CONFIDENTIAL OFFERING MEMORANDUM



CUSHMAN & WAKEFIELD

BWI Airport Federal Government Portfolio

Linthicum, MD



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Executive Summary

THE OFFERING

Cushman & Wakefield is pleased to present for sale the BWI Airport Federal Government Portfolio , a two-building 170,208 square-foot office portfolio in the BWI Airport submarket of the Baltimore Washington Corridor (BW Corridor). The two properties are fully leased to the U.S. Army Corps of Engineers, representing a tremendous opportunity for investors to acquire high quality, well-located buildings with specialized build-out and stable federal government cash flow in the coveted BW Corridor. The portfolio is well located in Linthicum, Maryland, with direct access to the Baltimore / Washington International Thurgood Marshall Airport, less than a half-mile from the Baltimore Washington Parkway (MD 295), and less than two miles from the Baltimore Beltway (I-695). It is also well located to service Defense and Intelligence Contracting, within close proximity of Fort Meade and the National Security Agency (NSA) Headquarters.

The BWI Airport submarket has enjoyed strong momentum over the last two-and-a-half years, absorbing over 425,000 square feet over that time frame. Amid this demand, the submarket has emerged as a popular area for housing back-office service-oriented tenants as well as government and government-contracting entities, including intelligence users that depend on extensive SCIF space. It is not uncommon for tenants in the submarket to remain in place for decades, as many have been in their current location since the 1980s or 1990s. This highlights the high probability of renewal for the Army Corps of Engineers in their current space at 881 Elkridge Landing Road and 1199 Winterson Road, as well as the durability of their credit and success in maintaining contracts. The U.S. Army Corps of Engineers has been at the buildings 16 and 20 years respectively. The submarket, however, also caters to traditional office users, providing generous parking on-site and a host of nearby amenities that make locating in Airport Square attractive for a variety of office tenants.

This portfolio represents a rare and unique opportunity for investors to acquire a critical mass of well-located buildings within the Baltimore-Washington Corridor that are fully leased to a federal government agency, providing substantial in-place cash flow and strong future demand drivers.

Property Summary

	% Leased	Square Feet	Original Occupancy	Tenants
881 Elkridge Landing	100%	73,572	1998	US Army Corps of Engineers
1199 Winterson	100%	96,636	1994	US Army Corps of Engineers
Total	**100%**	**170,208**		



881 Elkridge Landing Road



INVESTMENT HIGHLIGHTS

Cash Flow & Discount to Replacement Cost

The BWI Airport Federal Government Portfolio will provide investors with the tremendous opportunity to enjoy **stable in-place cash flow** while also working with the Army Corps of Engineers to **renew and extend their terms.** With very **high investment in the space and few available alternatives for the tenant's needs**, investors will enjoy stable strong credit and growing cash flow for many years to come while having a basis well below replacement cost allowing flexibility during the hold period.

Strong Links to Growing Security Initiatives

The leases at 881 Elkridge Landing Road and 1199 Winterson Road are associated with the US Army Corp of Engineers (USACE) and **linked to both Homeland Security / mission-critical agencies** (National Security Agency) whose leases are signed by the Army Corps of Engineers rather than the GSA. Due to the **growth in Homeland Security and new Cyber Security initiatives,** most, if not all of these spaces can be underwritten with a **high degree of renewal probability.** The tenant has been in the space since 1994 & 1998, respectively.

Specialized Capabilities

Airport Square 10 and Airport Square 20 benefit from **heavy tenant investment in their space,** including **specialized capabilities and extremely high security.** This has helped to create a lock-in effect for tenants, with the space providing an extremely capital efficient option that allows for further build-out of the property to meet the tenant's needs. **Fenced property lines, the ability to build out SCIF space within the buildings and the critical mass of contractors already in place** helps to increase renewal probabilities going forward.

Strategic Location

The BWI Airport Federal Government Portfolio is **strategically located** in the Airport Square Business Park in Linthicum, Maryland, just two miles from the Baltimore / Washington International Thurgood Marshall Airport. Airport Square is part of the BWI Airport submarket, which has been exceptionally strong over the last two-and-a-half years, absorbing more than 425,000 square feet over that time frame. It is convenient from points south and north, and **provides tremendous access to government and intelligence hubs** throughout the Baltimore-Washington Corridor.

Credit Tenancy within Airport Square

The Airport Square Business Park is **extremely popular among government and government contracting tenants** with strong and durable credit. Nearly 400,000 square feet of space within the park is occupied by the US Government or government contractors with strong and durable credit. These tenants have settled on Airport Square as their **most convenient and capital efficient option,** with several of these **large tenants remaining in the park since the late 1980s or early 1990s.**

Exceptional Parking Ratios

The properties have generous parking ratios, providing approximately **four spaces per thousand square feet of office space**, making them attractive options for tenants seeking both convenient access as well as the ability to densely park a property.

Convenient Access

The submaket offers **convenient access to the region's major highways** including Route 170, I-97, Baltimore Beltway (I-695), and Interstate 95, all within a two and a half mile radius. This allows the tenant to **source employees from both Washington, DC and Baltimore**, together representing the Baltimore-Washington, DC combined metropolitan statistical area (CMSA), **the wealthiest and most educated workforce in the country.**



881 Elkridge Landing Road

Property Profile

881 Elkridge Landing Road



Address
881 Elkridge Landing Road
Linthicum, MD

Zoning
W1 Industrial Park District, Anne Arundel County (Office and R&D Labs)

Site Area
5.145 acres

Number of Floors
Above-grade: 3 Levels
Below-grade: 0 Levels

Year Built
1986

Developer
Dickinson Heffner

Typical Floorplate Size
24,524 rentable square feet



881 Elkridge Landing Road

Improvements Summary - 881 Elkridge Landing Road

Historical Capital Expenditures

Project	Year Completed	Cost
Elevator Control upgrade	2010	$215,000.00
Parking Lot Patch/Stripe/Sealcoat	2012	$27,000.00
Elevator Cab Restoration	2013	$34,000.00
Restroom Renovations	2013	$200,000.00
Total		**$476,000.00**

Lobby

The atrium lobby area has tiled flooring, brick-encased columns and planters, aluminum-framed glass sections, skylights over the atrium and painted drywall surfaces. The main entrance is located on the east side of the building and has a security guard desk, security turnstiles and x-ray equipment.

Parking Lot

The property has an asphalt-paved onsite parking lot and circulation drive areas. Paved areas have concrete curbs. A total of 263 parking spaces exist including 8 spaces that are reserved for handicap accessibility.

Curtain Wall

The exterior of the building consists mostly of brick masonry with aluminum-framed windows and reflective spandrel glass, metal copings at the roof line, and curved sections with glass block at the former main entrance area on the north side of the building.

Structural System

Steel frame construction with building construction elements consisting of perimeter and interior steel shapes for columns and beams, open web steel joists, metal floor and roof decking.



Roof and Penthouse System

The roof has a flat/low slope type roof, covered with black EPDM type single-ply membrane. Underlying roof composition is reported to be a Firestone system. **The roof was installed in 2003 and has a roof warranty through 2018.**

Elevators

The building contains two hydraulic passenger elevators. The elevators are three-stop units and have capacities of 3,000 pounds each. Elevator equipment is located in a machine room on the first floor. Elevator cab finishes include stainless steel, laminate paneled walls, carpeted floors, and ceilings with recessed lighting fixtures.

Windows and Doors

The building has aluminum-framed, fixed windows with dual glazing and reflective spandrel glazing. There are curved wall sections with glass block at the north side of the building. The building entrances have swing type aluminum and glass doors. Other building exterior doors include metal doors in metal frames. Interior doors throughout the building vary and include metal doors in metal frames, solid core wood in metal frames and aluminum and glass storefront type doors.

Heating and Air Conditioning

Heating and cooling systems for the building include six, rooftop-mounted, Trane package units providing cooling and electric heating. The units range in capacity from 25 to 40 tons each. Distribution is provided via ductwork, variable-air-volume (VAV) units in the tenant spaces and air flow devices. It is estimated that there are 30+/- VAV units per floor which varies depending upon tenant floor configurations. There is also supplemental tenant equipment including split system equipment with rooftop mounted Trane units and air handling units located in mechanical closets on each floor. Some localized areas have supplemental electric baseboard heating sections. Ventilation for restrooms and utility areas is provided by rooftop mounted exhaust fan equipment. Smoke supply and purge fans for the lobby atrium are also located on the rooftop. **The rooftop Trane units were installed between 2001 and 2004 according to manufacturing plate data on the equipment. The three rooftop units for the lobby were installed in 2009. Air handling units in the mechanical rooms have reportedly been replaced over the last ten years.**

Electrical Power

Electric service is provided underground from Baltimore Gas & Electric to electric service equipment located in a main electric room in the first floor of the building. The building has a GE, 277/480 volt, three-phase, 2000 amp switchboard. Power is distributed by switchgear in the main electric room, risers and electric closets with step down transformers and panel equipment. **The building has a diesel-powered, emergency generator with transfer switches and with 300 gallon above ground storage tank. The generator has a capacity of 350 kW or 437.7 KVA.**

Fire Sensing and Fire Alarm

The building has a wet type fire sprinkler system and fire standpipe risers in the stairwells. Fire service is provided from water mains in the adjacent streets with exterior fire department connections provided. The fire service riser is located in the first floor of the building, with a 6" diameter riser. The building has a fire alarm system with a Notifier fire alarm panel in the main electric room, pull stations, sprinkler system devices, audible/visible devices and smoke detectors. Common areas have emergency lights and exit signs and fire extinguishers.

