

ASTROLAB
VENTURI

12536 CHADRON AVENUE
HAWTHORNE, CA 90250

100% LEASED R&D TROPHY ASSET



VIRTUAL TOUR



A DIVISION OF
LEE &
ASSOCIATES

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A DIVISION OF
LEE & ASSOCIATES

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01

EXECUTIVE SUMMARY

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OFFERING MEMORANDUM





PROPERTY SUMMARY

Address	RSF	Site	Built
12536 Chadron Ave. Hawthorne, CA 90250	22,665	1.03 Acres	1960/2021
Parking	% Leased	WALT	Tenancy
19 Spaces	100%	8.6 Years	Astrolabs Mar-31

Lee & Associates Los Angeles West, Inc., as exclusive advisor, is pleased to present the opportunity to acquire the fee-simple interest in Astrolab at Chadron, a 100% leased office and R&D headquarters in Hawthorne, California.

Newly renovated in 2020, the building is 100% leased to Venturi Astrolab through March 2031, offering an investor a rare opportunity to acquire a trophy asset with a secure income stream in California's highly-coveted Hawthorne aerospace cluster.

Astrolab is designing, building, and operating a fleet of multi-purpose commercial planetary rovers to extend and enhance humanity's presence in the solar system. The multi-functional Flexible Logistics & Exploration (FLEX) rover is being developed to support human operations, robotic science, exploration, logistics, construction, resource utilization, and other activities critical to enabling a sustained human presence on the Moon, Mars, and beyond.

Household names like Amazon, Tesla, The Boring Company, Ring, and a plethora of blue-chip venture startups have transformed Hawthorne into a world-class ecosystem of innovative companies with record low vacancy.



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INVESTMENT HIGHLIGHTS

CREATIVE INDUSTRIAL ON THE RISE

Low-rise creative industrial space in Hawthorne is highly sought after by investment-grade tenants and venture-backed companies seeking hybrid R&D formats with a creative office component. With traditional office rents north of \$4.25 PSF/FSG in El Segundo and \$6.50 PSF/FSG in Silicon Beach, the City of Hawthorne continues to outperform with unique product, strong demand drivers, and unparalleled opportunity for rent growth and appreciation.

BUSTLING “SPACE CORRIDOR” SUBMARKET

Hawthorne’s iconic “Space Corridor” is home to some of the most innovative companies in the world, including Amazon (Ring), Tesla and SpaceX, as well as an emerging host of progressive startups. Hawthorne’s abundant low-rise adaptive reuse inventory is ideal for this expanding tenant base, offering creative finishes with the potential for full building control.

TENANCY

100% leased to Venturi Astrolab (Mar-31), providing a reliable income stream for 8+ years

WALT

8.6 years of WALT from best-in-class aero-space company, serving as an HQ location with mission-critical improvements

MARK-TO-MARKET

In-place rents nearly 10% below market provide an attractive mark-to-market opportunity upon expiration

RENEWAL PROBABILITY

High probability renewal supported by extensive tenant investment above specialized landlord build-out

