NAI Capital
Commercial Real Estate Services, Worldwide.

1529 East Palmdale Blvd
Palmdale, CA 93550

- Fastest Growing Market In Socal
- Institutional & Government Tenants
- At Replacement Value
- 9.04% Cap Rate
- Excellent Visibility And Signage
- Ideal Floor Plate Sizes And Divisibility
- Unbuilt Corner Pad For Value Add

Prepared by:

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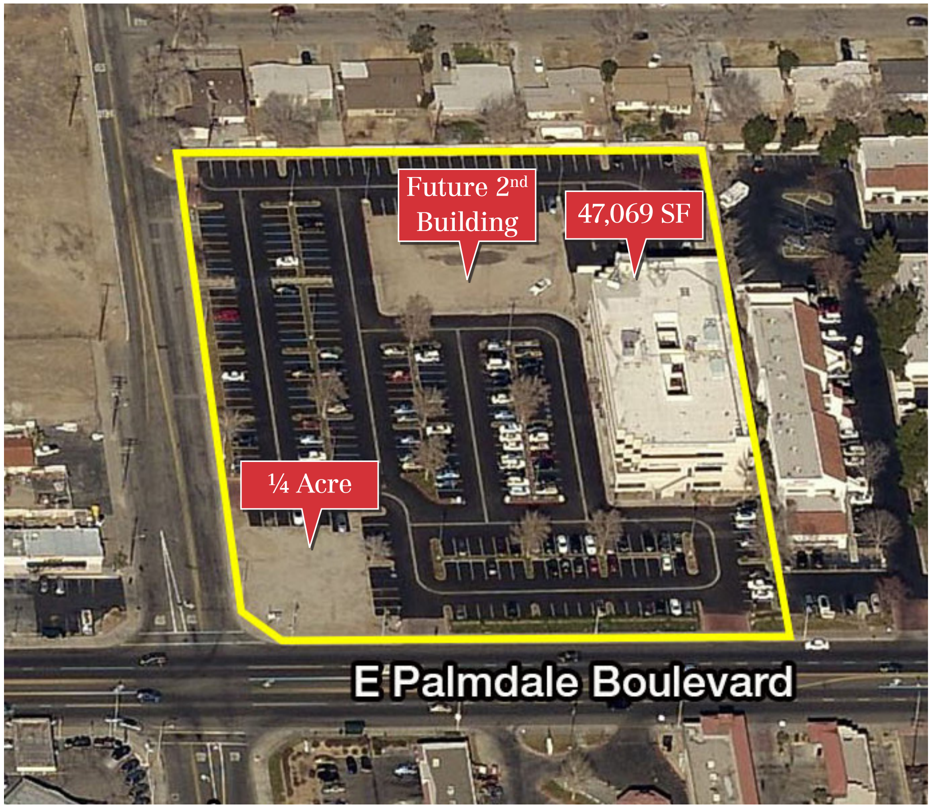
Site Data

Address:	1529 E. Palmdale Blvd, Palmdale, CA
Tenant Number:	6
Majors:	Antelope Valley College & Children's Bureau
Occupancy:	82.42%
Floors:	3
Access:	1 Elevator & 3 Stairwells
Floor Plates:	Approximately 15,000 Square Feet
Bay Depths:	32'–45'
Construction:	Steel Frame & Stucco Suburban Office
Year:	1990
Zoning:	PDC3 – Palmdale Commercial 3, allowing for government & Medical, as well as retail & food uses.
Ingress/Egress:	2 on Palmdale Blvd, and 2 on 15^{th} St. East
Parking:	290 Stalls, parking ratio of 6.17 / 1,000
Signage:	Multiple monuments & Eyebrow Signage
Landscaping:	Mature trees, shrubs, grass, and drought tolerant desertscape / succulents throughout

Lighting:	Street lights with high density lamps mounted on metal poles provide highly adequate lighting over the drive aisles and parking area
Site Area:	4.1044 Acres
Building Size:	47,069 Square Feet
Corner Pad Size:	¼ Acre



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Investment Highlights

Palmdale Corporate Plaza is one of the premier office buildings in Palmdale, CA, the Aerospace Capitol of the U.S. Located centrally on Palmdale Boulevard, this three story midrise is home to Antelope Valley Community College, the regional California Community College in the area with a student body of over 14,000 students. Other major tenants include multiple departments of the County of Los Angeles, as well as Children's Bureau, a large regional nonprofit specializing in foster care placement and abuse prevention throughout Los Angeles County and Orange County.

