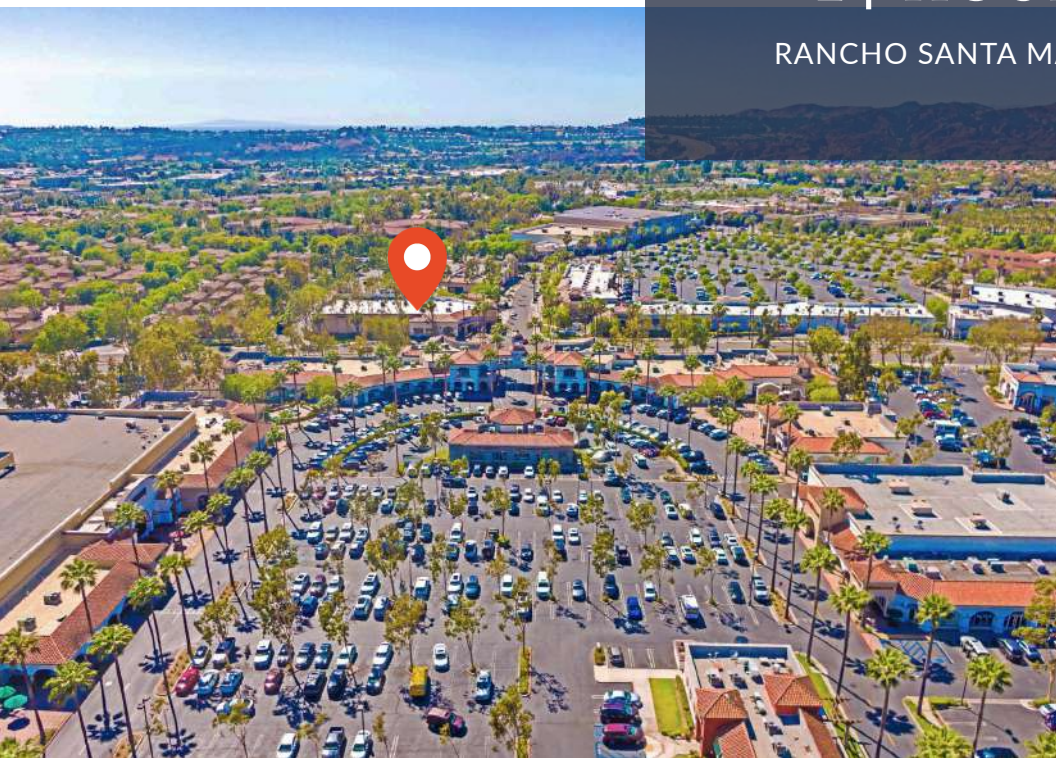




24 HOUR FITNESS

RANCHO SANTA MARGARITA | CALIFORNIA



24 HOUR FITNESS

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All potential buyers are strongly advised to take advantage of their opportunities and obligations to conduct thorough due diligence and seek expert opinions as they may deem necessary, especially given the unpredictable changes resulting from the continuing COVID-19 pandemic. Marcus & Millichap has not been retained to perform, and cannot conduct, due diligence on behalf of any prospective purchaser. Marcus & Millichap's principal expertise is in marketing investment properties and acting as intermediaries between buyers and sellers. Marcus & Millichap and its investment professionals cannot and will not act as lawyers, accountants, contractors, or engineers. All potential buyers are admonished and advised to engage other professionals on legal issues, tax, regulatory, financial, and accounting matters, and for questions involving the property's physical condition or financial outlook. Projections and pro forma financial statements are not guarantees and, given the potential volatility created by COVID-19, all potential buyers should be comfortable with and rely solely on their own projections, analyses, and decision-making.

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PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.**



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Marcus & Millichap
THE BITONTI GROUP

INVESTMENT OVERVIEW

Marcus & Millichap is pleased to present a 24 Hour Fitness offering located in Rancho Santa Margarita, California. The subject property consists of 22,000 square feet situated on a 1.72-acre parcel in the master planned community of Rancho Santa Margarita. This location in RSM is home to a **1.6 Million square feet of retail** in a one mile radius with only **2.7% of vacancy**. Adjacent to the property are 4 institutional quality retail properties which include Plaza El Antonio, Plaza El Paseo, RSM Towne Centre, and Santa Margarita Marketplace, **none of which offers a fully outfitted fitness facility**.

