



Cleveland Clinic

Union Hospital

20 Year NNN Lease



Confidential Offering Memorandum

22,049 SF MEDICAL BUILDING | 100% LEASED

DOVER, OHIO



Confidentiality Agreement

THIS IS A CONFIDENTIAL MEMORANDUM intended solely for your limited use to determine whether you wish to express an interest in **110 Dublin Drive** located in **Dover, Ohio**, as more particularly described herein (“Property”). This confidential memorandum and its contents (“Memorandum”) contain brief, selected information pertaining to the business affairs of the Property’s owner (“Owner”) and it has been prepared by Cushman & Wakefield | CRESCO Real Estate and RE/MAX Crossroads as Owner’s exclusive agent. This Memorandum does not purport to be all-inclusive or contain all of the information that a prospective purchaser or investor may need or desire. Neither Owner, Cushman & Wakefield | CRESCO Real Estate nor RE/MAX Crossroads, nor any of their respective officers, directors, principals, shareholders, agents, or employees has made or will make any representations or warranties, expressed or implied, as to the accuracy or completeness of the information contained herein. Owner, Cushman & Wakefield | CRESCO Real Estate and RE/MAX Crossroads each expressly disclaim any and all liability that may be based on the information contained herein, errors therein, or omissions therefrom. All financial data contained herein is unaudited. The projections and pro-forma information contained herein represent estimates based on assumptions considered reasonable under the circumstances. No representations or warranties, expressed or implied, are made that the actual results will conform to such projections and you should make your own projections and reach your own conclusions. All due diligence, analysis, and verification of the information contained in this Memorandum is solely your responsibility without any representations as to the Properties’ physical, environmental, or financial condition being imputed to Owner, Cushman & Wakefield | CRESCO Real Estate or RE/MAX Crossroads.

By your receipt of this Memorandum, you agree that this Memorandum is of a confidential nature and that you will hold and treat it in the strictest of confidence, and that you will not, directly or indirectly, disclose this Memorandum, or any part thereof, to any other person or entity without the prior written authorization of Owner, Cushman & Wakefield | CRESCO Real Estate and RE/MAX Crossroads, and that you will not use this Memorandum in any manner detrimental to the interest of Owner, Cushman & Wakefield | CRESCO Real Estate or RE/MAX Crossroads. Upon request, you will promptly

return this Memorandum, and any other material received from Owner, Cushman & Wakefield | CRESCO Real Estate or RE/MAX Crossroads, without retaining any copies thereof.

This Memorandum shall not be deemed an indication of the state of affairs of Owner or constitute a representation that there has been no change in the business or affairs of the Property or Owner since the date of preparation of this Memorandum. Neither Owner, Cushman & Wakefield | CRESCO Real Estate nor RE/MAX Crossroads undertakes any obligation to provide additional information or to correct or update any of the information contained in this Memorandum. No legal duty, obligation, or commitment shall arise by reason of this Memorandum. Owner reserves the right, in its sole discretion, to reject any offer or terminate negotiations with any party.

For more information please contact one of the following individuals:

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Executive Summary

Executive Summary

Cushman & Wakefield | CRESCO Real Estate and RE/MAX Crossroads has been retained by ownership as its exclusive representatives in the sale of 110 Dublin Drive in Dover, Ohio. This single tenant, triple-net lease investment sale offering is currently 100% leased to the Cleveland Clinic - Union Hospital, a world-class healthcare system. The asset is located in the desirable Dover submarket with exceptional freeway access via I-77. This offering provides investors the opportunity to acquire a brand-new single-tenant medical building with a 20-year corporate guaranteed lease from the preeminent healthcare provider in Ohio, recently ranked the #2 healthcare system in the country according to U.S. News 2017-2018

22,064

TOTAL SQUARE FEET

2.7

ACRES

100%

OCCUPIED

2016

Year
Constructed

\$411,400

10 YEAR AVERAGE NOI



Property Overview

Property Overview



Property Overview



Property Detail Report

WOOSTER AVE, , OH, 44622-

Owner Information:

Owner Name: EXIT 85 R/E GROUP LLC
 Mailing Address: 137 E IRON AVE, DOVER, OH, 44622-2254
 Vesting Code: CO Vesting Code Desc: COMPANY/CORPORATION
 Owner Type:

Location Information:

Legal Description: 2 9 2 PR 49 2.700A
 County: TUSCARAWAS Parcel No. (APN): 15-04652.032
 FIPS Code: 39157 Alternative APN:
 Census Trct/Blk: / Legal Book/Page:
 Twnshp-Rnge-Sect: - - Map Ref:
 Legal Land Lot: School District: DOVER CITY SCHOOL DISTRICT
 Legal Block:
 Subdivision:

Last Market Sale Information:

Recording Date: New Construction:
 Sale Date: 1st Mtg Amount:
 Sale Price: 1st Mtg Type:
 Price Per SF: 1st Mtg Doc No:
 Price Per Acre: Sale Doc No:
 Deed Type: Transfer Doc No: 201500011453
 Sale Type:
 Title Company:
 Lender:
 Seller Name:

Last Transfer of Ownership:

Recording Date: 11/2/2015 Book Number: 1488
 Document Number: 201500011453 Page Number: 2018
 Doc. Type: WD

Prior Sale Information:

Recording Date: Sale Type:
 Sale Date: Transfer Doc. No.:
 Sale Price: New Construction:
 Sale Doc. No.:
 Seller Name:
 Title Company:
 Lender:

Property Characteristics:

Building Area (SF): Total Rooms:
 No. of Units: Bedrooms:
 No. of Stories: Bathrooms: 0
 Yr Built/Effective: / Basement: YES
 Condition: Basement Area (SF):
 Construction: Heat Type:
 Roof Type: Air Cond Type:
 Roof Material: Fireplace:
 Parking Spaces: 0

Site Information:

Zoning: Assessor Acreage: 2.7
 County Use Code: 400 Calculated Acreage: 2.6963
 County Use Code Desc: COMMERCIAL VACANT LAND Assessed Lot SF: 117,612
 Land Use Code: 8002 Calculated Lot SF: 117,451
 Land Use Desc: COMMERCIAL-VACANT LAND Assessor Lot W/D: /
 Land Use Category: VACANT LAND
 Topography:

Tax and Value Information:

Assessed Year:	2016	Market Value Year:	2016	Tax Year:	2016
Total Assd. Value:	\$75,600	Land Market Value:	\$216,000	Tax Rate Code:	15
Land Value:	\$75,600	Market Imprv. Value:		Property Tax:	\$14,453
Improvement Value:		Total Market Value:	\$216,000	Tax Exemption:	
Improvement %:		AVM Value:			

Hazard Information:

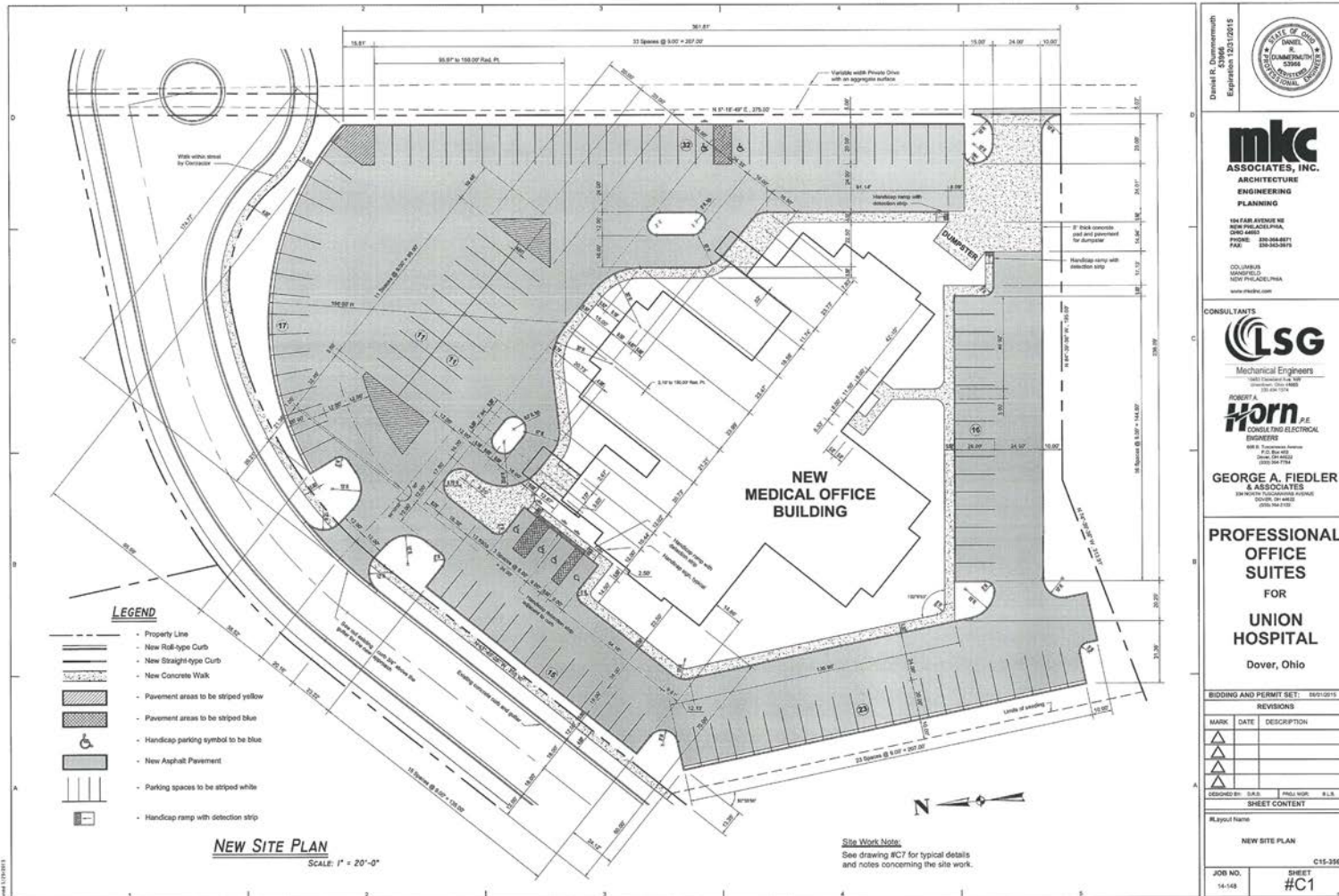
Flood Zone: Wetland Type:
 Flood Panel: Wetland Classification:
 Flood Panel Date:

Parcel ID	Owner	Location
15-04652.032	Exit 85 R/E Group LLC	110 Dublin Drive



Property Overview

Survey



David R. Duvornich
Professional Engineer
Expiration 12/31/2015

STATE OF OHIO
DANIEL J. FARMER
Professional Engineer
Expiration 12/31/2015

mkc
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PLANNING
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F: 330-344-1100

GEORGE A. FIEDLER & ASSOCIATES
12400 NICHOLS ROAD
DOVER, OH 44622
330-344-1100

PROFESSIONAL OFFICE SUITES FOR UNION HOSPITAL
Dover, Ohio

BIDDING AND PERMIT SET: 18010115
REVISIONS

MARK	DATE	DESCRIPTION
▲		
▲		
▲		
▲		

DESIGNED BY: S.A.S. DRAWN BY: S.A.S. CHECKED BY: S.A.S. PLOTTED BY: S.A.S.