SoFi Stadium

SPACEX

LOWE'S

TESLA

Target

AMPAIRE

amazon

SPACEX

SURFAIR

Millennium SOUTH BAY

SPACEX

ASTROLAB VENTURI at CHADRON

Lime

13100 YUKON AVAILABLE VIA SEPARATE OFFERING

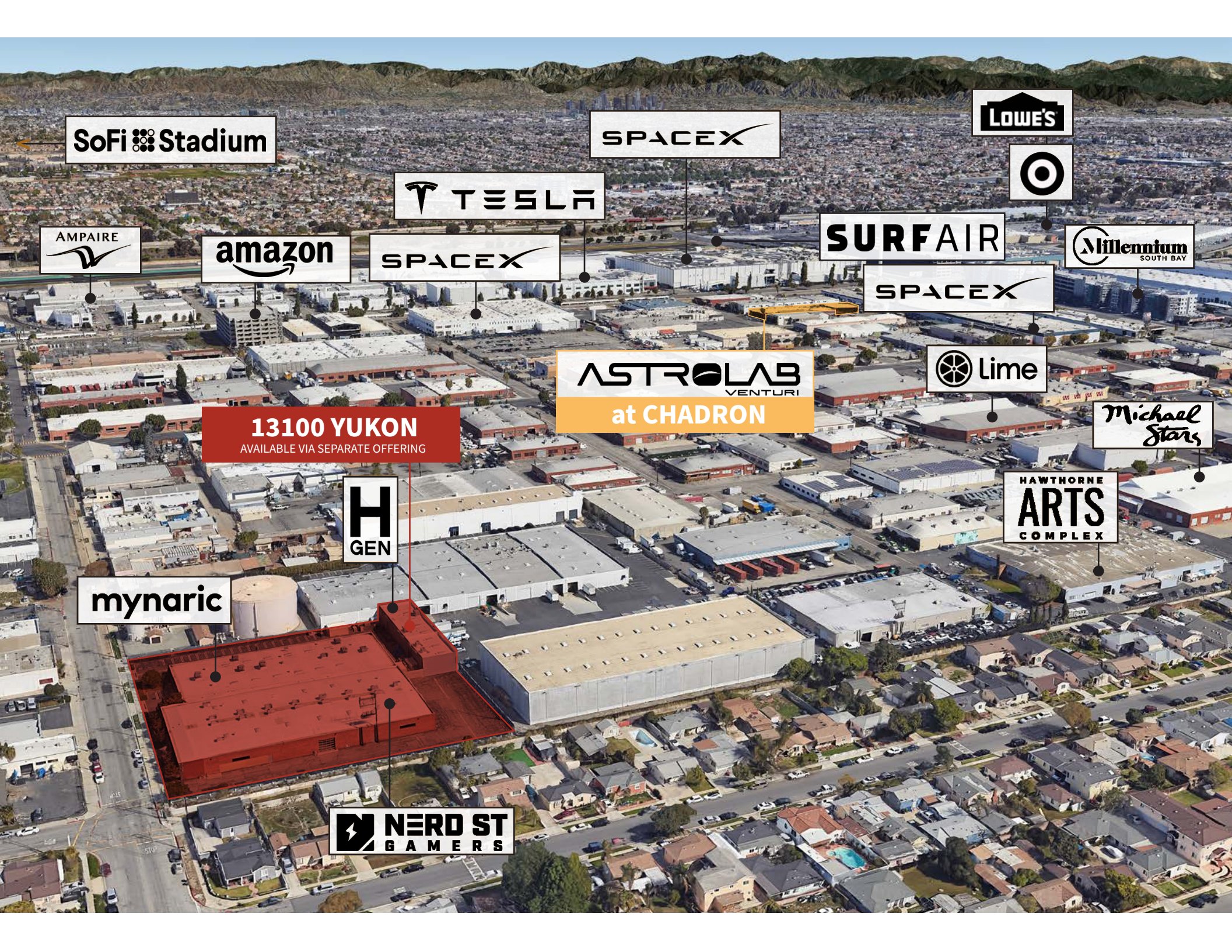
Michael Stars

H GEN

HAWTHORNE ARTS COMPLEX

mynaric

NERD ST GAMERS



PROPERTY DESCRIPTION



PROPERTY SPECS

RSF

± 22,665 SF

Buildings

1

Stories

1 Story

Built / Renovated

1960 / 2021

SITE DETAIL

Site Area

1.03 Acres

APN

4049-008-027

Zoning

M2

Ingress / Egress

Access along Chadron Avenue and driveway located on north side of building.

Signage

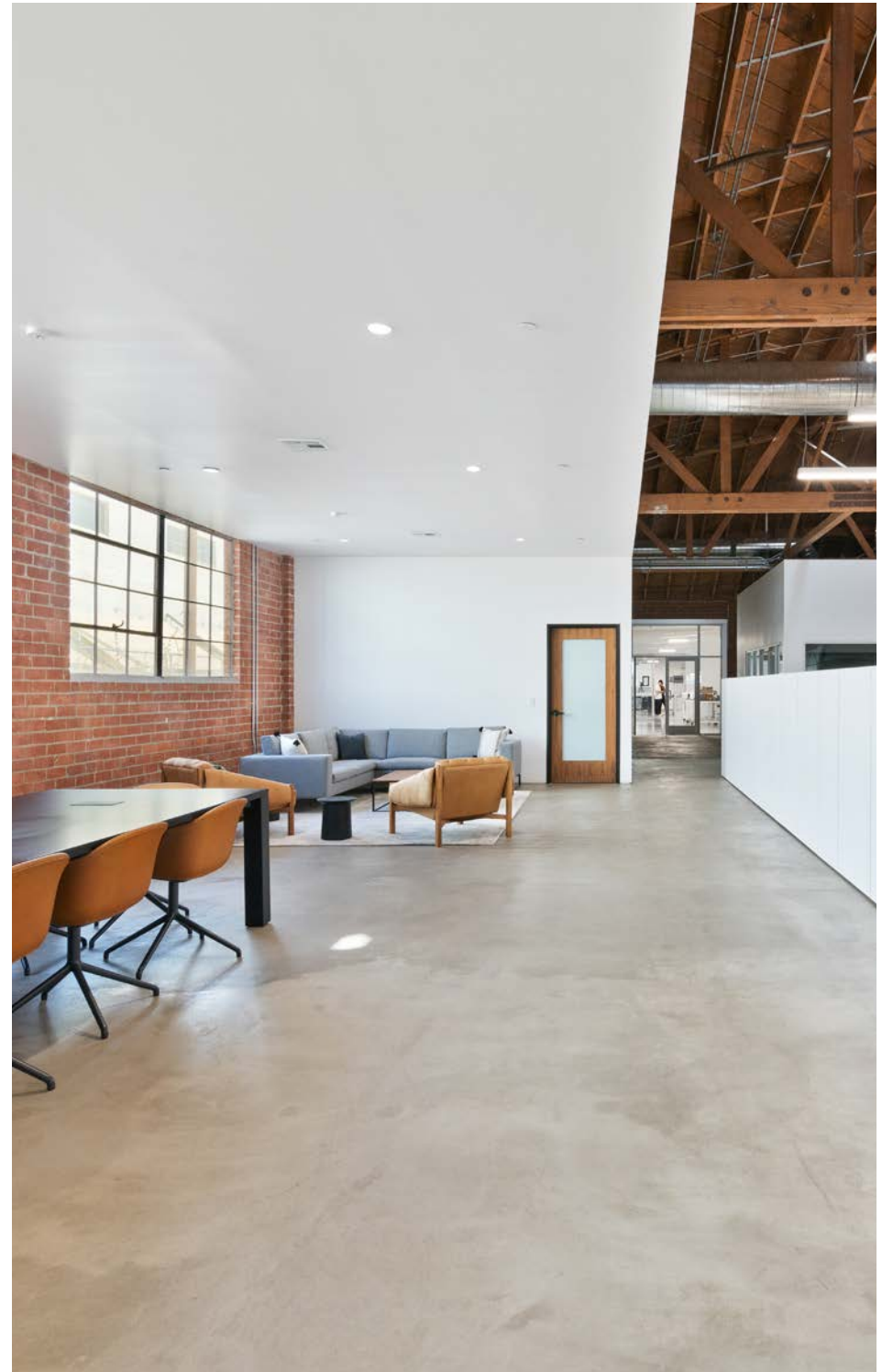
Building top signage

Parking

19 surface lot spaces

Landscaping

Grass, gravel, shrubs, flowers and trees surrounding the building entrances.



