

Seattle High Quality LA Fitness Center

\$18,500,00 | 6.72% cap



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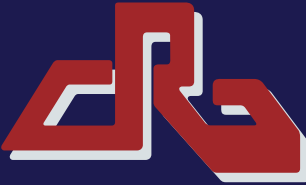




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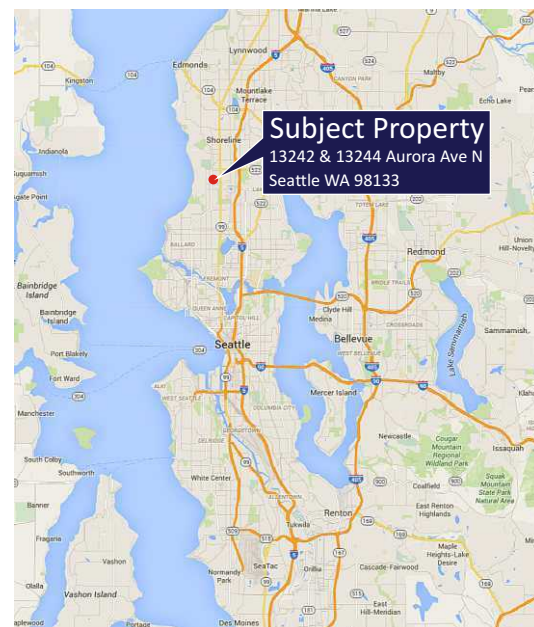
CONFIDENTIALITY AGREEMENT



PROPERTY HIGHLIGHTS

Seattle High Quality LA Fitness Center

- Modern 45,000 sq. ft. LA Fitness with a four bay 6,000 sq. ft. 100% leased retail building
- Benefits from a close-in Seattle location with approximately 152,000 people living within a 3 mile radius and 370,000 in a 5 mile radius. The 3 mile radius has an average family income of \$120,000 - more than 78% of the over 25 group have attended college. The population has grown 8% in the past five years and over 72% of the jobs in the immediate area are white collar positions.
- Seattle is one of the leading US growth cities with a greater trade area which ranks 15th in population in the US and is anchored by the main offices of Microsoft, Boeing, Costco, Amazon, Starbucks, Nordstrom's, Expedia, Weyerhaeuser, Expeditors International, Paccar, Safeco, Alaska Air, REI, T-Mobile, the Gates Foundation and Nintendo. The area is a world leader in technology and medical research. The site is located close to the University of Washington campus.
- The site is strategically located on the main intersection of Aurora and 130th which is the main I-5 freeway connector. I-5 at 130th has over 200,000 cars per day and Aurora has average daily counts exceeding 30,000 per day.
- The property is offered at a 6.72% cap after deducting for professional management fees creating a hands free investment with no ownership responsibilities required.
- Importantly Washington is state income tax free and no state reporting is required, greatly simplifying tax returns and significantly increasing cash flow for tax free residents.
- The property may be acquired debt free or the Buyer may assume a first mortgage of just under \$10,000,000 at a 4.25% interest rate. The existing lender has also indicated they would consider increasing the loan amount. With the new debt proposed for \$12,025,000 the cash on cash return at full price is 6.81% and the return on equity is 10.92%.
- The property benefits from high quality pride of ownership construction.
- The greater Seattle /Puget Sound area provides an extremely desirable high quality of life environment with outstanding educational institutions, tremendous economic potential, natural beauty and unique recreational opportunities.
- T-Mobile just extended their lease for an additional 5 years and IRG Physical Therapy recently exercised their option for an additional three years which should insure a continuation of the long term 100% occupancy rate.





