

SECURE
NET LEASE



Planet Fitness

\$2,894,000 | 6.50% CAP

2747 East 5th St., Tyler, TX 75701

- ✓ 10-Year Net Lease with Large Franchisee
- ✓ Minimal Landlord Responsibility
- ✓ Planet Fitness is One of the Largest & Fastest-Growing Gym Operators in the US
- ✓ Excellent High-Traffic Location Seeing Over 27,000 Cars Per Day
- ✓ Largest Community in East Texas (Approx. 90 min. to Dallas)

Planet Fitness is one of the **largest and fastest-growing franchisors** and operators of **fitness centers** in the United States by number of members and locations. Planet Fitness has approximately **13.5 million members and 2,124 stores in 50 states**, the District of Columbia, Canada, Panama, Mexico and Australia.



INVESTMENT OVERVIEW

PLANET FITNESS TYLER, TX

\$2,894,000

6.50% CAP



CONTACT FOR DETAILS

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NOI

\$188,100

Building Area

±22,834 SF

Land Area

±3.70 AC

Year Built

1990

Lease Type

Net Lease

Occupancy

100%

- ✓ **10-year net lease with - 80 unit franchisee - minimal landlord responsibility** - two (2), 5-year renewal options
- ✓ **Planet Fitness is one of the largest and fastest-growing franchisors and operators of fitness centers in the United States** with more than 2,039 locations in 50 states, Canada, Australia, and Latin America
- ✓ **Excellent high traffic location along SE Loop 323** which is estimated to see approximately 27,734 vehicles per day in front of the subject property
- ✓ **Strategically situated in dense retail corridor** with surrounding national tenants including: CVS, Brookshire's, Dollar General, Whataburger, Subway, Taco Bell, Taco Bueno, McDonald's, Dairy Queen, & Burger King
- ✓ **Subject Property is located in the Great State of Texas which is the World's 9th largest economy** with a state domestic product totaling \$1.9 trillion
- ✓ **Texas ranks #1 in the United States in:** job creation, population growth, corporate expansions/locations and exports
- ✓ **Tyler is the commercial and cultural capital of the East Texas region;** 95-miles east of the third-largest city in Texas - Dallas. Boasting an MSA population of over 225,000, Tyler has grown to be the largest community in East Texas.

* Roof and Structure Landlord Responsibility

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.

SECURE
NET LEASE

TENANT OVERVIEW

PLANET FITNESS TYLER, TX

Planet Fitness

Lessee: Excel Fitness DFW IV, LLC

Guarantor: Excel Fitness Holdings, Inc.

REVENUE

\$406.6 M

CREDIT RATING

BBB

STOCK TICKER

PFC

TOTAL LOCATIONS

2,000+



planetfitness.com

Planet Fitness was founded in 1992, in Dover, NH. In the beginning, it operated much like every other gym in its small hometown and catered to the same small percentage of the population in the U.S. who worked out and belonged to a health club.

PF's owners quickly recognized that there was a **greater opportunity** to serve a much **larger segment of the population**. They asked themselves, "Why does **80-85% of the population** not belong to a gym?" The answer? First-time and casual gym users didn't like the "look at me" attitudes and behaviors found in typical gyms, and they didn't want to have to pay a lot of money to give fitness a try.

So they completely changed the gym environment, both in attitude and format, creating the non-intimidating, low-cost model that has revolutionized the gym industry. Planet Fitness became known as the "**Judgement Free Zone®**" – a welcoming and friendly community where people could feel comfortable regardless of their **fitness level**.

Today, Planet Fitness has become one of the **largest and fastest-growing** franchisors and operators of fitness centers in the United States by number of members and locations. With more than **2,039 locations in 50 states**, Canada, Australia, and Latin America, Planet Fitness has continued to spread its unique mission of enhancing people's lives by providing an affordable, **high-quality fitness experience in a welcoming, non-intimidating environment**.

GUARANTOR OVERVIEW

Excel Fitness Holdings, Inc.

Excel Fitness Holdings is a leading Planet Fitness franchise group with over 80 locations across Texas, Oklahoma, Arkansas, Missouri, North Carolina and Virginia. Excel Fitness has built a team culture that focuses on elevating the member experience by creating exceptional health clubs and delivering world-class customer service.

TOTAL LOCATIONS

80+

IN THE NEWS

PLANET FITNESS TYLER, TX

Planet Fitness CEO Chris Rondeau optimistic over sector's outlook

TOM WALKER, FEBRUARY 27, 2021 (LEISURE OPPORTUNITIE)

People placing increased emphasis on their physical fitness, the advances made in digital fitness and the opportunities arising from a reshaped real estate landscape will help the fitness industry recover from the pandemic, according to Planet Fitness CEO Chris Rondeau.

Rondeau said that the company has already seen the **green shoots of recovery during the first weeks of 2021**.

"We've been able **to successfully weather** the ongoing challenges created by COVID-19 thus far," Rondeau said.

We're encouraged with our start to 2021, as we have seen net member growth and improved usage, which we believe is a testament to our messaging and marketing efforts.

"While we anticipate the operating environment to remain **volatile and unit growth** to be **modest in the near-term, we're increasingly optimistic** about our growth opportunities as the vaccine continues to rollout and consumers increasingly return to daily activities, such as bricks and mortar fitness.

"This includes capitalising on **industry consolidation** and more favorable real estate trends which we believe will emerge over the next several years to expand our store footprint and **evolve** our technological capabilities to enhance our digital engagement."

EXPLORE ARTICLE



Why Planet Fitness Is Poised for Post-Pandemic Success

BRADLEY FREEMAN, MAY 22, 2021 (THE MOTLEY FOOL)

Gym chains were among the countless industries upended by COVID-19. Locations were forced to shutter and still some capacity restrictions remain. Planet Fitness directly owns just 4.7% of its locations and franchises out the rest of the units to tenants. Importantly, these tenants own an average of 20 stores -- they're large, durable organizations. As a result, Planet Fitness franchisees were able to survive the crisis with limited financial aid and 123 net new store openings throughout 2020.

What's so attractive about opening a gym with the Planet Fitness brand versus any other? **The superior profit margins**. For example, Planet Fitness boasts double the EBITDA margin of its close competitor Crunch Fitness in normal times. Planet Fitness' normalized margin profile consistently eclipses its competition, **making it a lucrative choice for franchisees**.

Regardless of this, one of the world's largest gym chains, Planet Fitness (NYSE:PLNT), looks to have endured, and is primed to exit the pandemic from a point of strength.

To complement strong tenants and heftier margins, Planet Fitness also has one of **the lowest memberships fees** in the industry. In a world still economically reeling from COVID-19 this should be a great advantage. The company used this leading value proposition to take members from other chains amid the **Great Recession** and believes it will do the same on the back end of COVID-19.

EXPLORE ARTICLE



LEASE OVERVIEW

PLANET FITNESS TYLER, TX

Store Opened	5/14/2014
Lease Term Remaining	10-Years, Plus (2), 5-Year Options to Renew
Lease Expiration	April 2031
Lease Type	* Net Lease
Annual Rent (Current – 4/30/24)	\$188,100
Annual Rent (5/1/24 - 4/30/31)	\$205,200
Option 1 (5/1/31 – 4/30/36)	\$225,720
Option 2 (5/1/36 – 4/30/41)	\$248,292

* LL responsible for roof and structure.

This information has been secured from sources we believe to be reliable but we make no representations or warranties, expressed or implied, as to the accuracy of the information. Buyer must verify the information and bears all risk for any inaccuracies.



UT HEALTH TYLER (425 BEDS)



TYLER JUNIOR COLLEGE

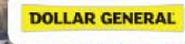
MOORE MST MAGNET SCHOOL (1,131 STUDENTS)



EASTWOOD APARTMENTS (100 UNITS)

64 TEXAS

E 5TH STREET ± 23,550 VPD



SUBJECT PROPERTY

2747 E. 5TH ST.



155 TEXAS



BELL ELEMENTARY SCHOOL (392 STUDENTS)



TRUOP HIGHWAY ± 31,295 VPD



110 TEXAS

GOLDEN ROAD PARK

LOOP 323

PINE CREST DRIVE ± 1,548 VPD

FOX RUN APARTMENT HOMES (128 UNITS)



CEDAR TRAILS APARTMENT HOMES (176 UNITS)

WOODS ELEMENTARY SCHOOL (671 STUDENTS)



CLARKSTON ELEMENTARY SCHOOL (407 STUDENTS)

THE FOUNDRY APARTMENTS (450 UNITS)

THE UNIVERSITY OF TEXAS AT TYLER GRADUATE SCHOOL

S SE LOOP 323 ± 27,734 VPD



GRACE COMMUNITY SCHOOL - UPPER CAMPUS (998 STUDENTS)

UNIVERSITY BOULEVARD ± 16,816 VPD

SPUR 248



Ivan Smith FURNITURE



SITE OVERVIEW

PLANET FITNESS TYLER, TX

	Built / Remodeled		1990 / 2014
	Building Area		±22,834 SF
	Land Area		±3.7 AC



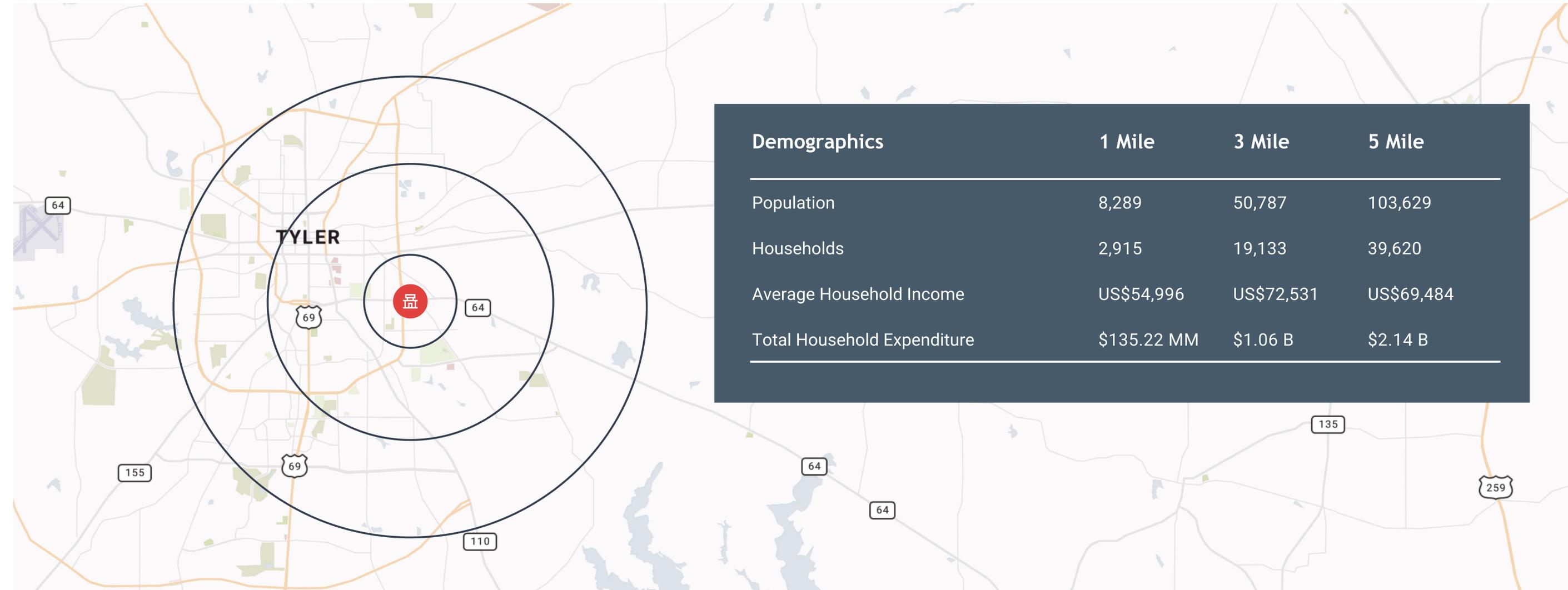
NEIGHBORING RETAILERS

- Brookshire's
- McDonald's
- Dollar General
- Taco Bell
- Whataburger
- Walmart Neighborhood Market
- At Home
- Super 1 Foods
- Big Lots
- Dollar Tree



LOCATION OVERVIEW

PLANET FITNESS TYLER, TX



ECONOMIC DRIVERS (NUMBER OF EMPLOYEES)

- 1. The University of Texas at Tyler (10,527)
- 2. Tyler Junior College (10,106)
- 3. CHRISTUS Trinity Mother Frances (3,872)
- 4. UT Health East Texas (3,559)
- 5. Tyler ISD (2,563)
- 6. Sanderson Farms (1,845)
- 7. Walmart (1,521)
- 8. Trane Technologies (1,473)
- 9. UT Health Science Center at Tyler (1,460)
- 10. Brookshire Grocery Company (1,455)
- 11. Altice USA (1,150)
- 12. Target Distribution Center (1,000)
- 13. John Soules Foods (895)
- 14. Smith County (887)
- 15. City of Tyler (853)

LOCATION OVERVIEW

PLANET FITNESS TYLER, TX

Tyler
Texas

 103,721
Population

 \$49,254
Median Household Income



One-third of all commercially-grown rose bushes in America are produced in a 50-mile radius of Tyler.

50-MILE

Bloomberg reported that Tyler ranked 4th highest in per capita income growth in the nation, growing 9.3% from 2016-2018

4th HIGHEST

Tyler is located off Interstate 20, exactly halfway between Dallas, Texas and Shreveport, Louisiana.

Tyler is the county seat of Smith County, located in east-central Texas. The city of Tyler has long been Smith County's major economic, educational, financial, media and cultural hub.

Tyler, Texas is considered the advanced manufacturing, health care, educational, and retail center of East Texas.

Tyler is known as the "Rose Capital of America," which is a nickname it earned from a long history of rose production, cultivation and processing.

As a regional educational and technology center, Tyler plays host to more than 20,000 higher-education students between The University of Texas at Tyler, Kilgore College, Texas College and Tyler Junior College. The city is also home to two regional, billion-dollar hospital systems. Annually, the Texas Rose Festival draws thousands of tourists to Tyler, which celebrates the role of the rose-growing industry in the local economy. Tyler is also home to the Caldwell Zoo and Broadway Square Mall. The city is surrounded by 25 prime sporting lakes offering opportunities for fishing and boating. Tyler State Park offers families 985 acres of woods around a beautiful spring-fed lake. In recent years, organizations like Heart of Tyler and the City of Tyler Main Street Program have coordinated massive rejuvenation efforts for the downtown district. Today, there are cultural attractions like Gallery Main Street, Liberty Hall and Discovery Science Place, and the district hosts major events such as the Downtown Tyler Film Festival and the Red Dirt BBQ & Music Festival.

IN THE NEWS

PLANET FITNESS TYLER, TX

New businesses popping up across Tyler

PAYTON WEIDMAN, APRIL 7, 2021 (CBS19)

In 2019, about 40 were issued for the year. Heather Nick, managing director for the city, says she's expecting more businesses to pop up in the coming months. "We are starting to see a new crop of businesses coming into Tyler, including many gas stations," she said. "We're seeing many convenience stores associated with fueling stations, we're seeing a couple of new Starbucks locations around the city, as well as some restaurants."

As two new Starbucks prepare to **open in Tyler**, Nick says before a business moves to a city, often studies are done on demographics and locations.

"You can see just by **driving round**, how popular the different coffee shops are and looking at those drivers, right?," explained Nick. "And so it's no wonder that we're seeing some **more Starbucks coming in.**"

Despite the pandemic impacting businesses in 2020, the City of Tyler has issued 38 permits for new businesses so far, in 2021.

The popular chain isn't the only new coffee **shop coming to the Rose City. Crema Coffee Company is getting ready to open** in South Tyler, off Three Lakes Parkway.

Off Old Jacksonville Highway, Liang's is **re-opening this month** at its new location in the Swann's Plaza.

Another food option already known in the Tyler area, Just What Kabob's, announced on its Facebook that the food truck is looking to transition into a restaurant.

An East Texas clothing store has expanded to the Broadway Square Mall in Tyler recently. Pearls & Paper Dolls started in Grand Saline and recently **opened its second location in Lindale.**

EXPLORE ARTICLE



Vexus Fiber Announces Plans To Build New \$50M Fiber Optic Broadband Network In Tyler, Tx

MAY 17, 2021 (CISION PR NEWSWIRE)

"We are thrilled to announce our expansion into Tyler," says Jim Gleason, CEO of Vexus. "Vexus' fiber network will provide homes and businesses with a new, competitive choice for Internet, TV and phone services. Our network is built with future-proof technology that provides a reliable, world-class Internet connection, and fosters additional growth and economic development for Tyler. Given that we are a Texas-based provider we plan to bring our Texas hospitality and customer service to go along with our robust network."

With construction beginning in 2021, Vexus Fiber plans to have **full-network completion** within **24 months**. Some neighborhoods and businesses in Tyler will see network availability in 2022.

Vexus Fiber, a leading fiber service provider in Texas, announced that it is bringing its 100% fiber-to-the-home network to the city of Tyler, Tx. The network will connect over 40,000 homes and businesses in the area to Vexus' 100% pure fiber network.

This network extension is part of an ongoing construction plan financed by existing investors Pamlico Capital and Oak Hill Capital, who have agreed to invest an additional **\$50 million** towards the expansion into Tyler, Tx. "We are extremely pleased with the progress the team at Vexus Fiber delivers. They continue to bring gigabit capacity to residents of cities in Texas and Louisiana," added Art Roselle of Pamlico Capital.

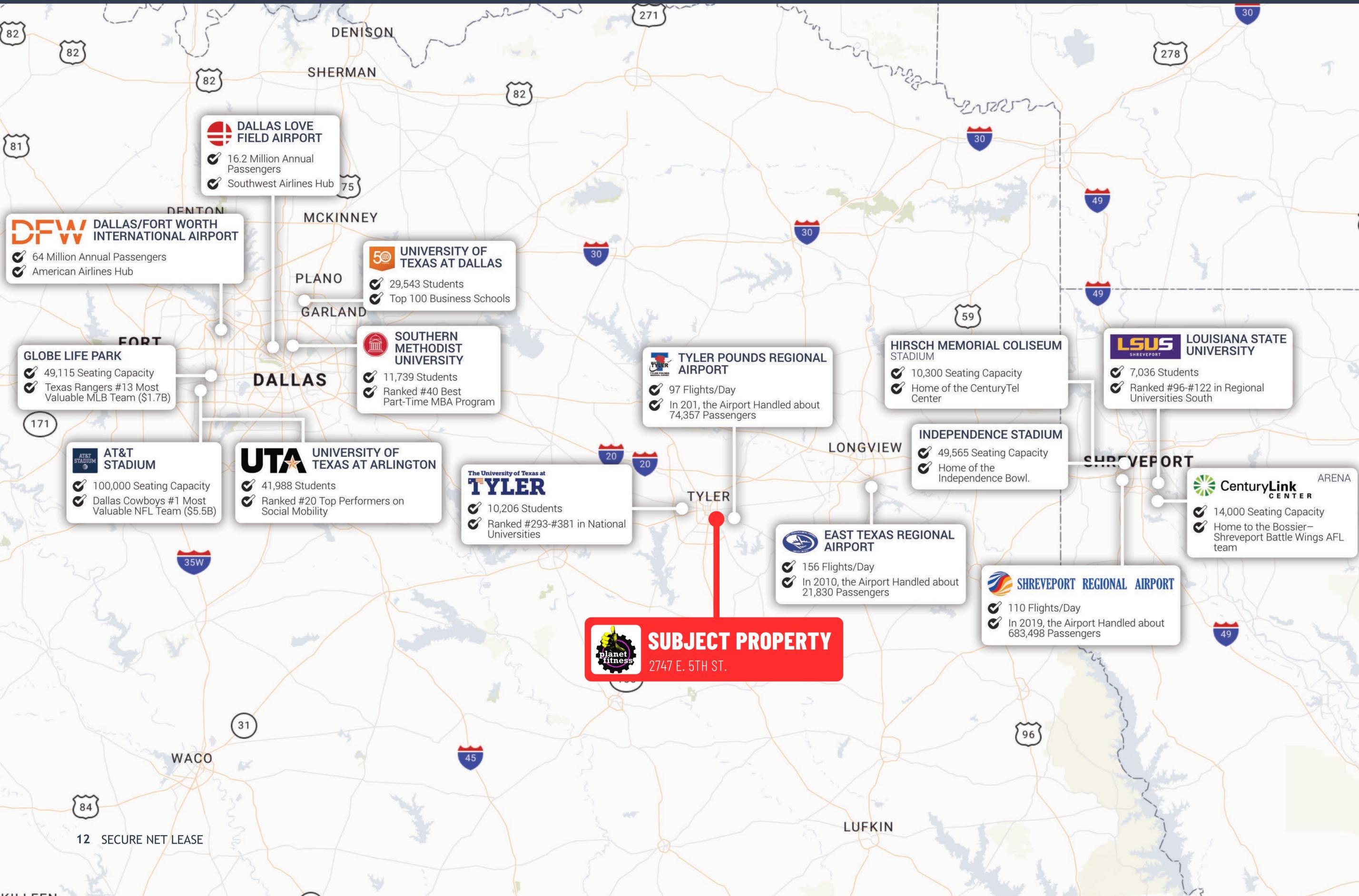
Fiber Internet service is more reliable because it has a **higher data capacity** and bandwidth, is less susceptible to outside interference, and has a much lower latency than a traditional copper connection. Vexus Fiber service will deliver up to **10 Gig Internet speeds**, along with all-digital TV and phone service for residential customers. Business customers will **have access to data connections** scalable up to 10 Gigs, TeleCloud-hosted voice solutions as well as TV channel packages tailored for all business types.

EXPLORE ARTICLE



TYLER MSA

PLANET FITNESS TYLER, TX



 **SUBJECT PROPERTY**
2747 E. 5TH ST.

CALL FOR ADDITIONAL INFORMATION

Dallas

Office

10000 N Central Expressway
Suite 200
Dallas, TX 75231
(214) 522-7200

Los Angeles

Office

123 Nevada Street
El Segundo, CA 90245
(424) 224-6430

CALL FOR ADDITIONAL INFORMATION

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TEXAS DISCLAIMER

PLANET FITNESS TYLER, TX

Approved by the Texas Real Estate Commission for Voluntary Use

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

Information about brokerage services

Before working with a real estate broker, you should know that the duties of a broker depend on whom the broker represents. If you are a prospective seller or landlord (owner) or a prospective buyer or tenant (buyer), you should know that the broker who lists the property for sale or lease is the owner's agent. A broker who acts as a subagent represents the owner in cooperation with the listing broker. A broker who acts as a buyer's agent represents the buyer. A broker may act as an intermediary between the parties if the parties' consent in writing. A broker can assist you in locating a property, preparing a contract or lease, or obtaining financing without representing you. A broker is obligated by law to treat you honestly.

If the broker represents the owner

The broker becomes the owner's agent by entering into an agreement with the owner, usually through a written – listing agreement, or by agreeing to act as a subagent by accepting an offer of subagency from the listing broker. A subagent may work in a different real estate office. A listing broker or subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first. The buyer should not tell the owner's agent anything the buyer would not want the owner to know because an owner's agent must disclose to the owner any material information the owner knows.

If the broker represents the buyer

The broker becomes the buyer's agent by entering into an agreement to represent the buyer, usually through a written buyer representation agreement. A buyer's agent can assist the owner but does not represent the owner and must place the interests of the buyer first. The owner should not tell a buyer's agent anything the owner would not want the buyer to know because a buyer's agent must disclose to the buyer any material information known to the agent.

If the broker acts as an intermediary

A broker may act as an intermediary between the parties if the broker complies with The Texas Real Estate License Act. The broker must obtain the written consent of each party to the transaction to act as an intermediary. The written consent must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. The broker is required to treat each party honestly and fairly and to comply with The Texas Real Estate License Act. A broker who acts as an intermediary in a transaction:

- Shall treat all parties honestly
- May not disclose that the owner will accept a price less than the asking price
- Submitted in a written offer unless authorized in writing to do so by the owner;
- May not disclose that the buyer will pay a price greater than the price submitted in a written offer unless authorized in writing to do so by the buyer; and
- May not disclose any confidential information or any information that a part specifically instructs the broker in writing not to disclose unless authorized in writing to disclose the information or required to do so by The Texas Real Estate License Act or a court order or if the information materially relates to the condition of the property.

With the parties' consent, a broker acting as an intermediary between the parties may appoint a person who is licensed under The Texas Real Estate License Act and associated with the broker to communicate with and carry out instructions of one party and another person who is licensed under that Act and associated with the broker to communicate with and carry out instructions.