

Marcus & Millichap
NNN FITNESS

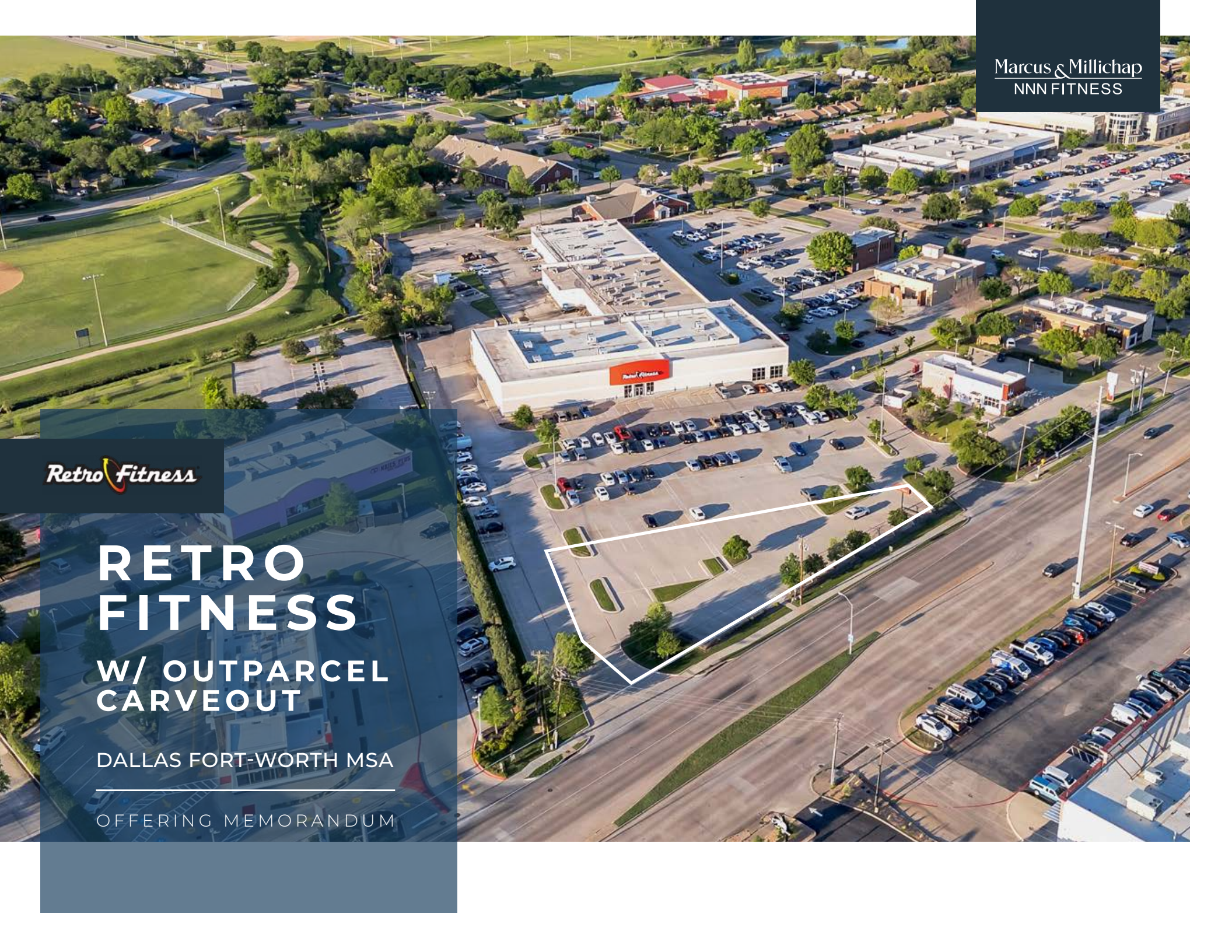
Retro Fitness

RETRO FITNESS

W/ OUTPARCEL
CARVEOUT

DALLAS FORT-WORTH MSA

OFFERING MEMORANDUM





MARKET AERIAL



INVESTMENT OVERVIEW

\$4,518,000

PURCHASE PRICE

7.00%

CAP RATE

OFFERING DETAILS

ADDRESS	1301 E Belt Line Rd, Richardson, TX 75081
TENANT	Retro Fitness
GUARANTOR	See Page 6
LEASE TYPE	NNN*
NOI	\$316,260
LEASE TERM REMAINING	10.75 Yrs
LEASE EXPIRATION DATE	12/31/2034
TOTAL GLA	26,120 SF
LOT SIZE	3.43 AC
YEAR BUILT	2015
RENT PSF	\$12.10
PRICE PSF	\$172.97
OPTIONS	(1) 10 Year
INCREASES	11% Increase in 2029; 4% Annual in Options
PARKING SPACES	±214

* Landlord Responsible for Roof & Structure

RENT SCHEDULE

LEASE YEARS	ANNUAL RENT	RENT PSF
1/1/2024 - 12/31/2029	\$316,260	\$12.10
1/1/2030 - 12/31/2034	\$351,870	\$13.47
Option 1	\$369,975	\$14.16

DEMOGRAPHICS

1 MILE POP	1 MILE AHHI	3 MILE POP	3 MILE AHHI	5 MILE POP	5 MILE AHHI
14,760	\$109,096	154,045	\$87,303	351,031	\$92,058

INVESTMENT HIGHLIGHTS



Long Term Lease w/ Approved Carveout

Retro Fitness in Richardson, TX features over 10.75 years remaining on the initial lease term with a 10% increase in 5 years. The offering also includes a tenant approved .60 Acre carveout along E Belt Line Rd primed for development.