Access Control

Armed security guards are on duty 24-hours a day. Electronic badges are required to enter both the grounds and the building.

Lighting

Lighting fixtures include various types of incandescent and fluorescent fixtures. Exterior lighting is also provided by metal pole-mounted light fixtures on concrete pedestals in the parking lot areas, bollard type walkway lights, and building mounted exterior light fixtures. There are municipal light poles along the adjacent street frontages.

Interior Finish Elements

Walls and Partitions

Drywall, SCIF Construction

Floors and Floor Coverings

Raised flooring, carpet and vinyl tiles.

Ceilings and System Elements

Acoustic ceiling tiles.

1199 Winterson Road



Address
1199 Winterson Road
Linthicum, MD

Zoning
W1 Industrial Park District, Anne Arundel County

Site Area
6.70 acres

Number of Floors
Above-grade: 4 Levels
Below-grade: 0 Levels

Year Built
1988

Developer
Dickinson Heffner

Typical Floorplate Size
24,159 rentable square feet


1199 Winterson Road

Improvements Summary - 1199 Winterson Road

Historical Capital Expenditures

Project	Year Completed	Cost
Elevator Control upgrade	2011	$300,000.00
Parking Lot Overlay	2012	$175,000.00
RTU Replacement (4)	2012	$140,000.00
Cooling Tower Upgrades/Repairs	2014	$80,000.00
Total		**$695,000.00**

Lobby

The atrium lobby area has aluminum-framed skylights with acrylic lights over the main reception area, located on the northwest corner of the building. The main entrance has a security guard desk, security turnstiles and additional surveillance equipment, all maintained by the tenant. In addition, the main cafeteria and seating area is beyond the security desk and turnstiles

Parking Lot

Parking areas are provided on each side of the property with the bulk of the parking spaces located in the parking area on the south side of the property. Parking is available for 380 automobiles on an asphalt parking lot, which covers most of the site not utilized for the building footprint, sidewalks and landscaping belts. There are a total of 12 handicapped parking spaces at the property. Parking stalls are defined by striping. Driveway aprons are asphalt. Curbs are cast in-place concrete. They define the paved parking areas and drive lanes, as well as the edges of the surrounding municipal streets.

Curtain Wall

The exterior walls consist of a brick masonry façade over concrete masonry unit (CMU) walls.

Structural System

The subject building utilizes a structural steel frame with perimeter and interior steel columns supporting the floor and roof framing. The floor framing is lightweight concrete on corrugated metal decking supported by steel beams and girders. The roof framing is rigid insulation on corrugated metal decking supported by open web steel joists spanning between steel girders.

Floor Loads

178 p.s.f. total



Roof and Penthouse System

The roofing system consists of a single-ply, fully adhered, EPDM membrane. The flat roofs are slightly pitched inward towards interior drains with raised plastic dome strainers. The roof drains discharge into underground piping which carries the rainwater runoff to the municipal storm water system. The parapet walls are 20"-high. Parapet walls are covered full-height with EPDM roofing membrane with aluminum coping. There are 18, aluminum-framed skylights with acrylic lites in the roof over the main lobby area at the northwest corner of the building. Additional roof appurtenances include exhaust fans, roof access ladder hatches, sanitary vents, and HVAC equipment with associated dunnage. **The roof was installed in 2006 and has a roof warranty through 2026.**

Elevators

There are two hydraulic elevators manufactured by Schindler Elevator Corporation. The elevators are rated at 3,000 pounds capacity each. The elevators are finished with laminate paneled walls, carpeted floors, and aluminum panel ceilings with recessed lighting fixtures.

Windows and Doors

The windows consist of aluminum frames with double-panes, and are fixed in the walls. The building entry doors consist of aluminum-framed doors with lites. Service doors consist of hollow-core metal doors in metal frames. Interior unit and public restroom doors consist of solid-core wood doors in metal frames, solid-core wood doors with lites in metal frames, and aluminum doors with lites in metal frames.

Heating and Air Conditioning

The subject building is heated and cooled by 10 Trane, rooftop package HVAC units (RTUs) and two Evapco, ground-mounted cooling towers connected to fan coil units. Server rooms in the building are cooled by four, rooftop-mounted condensers connected to air handling units. The RTU ceiling registers contain variable air volume (VAV) boxes. The RTU compressors and RTU and cooling tower fan motors are modulated by variable frequency drives (VFDs).

Electrical Power

Electricity is from a pad-mounted transformer with underground conductors routed to the main electrical room located on the first floor of the building. The main service is two, 2,500-amp, three-phase, four-wire, 277/480 VAC main feeds routed to General Electric Av-Line switchboards with branch wiring routed to General Electric electrical panels located in electrical rooms on each floor. General Electric and Square D step-down transformers are provided where required to reduce the voltage to 120/208 VAC. Distribution wiring in the building is reportedly copper.

There is one emergency generator on the property. The generator is manufactured by Cummins and is powered by a diesel engine. The load transfer switch is located in the main electrical room on the first floor. Generator capacity is 134 kW. The 575-gallon diesel tank is located below the generator.

Fire Sensing and Fire Alarm

The subject building is equipped with a wet-pipe fire protection sprinkler system. The sprinkler system is fed by an eight-inch main located in the fire sprinkler room on the first floor. The eight-inch main feeds a four-inch, six-inch, and eight-inch risers. An A-C Fire Pump model #TNLTNE-7L83, 350-gpm, electric-powered, centrifugal fire pump provides pressure for the sprinkler system. The fire pump is controlled by a Joslyn Clark model G8C194-4T fire pump controller. Hard-wired smoke detectors, manual pull stations, alarm horns, strobe lights, portable fire extinguishers, emergency lighting wall packs, and lighted exit signs are located in the common areas, including the public restrooms. A Siemens model RCC-1 fire alarm panel monitors the fire alarms.

Access Control

Building security is provided by the tenant. Armed security guards are on duty 24-hours a day. Electronic badges are required to enter both the grounds and the building.

Lighting

Interior lighting is by fluorescent and incandescent fixtures.

Site lighting in the vicinity of the subject building is provided by ground mounted high-intensity discharge (HID) light fixtures. The parking areas are illuminated by 20' tall, square steel poles on round concrete bases with double-head high-intensity discharge (HID) light fixtures.

Interior Finish Elements

Walls and Partitions

Drywall, SCIF Construction

Floors and Floor Coverings

Raised flooring, carpet and vinyl tiles.

