CRUNCH FITNESS

BRAND NEW 15-YEAR LEASE
With 10% Increases every 5 Years

LEASE GUARANTY
From One of the Largest Crunch Franchisees (~50 Locations)

NATIONALLY RECOGNIZED RAPIDLY EXPANDING TENANT
91 New Locations in 2025

CLOSE PROXIMITY TO SILVERWOOD
9,366 Acre Master-Planned Community

VIEW ON MAP

16968 Main Street
HESPERIA, CALIFORNIA

PEGASUS

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REQUEST A DEBT QUOTE

EXECUTIVE SUMMARY

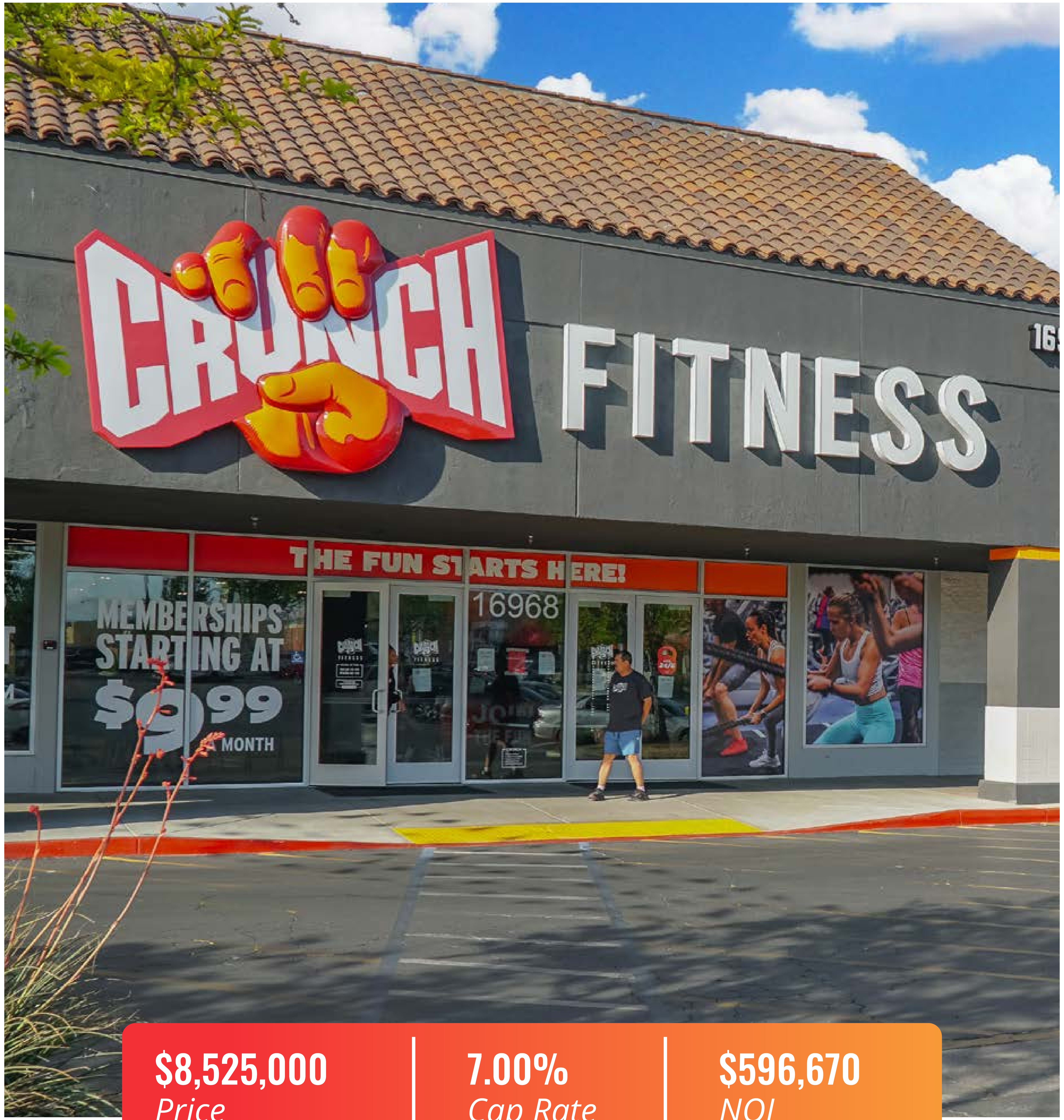
Pegasus Investments Real Estate Advisory Inc., as exclusive advisor to the Seller, is pleased to present the opportunity to acquire a brand-new Crunch Fitness located in Hesperia, California (the "Property"). The Property is positioned as an anchor tenant within Midtown Square, a high-performing power center at the signalized intersection of Main Street and C avenue, which experiences traffic counts exceeding 40,000 vehicles daily. The center features a top 12% Stater Bros. Market Nationally (Ranked 20 / 165 per Placer.Ai) and a strong lineup of national tenants, including U.S. Bank, KFC, Jamba Juice, and a newly constructed Quick Quack Car Wash.

