

100% LEASED MEDICAL OFFICE BUILDING

Affluent San Francisco Bay Area Location
Larkspur, California



OFFERING MEMORANDUM

Brian Foster
Managing Director
+1 415 451 2437
brian.foster@cushwake.com
LIC #01393059

Steven Leonard
Managing Director
+1 415 451 2434
steven.leonard@cushwake.com
LIC #0909604

900 Larkspur Landing Circle
Suite 295, Larkspur, CA 94939
Main +1 415 485 0500
Fax +1 415 485 1341
cushmanwakefield.com

Disclaimer	1
The Offering / Investment Highlights	2
Investment Overview	3
Marin General, Inc.	4
Financial Overview	5
Area Map	6
Larkspur Greenbrae Corte Madera	7
Commute	8
Drone Photography	9

DISCLAIMER

The information contained in this marketing brochure ("Materials") is proprietary and confidential. It is intended to be reviewed only by the person or entity receiving the Materials from Cushman & Wakefield ("Agent"). The Materials are intended to be used for the sole purpose of preliminary evaluation of the subject property/properties ("Property") for potential purchase.

The Materials have been prepared to provide unverified summary financial, property, and market information to a prospective purchaser to enable it to establish a preliminary level of interest in potential purchase of the Property. The Materials are not to be considered fact. The information contained in the Materials is not a substitute for thorough investigation of the financial, physical, and market conditions relating to the Property.

Photographs: The aerials in this offering memorandum show the actual property that is being offered for sale.

The information contained in the Materials has been obtained by Agent from sources believed to be reliable; however, no representation or warranty is made regarding the accuracy or completeness of the Materials. Agent makes no representation or warranty regarding the Property, including but not limited to income, expenses, or financial performance (past, present, or future); size, square footage, condition, or quality of the land and improvements; presence or absence of contaminating substances (PCB's, asbestos, mold, etc.); Compliance with laws and regulations (local, state, and federal); or, financial condition or business prospects of any tenant (tenants' intentions regarding continued occupancy, payment of rent, etc). A prospective purchaser must independently investigate and verify all of the information set forth in the Materials. A prospective purchaser is solely responsible for any and all costs and expenses incurred in reviewing the Materials and/or investigating and evaluating the Property.

By receiving the Materials you are agreeing to the Confidentiality and Disclaimer set forth herein.

1240 S. ELISEO DRIVE

Brian Foster
Managing Director
+1 415 451 2437
brian.foster@cushwake.com
LIC #01393059

Steven Leonard
Managing Director
+1 415 451 2434
steven.leonard@cushwake.com
LIC #0909604

900 Larkspur Landing Circle
Suite 295, Larkspur, CA 94939
Main +1 415 485 0500
Fax +1 415 485 1341
cushmanwakefield.com



1240 S. ELISEO DRIVE

The Offering

- Recently completed lease transaction, a ±10,999 Square Foot medical office building located in Larkspur, California leased to Marin General Hospital, Inc., for 10 years. The lease commenced April 1, 2016
- Price: \$9,399,000 – 5.23% Cap Rate

Real Estate / Area Strengths

- Two-story medical office building; elevator served with over \$1,000,000 + of tenant improvements to be constructed.
- Larkspur is an affluent San Francisco Bay Area community in the heart of Marin County – one of the most affluent counties in the nation.
- Very strong demographics with over 140K local population and an average household income of over \$129,000 within 5 miles for Kentfield, Greenbrae, Ross.
- The property is situated one block from Marin General Hospital



INVESTMENT OVERVIEW



Location

1240 South Eliseo Drive, Larkspur , CA

Lot Size

Approximately 10,999± Square Feet

Improvements

Renovation to be completed by the end of 2016 for this 10,999± SF. Medical office building with elevator and will be a state of the art out patient service building. The building consists of 10,999± SF with a 5,252± SF 1st Floor, 5,252± SF 2nd Floor and a 494± SF 3rd Floor storage space.

