

**CONFIDENTIAL
OFFERING
MEMORANDUM**

One Highpoint Drive
Chalfont, PA 18914

**Investment
Opportunity**



OFFERING MEMORANDUM

One Highpoint Drive

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**THE FLYNN COMPANY**

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01 : EXECUTIVE SUMMARY
Property Summary

ONE HIGHPOINT

1 Highpoint Drive is an approximately 200,000 RSF sports and recreational facility on approximately 33 Acres of total ground in Chalfont, New Britain Township, Bucks County, Pa. The overall site is a combination of three parcels that total approximately 3, 7 and 23 acres, with the building situated on the 23 acre parcel. The site includes outdoor tennis courts, basketball courts, roller hockey, outdoor swimming, playgrounds, open space, and even a soccer field. The building consists of four total floors of space; some sections are single story and others are multiple stories. The building includes indoor basketball courts, racquetball courts, volleyball courts, spin class rooms, open exercise rooms, indoor tennis courts, a plethora of equipment, and enclosed swimming pool and specialty rooms.

The building is serviced by both passenger and freight elevators. Club Investors Group Limited Partnership ("Landlord") is the owner of the property. TSI Highpoint LLC ("Tenant") is the operator though they do business as Philadelphia Sports Club.

Although the operating entity has changed hands several times, this building has always functioned as a sports and recreational facility since it's erection in 1978. The most current lease agreement was established as a 15 year lease in January of 2000 with three option to renew of five years each. One option has been exercised which takes the expiration of the agreement through January of 2020. Though the tenant does have two options to renew the lease agreement, they are in an extremely challenging financial position as their building has become functionally obsolete and new exercise opportunities are being offered throughout the immediate area that offer superior equipment and training. Due to these reasons, the Landlord is prepared to approach the Tenant and come to an agreement on terminating their renewal options, prior to asking any developer to spend funds studying the opportunity.





02 : OPPORTUNITY

- Property Overview
- Regional Map
- Parcel Maps
- Site Overview
- Property Images

The Landlord has retained The Flynn Company to assist them in finding a Joint Venture Partner that is interested in a redevelopment of the property. With approximately three and a half years left on the lease agreement we believe it allows ample time for potential variances, township meetings, engineering, planning, etc to take place while the Landlord continues to recognize an income stream. The Landlord is interested in a small role in the partnership where their new partner would take the lead on the entire development process. The Landlord would like to contribute the value of their ground as their capital investment in the redevelopment project. The managing partner of Club Investors Group, Frank Napolitano, resides in California, and has participated in the development of hundreds of acres of ground throughout his long and illustrious career in commercial real estate (including the 100 acre park, known as the Highpoint Business Park, where this property is located). Due to his geographical location, the Landlord believes the redevelopment will be better orchestrated by an active local development company.

As part of this confidential offering we are requesting that potential partners do not reach out to the township or their engineers, architects, legal counsel, and staff until the Landlord has granted permission. The Landlord is interested in discussing all types of redevelopment options, including, but not limited to medical, universities/colleges, residential (townhome and/or apartments), industrial, office, specialty and any mixed used combination of the above or other uses. The Flynn Company is pleased to initiate conference call conversations with potential partners and the Landlord in order to discuss potential redevelopment strategies, pricing and the best way to proceed, if and when appropriate, with reaching out to the township. The Landlord will handle all conversations directly with Tenant.



1 Highpoint Drive is located in the Highpoint Business Center which is home to many office, medical, and flex users. Highpoint Drive and Horizon Drive are the main thoroughfares through the park. Primary access to the park comes immediately from County Line Road. Upper State Road and Business Route 202 (Doylestown Road) are the main access points to the south and north of the park. "Five Points" intersection is approximately 1.5 miles from the site and offers access to Route 309 (Bethlehem Pike), Route 463 (Horsham Road/Cowpath Road) and Route 202. Routes 611 and access to the Ft Washington and Horsham Interchanges of the PA Turnpike are all within a short drive.