Rancho Santa Margarita is a retailer's bull's eye where the demographic profile of the residents is some of the best in Orange County. The average and median household incomes within a 3-mile radius are **\$162,011** and **\$118,438** respectively with **average home prices of \$838,000**. The average **home ownership is 77%** compared to the US average of 65%, and the **post-secondary degree holder average is 70%**, significantly higher than the US average of 25%. This area will continue to flourish as urban flight advances with more migration to suburbs and master planned communities like RSM.

24 Hour Fitness today is financially stronger than ever since discharging 1.2B in debt through a recent chapter 11 bankruptcy filing. This has allowed them to shed underperforming clubs and become financially profitable and stable. The investment today offers a secure income stream from a financially stronger tenant in a superb retail location. The investment is corporate guaranteed net lease, offering above market **rental increases of 10%, 15.59% and 15.59%** respectively in the option rent starting in 2025.

This offering today provides an excellent hedge against inflation in one of the best master-planned communities in Southern California.



**1.6M SF of Retail in 1 Sq. Mile.
2.7% Vacancy**



**NNN Investment,
Limited Landlord Responsibility**



**10%, 15.59% and 15.59%
Rental Increases
during Three (5-year) Options**



**Surrounded by Institutional-
quality Retail Properties, none of
which offers a fully-outfitted
Fitness Facility**



**Very Strong Demographics:
\$162,011 3-mile AHHI
Median Age: 37
Average Home Price \$848,000
77% Home Ownership
70% Post-Secondary Degree Holder**



OFFERING SUMMARY

PRICE

\$10,730,838

GROSS LEASABLE AREA

22,000 SF

CAP RATE

5.25%

LOT SIZE

1.72 Acre

LEASE TERM REMAINING

4 Years

3 (5-year) Options

YEAR BUILT

1993

PRICE PER FOOT

\$487.77

LEASE COMMENCES

June 1, 2015

Fully Assumable Loan at 4.25%
Approximate Loan Balance of \$4.4M
15-Year Term

Adjustable Rate, First Adjustment Date is December 1, 2022 - Libor
30-Year Fully Amortizing. Due December 1, 2030
Annual Debt Service \$294,075 (Call Broker for Details)

22331 El Paseo • Rancho Santa Margarita, California



PLAZA ANTONIO
170,000 SF
ANCHOR: PAVILLIONS, CVS
207,000 MONTHLY VISITS



RSM TOWN CENTRE
261,000 SF
ANCHOR: TARGET, ROSS, WALGREENS
370,000 MONTHLY VISITS



PLAZA EL PASEO
199,000 SF
ANCHOR: KOHL'S, BED BATH BEYOND
187,000 MONTHLY VISITS



SANTA MARGARITA MARKETPLACE
325,000 SF
ANCHOR: WALMART, LOWES
189,000 MONTHLY VISITS



CALIFORNIA
241
241 FWY
54,000 CPD



RSM MARKETPLACE

RSM TOWN CENTRE



PLAZA EL PASEO

WOOD RANCH

BevMo!
PET SUPPLY

PLAZA ANTONIO



SHERWIN WILLIAMS

CVS pharmacy



Elite Dentistry

CHASE

WELLS FARGO

WanFuchinaBistro
Wells Fargo
The Pizza Press
Panera Bread

Hann's
Flame Broiler
POKE
Bowlz

HANOI'S
WING STOP
cinépolis
SUPERCUTS

Little Caesars
TACO BELL
Selon 74

MESA MARKET
CARMELITA'S
Starbucks Coffee
Mobil
Rite Aid Pharmacy
POKE TIK

Little Caesars
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RANCHO SANTA MARGARITA