Growing Regional Fitness Concept

Retro Fitness is an expanding fitness center concept boasting a network of 200 locations and over two decades of industry expertise. Rooted in accessibility, cutting-edge amenities, and personalized support, Retro Fitness empower individuals to achieve their fitness aspirations. Under new visionary leadership, Retro Fitness is poised for an even brighter trajectory ahead.



Thriving Retail-Centric DFW Location

Located amid an established retail corridor in an appealing growth market, and positioned along a bustling thoroughfare this property features excellent access and prominent visibility. Located adjacent to the Richardson Square power center, which spans over 99 acres and is anchored by Super Target and Lowe's.



TENANT SUMMARY

Marcus & Millichap
NNN FITNESS



HVLP
Health Club Operator



20+ Yrs
In the Industry



200+
Locations in U.S.

TENANT OVERVIEW

Retro Fitness, for nearly 20 years, has been providing members with a timeless approach to exercise, health, and fitness. With 200 health clubs open or in development, Retro Fitness is one of the fastest growing High Value-Low Price franchises in the United States. With a new executive leadership team led by former Starbucks executive, Andrew Alfano, Retro Fitness provides investors and franchisees with a full suite of services including real estate site selection, training, in-club support, marketing services, and operations to deliver a turnkey and operational solution.

Retro Fitness is an attractive fitness destination for consumers because of its inclusive community, state-of-the-art equipment, group fitness classes, personal training, and Zen Den amenities like massage chairs and tanning. Retro Fitness' brand initiatives allow them to take the fitness journey with consumers inside and outside of the four walls of the club. They have added video segments in mental health, healthy cooking, nutrition, and at home workouts which includes the Retro Fitness Cobra, our at home cycle initiative.

Retro Fitness recently purchased all You Fit locations in the Dallas-Fort Worth area as part of Project LIFT, a new company initiative to open 500 health clubs in 50 Black and brown communities across the country over the next five years. In addition to the Dallas location, Retro Fitness has also acquired You Fit gyms in Richardson, Garland and Mesquite.

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WSJ

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THE POWER BEHIND THE GUARANTEE

Marcus & Millichap
NNN FITNESS

GUARANTEE OVERVIEW

BlackRock is one of the world's largest asset management firms, overseeing trillions of dollars in assets across various investment strategies, including equities, fixed income, and alternatives. Founded in 1988, it has grown to become a global leader in financial services, with a strong focus on technology and sustainability in investment practices. The company is known for its influential role in shaping global markets and advising governments and institutions on financial and economic policies.

BlackRock, Inc. is the Majority Shareholder of Guarantor Lift RF FTX.

Franchise Times
The News and Information Source for Franchising

BlackRock-backed Eastwood Capital to Open 70 Retro Fitness Gyms in Communities of Color

Laura Michaels Editor-in-chief of Franchise Times May 13, 2022 Updated May 16, 2022

James Collins is the first franchisee to invest in Retro Fitness as part of Project Lift, with his Eastwood Capital Partners signing a deal to open up to 70 gyms in communities of color in the Dallas, Houston and Southeast Florida markets. Through Project Lift, Retro Fitness has a goal to open 500 gyms in 50 Black and brown communities over the next five years.

There's an opportunity, said Collins, to focus development in "Black and brown working class and middle-class communities" to help address what he noted is "one of the biggest social determinants of health"—access to health and wellness resources. The obesity rate in the United States reached 42.4 percent in 2018, according to the most recent Centers for Disease Control and Prevention data. Black and Hispanic populations exceed that national rate, at 49.6 percent and 44.8 percent, respectively, and the two groups each account for less than 13 percent of fitness club members.

"So by putting these accessible and affordable fitness locations in these communities, we hope to help improve these outcomes," said Collins, founding partner of Eastwood Capital. Retro Fitness, which describes itself as a high-value, low-price franchise, has 120-plus locations and membership plans start at \$19.99.

Though his private equity firm is based in New York, Collins noted he's setting up a corporate headquarters in Houston to develop and support his Retro locations, with the aim of hiring from within the community there and at the gym level to also "do our small part to decrease the wage gap." The McKinsey Global Institute reported the median annual wage for Black workers is approximately 30 percent, or \$10,000, lower than that of white workers.