PROPERTY DESCRIPTION

Seattle High Quality LA Fitness Center

Name: 135th & Aurora Retail Center

Address: 13242 & 13244 Aurora Ave N
Seattle WA 98133

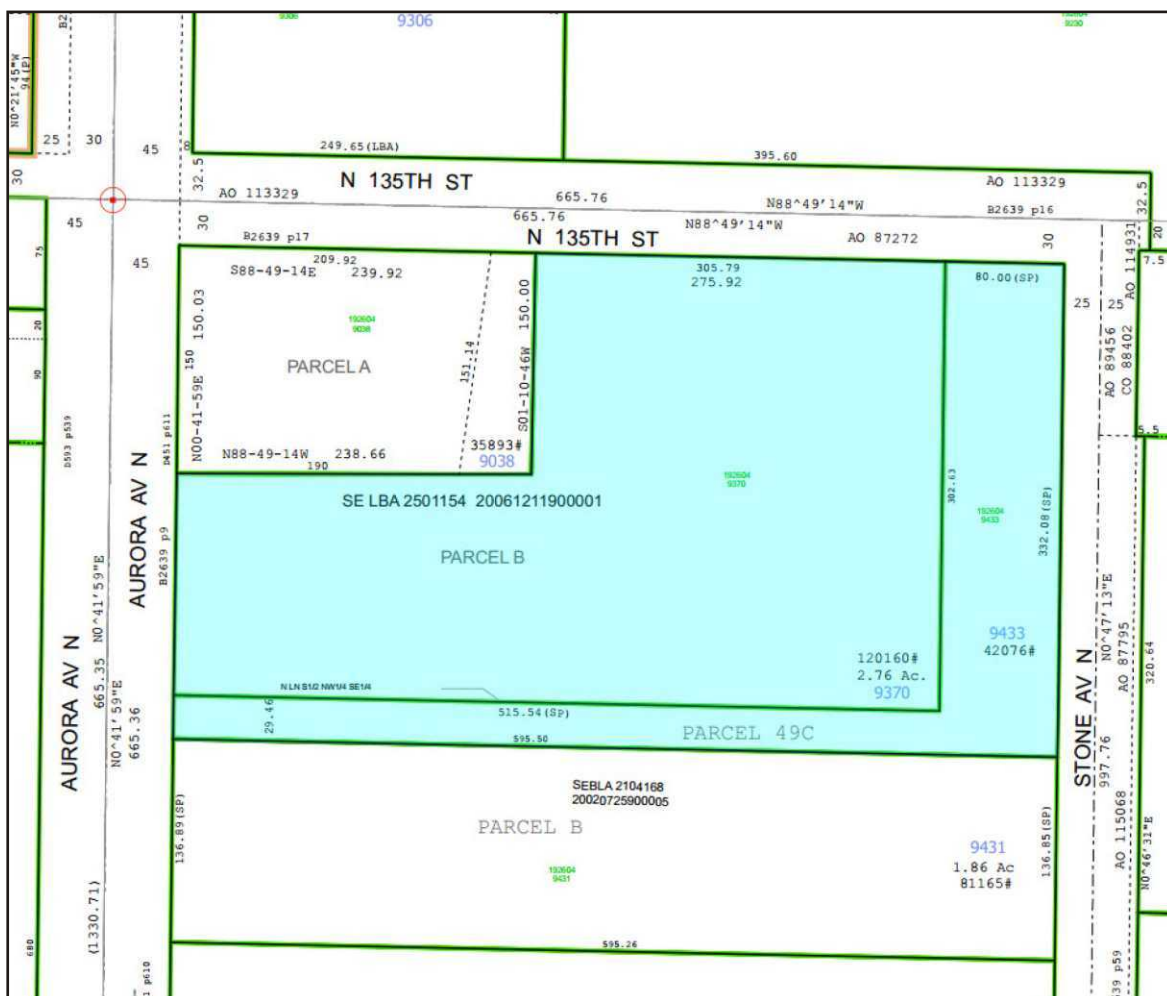
Assessor's parcel #: 192604-9370, 9433

Land size: Parcel 9370 - 120,160 sq. ft.
Parcel 9433 - 42,076 sq. ft.
Total 162,236 sq. ft. or 3.72 acres

Zoning: Commercial 1-65 (C1-65)

Year built: 2007

Building area: LA Fitness 45,000
Line retail 6,329





FINANCIAL SUMMARY

Seattle High Quality LA Fitness Center

Financial information will be provided upon receipt of the completed confidentiality agreement at the end of the package.



