



ACTUAL SITE PHOTO

The Kase Group

24 HOUR FITNESS | NET LEASED OFFERING

1530 W COVINA PARKWAY, WEST COVINA, CA 91790

OFFERING MEMORANDUM Presented By:

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The only party authorized to represent the Property Owner (“Owner”) in connection with the sale of the Property is The Kase Group Advisor listed in this proposal, and no other person is authorized by the Owner to provide any information or to make any representations other than contained in this Investment Offering Brochure. If the person receiving these materials does not choose to pursue a purchase of the Property, this Offering Brochure must be returned to The Kase Group.

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The information contained herein is subject to change without notice and the recipient of these materials shall not look to Owner or The Kase Group Advisor, nor any of their officers, employees, representatives, independent contractors or affiliates, for the accuracy or completeness thereof. Recipients of this Investment Offering Brochure are advised and encouraged to conduct their own comprehensive review and analysis of the Property.

This Investment Offering Brochure is a solicitation of interest only and is not an offer to sell the Property. The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest to purchase the Property and expressly reserves the right, at its sole discretion, to terminate negotiations with any entity, for any reason, at anytime with or without notice. The Owner shall have no legal commitment or obligation to any entity reviewing the Investment Offering Brochure or making an offer to purchase the Property unless and until the Owner executes and delivers a signed Real Estate Purchase Agreement on terms acceptable to Owner, in Owner’s sole discretion. By submitting an offer, a prospective purchaser will be deemed to have acknowledged the foregoing and agreed to release the Owner and The Kase Group Advisor from any liability with respect thereto.

To the extent Owner or any agent of Owner corresponds with any prospective purchaser, any prospective purchaser should not rely on any such correspondence or statements as binding Owner. Only a fully executed Real Estate Purchase Agreement shall bind the property and each prospective purchaser proceeds at its own risk.

Recipients of Offering Brochure shall not contact employees or tenants of property directly or indirectly regarding materials without prior written approval.

TABLE OF CONTENTS



4	INVESTMENT OVERVIEW
5	INVESTMENT HIGHLIGHTS
6	FINANCIAL SUMMARY
7	TENANT OVERVIEW
8	PROPERTY PHOTOS
11	SITE PLAN
12	LOCATION AERIAL
14	DEMOGRAPHICS
15	AREA OVERVIEW

INVESTMENT OVERVIEW

The Kase Group is pleased to present a Single Tenant Net Lease 24 Hour Fitness located in West Covina, in Los Angeles County. The subject property consists of a 2 Story +/-37,500 Sq. Ft. Gym on a 1.56 acre parcel, included in the sale is the adjacent 240-space, three-level parking structure. This is a long term net leased opportunity expiring in 2027 with rare 11% rental increases every 5 years and three (5) year options to renew. The landlord is responsible for maintaining structural components only of both the gym and the parking lot, Tenant is responsible for maintenance and repair of the premises including roof membranes. The subject property was built in 1962 & renovated in 2001. Property delivered free and clear of any existing debt. The tenant has taken on major improvements to the site, including newly renovated locker rooms, pool area, and a new roof installed at the sole cost of the tenant.

OFFERING SPECIFICATIONS

PRICE	\$21,904,332
CAP RATE	6.15%
NET OPERATING INCOME	\$1,347,116.40
SQUARE-FOOTAGE	37,500 SF
LOT SIZE	1.56 AC
YEAR BUILT/RENO	1962/2001
PARKING RATIO	6.85:1,000



INVESTMENT HIGHLIGHTS

STRONG TENANCY & LEASE

- 24 Hour Fitness Net Leased Offering with **Parent Company Guaranty** of the Lease
- Long Term Net Lease with (3) 5-Year Renewal Options with **11% Rent Increases** Every 5 Years
- The Entire Property was **Built Out to 24 Hour's Specifics** Prior to Original Lease Execution
- Strong-Performing Location with **over 900 Member Check-In's** Per Day