Collins, whose career includes stints at Roark Capital and Bain & Company, formed Eastwood Capital in 2012, investing his own money and raising funds on a deal-by-deal basis with a focus on middle market investments in consumer and business services. The agreement with Retro Fitness is his first deal with institutional backing, as Eastwood partnered with financial giant BlackRock through its BlackRock Impact Opportunities Fund. The new fund, which BlackRock announced May 11, has secured more than \$800 million in initial commitments toward a \$1 billion target and is investing in "businesses and projects owned, led by, or serving people of color, with a particular focus on Black, Latinx and Native American communities."

Eastwood Capital is among the fund's first three investments. The partnership, said Collins, arose through his relationship with Ladell Robbins, managing director of BlackRock Alternative Investors. "This type of deal ... is pretty much an ideal fit with what they're looking to achieve," said Collins.

[CLICK HERE TO VIEW FULL ARTICLE](#)

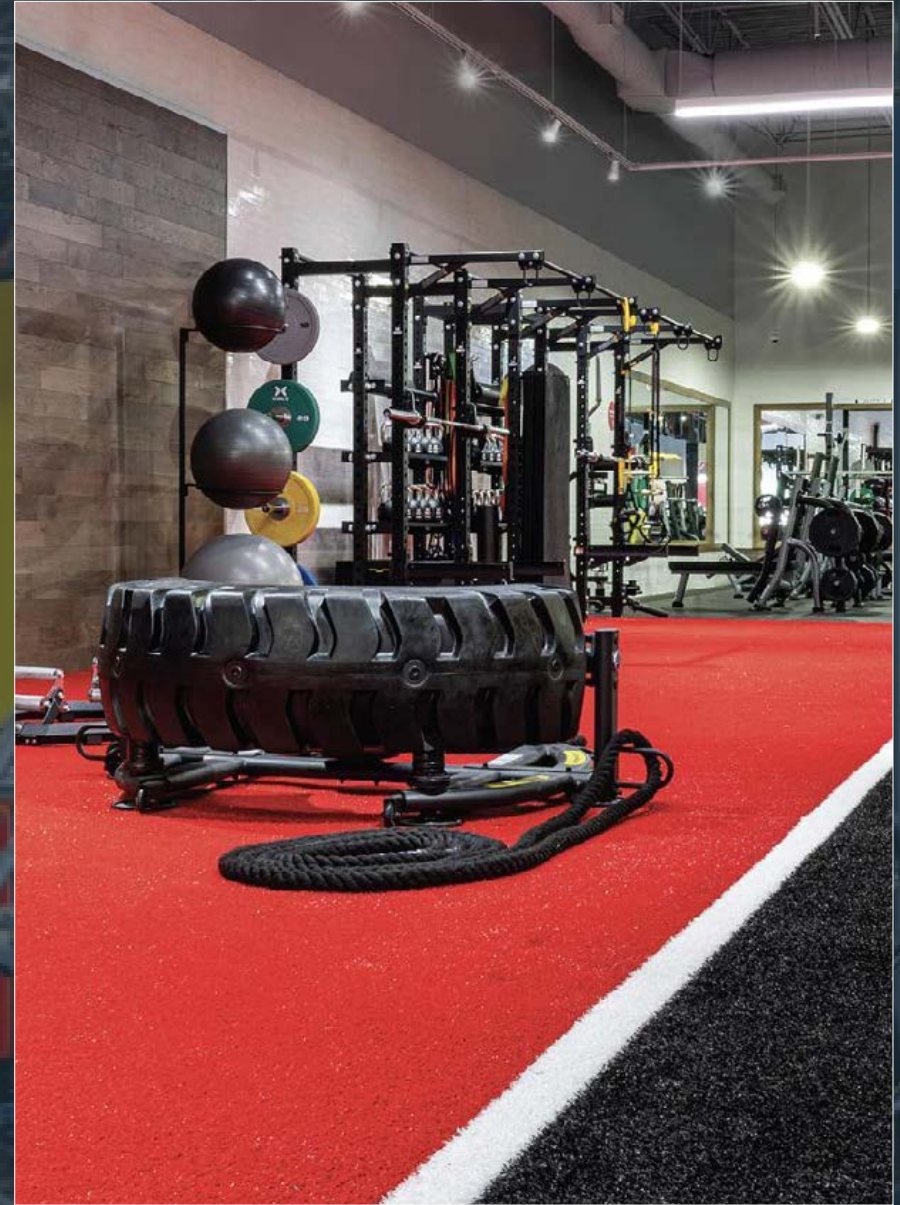
PROPERTY PHOTOS

Marcus & Millichap
NNN FITNESS



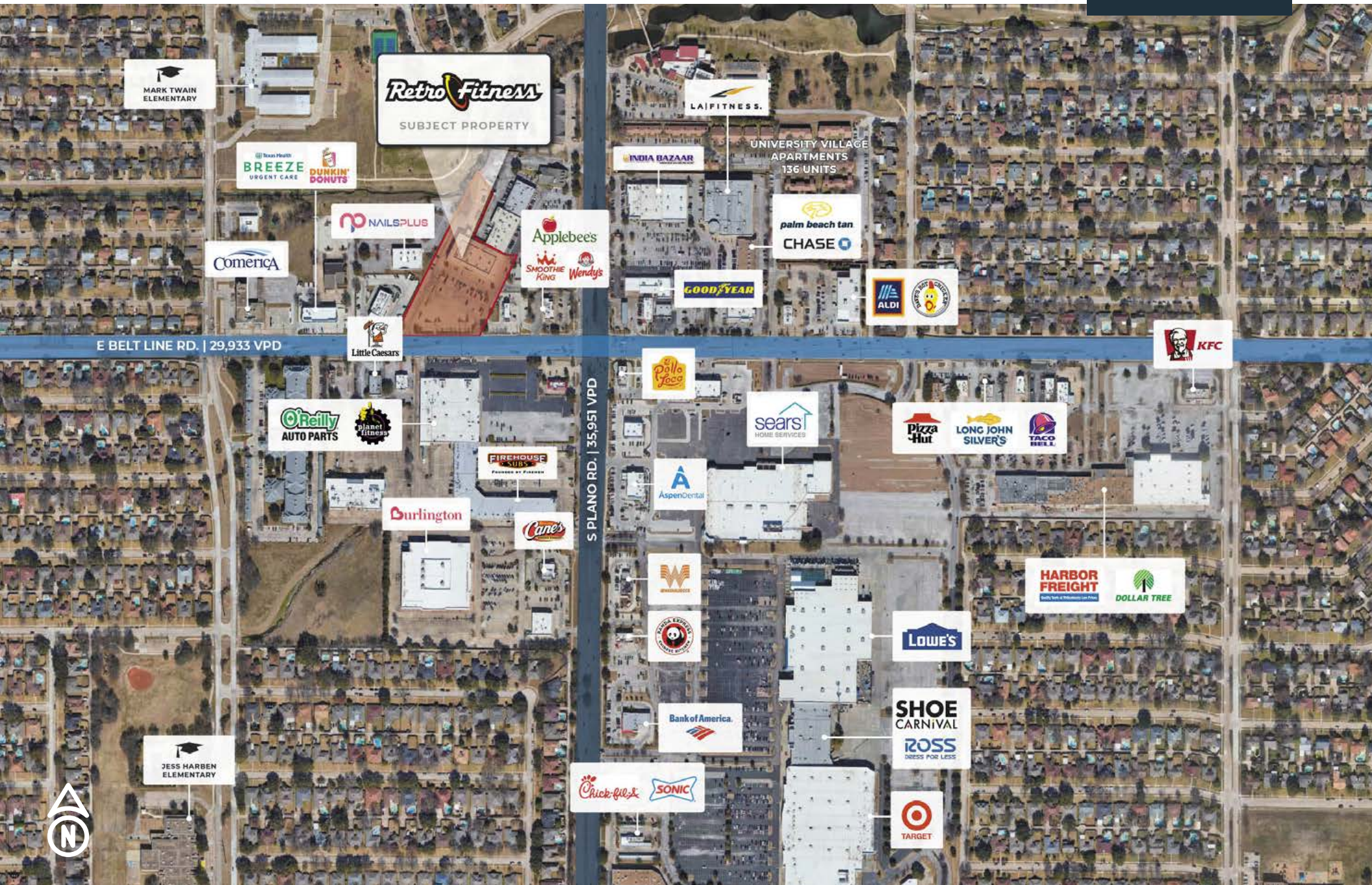