AERIALS

Seattle High Quality LA Fitness Center





SITE MAP

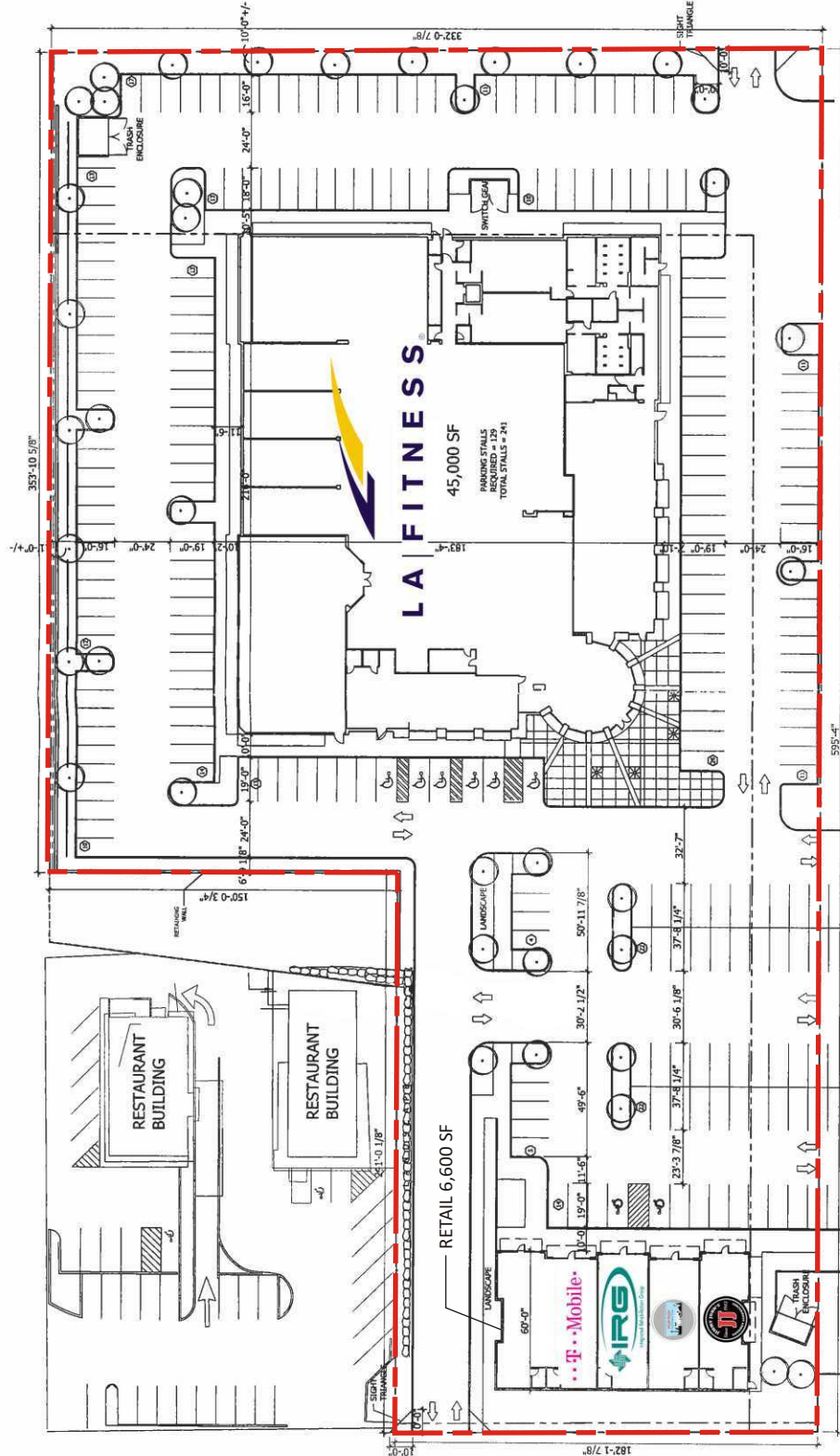
Seattle High Quality LA Fitness Center

ZONING = C2-04

STONE AVENUE NORTH

ZONING = C2-65

NORTH 135TH AVENUE



PARKING LEGEND

- M - MEDIUM SIZE STALL (8' x 16')
- C - COMPACT SIZE STALL (7.5' x 15')
- H - HANDICAP STALL (8' x 13')
- H.C. - HANDICAP STALL (8' x 13')

PARKING SPACES (MIN. SUBSTITUTIONAL)

Category	Count	Medium (8' x 16')	Handicap (8' x 13')	Total
Handicap	5	0	5	5
Handicap	3	0	3	3
TOTAL				145

ZONING = C1

AURORA AVENUE NORTH

ZONING = C1-65



TENANT PROFILES

Seattle High Quality LA Fitness Center



LA Fitness

LA Fitness International LLC by its LA Fitness subsidiary is the largest non-franchised fitness operator in the US. Founded in 1984 the company now operates over 800 fitness clubs, employs over 18,000 workers and according to Club Industry has revenue over \$1.8 billion. The company is privately owned with major ownership interests held by Seidler Equity Partners, CIVC Partners and Madison Dearborn Partners



Pop Pop Thai Street Food

Pop Pop Thai Street Food is a new Thai restaurant with an extensive menu of excellent Thai dishes that has been extremely well received and chosen as Seattle's best Thai restaurant by a growing number of regular customers.



IRG Physical Therapy

Started in 1996 and now operating 33 clinics, IRG has been a very busy operation since opening at this location in 2011. The business specializes in outpatient physical and occupational therapy.



Jimmy Johns Gourmet Sandwiches

Jimmy John's Franchise, LLC, operates and franchises restaurants that offer gourmet sandwiches in the United States. It also provides sides such as potato chips, cookies and pickles as well as beverages. The company emphasizes catering services and delivery . Founded by James John Liautaud in 1983 and headquartered in Champaign, Illinois, in 30 years the company has grown to more than 2,000 locations in 43 states. Jimmy John's has opened approximately 200 locations per year over the past three years. The Aurora store is part of this multi store franchisee network.