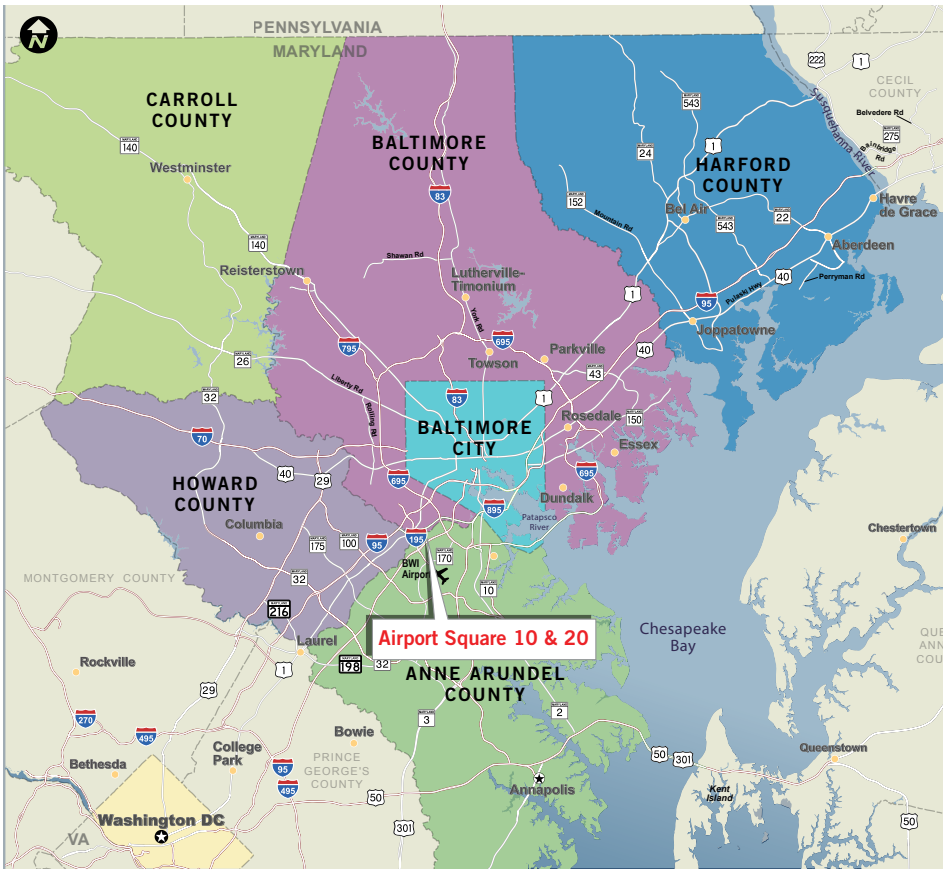
Ceilings and System Elements

Acoustic ceiling tiles

Location and Market Overview

The Baltimore-Washington Corridor
The subject portfolio is located in the Baltimore-Washington BW Corridor, the area between the Baltimore and Washington metropolitan areas that encompasses Howard and Anne Arundel Counties as well as the southwest panhandle of Baltimore County. This area's premier status is derived from its compelling location between the expanding and merging metropolitan areas of Washington and Baltimore and it serves as a powerful hub of commerce due to its strategic Mid-Atlantic location.

The recent job growth within the BW market has come from the intelligence, technology, and cyber security industries. The continued growth of Department of Defense (DoD) contractors servicing Fort Meade (The National Security Agency, Defense Information Systems Agency, US Cyber Command) and other Federal Intelligence initiatives will benefit the overall BW Corridor office market. These initiatives are rooted in counterterrorism and national security, making them less susceptible to budgetary fluctuations at the national level. Besides prime contractors, the market has many subcontractors who are profitable in serving commercial and government clients.



The BW Corridor is also seeing additional job growth with contractors servicing The Centers for Medicare & Medicaid Services and The United States Social Security Administration, who are both located in Woodlawn, Maryland. For example, Computer Sciences Corporation recently leased 85,000 square feet in Columbia Gateway to service these agencies. Other small, but similar contractors, are establishing offices in the BW Corridor to attract qualified employees that are located in the suburban markets closer to Washington, D.C. This is a trend that is expected to continue as the Inter-County Connector (ICC) makes the commute to the BW Corridor easier from the Montgomery County area. While defense and government services have been the most recent industry success stories, the BW Corridor's quality workforce benefited from other industries during the last decade, including but not limited to finance, healthcare, staffing, telecommunications, information technology services and the Internet. Given the quality of life and educated constituency of Howard and Anne Arundel counties, the BW Corridor is expected to remain an area that attracts capital and growing companies in dynamic industries.

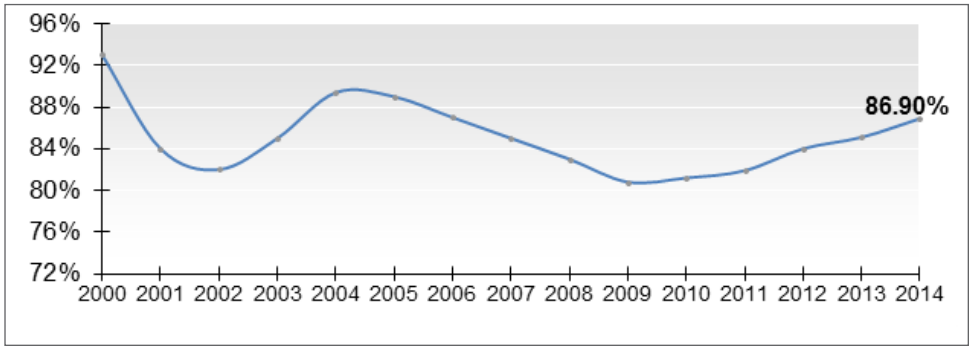
As highlighted and exemplified on the following chart, 16 of the 25 employers of over 6,000 persons in the state of Maryland are either government, healthcare or education related employers and 12 out of those 16 employers are located in the BW Corridor. In fact, the metropolitan

Major Employers in Baltimore-Washington Corridor

Company	Number of Employees	Product/ Source
Fort George G. Meade	49,132	Government
SSA/CMS	16,000	Government
Anne Arundel County Public Schools	14,000	Education
BWI Thurgood Marshall Airport	9,717	Regional Transportation
State of Maryland	9,578	Government
Northrop Grumman	6,500	Federal Contractor
Anne Arundel County Government	5,190	Government
Anne Arundel Health System	4,000	Hospital/Health Care
Southwest Airlines	3,200	Transportation
Maryland Live! Casino	3,000	Casino
T. Rowe Price	2,835	Financial Services
Balt-Wash Medical Center	2,800	Hospital/Health Care
U.S. Naval Academy	2,340	Government/Education
UMBC	2,188	Education

area's two largest employment segments are the federal government (32%) and education and health services (28%). In close third is the consumer goods segment, making up 20% of the largest employers in the state. Many of these consumer goods companies are occupying warehouse space.

Baltimore Washington Corridor – Historical Occupancy



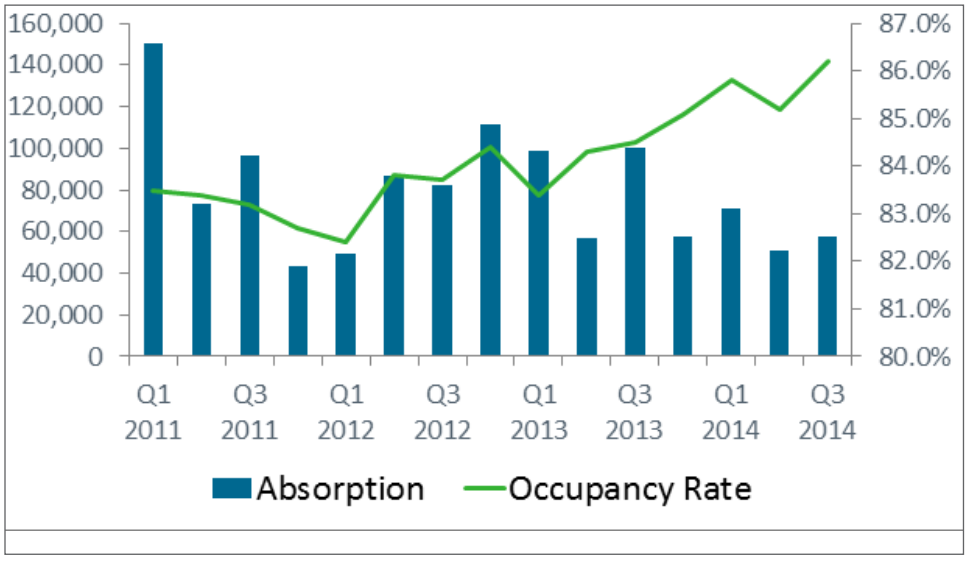
BW Corridor Office Market

The Baltimore Washington Corridor office market is comprised of 32.8 million square feet of office space in Howard and Anne Arundel County. This office market emerged from the recession as the strongest portion of Baltimore Metropolitan office market. Since hitting a low of 80.8% in 2009, the BW Corridor office occupancy rate has increased each year since. The current occupancy rate in the market is 85.6% after more than 3.5 million square feet of net positive absorption drove the market to recovery and continued growth.

Anne Arundel County

Anne Arundel County has long served as a primary market for contractors who serve the various Federal intelligence agencies, as it is situated in the heart of the dynamic BW Corridor between Washington, D.C. and Baltimore, the fourth largest Combined Metropolitan Statistical Area (CMSA) in the United States. Anne Arundel County's ideal geographic location has resulted in the substantial growth of a wide variety of industries, including the federal government, telecommunications, information technology, healthcare and life sciences. Anne Arundel County is conveniently accessible by I-95 and I-97, and is home to the Baltimore/Washington International Thurgood Marshall Airport and Annapolis, the State Capitol. The Port of Baltimore-Fairfield Terminal is also just over the county line. Anne Arundel County's 14,872 businesses employ more than 250,000 professionals. Approximately 331 of these businesses have 100 or more employees. Major private sector employers include Northrop Grumman, The Anne Arundel Health System, Southwest Airlines, University of Maryland Baltimore Washington Medical Center, Maryland Live! Casino, Booz Allen Hamilton, Allegis Group, Computer Sciences Corporation, Lockheed Martin and Rockwell Collins ARINC.