Structurally Palmdale Corporate Plaza presents tremendous market identity and exposure as one of very few three story office buildings in its submarket. Situated on 4.1 acres, the site is parked to accomodate medical users throughout. Additionally, the site has an unbuilt retail corner pad available on the hard corner of the property at it's Southwest, which would be ideal for a single tenant medical office user, dialysis center, or drive thru retail, and is zoned acceptibly for all the above. The site also has a half acre pad entitled for an additional 23,000 square foot office building.

Palmdale Corporate Plaza was built in 1990 and has been well maintained, having received its most recent modernization in early 2016, including a new monument sign on the hard corner, updated landscaping, and new paint.

The Palmdale region is poised to grow tremendously over the coming years as the USAF bomber contract awarded to Northrop Grumman in Palmdale attracts new business and economic growth to the local economy. This investment is a unique opportunity to acquire a high quality institutional grade office building in an appreciating Los Angeles County market.

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Benefits of Palmdale

Bomber Contract

In 2015 Northrop Grumman was awarded an $80 Billion contract for the production of 100 B21 Long Range Bomber airplanes to supply the USAF's need for next generation strike bombers. As one of the highest valued contracts in U.S. military history, the contract came after decades of military spending cuts since its predecessor, the B2 Bomber, which first hit the skies in 1989. Top military officials have said this contract will bring us up to date from 1980s technology.In Q1 of 2016, disputes from its competitors were settled, and Northrop Grumman was given the green light to start work on the contract before July 4, 2016. Northrop Grumman is constructing the airplanes in their facility at USAF Plant 42 where they are constructing new facilities to support the project.The Mayor of Lancaster has stated this contract will bring thousands of high paid engineering and mechanical jobs to the area over the coming years, and it is expected the region will see the greatest growth spike in its history.

New Business Entering the Area

A flurry of new businesses have opened in Palmdale recently in anticipation of a population increase and economic boom owed to the bomber contract.

HYATT has broken ground in Palmdale's "Trade & Commerce" region near the 14 Freeway to build one of its Element Hotels

CARMAX has also broken ground on the northern border of the Palmdale Auto Mall with a large 20+ acre site.

ALDEES and other chains have opened their first store locations in the region, expecting the growth pattern of the area to reach their minimum household income and density requirements in the coming year.

Palmdale is the Last Affordable Housing Region in Los Angeles County

Palmdale, and its sister city of Lancaster, represent the 5th and 6th largest cities in Los Angeles County by population, and the 2nd and 3rd largest cities in Los Angeles County by area. At $250,000 Palmdale is the only city in Los Angeles County with a median home value below $300,000. The LA Time's has stated that the lack of affordable housing is the biggest economic challenge facing the growth of the Greater Los Angeles region.

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	CURRENT	PROJECTED $1.85 FSG / Mo. On Building $55,000 Ground Lease on Corner
Asking Price	$9,000,000	
Price / Sq. Ft.	$191.20	
Gross income	$1,121,131.00	$1,094,931.80
Operating Expenses	$307,314.00	$307,314.00
NOI	$813,817.00	$737,618
Cap Rate	**9.04%**	**8.20%**

1 Multi-Property — SOLD

2 Retail buildings in Palmdale, CA, having a total size of 31,886 SF

Sale Date:	10/02/2013 (77 days on mkt)	# Properties:	2
Sale Price:	$9,493,359 (confirmed)	Total Size:	31,886 SF
Price/SF:	$297.73	Total Land Area:	3.26 AC
Pro Forma Cap	-	Sale Conditions:	-
Actual Cap Rate:	8.00%		

2 Multi-Property — SOLD

3 Retail buildings in Palmdale, CA, having a total size of 43,766 SF

Sale Date:	06/30/2015 (131 days on mkt)	# Properties:	3
Sale Price:	$8,390,000 (confirmed)	Total Size:	43,766 SF
Price/SF:	$191.70	Total Land Area:	8.52 AC
Pro Forma Cap	-	Sale Conditions:	-
Actual Cap Rate:	7.10%		

3 Multi-Property — SOLD

4 Retail buildings in Lancaster, CA, having a total size of 28,753 SF

Sale Date:	03/04/2014 (232 days on mkt)	# Properties:	4
Sale Price:	$8,375,000 (confirmed)	Total Size:	28,753 SF
Price/SF:	$291.27	Total Land Area:	2.93 AC
Pro Forma Cap	-	Sale Conditions:	Investment Triple Net
Actual Cap Rate:	7.64%		