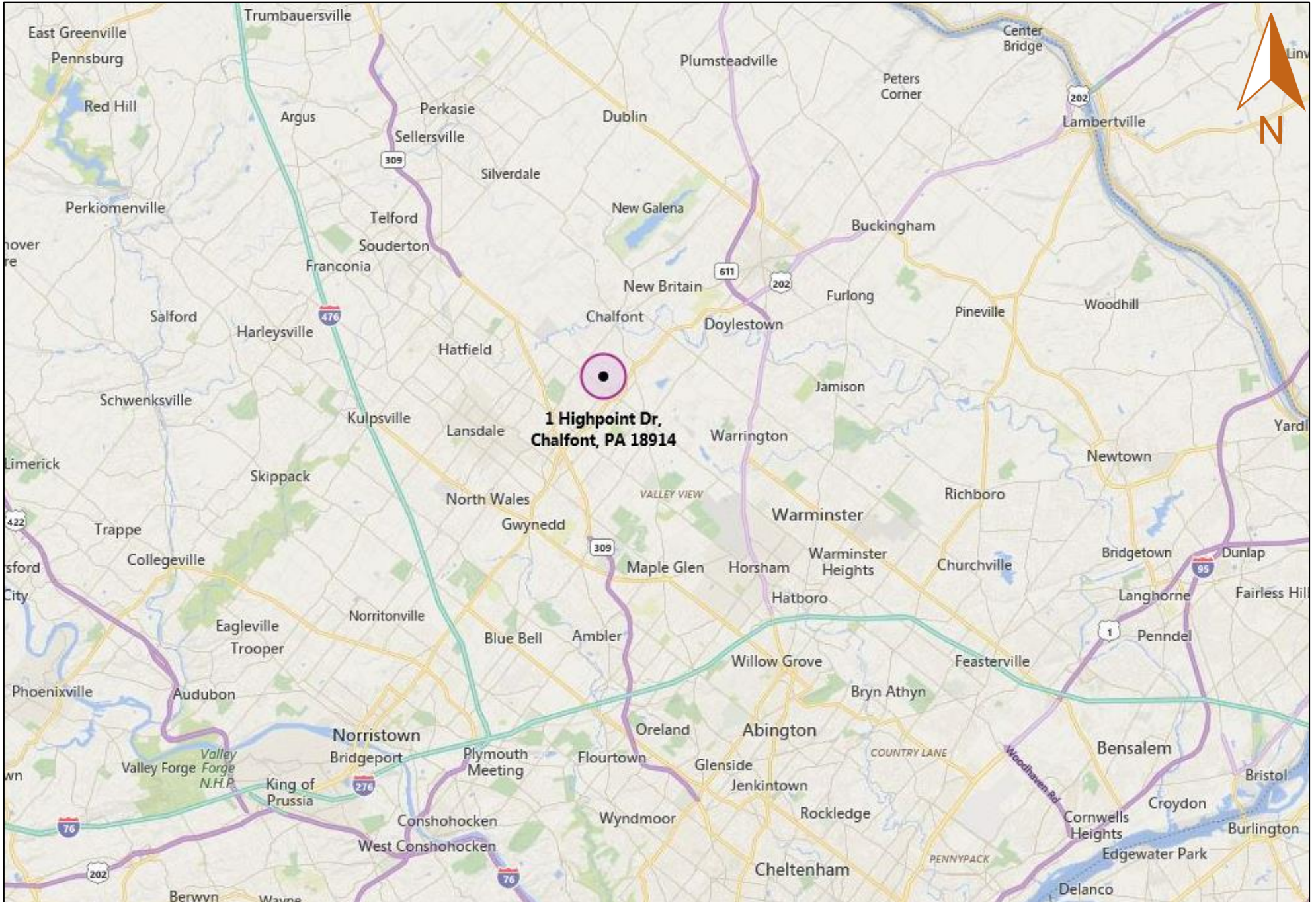
On behalf of the Landlord we are pleased to offer this extremely unique and exciting Join Venture Partnership opportunity. Upon review of this package we welcome you to reach out to The Flynn Company in order to discuss the next steps. It is our goal at this point in time to identify parties that are interested in having preliminary conversations with the Landlord.