SHEET CONTENT

#Project Name
NEW SITE PLAN

C15-2569

JOB NO. SHEET
14-148 #C1



Building/Tenant Overview

110 Dublin Drive

Building Overview - 110 Dublin Drive

Address:	110 Dublin Drive	Lease Structure:	Triple Net (NNN)
Property Type:	Medical Office & Exam	Lease Term:	20 Years
Zoning:	Commercial	Lease Expiration:	December 31, 2036
Gross Building Size:	22,064 SF	2018 EBITDA:	\$349,805
Acreage:	2.7	Rent Increases:	Every 5 years; based on annual CPI increases. Most recent five-year period CPI change: 6.6% (2013-2017)
Year Built:	2016	Tenant Renewal Options:	Two, five (5) year options with same rent increase structure
Parking Spaces:	124		
Construction Type:	Brick/Masonry		
HVAC:	11 roof top units, new in 2016		
Roof:	Flat		

Tenant Overview - Cleveland Clinic Union Hospital

CLEVELAND CLINIC FACTS & FIGURES

Founded in 1921 by four physicians with the mission of providing better care for the sick, investigation into their problems, and education for those who serve.

A not-for-profit, physician-led multispecialty group practice and healthcare system. Care provided through 20 patient-oriented institutes organized around diseases and organs.

Caring for 2 million unique patients with over 7 million outpatient visits in locations around the globe.



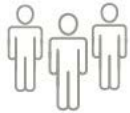
Locations include a 1,400-bed tertiary care main campus in Cleveland, 10 regional hospitals and over 150 outpatient locations in Northeast Ohio, 155 beds in Southeast Florida, a brain center in Las Vegas, a wellness outpatient practice in Toronto, and a 364-bed hospital in Abu Dhabi. A 200-bed hospital will complete construction in London in 2020.

Tenant Overview - **Cleveland Clinic** Union Hospital

CAREGIVERS

52K

Caregivers



3,676

Physicians and scientists



PATIENT CARE

7.6M

Outpatient visits

229K

Admissions and observations



207K

Surgeries and procedures

EDUCATION

1,965

Residents and fellows



107

Accredited residency training programs



RESEARCH

\$272M

Research funding



\$108M

Federal funding



COMMUNITY

\$809M

Community benefit



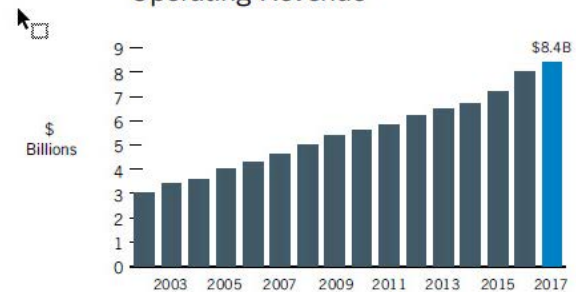
\$17.8B

Economic impact



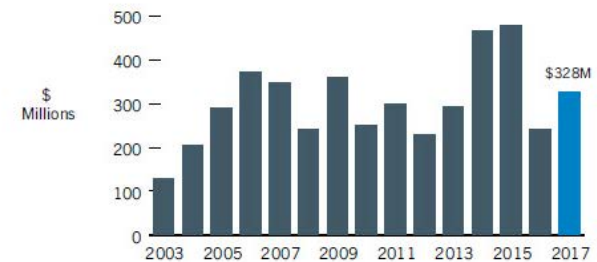
FINANCIAL

Operating Revenue



Operating revenue increased 5% to \$8.4 billion in 2017.

Operating Income



Unaudited earnings based on current operations totaled \$328 million in 2017.

Tenant Overview - 110 Dublin Drive

Cleveland Clinic

Newsroom

News & Views ▾

Union Hospital Joins Cleveland Clinic Health System

Patients to continue to see same physicians and providers at Cleveland Clinic Union Hospital

APRIL 2, 2018 / NEWS RELEASES

SHARE [f](#) [t](#) [in](#) [p](#)

DOVER, Ohio: Today, Cleveland Clinic and Union Hospital officials announced that Union Hospital is now a full member of the Cleveland Clinic health system.

Union Hospital becomes the 11th regional hospital in the Cleveland Clinic health system and formally will be known as "Cleveland Clinic Union Hospital."

