

Fitness Center Assessment

XYX Property

123 Main Street
Yourtown, MD 20879



EST. 1983  Heartline®

FITNESS SYSTEMS

"The Fitness Experts!"

COMPREHENSIVE ASSESSMENT

I. EXECUTIVE SUMMARY

Overall, the fitness center at XYZ Property is a small but substantial facility marked by its quality equipment selection and abundance of machines. For the size of the room and number of condominium units it serves, there are enough cardio machines for users and an assortment of strength equipment to touch every major muscle group. That said, the space is not conducive to any stretching or functional activities and is in violation of ADA guidelines (*see below) and other generally recognized safety standards.

All of the cardio equipment is 9+ years old (based on manufacture and install dates). We do recommend replacement of most/all of this equipment at this time. The strength equipment is also older, 10+ years old. While still in good working order the equipment takes up a lot of space and is not capable of the most current workout preferences.

The maintenance provider seems to be doing a sufficient job at maintaining the machines, however, there are some glaring issues that need to be addressed. The internal mechanical components of the machines look well maintained, but there are some cleanliness issues underneath the machines that can greatly hinder the functionality and longevity of the equipment. Our technician also uncovered an error pertaining to the flipping of the treadmill decks, which may end up costing more in repairs in the short- to mid-term (see Assessment Detail, Section B).

***ADA Compliance:** ADA compliance requires that in PUBLIC USE FACILITIES, at least one unit of each type of cardio category (i.e., 1 treadmill, elliptical, bike, stepper, and rower) have at least three feet of open space on one side of the machine (of which, shared access is permitted by two separate cardio categories), and at least three feet of open space for rear access to the machine. Since XYZ Property is a private residence, it appears that the property DOES NOT come under the ADA guidelines for fitness centers. However, we still want the community to be aware of such guidelines, and we recommend the property consult legal counsel to determine if, in fact, the property qualifies for private status under these ADA guidelines.

II. ASSESSMENT DETAIL

A. Facility Layout

The cardio area around the treadmills and ellipticals is a bit cluttered and should be revamped to allow users better access to getting on and off the equipment. The water fountain and multi-press machine in the back corner of the room are also cramped, making access difficult. And disabled residents cannot access either the fountain or the multi-press at all. These would all be violations of ADA rules (see Executive Summary for application).

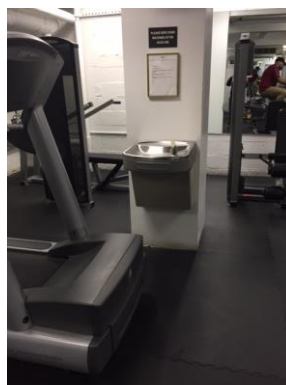
Further, the American College of Sports Medicine (ACSM) recommends a minimum 4-feet of clear space behind treadmills in case users fall off the back of the machine. As it stands now, residents risk injury falling back into the mirrors and/or getting trapped between the wall and the moving treadmill belts.



Potentially unsafe spacing behind treadmill

B. Cardio Equipment Assessment:

The cardio equipment is 9+ years old. Treadmill mileage is within range given an estimated average of eight to 10 hours of use per day. Typically, commercial cardio machines can last from six to eight years depending on maintenance and relative usage. Heartline recommends starting to budget for new machines in year six and instituting a multi-year plan for replacement. Anything beyond year eight, which would be all of your current equipment, we suggest looking at immediate replacement, versus costly (and unbudgeted) future repairs.



Awkward/blocked access to water fountain



Limited access to equipment; crowded

Something to keep an eye on, however, is that the treadmills do show signs of belt wear which places a greater burden on the treadmill motor due to increased heat and friction. Belt replacement within the next few months is recommended – approximate cost, including labor: \$700/treadmill. Unfortunately, the current maintenance provider also flipped the treadmill walking decks without replacing the belts, meaning that we would also need to replace those at the same time – approximate cost, including labor \$400/treadmill.



