

New Development at Houston East Cargo



We are excited to announce our most recent development located at Houston's Bush Intercontinental Airport in the new East Cargo area. The project totals 169,010 square feet, consisting of 143,000 square feet of ground floor warehouse space and over 26,000 square feet of mezzanine office. The sprinkler fitted warehouse is 142 feet deep, having 68 landside dock-high doors and 20 airside doors. Additional amenities include six drive-in ramps and adjacent wide body aircraft parking positions.

The project was uniquely designed with a common lobby area that includes a striking stairwell and elevator. The mezzanine floor includes a full length, common corridor to allow complete interaction among all the tenants. Additional mezzanine amenities include common area rest-

rooms and a break room complete with vending machines, phone and furniture.

The project opened February 2003 to an 86% leased level, and currently is in final negotiations with tenants to bring the project to 98% occupancy. Major tenants include DHL, Servisair, Air General and Genesis. Genesis, Aeroterm's largest tenant at the project, handles the cargo needs of Lufthansa, Cargolux, Lan Chile to name a few, and routinely supplies services for the Antanov aircraft at the project.

For more information on this property please call our Houston office at (800) 949-7560.

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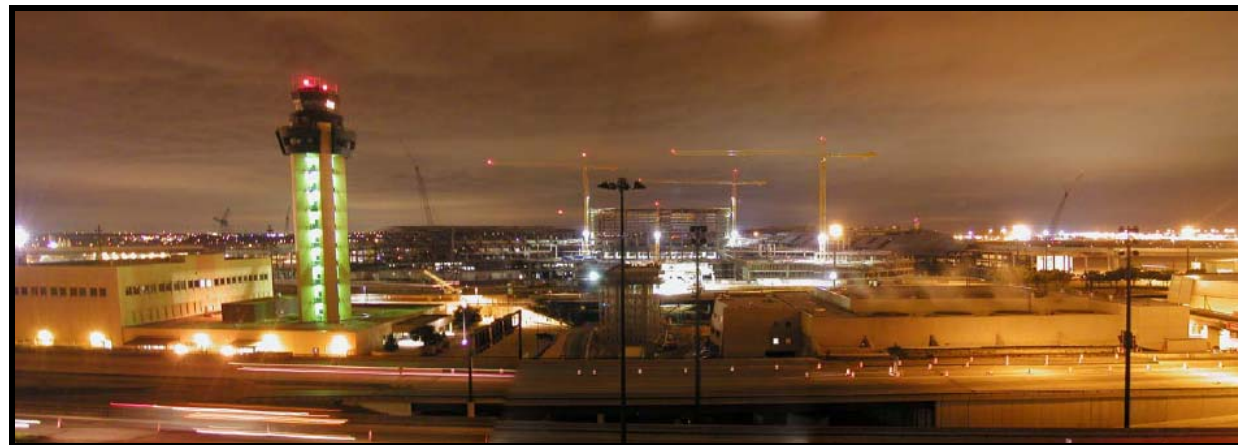
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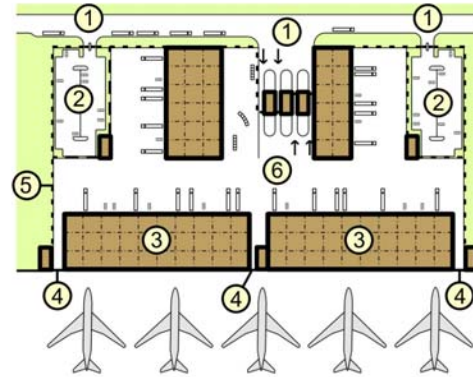


Dallas Fort Worth terminal construction.

Aeroterm on Air Cargo Security

Aeroterm strives to be experts on Airport Security with regard to our cargo facilities. Our tenants needs are our needs, and with the TSA clearly turning it's attention to air cargo, our team makes it a point to be up to date on the latest news in cargo security. We are not only attending, but presenting at conferences on the matter in an effort to be proactive.

Recently, Aeroterm's Steve Forrer was a speaker at JFK's Cargo Security Conference in March and the Tucson Economic Specialty Conference. Mr. Forrer's presentation addressed problems in airport cargo facility security, and possible solutions to those issues from a developer's perspective. One of the central issues covered in the presentation was airside access. The diagram to the right is one vision for future cargo complexes. There are of course many possibilities to the complex design and our firm will work closely with our tenants and airports to find the right match of construction and technology to address the security needs of the industry.