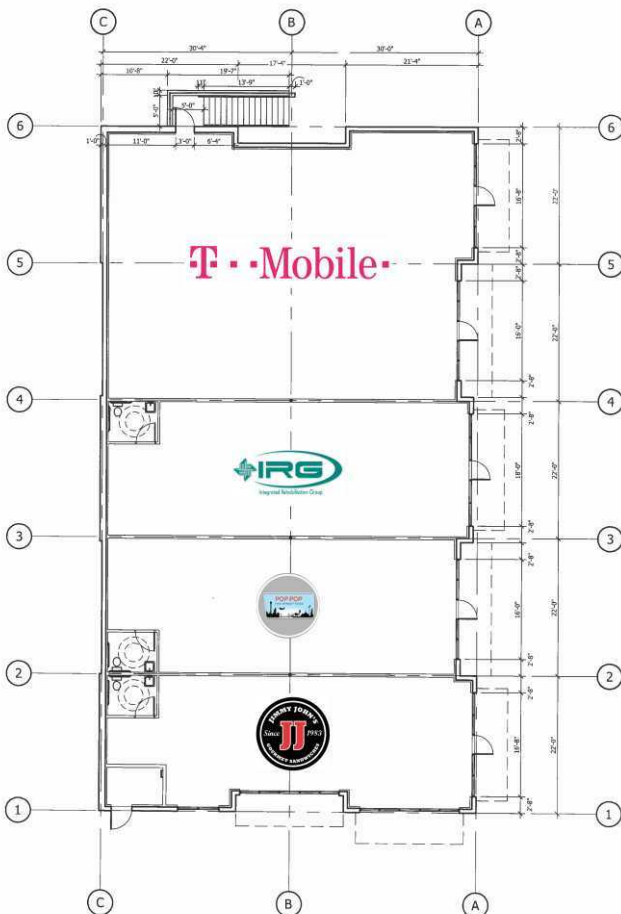
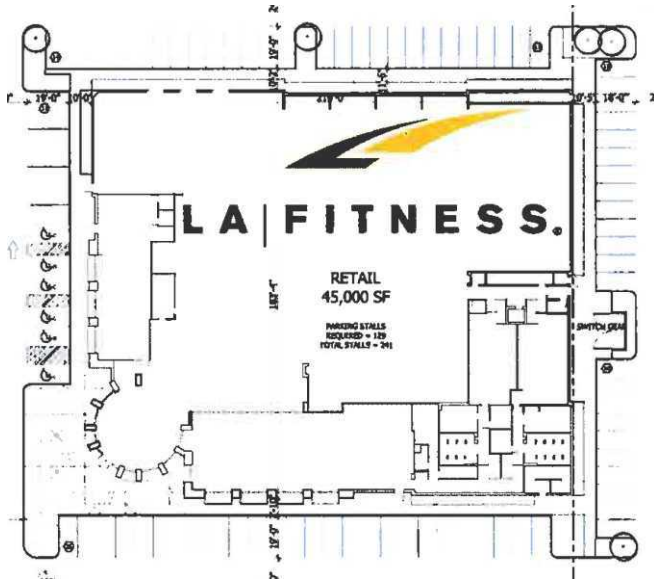
T Mobile

T-Mobile US, Inc., together with its subsidiaries, provides mobile communications services in the United States, Puerto Rico, and the U.S. Virgin Islands. The company offers voice, messaging, and data services in the postpaid, prepaid, and wholesale markets. It also provides wireless devices, including smartphones, tablets, and other mobile communication devices, as well as accessories that are manufactured by various suppliers. It serves approximately 63 million customers. The company was founded in 1994 and is headquartered in Bellevue, Washington. In 2015 earnings exceeded \$733 million and EBITA was over \$7.4 billion. The company's recent market capitalization was approximately \$33 billion.