The Property is secured by a new 15-year lease with Fitness Ventures, one of the largest franchisees in the Crunch Fitness system, operating 49 locations across 27 states. The lease features 10% rental increases every five years throughout the base term, along with two five-year extension options that include rare 12.5% rent escalations, providing investors with built-in rent growth and a hedge against inflation. Additionally, the lease is backed by an absolute and unconditional guaranty from the franchisee, reinforcing the investment's secure profile.

Crunch Fitness is nationally recognized as a high-value, low-price (HVLP) fitness operator with a successful expansion strategy. The brand opened 61 new locations in 2024, 91 in 2025, and is planning to reach 100 new clubs this year. The Property features the company's next generation "Crunch 3.0" design, introduced to celebrate surpassing 3,000,000 members systemwide. Recognized on the 2025 Inc. 5000 list of America's fastest-growing companies, Crunch Fitness represents an ideal tenant with strong brand momentum and long-term viability.

Hesperia has evolved from a small desert community into a rapidly growing city with a population exceeding 100,000 residents and projections to surpass 175,000 by 2030 (according to Hesperiaca.gov). This growth is exemplified by the Silverwood master-planned community, a 9,366-acre site expected to deliver more than 15,600 homes and generate a multi-billion-dollar economic impact on Hesperia. The city is also benefiting from major infrastructure investments, including I-15 express lanes and the Brightline West high-speed rail station, further solidifying Hesperia's role as a key transit corridor between Southern California and Las Vegas.

With a brand-new 15-year lease, an absolute guaranty from a leading franchisee, rare growth, and a strategic location adjacent to one of Southern California's largest master-planned developments, this offering represents a best-in-class net lease investment in a high-growth market supported by significant infrastructure development and long-term economic drivers.



$8,525,000	7.00%	$596,670
Price	*Cap Rate*	*NOI*

THE BOTTOM LINE

Top-Performing Guaranty: Absolute and unconditional guarantee from Fitness Ventures, a top-performing Crunch fitness franchisee with approximately 50 locations nationwide.

Brand New 15-Year Lease: Crunch Fitness recently executed a brand new 15-year lease delivering stable, passive cash flow for ownership, while Hesperia's rapid population growth continues to strengthen surrounding real estate values.

Attractive, Embedded Rent Growth: The lease features 10% rental increases every 5-years and the two-extension options feature rare 12.5% rental increases.

Minimal Landlord Responsibility: Landlord is only responsible for the roof and structure, with the tenant maintaining the rest of the premises.

Rapidly Expanding National Tenant: Crunch Fitness added 90 new locations in 2025 with 100 additional club openings projected in 2026.

Close Proximity to Silverwood Master-Planned Community: An award-winning 9,366 acre development projected to deliver over 15,600 homes and generate a multi-billion dollar economic impact in Hesperia.

Connectivity via I-15: The I-15 highway connects Hesperia to Los Angeles & Las Vegas, providing exceptional vehicular traffic and accessibility.

Prime Retail Corridor: Midtown Square is anchored by a top-performing Stater Bros. Market and includes national tenants U.S. Bank, KFC, and Quick Quack Car Wash.