Indoor Multipurpose Courts



Playground





E Schoolhouse Road

Pasture Lane

Glenbrook Way

±6.53 Acres

±22.3 Acres

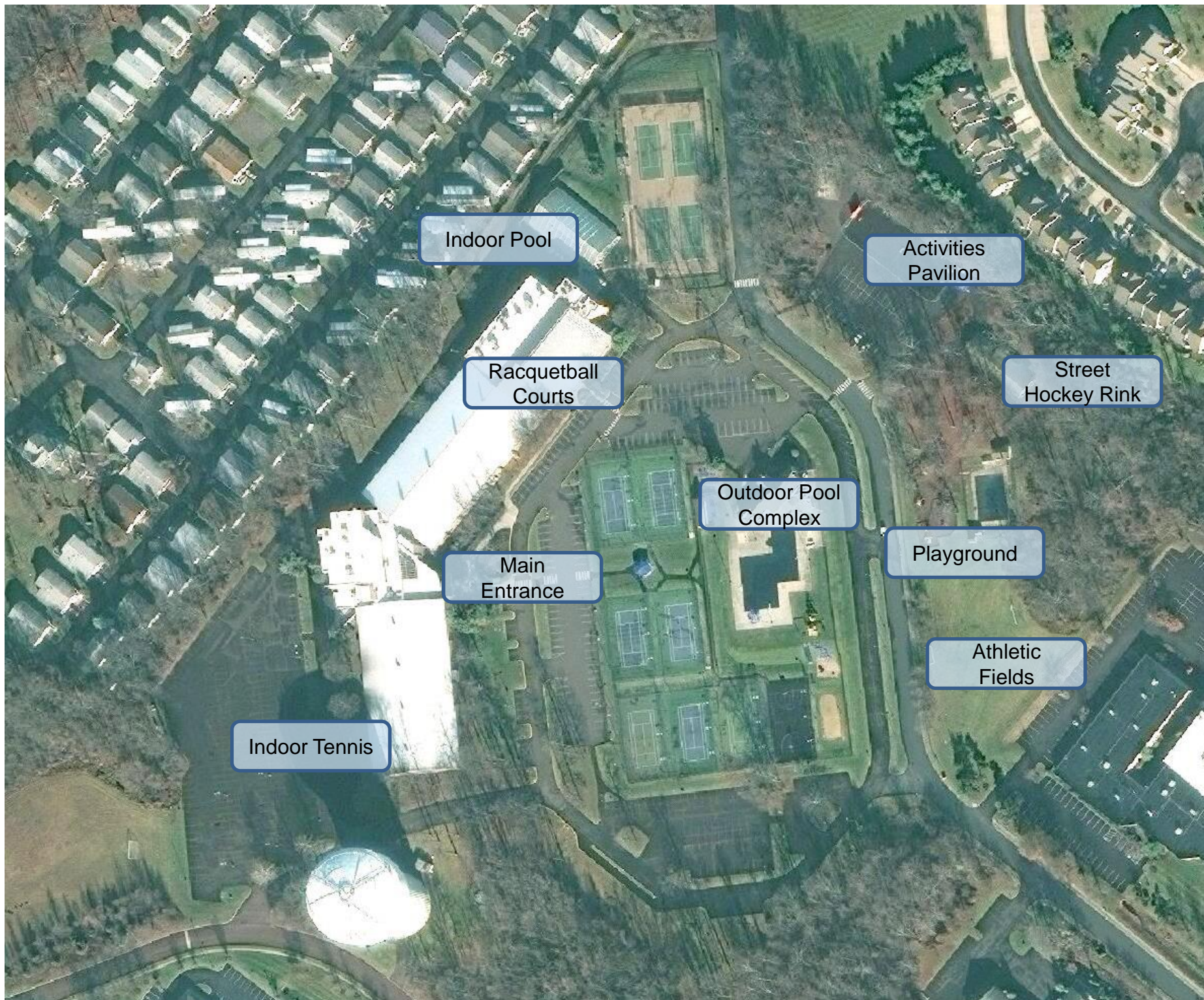
±3.04 Acres

Highpoint Drive

Horizon Drive

County Line Rd







Main Entrance



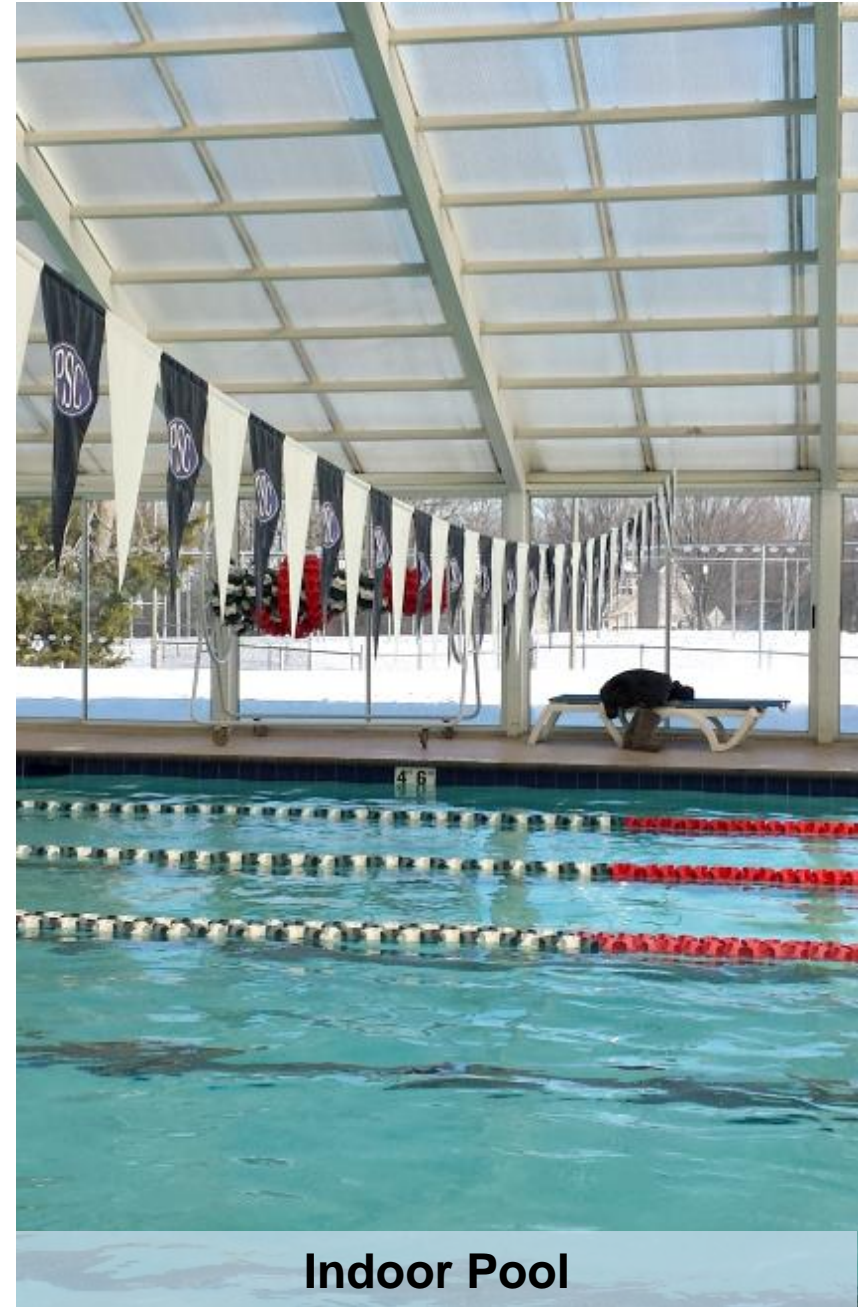
Outdoor Pool Complex



Activity Pavilion



Indoor Gym Facilities



Indoor Pool



Athletic Fields



(27, PART 14)

ZONING

PART 14

C-3 COMMERCIAL DISTRICT

§27-1400. Purpose.

- a. The purpose of the C-3 Commercial District is to provide highly visible and accessible locations for large-scale business development, including offices and limited commercial uses. This district requires the layout of a total development in order to maintain a high quality planned character of the area. This District seeks to avoid uses that would generate large amounts of tractor-trailer traffic. The proposed development should be designed with an overall plan following carefully laid-out and coordinated access and landscaping.
- b. Within the C-3 Commercial District, a building may be erected, altered or used and a lot or premises may be used only when in conformance with the conditions of this Chapter and the specific use, area and design regulations of this district.

(Ord. 8-14-1995, §1400)

§27-1401. Use Regulations.

a. Uses Permitted by Right.