4 43749–43817 W 15th St - High Desert Plaza — SOLD

Lancaster, CA 93534

Sale Date:	10/21/2015 (359 days on mkt)	Bldg Type:	Retail
Sale Price:	$7,035,000 (confirmed)	Year Built/Age:	Built 1980 Renov 1988 Age: 35
Price/SF:	$113.45		
Pro Forma Cap	-		
Actual Cap Rate:	7.50%	RBA:	62,011 SF

5 1335 Rancho Vista Blvd - Antelope Valley Mall; 24 Hour Fitness — SOLD

Palmdale, CA 93551

Sale Date:	03/04/2016 (17 days on mkt)	Bldg Type:	Retail Freestanding
Sale Price:	$6,850,000		
Price/SF:	$338.44	Year Built/Age:	Built 1997 Age: 19
Pro Forma Cap	-		
Actual Cap Rate:	6.25%	RBA:	20,240 SF

6 39115 Trade Center Dr - Bldg 1 — SOLD

Palmdale, CA 93551

Sale Date:	01/23/2015	Bldg Type:	Class A Office Medical
Sale Price:	$12,500,000 (confirmed)		
Price/SF:	$215.45	Year Built/Age:	Built 2008 Age: 6
Pro Forma Cap	9.63%		
Actual Cap Rate:	-	RBA:	62,011 SF

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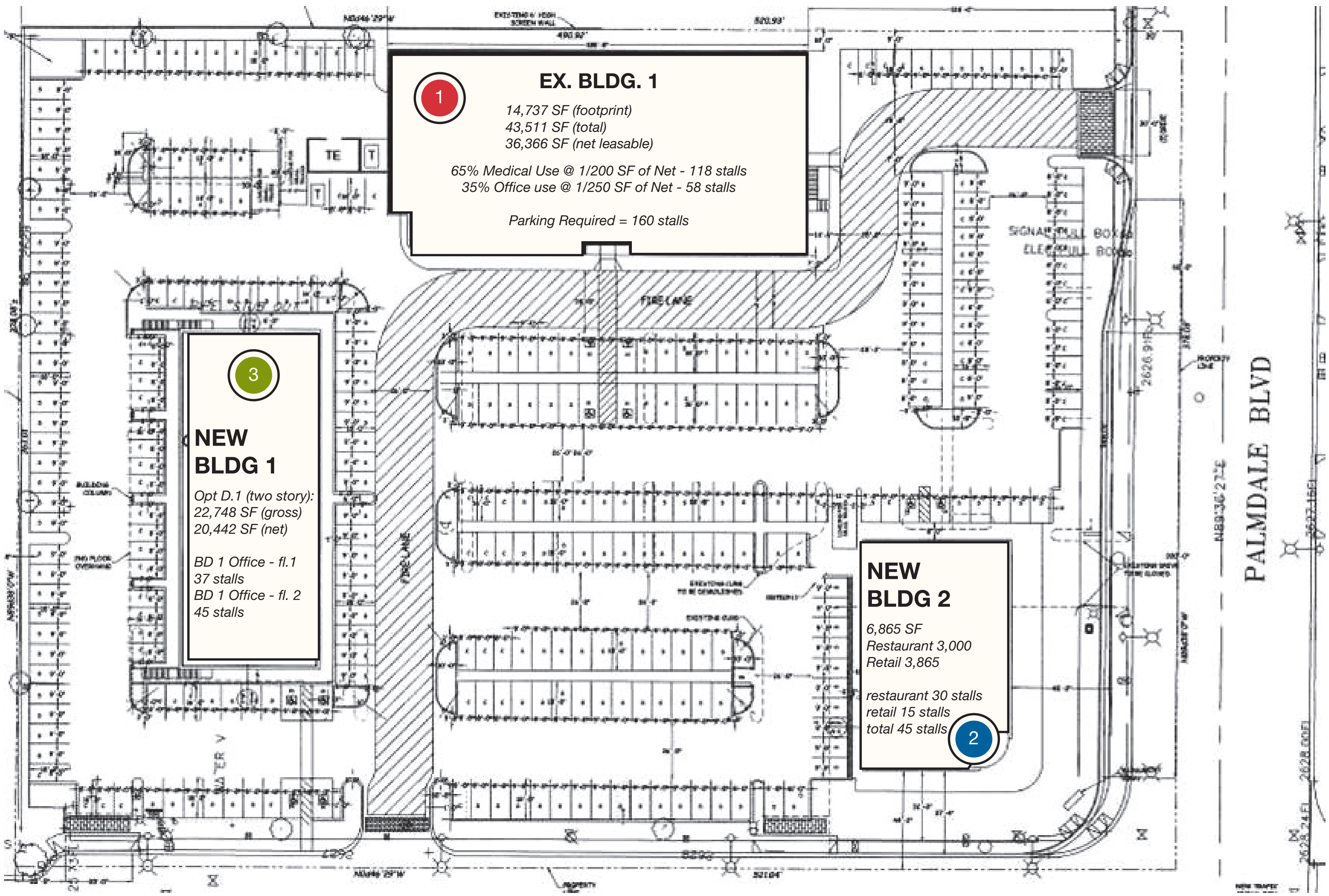
Site Data