BUILDING PLANS

Seattle High Quality LA Fitness Center





CLUB SUMMARY

Seattle High Quality LA Fitness Center



Payments | Software | Marketing

CLUB INDUSTRY THE TOP 100 HEALTH CLUBS OF 2015

Rank	Company	2014 Revenue (Millions)	Revenue Change from 2013 ¹	Founded	# Sites in 2014	# of States Operate In	# Employees	# Memberships	# Clubs to Acquire/ Build in 2015	Single Membership Dues Price	Household/ Family Membership Dues Price	Profile
1	Fitness International LLC (LA Fitness) Irvine, CA www.lafitness.com	1,850***	N/A	1984	630	32 plus Canada	N/A	N/A	N/A	\$29.95	N/A	Fitness club chain.
2	24 Hour Fitness USA Inc. San Ramon, CA www.24hourfitness.com	1,330***	N/A	1983	450	18	21,000	4 million plus	N/A	N/A	N/A	Fitness club chain.
3	Life Time Fitness Chanhassen, MN www.lifetimefitness.com	1,290	7%	1992	114	26	24,600	809,445	6	\$80.00	\$275.00	Fitness, family recreation and spa destination multi-purpose clubs.
4	Equinox New York, NY www.equinox.com	882.00***	N/A	1991	73	6 plus DC	N/A	N/A	N/A	N/A	N/A	Upscale fitness club chain.
5	ClubCorp Dallas, TX www.clubcorp.com	844.16	0%	1957	207	26	15,800	180,686	0	N/A	N/A	Private golf/country clubs and private business clubs, many of which have fitness centers.
6	Town Sports International New York, NY www.mysportsclubs.com	453.84	-3.5%	1973	158	8 plus DC	8,000	484,000	4	\$9.95 to \$39.95 (Premier) or \$69.99 to \$99.99 (Passport)	N/A	Fitness club chain.
7	Planet Fitness Newington, NH www.planetfitness.com	279.80***	N/A	1992	918	47 plus Puerto Rico and Canada	842	6.1 million	N/A	\$10.00	N/A	Franchisor of fitness clubs.
8	Capital Fitness Inc. (XSport) Big Rock, IL www.xsportfitness.com	190.00	8%	1997	36	3	3,400	330,000	2	\$9.95	\$9.95	Operator of 50,000-square-foot multipurpose centers and express model fitness clubs.
9	The Bay Club Co. San Francisco, CA www.bayclubs.com	162.36	16%	1977	14	1	2,100	34,650	20	\$275.00	\$550.00	Operator of modernized country clubs with fitness, sports, family programming and hospitality amenities.
10	Crunch Fitness New York, NY www.crunch.com	146.00	10%	1989	108	14	2800	475,000	12	\$75.00	N/A	Operator and franchisor of full-service health clubs at two distinctive price points.
11	Gold's Gym International Dallas, TX www.goldsygm.com	139.05*	N/A	1965	More than 700	38 plus 23 countries	N/A	almost 3 million	N/A	N/A	N/A	Fitness club chain and franchisor.

KEY: * = Estimated 3% increase. ** = No estimated increase. *** = Revenue derived from various financial and industry sources. N/A = Not available. 1 = Increases may reflect revenue growth through acquisition or new club openings.

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CONFIDENTIALITY AGREEMENT

Seattle High Quality LA Fitness Center

CONFIDENTIALITY AND NON-DISCLOSURE COMMITMENT

THIS CONFIDENTIALITY AND NON-DISCLOSURE COMMITMENT (“Commitment”) is made this ____ day of _____, 2017, for the benefit of 135th and Aurora LLC, a Washington limited liability company (hereinafter referred to as “Company”); by _____, its investors, employees, directors, officers, agents, partners, attorneys, accountants, consultants, members, managers, and brokers and representatives (hereinafter collectively referred to as “Confidant”).