"Our strong community hospital is now part of one of the world's best healthcare systems and we look forward to securing and growing services in the future right here at Cleveland Clinic Union Hospital," said Bruce James, president and chief executive officer of the hospital in Dover. "Our primary mission to serve the residents of this area has not changed."



Cleveland Clinic Union Hospital

All services, programs and locations managed by Union Hospital and its hospital-operated physician network, Union Physician Services, are continuing as the hospital begins the integration process.

"We are excited to help Union Hospital provide the best care for patients of the Tuscarawas Valley in the same familiar community hospital setting," said Edmund Sabanegh, M.D., President, Cleveland Clinic Main Campus and Regional Hospitals. "Integration of Union Hospital as part of the overall Cleveland Clinic family will be done at a thoughtful, balanced pace as we've done successfully with our other hospitals. We will develop our integration plans with the leaders from Union Hospital, who know their hospital and their community the best. We look forward to working together to keep 'patients first,' every day, everywhere."

Patients will continue to see their same physicians and providers at their current locations, Union Hospital's 1,100 employees will continue delivering care, and all operations and appointments for outpatient services will proceed as scheduled. James also stressed that all insurance plans accepted at the hospital, including AultCare, will continue to be accepted as usual.

"With the support and guidance of the Cleveland Clinic staff, we will begin an integration process that will examine our operating processes and procedures and look for ways to improve care and the delivery of care for our patients," James said. "Other changes that will signal the new name, such as signage inside and outside the hospital and other locations, will be completed over time."

"It's also very important for patients and the community to know that care will continue to be delivered here at the hospital by the same dedicated and professionally trained staff members who are here now."

Union Hospital will continue its work to attract new physicians and providers to the community, especially for primary care services, said James, adding that they are looking forward to having the support of the Cleveland Clinic health system in those efforts.

Sabanegh said that hospital officials will continue to provide updates to the community served by Union Hospital as the integration moves forward.

Officials from the two hospital systems announced last May that they had signed a letter of intent for Union Hospital to become part of the Cleveland Clinic system. The work to finalize the agreement and the required state and federal regulatory reviews were recently completed.