1	**Building 1:**	$8,450,000 (9.63% cap on existing income)
2	**Hard Corner Retail Pad:**	$400,000 (based on $45,000 NOI)
3	**Northern Pad:**	$150,000



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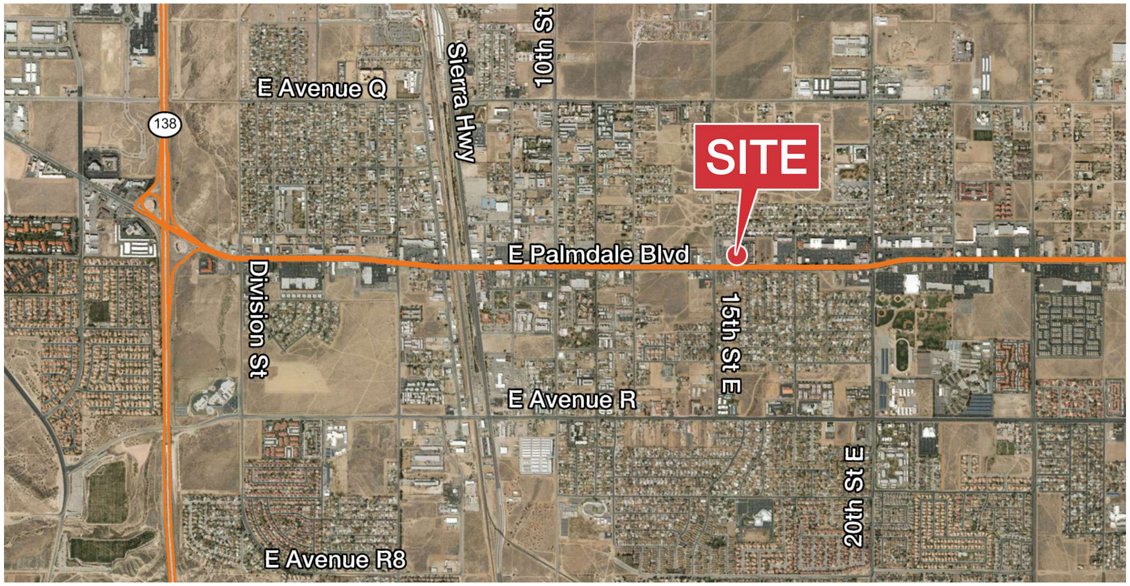

DEMOGRAPHICS	1 MI	3 MI
Population	16,971	91,681
Households	4,952	26,302
Average Age	30.70	32.70
Median HH Income	$25,168	$41,253
Daytime Employees	6,441	19,136
Population Growth ‘15-’20	**2.9%**	**4.4%**
Household Growth ‘15-’20	**3.1%**	**4.6%**

TRAFFIC

COLLECTION ST.	CROSS ST.	TRAFFIC VOLUME	YEAR	DISTANCE
E Ave Q-6	17th St E	1,543	2008	0.14 mi
E Palmdale Blvd	Maureen St	26,989	2014	0.17 mi
15th St E	E Ave Q-5	1,349	2014	0.19 mi
17th St E	Sweetbriar St	429	2014	0.22 mi
E Palmdale Blvd	12th St E	28,967	2014	0.25 mi

City of Palmdale

a place to call home®

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2016 Q1 Antelope Valley
Office Market Overview