Lease

Leased to **Marin General Hospital** for 10 years, The lease commenced April 1, 2016 with a base annual net rent of \$502,490 which increases by 3% every year throughout the primary term. The lease is net with the tenant responsible for taxes, insurance and maintenance. The landlord is responsible for maintaining and replacing the roof and structure. There are two, 5-year renewal options at Fair Market Rent (FMR) rent.

The first floor will be used for an outpatient imaging clinic center and second floor will be used for a physician urology practice.

Parking

Parking at the property is a common area shared arrangement between the subject, 1240 South Eliseo and 1220 and 1260 South Eliseo via in place cross parking and joint maintenance agreements.

Annual Rent

Investment Years	Annual Rent
1	\$503,490 *(1)
2	\$518,595
3	\$534,153
4	\$550,177
5	\$566,682
6	\$583,683
7	\$601,193
8	\$619,229
9	\$637,806
10	\$656,940

Price: \$9,399,000 – 5.23% Cap Rate

* (1) no adjustment has been made for a vacancy or reserve

Additional Rent / Additional Tenant (Improvements)

Landlord at Tenants option, shall provide up to an additional \$1,000,000 of tenant improvement monies which shall be amortized at 5% and payable as additional monthly rent over the term of the lease (further defined in the lease agreement). Tenant Improvements made using this additional allowance shall be completed by 12.31.17.

Brian Foster
Managing Director
+1 415 451 2437
brian.foster@cushwake.com
LIC #01393059

Steven Leonard
Managing Director
+1 415 451 2434
steven.leonard@cushwake.com
LIC #0909604

900 Larkspur Landing Circle
Suite 295, Larkspur, CA 94939
Main +1 415 485 0500
Fax +1 415 485 1341
cushmanwakefield.com



About the Tenant

The tenant is a Marin General Hospital.

About Marin General Hospital

Marin General Hospital has been meeting the community's health care needs since 1952. Many Marin County residents choose to live here because they appreciate the healthy lifestyle and transformative natural environment. In keeping with the values and needs of our community, MGH is dedicated to treating the whole patient — mind, body and spirit.

Building Better Health

Construction has begun on the new Marin General Hospital. As the North Bay's premiere healthcare destination, we must comply with rigorous new regulations in healthcare and seismic safety by the year 2030. The new Marin General Hospital will be a best-practices environment that will enable their medical teams to do their best work and improve patient outcomes.

A mainstay of Marin healthcare since 1952, Marin General Hospital is at a crucial turning point in its history. Marin has seen a five-fold population increase since they first opened and the community counts on them, now more than ever. We are the only labor and delivery unit in Marin. Their Level III Trauma Center and Emergency Department receive 70% of the county's ambulance traffic, and we provide life-saving care for stroke and heart attack.

The current hospital building dates back to 1952. Medical procedures and patient care have changed dramatically in the past 60 years. Marin General Hospital Department and Trauma Center must be upgraded. Surgery has greatly evolved since the sixties, and modern operating rooms have doubled in size.

Plans for the new hospital include a four-story, 260,000 square-foot hospital replacement building; a five-story, 100,000 square-foot ambulatory services building; and parking structure. The new facilities, designed by LBL Architects, will take three years to complete. Every aspect of the hospital will meet or exceed the latest state-mandated standards for earthquake safety. The hospital will continue to operate throughout the construction process.

FINANCIAL OVERVIEW

Cash Flow - Fiscal Year End June 30, 2015

	2015	2014
Operating Revenues	\$16,925,135	\$15,892,950
Operating Expenses	\$21,109,662	\$19,851,075
Operating profit/loss	\$4,184,527	\$3,958,125
Non-operating revenues	\$5,319,764	\$5,001,964
Total profit/loss	\$1,135,237	\$1,043,839

Balance Sheet - Fiscal Year End June 30, 2015

	2015	2014
Total assets	\$13,136,140	\$13,294,084
Total liabilities	\$3,972,191	\$5,265,372
Total net position	\$13,136,140	\$13,294,084



1240 S. ELISEO DRIVE



Brian Foster
Managing Director
+1 415 451 2437
brian.foster@cushwake.com
LIC #01393059

Steven Leonard
Managing Director
+1 415 451 2434
steven.leonard@cushwake.com
LIC #0909604

