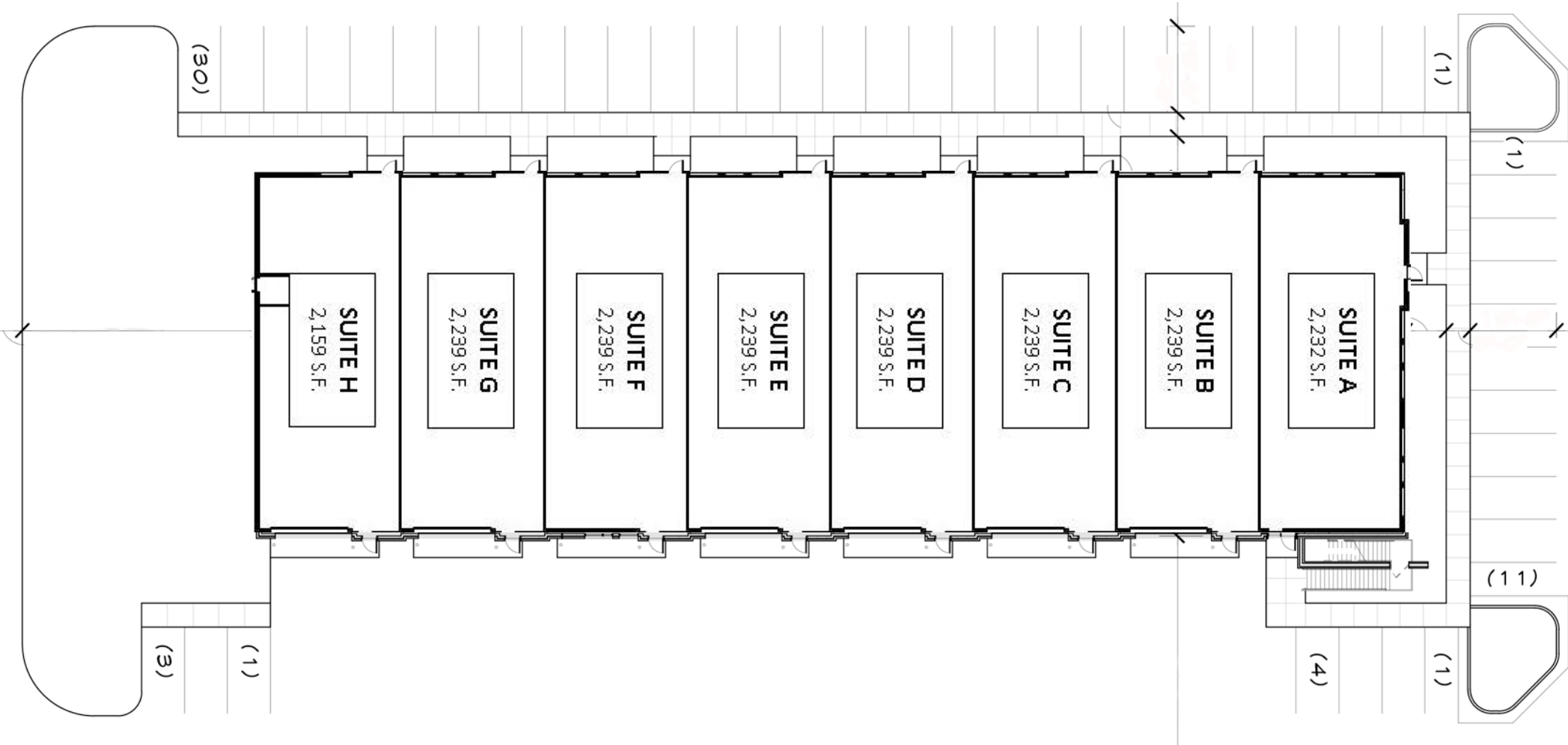


MT1/Grand Sky Images



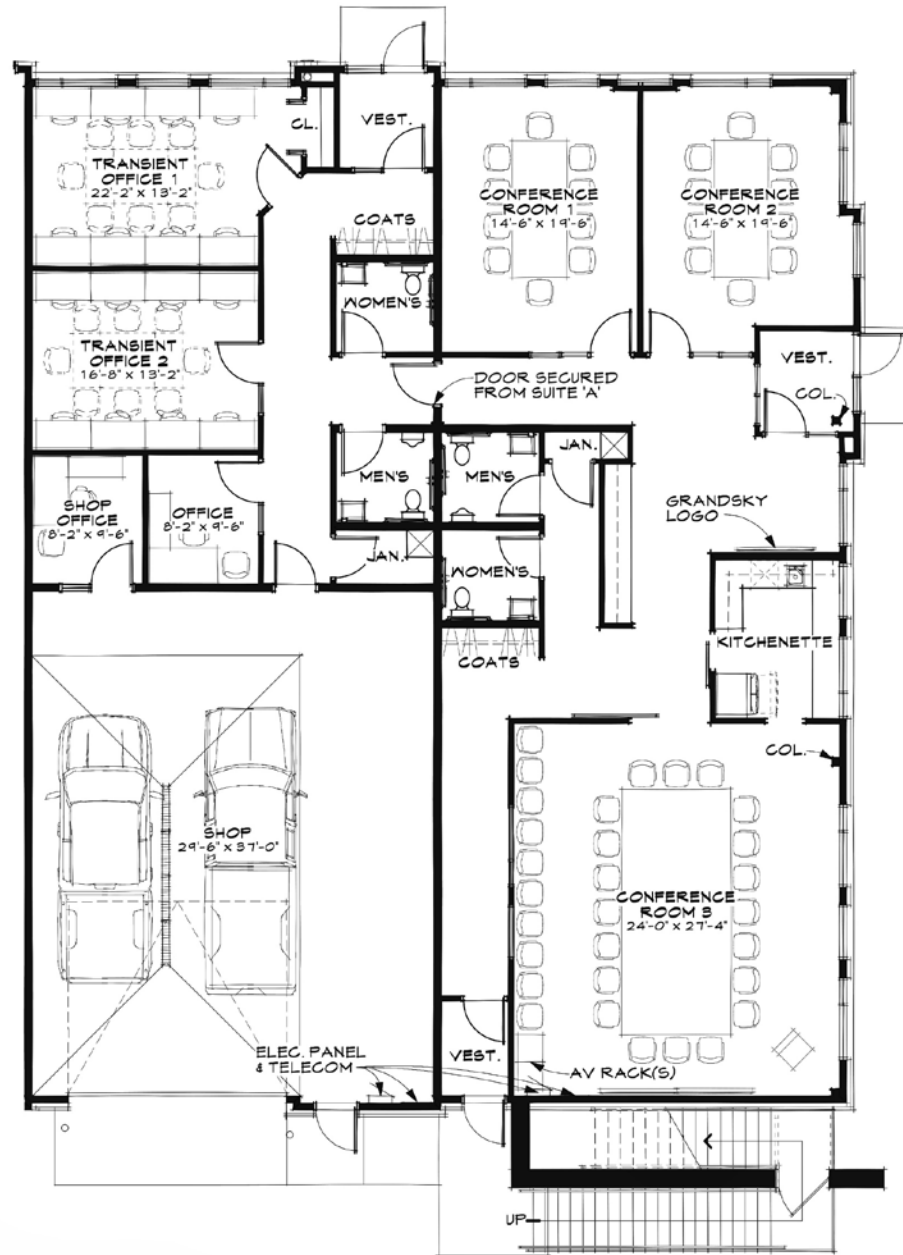
MT1/Grand Sky Images

Property Layout



MT1/Grand Sky Images

Sample Units



About IDP & GSDC

Infinity Development Partners, LLC

Full scale private real estate firm founded in 2009. Infinity Development Partners, LLC (IDP) and its partners have extensive experience in real estate development, including Enhanced Use Leasing (EUL), construction and construction oversight, capital access and placement, with a strong knowledge base of tax, regulatory and financial issues. Members of the IDP team have experience developing projects globally, including the Caribbean, Middle East and Asia. Its key members have been involved in over \$15 billion of real estate transactions with an average experience in the real estate industry of over 20 years. Key projects include: (1) Grand Sky, the nation's first and only fully operational commercial unmanned aerial systems (UAS) research and development park in the United States, located at Grand Sky Air Force Base, ND, (2) Kirtland, an EUL of approximately 70 acres located on Kirtland Air Force Base, Albuquerque, NM.

IDP has multi-layered relationships with federal and local government agencies, including the Department of Defense, the financial community and depth of knowledge of the emerging UAS industry, provide it with significant advantages in the development of real estate with respect to public-private partnerships and UAS development activities.

Grand Sky Development Company, LLC