BWI Airport Office Market – Historic Trends



BWI Airport Office Market

Airport Square is part of the BWI Airport office market. The BWI Airport office market is comprised of 11.4 million square feet of inventory and currently has an 86.2% office occupancy rate, one of the highest submarket occupancy rates in the Baltimore Metropolitan region. The market occupancy rate has increased from 82.9% at the end of 2010. Approximately 1.1 million square feet of net positive absorption since the beginning of 2011 has contributed to this 323 basis point improvement in occupancy. Only the addition of 548,140 square feet of new inventory in the BWI Airport office market since the beginning of 2012 has prevented this increase in occupancy from being even more significant. The Class A sector of the BWI Airport office market has a 90% occupancy rate as only 616,656 square feet of inventory is currently available. The BWI Airport market, and Airport Square more specifically, remains one of - if not the most - capital efficient options for larger users in the BW Corridor. From a tenant perspective, there are very few options that can even compete with Airport Square based on value and security needs.

Competitive Set - BWI North/ Linthicum Class B Office Submarket

Airport Square is located in the BWI North/Linthicum submarket and is part of the Class B sector of this submarket. This competitive set is comprised of 44 buildings totaling 2,666,697 square feet of office inventory. At the end of the third quarter 2014, this competitive set had an 83.5% occupancy rate, an improvement of 712 basis points since the first quarter of 2013. This competitive set has been attractive to tenants in both the public sector (Maryland Aviation Administration, Transportation Security Administration, Department of Maryland State Police, Defense Security Service) and private sector (SECU Credit Union, American Urological Association, Northrop Grumman, Booz Allen Hamilton, University of Maryland Medical Systems, Raytheon, L-3 Communications, Ciena Corporation).



Available Competitive Alternatives to Airport Square in the BW Corridor (60,000 - 120,000 SF)

Address	City	Developer	Property Size (SF)	Space Available (SF)	Rent ($/SF/ Yr)	Comment
Arundel Preserve	Hanover	COPT	175,000-250,000	175,000-250,000	$34.00 FS	$24 NNN equivalent
8193 Dorsey Run Road	Laurel	Boston Properties	120,000	60,000	$31.00 FS	Lower priced follow-on offering to National Business Park from Boston Properties ($23.00 NNN equivalent)
8135 Maple Lawn Boulevard	Fulton	St. John Properties	138,900	126,744	$32.00 FS	Just delivered mixed-use product - quoting and achieving $32.00 FS - minimal contractor tenants
900 Elkridge Landing Road	Linthicum	COPT	101,576	101,576	$23.00 FS	$13 - $14 NNN equivalent; Re-let
1201 Winterson Road	Linthicum	COPT	71,990	71,990	$24.00 FS	$13 - $14 NNN equivalent; Re-let

Recent Submarket Lease Deals

Address	Tenant	Square Footage	Commencement
5585 Sterett Place	QSSI	120,000	2016
7110 Samuel Morse Drive	McAfee	12,642	2015
8135 Maple Lawn	Cisco	90,000	2015
8601 Robert Fulton Drive	UNUM	8,541	2015
6711 Columbia Gateway Drive	Confidential	4,500	2015
999 Corporate Boulevard	TEKsystems	11,898	2015
7037 Ridge Road	Hudson Cook	20,536	2015
6711 Columbia Gateway Drive	iBiquity	18,925	2015
4020 National Business Pkwy.	Accenture	30,000	2014
4020 National Business Pkwy.	Colfax	30,000	2014
6831 Benjamin Franklin Drive	Sandy Springs Bank	54,000	2014
7550 Teague Road	Hayward Baker	21,350	2014
4030 National Business Pkwy.	Lockheed Martin	60,000	2012
7740 Milestone Pkwy.	KeyW Corp	120,000	2012
6514 Meadowridge Road	United Healthcare	68,000	2012
8135 Maple Lawn	New Day Financial	51,285	2012
6841 Benjamin Franklin Drive	SAIC	170,000	2011
7031-7037 Ridge Road	Ciena	154,000	2011
Averages		**54,452**	

Lease Term (mos.)	Rent	Free Rent	TI's	Escalations	Operating Expenses	NNN Equivalent
120	$32.00	None	$40.00	3.00%	$9.50	$22.50
64	$24.25	4 months	$15.00	2.50%	$10.00	$14.25
120	$31.00	None	$50.00	3.00%	$9.25	$21.75
88	$25.00	None	$35.00	3.00%	$10.00	$15.00
66	$31.00	4 months	$0.00	3.00%	$10.00	$21.00
60	$24.50	None	$25.00	3.00%	$10.00	$14.50
126	$24.50	10 months	$52.00	2.75%	$10.25	$14.25
66	$31.75	5 months	$10.00	2.50%	$10.25	$21.50
60	$38.00	None	$44.00	2.75%	$9.00	$29.00
84	$38.50	None	$40.00	3.00%	$9.00	$29.50
144	$29.50	6 months	$51.00	2.50%	$9.00	$20.50
89	$26.00	5 months	Turnkey	2.50%	$10.25	$15.75
120	$37.00	None	$40.00	3.00%	$9.25	$27.75
120	$31.50	None	$50.00	2.75%	$9.25	$22.25
89	$25.50	5 months	$35.00	3.00%	$9.25	$16.25
120	$31.00	4 months	$40.00	3.00%	$9.75	$21.25
120	$36.00	4 months	$50.00	3.00%	$9.50	$26.50
180	$27.50	6 months	$75.00	2.50%	$9.00	$18.50
	$30.15		**$38.25**		**$9.59**	**$20.56**

Sales Comparables



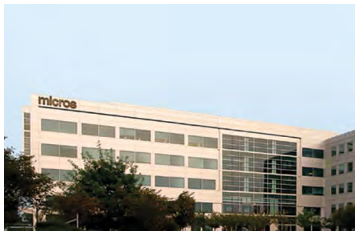
Address	West Quest Technology Park Linthicum, MD
Seller	Columbia Property Trust
Buyer	Hudson Advisors
Date Sold	Jul-15
Price	$55,000,000
Square Footage	315,350
Price Per SF	$174.41
Cap Rate	N/A
Comments	100% absolute net leased to Northrop Grumman through September 2017 (short term lease)



Address	999 Corporate Boulevard Columbia, MD
Seller	LNR Partners
Buyer	Heritage Properties
Date Sold	Feb-15
Price	$6,525,000
Square Footage	67,081
Price Per SF	$97.27
Cap Rate	N/A
Comments	53% leased, two strong tenants; Airport Square Business Park; Built in 2000.



Address	8601 Robert Fulton Drive Columbia, MD
Seller	Manekin
Buyer	Abrams Development
Date Sold	Jul-14
Price	$10,500,000
Square Footage	54,020
Price Per SF	$194.37
Cap Rate	7.0%
Comments	Class A Property built in 2007; Manekin is anchor tenant.



Address	7031 Columbia Gateway Drive Columbia, MD
Seller	Columbia Property Trust
Buyer	Micros
Date Sold	Jul-14
Price	$59,500,000
Square Footage	247,624
Price Per SF	$240.28
Cap Rate	N/A
Comments	User sale.



Address	7021 Columbia Gateway Drive Columbia, MD
Seller	Orix
Buyer	Lone Star Funds
Date Sold	Sept-13
Price	$23,600,000
Square Footage	105,215
Price Per SF	$224.30
Cap Rate	7.5%
Comments	84% leased (part of a national portfolio).



Address	7001 Columbia Gateway Drive Columbia, MD
Seller	Merkle, Inc.
Buyer	SIR Properties Trust
Date Sold	Jan-13
Price	$40,500,000
Square Footage	119,912
Price Per SF	$337.75
Cap Rate	7.00%
Comments	100% leased to Merkle.



Address	9070 Sterling Drive Laurel, MD
Seller	Emory Properties
Buyer	Knott Development
Date Sold	Dec-12
Price	$25,750,000
Square Footage	160,000
Price Per SF	$160.94
Cap Rate	N/A
Comments	100% vacant shell.



