

ASSOCIATIONS AND NOT-FOR-PROFIT SERVICES

ILLUSTRATIVE LIST OF DELTA'S EXPERIENCE

AMERICAN SPEECH-LANGUAGE-HEARING ASSOCIATION — HEADQUARTERS RELOCATION ANALYSIS

Delta conducted an analysis of this large professional association's contemplated relocation from the Washington, DC suburbs to Indianapolis. We evaluated the cost of staff relocation and recruitment/training, and assessed potential financial impact differentials of occupancy costs and labor costs.

NATIONAL CITY CHRISTIAN CHURCH — DEVELOPER SELECTION AND TRANSACTION NEGOTIATIONS

Delta assisted this church with plans to ground lease its parking lot for development of an apartment building on Thomas Circle in downtown Washington, DC. Delta helped negotiate the ground lease terms, assisted the attorneys in drafting the lease document, prepared the offering package, screened proposals from developers, and coordinated negotiations with the selected developer.

NATIONAL WILDLIFE FEDERATION — HEADQUARTERS SPACE NEEDS AND LEASE/PURCHASE ANALYSIS

The client engaged Delta to analyze space needs, by function, over the coming 10 years based on considerations of institutional mission and technology changes. We prepared a financial evaluation of three types of options — build-to-suit, purchase of existing leased building, and lease (current location or elsewhere). We addressed cash flow and balance sheet impacts of each option, and we managed the broker selection process.

FIRST BAPTIST CHURCH — HIGHEST AND BEST USE AND FINANCIAL ANALYSIS

This church is located in Northwest Washington in a neighborhood experiencing strong development pressure. The church desired an analysis of the optimal use of its parking lot. Working with the prospective development partner on behalf of the church, Delta Associates prepared a comparative analysis of apartment and office development — the two uses for which there is demonstrable demand and likely to be permitted under the site's zoning. In addition to cash flow analyses showing the church's relative returns under each scenario, Delta also prepared an assessment of the pros and cons of each compared to the church's stated objectives.

ACADEMY FOR EDUCATIONAL DEVELOPMENT — HEADQUARTERS LEASE ANALYSIS

For this 170,000-square-foot tenant, Delta analyzed the competitiveness of a "best and final" lease offer by the landlord of a downtown Washington, DC building. The Academy was represented by a tenant broker, but wanted an independent evaluation of the lease. Delta was asked to suggest individual lease terms that might be improved.

NATIONAL RECREATION & PARKS ASSOCIATION — HEADQUARTERS RELOCATION ANALYSIS

Delta evaluated a proposal by the City of Indianapolis for NRPA to move from Alexandria, Virginia. The analysis involved evaluation of extensive government inducements: free space, moving assistance, program sponsorship, future space needs, the impact on NRPA of its removal from Capitol Hill, and quality of life issues for employees.

TAX ANALYSTS — HEADQUARTERS SITE REDEVELOPMENT

A not-for-profit research organization controlling a mixed-use site sought Delta Associates assistance with a land value optimization analysis that also required a study of implementation format. Key components to this study: The client's need for headquarters space, acquisition of remaining out-parcels on the subject site, optimization of potential uses (office and apartments), and evaluation of different development/implementation formats. Delta prepared financial models to evaluate the mix of uses, timing of development opportunities, development/implementation formats, and evaluation of the uses likely to be most desirable to potential development partners. Other issues considered in the analysis included a potential sale-leaseback transaction, and the need for local government assistance (through zoning exceptions and economic development incentives).

THE PETER N. G. SCHWARTZ FOUNDATION — DEVELOPER SELECTION, TRANSACTION NEGOTIATIONS, MARKET ANALYSIS

The not-for-profit foundation controlling a 100-acre site adjacent to the Branch Avenue Metro station in Prince George's County, Maryland engaged Delta to coordinate the sale of land bays to developers. The assignment included detailed market analyses for the following land uses: apartments, condominiums, townhouses, seniors housing, and retail. Delta assisted the owner with financial analysis and strategy for land sales, and was the lead advisor in coordinating a team of engineers, land planners, architects, transportation planners, attorneys, community relations consultants, and marketing consultants to prepare an offering package for the planned mixed-use project known as The Town Center at Camp Springs.

WHITE PAPER ON ASSOCIATIONS IN THE WASHINGTON METRO AREA REAL ESTATE MARKET

Delta Associates was engaged by Transwestern Commercial Services to prepare a special report, titled "Associations in the Washington Metropolitan Area: An Overview of Their Impact on the Real Estate Market and an Understanding of Their Real Estate Needs". The study addressed the following issues:

- How large a presence do associations have in the Washington area, and how much space do they occupy?
- How does an association's strategic mission impact its real estate decisions?
- What are the key considerations association executives face when deciding whether to lease or purchase office space?
- What factors may affect an association's ability to own its headquarters?
- What special considerations affect associations' real estate decisions, as compared to the decisions of for-profit organizations?

This white paper can be downloaded from our web site using the following link:

<http://www.deltaassociates.com/content/marketinformation/documents/2003AssociationReport.pdf>

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