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Seven More Buildings at Three Airports



One of Aeroterm's new buildings in MIA.



Aeroterm's new buildings at EWR.

Aeroterm recently completed the acquisition of seven more buildings at three airports. This transaction gives Aeroterm a presence at John F. Kennedy International Airport (JFK) in New York, and Newark International Airport (EWR) in New Jersey. The transaction also expands our portfolio at Miami International Airport (MIA) in Florida.

In Miami, the purchase included Building 709, 710 and 711, west of the runways in the "Eastern U" of the airport. The three buildings add a total of 522,178 sf of rentable area with 782,958 sf of ramp space to our portfolio. As seen in the above picture (left), the buildings are relatively new, completed in August of 2001. We are happy that the purchase of these facilities has given us the opportunity to

extend our presence in the Miami air cargo market and our relationship with the Miami-Dade Aviation Department.

We are also pleased to have an established relationship with the Port Authority of New York and New Jersey (PANYNJ) with the purchase and management of the assets in New York and New Jersey. These buildings are Aeroterm's introduction to the area's cargo market. At EWR, Aeroterm now has two buildings, 339 and 340 Brewster Road. The buildings have a total of 264,311 sf and 233,021 sf of ramp.

Our purchases are the most recently built buildings at JFK completed in July of 2002. These facilities are located to

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Seven More Buildings at Three Airports (cont.)



One of the new buildings at JFK.

the northwest of the passenger terminals in the cargo area and are known as Buildings 21 and 23.

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Aeroterm has New Partners

Aeroterm would like to welcome CalEast Industrial Investors, LLC ("CalEast"), a joint venture between CALPERS and LaSalle Investment Management, to the on-airport air cargo real estate sector. At the end of April, CalEast became Aeroterm's financial partner on a portfolio of 90 distribution properties at 25 airports across the United States and Canada. The agreement also includes the formation of a venture to help grow Aeroterm's and CalEast's presence in the industry. CalEast is also NATT (Aeroterm's sister company) financial partners for NATT, a sister company of Aeroterm specializing in cross-dock truck facilities.

"CalEast, one of the largest industrial landlords in North America, views the air cargo sector as an ideal complement to its existing portfolio," said Witte, managing director of LaSalle Investment Management. "Air cargo buildings represent a valuable niche of real estate in the supply chain, characterized by strong, current and expected demand, coupled by very limited supply, with a finite amount of 'inside the fence' space that typically is controlled by government bodies."

"On behalf of CalEast, we are very pleased to team with Aeroterm as our operating partner," Witte continued. "The firm, and its founders, John Cammett and Kenneth Code have established themselves as leaders in this unique sector with a proven track record in creating value for investors, tenants

and airports. We're confident in their ability to continue to provide the business with a distinct competitive advantage."

"We are excited to be venturing with CalEast," said John Cammett, President of Aeroterm. "Their confidence and commitment is a validation of our plan and provides us with stable, long term, competitive capital, to continue expanding our business."



CalEast

... leaders in this unique sector with a proven track record in creating value for investors, tenants and airports."

Conferences



Aeroterm has been active in many industry events the first half of 2005. Aside from the ACI Air Cargo Symposium in New Orleans in January, we exhibited and hosted the golf tournament at the IACC event in Houston in May. To the left, you may recognize many of Aeroterm's finest enjoying the tournament with the other golfers. Close to one hundred people attended the tournament.

Kansas City International Airport hosted an event where Executive Vice President Steve Forrer was one of the speakers at the end of May. And The Journal of Commerce hosted the Trans-Pacific Air Cargo Conference in Los Angeles where Aeroterm was a sponsor at the beginning of June.

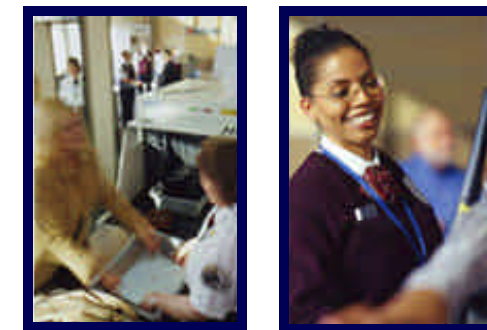
The rest of the year looks just as active. We expect to be exhibiting at the Air Cargo Americas 2005 event in Miami in October, and the Annual ACI-NA Conference in Toronto in September. We hope to see you there.

Providing Space for Security

The Transportation Security Administration (TSA) has been in the industry news quite a bit as security reforms in air cargo continue to evolve. Because the security guidelines can affect our tenants, we pay close attention to the news and to do our part wherever we can.

In Ft. Lauderdale, the Airport Authority had a requirement that we were pleased to be able to accommodate. They needed space for CPS Human Resources, the TSA's hiring agency. The space we provided, along with 19 other offices opened around the country allows CPS to assess up to 345 airport screening candidates a day.

Our facilities provide utility beyond hiring offices. FirstLine Transportation Security, one of the five independent airport security contractors in TSA's test program, needed flexible arrangements in creating an administration and training office in Kansas City. Since they moved in, they have expanded twice, recently adding a screening and testing center



Photos from FirstLine Transportation Security's website www.firstlinets.com.

for new employees.

At Syracuse-Hancock International Airport, Sensis Corporation, a Syracuse-based firm that develops radar systems and other high-tech electronics converted one of our warehouse bays into a training and demonstration space for airport surveillance sensors and information systems. These tenants are all in addition to the space we already lease to the TSA.

Welcome and Thank You



Business has been good for many of our tenants, and we see this reflected in renewals and expansions, and new leases. Some of the leasing completed in the last six months is listed below.

We also want to extend our thanks and welcome our new tenants to the Aeroterm facilities.

Starting in Canada at Trudeau International Airport, Secam, Milgram, DHL, Unik, Kintetsu, and Swiss International renewed office space, while RCMP, Vanguard, Northwest, and DHL renewed warehouse space. New leases on warehouse space included CargoZone, and AESS. FedEx signed new leases in Calgary and Mirabel. Also in Mirabel, Handelex renewed their lease for warehouse space. At Ottawa International airport UPS renewed both their office and warehouse leases.

Back in the USA, DHL expanded their ramp space in Portland. In Syracuse, Mohawk Customs expanded both warehouse and office. In Milwaukee, Delta renewed their space for 5-years and Jett Care, Inc. leased new office space for a year.

In Ft. Lauderdale, Florida, Satair USA extended

their lease for a year, Caribbean Sun expanded their office space, and BAX expanded their warehouse, tug and parking areas. In Ft. Myers, Oxford ATS signed a 5-year lease for warehouse space.

In the south, Anderson Services signed a new lease in bldg. 2-100 at LaFon Air Park and BellSouth Telecommunications renewed for a 3 yrs in Bldg 7-101 at Louis Armstrong International Airport in New Orleans. In Texas, the Airport Authority leased space for 5 years in Building E at Dallas/Fort Worth International Airport to provide vehicle maintenance. And at George Bush Intercontinental Airport, Delta expanded.

Also in Texas, at our off-airport facilities in Greensmor Air Park, Professional Cargo, Silvestar Express, and Subway all renewed their leases, while Genesis Forwarding and Blue Water Shipping both expanded their space. We are happy to welcome Chemical Cutts, ServPro, Spectrum Transportation, E. P. Brady, LTD, Abby's Aircraft Catering, and Crating Unlimited, Inc as new tenants.

Finally in the Midwest, both BAX Global and Integrated Airline Services of OKC renewed their leases for 5 yrs in Oklahoma City.

Thanks again to our tenants and airport partners for your continued business.