- A1 General Farming
- A2 Crop Farming
- A5 Commercial Forestry
- A6 Nursery
- A7 Garden Center
- B7 Apartment Building [Ord. 2011-09-02]
- D1 Nursery School/Day Care Center
- E1 Public Recreational Facility
- E2 Private Recreational Facility
- E4 Non-Household Swimming Pool
- E5 Private Club
- E7 Community Center

- F1 Municipal Building
- F6 Business Campus
- I1 Medical Office
- I2 Veterinary Office
- I3 Professional Office
- I4 Medical and Pharmaceutical Sales Office
- J5 Funeral Home/Mortuary
- J15 Motel-Hotel
- J28 Office Supplies and Equipment Sales and Service
- J29 Package Delivery Service
- J30 Photocopying Service
- K3 Wholesale Business, Wholesale Storage, and Warehousing
- K4 Printing
- L General Accessory Uses and Structures:
 - L1 Non-Residential Accessory Building
 - L3 Temporary Structure
 - L4 Temporary Community Event
 - L9 Off-Street Parking
 - L10 Signs
 - L12 Cafeteria
 - L13 Training Center

b. Uses Permitted by Special Exception.

- C5 Drug and Alcohol Rehabilitation Center
- D2 College, Primary or Secondary School

(27, PART 14)

ZONING

- D3 Commercial Trade School
- F2 Emergency Service Center
- F3 Recycling Collection Center
- F4 Place of Worship
- G2 Terminal
- L8 Nonresidential Radio & TV Tower, Masts, Aerials, etc.

c. Uses Permitted by Conditional Use.

- C1 Hospital
- C2 Nursing Home
- C3 Personal Care Center
- J3 Service Business
- L2 Outside Storage or Display
- L11 Helistop

(Ord. 8-14-1995, §1401; as amended by Ord. 01-05-03, 5/21/2001, Art. II; and by Ord. 2011-09-02, 9/19/2011, Art. III)

§27-1402. Area and Dimensional Requirements.

- a. Unless a maximum height regulation is stated in §27-305, Use Definitions and Regulations, for a specific use, no use in the C-3 Commercial District shall exceed 35 feet in height.
- b. Unless a greater area or dimensional regulation is stated in §27-305, Use Definitions and Regulations, for a specific use, all uses in the C-3 Commercial District shall meet the following requirements.

Use	Minimum Lot Area (Acres)	Minimum Lot Width (Feet)	Minimum Lot Depth (Feet)	Maximum Building Cov. (%)	Maximum Impervious Surface Ratio (%)	Minimum Yards (Feet)		
						Front	Side	Rear
All Permitted Uses	3	300 (arterial highway) 200 (other public road)	200	35%	65%	50 (public road) 25 (private road)	25	50

- c. The maximum building coverage (%) and the maximum impervious surface ratio (%) may be increased when development rights are acquired and transferred to the lot under the following conditions. For each development right acquired and transferred to the lot, the maximum building coverage may be increased by 3,000 square feet and the maximum impervious surface ratio may be increased by 5,000 square feet. However, the maximum building coverage shall not exceed 45% and the maximum impervious surface ratio shall not exceed 75% where development rights are acquired and transferred to the lot.

(Ord. 8-14-1995, §1402; as amended by Ord. 00-12-02, 12/20/2000, §17)

§27-1403. Performance Standards.

- a. The following additional standards shall apply to the tract as a whole where more than one use and/or one building is proposed.

Minimum Tract Area (Acres)	Minimum Distance Between Buildings (Feet)	Minimum Side Yard (Feet)	Minimum Rear Yard (Feet)	Maximum Impervious Surface (%)
25	30	100 ¹	100 ¹	65%

NOTES

¹ Required only when site adjoins a residential zoning district boundary.

- b. The maximum impervious surface ratio (%) may be increased when development rights are acquired and transferred to lots within the tract as a whole as specified in §27-1403(3). However, the maximum impervious surface ratio for the tract as a whole shall not exceed 75% where development rights are acquired and transferred to the lot.

(Ord. 8-14-1995, §1403; as amended by Ord. 00-12-02, 12/20/2000, §18)