Address	7210 Ambassador Road Baltimore, MD
Seller	CSG Partners
Buyer	Government Properties
Date Sold	Nov-12
Price	$14,450,000
Square Footage	80,398
Price Per SF	$179.73
Cap Rate	9.10%
Comments	100% leased to GSA (Medicare & Medicaid)

Tenant Information

United States Army Corps of Engineers (USACE)

881 Elkridge Landing Road Expiration Date: 9/30/2016

1199 Winterson Road Expiration Date: 3/31/2018

*** Tenant has termination rights every year by giving 180 days written notice, as is customary with any Army Corps of Engineers lease.**

The United States Army Corps of Engineers (USACE) is a US Federal Agency under the Department of Defense and a major Army command made up of some 36,500 civilian and military personnel, making it one of the world's largest public engineering, design, and construction management agencies. Although generally associated with dams, canals and flood protection in the United States, USACE is involved in a wide range of public works throughout the world. The Corps of Engineers provides outdoor recreation opportunities to the public, and provides 24% of US hydropower capacity. Their most visible missions include design and construction management of military facilities for the Army, Air Force, Army Reserve and Air Force Reserve and other Defense and Federal agencies.

USACE supports the United States' Department of Homeland Security and the Federal Emergency Management Agency (FEMA) through its security planning, force protection, research and development, disaster preparedness efforts, and quick response to emergencies and disasters. In a typical year, the Corps of Engineers responds to more than 30 Presidential disaster declarations, plus numerous state and local emergencies. Emergency responses usually involve cooperation with other military elements and Federal agencies in support of State and local efforts.

The tenant is believed to be carrying out work associated with the Department of Defense and/or mission-critical intelligence agencies, though the specifics of the work and their clients remain classified. However, the GSA does not sign the leases for contract-specific work conducted with intelligence agencies, as that comes under the domain of the USACE. At 1199 Winterson Road, the tenant has been in its space since 1994 and is committed to the space through March of 2018. At 881 Elkridge Landing Road, the tenant has been in its space since 1998 and is under lease through September of 2016.

The Army Corps of Engineers has one five-year renewal at 881 Elkridge Landing Road with 180 days written notice (March 2016). The renewal would be at the prevailing market rate for comparable space in comparable buildings within a 10-mile radius. **At both 881 Elkridge Landing Road and 1199 Winterson Road, the tenant may terminate the lease at anytime by giving 180 days written notice.**


AIRPORT SQUARE
TECHNOLOGY PARK
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881 Elkridge Landing Road - Rent Roll

Tenant Name	Suite	Square Feet	Pro-Rata Share	Commencement Date	Expiration Date
USA ACOE	100	73,572	100%	10/1/2011	9/30/2016

Total Occupied	**73,572**	**100.00%**
Total Vacant	**0**	**0.00%**
Total Building	**73,572**	**100.00%**

1199 Winterson Road - Rent Roll

Tenant Name	Suite	Square Feet	Pro-Rata Share	Commencement Date	Expiration Date
USA ACOE	100	96,636	100%	4/1/2013	3/31/2018

Total Occupied	**96,636**	**100.00%**
Total Vacant	**0**	**0.00%**
Total Building	**96,636**	**100.00%**

Total Portfolio		
Total Occupied	**170,208**	**100.00%**
Total Vacant	**0**	**0.00%**
Total Building	**170,208**	**100.00%**

Date of Rent Increases	Amount SF	Monthly Rent	Annual Rent	Expense Reimbursement	Comments
10/1/2014	$17.76	$108,867	$1,306,404	NNN	Tenant has termination rights by giving 180 days prior written notice. Such termination right is customary with any US Army Corps of Engineers lease.
10/1/2015	$18.29	$112,133	$1,345,596		

Date of Rent Increases	Amount SF	Monthly Rent	Annual Rent	Expense Reimbursement	Comments
4/1/2014	$18.03	$145,155	$1,741,864	NNN	Tenant has termination rights by giving 180 days prior written notice. Such termination right is customary with any US Army Corps of Engineers lease.
4/1/2015	$18.57	$149,510	$1,794,120		
4/1/2016	$19.12	$153,995	$1,847,943		
4/1/2017	$19.70	$158,615	$1,903,382		

BWI AIRPORT FEDERAL GOVERNMENT OFFICE PORTFOLIO

Financial Overview



Cash Flow - 881 Elkridge Landing Road

	PSF	Year 1 Dec-2016	Year 2 Dec-2017	Year 3 Dec-2018	Year 4 Dec-2019
Rental Income					
Base Rental Revenue	$19.95	$1,467,756	$1,838,820	$1,893,985	$1,950,804
Absorption & Turnover Vacancy	($4.16)	($305,706)	$0	$0	$0
Total Rental Income	**$15.79**	**$1,162,050**	**$1,838,820**	**$1,893,985**	**$1,950,804**
Per Square Foot		*$15.79*	*$24.99*	*$25.74*	*$26.52*
Operating Expense Recoveries	**$8.95**	**$658,290**	**$0**	**$0**	**$4,326**
Per Square Foot		*$8.95*	*$0.00*	*$0.00*	*$0.06*
Effective Gross Income	**$24.74**	**$1,820,340**	**$1,838,820**	**$1,893,985**	**$1,955,130**
Per Square Foot		*$24.74*	*$24.99*	*$25.74*	*$26.57*
Operating Expenses					
Real Estate Tax	$2.13	$156,998	$69,371	$69,474	$69,580
Insurance	$0.14	$10,573	$10,890	$11,217	$11,553
Utilities	$0.07	$5,258	$5,908	$6,085	$6,268
Repairs and Maintenance	$4.05	$298,114	$307,057	$316,269	$325,757
Janitorial	$1.79	$131,764	$159,666	$164,456	$169,390
Payroll & Benefits	$2.84	$208,889	$215,156	$221,610	$228,259
General & Administrative	$0.16	$11,512	$11,857	$12,213	$12,579
Management Fee	$0.74	$54,610	$55,165	$56,820	$58,654
Total Operating Expenses	**$11.93**	**$877,718**	**$835,070**	**$858,144**	**$882,040**
Per Square Foot		*$11.93*	*$11.35*	*$11.66*	*$11.99*
Net Operating Income	**$12.81**	**$942,622**	**$1,003,750**	**$1,035,841**	**$1,073,090**
Per Square Foot		*$12.81*	*$13.64*	*$14.08*	*$14.59*
Capital Expenditures					
Tenant Improvements	$14.59	$1,073,222	$0	$0	$0
Leasing Commissions	$3.72	$273,887	$0	$0	$0
Cap Res	$0.16	$11,708	$12,059	$12,421	$12,794
Future Committed TI	$4.64	$341,055	$0	$0	$0
Total Capital Expenditures	**$23.10**	**$1,699,872**	**$12,059**	**$12,421**	**$12,794**
Per Square Foot		*$23.10*	*$0.16*	*$0.17*	*$0.17*
Cash Flow	**($10.29)**	**($757,250)**	**$991,691**	**$1,023,420**	**$1,060,296**
Per Square Foot		*($10.29)*	*$13.48*	*$13.91*	*$14.41*

Year 5 Dec-2020	Year 6 Dec-2021	Year 7 Dec-2022	Year 8 Dec-2023	Year 9 Dec-2024	Year 10 Dec-2054	Year 11 Dec-2026
$2,009,328	$2,069,608	$2,190,172	$2,250,402	$2,317,914	$2,387,451	$2,459,075
$0	($177,198)	($182,514)	$0	$0	$0	$0
$2,009,328	**$1,892,410**	**$2,007,658**	**$2,250,402**	**$2,317,914**	**$2,387,451**	**$2,459,075**
$27.31	*$25.72*	*$27.29*	*$30.59*	*$31.51*	*$32.45*	*$33.42*
$30,242	**$35,323**	**$0**	**$49,897**	**$80,601**	**$112,228**	**$144,803**
$0.41	*$0.48*	*$0.00*	*$0.68*	*$1.10*	*$1.53*	*$1.97*
$2,039,570	**$1,927,733**	**$2,007,658**	**$2,300,299**	**$2,398,515**	**$2,499,679**	**$2,603,878**
$27.72	*$26.20*	*$27.29*	*$31.27*	*$32.60*	*$33.98*	*$35.39*
$70,349	$72,459	$74,633	$76,872	$79,178	$81,554	$84,000
$11,900	$12,257	$12,625	$13,003	$13,393	$13,795	$14,209
$6,456	$6,373	$6,564	$7,055	$7,266	$7,484	$7,709
$335,530	$345,596	$355,964	$366,643	$377,642	$388,971	$400,640
$174,472	$166,228	$171,215	$190,650	$196,370	$202,261	$208,329
$235,106	$242,160	$249,424	$256,907	$264,614	$272,553	$280,729
$12,957	$13,346	$13,746	$14,158	$14,583	$15,021	$15,471
$61,187	$57,832	$60,230	$69,009	$71,955	$74,990	$78,116
$907,957	**$916,251**	**$944,401**	**$994,297**	**$1,025,001**	**$1,056,629**	**$1,089,203**
$12.34	*$12.45*	*$12.84*	*$13.51*	*$13.93*	*$14.36*	*$14.80*
$1,131,613	**$1,011,482**	**$1,063,257**	**$1,306,002**	**$1,373,514**	**$1,443,050**	**$1,514,675**
$15.38	*$13.75*	*$14.45*	*$17.75*	*$18.67*	*$19.61*	*$20.59*
$0	$0	$1,281,484	$0	$0	$0	$0
$0	$0	$327,035	$0	$0	$0	$0
$13,177	$13,573	$13,980	$14,399	$14,831	$15,276	$15,734
$0	$0	$0	$0	$0	$0	$0
$13,177	**$13,573**	**$1,622,499**	**$14,399**	**$14,831**	**$15,276**	**$15,734**
$0.18	*$0.18*	*$22.05*	*$0.20*	*$0.20*	*$0.21*	*$0.21*
$1,118,436	**$997,909**	**($559,242)**	**$1,291,603**	**$1,358,683**	**$1,427,774**	**$1,498,941**
$15.20	*$13.56*	*($7.60)*	*$17.56*	*$18.47*	*$19.41*	*$20.37*

