

SNAP FITNESS 24/7 FRANCHISE

Woodruff Avenue - Idaho Falls, Idaho

THE COMPANY

Fitness is in. The percentage of people belonging to health clubs has doubled over the past 20 years. More growth is expected, fueled by an aging Baby Boomer generation in search of eternal youth and the reality that regular exercise can prevent or control diseases that are driving health care costs relentlessly upward. Economically, the industry has proven to be recession-proof, averaging an 8% annual growth rate since the early 1990s. Fitness is considered one of the three growth industries for 2010 (Sport-Health-Diet). Snap Fitness of Idaho Falls opened in late 2008. In 2009 business was stable and growing. The owner did not advertise strongly and grew the business by word-of-mouth and referrals. The 24 hour key card access to a clean and modern work out experience has stabilized with 420 members. Stronger advertising during peak months would build the base. Snap Fitness offers the service of a fully qualified independent trainer that has helped members meet and challenge their fitness goals.

THE LOCATION

Snap Fitness is located at 681 S. Woodruff Avenue in a 2,400 SF area that has been built out to meet the demands and features of the members. The business features state-of-the-art equipment, rubberized floors in the work-out area, two dressing rooms, flat screen TVs, key card entrance; security cameras, and much more. The Franchise is located in the middle of 13,000 potential customers and Woodruff Avenue has a reported 23,000 cars per day count. Convenience is the #1 draw for Snap Fitness.

THE CUSTOMER

Fitness continues to be a growth industry and discretionary money still funds customer desire to beat daily pressure by improving their core. Members demand to work out with modern equipment that is well maintained in a clean and safe environment. Snap Fitness is one of the industry leaders in proving such an environment. The majority of the 425 members live within a three-mile radius of the Franchise. The Snap Fitness focus is to be a "Boutique Fitness Center" offering a personal touch for its members.

THE REASON FOR SELLING

The owner is a young entrepreneur who has become motivated to sell in order to relocate to a new project out of state. The owner has managed and marketed the business from day one and has operated with positive cash flow. The seller will consider owner financing but must recover core costs first. The business is being marketed at core asset value (working assets-franchise cost).

THE IDEAL BUYER

The Snap Fitness Franchise vision is to offer members a convenient and affordable place to work out while offering entrepreneurs a solid and profitable franchise model. A buyer should have working capital to promote the franchise during peak selling months of January to April. The base is solid and with more marketing, the business should continue to grow. This is a great business model for a buyer who can promote within the community and enjoy the one-on-one meeting with fitness members.

ASKING PRICE

\$165,000

TERMS:

Owner Financing Considered

PURCHASE PRICE ALLOCATION

Core Asset Value	\$150,000
Franchise Cost	<u>15,000</u>

Purchase Price \$165,000

Leasehold Improvements	\$8,000
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All values provided by Seller

INCOME STATEMENT SUMMARY

Net Operating Profit 2009	\$57,000
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Financial information provided by Seller



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