Grand Sky Development Company, LLC (GSDC) is a wholly owned subsidiary of Infinity Development Partners LLC. GSDC's sole focus is the commercial development of Grand Sky. Grand Sky is the first fully operational commercial unmanned aerial systems (UAS) research and development park in the United States. Strategically located on Grand Forks Air Force Base in North Dakota, Grand Sky is the hub of activities in the nation's leading state for UAS flight testing, training and development.

Since 2015, Grand Sky has been the site of continuous UAS industry advancements and milestones, including the first trans-Atlantic commercial UAS flight and the first site to receive FAA approval to host commercial beyond visual line of sight (BVLOS) flights

Disclosure

THIS IS A CONFIDENTIAL MEMORANDUM (the “Memorandum”) intended solely for your own limited use to determine whether you wish to express any further interest in the Grand Sky Multi-Tenant Facility (“MT1”). This Memorandum contains brief, selected information pertaining to the business and affairs of MT1 or Sponsor. This Memorandum includes estimates and assumptions and does not propose to be all-inclusive nor does it contain all the information which a prospective investor may desire. We do not make any representations or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal liability is assumed or is to be implied by any of the aforementioned with respect thereto. By your receipt of the Memorandum, you agree that this Memorandum and the information contained herein is of a strict confidential nature and you will not disclose this Memorandum or any part of the contents to any other person, firm or entity without our prior written authorization. If you do not wish to pursue this matter or if we advise you for any reason whatsoever to return this Memorandum, you agree that you will promptly return this Memorandum to us. Photocopying or other duplication is not authorized.

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Appendix

Exhibit A