MASTER PLANNED DEVELOPMENT
SILVERWOOD
9,366 AC MASTER PLANNED COMMUNITY
646 SOLAR-EQUIPPED HOMES
Currently Under Development
Expected Completion by 2026
Walmart Supercenter
O'Reilly
petco where the healthy pets go
Mister
Yogurtland
FIREHOUSE SUBS
IN-N-OUT BURGER
Habit BURGER GRILL
Canes
WING STOP
SUBWAY
IHOP
TEXAS ROADHOUSE
amazon
DISTRIBUTION CENTER
HIGH DESERT GATEWAY
TARGET
Marshalls
Famous Footwear
ULTA BEAUTY
Bath & Body Works
FIVE GUYS BURGERS and FRIES
WaBa grill
Farmer Boys
crumbl
INTERSTATE 15
118,000 VPD
DOLLAR TREE
Carl's Jr.
DEL TACO
jiffy lube
7 ELEVEN
Extra Space Storage
MAIN ST
SCHOOL
SULTANA HIGH SCHOOL
2,078 Students
UNITED STATES POSTAL SERVICE
E AVENUE
SHOE CITY
SportClips HAIRCUTS
Domino's
Valvoline
HESPERIA CIVIC PLAZA PARK
City Hall, Public Library, Police Department
TOP RANKED LOCATION
STATER BROS. markets
TOP 11% IN THE CHAIN PER VISITS
(Placer.Ai)
Walgreens
BURGER KING
AutoZone
HESPERIA MARKETPLACE
CARDENAS
Wienerschnitzel
WaBa grill
HESPERIA SQUARE
VALLARTA SUPERMARKETS
Firestone
WELLS FARGO
DOLLAR TREE
BANK OF AMERICA
Advance America
MAIN ST
Sizzler
DESERT VALLEY DENTAL GROUP AND ORTHODONTICS
usbank
verizon
SALLY BEAUTY SUPPLY
T-Mobile
ups
Little Caesars
jamba
SUBWAY
O'Reilly
CRUNCH FITNESS
SUBJECT
TACO BELL
Quick Quack CAR WASH
SOLD BY PEGASUS IN 2026
Inquire with Broker for details
ACE Hardware
E AVENUE

INVESTMENT HIGHLIGHTS

Guaranty by Top Performing Franchisee

The offering is secured by an absolute and unconditional guarantee from the tenant, Fitness Ventures, a top-performing franchisee within the Crunch Fitness system. Founded in 2016, Fitness Ventures has rapidly expanded to 49 locations across 27 states, establishing itself as one of the largest and most significant operators in the country. In 2024, Fitness Ventures was acquired by the private equity firm Meaningful Partners ($500M ~ AUM), which focuses on acquiring consumer businesses generating $20M+ in revenue and $5M+ EBITDA. Through Meaningful Partners, Fitness Ventures is well positioned to continue its expansion while maintaining strong operational performance and profitability.

INVESTMENT HIGHLIGHTS

Brand New 15-Year Lease with Strong Rent Growth

Crunch Fitness recently executed a brand new 15-year lease featuring 10% rental increases every 5 years, providing durable, long-term cash flow from a rapidly expanding national brand. Additionally, the lease includes two 5-year extension options with rare 12.5% rent increases, further enhancing the asset's long-term income growth profile. With minimal landlord responsibilities and premium rent growth, the offering represents a low-risk investment designed to outpace inflation.

New Construction for a Rapidly Growing Tenant

The property is newly constructed, with Crunch Fitness officially opening on March 27th. Crunch Fitness has become a nationally recognized brand with over 550+ locations across 41 states, amassing 3M+ members. Following the launch of "Crunch 3.0", its new and improved gym design, the company aims to rapidly expand its national footprint, with plans to open more than 100 new clubs this year. Recognized on the Inc. 5000 list of America's fastest growing companies, and operated by a top-performing franchisee, this offering is well-positioned to deliver long-term stability and investment security.

PRIME RETAIL POSITION

Adjacent to Hesperia's Transformative Silverwood Community

The Property is strategically located within the nearest established retail corridor to Silverwood, an award-winning 9,366-acre master-planned community currently under development in Hesperia. The community has already broken ground, with initial phases underway and its first collection of approximately 650 solar-equipped homes, priced from the mid-$400,000s to $700,000s, beginning to attract early residents. Upon full buildout, Silverwood is planned to deliver approximately 15,663 homes and is projected to generate a multi-billion-dollar economic impact for the High Desert.

At full scale, Silverwood will introduce a thoughtfully designed, lifestyle-driven environment including expansive parks, trails, and schools. The development emphasizes community engagement through a "kindness pledge" ethos, positioning it as a modern, wellness-oriented residential destination.

Given its proximity as the nearest established commercial node, the Property is uniquely positioned to capture immediate and long-term demand driven by Silverwood's phased growth, benefiting from sustained population influx, increasing household formation, and expanding consumer spending in the surrounding trade area.

VISIT THE SILVERWOOD WEBSITE

9,366 ACRES
MASTER PLANNED COMMUNITY

15,600+
NEW HOMES

MULTI-BILLION DOLLAR
ECONOMIC IMPACT TO HESPERIA

Growing High Desert Market with Revitalization Momentum

The Main Street corridor is undergoing a significant transformation, supported by the City's "Main Street & Freeway Corridor Specific Plan", which aims to amplify Hesperia's economic base with high-quality entertainment, shopping, service, and drive-thru development. With Hesperia's population projected to surpass 175,000 by 2030 and key infrastructure projects underway, this location stands at the commercial heart of a fast-growing, investment-ready submarket.