CONSTRUCTION DETAIL

Foundation

Concrete Slab-On-Grade

Superstructure

Wood Framing and Brick Masonry/CMU

Windows

Steel Frame Factory Windows

Roll-Ups

Three roll-up, garage-style doors

Doors

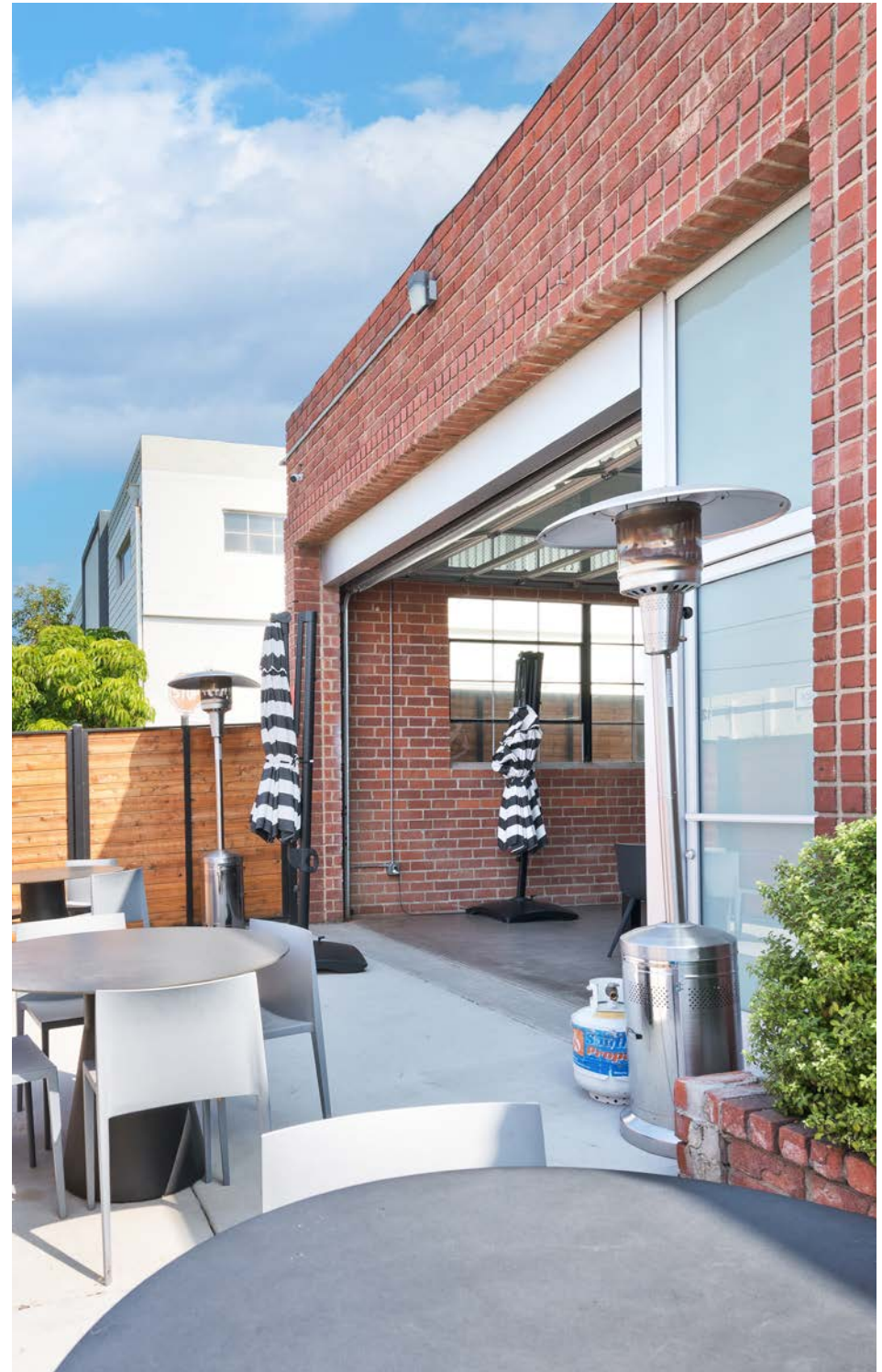
- Dual-pane panel windows with painted metal framing
- Metal, wood, and glass passenger doors

Ceiling Heights

- Sandblasted 23' Bow Truss Ceiling
- 9 - 12' Drywall Hard Lid Ceilings in Offices, Restrooms and Lab Spaces

Roof

Built-up Membrane



INTERIOR DETAIL

Tenant Spaces

- Kitchen, Dining Area and Outdoor Patio Area
- Conference Room
- Two Clean Rooms, Test Lab, Air Lock, and Sand Box/Demo Area
- Polished Concrete Flooring
- Walls with Exposed Brick, Painted Drywall, and Acoustic Paneling

Restrooms

- (1) Men's Restroom
- (1) Women's Restroom
- (1) additional Restroom with a Shower

