

OFFERING MEMORANDUM



THE STAR OF THE NORTH SCHOOL

Actual Site Photo



● Investment Overview

Financial Summary

Property Image

Tenant Profile

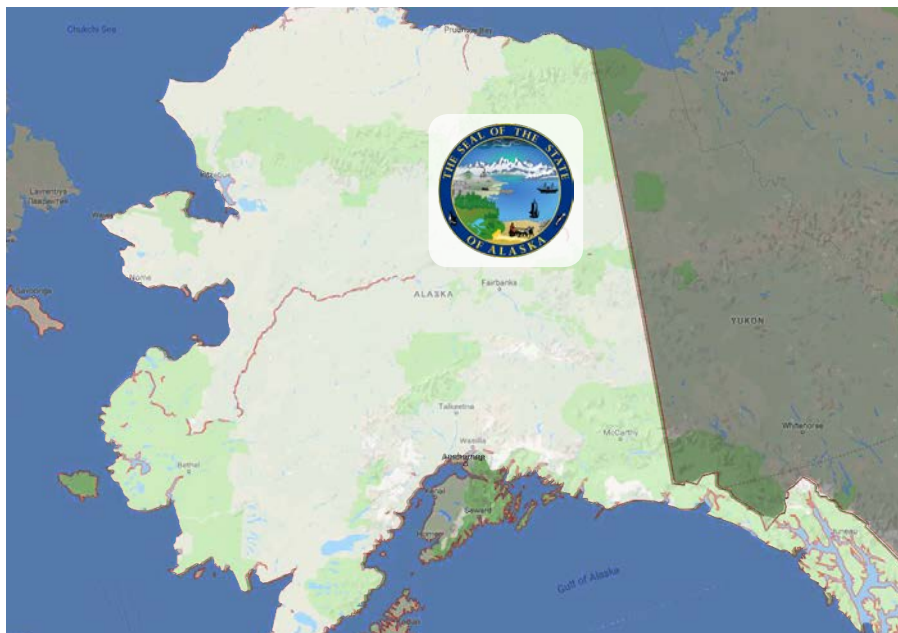
Interior Photos

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INVESTMENT HIGHLIGHTS

New 11-Year, Double Net (NN) Lease with 1.5% rent increases every two years

Investment Grade Government Sponsors: The State of Alaska (Moody's Aa3) & Fairbanks North Star Borough (Fitch: AA)

2004 Construction: The 7,200 sf building was purpose-built as a school featuring high quality materials and contemporary finishes

Growing Community: Neighboring Eielson Air Force is scheduled to increase personnel by 50% over the next three years



**2945 Monk Ct
Fairbanks, AK
99705**

\$2,050,000

8.27%

16.92%

\$169,519

ADDRESS	PRICE	YEAR 1 CAP RATE	CASH-ON-CASH	NOI
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***Cash-on-cash return assumes 20% down at a rate of 4.30% and a 30 year amortization.
Contact MMCC for details.**

VITAL DATA

GLA	Price/SF	Lot Size	Year Built
7,200 SF	\$285	.93 Acres	2004

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LEASE SUMMARY

Lease Type	Double Net (NN)
Sponsors	State of Alaska & Fairbanks North Star Borough
Sponsors Credit Rating	AK: Moody's Aa3
Guarantor	Fairbanks North Star Borough School District
Lease Commencement	July 1st, 2019
Lease Expiration	June 30th, 2019
Lease Term Remaining	11 Years
Increases	1.5% Every 2 Years
Renewal Options	2 X 10 Years
CAM	Tenant
Utilities	Tenant
Real Estate Taxes (Exempt)	Tenant
Insurance	Landlord
HVAC System (Maint.)	Landlord
Roof & Structure	Landlord
ROFR / ROFO	No

RENT SCHEDULE

YEARS [1]	ANNUAL RENT	LL EXPENSES [2]	NOI	CAP RATE
7/2019 - 6/2021	\$176,664	\$7,145	\$169,519	8.27
7/2021 - 6/2023	\$179,314	\$7,252	\$172,062	8.39%
7/2023 - 6/2025	\$182,004	\$7,361	\$174,643	8.52%
7/2025 - 6/2027	\$184,734	\$7,471	\$177,263	8.65%
7/2027 - 6/2029	\$187,505	\$7,583	\$179,922	8.78%
7/2029 - 6/2030	\$190,317	\$7,697	\$182,620	8.91%

Tenant Options: 2 x 10 years thereafter

[1] ONE-TIME TERMINATION RIGHT: If the FNSB School District were to eliminate the educational program occupying the building, Tenant would have the one-time right to terminate the lease after year five (June 2025) with one year notice. If the School District continues the program beyond June 2025, then the lease shall remain in effect for the balance of the lease term (June 2030).

[2] Annual landlord expenses of \$7,145 consist of \$3100 for insurance, \$1525 for maintenance of HVAC, fire monitoring & boiler systems and \$2520 (35 cents/SF) of non-cash reserves for roof and structure. Expense growth projected for inflation.