PREFERRED CARGO COMPLEX*

- 1 - Adequate access control points
- 2 - Vehicular use segregation
- 3 - Clear AOA lines
- 4 - Monitored airside access
- 5 - Perimeter control
- 6 - Multiple users within secure perimeter

* Site plan courtesy of Corgan Associates

Ft. Myers False Alarm

Aeroterm would like to commend our tenants and the airport for the immediate response they gave after a bio-toxin scare in mid-April. As a precaution, six people were taken to the hospital after a white, powder substance was found in a mail container unloaded off a plane from Tennessee. After the substance was tested, to everyone's relief, it was found to be non-toxic. Proactive management and cooperation among various emergency response teams are the keys to reducing casualties to people



and property, and the favorable outcome here is a testament to the preparation of those involved in the incident at Fort Myers.

Expanding Portfolio

Boylston, Massachusetts were added to our portfolio. Aeroterm also increased its existing presence in Philadelphia. The Oklahoma City multi-tenant facility is located on Will Rogers World Airport and includes direct ramp access and aircraft parking hardstand. The Philadelphia and Boylston locations are off airport single tenant facilities leased to a major cargo integrator.

The recent acquisitions are consistent with Aeroterm's focus on industrial real estate directed toward the global supply and distribution chains and occupied by firms that require on-airport locations and ancillary facilities in order to serve their client base.



Top: Front view of facility at Will Rogers World Airport
Bottom: Rear view of Boylston facility

We are happy to report a first quarter acquisition volume of approximately \$22 million in three locations. Facilities in Oklahoma City, Oklahoma and

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Featured Property: Orlando



Everyone knows Orlando as the home of Disney, but that is not all Orlando has to offer. The city has been making itself known as an important center for international trade. For three years in a row, the city has ranked as "the fastest growing export market in the state." According to the Economic Development Council (EDC), last year's dollar amount in volume of exports increased 23% to 1.54 billion. EDC showed an increase in cargo tonnage at Orlando International Airport (MCO) of 371.8% over the last decade.

MCO provides all the amenities necessary to conduct business at home or abroad. Located on over 15,000 acres, it is the 3rd largest U.S. airport in terms of land area. Easy connections to major highways, rapid road access to 9 deep water ports and direct rail access by FEC to major cities in the American Southeast and a CSX intermodal facility for the rail carriage of ocean containers and piggyback, facilitate the flow of goods through MCO.

In fact, central Florida is now the largest exporter of flowers, plants and nursery stock in the United States, and Orlando accounts for 80% of all cargo activity in Central Florida.

Aeroterm's cargo facilities at Orlando consist of three buildings totaling 105,360 square feet. The

Fast Facts

- 30 million passengers
- 330,000 aircraft movements
- 250,000 tons of cargo
- 23 international destinations serviced direct
- 68 national destinations serviced direct
- 10 miles to Orlando

8.9 acre land parcel is located just off Tradeport Drive which is minutes away from I-4 and the Florida Turnpike. Our buildings have direct access to aircraft parking positions on the airport ramp.

Major tenants include: Aircraft Industries, Aircrafters, BAX Global, Capital Cargo, DHL, Evergreen and Quantem Aviation. For more details on our property call Louis Beauchemin at (800) 528 5565.

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Annapolis Office Moves



We are proud to announce the relocation of our Annapolis office. In March, the Annapolis office moved to 201 West Street from the Cathedral street location. The modern industrial

design of the office is considerably larger with a more open floor plan allowing for easier interaction between our people and company growth. In keeping with Annapolis tradition, there are hints of a nautical theme throughout the office.

We invite our friends to see our new digs whenever you are in the area.

Welcome to Aeroterm!

and most recently worked as a property manager for Crescent Real Estate. Leann will team with Butch Oliver, Facilities Director, to manage the Aeroterm West portfolio of approximate 1.5 million square feet of cargo space.

John Nisos

John Nisos joined Aeroterm East's property management team in April of 2003. John's professional experience includes over 25 years in construction and property management most recently including the exclusive management of a 1.3 million square feet commercial airport related portfolio. John will be teaming with Bob Bearden to manage Aeroterm's eastern portfolio which consists of 1.3 million square feet located in 13 US cities.

Susan Pickford

Susan Pickford joined Aero West as its Leasing Director February 2003. Susan has ten years of commercial real estate leasing experience and most recently worked as a broker for Buildings of Houston specializing in office and industrial leasing and sales. Susan will be responsible for the leasing and marketing of the Aeroterm West portfolio of approximate 1.5 million square feet of cargo space.

Leann Anderson

Leann Anderson joined Aeroterm West as a Property Manager in April 2003. Leann has over thirteen years of commercial real estate property management experience