Plumbing

- Copper Domestic Water Lines
- Cast Iron Sewer Lines

Fire / Life Safety

FLS Monitoring

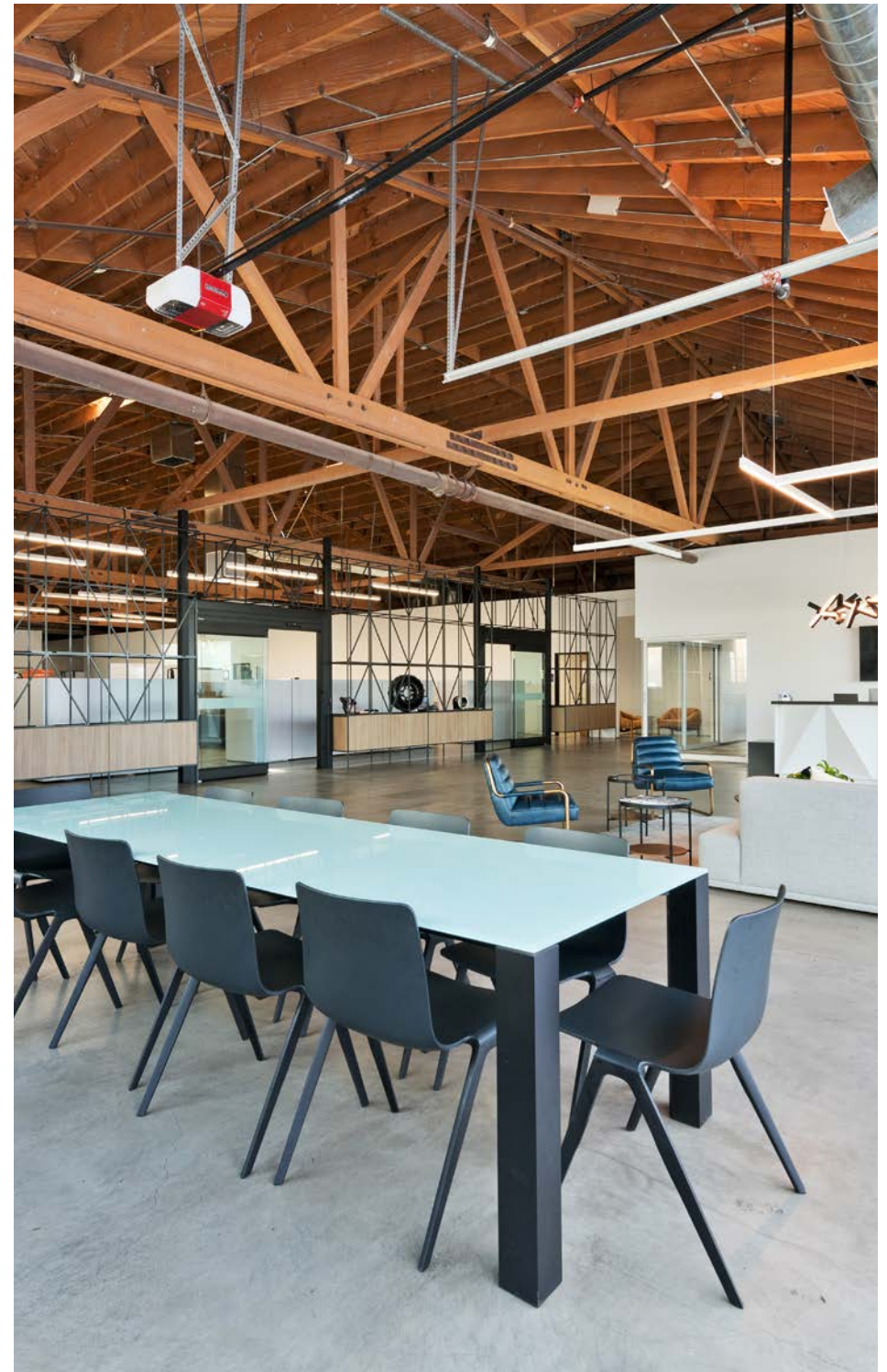
Utilities

Water: City of Hawthorne

Gas: Southern California Gas Company

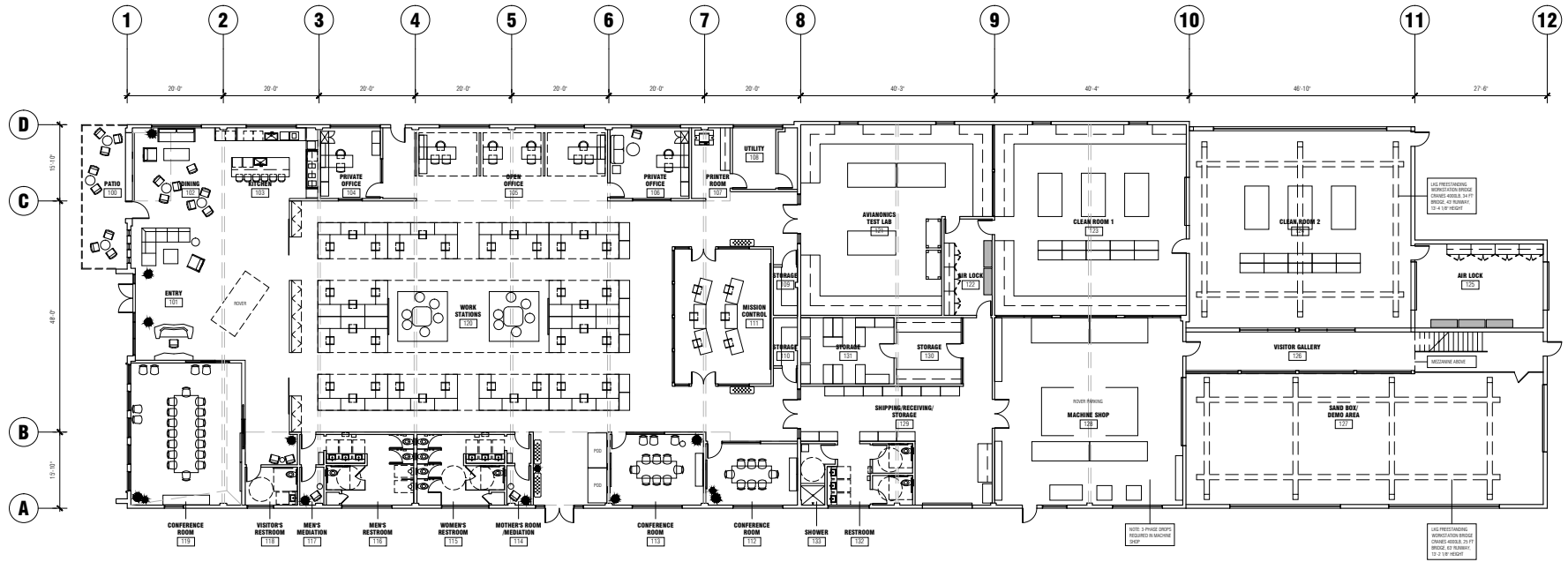
Electricity: Southern California Edison

Sewer: City of Hawthorne

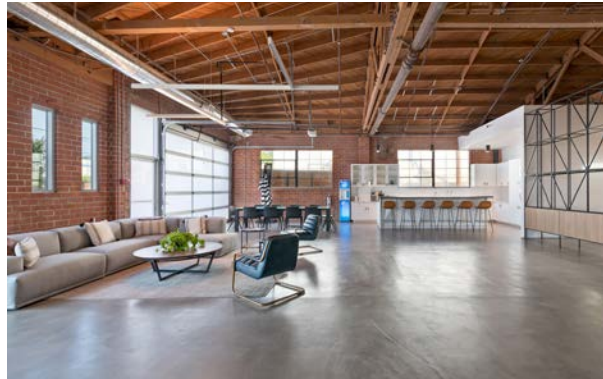


FLOOR PLAN

22,665 SF



LEE WEST LA



MARKET OVERVIEW



SOUTH BAY MARKET OVERVIEW

The South Bay office market is defined by aerospace, technology, entertainment, municipal, and life science tenants that are attracted to the market's ability to attract and retain top talent. Known for its unrivaled quality of life, the South Bay is supported by a wide variety of residential neighborhoods, high-end retail, first-class restaurants, leading educational centers, and cultural attractions that have drawn a diversified and educated labor force.

The South Bay is bounded by West Los Angeles to the north and has gained momentum in recent years as the "Lower Westside" markets of Playa Vista, Culver City, and El Segundo have emerged as the epicenter for prominent TAMI tenants globally.

Additionally, the South Bay offers unparalleled transportation infrastructure including proximity to LAX, Hawthorne, and Long Beach Airports, a robust freeway system (405, 105, 110 adjacency, and an expanding Metro line system).





SPACEX

amazon

TESLA

THE BORING COMPANY

Skyrise

SURFAIR

EPIRUS

Freeform

mynaric

HIGH BARRIERS TO ENTRY

High barriers-to-entry market due to restrictive zoning, premium land costs and a limited pool of institutional Class A ownerships.

STRONG DEMAND DRIVERS

Driven by a robust tech/aerospace market, asking rates are near historic highs at \$3.49 MG with less than 2% submarket vacancy post-COVID.

SUPPLY CONSTRAINED MARKET

Net absorption over the past year came in 88,000 SF, substantially above the five-year average with no new deliveries in the pipeline for 2023.

PREFERRED GROWTH TENANT MARKET

Submarket of choice for top-growth tenants fueled by surging original content budgets, booming aerospace industry, and record levels of venture capital for tech.

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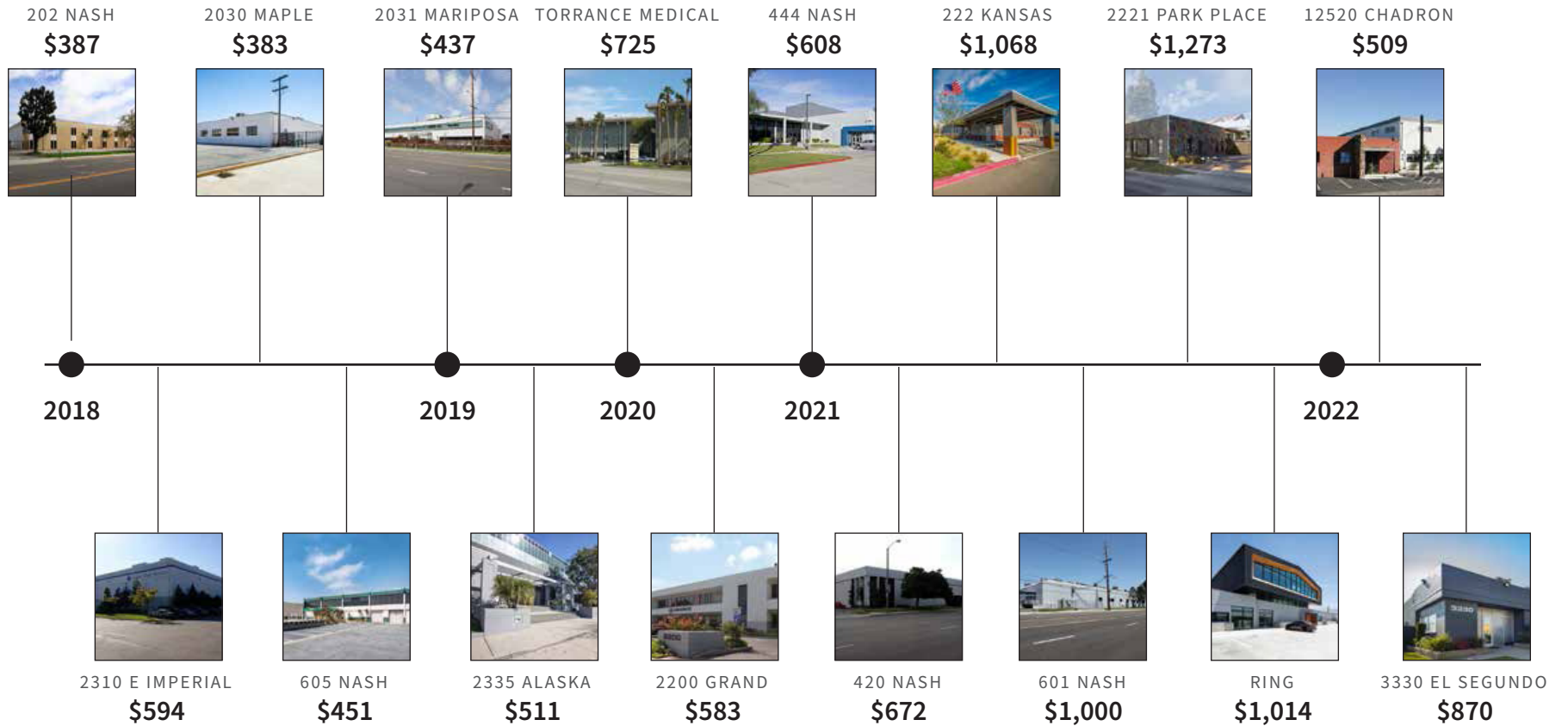
HAWTHORNE OFFICE OVERVIEW

Hawthorne continues to experience tremendous rent growth. Class A office/R&D rents have doubled since 2017 to \$3.49 MG in Q3 2022, an annualized increase of 18% over the last 5 years.

322**BUILDINGS****2.9 MSF****INVENTORY****\$3.49 MG****AVG ASKING RATE**

SOUTH BAY LIFE SCIENCE / R&D TRAJECTORY

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SPACEX HAWTHORNE PRESENCE

SPACEX BY THE NUMBERS

\$100B
VALUATION

12,000
EMPLOYEES

#2
MOST VALUABLE PRIVATE
COMPANY IN THE WORLD

SPACEX HAWTHORNE FOOTPRINT

2.2 MSF
HAWTHORNE
FOOTPRINT

319
SPACEX HAWTHORNE
JOB OPENINGS

20
BUILDINGS
LEASED/OWNED
IN HAWTHORNE

RECENT LEASE EXTENSIONS

1 ROCKET ROAD
460,000 SF
2029 EXPIRATION

CENTURY BUSINESS CENTER
1.0 MSF
2029 EXPIRATION



COMPETITIVE SET

Available Via
Separate Offering



CHADRON



YUKON



RING HQ



EPIRUS



CERISE COMPLEX



CERISE COMPLEX

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	Chadron	Yukon	Ring HQ	Epirus	Cerise Complex	Cerise Complex
Address	12536 Chadron Ave.	13100 Yukon Ave.	12515 Cerise Ave.	12831 Weber Way	12824 Cerise Ave.	3330 W. El Segundo Blvd.
RSF	22,665	52,074	61,380	16,170	20,097	14,000
% Leased	100%	89%	100%	100%	100%	100%
Available RSF	0	0	0	0	0	0
Built	1951	1960	1969	1971	1968	1968
# of Floors	1	1	1	1	1	1
Major Tenants	Venturi Astrolab	Mynaric, Nerd Street Gamers	Ring	Epirus	Freeform Future	Epirus
Ownership	Vella Group	Vella Group	IDS Real Estate	SteelWave	SteelWave	SteelWave

TENANT PROFILE





Square Footage

22,665 SF

% of Project RSF

100%

Current Contract Rent

\$2.48 PSF NNN

Lease Expiration

March 2031

Website

[Astrolab Space](https://www.astrolab.space)

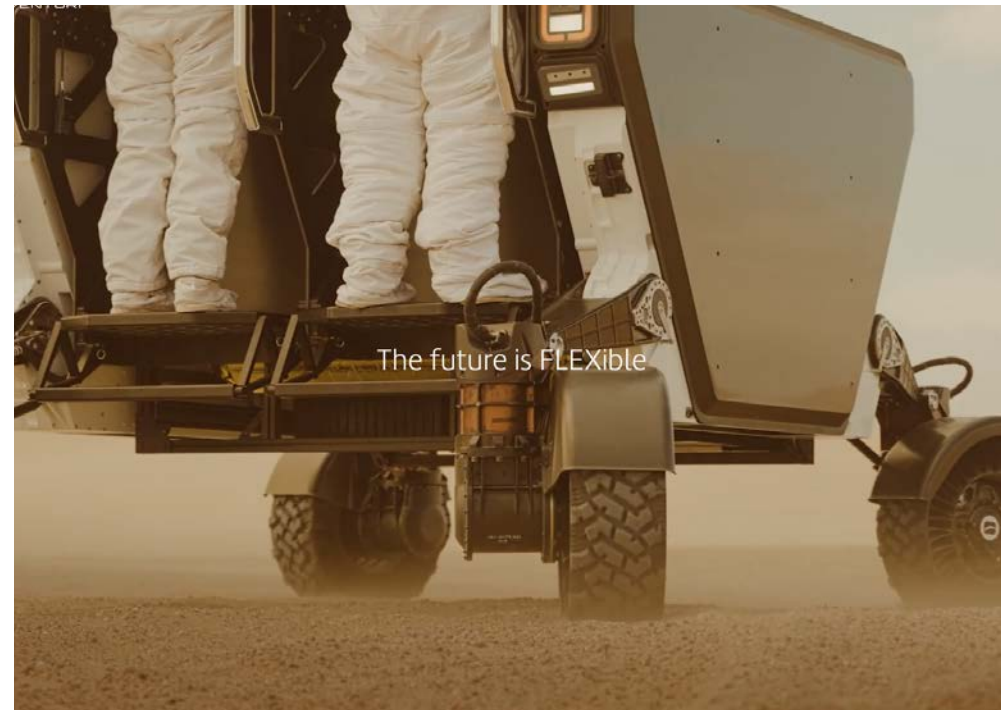


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Venturi Astrolab, Inc. (Astrolab) is pioneering new ways to explore and operate on distant planetary bodies. Astrolab is singularly focused on designing, building and operating a fleet of multi-purpose commercial planetary rovers to extend and enhance humanity's presence in the solar system.