Console overlays worn



Signs of belt wear on treadmills

There were also some cleanliness issues underneath several of the machines. This dirt/dust buildup will eventually make its way into the motor boards and cause damage to the mechanical components of the machines.



Dirt/dust build up; potential future damage



C. Strength Equipment Assessment:

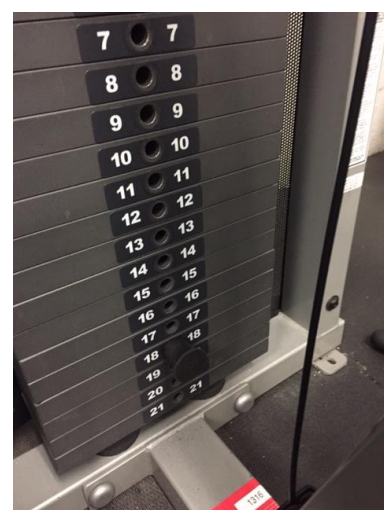
The strength equipment is in fine working order despite the age of the machines.

Typically, the first components to show signs of wear will be the upholstery, as the pads will dry out and crack as residents use and sweat on the equipment. However, the upholstery on the equipment is still supple, indicating, perhaps, a lack of regular use.

The machines are certainly older with a bulky footprint, poor biomechanics and not aesthetically pleasing. The only glaring issue our technician noted was the missing weight pin lanyards on a few of the machines. There is also a missing protective endcap to one arm of a blank machine.



Missing rubber endcap.



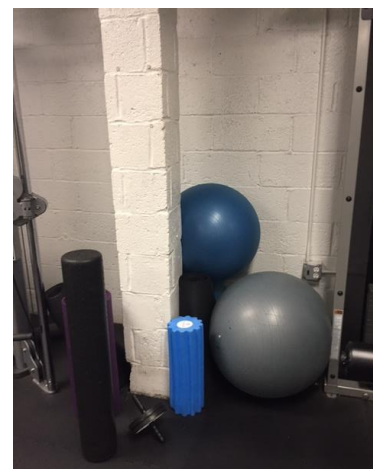
Missing pin lanyard on several weight machines; unusable

D. Free Weight/Multi-Purpose Area(s) Assessment:

The one area in the gym that could use attention is the free weight area. All of the accessories are very old and could stand an upgrade, including new racks and matching sets of new dumbbells as well as other soft good accessories.

E. Entertainment System Assessment:

The cardio equipment does not have integrated entertainment, however, most of the residents did not seem to mind the current set up. Industry trends have moved decidedly to personal screen entertainment, particularly in an amenity space of XYZ Property's stature. However, power and wire re-configuration would be required. This is perhaps a more longer-term project, if the property decides to make it a change.



New racks would give better access and aesthetic to this area



Perhaps a better opportunity is to capitalize on the space in the Yoga Studio. The facility would benefit from incorporating an "on-demand" exercise system, such as Wellbeats entertainment and virtual exercise routine programming. While the facility management team offers classes, the studio space sits unused most of the week. We're confident residents would appreciate the opportunity to take on-demand classes at their leisure in addition to the tutorials offered by the on-site staff.

III. Asset Detail [Equipment Inventory]

Cardio:

| Product/Model Number | Serial # | Age (yrs) | Usage Hours | Mileage/Revs/Strides |
|----------------------------------|-----------|-----------|-------------|----------------------|
| Life Fitness CLST Treadmill | CLT122116 | 1 yr | (H)5051 | (M)25,680 |
| Life Fitness CLST Treadmill | CLT122120 | 1 yr | (H)7950 | (M)13,875 |
| Life Fitness CLST Treadmill | CLT122121 | 1 yr | (H)5525 | (M)26,889 |
| Life Fitness CLSX Elliptical | CLX116671 | 3 yr | (H)5529 | N/A |
| Life Fitness CLSX Elliptical | CLX116676 | 3 yr | (H)5128 | N/A |
| Life Fitness CLSX Elliptical | CLX116672 | 3 yr | (H)2678 | N/A |
| Life Fitness CLSR Recumbent Bike | CLR107438 | 3 yr | (H)2242 | N/A |
| Life Fitness CLSR Recumbent Bike | CLR107317 | 3 yr | (H)2360 | N/A |
| Life Fitness CLSC Upright Bike | CLU110528 | 3 yr | (H)1695 | N/A |

