

Offering Memorandum
SINGLE TENANT ABSOLUTE NET LEASED OFFICE INVESTMENT
15283 Pahute Avenue | Victorville, CA



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OFFERING MEMORANDUM DISCLAIMER

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the Owner, to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to any interested persons. In this Memorandum, certain documents are described in summary form. These summaries do not purport to be complete nor necessarily accurate descriptions of the material referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

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EXECUTIVE SUMMARY

Lee & Associates is pleased to present an off-market opportunity to acquire a ±36,233 SF single-tenant office investment leased to Azusa Pacific University in Victorville, California. Constructed in 2010 as a build-to-suit facility, the property is situated on ±3.27 acres within a well-established commercial corridor in the heart of the High Desert.

The asset benefits from a highly strategic location just minutes from Interstate 15, the region's primary north-south transportation artery connecting Southern California to Las Vegas. The property is easily accessible via Bear Valley Road and Nisqualli Road, with Bear Valley Road serving as a major east-west arterial linking Victorville with Adelanto, Apple Valley, and Hesperia. This central positioning provides strong regional connectivity, access to a population base of approximately 450,000 residents, and proximity to retail, services, and workforce housing.

The property is 100% leased under a true NNN structure, with the tenant responsible for taxes, maintenance, and utilities, resulting in a highly passive investment profile. The asset generates approximately \$1.13 million in annual net operating income, offering investors an attractive going-in yield relative to comparable net-leased opportunities.

Azusa Pacific University currently operates a successful and growing nursing program at the property, reinforcing the strategic importance of this location to its operations. While the existing lease term extends through January 2029, the tenant has indicated that, due to the strength and continued growth of its programs, it intends to maintain a presence at the property for the foreseeable future. In addition, the tenant has explored the potential to sublease a portion of the first floor, creating further flexibility and optionality without disrupting in-place income.

This combination of strong in-place cash flow, demonstrated operational success, and tenant commitment provides investors with both near-term income stability and a compelling path for long-term value retention and growth.

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PROPERTY HIGHLIGHTS



High-Yield NNN Investment – Generates approximately \$1.13M in annual NOI with minimal landlord responsibilities, offering an attractive going-in return



Institutional-Quality Build-to-Suit Asset – ±36,233 SF facility constructed in 2010 for Azusa Pacific University on ±3.27 acres



Established and Committed Tenant – Successful and growing nursing program with tenant indicating intent to continue long-term occupancy



Strategic High Desert Location – Near Interstate 15 with access via Bear Valley Road and Nisqualli Road, serving a regional population of ~450,000



Near-Term Upside Potential – Opportunity to enhance value through lease renewal, re-tenanting, or repositioning, with potential subleasing of a portion of the space