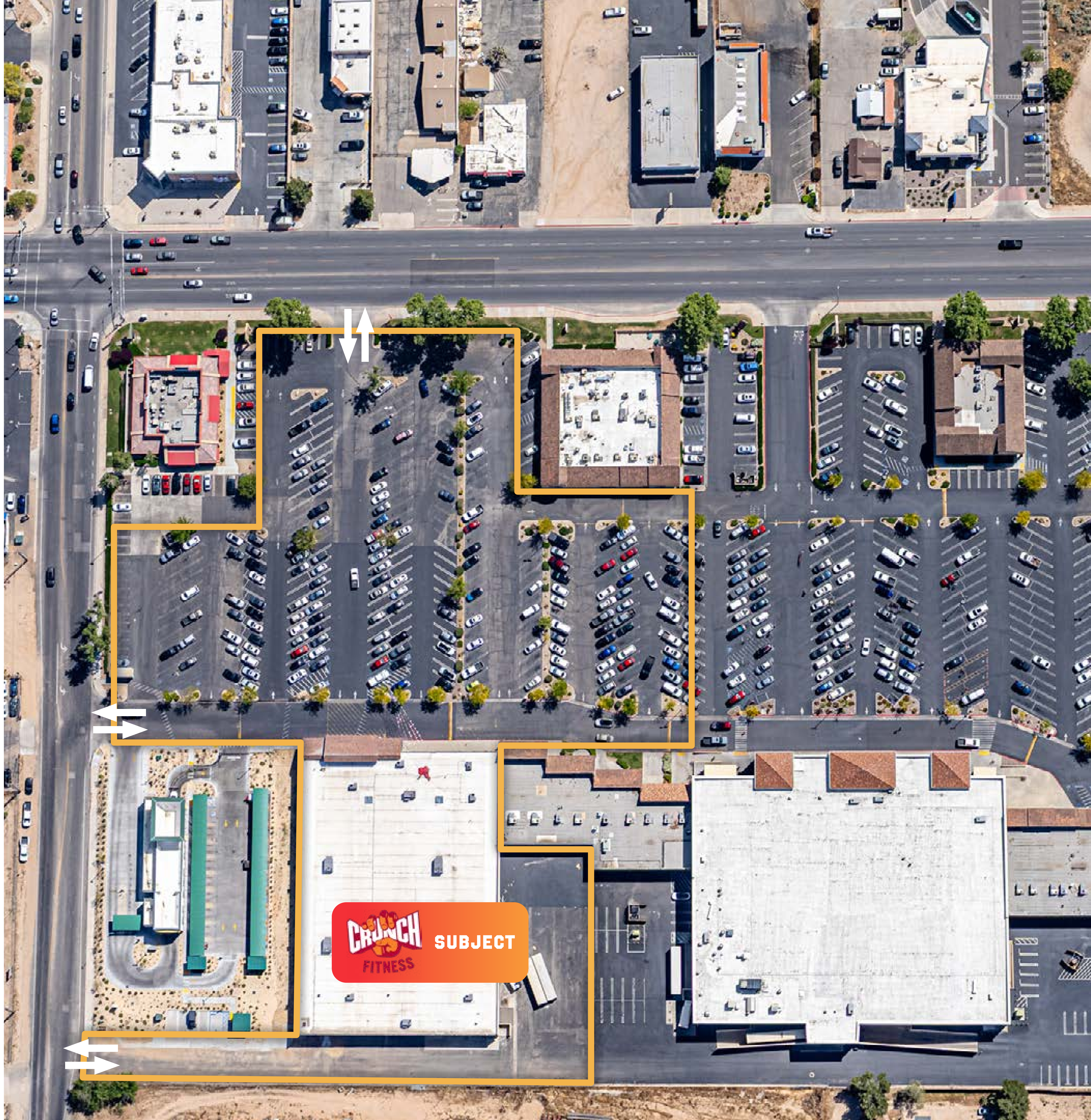
Anchor Tenant in Midtown Square Power Center

The offering is part of Midtown Square, a high-performing power center strategically positioned at the signalized intersection of Main Street and C Avenue - Hesperia's primary retail corridor with 40,000+ VPD. Alongside Crunch Fitness, the center is anchored by a top 11% Slater Bros. Market (19/165) per Placer.Ai and features national tenants including KFC, Little Caesars Pizza, Jamba, and a brand-new Quick Quack Car Wash. With strong national tenants, excellent accessibility, and high foot traffic, Midtown Square is poised to capitalize on increasing consumer demand within a submarket experiencing significant growth.

