

PEM Aerospace DST
The Aerospace Corporation
Net Lease Investment Offering



6.78% Initial Cash on Cash Return

3% Annual Rent Increases

100% Leased to AA Credit Tenant

NNN Lease

Year Built: 1979

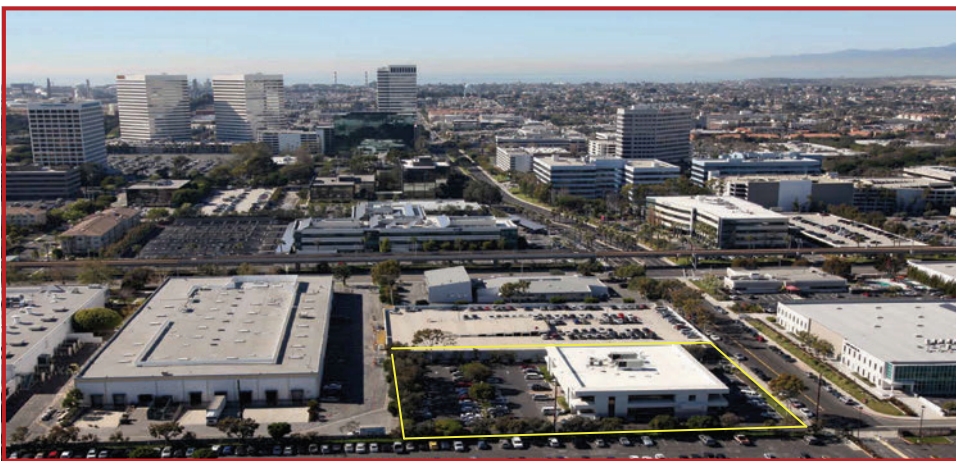
Year Renovated: 2009

\$2.25M in Capital Improvements



PROPERTY OVERVIEW

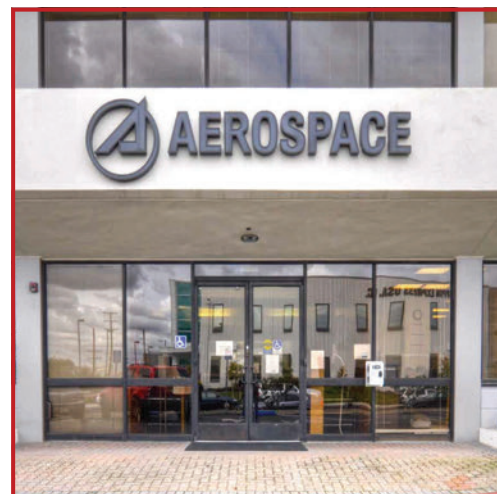
The Property is 100% leased on a triple net basis to The Aerospace Corporation, a world renowned aerospace research and development firm that has been in business for 50 years with 23 facilities throughout the United States. The Aerospace Corporation operates a Federally Funded Research & Development Center (FFRDC) for the United States Air Force, and provides objective technical analyses and



assessments for space programs that serve the national interest. The Los Angeles Air Force Base is within walking distance of the Property, making it a prime location for the tenant. In 2009 the building was renovated with approximately \$2.25 million in capital improvements for The Aerospace Corporation. Included in the improvements, two 4" conduit lines were installed connecting the Property directly to the Air Force Base.

PROPERTY DESCRIPTION

Address	2200 E Grand Avenue, El Segundo CA 90245
County	Los Angeles
Stories	Two (2) Stories
Rentable Area	30,810 SF
Land Area	66,647 SF (1.53 acres)
Building Use	Office/Research & Development
Year Built / Renovated	1979 / 2009
Parking Ratio	3 : 1,000



LOCATION

The Property is located in El Segundo, CA, the "Aerospace Capital of the World," home to some of the most prominent companies in the aerospace industry. El Segundo was the logical place for the aerospace industry as it is the home of the Los Angeles Air Force Base, and has been for almost 50 years. Los Angeles Air Force Base houses and supports the headquarters of the Air Force Space Command's Space and Missile Systems Center (SMC). The center manages the research, development and acquisition of military space systems. According to Costar, this is one of only four buildings between 20,000 and 50,000 SF within walking distance to the Los Angeles Air Force Base with a vacancy rate of 0%. The current tenant leased the building due to it's location and proximity to the base.