PREMIER LOCATION

- Rare Southern California Net Leased Asset **20 Miles West of Downtown LA** with High Population Density
- **High Daytime Population** with surrounding Medical Center, the West Covina Courthouse, City Hall, etc.
- The gym services **4 major locations in greater Los Angeles area**: El Monte, Baldwin Park, Covina, and West Covina
- **High Traffic Counts**: +/- 17,000 VPD on W. Covina; +/- 205,000 VPD on I-10
- **Extremely** High Barriers to Entry within the Immediate Submarket

HIGH QUALITY CAPITAL IMPROVEMENTS

- In 2000 the Landlord Built the **2 Story Parking Structure Estimated at \$5M**; 240 Garage Parking Spaces in the Garage and 17 Surface Spaces Behind the Garage; **6.85:1000 Parking Ratio**
- **New Roof** Completed in 2016 at the Sole Cost of the Tenant
- **Recent Tenant Improvements** Completed in 2018 - 2019: Resurfacing of Pool and Spa, Locker Rooms, Steam Rooms and Saunas - Showing Further **Commitment to the Location**
- Outside Areas Slated for **Image Update** from Tenant, Including Garage



FINANCIAL SUMMARY

24 HOUR FITNESS | NET LEASED OFFERING

1530 W COVINA PARKWAY, WEST COVINA, CA 91790

\$21,904,332

6.15% CAP

FEE SIMPLE OWNERSHIP

SUMMARY

TENANT NAME	24 HOUR FITNESS
SQUARE FOOTAGE	37,500
LEASE START	5/1/2001
LEASE END	4/30/2027
ANNUAL RENT	\$1,347,116.40
OPTIONS	THREE, 5 YEAR
INCREASES	11% INCREASES EVERY 5 YEARS

OPERATING SUMMARY

	NOI
CURRENT	\$1,347,116.40
MAY 1, 2022	\$1,495,299.12
OPTION 1 - MAY 1, 2027	\$1,659,781.22
OPTION 2 - MAY 1, 2032	\$1,842,357.84
OPTION 3 - MAY 1, 2037	\$2,045,017.20

TENANT OVERVIEW

24 HOUR FITNESS

24 Hour Fitness is the world's largest (by memberships) privately owned and operated fitness center chain. Headquartered in San Ramon, Calif., 24 Hour Fitness is a leading health club industry pioneer, serving nearly 4 million members in more than 400 clubs across the U.S. For more than 30 years, the company has been dedicated to helping members change their lives and reach their individual fitness goals. With convenient club locations, personal training services, popular group exercise classes and a variety of strength, cardio and functional training equipment, 24 Hour Fitness offers fitness solutions for everyone.

Mark S. Mastrov is the founder of 24 Hour Fitness, and the CEO is Chris Roussos. 24 Hour Fitness is currently owned by AEA Investors, a leader in the private equity industry; Ontario Teachers' Pension Plan, Canada's largest single-profession pension plan – and one of the world's largest; and Fitness Capital Partners, a fund organized by Dean Bradley Osborne and Global Leisure Partners. It was acquired from the Company from Forstmann Little & Co in May 2014. 24 Hour Fitness operates a nutritional supplement company, Apex Fitness Group, which is also the distributor of the Bodybugg system. Their motto is "Improving lives through fitness."