PROPERTY DESCRIPTION

APN	0410-142-62
Zoning	NC Neighborhood Commercial
GLA	± 39,778 SF
Lot Size	± 4.85 AC
Year Built / Renovated	1987 / 2026
Parking Spaces	± 1,129 Surface Spaces
Parking Ratio[1]	28.4 : 1,000 SF

[1] Parking includes on- and off-parcel spaces via a shared parking agreement with the shopping center.



Founded in a basement studio in Greenwich Village, Crunch Fitness has evolved into a nationally recognized brand with more than 550+ locations across 41 states. In 2025, the company introduced its next generation gym design, “Crunch 3.0”, to celebrate reaching 3,000,000 members. The new layout features additional strength training equipment, training areas, wellness services, and fitness studios - all designed to elevate the member experience. Recently included in the Inc. 5000, a list of America’s fastest growing companies, Crunch Fitness has experienced significantly expansion, attracting a broad consumer base through its affordable, high-quality fitness model. In 2024, Crunch opened 61 new locations, followed by an additional 91 openings in 2025, with plans to exceed 100 new clubs this year. Furthermore, the gym leased over 4.25M worth of commercial space in 2025, substantially expanding its national footprint. With a rapidly growing membership base and aggressive real estate strategy, Crunch Fitness represents an ideal tenant for long-term stability and investment security.

550+
Locations

3,000,000+
Members

INC. 5000
Fastest-Growing Companies

LEASE SUMMARY

	Monthly Rent	Annual Rent	Cap Rate
Current - 2/5/2030	$49,722.50	$596,670	7.00%
2/6/2031 - 2/5/2036	$54,694.75	$656,337	7.70%
2/6/2036 - 2/5/2041	$60,164.23	$721,971	8.47%
Option 1	$67,684.75	$812,217	9.53%
Option 2	$76,145.35	$913,744	10.72%

Lessee Name	Fitness Ventures - Hesperia, LLC
Type of Ownership	Fee Simple
Lessee Entity Type	Franchisee
Lease Type	NNN
Roof and Structure	Landlord Responsible
Term Remaining	± 14 Years

Lease Commencement	2/26/2026
Lease Expiration	2/25/2041
Increases	10% Increases Every 5 Years
Options	2, 5- Year Options
Option Increases	12.5% Increases

MARKET OVERVIEW

Hesperia, CA, positioned in the High Desert along the high-traffic I-15 corridor, has transformed from a small desert community of just 5,000 residents in 1970 into a thriving city of over 100,000 by 2025. This rapid expansion has been driven by relatively affordable housing, spillover growth from the Inland Empire and Victor Valley, and substantial infrastructure investments. The I-15 serves as a major economic artery, with roughly 223,000 vehicles passing through daily, traffic that is expected to double in the next decade, bringing both commerce and tourism into the area. Key transportation upgrades, including I-15 express lanes, Ranchero Road widening, and the planned Brightline West high-speed rail station at Joshua Street, further solidify Hesperia's role as a critical gateway connecting Southern California to Las Vegas and beyond. Together, these improvements position Hesperia as both a desirable residential hub and a vital economic connector in the region.

The city's development pipeline underscores its strong growth trajectory. Silverwood, a 9,366-acre master-planned community, will bring more than 15,600 homes and extensive community amenities, with the first solar-equipped residences debuting in 2025. Large-scale projects like the "Tapestry" housing expansion, streetscape enhancements, and new bike lanes are reshaping accessibility and livability. Hesperia's Main Street corridor is anchored by established retail hubs such as Hesperia Town Center, complemented by diverse dining and essential services that benefit from daily traffic counts exceeding 40,000 vehicles. With active city-led economic development programs, strategic I-15 frontage, robust residential construction, and improved regional transit connectivity, Hesperia offers compelling long term potential for commercial property investors seeking to capitalize on the area's surging population, rising consumer demand, and expanding infrastructure base.

20x POPULATION GROWTH SINCE THE 1970S

	3 Mile	5 Mile	10 Mile
2025 Population	58,954	131,256	354,622
Number of Households	17,624	40,574	106,672
Average Household Income	$75,210	$78,757	$85,415

Silverwood lake in Hesperia, CA

PEGASUS

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