INTERIOR PHOTOS

Marcus & Millichap
NNN FITNESS

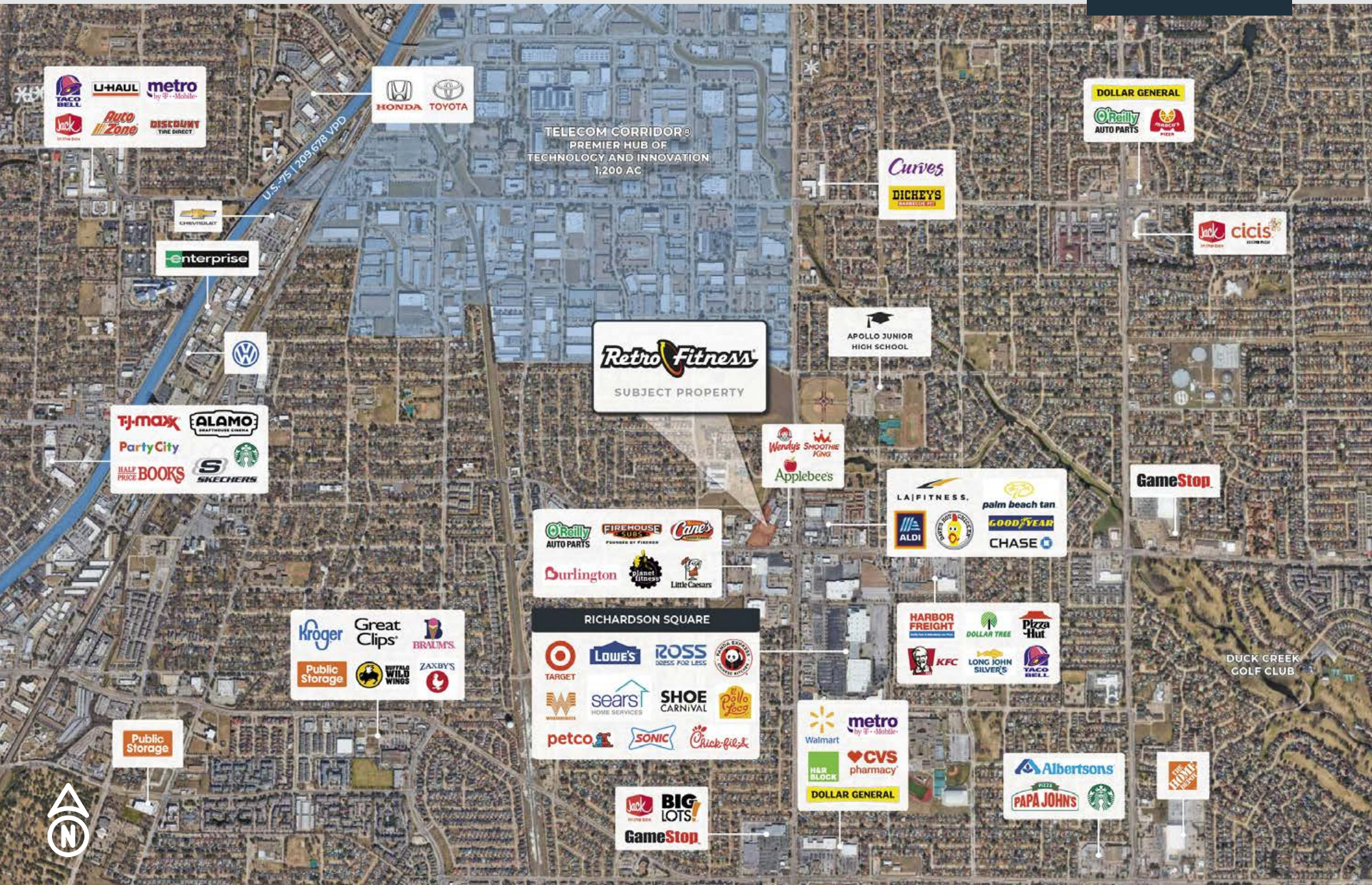




MARKET AERIAL



MARKET AERIAL



SITE PLAN

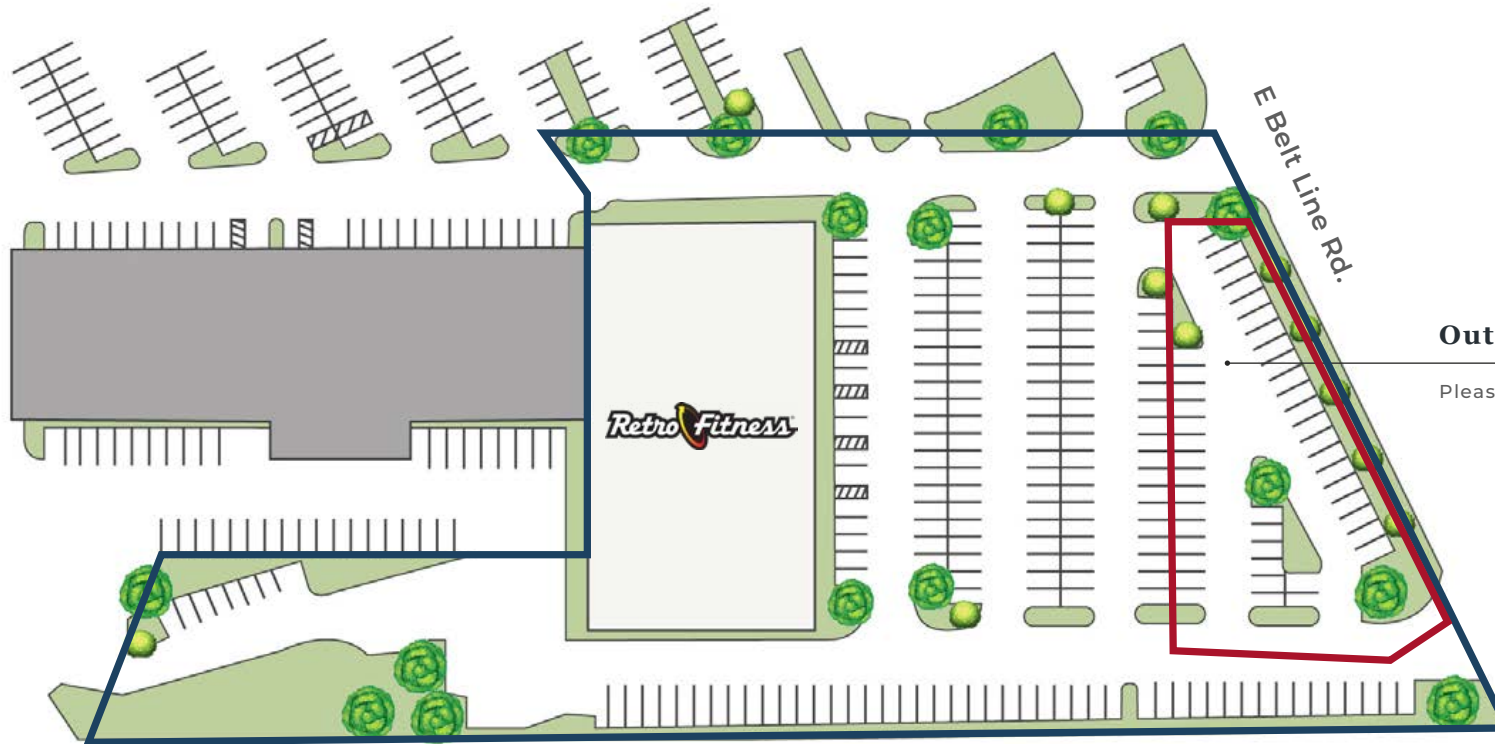
Retro Fitness

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26,120 SF
GLA

3.43 AC
LOT SIZE

±214 SPACES
PARKING



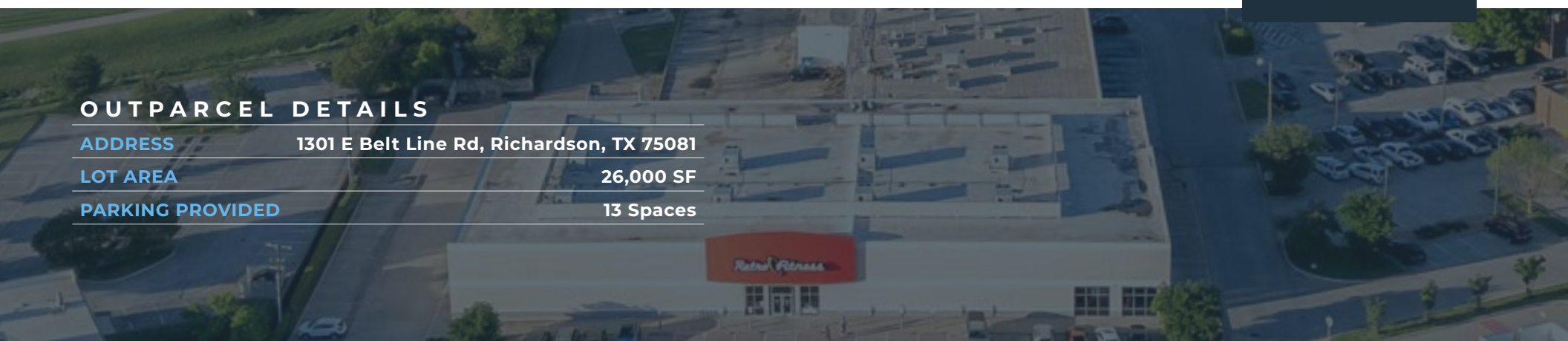
Outparcel Carveout:

Please see page 12 for further details.