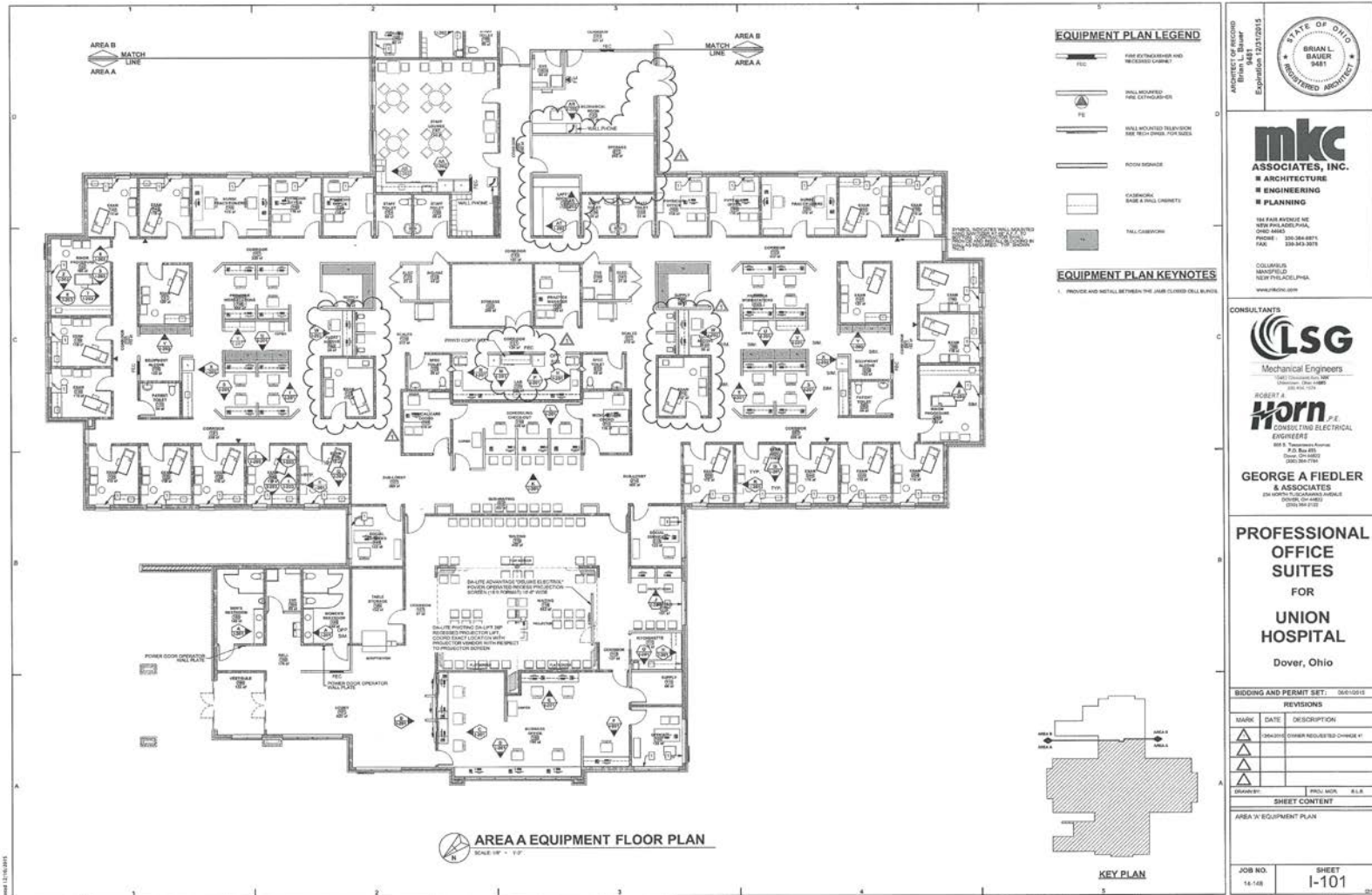
Union Hospital is now located at the southern end of the system's service network. Cleveland Clinic operates 10 other regional hospitals in Cuyahoga, Lorain, Medina and Summit counties.

Union Hospital previously had a patient treatment relationship in place with Cleveland Clinic through the Clinic's Telestroke Network, a tele-medicine connection for treatment of stroke patients at the Union Hospital Lauren Emergency Center and Cleveland Clinic's Cerebrovascular Center.

The independent Union Hospital announced in 2016 that due to operating costs growing at faster rates than revenues, it would seek a partner to ensure operations and services would continue at current levels and be positioned for future growth. The hospital eliminated 20 jobs earlier that year as part of a \$3-million cost-cutting effort and was concerned that additional cutbacks would lead to reductions in services and more lost jobs, even though the hospital offers one of the best healthcare values in Ohio.