400+
LOCATIONS



20,000+
EMPLOYEES



PRIVATELY
HELD



PROPERTY PHOTOS



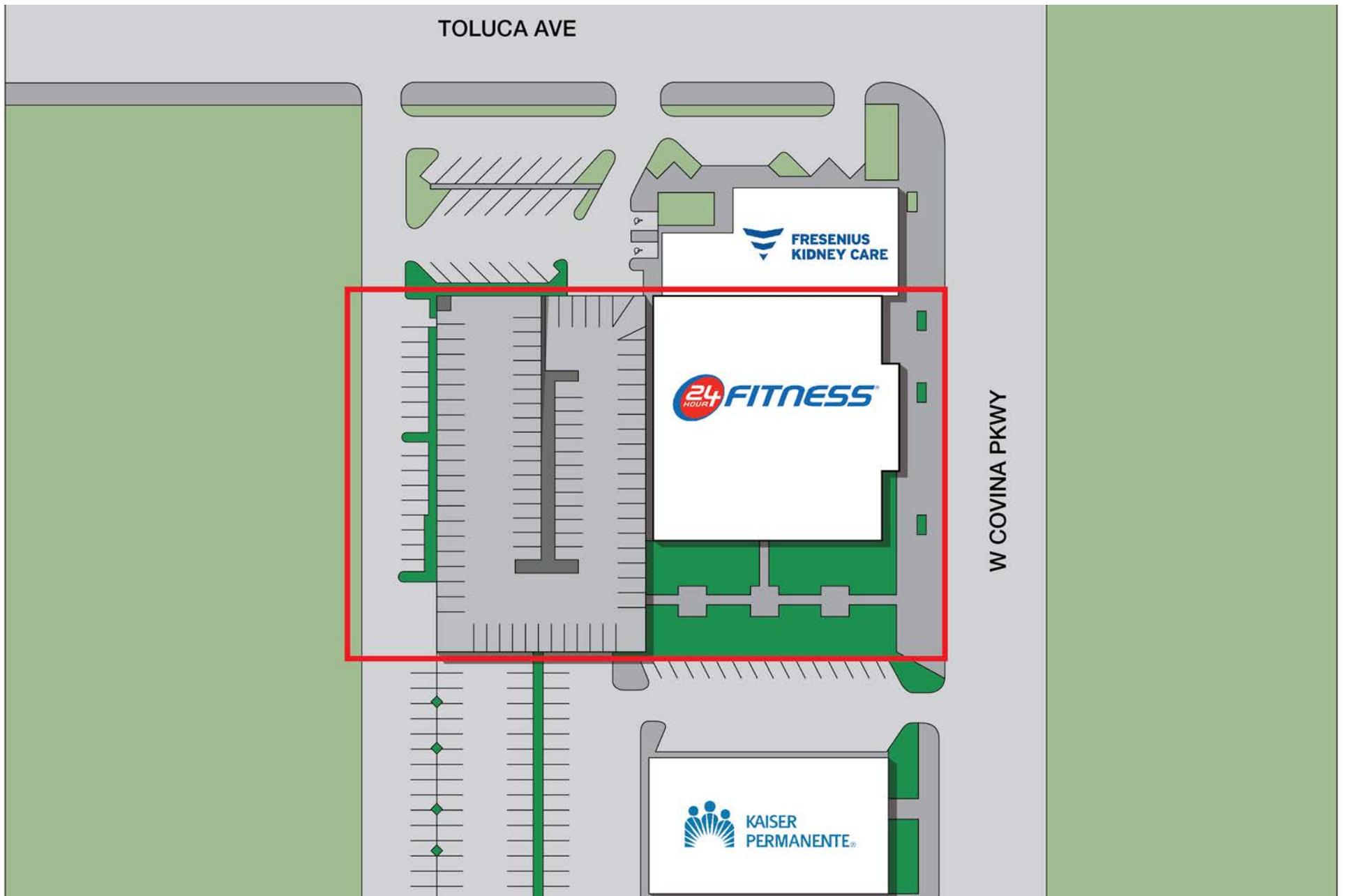
PROPERTY PHOTOS



PROPERTY PHOTOS



SITE PLAN



LOCATION AERIAL

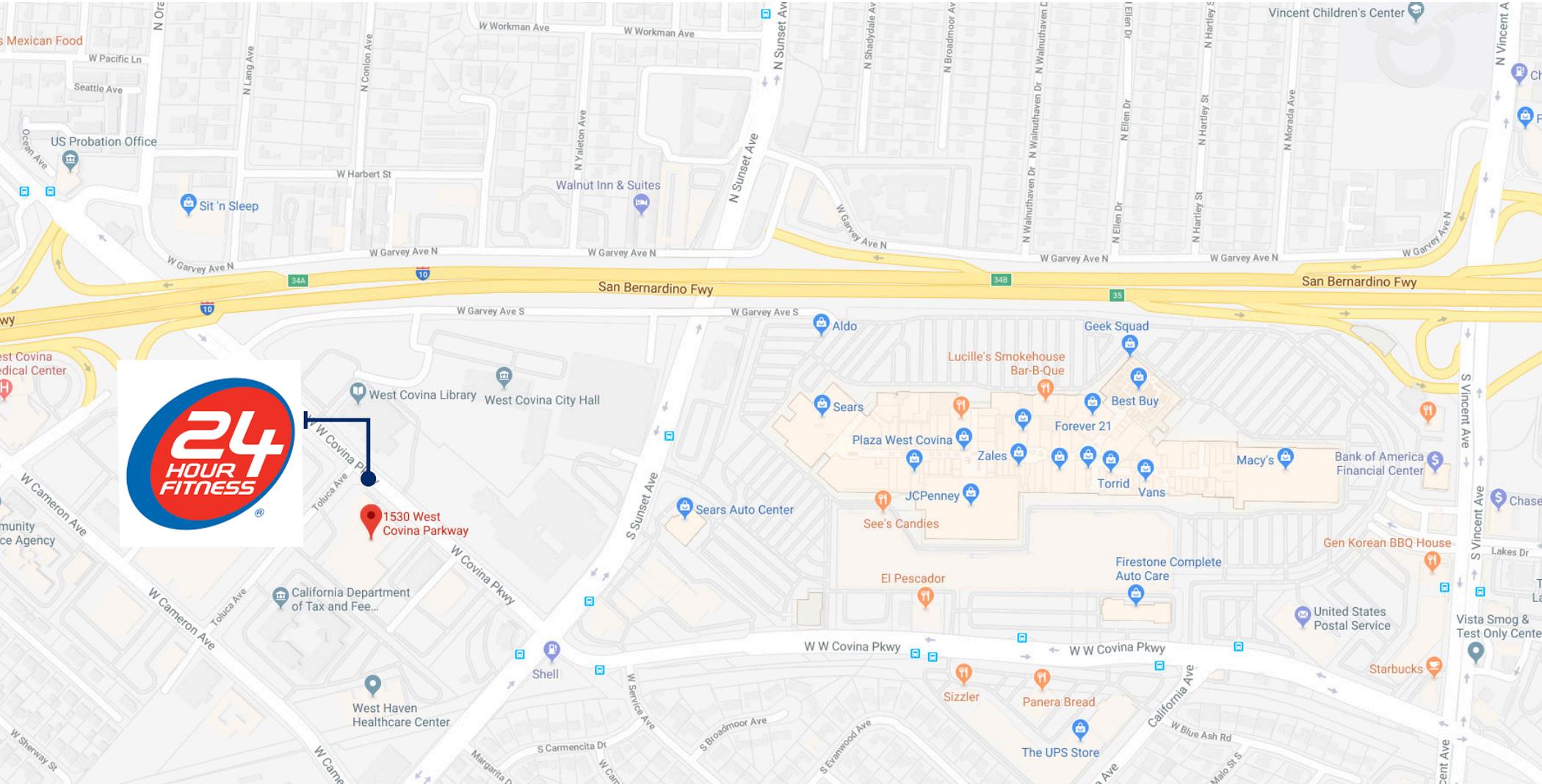


LOCATION AERIAL



DEMOGRAPHICS

	1 MILE	3 MILES	5 MILES
TOTAL POPULATION	23,015	253,458	532,376
TOTAL NUMBER OF HOUSEHOLDS	6,506	65,078	139,047
AVERAGE HOUSEHOLD INCOME	\$75,770	\$77,805	\$77,582
MEDIAN AGE	36.90	36.20	36.30



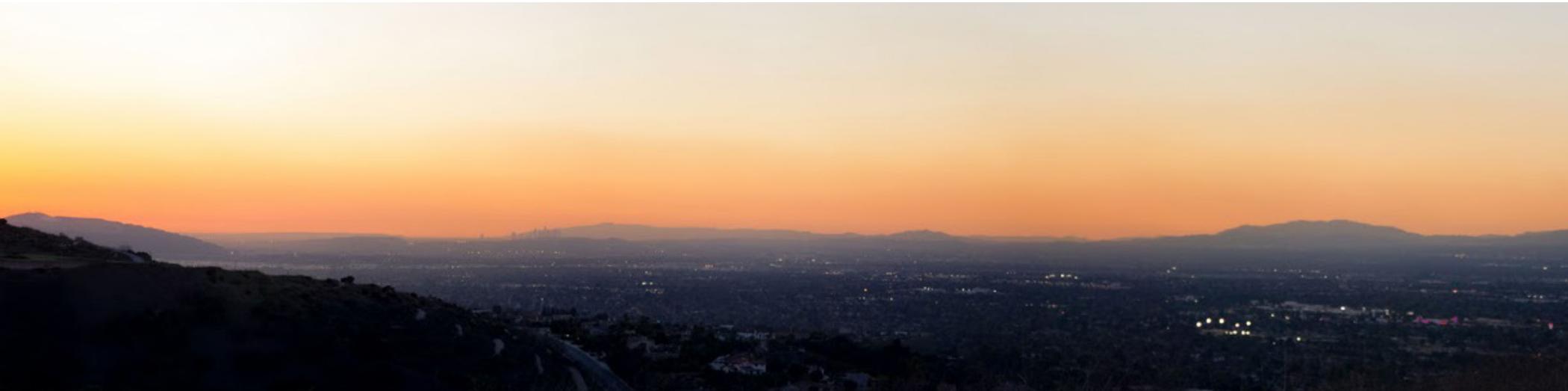
AREA OVERVIEW

WEST COVINA, CALIFORNIA

West Covina is a city in Los Angeles County, California, located 19 miles east of Downtown Los Angeles in the eastern San Gabriel Valley, part of the Greater Los Angeles area.

West Covina is one of the most aggressive and proactive Economic Development departments in the region. The city’s unparalleled business corridor lies along Interstate 10 with continued growth potential and excellent business-to-business opportunities. The City of West Covina boasts over 3,000 businesses, offering owners low permit fees and no utility tax. The City of West Covina was rated by Kosmont Associates “Cost of Doing Business Survey” as one of the low-cost Cities in Los Angeles County to conduct business, and was selected as the “Most Business Friendly City” for Los Angeles County in 2011.

DEMOGRAPHICS	1 MILE	3 MILES	5 MILES
TOTAL POPULATION	23,015	253,458	532,376
TOTAL NUMBER HOUSEHOLDS	6,506	65,078	139,047
TOTAL NO. PERSONS PER HOUSEHOLD	3.50	3.80	3.80
AVERAGE HOUSE VALUE	\$402,965	\$375,279	\$394,406
AVERAGE HOUSEHOLD INCOME	\$75,770	\$77,805	\$77,582
MEDIAN AGE	36.90	36.20	36.30
WHITE	16,794	198,326	402,345
BLACK	878	7,175	15,156
AM. INDIAN & ALASKAN	527	4,906	9,856
ASIAN	4,127	37,165	92,590
HAWAIIAN & PACIFIC ISLAND	73	631	1,327
OTHER	617	5,255	11,102



AREA OVERVIEW

LOS ANGELES COUNTY, CALIFORNIA

Los Angeles County is the most populous county in the Los Angeles metropolitan area and is the most populous county in the United States. It is the third-largest metropolitan economy in the world and is home to more than one-quarter of California residents.

Los Angeles County is commonly associated with the entertainment and digital media industry; all six major film studios—Paramount Pictures, 21st Century Fox, Sony, Warner Bros., Universal Pictures, and Walt Disney Studios—are located within the county. Numerous other major industries also define the economy of Los Angeles County, including international trade supported by the Port of Los Angeles and the Port of Long Beach, music recording and production, aerospace and defense, fashion, and professional services such as law, medicine, engineering and design services, financial services and more. High-tech sector employment within Los Angeles County is 368,500 workers, and manufacturing employment within Los Angeles County is 365,000 workers.



2018 ECONOMIC DEVELOPMENT SCORECARD HIGHLIGHTS



10,241,335

POPULATION / CONSUMER MARKET
(LARGEST COUNTY IN NATION)



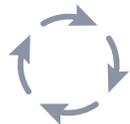
237,000

PROJECTED FIVE-YEAR
JOB GROWTH



47.3

MILLION
ANNUAL VISITORS



OVER
5,100,000
LABOR FORCE



LOS ANGELES & LONG BEACH
2
LARGEST SEAPORTS IN AMERICA



\$33.6 BILLION
TOURISM
ECONOMIC IMPACT

*Source: <http://economicdevelopment.lacounty.gov/scorecards/>



WEST COVINA | CALIFORNIA



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