\$162,011
3-MILE AHHI

\$838,000
AVERAGE HOME PRICE

77%
HOME OWNERSHIP

70%
POST-SECONDARY DEGREE HOLDER

Newport
BEACH
19 MILES

Laguna
Beach
12 MILES

Los Angeles
45 MILES

SAN
DIEGO
60 MILES



COLD STONE
Sport Clips
Togo's
TODOS SANTOS
Tutto Fresco
C2 education



WOOD RANCH



TAPAS & BEER
BARBER SHOP
HAPPY NAILS



WITHIN A 1 MILE RADIUS

1.6M

RETAIL INVENTORY SF

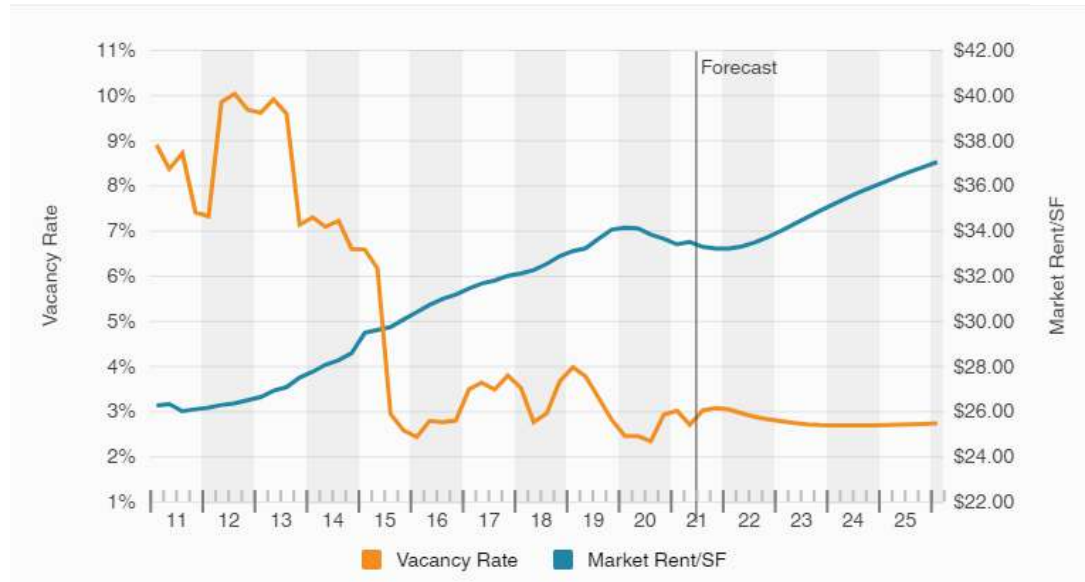
2.7%

VACANCY RATE

\$33.47

MARKET RENT/SF

Vacancy & Market Rent Per SF