04 | AREA INFORMATION

Chalfont, PA

Bucks County, PA

Market Demographics



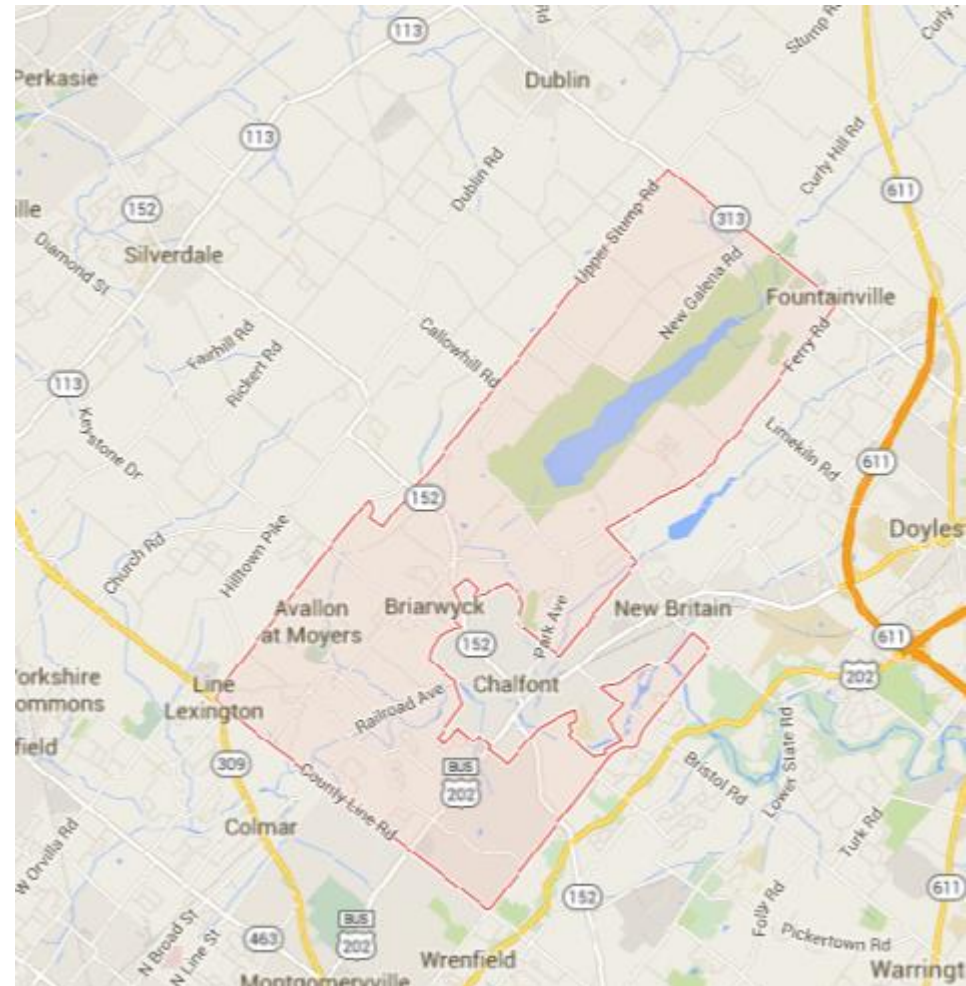
One Highpoint Drive is located in New Britain Township, Pennsylvania and within one mile of Chalfont Borough. New Britain Township was founded in 1723 and celebrated its 275th birthday in 1998. The Township was comprised more than 15,000 acres and included land which is now occupied by Chalfont and New Britain boroughs as well as Doylestown Township. The Township currently encompasses 14.7 square miles (9900 acres).

According to historical research conducted by Township volunteers, it is estimated that the Lenni Lenape Indians arrived in New Britain Township as early as 1397.

The current U.S. Route 202 corridor was a main route for travelers as early as 1730. In 1778, George Washington's troops are said to have marched through the Township on their way to Monmouth, New Jersey from their camp at Valley Forge.

One of the primary features of New Britain Township, Lake Galena, is named after events of the 1880's. In 1838, local residents living near Neshaminy Creek began digging for lead, which occurs in this area as the mineral galena.

As a result of their successful search, the "lead rush" of 1861 began. These lead mines in the heart of New Britain Township were eventually filled with concrete in the 1970's before being flooded to form Lake Galena, in the current Peace Valley Park.