Tenant Overview - 110 Dublin Drive

Floor Plan



Area Overview



Canton/Akron Market Overview

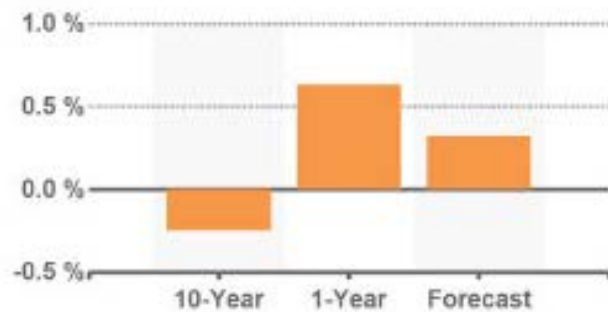
Market Overview

DEMOGRAPHIC TRENDS

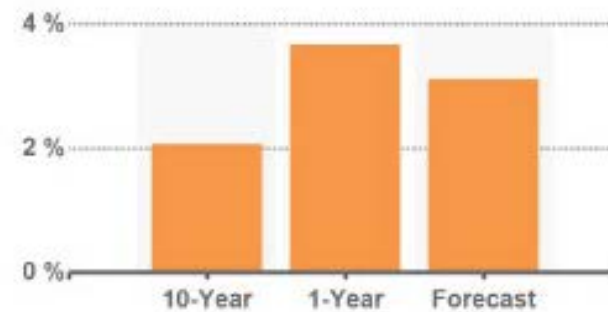
Demographic Category	Current Level		Current Change		10-Year Change		Forecast Change	
	Metro	U.S.	Metro	U.S.	Metro	U.S.	Metro	U.S.
Population	402,129	327,676,666	0.1%	0.7%	-0.1%	0.8%	-0.2%	0.7%
Households	166,548	125,924,977	0.3%	0.9%	0.2%	0.8%	0.3%	1.1%
Median Household Income	\$54,155	\$60,498	3.7%	3.5%	2.1%	1.6%	3.1%	3.0%
Labor Force	200,317	161,514,450	0.6%	0.9%	-0.2%	0.5%	0.3%	0.8%
Unemployment	4.9%	4.1%	-0.4%	-0.4%	-0.1%	-0.1%	-	-

Source: Moody's Analytics

LABOR FORCE GROWTH



INCOME GROWTH



Source: Moody's Analytics

Market Overview

Rent

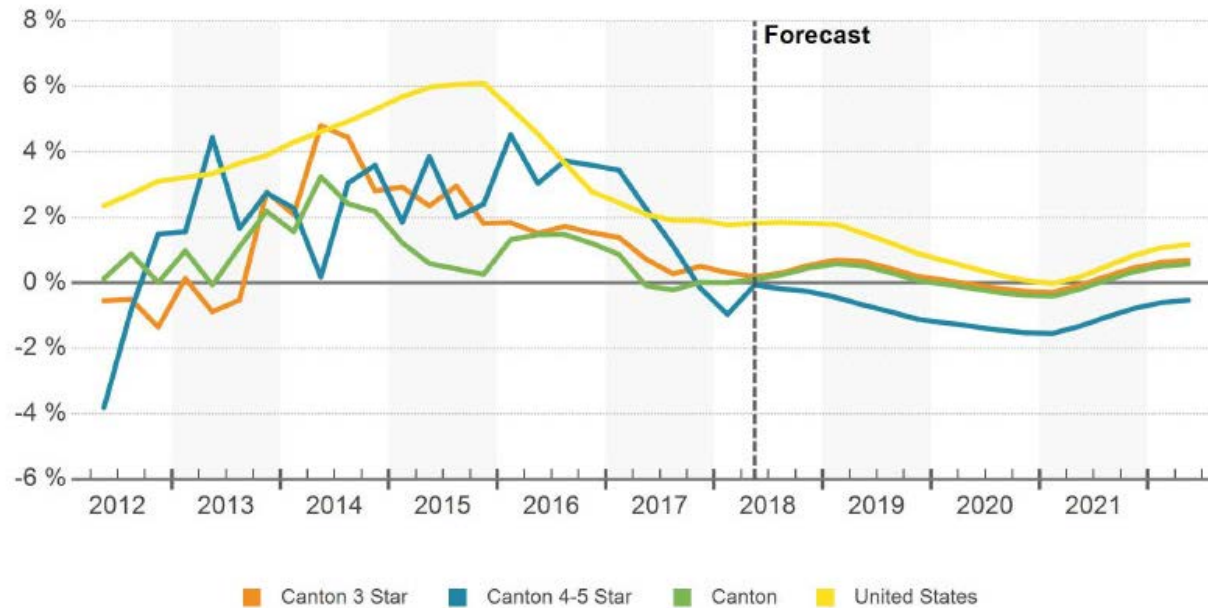
Canton Office

Canton is a more affordable office market than its closest neighboring metros, Akon and Cleveland. As of mid-18Q1, space typically rents for around \$11.50/SF and growth remains flat, which is common for the slow-growing metro.