SITE OVERVIEW

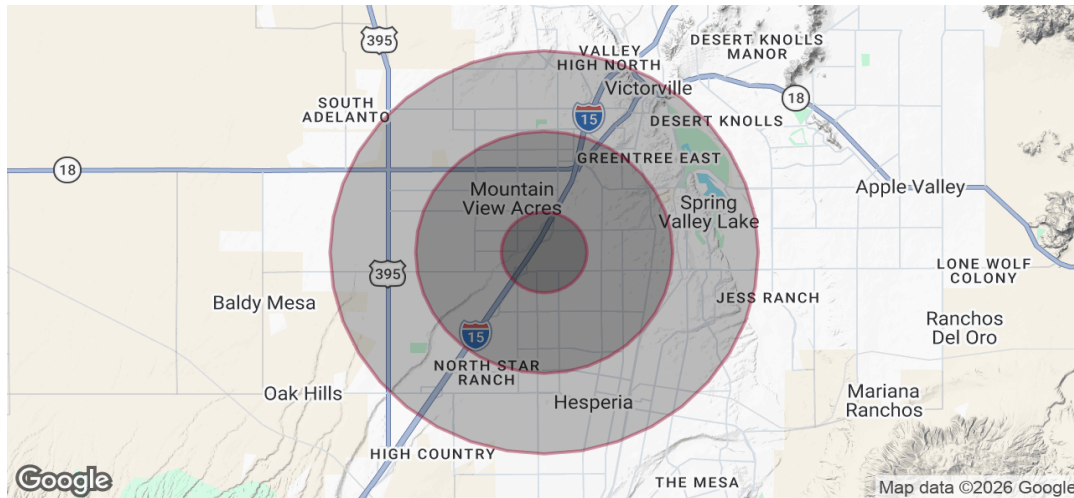
SITE SUMMARY



Address	15283 Pahute Avenue Victorville, CA
APN	3093-231-04
Location	Strategically located in Victorville near Interstate 15, the property offers convenient access via Bear Valley Road and Nisqualli Road. Bear Valley Road is a major east-west corridor connecting Victorville, Hesperia, Apple Valley, and Adelanto, providing strong regional accessibility within the High Desert's primary commercial and population centers.
Zoning	General Commercial (C-2)
Uses	Institutional and professional uses including educational campuses, medical and healthcare services, administrative offices, and corporate headquarters or regional operations
NOI	\$1.13 Million
Cap Rate	8.17%
Acquisition Price	\$13.8 Million
Market	Inland Empire North
Sub-Market	High Desert
Site Access	Bear Valley Road via Interstate 15, and Nisqualli Road/Pahute Avenue via Interstate 15, providing convenient regional access throughout the High Desert



DEMOGRAPHICS



POPULATION	1 MILE	3 MILES	5 MILES
Total Population	11,101	91,006	196,308
Average Age	32.0	31.9	32.3
Average Age (Male)	30.9	29.3	30.1
Average Age (Female)	31.0	33.3	33.8
HOUSEHOLDS & INCOME	1 MILE	3 MILES	5 MILES
Total Households	3,011	26,022	56,198
# of Persons per HH	3.7	3.5	3.5
Average HH Income	\$83,870	\$79,277	\$93,986
Average House Value	\$359,733	\$341,439	\$361,105

2023 American Community Survey (ACS)

DEMOGRAPHIC HIGHLIGHTS



Regional Population Base – Serves a combined High Desert population of approximately 450,000 residents across Victorville, Hesperia, Apple Valley, Adelanto, and surrounding communities.



Strategic I-15 Corridor Location – Positioned along a major transportation route connecting Southern California to Las Vegas, supporting regional commerce and commuter flow.



Growing Inland Empire Submarket – The High Desert continues to experience population growth driven by affordability and migration from coastal markets.



Workforce Availability – Access to a large and diverse labor pool supporting education, healthcare, logistics, and service-based industries.



Established Retail & Service Infrastructure – Proximity to major retail corridors, national tenants, and essential services that support long-term tenant demand.



FINANCIAL OVERVIEW

RENT ROLL

UNIT	TENANT NAME	RENTABLE SF	LEASE COMMENCEMENT	LEASE END	RENT PSF	ANNUAL RENT	COMMENTS
All	Azusa Pacific University	±36,000	01/01/2010	01/31/2029	\$2.53 NNN	\$1,094,488.80 Net	This is the current annual rent amount. On January 1, 2028 rent shall increase by 3%



TENANT PROFILE

AZUSA PACIFIC UNIVERSITY

Azusa Pacific University (“APU”) is a private Christian university founded in 1899 and headquartered in Azusa, California. The university serves a broad mix of undergraduate, professional undergraduate, and graduate students across programs in healthcare, education, business, leadership, and related disciplines. According to APU’s official institutional overview, total enrollment is 5,901 students, including 1,869 traditional undergraduates, 723 professional undergraduates, and 3,309 graduate students.

APU has developed a strong reputation in nursing and graduate education. On its official website, the university notes that it was recognized by Money as a Best Graduate School for Education and Nursing, and APU’s School of Nursing states that it ranked in the top 5 percent of nursing programs nationally in 2024 according to College Factual. APU also announced that its online RN to BSN program was ranked No. 2 in California for 2024 by RegisteredNursing.org.