RECITALS:

WHEREAS, the Company”, has engaged Commercial Realty Group, Inc. (hereinafter “CRG”), pursuant to the terms of an Exclusive Sales Listing Agreement, to solicit interests for the purchase of property owned by the Company (“Property”).

WHEREAS, Confidant seeks information confidential or otherwise regarding the Property and operations of the Company, including, but not limited to leases, lease/rental terms (including interest in renewal or option to renew), maintenance, services, tenant improvements, lender agreements or terms, and financial information, all of which shall include all that derived from the foregoing or created by the Confidant in its review of the Company and its Property (“Information”); and

WHEREAS, Company desires that all such Information remain confidential and desires Confidant to acknowledge that all such Information shall not be disclosed to any third party, except by the prior written consent of the Company.

NOW, THEREFORE, for valuable consideration, the receipt of which is hereby acknowledged, Confidant does hereby commit themselves as follows:

1. Disclosure of Information. Company shall disclose Information to Confidant consisting of such confidential, proprietary and financial information as requested in writing and reasonably necessary for Confidant's evaluation of the condition of the Property, cash flow from its operations, and the Company generally.
2. Contact. All Information will be obtained exclusively through CRG, or through Counsel for the Company. Except for CRG, Confidant will not, and shall prevent, any contact, directly or indirectly, of Company's tenants, , vendors, agents, employees, suppliers, customers, members, manager, other or prospective Confidants, or any other party knowledgeable of Company. All correspondence or inquiries relating to Confidant's evaluation, including that during any period of due diligence, will be conducted exclusively through Company CRG or its Counsel.
3. Public Knowledge. Confidant acknowledges that the Information is and shall be construed as confidential. Any non-public Information shall remain confidential and the sole property of the Company. Information that is not confidential shall include only material that: a) is (i) in the public domain before disclosure to Confidant, or which becomes part of the public domain after disclosure to Confidant through no fault of Confidant its employees and/or agent, (ii) material that Confidant can demonstrate was in Confidant's possession before disclosure of Information to Confidant and was not acquired, directly or indirectly, from Company, or (iii) Information that was received by Confidant from another source who had a legal right to remit that Information to Confidant, and b) is disclosed in writing to CRG within thirty (30) days of the date hereof, as being included with 3(a) herein. This Confidentiality Agreement applies to all information that may have been obtained prior to the execution of this commitment.