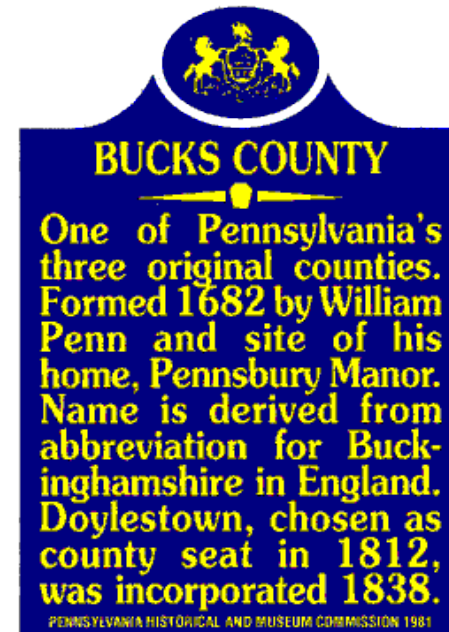


Bucks County is set within the picturesque Philadelphia's Countryside amidst rolling hillsides, working farms and historical towns, the 622 square mile area of Bucks County is a particularly inviting place. The County allows visitors in search of historical or artistic treasures, charming accommodations, and eclectic shops will find that Bucks County offers it all and is conveniently located 25 miles from Philadelphia and 75 miles from New York City.

Bucks County played a significant role in the creation of the County and there is rich history around every corner. There are 156 properties and districts listed on the National Register of Historic Places in the County. Twelve sites are further designated as National Historic Landmarks including Washington Crossing Historic Park, where George Washington crossed the Delaware River on December 25, 1776 and launched a surprise attack on Trenton, NJ with the battle changing the course of the Revolutionary War.

The County became a center for the arts around the turn of the 20th Century. Henry Chapman Mercer, one of the pioneers in American Arts and Crafts movement, established the Moravian Pottery and Tile Works in Doylestown. Artisans created decorative tiles that can be found throughout the world. Also, the Tile Works is still in operation today and acts as a living museum with artist still using the same molds and techniques developed by Mercer.

In addition to the historical sites, Bucks County has shopping for every taste at such locations as New Hope and Peddlers Village. For the family, Sesame Place in Lower Bucks is the only theme park in the United States based on the popular PBS television show *Sesame Street*.



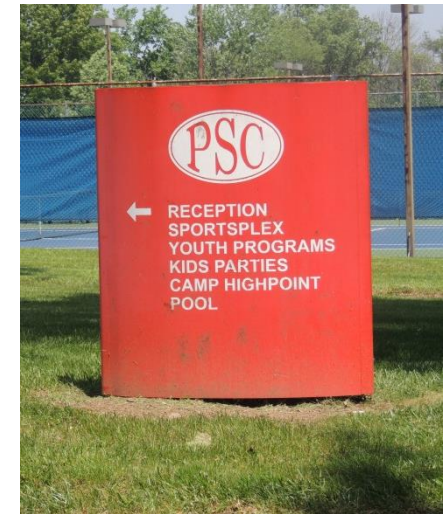


The location of One High Point Drive offers access to a growing market which will see continued demand for goods and services and therefore will result in demand for new businesses and also residential opportunities.

The site also offers easy and direct access to County Line Road, PA 202 and Link Belt train stations on the SEPTA Regional Rail line. Which allows the buyer to cater to convenience to both public transportation in addition to the easy access to major roadways.

DESCRIPTION	5 Mile	10 Mile	15 Mile
Area & Density			
Area (Sq Miles)	76.81	329.84	664.44
Density (Pop. by Sq. Mile)	1,637	1,317	1,223
Employment by Place of Business			
Total Employees	64,913	239,075	474,857
Total Establishments	3,942	13,880	26,829

DESCRIPTION	5 Mile	10 Mile	15 Mile
Population			
Current	125,764	434,502	812,909
5 Year Forecast	129,119	445,429	833,864
General Household Characteristics			
Households	47,545	164,014	306,640
Families	32,940	117,226	215,438
Median Value Owner Occupied	325,428	346,403	326,876
General Housing Characteristics			
Owner Occupied	36,181	127,352	236,577
Renter Occupied	11,364	36,662	70,063
General Income Characteristics			
Median Household Income	87,184	93,427	91,253
Average Household Income	100,285	106,049	103,090
Per Capita Income	37,913	40,031	38,887
Consumer Expenditures			
Total Consume Expenditures	3,004,136	10,567,072	19,369,792
Total Retail Sales	2,155,302	7,257,343	13,547,522





For Further Information
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Seller, with its sole and absolute discretion, reserves the right to remove the Property from the market. Seller expressly reserves the right, in its sole and absolute discretion, to reject any and all proposals or expressions of interest in the Property, to terminate discussions with any party at any time or to extend the deadlines set forth in the time schedule.