

Offering Circular

Confidential Offering

ID# 2021519 COMPANY DESCRIPTION: 11 Years Established Athletic Club

Membership Collections	80% Gross	\$895,000
Point of Sale Membership	7% Gross	
Training Fees	13% Gross	
Current Membership 930	Average dues/member \$75 per month	

Investment Highlights

- Established 2010
- Located in best hipster neighborhood in the country
- Secure live streaming video
- Strong name recognition and reputation
- Current owner will train and assist in transition of new ownership
- Growth opportunity to expand service platform
- Recent upgrade to automated lead nurturing workflow and member services.



Comments

Well-known, respected, and well-recognized local name for 10 years. This is a premier fitness center and gym offering the most advanced fitness equipment on the market today. They offer a variety of cardio; treadmills, recumbent, and upright bikes, crosstrainers, stairsteppers, etc. Strength training include both resistance training equipment and free weights. Technology benefits include personal viewing screens on cardio equipment and smart phone and iPod connectivity to watch movies, listen to music, and with the Nike Plus app a client can track fitness progress. The service platform includes personal training sessions individualized to a client's unique goals, customized workout programs, and group classes such as yoga and high intensity interval training, conducted by their skilled, knowledgeable, and dedicated staff. Contact Broker for more information.

General Information

Ownership Form:	Colorado Limited Liability Company
Established:	2010 by its current Owner/Operator
Employees:	2 Full-Time Owners 20 Part-Time employees Non-union
Facilities:	Building – 7,473 sf; \$39,50 psf
Lease Term: 2 + 7 +5	Special Purpose Property

Year-End	Gross Sales	SDE
2020	\$822,019	\$242,628
2019	\$1,094,408	\$350,864
2018	\$1,001,274	\$298,449

Pro Forma (3 Yr. Avg.)

Gross Sales	\$972,567
Gross Profit	\$972,567
Total Operating Expense	-\$675,253
SDE	\$297,314
Seller Replacement Wage	-\$60,000
EBITDA	\$237,314

Acquisition Analysis

Purchase Price	\$895,000
Equity @ Closing – 20%	-\$179,000
Loan Amount - 80% LTV	\$716,000
Interest Rate 2.5+Prime	6%
Amortization	10 Years
Annual P&I	\$95,389
Pretax Cash Flow	\$141,925

(*) Since privately owned companies tend to keep reported profits and thus taxes as low as possible, financial recasting is an important element to understanding the earning capacity of the business enterprise. Recasting provides an economic view of the company and allows meaningful comparison with other investment opportunities.

Detailed information on this seller is available. Contact Denver Business Brokers™ to provide indication of financial qualification and execute DBB's Non-Disclosure and Confidentiality Agreement. A representative of Denver Business Brokers™ can be contacted at (303) 534-4533 or via email at: Bernard@DenverBusinessBrokers.com : direct phone or text message (303) 960-5890

Disclaimer: The Company has supplied the information contained in this Investment Overview. Denver Business Brokers™ has not audited or otherwise confirmed this information and makes no representations, expressed or implied, as to its accuracy or completeness or the conclusions to be drawn and shall in no way be responsible for the content, accuracy and truthfulness of such information. By requesting this Investment Overview, the recipient acknowledges the responsibility to perform a due diligence review at his or her own cost prior to any acquisition of or business combination with the Company. At all times DBB is an agent for the seller and not for the buyer unless a specific agreement exists for DBB to act as the buyer's agent.

Business Summary

<i>Confidential: Business Summary</i>					
<i>Owner</i>		<i>Title of Owner</i>		<i>Percentage of Stock</i>	
Confidential		Manager & Member		85%	
Confidential		Member		15%	

<i>Facilities</i>	<i>State</i>	<i>% of Sales</i>	<i>Lease Expiration</i>	<i>Sq.Ft</i>	<i>Year Opened</i>
Special Purpose	Colorado	100%	April 2023	Bldg – 7,473 sf	2011

<i>Founded/Current Ownership</i>	2011 / 2011	
<i>Entity Type</i>	Colorado Limited Liability Company	
<i>Type of Business</i>	Athletic Club Secure live streaming video	
<i>Product/Services by Percentage of Revenue</i>	Membership Collections	80%
	Point of Sale Membership	7%
	Training Fees	13%
<i>2021 Sales Estimate</i>	\$1,000,000	
<i>Number of Employees</i>	Owner (85%) – FT	1
	Owner (15%) – Manager FT	1
	Front Desk - PT	4
	Personal Trainers – PT	6
	Group Exercise Instructors - PT	10
	<i>(all employees are non-union)</i>	
<i>Customer Type</i>	Local Residents	100%
	Current Membership	1,098
<i>Marketing/Promotions</i>	Referrals, Repeat Residents	
	<i>Included in Sale:</i> 1 domain address Social Media Accounts	