Strength:

| Product/Manufacturer | Model/Serial Number | Age (yrs) |
|--|---------------------|-----------|
| Life Fitness Fit Series Leg Extension/Leg Curl | FITSLELC | 10 yr |
| Life Fitness Fit Series Multi-Press | FITSMP | 10 yr |
| Life Fitness Fit Series Lat/Row | FITSLPLR | 10 yr |
| Life Fitness Signature Series DAP | SSDAP | 10 yr |
| Life Fitness Multi-Adjustable Bench | SMAB | 10 yr |
| Life Fitness Multi-Adjustable Bench | SMAB | 10 yr |
| Life Fitness Beauty Bell Rack | PSBC000471 | 10 yr |
| Life Fitness Optima Dumbbell Rack | PSTE000376 | 10 yr |

ROI EXAMPLE – National Apartment Association

Location – Lorton Virginia

Total Units -182

Change in Rented Units Post Investment -160 vs 167 (7)

Base Rent \$2K

Avg. Yearly Rent Premium Increase Of \$55 per month

Fitness Center Upgrade Investment – \$55K



NPR (1) – no change in rent

NPR (2) - \$55 per month rent increase

Net Return Year 1 NPR (1) - \$119,720.00

Net Return Year 1 NPR (2) - \$230,230.00

Source: National Apartment Association

Total Property Revenue



COST OF OWNERSHIP

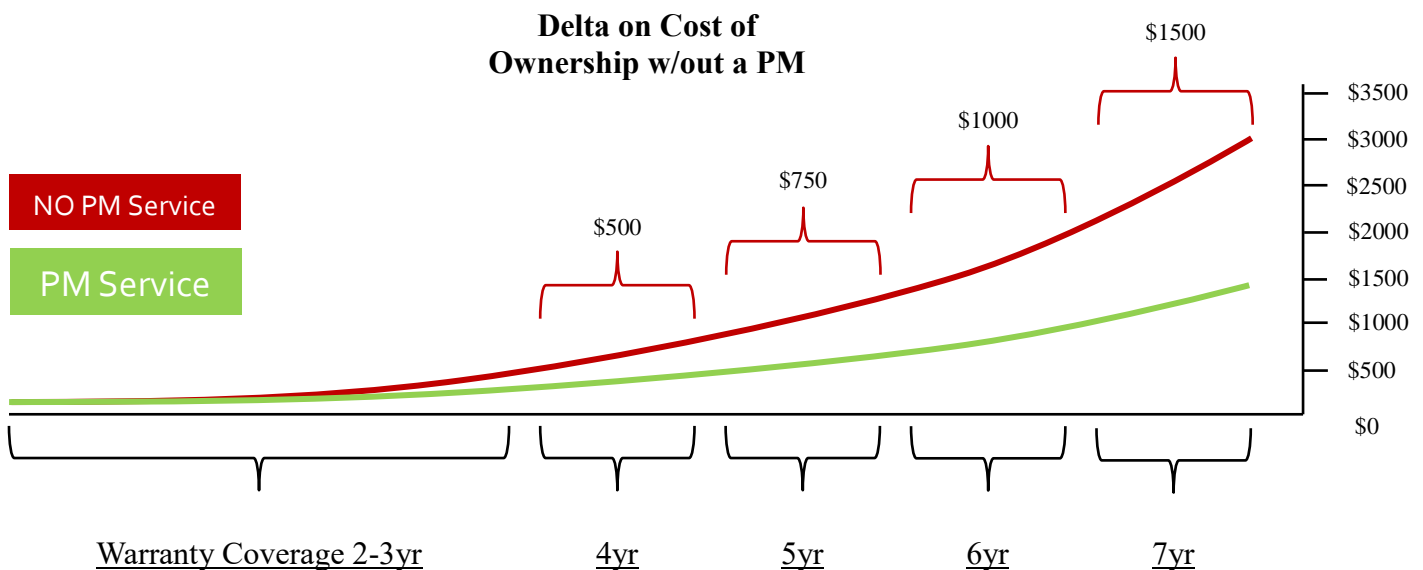
Question:

Would you buy a new car, never change the oil and expect it to last? Better yet, would you expect the manufacturer to cover your motor under warranty?