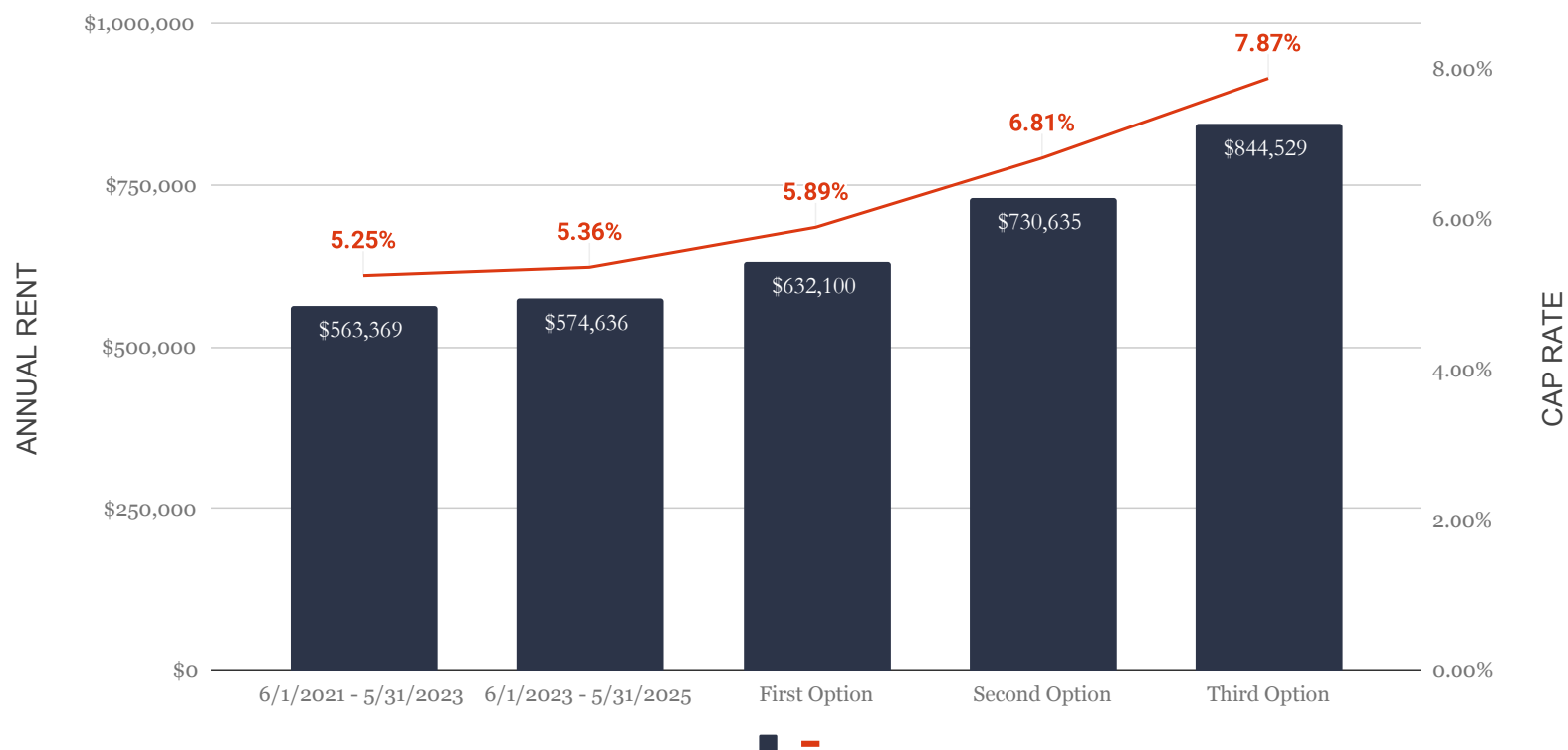
LEASE SUMMARY

Tenant	24 Hour Fitness USA, Inc.
GLA	22,000 SF
Guarantor	Corporate
Lease Type	NNN
Lease Commencement	June 1, 2015
Lease Expiration	May 31, 2025
Lease Term	10 Years
Years Remaining on Lease	4 Years
Landlord Responsibility	Limited*
Tenant Responsibility	NNN
Option	Three (5-year) Options
Right of First Refusal	None
*Tenant is responsible for Reimbursement of Most Expenses and Maintenance	

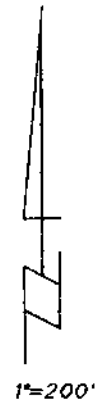
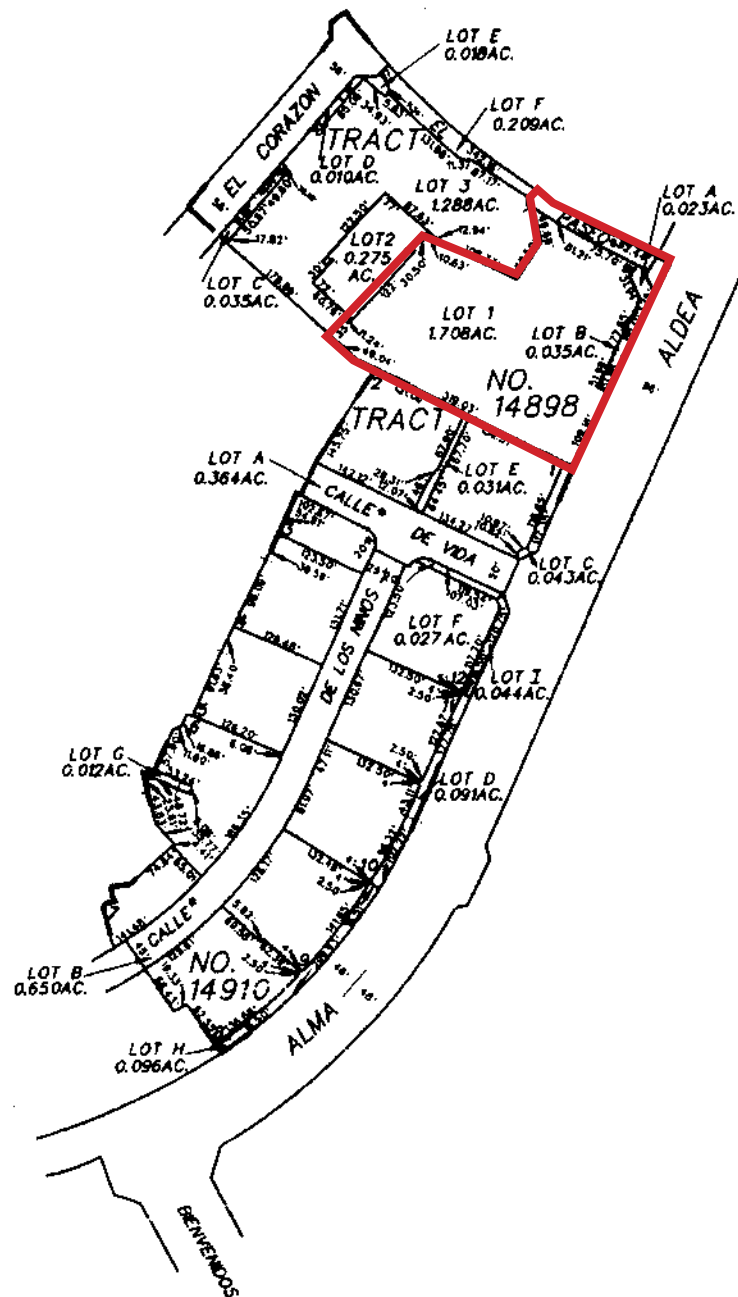