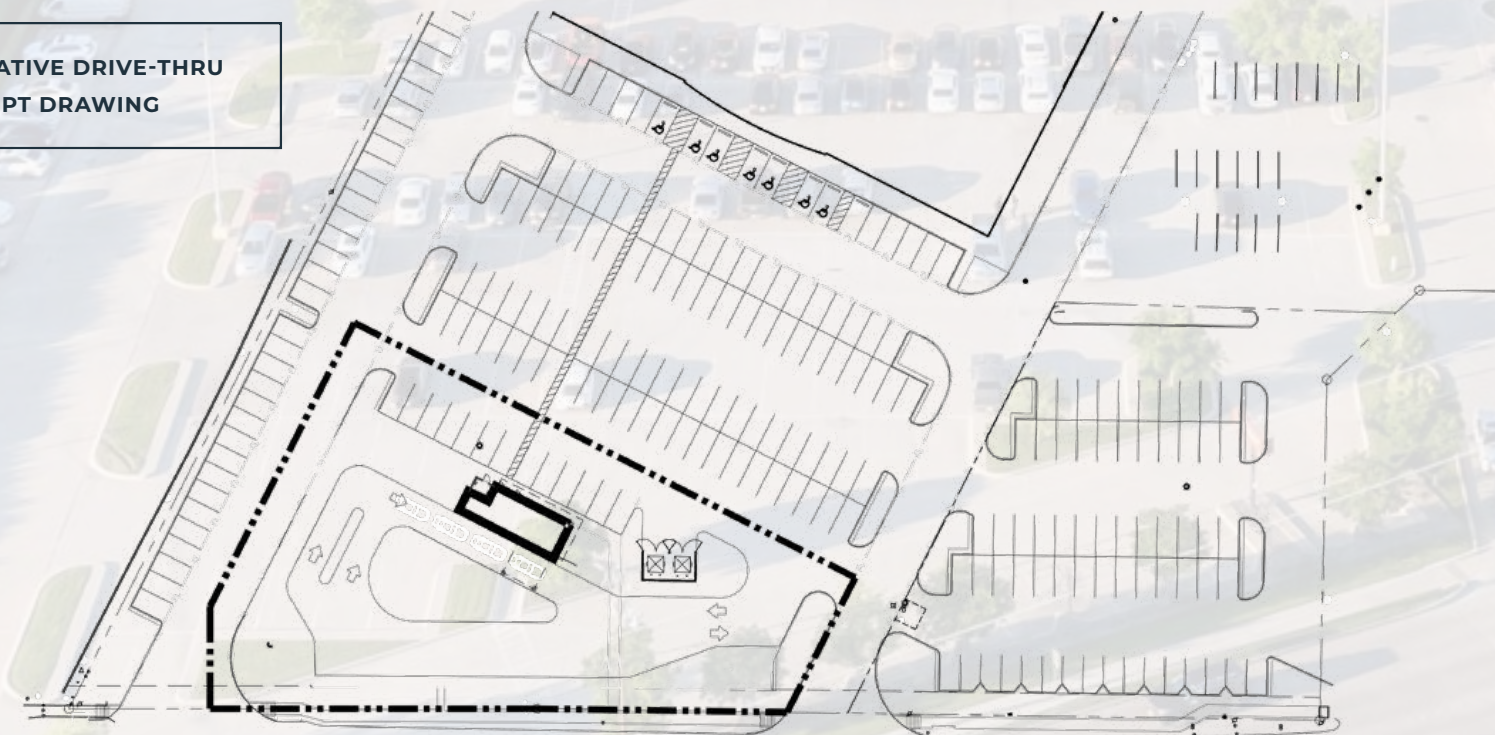
OUTPARCEL OPPORTUNITY

OUTPARCEL DETAILS

ADDRESS	1301 E Belt Line Rd, Richardson, TX 75081
LOT AREA	26,000 SF
PARKING PROVIDED	13 Spaces



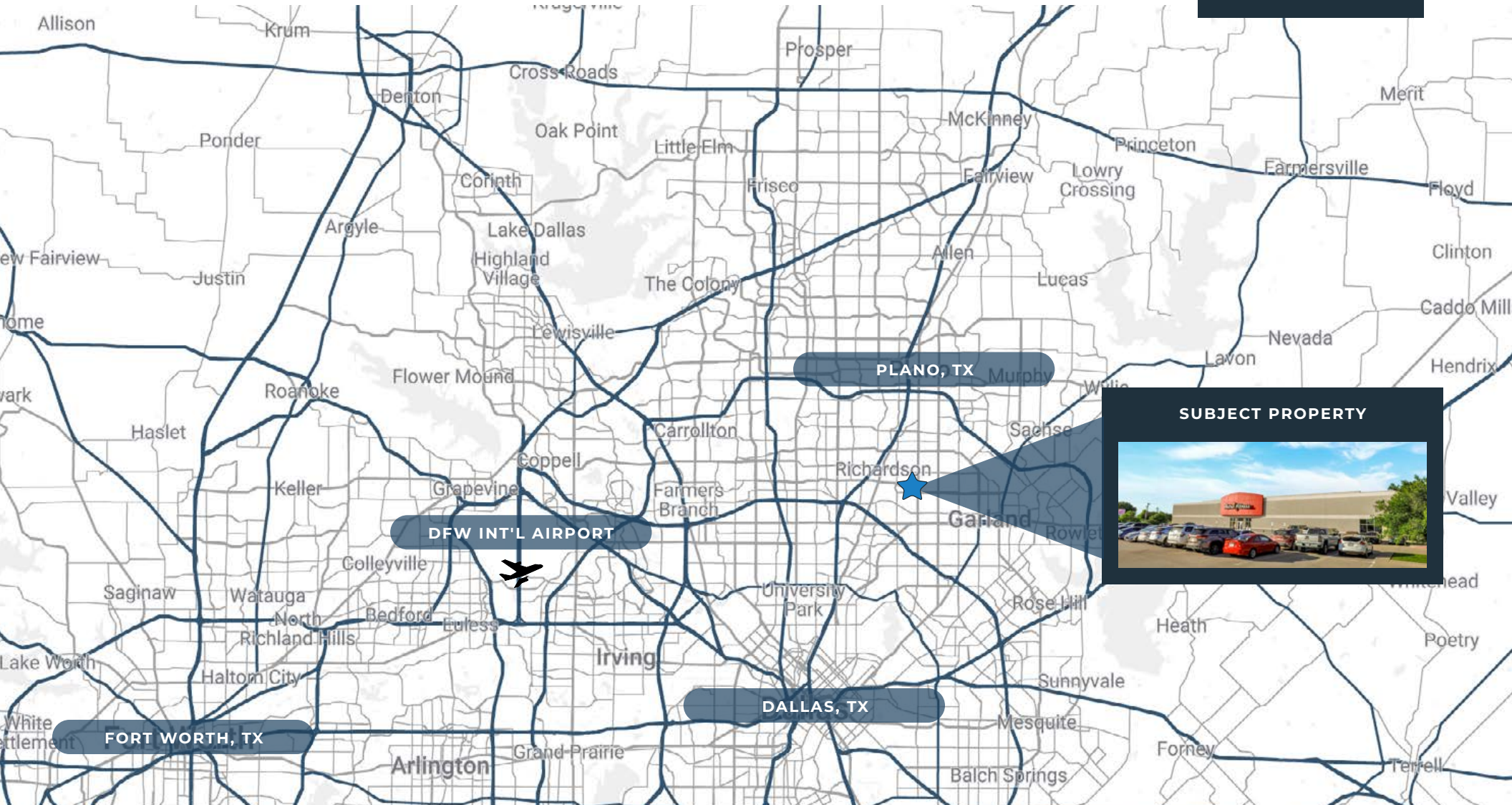
REPRESENTATIVE DRIVE-THRU
CONCEPT DRAWING