American owned and operated, Astrolab's team brings more than five decades of experience in terrestrial and planetary robotics, electric vehicles, human spaceflight, and human intelligence field operations. Astrolab's stellar team, strategic partnerships with cutting-edge companies and institutions, combined with its world-class manufacturing, integration and test facility will enable the delivery of lunar and Mars mobility solutions at maximum reliability, flexibility and cost effectiveness.

The company was founded in 2019 by former NASA employees and is headquartered in Hawthorne at Chadron.



FINANCIAL ANALYSIS



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ASSUMPTIONS

General Assumptions

Analysis Start	11/01/22	Hold Period	10 Years	Analysis End	10/31/32	Building Area	22,665 RSF
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Global Assumptions

Inflation		Capital Reserves (\$/SF/Year)	\$0.10	Market Rent (\$/SF/Month)			
Market Rent	3.00%			2022	3.00%	\$2.75	
Operating Expenses	3.00%	Management Fee (% of EGR)	3.00%	2023	3.00%	\$2.83	
Real Estate Taxes	2.00%			2024	3.00%	\$2.92	
		Real Estate Taxes Reassessed	Yes	2025	3.00%	\$3.00	
General Vacancy	0.00%	Rate	1.235394%	2026	3.00%	\$3.10	
		Direct Assessments	\$6,191.13	2027	3.00%	\$3.19	

Market Leasing Assumptions

Notes

	New	Renew	Blended
\$2.75 NNN			
Lease Term			63 Months
Renewal Probability	25%	75%	100%
Downtime	6 Months	0 Months	2 Months
Base Rent (2022) (\$/SF/Mo.)	\$2.75	\$2.75	\$2.75
Annual Escalations			3.00%
Free Rent	3 Months	3 Months	3 Months
Recoveries			NNN
Tenant Improvements	\$20.00	\$10.00	\$12.50
Leasing Commissions	6.00%	3.00%	3.75%

Revenue

Seller to credit contractual rent and recovery abatement totaling \$284,667 (\$240,929 of rent abatement and \$43,738 of recovery abatement). Recovery abatement modeled to equal 55.1% of expenses to reflect abatement of the capped expenses only. Buyer should adjust free recovery percentage in ARGUS file based on their purchase price.

Expenses

Projected operating expenses are based on 103% of 2021 actuals. Tenant has a \$5.40 PSF/year cap on expenses in the first lease year with 2% annual increases. Expense cap includes tax expenses. Tenant has been modeled to pay the increase in taxes due to reassessment as a separate expense pool, while the non-reassessed tax amount is included in the capped expense pool. Tenant has Proposition 13 protection for the remainder of its lease term. Seller shall buyout Proposition 13 protection. Real estate taxes reassessed at \$13,400,000.

Other Notes

MLA leasing commissions for Months 61-63 are 3% New and 1.5% Renew. MLA leasing commissions include reimbursements.