RENT ROLL

RENT SCHEDULE					
YEAR	ANNUAL RENT	MONTHLY RENT	RENT INCREASE	RENT/SF	CAP RATE
6/1/2021 - 5/31/2023	\$563,369	\$46,947.42	--	\$2.13	5.25%
6/1/2023 - 5/31/2025	\$574,636	\$47,886.37	2.00%	\$2.18	5.36%
First Option	\$632,100	\$52,675.00	10.00%	\$2.39	5.89%
Second Option	\$730,635	\$60,886.21	15.59%	\$2.77	6.81%
Third Option	\$844,529	\$70,377.41	15.59%	\$3.20	7.87%



8/14/72.01
 PROJECT 930-21
 LOCATED ON A.F. 814-171-31



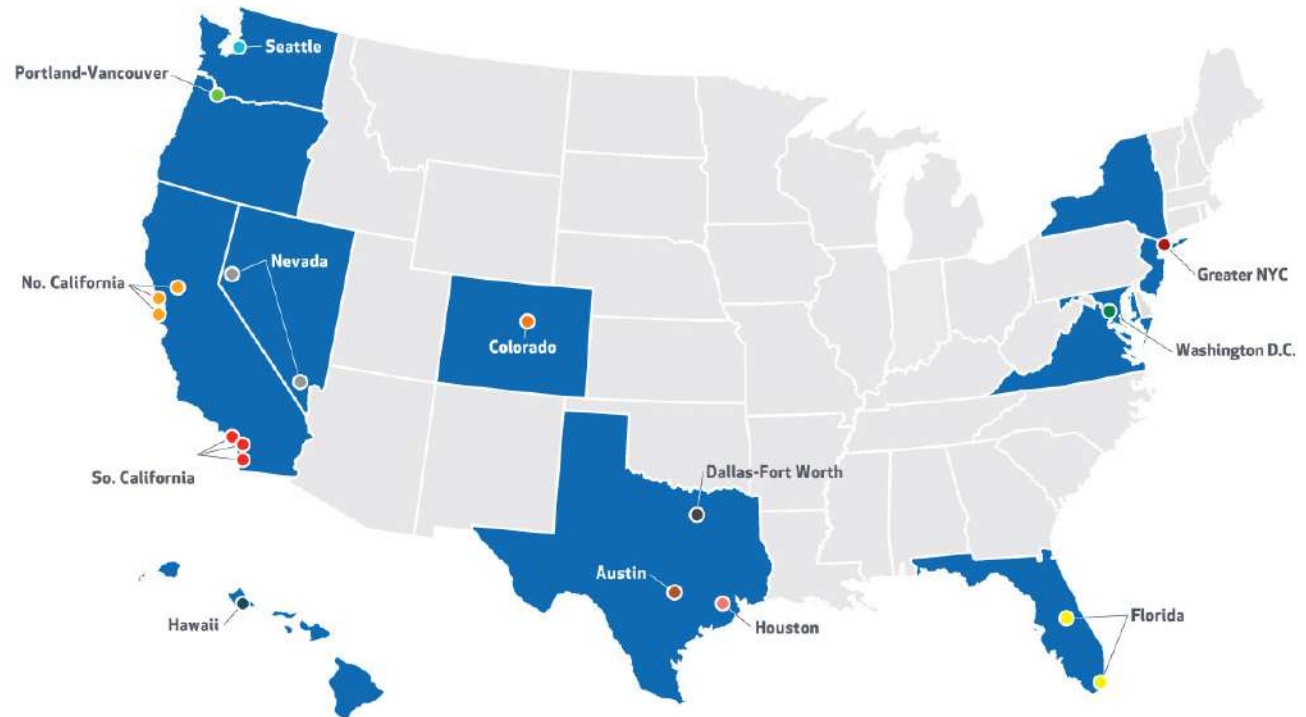
PLAT MAP

* PRIVATE STREET

TENANT PROFILE



Headquarter	San Ramon, CA
Number of Locations	~ 300
Area served	17 States
Website	24hourfitness.com
Founded	1983
Number of Employees	22,000+
Number of Members	4+ Millions



24 HOUR FITNESS SUCCESSFULLY COMPLETES CHAPTER 11 PROCESS; EMERGES WITH STRENGTHENED CAPITAL STRUCTURE

The Company has successfully completed its financial restructuring process and has implemented the plan of reorganization confirmed by the U.S. Bankruptcy Court on December 21, 2020. The Company now has greater financial strength with an optimized cost structure and leaner balance sheet after eliminating \$1.2 billion of funded debt.

24 Hour Fitness is now well-positioned and wellcapitalized to become the leading fitness provider, serving club members and guests across nearly 300 clubs nationwide.

Celebrating over 35 years as an industry leader, 24 Hour Fitness helps to transform lives every day through fitness. Clean and spacious clubs, furnished with a wide variety of strength, cardio and functional training equipment, offer a welcoming environment for members to take part in professionally coached fitness programs. Group exercise and cycle rooms feature a popular array of live classes, helping inspire every member to lead a healthier, happier life.

As an ongoing part of the company's investment in technology and innovation to enhance the member experience, the 24GO® personalized fitness app helps everyone keep healthy anytime, anywhere, particularly during COVID-19. The app provides touch-free club check-in at indoor and outdoor locations, as well as over 1,000 free on-demand workouts to support fitness at home or in the club. It also serves as a gateway to 24GO Plus™, a premium digital subscription featuring customizable Smart Workouts, audio coaching, access to more than 50 weekly, live-coached virtual group training sessions and more. 24GO Plus™ is included at no extra cost with 24 Hour Fitness membership. 24 Hour Fitness also offers the 24GO TV™ workout channel, with free streaming content available 24/7 through the 24GO® app and on YouTube.



Rancho Santa Margarita

A master planned community, Rancho Santa Margarita is located along the foothills of the Santa Ana Mountains. Rancho Santa Margarita was planned to be an urban village, offering the best of 2 worlds: all of the elements and advantages of a small city plus the quality of life of a small village. The city currently has a population of over 49,000. Rancho Santa Margarita is bordered by the city of Mission Viejo on the west, Coto de Caza on the south, Trabuco Canyon on the north, and the Cleveland National Forest on the east. Rancho Santa Margarita is a small city with the soul of a village. The City is instilled with traditions that honor the heritage of our land. A mix of land uses and a balance of jobs and housing provide a planned community oasis in which people live, work, shop, and play. Community events and public gathering places promote a family-oriented community and encourage community spirit and participation.

49,078

POPULATION

\$162,011

3-MILE AHHI

\$838,000

AVERAGE HOME PRICE

37

MEDIAN AGE

77%

HOME OWNERSHIP

70%

POST-SECONDARY DEGREE HOLDER

Top Employers

Applied Medical
O'Connell Landscape Maintenance
Saddleback Valley Unified School District
Target
Lucas & Mercier Construction
Capistrano Unified School District

Education

Concordia University
University of California, Irvine
Saddleback College
Chapman University College
Cal State Fullerton
Santiago Canyon College

Regional Amenities

Balboa Island
Corona Del Mar
Dana Point
Laguna Beach
Disneyland Resort
Knott's Berry Farm