The Victorville property supports APU’s successful and growing nursing program in the High Desert, reinforcing the strategic importance of the location within the university’s regional footprint. Given the continued success of its current programs at the site, the tenant has indicated an intention to maintain operations at the property for the foreseeable future. This operating presence, together with APU’s long institutional history and recognized academic programs, supports the tenant’s profile as an established and committed occupant. Based on your BPO, APU has occupied the property under a build-to-suit lease structure since the lease commenced in 2009.



5-YEAR CASH FLOW ANALYSIS

This Property was designed and built for Azusa Pacific University, who presently has ±4.5 years remaining on their initial lease. Pursuant to a long-term net lease that commenced January 1, 2010, and has an initial 240-month term expiring December 31, 2029 (20-year term). This lease provides the Tenant with two (2) additional, five-year renewal options with rent adjustments based on Fair Market Rent. The lease states it is intended to be a "Net Lease" or "Triple Net Lease," with ALL costs attributable to operation of the Premises payable by Tenant.

	2025	2026	2027	2028	2029
Scheduled Monthly Base Rent	\$88,550.90	\$91,207.40	\$91,207.40	\$93,943.70	\$93,943.70
Scheduled Annual Base Rent	\$1,062,610.80	\$1,094,488.80	\$1,094,488.80	\$1,127,324.40	\$1,127,324.40
Reimbursements / Recoveries	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Effective Gross Income	\$1,062,610.80	\$1,094,488.80	\$1,094,488.80	\$1,127,324.40	\$1,127,324.40
Less: Operating Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Net Operating Income	\$1,062,610.80	\$1,094,488.80	\$1,094,488.80	\$1,127,324.40	\$1,127,324.40

Option Period	Term	Rental Structure
Option 1	2030–2034	Fair Market Rent
Option 2	2035–2039	Fair Market Rent

*Annual rent figures are derived from the contractual base rent schedule set forth in the lease. Commencement date shown herein is based on ownership records indicating a commencement date of January 1, 2010, and an initial 20-year term.



MARKET OVERVIEW

SUBMARKET OVERVIEW

INLAND EMPIRE NORTH OFFICE MARKET

The Inland Empire North office market remains one of the tighter office submarkets in the Inland Empire, supported by limited new supply, low vacancy, and steady tenant demand. As of Q2 2026, the submarket contains approximately 5.64 million square feet of office inventory with an overall vacancy rate of 2.5% and an availability rate of 4.2%. Market asking rents average about \$2.06 per square foot per month, or roughly \$25.00 per square foot annually, which remains below the broader Inland Empire average of about \$30.00 per square foot annually.

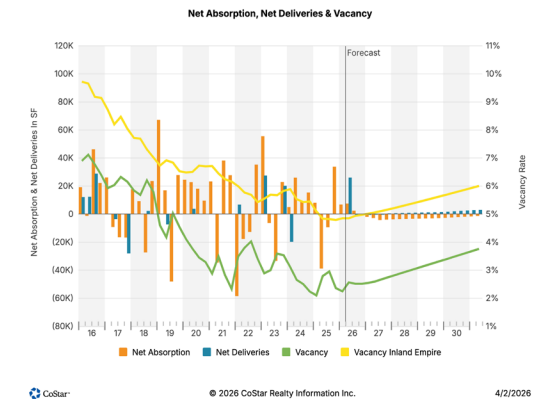
Vacancy

Office vacancy in Inland Empire North remains exceptionally low by historical standards. The current 2.5% vacancy rate is below the submarket's five-year average of 2.9% and well below its 10-year average of 4.0%. CoStar forecasts vacancy to remain tight through year-end 2026 at approximately 2.5%, reflecting continued supply discipline and relatively stable occupancy.