Market Overview

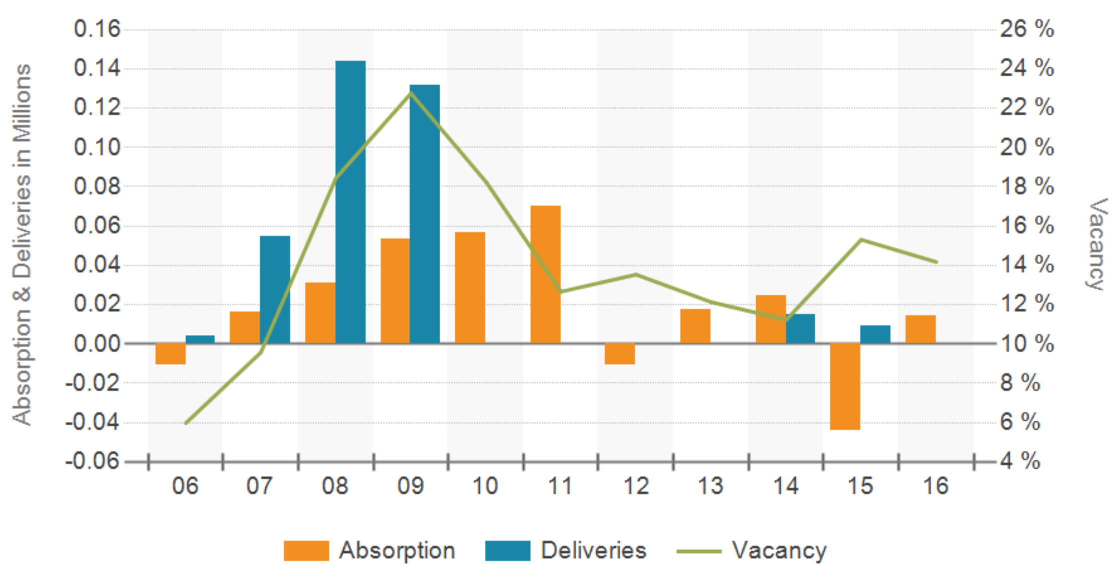
Antelope Valley's office market continues to gradually improve. The regional office market saw the biggest hit from the 2008 recession.

Increasing medical demand, elderly care demands, and government office demands have led the charge in absorption, which has seen nearly a 10% decline in vacancy from market lows.

Further good news on the horizon comes in the form of potential office requirements driven by Northrop Grumman's Bomber contract or Space X/Boeing's Mars Lander contract.

The majority of existing vacancy is in smaller space (under 5,000 square feet), with vacancies greater than 10,000 demanding a premium often from national or regional credit tenants or government uses.

Market Inventory:	3,951,561
Vacancy:	523,976 (13.26%)
Leasing YTD:	54,500 (1.38%)
Average Lease-up Time:	7 Months
Average Effective Lease Rates (Gross)	
0-10,000 SqFt	$17.35 / SqFt
10,000+ SqFt	$22.20 / SqFt
Average Sales Prices:	
0-10,000 SqFt	$215 / SqFt
10,000+ SqFt	$143 / SqFt
Average Cap Rate:	8.7%



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Scope of Service Experience

In his 10 years as a broker, Tristan has represented his clients in over $100,000,000 in transactions. Using his background in leasing, construction and property management; he provides full service investment advisory in Northern Los Angeles County and beyond. He implements analysis with discounted cash flow models, leasing projections, maintenance costs, and feasibility for value-add improvements or repurposings.

His experience goes beyond the scope of brokerage, including construction management and property management. Prior to brokerage, Tristan owned and operated a construction company specializing in office and retail tenant build-out work, including space planning, dry wall, paint, and carpet.

Tristan has managed over one million square feet of real estate for his clients, and fully understands landlord-tenant relations. Since 2009 he has been a professor, teaching property management, escrow, appraisal and real estate law in the California Community College system.

NAI Capital Southern California Office Locations

Valencia
27451 Tourney Rd., Ste. 200
Valencia, CA 91355
(661) 705-3550

Encino - Corp. HQ
16001 Ventura Blvd., Ste 200
Encino, CA 91436
(818) 905-2400

Commerce
500 Citadel Dr., Ste. 100
Los Angeles, CA 90040
(323) 201-3600

Diamond Bar
21660 E. Copley Dr., Ste. 320
Diamond Bar, CA 91765
(909) 348-0600

Irvine
1920 Main St., Ste. 100
Irvine, CA 92614
(949) 854-6600

Murrieta
38605 Calistoga Dr., Ste. 150
Murrieta, CA 92563
(951) 491-7590

Ontario
800 N. Haven Ave., Ste. 400
Ontario, CA 91764
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Oxnard
300 Esplanade Dr., Ste. 1660
Oxnard, California 93036
(805) 278-1400

Palm Desert
75-410 Gerald Ford Dr., Ste. 200
Palm Desert, CA 92211
(760) 346-1566

Simi Valley
2655 First St., Ste. 250
Simi Valley, CA 93065
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Torrance
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