<i>Hours of Operation</i>	M-Thurs – 6:00 am – 8:00 pm Friday – 7:00 am – 6:00 pm Saturday – 8:00 am – 3:00 pm Sunday – 9:00 am – 3:00 pm	
<i>Owners Duties</i>	Owner 85% General assistance Back – office Admin	\$103,000
	Owner 15% Facility Management	\$60,000
<i>Front Desk</i>	Greeter Enrollment sales Club janitorial duties Laundry duties Sanitize equipment	\$13.00 p/h \$25.00 comm. on all membership sales
<i>Personal Trainers</i>	Personal Trainer Director Personal Trainers	\$500.00 p/m Variable
<i>Group Exercise Contractors</i>	High Intensity Interval Classes Yoga Cycling	\$30-\$40 p/h
<i>Non – Compete Agreements (Current and Active)</i>	Owner Employees	None None
<i>Technology</i>	ABC Financial Services 3-terminals	Annual subscription
<i>Security</i>	ADT Protection 1 5 cameras App based live video feed	Month fee
<i>Familiarization</i>	Seller with train and familiarize next owner for enough time to cause a smooth transition of ownership	
<i>Employee Tenure</i>	Owner (85%)/Founder	11 years
	Owner (15%)	11 years

Competitive Challenges

None currently foreseen. Business, in its current format, has been operating in the same market for 11 years

Expansion Opportunities

Successful membership drive through technology. In 2020 operators made an investment of resources to reconstruct their website incorporating analytics packages to monitor and track traffic. Additional tools allow for online enrollment, lead nurturing, and online account management for current members. Fueling and enhancing these, already in place programs, will result in organic growth. The facility is located in a densely populated area of Denver. Most members reside within walking distance to the facility.



NON-DISCLOSURE AND CONFIDENTIALITY AGREEMENT

This Agreement is made and entered into between the undersigned individually and for the referenced business entity, its officers, directors, partners, employees, agents and advisors (“Buyer”) and Dorian Management, LLC dba Denver Business Brokers™ (“Broker”) for the benefit of Dorian Management, LLC and a presently undisclosed seller (“Seller”)

Whereas: Buyer has requested information from Dorian Management, LLC and it’s representatives and Seller for the purposes of investigating a possible acquisition, merger, or joint venture involving all or part of the business interests owned by Seller and represented by Dorian Management, LLC and it’s representatives.

Now Therefore: In consideration of the mutual promises and covenants contained herein, and to induce the release of information by Seller, Buyer agrees as follows:

1. Buyer shall hold in confidence any and all information obtained; however, may be able to disclose information obtained, to advisors or organizations assisting Buyer with discovery to bring about a purchase of Seller’s company, division or product line for sale.
2. Buyer may reveal this information to a broker, intermediary, lending institution, prospective equity partner, or other source. Buyer shall disclose to Dorian Management, LLC parties in possession of information upon request.
3. This Agreement applies to all information received by Buyer from Dorian Management, LLC or Seller now and in the course of future investigations, which is not available to the general public. All information provided pursuant to this Agreement shall be deemed confidential and valuable. Without specific written agreement to the contrary, it shall be deemed proprietary. Unauthorized disclosure of said information, even without intent to harm, could and shall cause substantial and irreparable damage to Dorian Management, LLC and its representatives and Seller.
4. All information provided shall be used for the sole purpose of evaluating the acquisition or joint venture decision and shall not at any time, or in any manner, be utilized for any other purpose. Buyer shall promptly advise Dorian Management, LLC or its representatives when its investigations or negotiations are completed and will immediately return all information furnished, in whatever form, without retaining copies, summaries or extracts, thereof.
5. Buyer shall not contact the Seller’s banker, accountant, attorney, employees, suppliers, competitors, customers or others who might have information concerning Seller without written permission of Dorian Management, LLC and its representatives. Buyer shall not directly or indirectly solicit or hire Seller’s employees; provided that this restriction shall not apply to any employee of Seller who responds to a general solicitation by Buyer regarding employment opportunities in the ordinary course of Buyer’s business (such as job advertisements in a newspaper of general circulation).
6. Dorian Management, LLC and its representatives makes no representation or warranty, express or implied, as to the truth, accuracy or completeness of any information provided to Buyer under this Agreement. Buyer assumes full responsibility for its reliance upon such information and expressly waives all rights of recourse, if any, against Dorian Management, LLC and its representatives for Buyer’s reliance thereon. Buyer shall assume all responsibility for its own due diligence.
7. Dorian Management, LLC and its representatives are acting as agent for the Seller and not the Buyer.
8. Buyer acknowledges that any Breach of this Non-Disclosure Agreement directly or indirectly shall be deemed harmful to Seller.



9. Buyer is not affiliated with or representing any governmental, administrative or investigative agency, and information provided or obtained through Dorian Management, LLC and its representatives shall not be used to the detriment of Dorian Management, LLC and its representatives or any of the businesses represented by Dorian Management, LLC and its representatives.
10. Buyer shall not purchase all or any part of Seller, or acquire any interest in Seller, without Broker's participation, or in any way interfere with or circumvent Broker's right to receive a commission relating to the sale of any interest in Seller. If Buyer violates this provision, then Buyer shall be liable to Broker for the commission that would have otherwise been payable to Broker, and any other damages suffered by Broker as a result of Buyer's acts, including Broker's reasonable attorney's fees and costs.
11. The period during which Information may be exchanged for protection hereunder shall automatically end two years from the date of this Agreement unless extended by mutual written agreement or ended earlier by either parties giving thirty days written notice to the other party of its intention to end the period of disclosure.

AGREED AND ACCEPTED DATE _____

BUYER:

Print Name

Signature

Address

City, State, Zip

Phone

Email

Opportunity Inquiry

Our newsletter contains articles that keep you informed of current activities in the business acquisition market place. It also contains self-help tools to better help you in analyzing businesses for sale. It contains our current listings and upcoming businesses to be offered.

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