BELT LINE RD .



REGIONAL OVERVIEW



TRAVEL DISTANCES



DALLAS, TX

16.5 MILES

FORT WORTH, TX

44.8 MILES

PLANO, TX

5.1 MILES

DALLAS FORT-WORTH INT'L

24.5 MILES

DEMOGRAPHICS



RICHARDSON, TX | DFW MSA

	1 MILE	3 MILES	5 MILES
POPULATION			
2023 Population	14,760	154,045	351,031
2028 Projection	14,704	151,900	348,881
HOUSEHOLDS			
2023 Households	5,147	57,423	131,786
2028 Projection	5,095	56,590	130,702
HOUSEHOLD INCOME			
Avg Household Income	\$109,096	\$87,303	\$92,058
Median Household Income	\$87,546	\$65,648	\$66,135
EDUCATION			
Some College, No Degree	3,066	30,100	63,424
Associate Degree	858	8,353	18,156
Bachelor's Degree	3,109	25,122	59,937
Advanced Degree	1,230	10,725	31,060
EMPLOYMENT			
Civilian Employed	8,290	81,017	184,818
Civilian Unemployed	163	3,343	8,188
Civilian Non-Labor Force	3,527	37,007	83,705
U.S. Armed Forces	11	70	152

LOCATION SUMMARY



Population: 119,469
2020 Census



Households: 45,200
2020 Census



Dallas Fort-Worth MSA
16 Miles South

Richardson, TX Earned S&P "AAA" Rating for 14 Straight Years

Richardson is a city in Dallas and Collin counties in Texas. As of the 2020 United States census, the city had a total population of 119,469. Richardson is an inner suburb of Dallas. It is home to the University of Texas at Dallas and the Telecom Corridor, with a high concentration of telecommunications companies. More than 5,000 businesses have operations within Richardson's 28 square miles, including many of the world's largest telecommunications and networking companies such as AT&T, Verizon, Cisco Systems, Samsung, ZTE, MetroPCS, Texas Instruments, Qorvo, and Fujitsu. Richardson's largest employment base is provided by the insurance industry, with Blue Cross and Blue Shield of Texas's headquarters, a regional hub for the insurance company GEICO, regional offices for United Healthcare, and one of State Farm Insurance's three national regional hubs located in the community. From 2005 to 2009 Richardson had substantial increases in its economy. The city's total assessed property value went up from \$8.3 billion in 2005 to \$14 billion in 2017.



"AAA"

S & P Rating

Since 2008, both Standard & Poor's and Moody's have upgraded Richardson's credit rating to "AAA" from the previous rating of "AA+". At the time, Richardson was one of only four cities in the state of Texas and one of 88 cities in the nation with an "AAA" rating from Standard & Poor's.

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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. All potential buyers are admonished and advised to engage Professional Advisors on legal issues, tax, regulatory, financial and accounting matters, and for questions involving the property's physical condition or financial outlook.

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RETRO FITNESS

RICHARDSON, TX

OFFERING MEMORANDUM

Marcus & Millichap
NNN FITNESS

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7,546 Closed
Transactions in 2023

\$43.6B Total
Volume Closed in 2023

30 Transactions
Every Business Day

80+ Offices
Across the U.S. & Canada



Information About Brokerage Services

11-2-2015

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- A BROKER is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- A SALES AGENT must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction.

The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o that the owner will accept a price less than the written asking price;
 - o that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Regulated by the Texas Real Estate Commission

Buyer/Tenant/Seller/Landlord's Initials

Date

Information available at www.trec.texas.gov

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