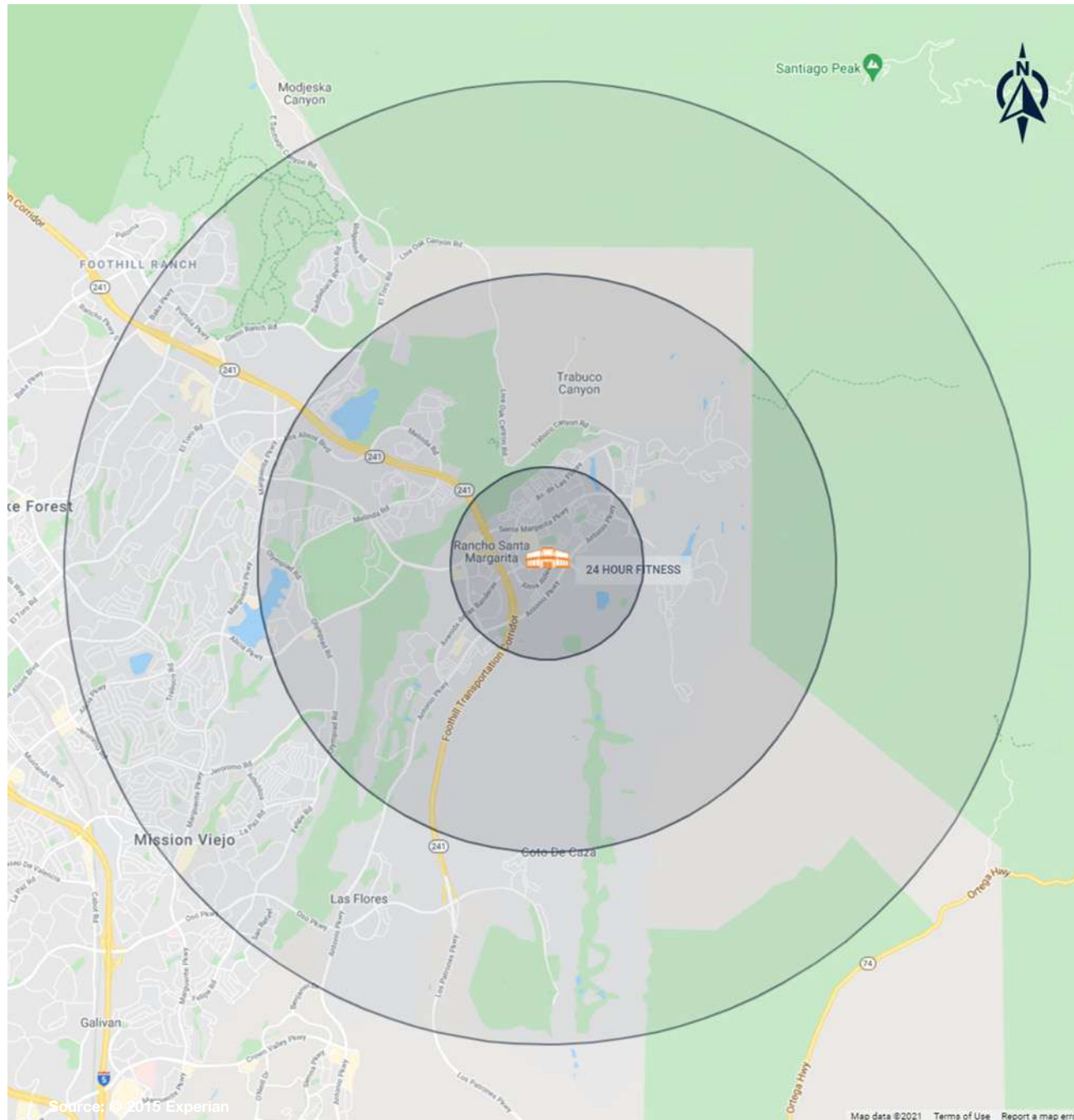
Newport
BEACH
19 MILES

Los Angeles
45 MILES

Laguna
Beach
12 MILES

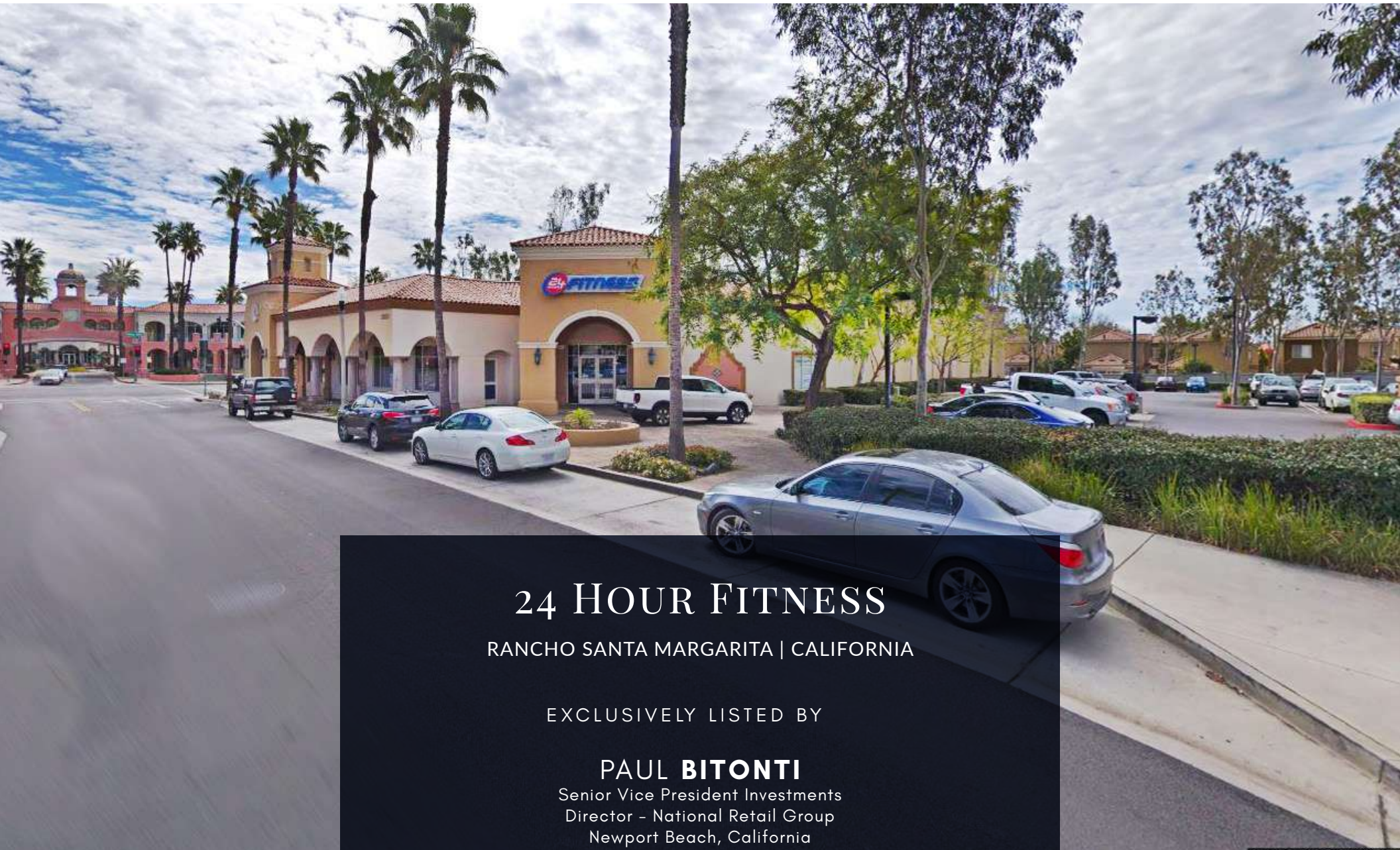
SAN
DIEGO
60 MILES

DEMOGRAPHICS



CREATED ON MAY 25, 2021

	1 Miles	3 Miles	5 Miles
POPULATION			
2025 Projection	15,210	77,734	174,656
2020 Estimate	15,158	76,053	169,591
2010 Census	14,850	73,516	162,330
2000 Census	14,611	72,281	159,223
INCOME			
Average	\$110,270	\$162,011	\$159,732
Median	\$84,900	\$118,438	\$119,243
Per Capita	\$43,748	\$59,022	\$57,125
HOUSEHOLDS			
2025 Projection	6,073	28,405	62,606
2020 Estimate	6,013	27,686	60,593
2010 Census	5,800	26,243	56,869
2000 Census	5,716	25,355	55,288
HOUSING			
2020	\$505,191	\$713,225	\$707,318
EMPLOYMENT			
2020 Daytime Population	13,740	53,105	124,201
2020 Unemployment	2.06%	2.18%	2.19%
2020 Median Time Traveled	30	32	31
RACE & ETHNICITY			
White	68.91%	75.90%	74.48%
Native American	0.26%	0.19%	0.20%
African American	2.39%	1.87%	1.63%
Asian/Pacific Islander	10.97%	11.32%	12.63%



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EXCLUSIVELY LISTED BY

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