Cash Flow - 1199 Winterson Road

	PSF	Year 1 Dec-2016	Year 2 Dec-2017	Year 3 Dec-2018	Year 4 Dec-2019
Rental Income					
Base Rental Revenue	$18.99	$1,834,996	$1,890,046	$2,392,955	$2,600,699
Absorption & Turnover Vacancy	$0.00	$0	$0	($425,995)	$0
Total Rental Income	**$18.99**	**$1,834,996**	**$1,890,046**	**$1,966,960**	**$2,600,699**
Per Square Foot		*$18.99*	*$19.56*	*$20.35*	*$26.91*
Operating Expense Recoveries	**$10.45**	**$1,105,227**	**$1,009,697**	**$243,974**	**$77,733**
Per Square Foot		*$10.45*	*$2.52*	*$2.52*	*$0.80*
Effective Gross Income	**$30.43**	**$2,940,223**	**$2,899,743**	**$2,210,934**	**$2,678,432**
Per Square Foot		*$30.43*	*$30.01*	*$22.88*	*$27.72*
Operating Expenses					
Real Estate Tax	$2.22	$214,800	$96,417	$96,540	$96,667
Insurance	$0.14	$13,679	$14,089	$14,512	$14,947
Utilities	$0.07	$6,960	$7,169	$6,769	$7,605
Repairs and Maintenance	$3.19	$307,874	$317,110	$326,624	$336,422
Janitorial	$2.43	$235,224	$242,281	$212,117	$257,036
Payroll & Benefits	$2.33	$224,723	$231,465	$238,409	$245,561
General & Administrative	$0.14	$13,763	$14,176	$14,601	$15,039
Management Fee	$0.91	$88,207	$86,992	$66,328	$80,353
Total Operating Expenses	**$11.44**	**$1,105,230**	**$1,009,699**	**$975,900**	**$1,053,630**
Per Square Foot		*$11.44*	*$10.45*	*$10.10*	*$10.90*
Net Operating Income	**$18.99**	**$1,834,993**	**$1,890,044**	**$1,235,034**	**$1,624,802**
Per Square Foot		*$18.99*	*$19.56*	*$12.78*	*$16.81*
Capital Expenditures					
Tenant Improvements	$0.00	$0	$0	$1,495,514	$0
Leasing Commissions	$0.00	$0	$0	$381,656	$0
Cap Res	$0.16	$15,378	$15,840	$16,315	$16,804
Future Committed TI	$9.49	$916,986	$0	$0	$0
Total Capital Expenditures	**$9.65**	**$932,364**	**$15,840**	**$1,893,485**	**$16,804**
Per Square Foot		*$9.65*	*$0.16*	*$19.59*	*$0.17*
Cash Flow	**$9.34**	**$902,629**	**$1,874,204**	**($658,451)**	**$1,607,998**
Per Square Foot		*$9.34*	*$19.39*	*($6.81)*	*$16.64*

Year 5 Dec-2020	Year 6 Dec-2021	Year 7 Dec-2022	Year 8 Dec-2023	Year 9 Dec-2024	Year 10 Dec-2054	Year 11 Dec-2026
$2,678,720	$2,759,082	$2,841,854	$2,927,110	$3,000,108	$3,090,111	$3,182,814
$0	$0	$0	($493,845)	$0	$0	$0
$2,678,720	**$2,759,082**	**$2,841,854**	**$2,433,265**	**$3,000,108**	**$3,090,111**	**$3,182,814**
$27.72	*$28.55*	*$29.41*	*$25.18*	*$31.05*	*$31.98*	*$32.94*
$108,343	**$141,774**	**$176,210**	**$61,774**	**$94,908**	**$132,524**	**$171,266**
$1.12	*$1.47*	*$1.82*	*$0.64*	*$0.98*	*$1.37*	*$1.77*
$2,787,063	**$2,900,856**	**$3,018,064**	**$2,495,039**	**$3,095,016**	**$3,222,635**	**$3,354,080**
$28.84	*$30.02*	*$31.23*	*$25.82*	*$32.03*	*$33.35*	*$34.71*
$97,720	$100,652	$103,671	$106,781	$109,985	$113,284	$116,683
$15,396	$15,858	$16,333	$16,823	$17,328	$17,848	$18,383
$7,834	$8,069	$8,311	$7,847	$8,817	$9,081	$9,354
$346,515	$356,910	$367,618	$378,646	$390,006	$401,706	$413,757
$264,747	$272,689	$280,870	$245,901	$297,975	$306,914	$316,121
$252,928	$260,516	$268,331	$276,381	$284,672	$293,213	$302,009
$15,490	$15,955	$16,434	$16,927	$17,435	$17,958	$18,496
$83,612	$87,026	$90,542	$74,851	$92,850	$96,679	$100,622
$1,084,242	**$1,117,675**	**$1,152,110**	**$1,124,157**	**$1,219,068**	**$1,256,683**	**$1,295,425**
$11.22	*$11.57*	*$11.92*	*$11.63*	*$12.62*	*$13.00*	*$13.41*
$1,702,821	**$1,783,181**	**$1,865,954**	**$1,370,882**	**$1,875,948**	**$1,965,952**	**$2,058,655**
$17.62	*$18.45*	*$19.31*	*$14.19*	*$19.41*	*$20.34*	*$21.30*
$0	$0	$0	$1,733,711	$0	$0	$0
$0	$0	$0	$442,444	$0	$0	$0
$17,308	$17,828	$18,362	$18,913	$19,481	$20,065	$20,667
$0	$0	$0	$0	$0	$0	$0
$17,308	**$17,828**	**$18,362**	**$2,195,068**	**$19,481**	**$20,065**	**$20,667**
$0.18	*$0.18*	*$0.19*	*$22.71*	*$0.20*	*$0.21*	*$0.21*
$1,685,513	**$1,765,353**	**$1,847,592**	**($824,186)**	**$1,856,467**	**$1,945,887**	**$2,037,988**
$17.44	*$18.27*	*$19.12*	*($8.53)*	*$19.21*	*$20.14*	*$21.09*

Cash Flow - Portfolio

	PSF	Year 1 Dec-2016	Year 2 Dec-2017	Year 3 Dec-2018	Year 4 Dec-2019
Rental Income					
Potential Rental Revenue	$19.40	$3,302,752	$3,728,866	$4,286,940	$4,551,503
Absorption & Turnover Vacancy	($1.80)	($305,706)	$0	($425,995)	$0
Total Rental Income	**$17.61**	**$2,997,046**	**$3,728,866**	**$3,860,945**	**$4,551,503**
Per Square Foot		*$17.61*	*$21.91*	*$22.68*	*$26.74*
Operating Expense Recoveries	**$10.36**	**$1,763,517**	**$1,009,697**	**$243,974**	**$82,059**
Per Square Foot		*$10.36*	*$5.93*	*$1.43*	*$0.48*
Effective Gross Income	**$27.97**	**$4,760,563**	**$4,738,563**	**$4,104,919**	**$4,633,562**
Per Square Foot		*$27.97*	*$27.84*	*$24.12*	*$27.22*
Operating Expenses	$11.65	$1,982,948	$1,844,769	$1,834,044	$1,935,670
Per Square Foot		*$11.65*	*$10.84*	*$10.78*	*$11.37*
Net Operating Income	**$16.32**	**$2,777,615**	**$2,893,794**	**$2,270,875**	**$2,697,892**
Per Square Foot		*$16.32*	*$17.00*	*$13.34*	*$15.85*
Capital Expenditures					
Tenant Improvements	$6.31	$1,073,222	$0	$1,495,514	$0
Leasing Commissions	$1.61	$273,887	$0	$381,656	$0
Capital Costs & Reserves	$7.55	$1,285,127	$27,899	$28,736	$29,598
Total Capital Expenditures	**$15.46**	**$2,632,236**	**$27,899**	**$1,905,906**	**$29,598**
Per Square Foot		*$15.46*	*$0.16*	*$11.20*	*$0.17*
Cash Flow	**$0.85**	**$145,379**	**$2,865,895**	**$364,969**	**$2,668,294**
Per Square Foot		*$0.85*	*$16.84*	*$2.14*	*$15.68*