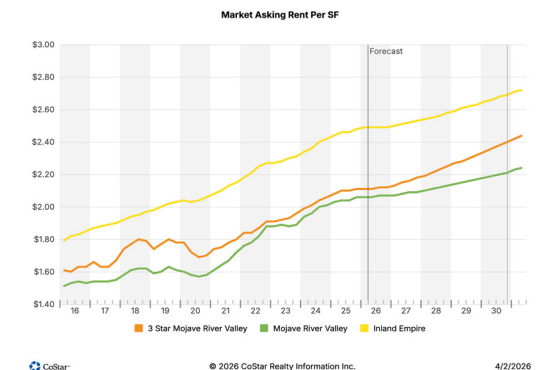
Rental Rates

Average asking rents in the submarket are approximately \$2.06/SF per month, with 3-star product averaging \$2.11/SF per month and 1- and 2-star product averaging \$2.03/SF per month. On an annual basis, rents in the market have grown by about 1.6% year over year, a more moderate pace than the submarket's recent five-year average of 5.1%, but still indicative of a stable pricing environment. Forecast rent growth for 2026 is approximately 0.5%, suggesting a near-term flattening after several stronger years of rent appreciation.

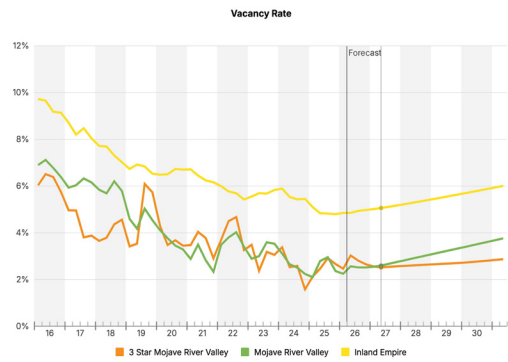
INLAND EMPIRE NORTH OFFICE MARKET NET ABSORPTION, NET DELIVERIES & VACANCY



INLAND EMPIRE NORTH OFFICE MARKET ASKING LEASE RATES IE AVG = \$2.06 SF

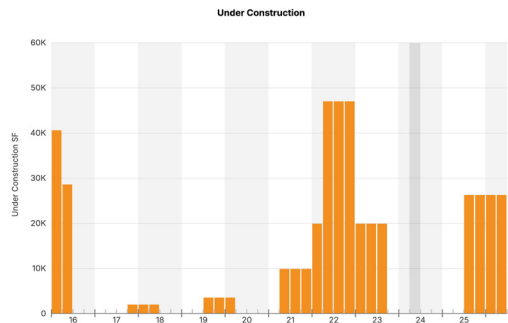


INLAND EMPIRE WEST INDUSTRIAL MARKET NET ABSORPTION



CoStar © 2026 CoStar Realty Information Inc. 4/2/2026

INLAND EMPIRE NORTH OFFICE MARKET UNDER CONSTRUCTION



CoStar © 2026 CoStar Realty Information Inc. 4/2/2026

Absorption

Leasing fundamentals remain generally healthy, although recent absorption has turned modestly negative. Over the past 12 months, the market recorded approximately -19,400 square feet of net absorption, and current quarter submarket absorption was about -12,077 square feet. This reflects some near-term softness in tenant movement, but against a backdrop of historically low vacancy and limited competitive supply. The long-term trend remains relatively balanced, with the submarket posting an average annual net absorption of roughly 58,100 square feet over the past 10 years.

Construction

New office development remains limited, which continues to support the market's low vacancy profile. There were no office deliveries in the past 12 months, and just 26,208 square feet was under construction as of Q2 2026. That compares with a 10-year average under-construction pipeline of approximately 17,000 square feet, indicating only modest development activity. The only project currently underway in the report is Midtown Spectrum at 15075 Amargosa Road, a 26,208-square-foot office building scheduled for completion in May 2026.

Unemployment

From a labor market perspective, the broader region remains stable but somewhat softer than coastal California markets. San Bernardino County's unemployment rate was 5.0% in December 2025, while the broader Riverside-San Bernardino-Ontario MSA posted a 5.6% seasonally adjusted unemployment rate in December 2025. These figures suggest a sizable available labor pool, which can be supportive for employers and institutional users, although they also reflect a regional economy that is still normalizing.



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