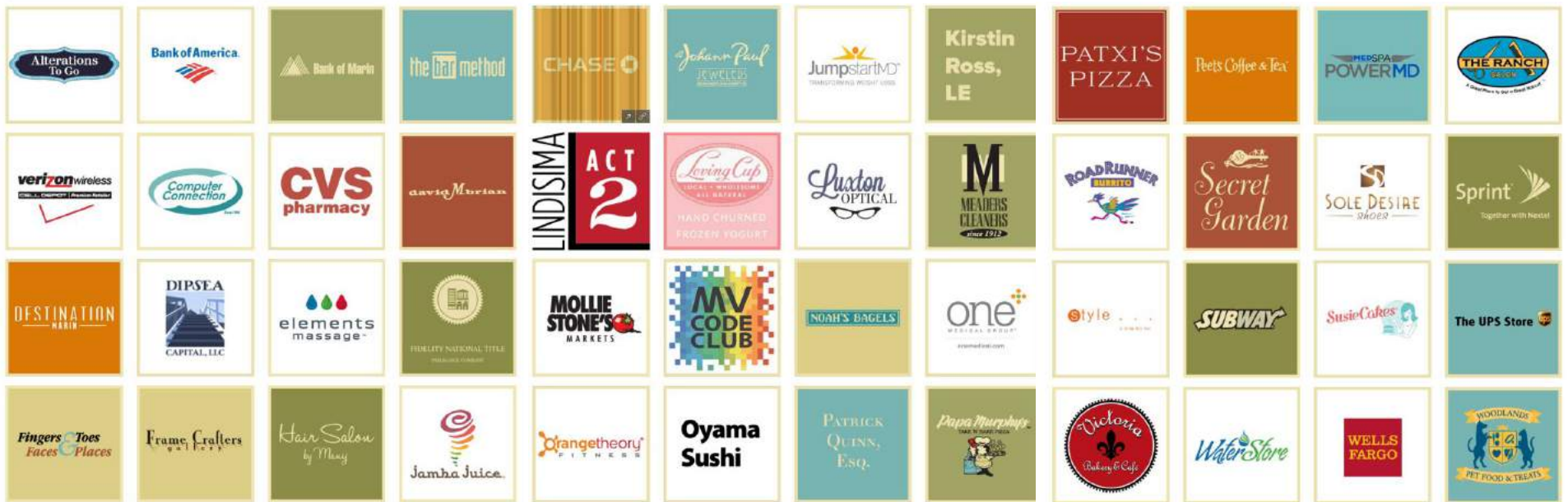
900 Larkspur Landing Circle
Suite 295, Larkspur, CA 94939
Main +1 415 485 0500
Fax +1 415 485 1341
cushmanwakefield.com