Year 5 Dec-2020	Year 6 Dec-2021	Year 7 Dec-2022	Year 8 Dec-2023	Year 9 Dec-2024	Year 10 Dec-2054	Year 11 Dec-2026
$4,688,048	$4,828,690	$5,032,026	$5,177,512	$5,318,022	$5,477,562	$5,641,889
$0	($177,198)	($182,514)	($493,845)	$0	$0	$0
$4,688,048	**$4,651,492**	**$4,849,512**	**$4,683,667**	**$5,318,022**	**$5,477,562**	**$5,641,889**
$27.54	*$27.33*	*$28.49*	*$27.52*	*$31.24*	*$32.18*	*$33.15*
$138,585	**$177,097**	**$176,210**	**$111,671**	**$175,509**	**$244,752**	**$316,069**
$0.81	*$1.04*	*$1.04*	*$0.66*	*$1.03*	*$1.44*	*$1.86*
$4,826,633	**$4,828,589**	**$5,025,722**	**$4,795,338**	**$5,493,531**	**$5,722,314**	**$5,957,958**
$28.36	*$28.37*	*$29.53*	*$28.17*	*$32.28*	*$33.62*	*$35.00*
$1,992,199	$2,033,926	$2,096,511	$2,118,454	$2,244,069	$2,313,312	$2,384,628
$11.70	*$11.95*	*$12.32*	*$12.45*	*$13.18*	*$13.59*	*$14.01*
$2,834,434	**$2,794,663**	**$2,929,211**	**$2,676,884**	**$3,249,462**	**$3,409,002**	**$3,573,330**
$16.65	*$16.42*	*$17.21*	*$15.73*	*$19.09*	*$20.03*	*$20.99*
$0	$0	$1,281,484	$1,733,711	$0	$0	$0
$0	$0	$327,035	$442,444	$0	$0	$0
$30,485	$31,401	$32,342	$33,312	$34,312	$35,341	$36,401
$30,485	**$31,401**	**$1,640,861**	**$2,209,467**	**$34,312**	**$35,341**	**$36,401**
$0.18	*$0.18*	*$9.64*	*$12.98*	*$0.20*	*$0.21*	*$0.21*
$2,803,949	**$2,763,262**	**$1,288,350**	**$467,417**	**$3,215,150**	**$3,373,661**	**$3,536,929**
$16.47	*$16.23*	*$7.57*	*$2.75*	*$18.89*	*$19.82*	*$20.78*

Notes to Cash Flow

Property Assumptions

Rentable Building Area	
881 Elkridge Landing Rd (Multi-Story)	73,572
1199 Winterson Rd (Multi-Story)	96,636
Total	***170,208***
Growth Rates	
Annual Market Rent Growth Rate	3%
Operating Expenses	3%
Real Estate Taxes	3%
Future Base Rent Escalation	3%
Vacancy Loss	0%
Lease Terms (New & Renewal)	5 years
Renewal Probability	75%
Downtime Period	
New	9 months
Weighted	2 months
Management Fee	3%
Rental Abatements	None

Market Leasing Assumptions

2015 Market Rental Rates	
881 Elkridge Landing Rd	$23.50 FS
1199 Winterson Rd	$23.50 FS
2015 Tenant Improvements	
New Tenants	$25.00
Renewal Tenants	$10.00
Weighted	$13.75
Leasing Commissions	
New Tenants	4.50%
Renewal Tenants	2.25%
Weighted	2.81%

Notes

(1) Analysis assumes buyer will fund $341,055 in future TI obligations for 881 Elkridge Landing Road

(2) Analysis assumes buyer will fund $916,986.44 in future TI obligations for 1199 Winterson Road

(3) This property's tax assessment is assumed to decrease upon re-assessment in 2017


881
DO NOT
ENTER
PEDESTRIAN
ENTRANCE

Operating Expenses - 881 Elkridge Landing Road

Square Footage: 73,572

	2014 Actuals		2015 Budget		2016 Budget		Analysis Inputs	
	2014	PSF	2015	PSF	2016	PSF	2016	PSF
Reimbursable Operating Expenses								
Real Estate Taxes (1)	$169,242	$2.30	$116,724	$1.59	$139,068	$1.89	$156,998	$2.13
Insurance	$10,265	$0.14	$8,185	$0.11	$0	$0.00	$10,265	$0.14
Total Taxes and Insurance	**$179,507**	**$2.44**	**$124,909**	**$1.70**	**$139,068**	**$1.89**	**$167,263**	**$2.27**
Common Area Maintenance								
Utilities	$6,058	$0.08	$5,736	$0.08	$5,736	$0.08	$5,736	$0.08
Repairs and Maintenance	$297,454	$4.04	$290,770	$3.95	$298,114	$4.05	$298,114	$4.05
Janitorial	$165,201	$2.25	$169,080	$2.30	$155,016	$2.11	$155,016	$2.11
Payroll & Benefits	$184,045	$2.50	$196,833	$2.68	$208,889	$2.84	$208,889	$2.84
Advertising and Marketing	$308	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Professional Fees	$4,855	$0.07	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
General & Administrative	$16,798	$0.23	$11,124	$0.15	$11,512	$0.16	$11,512	$0.16
Management Fee (2)	$38,216	$0.52	$43,014	$0.58	$41,483	$0.56	See Note	-
Total CAM	**$712,935**	**$9.69**	**$716,557**	**$9.74**	**$720,750**	**$9.80**	**$679,267**	**$9.23**
Total Reimbursable Expenses	**$892,442**	**$12.13**	**$841,466**	**$11.44**	**$859,818**	**$11.69**	**$846,530**	**$11.51**

Notes

(1) Taxes - Calculated using attached tax analysis.
(2) Management Fee calculated as a 3% of Effective Gross Revenue.

Operating Expenses - 1199 Winterson Road

Square Footage: 96,636

	2014 Actuals		2015 Budget		2016 Budget		Analysis Inputs	
	2014	PSF	2015	PSF	2016	PSF	2016	PSF
Reimbursable Operating Expenses								
Real Estate Taxes (1)	$186,992	$1.94	$140,244	$1.45	$180,306	$1.87	$177,520	$1.84
Insurance	$13,679	$0.14	$10,902	$0.11	$0	$0.00	$13,679	$0.14
Total Taxes and Insurance	**$200,671**	**$2.08**	**$151,146**	**$1.56**	**180,306**	**$1.87**	**$191,199**	**$1.98**
Common Area Maintenance								
Utilities	$6,695	$0.07	$6,960	$0.07	$6,960	$0.07	$6,960	$0.07
Repairs and Maintenance	$329,731	$3.41	$339,246	$3.51	$307,874	$3.19	$307,874	$3.19
Janitorial	$253,213	$2.62	$259,332	$2.68	$235,224	$2.43	$235,224	$2.43
Payroll & Benefits	$194,055	$2.01	$210,060	$2.17	$224,723	$2.33	$224,723	$2.33
Advertising and Marketing	$405	$0.00	$0	$0.00	$0	$0.00	$0	$0.00
Professional Fees	$6,378	$0.07	$0	$0.00	$0	$0.00	$0	$0.00
General & Administrative	$13,743	$0.14	$11,304	$0.12	$13,763	$0.14	$13,763	$0.14
Management Fee (2)	$57,600	$0.60	$55,947	$0.58	$56,861	$0.59	See Note	-
Total CAM	**$861,819**	**$8.92**	**$882,849**	**$9.14**	**845,405**	**$8.75**	**$788,544**	**$8.16**
Total Reimbursable Expenses	**$1,062,490**	**$10.99**	**$1,033,995**	**$10.70**	**$1,025,711**	**$10.61**	**$979,743**	**$10.14**

Notes

(1) Taxes - Calculated using attached tax analysis.
(2) Management Fee calculated as a 3% of Effective Gross Revenue.