TENANT OVERVIEW

The Aerospace Corporation (the "Corporation") is an independent, nonprofit corporation created in 1960 at the initiative of the Secretary of the United States Air Force to meet special long-term research and development needs in establishing the nation's military space program that cannot be satisfied by any government or contractor resource. The Corporation's primary customers are the Space and Missile Systems Center of the Air Force Space Command (SMC) and the National Reconnaissance Office (NRO); the Corporation also provides technical support to space-related programs managed by other agencies, international organizations, and governments when in the national interest.

The Corporate headquarters, with its comprehensive engineering and laboratory facilities, is located in El Segundo, CA, approximately 2 blocks from the Property. A network of regional offices is maintained throughout the United States to provide customers with dedicated on-site support. The Corporation's last credit rating was in 2009, at which time they were rated AA . They currently have over \$60 Billion in contracts.

OFFERING DETAILS

Equity Offering Amount	\$6,765,000
Non-Recourse Debt	\$5,500,000
Total Offering Price	\$12,265,000
Offering Loan to Value (LTV)	44.84%
Minimum Purchase – 1031 Investment	\$100,000
Minimum Purchase – Non-1031 Investment	\$25,000

FINANCING

The Property will be financed by a non-recourse loan with a 10.5 year term, 5.54% fixed interest rate, 1 year Interest Only and the remaining years amortizing over 23 years.

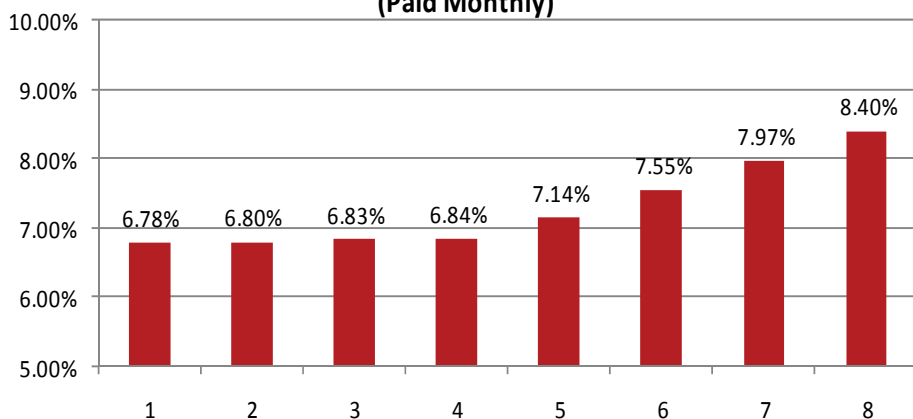
LEASE TERM

The initial term of the Lease was 10 years with 3% annual increases on a triple net basis. The Tenant has agreed to extend the initial term through December 2021. The Tenant has two 5-year extension options at market rent with 3% annual increases.



Forecasted Cash-on-Cash Return

(Paid Monthly)





MARKET OVERVIEW

Southern California is known around the world for many things, including playing a central role in the aerospace world and in America’s defense. El Segundo is a key contributor by housing some of the nation’s finest intellectual capital and a wealth of aerospace/defense firms offering high-tech R&D, consulting and support services, and manufacturing. El Segundo has a major economic force and helped the region become a world leader in aerospace research, development and production. It is a desirable location for these specialties due to some simple dynamics including weather, terrain, and available space, as well as a technically superior workforce, advanced aerospace infrastructure and education. The government also plays a major role as it funds such programs and provides as the main supporter. As a leading hub for the aerospace and defense industry on the West Coast, El Segundo has held the moniker of “Aerospace Capital of the World” for nearly a decade.

No.	Employer	No. of Employees
1	Raytheon Space and Airborne Systems	7,591
2	Boeing Satellite Development Center	5,853
3	Northrup Grumman	5,213
4	The Aerospace Corporation	3,400
5	LA Air Force Base	2,727



ABOUT THE SPONSOR

Principle Equity is a fully integrated real estate investment firm, which provides acquisition, asset management, leasing and disposition services to passive investors seeking opportunities to invest in institutional quality real estate. Currently, the company manages approximately 2.5 million square feet of commercial real estate with a capitalized asset value exceeding \$350 million. Our operations strategy is to focus on strong markets with decreasing vacancy and forward moving rental rates. We concentrate on a range of property types including office, retail, industrial and multi-family. The company follows a rigid acquisition approach and enforces a strong asset management program to effectively add value by systematically determining opportunities and then capitalizing on them.

For Property inquiries please contact Brent Scott. Phone: 713-337-8925 Email: bscott@peii.net



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