CASH FLOW PROJECTIONS

	Year 1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Year Ending	\$/SF	Oct 2023	Oct 2024	Oct 2025	Oct 2026	Oct 2027	Oct 2028	Oct 2029	Oct 2030	Oct 2031	Oct 2032
Occupied Area		22,665	22,665	22,665	22,665	22,665	22,665	22,665	22,665	18,888	22,665
Building Area		22,665	22,665	22,665	22,665	22,665	22,665	22,665	22,665	22,665	22,665
Average Occupancy Percentage		100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	83.34%	100.00%
Weighted Average In-Place Rent		2.52	2.59	2.66	2.74	2.81	2.89	2.97	3.06	3.38	3.63
Weighted Average Market Rent		2.82	2.90	2.99	3.08	3.17	3.27	3.37	3.47	3.57	3.68
Operating Expenses/SF		11.77	12.04	12.32	12.61	12.90	13.19	13.50	13.81	13.36	14.68
Rental Revenue											
Potential Base Rent	30.25	685,616	704,655	723,693	744,319	764,490	785,116	808,461	831,352	919,448	988,097
Absorption & Turnover Vacancy	0.00	0	0	0	0	0	0	0	0	(162,650)	0
Free Rent	(2.55)	(57,796)	(59,382)	(60,969)	(62,782)	0	0	0	0	(243,975)	0
Scheduled Base Rent	27.70	627,820	645,273	662,724	681,537	764,490	785,116	808,461	831,352	512,823	988,097
Total Expense Recoveries	10.11	229,231	233,816	238,492	243,262	248,127	253,090	258,152	263,315	239,580	332,809
Free Recovery	(0.47)	(10,589)	(10,801)	(11,017)	(11,237)	0	0	0	0	0	0
Rent/Recovery Abatement Credit	3.02	68,385	70,183	71,985	74,019	0	0	0	0	0	0
Total Other Revenue	12.66	287,027	293,198	299,460	306,044	248,127	253,090	258,152	263,315	239,580	332,809
Effective Gross Revenue	40.36	914,847	938,471	962,184	987,581	1,012,617	1,038,206	1,066,613	1,094,667	752,403	1,320,906
Utilities	1.32	29,917	30,815	31,739	32,691	33,672	34,682	35,723	36,795	31,551	39,035
R&M and Fire Monitoring	0.09	1,995	2,055	2,117	2,180	2,246	2,313	2,383	2,454	2,528	2,604
Management Fee (3%)	1.21	27,445	28,154	28,866	29,627	30,379	31,146	31,998	32,840	22,572	39,627
Insurance	1.45	32,867	33,853	34,869	35,915	36,992	38,102	39,245	40,422	41,635	42,884
Real Estate Taxes	7.70	174,596	178,088	181,650	185,283	188,988	192,768	196,624	200,556	204,567	208,659
--General Levy	7.43	168,302	171,668	175,101	178,603	182,175	185,819	189,535	193,326	197,192	201,136
--Direct Assessments	0.28	6,294	6,420	6,549	6,680	6,813	6,949	7,088	7,230	7,375	7,522
Total Operating Expenses	11.77	266,820	272,965	279,241	285,696	292,277	299,011	305,973	313,067	302,853	332,809
Net Operating Income	28.59	648,027	665,506	682,943	701,885	720,340	739,195	760,640	781,600	449,550	988,097
Leasing Costs											
Tenant Improvements	0.00	0	0	0	0	0	0	0	0	369,659	0
Leasing Commissions	0.00	0	0	0	0	0	0	0	0	256,668	0
Total Leasing Costs	0.00	0	0	0	0	0	0	0	0	626,327	0
Capital Expenditures											
Capital Reserves (\$0.10)	0.10	2,323	2,393	2,465	2,539	2,615	2,693	2,774	2,857	2,943	3,031
Total Capital Expenditures	0.10	2,323	2,393	2,465	2,539	2,615	2,693	2,774	2,857	2,943	3,031
Total Leasing & Capital Costs	0.10	2,323	2,393	2,465	2,539	2,615	2,693	2,774	2,857	629,270	3,031
Cash Flow Before Debt Service	28.49	645,704	663,113	680,478	699,346	717,725	736,502	757,866	778,743	(179,720)	985,066
Purchase Price	(13,400,000)										
Unlevered Cash Flow	(13,400,000)	645,704	663,113	680,478	699,346	717,725	736,502	757,866	778,743	(179,720)	985,066
NOI Return		4.84%	4.97%	5.10%	5.24%	5.38%	5.52%	5.68%	5.83%	3.35%	7.37%
Cumulative Average		4.84%	4.90%	4.97%	5.03%	5.10%	5.17%	5.24%	5.32%	5.10%	5.33%
Unlevered Cash-on-Cash Return		4.82%	4.95%	5.08%	5.22%	5.36%	5.50%	5.66%	5.81%	-1.34%	7.35%
Cumulative Average		4.82%	4.88%	4.95%	5.02%	5.08%	5.15%	5.22%	5.30%	4.56%	4.84%

RENT COMPARISON

Tenant	Suite	Expiration Date	Remaining Term	Area	Building Share %	In-Place Rent/SF	Market Rent/SF	Percentage Below (Above) Market	Rent at Expiration	Market Rent at Expiration	Percentage Below Market
Venturi Astrolab	A	03/31/31	8.4 Years	22,665	100.00%	2.48	2.75	9.82%	3.09	3.59	13.88%
Total / Weighted Average			8.4 Years	22,665	100.00%	2.48	2.75	9.82%	3.09	3.59	13.88%

HGEN In-Place Rent shown as of Dec 2022 Lease Commencement

LEASE EXPIRATION

Year Ending	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	
											Oct 2023
Tenant	Suite										
Venturi Astrolab	A	0	0	0	0	0	0	0	0	0	22,665
Total SF Expiring		0	0	0	0	0	0	0	0	0	22,665
Percent Of Total Expiring		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%
Cumulative Percent Expiring		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%

RENT ROLL

Suite	Tenant	Area Building Share %	Lease Term Commencement	Expiration	Base Rent As of	\$/SF/Month	Free Rent Date	Months	Recovery Structure	TI	Leasing Commissions	Upon Expiration
A	Venturi Astrolab	22,665	4/1/21	3/31/31	Apr-22	2.48	Apr-23	1 Month	NNN			Market
		100.00%			Apr-23	2.55	Apr-24	1 Month				
					Apr-24	2.62	Apr-25	1 Month				
					Apr-25	2.69	Apr-26	1 Month				
					Apr-26	2.77						
					Apr-27	2.84						
					Apr-28	2.92						
					Apr-29	3.01						
					Apr-30	3.09						
					May-2031	3.13	May-2027	0.51 Months				
					May-2032	3.23	Jun-2027	0.5 Months				

Rent Abatement: 4/23, 4/24, 4/25, 4/26, which seller to credit. Includes operating expense abatement. 1 x 5 year option with 9-month notice. Option rent shall equal 95% of FMR but in no event will be less than \$3.03 PSF. Proposition 13 protection for remainder of lease term. LL may buyout protection amount discounted using Prime Rate published by WSJ on third business day prior to payment date. Seller to buyout protection amount. Operating Expense Cap: reimbursable operating expenses shall not exceed \$5.40 per year for first 12 months of term. Operating expenses cap increases 2% per year. Right of First Offer to Purchase: If LL intends to offer Chadron property for sale during original term, LL must give written notice to TT of the purchase price and terms. TT has 30 days to notify LL in writing of desire to purchase Project or portion at the same terms, and 15 days to enter into PSA. TT must occupy at least 75% of Premises and must not be in default. Security Deposit: initial deposit equal to \$404,800. Deposit shall be reduced in 13th, 25th, 37th, 49th, and 61st month by base rent due that month. Reduction shall be a credit against base rent. Parking Relocation: If LL acquires 12600 Chadron Avenue and intends to construct a parking facility, TT has right to lease additional parking spaces at \$135 per stall (with increases at least 3% per year) from LL.

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12536 CHADRON AVENUE
HAWTHORNE, CA 90250



Lee & Associates Los Angeles West, Inc.
DRE 01222000

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