Real Estate Tax Calculations - 881 Elkridge Landing Road

Tax Rates (Per $100 of Assessed Value)	
State and County Rates	
Anne Arundel County	$0.9430
State Real Property	$0.1120
Total State and County	**$1.0550**

881 Elkridge Landing Road				Re-Assessment			3% Forward
Tax Year	**2014/2015**	**2015/2016**	**2016/2017**	**2017/2018**	**2018/2019**	**2019/2020**	**2020/2021**
Phased-in Full Market Value	$10,766,100	$12,665,700	$14,565,300	$6,250,000	$6,250,000	$6,250,000	$6,312,500
Assessed (Taxed) Value	$14,565,300	$14,565,300	$14,565,300	$6,250,000	$6,250,000	$6,250,000	$6,437,500
Total Real Estate Taxes	**$113,582**	**$133,623**	**$153,664**	**$65,938**	**$65,938**	**$65,938**	**$66,597**
Storm Water Charge	$3,142	$3,237	$3,334	$3,434	$3,537	$3,643	$3,752
Total Tax Bill	**$116,725**	**$136,860**	**$156,998**	**$69,371**	**$69,474**	**$69,580**	**$70,349**

Additional charge for storm water is grown 3% in analysis.

The current tax assessment cycle is through 2016/2017.

Assessment and tax rate information gathered from:

http://sdat.resiusa.org/RealProperty/Pages/default.aspx

https://aacounty.munisselfservice.com/citizens/RealEstate/Default.aspx?mode=new

Real Estate Tax Calculations - 1199 Winterson Road

Tax Rates (Per $100 of Assessed Value)	
State and County Rates	
Anne Arundel County	$0.9430
State Real Property	$0.1120
Total State and County	**$1.0550**

1199 Winterson Road				Re-Assessment			
Tax Year	**2014/2015**	**2015/2016**	**2016/2017**	**2017/2018**	**2018/2019**	**2019/2020**	**2020/2021**
Phased-in Full Market Value	$12,937,233	$16,459,867	$19,982,500	$8,750,000	$8,750,000	$8,750,000	$8,837,500
Assessed (Taxed) Value	$19,982,500	$19,982,500	$19,982,500	$8,750,000	$8,750,000	$8,750,000	$9,012,500
Total Real Estate Taxes	**$136,488**	**$173,652**	**$210,815**	**$92,313**	**$92,313**	**$92,313**	**$93,236**
Storm Water Charge	$3,756	$3,869	$3,985	$4,104	$4,227	$4,354	$4,485
Total Tax Bill	**$140,244**	**$177,520**	**$214,800**	**$96,417**	**$96,540**	**$96,667**	**$97,720**

Additional charge for storm water is grown 3% in analysis.

The current tax assessment cycle is through 2016/2017.

Assessment and tax rate information gathered from:

http://sdat.resiusa.org/RealProperty/Pages/default.aspx

https://aacounty.munisselfservice.com/citizens/RealEstate/Default.aspx?mode=new

Limiting Conditions

Cassidy Turley Commerical Real Estate Services, Inc., A Missouri Corporation d/b/a Cushman & Wakefield is the exclusive agent for the sale of this property and, as such, will act as the Seller's Agent. Consequently, the prospective purchaser should not disclose any confidential information to Cushman & Wakefield.

This Offering Memorandum was prepared by Cushman & Wakefield, and has been reviewed by Seller. It contains selected information pertaining to the Property and does not purport to be all-inclusive or to contain all of the information that a prospective purchaser may desire. All financial projections are provided for general reference purposes only and are based on assumptions relating to the general economy, competition, and other factors that, therefore, are subject to material change or variation. An opportunity to inspect the Property will be made available to qualified prospective purchasers.

In this Offering Memorandum, certain documents, including leases and other materials, are described in summary form and do not purport to be complete nor, necessarily, accurate descriptions of the full agreements involved, nor do they constitute a legal analysis of such documents. Interested parties are expected to independently review all documents.

This Offering Memorandum is subject to prior placement, errors, omissions, changes, or withdrawal without notice and does not constitute a recommendation, endorsement, or advice as to the value of the Property by Cushman & Wakefield, or the Seller. Each prospective purchaser is to rely upon its own investigation, evaluation, and judgment as to the advisability of purchasing the Property described herein.

Seller expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property and/or to terminate discussions with any party at any time with or without notice. Seller shall have no legal commitment or obligation to any purchaser reviewing this Offering Memorandum or making an offer to purchase the Property unless a written agreement for the purchase of the Property has been fully executed, delivered, and approved by the Seller, and any conditions to Seller's obligations thereunder have been satisfied or waived. Cushman & Wakefield is not authorized to make any representations or agreements on behalf of Seller.

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Auction.com Instructions

Airport Square 10 & 20
881 Elkridge Landing Road & 1199 Winterson Road | Linthicum, MD

Exclusive Auction.com Property Offering

Please visit Auction.com to view additional property information and register for the Airport Square 10 & 20 auction. **The auction will begin November 16 at 1:00 p.m. EST and end on November 18 at 5:00 p.m. EST.** Please do not hesitate to contact us at any time with questions or to schedule a tour.

Event Item #: B168-121

For property related questions and tour scheduling, please contact:

For auction process related questions, please contact:

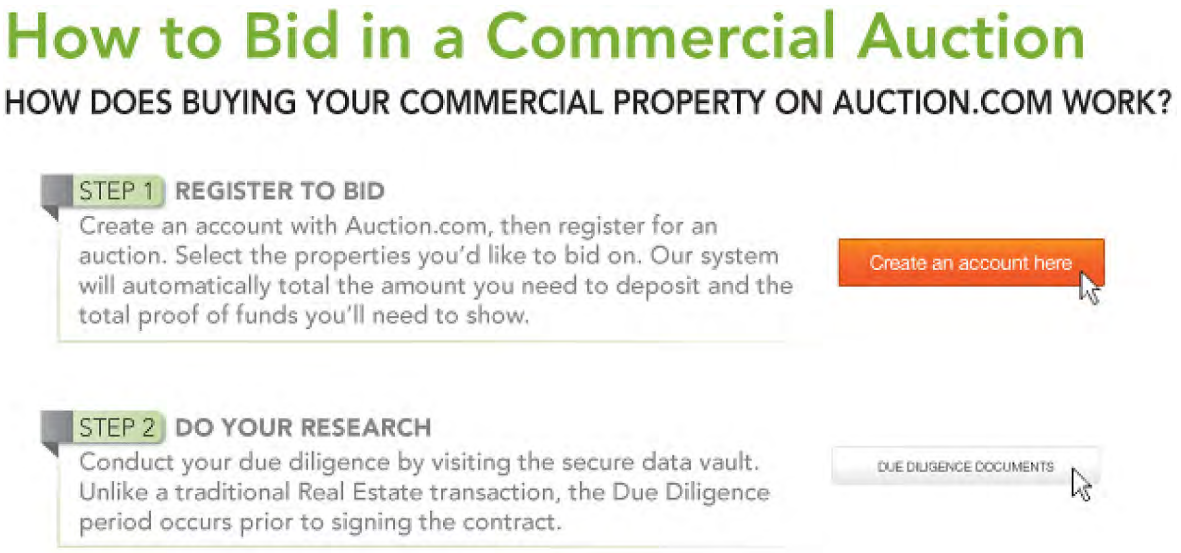
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Auction.com Commercial Bidding Instructions



STEP 3 ARRANGE YOUR FINANCING

Auction.com does not provide financing for purchases, and all purchases must be funded in cash. We recommend contacting the Broker listed on each Asset to ascertain any available financing, as well as contacting your lender or direct third-party lending and equity sources.

STEP 4 MAKE YOUR DEPOSIT

You must make a bidder deposit for each Property on which you intend to bid on. Deposits are per Property and minimum deposit amounts are based on Property amount and are subject to change. If you are the Winning Bidder, your bidder deposit will be applied toward the earnest money deposit. If you are a Non-Winning Bidder, your bidder deposit will be refunded following the auction.

STEP 5 SHOW PROOF OF FUNDS

All investors will need to provide a Bidder Qualification Form and be prepared to provide a recent bank or brokerage account statement which demonstrates that you have funds available. The statement must be less than 60 days old. Proof of Funds will be set at a minimum of the Starting Bid, and are required for each asset.

STEP 6 ENTITY DOCUMENTATION

If you are planning on purchasing via an entity, then all supporting documentation including a list of ownership, signing authority and a valid certificate of good standing must be submitted for review.

STEP 7 START BIDDING!

Place your bid amount and click "BID NOW". It's that easy! Remember, a Buyer's Premium based on the Winning Bid price will also be payable by the Winning Bidder. Minimum's may apply, please refer to the terms and conditions for the asset you are bidding on.



STEP 8 CLOSING

Following the auction, Winning Bidders will be contacted by phone and email to go over specifics of the sale, including the execution of the purchase agreement and all documentation involved in the purchase. All Winning Bidders must be available by telephone within 2 hours of the sale.



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