CONFIDENTIALITY AGREEMENT

Seattle High Quality LA Fitness Center

4. Confidentiality and Prevention. Confidant shall treat the Information, as strictly confidential and shall not divulge or disclose or discuss all or any part of such Information to or with any third party without the prior written consent of CRG, unless required by law or legal process. In compliment to the foregoing, Information shall not be disclosed to competitors, tenants or prospective tenants, nor sold, exchanged, or shared with any other Confidant or party interested in the Property or the Company. Confidant shall prevent Information from being disclosed, in whole or in part, to Company's competitors and tenants. A competitor shall be any party or business entity engaged in commercial retail sales or that provides support services to a retail commercial shopping center or its tenants. Competitors include, but are not limited to, real estate brokers, agents, managers, malls, shopping centers, retail stores, other Confidants executing a Commitment with Company for a different matter or interest, or commercial tenants. This Commitment shall be binding upon all of the members, managers, investors, employees, directors, officers, agents, partners, consultants, brokers and representatives of Confidant, including, but not limited to Confidant's accountants and attorneys. Confidant shall provide a copy of this Commitment to its investors, partners, consultants, leasing brokers, employees, directors, officers, agents, attorneys, accountants, and other representatives. Upon written request of CRG, Company, or its Counsel, Confidant shall secure a signed Commitment from any or all its members, managers, investors, employees, directors, officers, agents, partners, consultants, brokers and representatives of Confidant, including, but not limited to Confidant's accountants and attorneys, and provide a copy thereof.

5. Termination and Return of Materials. At any time and upon written notice, Company may terminate its disclosures under Section 1. Such termination shall be automatic upon termination of Confidant's interest in the Property or the Company. In the event that Confidant's engagement or association is terminated for any reason, Confidant shall promptly and without demand return to Company all Information, including all copies in whatever form, erasing and permanently discarding all electronic data. This Commitment shall thereafter remain in full force and effect for a term of five (5) years, commencing on the date all confidential information is returned.

6. Injunctive Relief and Damages. Because of the unique nature of the Information, Confidant understands that Company may suffer irreparable harm in the event Confidant fails to comply with any of its obligations under this Commitment and that monetary damages will be inadequate to compensate Company for such breach. Accordingly, Confidant agrees that Company will, in addition to other remedies available to it at law or in equity, be entitled to injunctive relief to enforce the terms of this Commitment.

7. Venue and Law. The laws of the State of Washington shall apply to the interpretation of this Commitment.

8. Attorney's Fees. IN THE EVENT THAT ANY LITIGATION IS COMMENCED WITH RESPECT TO THE ENFORCEMENT OR INTERPRETATION OF THE PROVISIONS HEREOF, THE PREVAILING PARTY SHALL BE ENTITLED TO REASONABLE ATTORNEYS' FEES AND COSTS, INCLUDING THAT NECESSARY TO SECURE ANY INJUNCTIVE OR OTHER EQUITABLE RELIEF.

Confidant has executed this Commitment on the date and year first set forth above.

CONFIDANT:

By _____

Its _____

Date _____

AGENT FOR PROSPECTIVE PURCHASER

Company: _____

Per: _____

Print Name _____

DATED this ___ day of _____ 2017: