

Offering
Memorandum



ATHLETIC CLUB OF BEND
& ADJACENT DEVELOPMENT PARCELS



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FOR THE FIRST TIME EVER, the Athletic Club of Bend is being offered for sale by the developer/operator. The offering is made up of two parts. Part one, the “Club Property”, is the operating business, associated real property, and FF&E. The second part is the excess land, (“Development Parcels”). The Club Property and Development Parcels can be sold individually or as a package.

Total Price: \$36, 875,000.

Terms: Cash at close of escrow.

Total Land Area: 22.9 acres.

The Club Property

Property Overview

The Athletic Club of Bend (“ACB”), located in Bend, Oregon, is the area's premier private health and fitness club. Established in 1991, the ACB has continued to provide the community with the best in health and wellness facilities and activities. Conveniently located on the way to Mt. Bachelor and the nearby river trail system, the club is a great place to start or end a fitness routine.

The ACB is a full-service athletic club with indoor and outdoor fitness facilities, offering year-round activities. The club features seven indoor tennis courts, an indoor running track, indoor and outdoor pools, several cardio areas, a weight room, basketball court, four racquetball/squash courts, pickleball courts and a full-service pro shop. Members and guests enjoy a choice of classes in yoga, Pilates, group exercise, cardio, strength conditioning, water exercise and indoor cycling.

Additionally, the ACB features Bistro 28 (a highly successful restaurant), a club cafe, massage facilities and a hair salon. Other services available include personal training, nutrition and weight counseling, as well as physical therapy. The ACB is a family-friendly health and fitness club with many childcare and youth programs for children six months to 12 years of age. The goal of the ACB is to provide its members and guests with the best possible athletic and social club in Central Oregon. The ACB is a member of the International Health Racquet & Sports Club Association (IHRSA) and FitLife, offering reciprocal guest privileges to other health club members.

Mission

AS A TEAM, WE ARE:

Committed to enriching lives every day by developing human potential, with excellence and integrity, for both the community and family, through positive energy and genuine service while providing a clean and safe environment.



ACB Amenities



Aquatics

With one of the best year-round swim facilities in town including both indoor and outdoor pools, many of Bend's active swimmers can be found swimming at the ACB. The club features a variety of programs for any age swimmer.

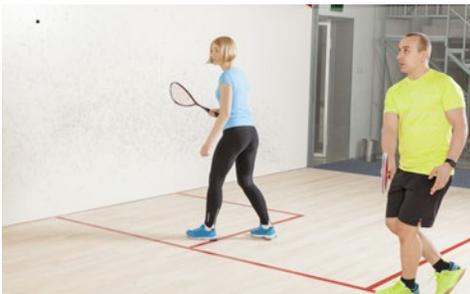


Court Sports

The ACB offers a wide variety of court sports. From basketball, racquetball, and squash to handball and pickleball.

BASKETBALL

The ACB has two full size basketball courts, hosting a wide variety of activities each day for all age groups. From pick-up to league play, there's always action on the courts.



RACQUETBALL/HANDBALL/SQUASH/PICKLEBALL

The ACB offers three racquetball/handball courts, one squash court and two pickleball courts. Offerings include challenge nights, leagues, and open play.

Group Fitness

The ACB's Group Fitness program offers over 100 classes each week designed to accommodate a wide variety of fitness levels, interests and schedules. The core offerings range from cardio, strength, cycle, yoga, and Pilates to water exercise.



Personal Training

Private and group training sessions are available from the ACB personal trainers. Areas of emphasis include weight loss, toning, and performance specific training.

ACB Amenities (*continued*)



Indoor Tennis Courts

With seven indoor courts, tennis members at the ACB enjoy the largest indoor facility in Central Oregon. The ACB operates a family friendly comprehensive tennis program.



Family and Kids Programs

The ACB maintains programs for infants, preschool kids, young children and teens. Evening and weekend programs and special activities are also available.

Kids in Action

Kids in Action is a child care program for ages 5-13 year old. From arts and crafts, sports, swimming and more, this program is great for kids looking to learn and play with others. This program is offered to parents who are working out and remain on premises.



The Club Salon

The Club Salon at the ACB specializes in hair care for women and men.



Massage Therapy

A diverse range of therapeutic modalities from experienced massage therapists are offered at the ACB. This service is offered to both members and non-members.

Memberships & Tenants

ACB Membership

The ACB offers a variety of single, family and tennis memberships.



FULL MEMBERSHIP

Full membership provides unlimited use of all facilities on a year-round basis. The specific types offered are Individual, Couple, and Family and they are each available in tennis or non-tennis format. Full memberships are billed monthly in the form of dues and there is no long-term obligation, however; a one-time initiation fee is required.

Individual: One person 16 years of age and older.

Couple: Two persons 16 years of age and older sharing the same household.

Family: Two adults and their dependent children between the ages of 6 years and 23 years. Family membership include up to 3 hours of childcare in Kids in Action care per day.

LIMITED USE YOUNG PROFESSIONAL MEMBERSHIP

This membership type is for individuals or couples between the ages of 16 and 33 years old. Young professional members have access to all facilities on a year-round basis with limited check in hours. The accounts are billed monthly and there is no long-term obligation.

LIMITED USE TEMPORARY MEMBERSHIP

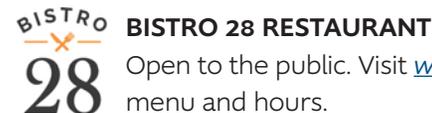
This membership type is for the person that is in Bend for a short time on business or vacation, or just wanting to use the ACB on a seasonal basis. Temporary memberships are available from a

minimum of one month. All fees are paid up-front and there are no monthly dues. Like full memberships, "temp" memberships are available in individual, couple, or family formats. Temporary accounts have limited check in hour restrictions.

NON-RESIDENT MEMBERSHIP

For the person who visits the area infrequently, the ACB provides a membership that is based on the number of visits. This type of membership is popular with people who have second homes in the area. For an up-front annual fee, Individuals, Couples and Families may use the Club up to 50 times during any twelve-month period.

Tenants/Business Partners



Open to the public. Visit www.bistro28.com to view the menu and hours.



THERAPEUTIC ASSOCIATES PHYSICAL THERAPY

A locally owned and directed physical therapy practice providing orthopedic physical therapy for patients of all ages. Therapeutic Associates specializes in aquatic physical therapy; golf fitness, performance, and rehabilitation; therapeutic yoga; post mastectomy rehab; women's health; pediatric orthopedic physical therapy; and ASTYM™. They focus on manual therapy, functional strength and individualized conditioning. Find out more at their www.therapeuticassociates.com/locations/oregon/central-oregon/athletic-club-of-bend.

The Club Property

Offering Summary

This offering is for the real property, business, and equipment that makes up the Athletic Club of Bend.

Business Name:	Athletic Club of Bend
Address:	61615 Athletic Club Drive Bend, OR 97702
Bus. Description:	Private executive health and fitness club.
Memberships:	2,400
Members:	5,419
Business Opening:	1991
Website:	www.athleticclubofbend.com
Total Building Size:	±129,674 SF
Lot Size:	±10.8 acres (3-4 tax lots)
Zoning:	Limited Commercial (CL) and Standard Density Residential (RS) with a conditional use permit.
FF&E:	All that used in the operation and maintenance of the ACB. List included in the due diligence package.
Improvements:	The Club Property improvements total approximately 129,674 SF under roof and includes seven indoor tennis courts, four racquetball/squash courts, a gymnasium, 75-foot indoor swimming pool, an aerobic room, locker rooms, weight room and a number of other areas that compliment this full-service, multi-purpose athletic

club. There is a member café and a restaurant known as Bistro 28, operated by a tenant. In 1997, an outdoor pool with approximately 11,000 SF of pool/deck area was added along with a wading pool for small children, a jacuzzi, men’s and women’s locker rooms and an entry pavilion. In 2008, a 13,338 SF free-standing structure known as the Courts Building was constructed east of the tennis building. The Court Building houses a full-size basketball gymnasium and two pickleball courts. The area between the main building and the outdoor pool is a manicured lawn that is perfect for relaxing after a day of activity. Member events and concerts are hosted in this area as well.

The buildings are a mix of concrete and wood-framed buildings. The facilities and grounds have been regularly and professionally maintained and updated over time. There are over 400 parking spaces available for use by ACB members and guests on the Club Property. The parking may be expanded through a shared parking agreement if the Club Property is sold separately from the 12-acre Development Parcels.

Avg. Net Operating Income: In excess of \$1.5 million (from all sources)

Price: **\$22,500,000**

Club Property Map



Property lines are approximate and subject to lot line adjustments.

Club Property Photos



Development Parcels

Property Overview

The Development Parcels are zoned CL, Limited Commercial. The CL zone permits a wide variety of commercial uses as well as multi-family when part of a mixed-use development. The CL zone presents the flexibility of seeking a Planned Unit Development (PUD), which would potentially allow an even greater mix of uses tailored to serve the needs of the community. The Development Parcels are currently unimproved and present an empty canvas, with the exception of beautiful mature pine trees, upon which to paint your vision for this high profile, well-located property.

The Property is part of the larger Mount Bachelor Village commercial plat. There are Commercial Conditions, Covenants and Restrictions (“Commercial CCRs”) recorded against the Property, which will be available for review with the due diligence materials by interested, qualified buyers. At closing, the Buyer will become the Declarant under the Commercial CCRs giving it latitude to address the Commercial CCRs, if so desired. Architectural review by the Mount Bachelor Village PUD owner’s association is a requirement of any new project.

There is a bike path easement across the west boundary of the Property, which path is well known to anyone who has visited or lives in Bend. There are also utility easements across the Property, as well as an emergency access for the benefit of emergency responders. The easements are reflected on a survey, which will be available with the due diligence materials.

Offering Summary

Tax Lots:	Six (6)
Total Land Area:	±12.1 acres (must be sold as a whole)
Zoning:	Limited Commercial (CL)
FAR Requirement:	None
Height Limit:	55 feet; an additional 10 feet possible if project includes residential above ground floor
Landscape Requirement:	15% minimum
Improvements:	Paved and lit parking field otherwise none.

Price: \$14,375,000



Orange line is approximate boundary line

Development Parcels Map



Property lines are approximate and subject to lot line adjustments.

Location Overview

Local Map



Property lines are approximate and subject to lot line adjustments.

City Map

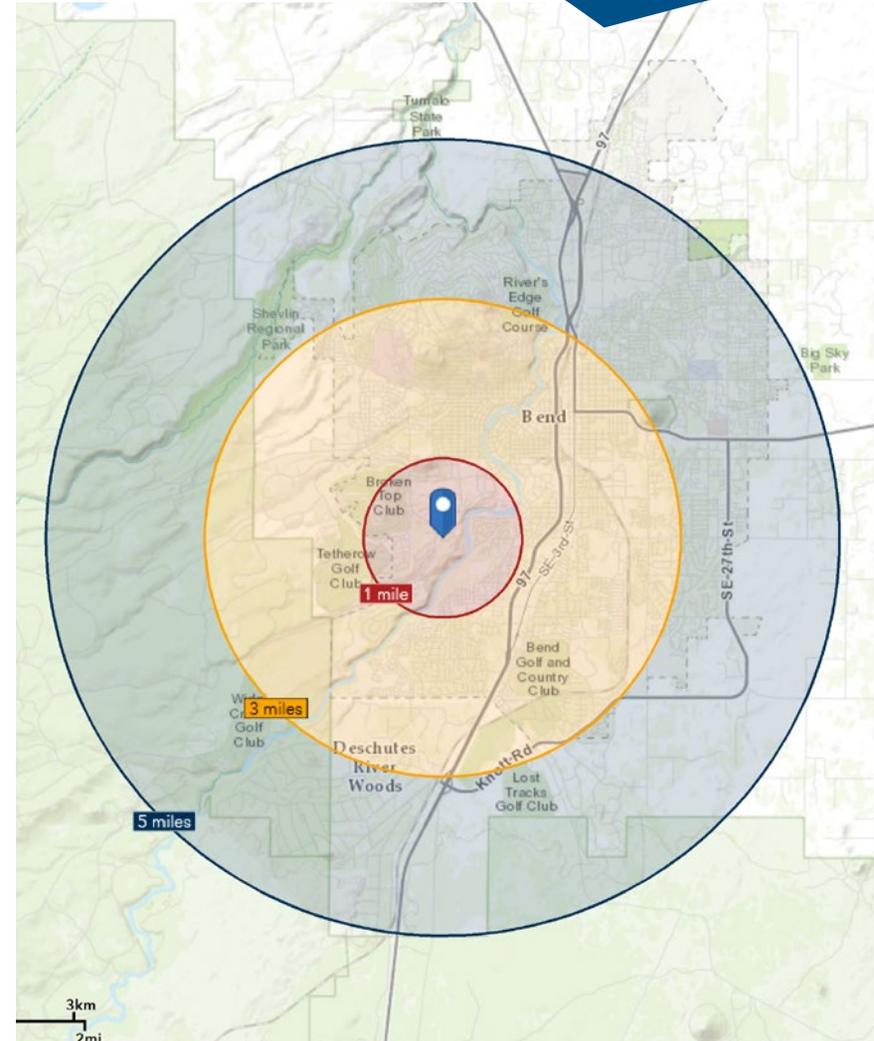


Regional Map



Area Demographics

POPULATION	2000 POPULATION:	2,470	29,456	58,136
	2010 POPULATION:	5,500	44,185	81,596
	2017 POPULATION:	6,197	51,908	95,870
	2017 DAYTIME POPULATION:	8,744	57,480	101,684
	2022 POPULATION:	6,881	57,538	106,020
	GROWTH 2000-2010:	8.33%	4.14	3.45
	GROWTH 2010-2016:	1.66%	2.25	2.25
	GROWTH 2016-2021:	2.12%	2.08	2.03
HOUSING	2016 MEDIAN AGE:	41.6	38.5	38.9
	2017 HOUSEHOLDS (HH):	2,545	21,384	39,014
	2017 OWNER OCCUPIED:	1,696	12,205	22,330
	2017 RENTER OCCUPIED:	850	9,179	16,685
	2017 VACANT HOUSING:	670	2,944	4,576
INCOME	MEDIAN HOME VALUE:	\$412,035	\$350,000	\$332,435
	2017 MED HH INCOME:	\$74,233	\$57,566	\$56,557
	2017 AVG HH INCOME:	\$102,041	\$82,645	\$79,406
EDUCATION	2017 EST PER CAPITA INCOME:	\$40,704	\$34,001	\$32,563
	2017 POP. AGE 18+:	4,741	40,303	74,631
	BACHELOR'S DEGREE:	38.38%	30.53	10.01
	GRADUATE DEGREE:	19.86%	16.50	14.87
	LABOR FORCE:	4,774	32,483	53,386
	TOTAL BUSINESSES:	444	3,961	5,662



Bend, Oregon Profile

Situated on the eastern edge of the Cascade Range along the Deschutes River, Bend joins forested mountain highlands and high desert plateaus, offering a diverse range of scenery and outdoor activities. The largest city in Central Oregon, Bend is the commercial, recreation and social center of the tri-county region and also serves as the county seat of Deschutes County. It covers 32 square miles and sits at an elevation of 3,625 feet. Bend is noted for its scenic setting and year-round recreational activities.

LIFESTYLE

Bend has a deserved reputation for attracting lifestyle migrants – urban dwellers who seek amenities typically associated with a larger metropolitan area, but yearn for the recreational pursuits of the great outdoors, a beautiful setting, and an accessible community feeling. As such, the city attracts families and entrepreneurs from all of the West Coast metro areas and some from other major population centers. Many residents remark that despite its population size of 82,000, Bend has retained its small town atmosphere and ‘feels’ smaller than its size would suggest. The city has been adopted as a gateway for many outdoor sports, including mountain biking, skiing and snowboarding, dog racing, fishing, hiking, rock climbing, white-water rafting and golf. There is also a sizable cluster of individuals drawn to Bend for artistic pursuits, ranging from photography to sculpture, from water color to metal working. Bend’s growing beer brewing industry and evolving restaurant scene is also a draw for tourists and locals.

DEVELOPMENT

Economically, Bend started as a logging town, but began a transition to a more varied, sustainable economy in the 1980’s when it became apparent that the lumber mills would no longer be vital. Economic Development for Central Oregon (EDCO) was born in the dark days of the 1980’s, when many downtown businesses were boarded up.



Unlike resort communities such as Aspen or Jackson Hole, Bend’s lifestyle and quality workforce is a draw for many successful companies in the aviation, manufacturing, renewable energy, high-tech, and recreation equipment sectors. Many of Bend’s companies are owner-operated and in the small to midsize range, typically with 10 to 50 employees. Companies like Breedlove Guitars, G5 Search Marketing, Deschutes Brewery, Hydro Flask and Bend Research provide solid employment and bring in vital traded-sector dollars to Bend’s economy.

SOURCE: <http://www.edcoinfo.com/communities/bend-profile/>

Central Oregon Profile

The cities and communities that comprise Central Oregon are Bend, Redmond, Sisters, Sunriver, Prineville, La Pine, Madras and Warm Springs.

Central Oregon has led the state's population growth over the last two decades; in fact, Deschutes County continues to be one of the fastest growing areas of the country. A lesser known fact is that our region has also topped the state in job growth over the past ten years, creating a region that's characterized by dynamic small businesses and entrepreneurial activity. The region boasts strong clusters in high technology (software, hardware and energy), advanced manufacturing, biosciences, renewable energy, brewing & distilling, value-added food products, and recreation equipment.

For most new residents, Central Oregon is a lifestyle choice, offering a friendly environment, year-round recreation options, and world class amenities – all with a hassle-free, small town feel. From a ranch in Prineville to an upscale urban condo in Bend, the region presents a rare diversity of places to live.

The region is served by Roberts Field, a commercial airport offering service at Redmond Municipal Airport (RDM, www.flyrdm.com) provided by American Airlines, Alaska Airlines, Delta and United. These carriers offer approximately 30 arriving and departing flights daily to and from San Francisco, Portland, Seattle, Los Angeles, Salt Lake City, Phoenix and Denver.

Six major public school districts serve over 32,000 students; there are also 30 private schools in the region. The region is also home to Central Oregon Community College (COCC) and Oregon State University - Cascades, a four-year university by 2015.

SOURCE: <http://www.edcoinfo.com/communities/>





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Questions concerning this offering should be directed to:



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