

NEW PRICING

GENERAL DYNAMICS

Mission Systems

INVESTMENT OFFERING

6717 ALABAMA HIGHWAY 157 | CULLMAN, AL 35057



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GENERAL DYNAMICS
Mission Systems

PROPERTY TYPE	Single Tenant Industrial
ADDRESS	6717 Alabama Highway 157, Cullman, AL 35057
COUNTY	Cullman County
SUBMARKET	North Central Birmingham
YEAR BUILT / RENOVATED	1974 / Renovations in 2004-2018
GROSS RENTABLE AREA	122,899 SF (excludes open pavilion)
NET RENTABLE AREA	120,000 SF
DOCK-HIGH DOORS	Single Story
PARKING	Approximately 256 car spaces
PERCENT LEASED	100%
BASE RENT PSF	\$3.07
LAND AREA	37.44 acres

OFFERING

This is a single-tenant NNN leased industrial property located in Cullman, AL. The property is 100% leased by **General Dynamics Global Imaging Technologies**, a subsidiary of General Dynamics Advanced Information Systems, Inc. (GDAIS), a provider of imaging solutions for some of the world's most demanding applications. General Dynamics recently finished a 15-year lease term and decided to exercise the first of three five-year options.

From the tenant's initial occupancy at the property in 1974, the tenant still employs many of the same people that it did 42 years ago. This location has a long history of delivering high-performance electro-optical and infrared (EO/IR) camera systems, gimbals, precision pointing, and motion control products. The company is a leader in the imaging solutions field and utilizes the most advanced, cutting-edge technologies. Given the specialty labor that is involved in the production of the advanced product line, General Dynamics are heavily invested in the people they employ and in the area where the facility resides.

Situated in Cullman County, AL directly between Birmingham and Huntsville, the property has an excellent location to serve both cities. The property is located with easy access to I-65 with excellent demographics, and convenient access to educational institutions.



OFFERING PRICE	\$6,500,000
IN-PLACE NOI	\$376,917.25
OCCUPANCY	100%
REMAINING LEASE TERM	5 years
LEASE TYPE	NNN
LEASE EXPIRATION	June 14, 2027
ANNUAL RENT ESCALATIONS	1.5%
RENEWAL OPTIONS (REMAINING)	Two (2) Five (5) year options to renew with 1.5% annual escalations

INVESTMENT HIGHLIGHTS

- EXCELLENT LOCATION
- 100% LEASED
- NNN LEASED INVESTMENT
- HIGH PROBABILITY OF RENEWAL
- PROPERTY OFFERED DEBT FREE
- WORLDWIDE NATIONAL CREDIT TENANT



6717 ALABAMA HIGHWAY 157 | CULLMAN, AL 35057

Situated in Cullman County between Birmingham and Huntsville, AL, with easy access to I-65, 6717 AL Highway 157 boasts 122,899 SF of four single-story structures. The industrial asset is comprised of a manufacturing building containing 105,636 SF, in addition to a 15,217 SF manufacturing building, a 2,046 SF storage shed and 4,965 SF open pavilion, and was constructed in two phases. Phase I, consisting of the main manufacturing building, was constructed in 1974 while Phase II, consisting of the new manufacturing building, storage shed and pavilion constructed between 2004-2006.

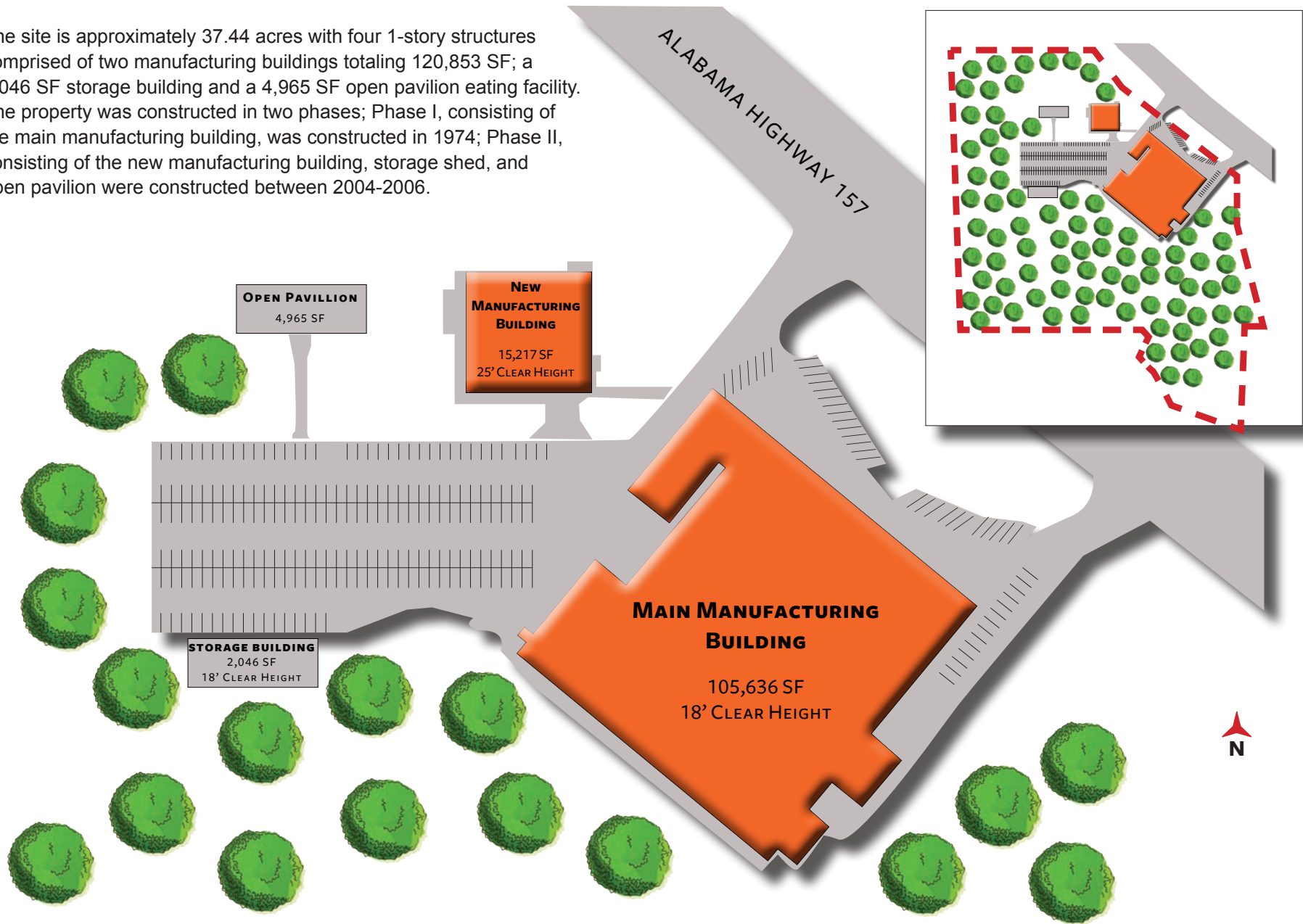
SQUARE FOOTAGE	Gross – 122,899 SF (excludes open pavilion) Net – 120,000 SF
SITE AREA	Approximately 37.44 acres
ZONING	I-1, Industrial
COMPLETION DATE	Phase I: Main manufacturing building in 1974 Phase II: New manufacturing building, storage shed and open pavilion in 2004-2006
CEILING HEIGHT	18'- 25'
OVERHEAD DOORS	Main Manufacturing – (4) overhead doors, New Manufacturing – (2) overhead doors, Shed – (1) overhead door
LOADING DOCK	Equipped with bumpers, covers, and leveling equipment
PARKING	256 spaces (250 regular, 6 handicap)
YEAR BUILT/RENOVATIONS	1974 / Renovations in 2004-2018
STORAGE/PAVILION BUILDINGS:	Wooden columns and framing
MAIN MANUFACTURING BUILDING:	Structural steel columns supporting the roof and upper floors have concrete-topped metal decks supported steel beams.
NEWER MANUFACTURING BUILDING:	Rigid frame steel construction, while the office area has traditional wood framed interior construction.
EXTERIOR WALLS	Factory finished metal panels with brick portions along the main office
WINDOWS	Aluminum-framed, storefront system incorporating the entry doors.



MECHANICAL SYSTEM	A central cooling system supplies the main manufacturing building, and an air cooled central HVAC system supplies cooling to the new manufacturing building. Office and isolated areas' heating and cooling within the factory floor area of the main manufacturing building are provided by individual, gas-fired, pad-mounted HVAC units and split system units with pad-mounted condensers with furnaces located in mechanical closets. There are a total of four split units ranging in size from 5 to 1½-ton, and eight packaged units ranging in size from 5 to 10-tons.
ELECTRICAL SYSTEM	Main Manufacturing Building: 4,000 amps, 277/480-Volt, 3 phase New Manufacturing Building: 2,000 amps 277/480-Volt, 3 phase Storage building and pavilion electrical supply is provided by the adjacent manufacturing buildings. A propane gas-powered, 35-kVA, emergency generator is located adjacent to the main electrical panel.
FIRE PROTECTION	Wet-pipe sprinkler system
ROOF	Low sloping gabled roofs finished with standing seam metal and insulated with fiberglass batts. Pavilion roof: manufactured wood trusses covered with a corrugated metal roof Storage building roof: Rafters on open web steel joists, covered with a standing seam metal roof.



The site is approximately 37.44 acres with four 1-story structures comprised of two manufacturing buildings totaling 120,853 SF; a 2,046 SF storage building and a 4,965 SF open pavilion eating facility. The property was constructed in two phases; Phase I, consisting of the main manufacturing building, was constructed in 1974; Phase II, consisting of the new manufacturing building, storage shed, and open pavilion were constructed between 2004-2006.



AUTO AND AEROSPACE MANUFACTURERS



GENERAL DYNAMICS

Mission Systems

GENERAL INFORMATION

Tenant: General Dynamics Global Imaging Technologies, Inc.
Wholly-Owned Subsidiary of: General Dynamics Advanced Information Systems, Inc.
Indirect Wholly-Owned Subsidiary of: General Dynamics Corporation Industry: Imaging Solutions
Public / Private: Public (NYSE: GD)
Website: <https://gdmissionsystems.com/imaging/>

LEASE INFORMATION

Address: 6717 Alabama Highway 157
City / State: Cullman / Alabama SF
Size: 120,000 SF
Net Rentable Area: 100%
Lease Type: NNN
Annual Rent Escalations: 1.5%
Tenure at Property: 42 Years predecessor companies – (name changes only)
Lease Expiration Date: 6/14/2027
Remaining Lease Term: 5 Years
Lease Options: Two (3) five (5) year options to renew

SUMMARY OF EVENTS SUCCEEDING MOST RECENT LEASE

Lease Commencement Date: 6/15/2007
Tenant: General Dynamics Global Imaging Technologies, Inc.
Guarantor: Axsys Technologies, Inc.



GENERAL DYNAMICS CORPORATION

General Dynamics is a global aerospace and defense corporation and one of the world's leading provider of mission critical systems across the land, sea, air, space, and cyber domains. The company has an established global presence in secure communications and networking, command and control systems, imagery sensors and cyber technologies. Employing more than 13,000 employees in 150 locations across the globe, General Dynamics utilizes a network of 2,000 suppliers to power the company's business lines.

Corporate Portfolio of mission critical systems includes:

- On-the-move networking for soldiers
- Mission systems and afloat networks for sailors
- Highest level network and data encryption and cyber operations support
- Deep space antennas peering into the farthest reaches of the universe
- Payloads for satellites and airborne systems

GENERAL DYNAMICS Mission Systems



General Dynamics' capabilities include:

- Networking and platform integration
- Radio and satellite communications Cyber security, defense products, and operational support
- Intelligence, surveillance and reconnaissance sensors, systems and space electronics
- Mission planning and management systems, weapon control systems and platform computing systems
- Open architecture information systems



BIRMINGHAM MARKET OVERVIEW

Birmingham's Vacancy Decreases to 3.5% Net Absorption Positive 223,306 SF in the Quarter The Birmingham Industrial market ended the second quarter 2018 with a vacancy rate of 3.5%. The vacancy rate was down over the previous quarter, with net absorption totaling positive 223,306 square feet in the second quarter. Vacant sublease space remained unchanged in the quarter, ending at 672,125 square feet. Rental rates ended the second quarter at \$3.77, an increase over the previous quarter. There was 262,500 square feet still under construction at the end of the quarter.

ABSORPTION

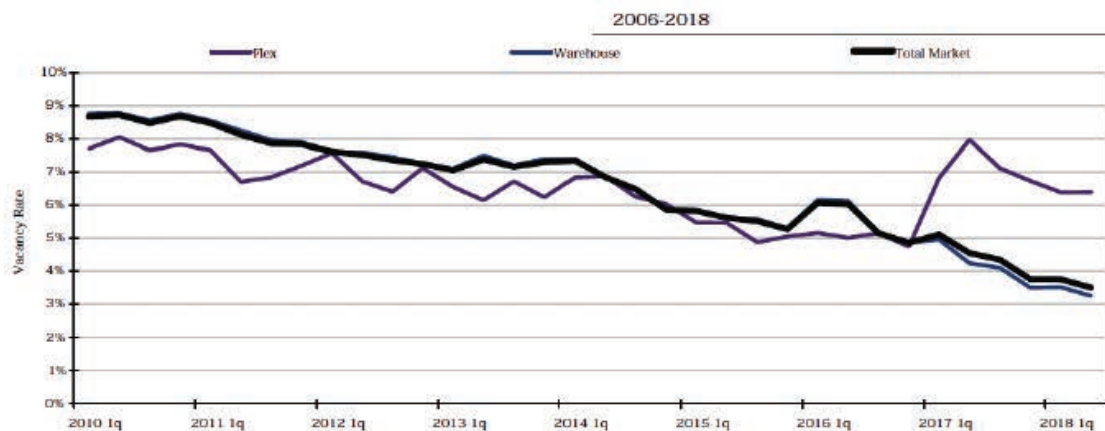
Net absorption for the overall Birmingham Industrial market was positive 223,306 square feet in the second quarter 2018. That compares to positive 15,553 square feet in the first quarter 2018, positive 1,154,381 square feet in the fourth quarter 2017, and positive 1,579,619 square feet in the third quarter 2017. Notable move out in 2018: SGI Delivery Solutions moving out of 48,600 square feet at 250 Lyon Dr.

Tenants moving into large blocks of space in 2018 include: Goggin Warehousing moving into 171,046 square feet at 2620 13th St, Mspark moving into 133,437 square feet at 1840 Corporate Woods Dr, and Truck & Wheel Group moving into 127,444 square feet at 11198 Will Walker Rd. The Flex building market recorded net absorption of negative 690 square feet in the second quarter 2018, compared to positive 39,376 square feet in the first quarter 2018, positive 44,610 in the fourth quarter 2017, and positive 91,474 in the third quarter 2017. The Warehouse building market recorded net absorption of positive 223,996 square feet in the second quarter 2018 compared to negative 23,823 square feet in the first quarter 2018, positive 1,109,771 in the fourth quarter 2017, and positive 1,488,145 in the third quarter 2017.

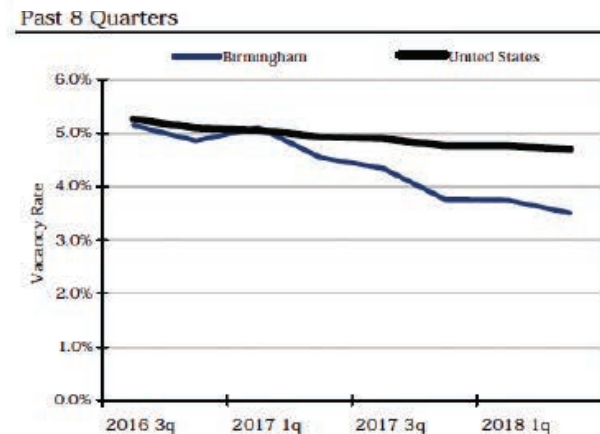
VACANCY

The Industrial vacancy rate in the Birmingham market area decreased to 3.5% at the end of the second quarter 2018. The vacancy rate was 3.7% at the end of the first quarter 2018, 3.8% at the end of the fourth quarter 2017, and 4.3% at the end of the third quarter 2017. Flex projects reported a vacancy rate of 6.4% at the end of the first and second quarters 2018, 6.7% at the end of the fourth quarter 2017, and 7.1% at the end of the third quarter 2017. Warehouse projects reported a vacancy rate of 3.2% at the end of the second quarter 2018, 3.5% at the end of first quarter 2018 and fourth quarter 2017, and 4.1% at the end of the third quarter 2017.

VACANCY RATES BY BUILDING TYPE



US VACANCY COMPARISON



LARGEST LEASE SIGNINGS

The largest lease signings occurring in 2018 included: the 59,400-square-foot lease signed by Georgia Crown Distributing at 175 Airview Ln in the Shelby County market; the 25,000- square-foot deal signed by Fairway Auto Sales at 2011 7th St N in the Chilton County market; and the 24,070-square-foot lease signed by Midwest Veterinary Supply at 201 W Oxmoor Rd in the South Jefferson County market.

SUBLEASE VACANCY

The amount of vacant sublease space in the Birmingham market stayed the same as the first quarter 2018 at 672,125 square feet. There was 660,388 square feet vacant at the end of the fourth quarter 2017 and 661,838 square feet at the end of the third quarter 2017. Birmingham's Flex projects reported no vacant sublease space at the end of the first and second quarters 2018. There were 9,763 square feet of sublease space vacant at the end of the fourth quarter 2017, and 11,213 square feet at the end of the third quarter 2017.

Warehouse projects reported no vacant sublease space for the first and second quarters 2018. Sublease vacancy stayed the same at 672,125 square feet during that time. There was 650,625 square feet at the end of the third and fourth quarters 2017.

**RENTAL RATES**

The average quoted asking rental rate for available Industrial space was \$3.77 per square foot per year at the end of the second quarter 2018 in the Birmingham market area. This represented a 1.6% increase in quoted rental rates from the end of the first quarter 2018, when rents were reported at \$3.71 per square foot. The average quoted rate within the Flex sector was \$8.06 per square foot at the end of the second quarter 2018, while Warehouse rates stood at \$3.37. At the end of the first quarter 2018, Flex rates were \$7.96 per square foot, and Warehouse rates were \$3.34.

DELIVERIES AND CONSTRUCTION

During the second quarter 2018, no new space was completed in the Birmingham market area. There was no new space completed in the first quarter 2018, two buildings totaling 327,444 square feet completed in the fourth quarter 2017, and 1,300,000 square feet in one building completed in the third quarter 2017. The largest project underway at the end of second quarter 2018 was 451 Industrial Dr., an 112,500-square-foot facility.

INVENTORY

Total Industrial inventory in the Birmingham market area amounted to 143,802,620 square feet in 4,362 buildings as of the end of the second quarter 2018. The Flex sector consisted of 11,537,179 square feet in 834 projects. The Warehouse sector consisted of 132,265,441 square feet in 3,528 buildings. Within the Industrial market there were 536 owner-occupied buildings accounting for 36,089,611 square feet of Industrial space.

Reports compiled by: CoStar, Brian Feller, Research Manager & Alabama Research Team



BIRMINGHAM



Why Birmingham? The wonderful climate, tree-blanketed and hilly terrain, and the wonderful hospitality of the people make Birmingham an ideal place to live. Birmingham has outstanding communities and public and private schools, colleges and universities, including a world-class medical research university at the University of Alabama at Birmingham (UAB).

Birmingham is home to the Birmingham Civil Rights District National Monument, a progressive business climate that fosters growth, a revitalized downtown where people go to work, live and play, and an unparalleled food and art scene that has grabbed the attention of visitors and publications from across the world.

Metropolitan Birmingham is located at the southern terminus of the Appalachian Mountains. The region enjoys a moderate winter and hot summers. The average annual temperature for the Birmingham region is a low of 50.9 degrees and a high temperature of 73.4 degrees

Metropolitan Birmingham is positioned at the center of Alabama's outdoor recreation amenities. Several large-scale lakes, state parks and national forest are located within a 1.5 hour drive from downtown Birmingham, including Alabama's largest state park, Oak Mountain; Alabama's only Wild and Scenic River, the Sipsey River; the Cahaba River, ranked among the nation's most scenic and biologically diverse rivers; and Smith Lake, ranked among the cleanest lakes in the U.S.

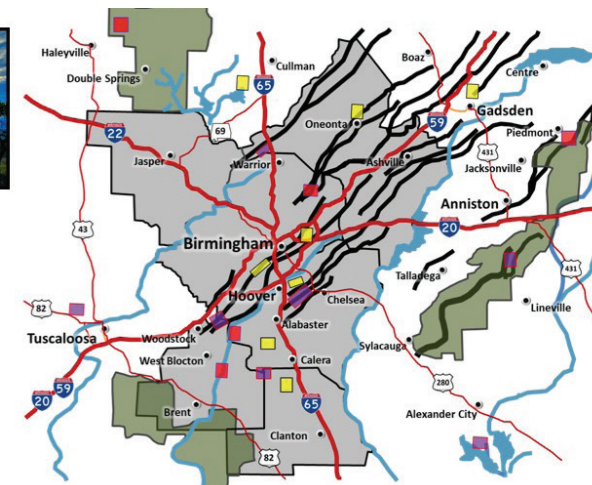
With one of the lowest costs of living of any major metro in the Southeast, Birmingham is one of America's best-kept secrets.

HIGHLIGHTS

- Most green space per capita in the nation
- 25-minute commute time – less than other major U.S. metros
- 1.1 million people



- Major Ridge
- National Forest
- State Park
- Regional Park
- Nature Preserve



BIRMINGHAM: JOB GROWTH

Birmingham is and has always been a city for builders, from steel mills to startups. The Magic City is focused on becoming a magnet for the next generation of purpose-driven builders interested in spurring innovation and entrepreneurship. Birmingham ranks as one of the most important business and banking centers in the Southeastern U.S. Birmingham, and is the cultural and entertainment capital of Alabama with its numerous art galleries in the area. Birmingham hosts numerous cultural festivals showcasing music, films, and regional heritage.

BIRMINGHAM'S MAJOR EMPLOYERS



COMPANY

OF JOBS

UAB	21,245
Regions Financial Corporation	9,000
Children's of Alabama	4,800
St. Vincent's Health System	4,786
Baptist Health System, Inc.	4,633
AT&T	4,517
Honda Manufacturing of AL	4,500
Alabama Power Co.	3,982

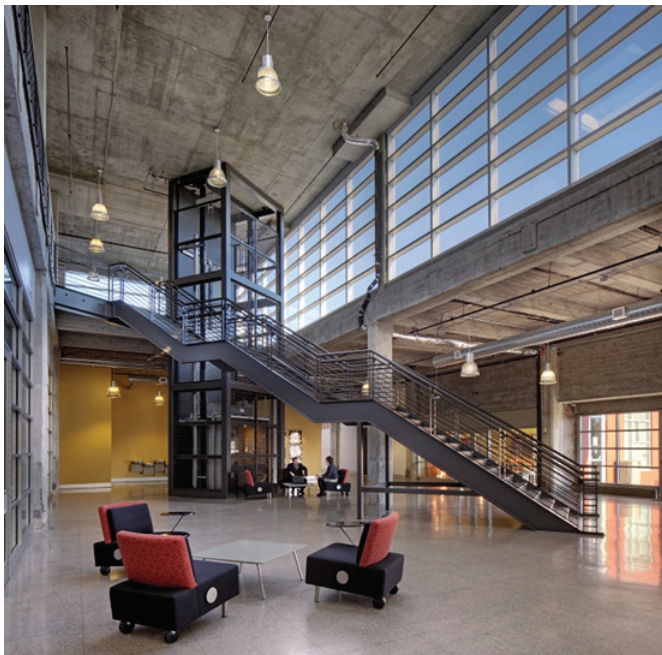
*Source: Birmingham Business Alliance



BIRMINGHAM: INNOVATION & TECHNOLOGY



Children's Hospital

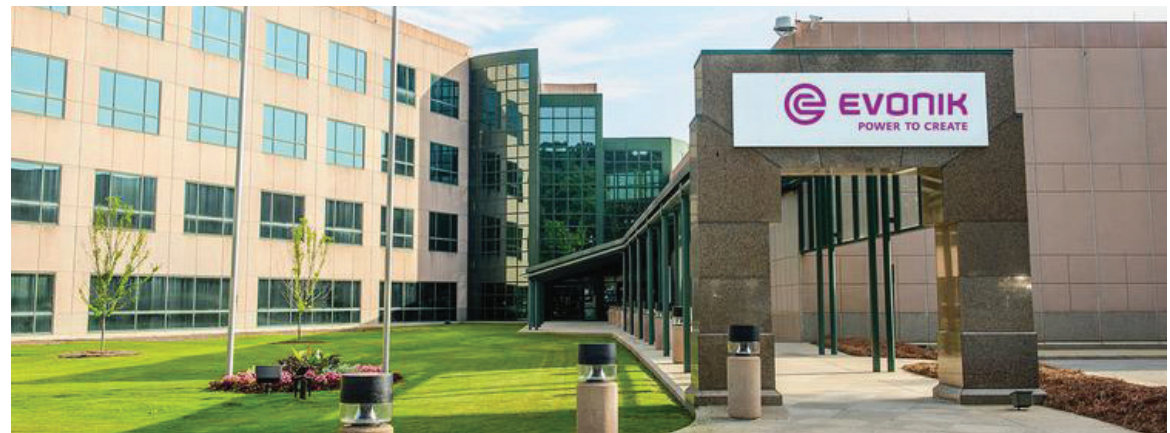


Innovation Depot

Innovation and technology thrive in the Birmingham seven-county region. The regional innovation ecosystem is supported by major assets such as the University of Alabama at Birmingham, the largest employer in Alabama with \$538 million in research expenditures in 2017, Southern Research, with seven FDA-approved drugs on the market, and Innovation Depot, the largest and most successful business technology incubator in the Southeast.

Birmingham is a regional hub for health care, with 21 hospitals in the region that collectively had over 1 million patient days in 2016. It is one of the largest banking markets in the United States and is home to numerous angel and venture capital groups. It is strategically located in Southeastern U.S. – within 175 miles of Atlanta, GA, and Nashville, TN.

Birmingham is also home to hundreds of technology-based companies. Some of the largest and most notable biotechnology employers in the region include Evonik, which specializes in drug delivery technologies and manufacturing for pharmaceutical, biotechnology, and medical device companies and employs 800 people in Alabama; Steris/IMS, a global infection prevention, decontamination and surgical and critical care company; and Oxford Pharmaceuticals, which recently opened a new drug manufacturing facility in Birmingham.



BIRMINGHAM: ECONOMIC ADVANCEMENT



Having more than 3,509 new jobs and \$1,099,353,087 million in capital investment announced in 2015, the Birmingham region is realizing its potential as a powerhouse in Alabama and the Southeast. In fact, Birmingham's 3.8% GDP growth from 2011 to 2012 outpaced not only Alabama's other metros, but also the nation, which averaged growth of 2.5%.

- Over \$1 Billion invested in Birmingham region in 2015
- Birmingham's 3.8% GDP growth outpaced both Alabama and the U.S. (2011-2012)

Boasting an excellent transportation infrastructure; low cost of living and doing business; unprecedented collaboration and support among local business leaders, a world-class research institution at the University of Alabama at Birmingham; a thriving technology and innovation ecosystem; and a 21st century workforce, the economic development climate in Birmingham has been the recent focus of media across the nation.

- Excellent transportation infrastructure
- Low cost of living and cost of doing business
- Incredible collaboration and support from political leaders
- Thriving technology and innovation ecosystem



BIRMINGHAM: ACCOLADES

"Birmingham named #1 City where a Dollar Stretches the Furthest" —Forbes, 2017



- 2018 - #1 Top Metro Area in the U.S. for Jobs in Healthcare, Adobo
- 2018 - Top Ten Markets for Home Buyers, Owners.com
- 2018 – Up-and-coming Tech Hotspot, Livability
- 2018 - James Beard Winner “Outstanding Restaurant” - Highlands Bar & Grill
- 2018 - James Beard Winner “Outstanding Pastry Chef” - Dolester Miles of Highlands Bar & Grill
- 2017 – Top 25 Best Cities to Find a Job, Glassdoor
- 2017 – Top 52 Places to Go in 2017, *The New York Times*
- 2017 – Mountain Brook & Oak Mountain High school ranked among top 10 high schools in Alabama
- 2017 - Top 10 Cities with the Fastest Growing Incomes, Smart Asset
- 2017 – US Steel get approval for large Hoover Development
- 2017 - STERIS/IMS investing \$1.6 Million for its Birmingham
- 2016 - One of Nation’s Best Places to Start a Business, WalletHub
- 2016 - 18th Happiest City for Workers, Indeed Hiring Lab
- 2016 - Best Places to Live, U.S. News and World Report



HUNTSVILLE



The high-tech city of Huntsville, which sprawls at the foot of a mountain in North Alabama, is equally at home in the 19th century or the 21st. Huntsville's tourist attractions reflect the heritage of Alabama's first English-speaking city, the strife of the American Civil War and the accomplishments of America's rocket scientists.

The city is nicknamed "The Rocket City" for its close history with U.S. space missions. Huntsville has been important in developing space technology since the 1950s.

Huntsville is continuously voted as one of the best places to live in the U.S. It's easy to see why when you spend time in any of the diverse areas of town. Despite rapid growth, the "Rocket City" is laid out in an intuitive and easy-to-navigate way, making it simple to plan a visit full of worthwhile sights.



Each district has unique elements that cater to any kind of lifestyle. Whether it's the history of the Merrimack, Lincoln and Medical districts, the peaceful ambience of Hampton Cove, or the fine dining and shopping of Providence and Research Park, Huntsville's residents and visitors love having options for where and how they spend their time.

From the rich, historic architecture and neighborhoods to progressive industries in aerospace, defense and biotech to our culture that encourages innovation and inclusivity, the "Rocket City" has never failed to adapt to the present while maintaining a love for the past.



HUNTSVILLE: RED STONE ARSENAL

Redstone Arsenal is located in the heart of the Tennessee Valley, in Madison County. Redstone Arsenal was built in 1941 to produce conventional chemical ammunition for use in World War II. For more than 40 years, Redstone has been the heart of the Army's rocket and missile programs. Dr. Werner von Braun and his German rocket experts developed the first ballistic missile; this led to the establishment of NASA's Marshall Space Flight Center in 1960. Today, Redstone is home to the U.S. Army Aviation and Missile Command (AMCOM), the Space and Missile Defense Command, numerous Program Executive Offices (PEO), and major components of the Defense Intelligence Agency and the Missile Defense Agency. Also located here are numerous tenant and satellite organizations.

"Team Redstone's" mission is perform basic and advanced weapons system research and development, placing the right missile and aviation systems with the troops, keeping them ready to fight, providing weapon systems, services and supplies to our allies, to manage weapon systems such as the Cobra and PATRIOT, and to support project managers within the program executive office structure.





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