The Hoover District at 101 E. Maple St. in North Canton is setting the high-water mark for offices in the Canton

metro. Asking rents are averaging around \$16/SF, and it is single largest office property in the metro. The continued redevelopment of the mixed-use Hoover District should bring higher rents once the entire project is completed. Some of the most expensive spaces are found at the Jackson Lake Office Building, a 27,000 SF asset built in 2005, where asking rent averages neared \$18/SF.

ASKING RENT GROWTH (YOY)





Financial Overview

2017-2021 Actuals & 2022-2036 Projections

EXIT 85 R/E GROUP, LLC							
RENTAL INCOME PROJECTIONS							
UNION HOSPITAL LEASE							
For the 20 Year Period January 1, 2017 - December 31, 2036							
		(8% CPI Increase Every 5 Years)		(12% CPI Increase Every 5 Years)		(15% CPI Increase Every 5 Years)	
		Monthly Rent	Annual Rent	Monthly Rent	Annual Rent	Monthly Rent	Annual Rent
Year							
1	2017	29,333	352,000	29,333	352,000	29,333	352,000
2	2018	29,333	352,000	29,333	352,000	29,333	352,000
3	2019	29,333	352,000	29,333	352,000	29,333	352,000
4	2020	32,083	385,000	32,083	385,000	32,083	385,000
5	2021	33,000	396,000	33,000	396,000	33,000	396,000
Rent for Years 6 - 10 is Based on							
Year 5 Rent plus the % change in							
the CPI from November 2016 to							
November 2021 (Assume 8% - 12% - 15%) -							
2021 Rent of \$396,000 plus 8% = 427,600 per year							
2021 Rent of \$396,000 plus 12% = 443,500 per year							
2021 Rent of \$396,000 plus 15% = 455,400 per year							
6	2022	35,633	427,600	36,958	443,500	37,950	455,400
7	2023	35,633	427,600	36,958	443,500	37,950	455,400
8	2024	35,633	427,600	36,958	443,500	37,950	455,400
9	2025	35,633	427,600	36,958	443,500	37,950	455,400
10	2026	35,633	427,600	36,958	443,500	37,950	455,400
Rent for Years 11 - 15 is Based on							
Year 10 Rent plus the % change in							
the CPI from November 2021 to							
November 2026 (Assume 8% - 12% - 15%) -							
2026 Rent of \$427,600 plus 8% = 461,800 per year							
2026 Rent of \$443,500 plus 12% = 496,700 per year							
2026 Rent of \$455,400 plus 15% = 523,700 per year							
11	2027	38,483	461,800	41,392	496,700	43,642	523,700
12	2028	38,483	461,800	41,392	496,700	43,642	523,700
13	2029	38,483	461,800	41,392	496,700	43,642	523,700
14	2030	38,483	461,800	41,392	496,700	43,642	523,700
15	2031	38,483	461,800	41,392	496,700	43,642	523,700
Rent for Years 16 - 20 is Based on							
Year 15 Rent plus the % change in							
the CPI from November 2026 to							
November 2031 (Assume 8% - 12% - 15%) -							
2031 Rent of \$461,800 plus 8% = 498,700 per year							
2031 Rent of \$496,700 plus 12% = 556,300 per year							
2031 Rent of \$523,700 plus 15% = 602,200 per year							
16	2032	41,558	498,700	46,358	556,300	50,183	602,200
17	2033	41,558	498,700	46,358	556,300	50,183	602,200
18	2034	41,558	498,700	46,358	556,300	50,183	602,200
19	2035	41,558	498,700	46,358	556,300	50,183	602,200
20	2036	41,558	498,700	46,358	556,300	50,183	602,200
Total for the 20 Year Period			8,777,500		9,319,500		9,743,500



Offering Procedure



Offering Procedure

Offers can be faxed, mailed or emailed to the attention of Rico Pietro, David Leb or Jeremy Rager at the addresses below. Ownership will provide updates through their broker on the final due date for offers, as well as any changes or updates to the information on the offering or on the status of the property. Building tours can be coordinated by contacting either Rico Pietro, David Leb or Jeremy Rager. Additional due diligence and other materials are available upon request.

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