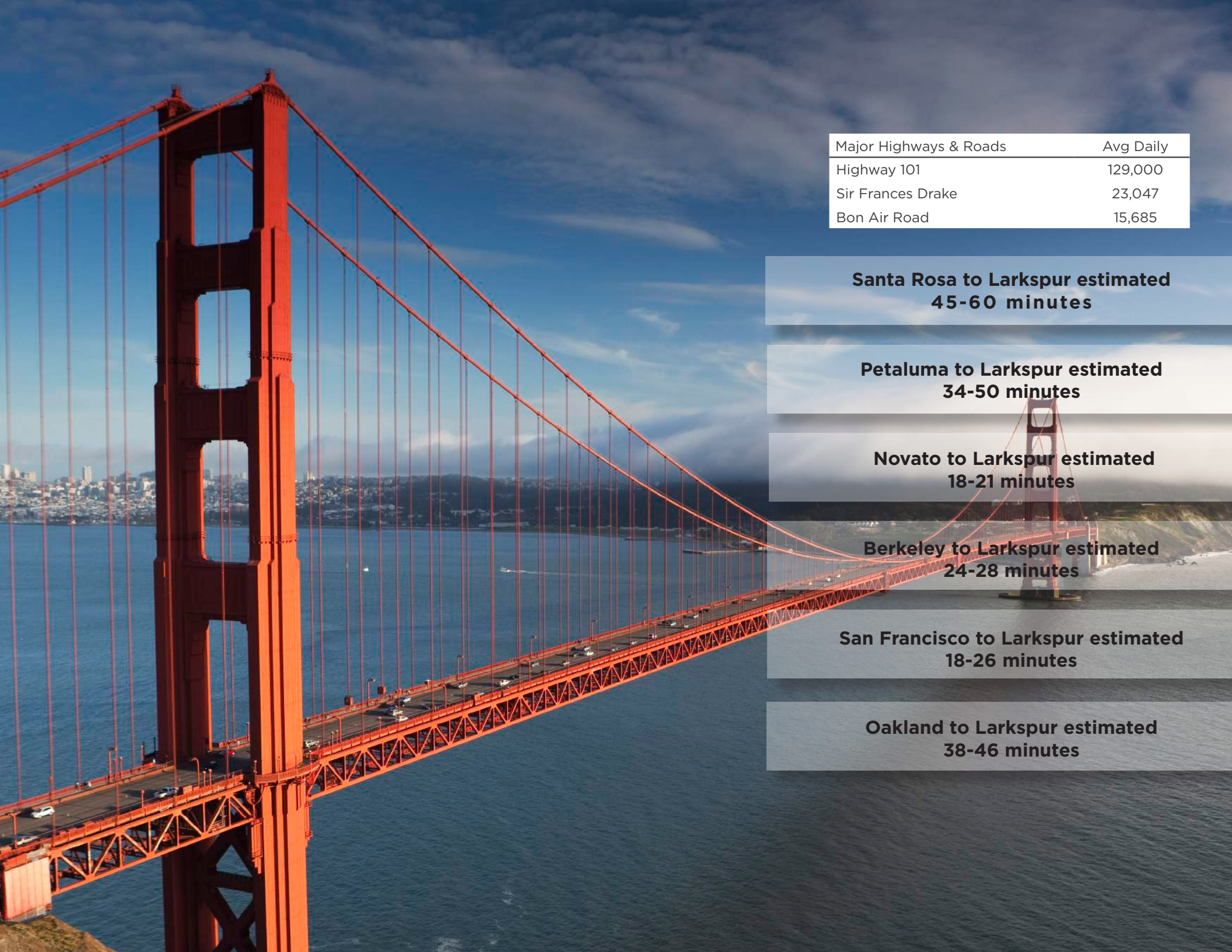
NEAR BY

The property is situated off of Bon Air Road on South Eliseo Drive, just a block away from the NEW Medical Center on Bon Air Road. 1240 South Eliseo Drive is one mile from Highway 101, 3 miles from the proposed downtown San Rafael SMART stop, and 6 miles south of the Kaiser Permanent San Rafael Medical Center and The Mall at Northgate.

This property is conveniently located between two primary retail corridors in Downtown Larkspur and Greenbrae (Bon Air Shopping Center). National and local tenants include:

BON AIR SHOPPING





Major Highways & Roads	Avg Daily
Highway 101	129,000
Sir Frances Drake	23,047
Bon Air Road	15,685

**Santa Rosa to Larkspur estimated
45-60 minutes**

**Petaluma to Larkspur estimated
34-50 minutes**

**Novato to Larkspur estimated
18-21 minutes**

**Berkeley to Larkspur estimated
24-28 minutes**

**San Francisco to Larkspur estimated
18-26 minutes**

**Oakland to Larkspur estimated
38-46 minutes**

TIBURON

BELVEDERE

SAUSALITO

SAN FRANCISCO

CORTE MADERA

MILL VALLEY

1240





RICHMOND // SAN RAFAEL BRIDGE

BERKELEY

ALAMEDA

OAKLAND

INTERSTATE
580

101

1240

SAN ANSELMO
AVG HH INCOME
\$121,831

ROSS
AVG HH INCOME
\$216,972

KENTFIELD
AVG HH INCOME
\$199,836

SAN RAFAEL
AVG HH INCOME
\$121,301

LARKSPUR
AVG HH INCOME
\$155,791

GREENBRAE
AVG HH INCOME
\$137,750

1240