Answer:

Fitness Centers that have not implemented a proper Preventive Maintenance plan have a significantly higher cost of ownership. Starting your PM plan upon purchase is the key to the safety and return on your investment over time.



* Graph is based on a single commercial grade treadmill and non-wearable items. Belts, decks, and key pads are normal wearable items and would be an additional cost to ownership based on product usage.

Multi-Family Fitness Center Insights...

CHALLENGE

Room Layout



IMPACT

Increased Property Risk

Lack of Preventive Maintenance



Nullifies Community Service Driver

Product Quality & Alignment to Property



Reduced Property Lifestyle

Outdated Fitness Center



Reduced Property Value

Non-Reliable/Responsive Contractors



Increased Budget Spend

PREVENTIVE MAINTENANCE



PREVENTIVE MAINTENANCE



- * Regularly scheduled Preventive Maintenance is essential to keeping all your fitness equipment in safe operating condition and ensuring a return on your investment.
- * Did you know most manufacturers require that a maintenance plan or regular (PM) occur to validate your warranty coverage?
- * Choose the Plan that fits your needs: **Platinum, Gold, Silver.**
- * Reduce potential down time and emergency service calls, saving you hundreds of dollars per year.
- * Certified service technicians perform all maintenance and service calls with attention to all the details.
- * Significantly extend the life of your fitness equipment.
- * Provide your clients with a safe fulfilling experience.
- * Experience since 1983 and stocked parts for all major brands.

SERVICE AGREEMENTS

A well maintained fitness center promotes peace of mind and reduces premature breakdowns, frequent service calls and costly repairs!

| | Platinum | Gold | Silver |
|-------------------------------|------------|------------|------------|
| 10 Pt Service Inspection | ✓ Yes | ✓ Yes | ✓ Yes |
| Onsite Response Time | ✓ 24 hours | ✓ 48 hours | ✓ 48 hours |
| Customer Account Portal | ✓ Yes | ✓ Yes | ✓ Yes |
| 7M Completed Insurance Policy | ✓ Yes | ✓ Yes | ✓ Yes |
| HLU Certified Technicians | ✓ Yes | ✓ Yes | ✓ Yes |
| Clean, Lube & Calibrate | ✓ Yes | ✓ Yes | ✓ Yes |
| FREE Gym Wipe Refills | ✓ Yes | ✓ Yes | ✓ Yes |
| Included Service Calls | ✓ Yes | ✓ Yes | ✓ Yes |

Call Heartline Fitness Today at **800.262.3348** or email: service@heartlinefitness.com
Since 1983 and now servicing these states - NYC, NJ, PA, DE, MD, DC, VA, NC, SC, GA



The Facts about Preventive Maintenance:

- The manufacturer's warranty *does not* cover general preventive maintenance.
- Experts recommend having a PM done shortly after new equipment is installed or purchased.
- Dirt and dust build up leads to break downs.
- Preventative Maintenance visits are not the same as a service call or warranty claim.
- Regular PM's not only keep equipment running smoothly and safely, but also decrease the number of emergency breakdowns, saving you money on major service and repair costs.
- Cleaning the equipment inside and out is a major part of Preventive Maintenance visits; other aspects such as diagnostics and safety checks are performed as well.
- Wax and lubricants are applied to treadmill decks, as well as belts on ellipticals, bikes and steppers to prevent friction and excessive heat breakdowns.

8041 Cessna Ave. Gaithersburg, MD 20879 www.heartlinefitness.com 800-262-3348

Since 1983 – DE, DC, GA, MD, NC, NJ, NYC, PA, SC, VA