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TENANT PROFILE



STAR OF THE NORTH SCHOOL



Star of the North Secondary School is a public middle school designed to meet the needs of secondary students living in the FNSB School District. Focused on reconnecting youth to school, we offer a self-contained learning environment staffed by master teachers and staff who have deep knowledge and compassion for early adolescents and teens. Star of the North creates small learning communities of youth that emphasize positive learning experiences without the distractions found in conventional secondary schools. Our focus includes teens who show a need for an alternative setting or who have varied schedules involving work and family.

Star of the North Secondary School operates two campuses in the Fairbanks North Star Borough School District. The 13,000 student District is funded by a combination of: 62% the State of Alaska (Moody's: Aa3), 24% the Fairbanks North Star Borough (Fitch: AA), 9% the United States Federal Government (S&P: AA+) and the remaining 5% from other sources.

Star of the North was created by the merger of two successful programs; the North Pole Academy and the Career Education Center. Star of the North enrolls 200 students each year, 100 at each campus. "The Academy" includes grades 7 through 12, and "CEC" includes grades 11 and 12. Star of the North operates under the supervision of an Academic Policy Committee, which is comprised of parents, students, and staff. The APC sets the overall guiding policies for Star of the North, and each campus has a head teacher who is responsible for the day to day guidance. Star of the North Secondary School is accredited by the Northwest Association of Accredited Schools.



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ABOUT ALASKA

Alaska is the largest U.S. State, it is larger than all but 18 countries of the world, and about 1/5 of the total land area of the 48 contiguous states. Since the Aleutian Islands cross over the 180-degree longitude line, Alaska is in fact the westernmost, northernmost, and easternmost state! It is rugged and wild with glaciers, countless rivers and lakes, majestic mountain peaks, some active volcanoes, and nearly 34,000 miles of tidal shoreline. North America's highest peak, Mt. McKinley (or Denali) at 20,320 ft., is located in Alaska.

65% of the state's land is owned and managed by the U.S. federal government. The State of Alaska owns about 25% and 10% is owned by native people, leaving less than 1% of the land in private hands.

Its strongest economic sectors include the federal government, the military, mineral extraction, oil and gas, and seafood. The tourism industry also continues to grow each year thanks to Alaska's abundance of beautiful natural resources.

TOP EMPLOYERS: FAIRBANKS

1. Fort Wainwright Federal Credit Union
2. Bristol Bay Native
3. Chugach Alaska
4. Afognak Native
5. Anchorage School District
6. State of Alaska
7. YKHC Hospital



POPULATION	1-Mile	3-Mile	5-Mile	INCOME	1-Mile	3-Mile	5-Mile
2023 Polulation	2,257	13,704	18,642	\$200,000 or More	3.08%	3.34%	3.72%
2018 Polulation	2,009	12,182	16,471	\$150,000 - \$199,999	8.40%	8.67%	9.52%
2010 Polulation	1,965	11,843	16,050	\$100,000 - \$149,999	20.88%	24.14%	24.14%
				\$75,000 - \$99,999	17.96%	20.69%	21.61%
				\$50,000 - \$74,999	19.45%	20.19%	19.21%
				\$35,000 - \$49,999	11.00%	8.33%	7.88%
				\$25,000 - \$34,999	8.51%	5.57%	5.16%
				\$15,000- \$24,999	4.60%	3.75%	3.74%
				<\$24,999	11.11%	11.16%	10.61%



REGIONAL MAP

Fairbanks International Airport



City of Fairbanks



Fort Wainwright



15 Minutes to Downtown

5 Mile Radius



Santa Clause House, North Pole



Eielson Air Force Base



REGIONAL HIGHLIGHTS

- FAIRBANKS IS ALASKA'S SECOND-LARGEST POPULATION CENTER, LOCATED WITHIN THE FAIRBANKS NORTH STAR BOROUGH WHICH HAS A POPULATION OF NEARLY 100,000.
- THE TANANA & CHENA RIVERS RUNS THROUGH THE BOROUGH AND ARE A FOCAL POINT FOR EVENTS AND ACTIVITIES.
- THE CITY OF NORTH POLE IS JUST 15 MINUTES DOWN HIGHWAY 2 FROM DOWNTOWN FAIRBANKS AND IS KNOWN FOR KEEPING THE SPIRIT OF CHRISTMAS ALIVE ALL YEAR LONG. TOURISTS CAN VISIT SANTA CLAUS HOUSE AND ITS NEARLY ENDLESS AISLES OF CHRISTMAS ORNAMENTS AND TOYS, DRIVE DOWN STREETS LIKE SANTA CLAUS LANE, KRIS KRINGLE DRIVE AND MISTLETOE LANE, OR STAY THE NIGHT AT SANTALAND RV PARK.
- FORT WAINWRIGHT IS THE US ARMY'S NORTHERNMOST MAJOR POST AND IS HOME TO THE 25TH INFANTRY DIVISION'S 1ST STRYKER BRIGADE COMBAT TEAM.
- EIELSON AIR FORCE BASE SERVES AS AN ESSENTIAL PART OF THE USA'S STRATEGIC AIR DEFENSE POSTURE IS HOME TO 354TH FIGHTER WING. THE 345TH FW IS SCHEDULED TO RECEIVE TWO F-35 LIGHTNING II SQUADRONS IN 2020 WHICH WILL INCREASE MILITARY PERSONNEL BY 50%.



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