

Actual Site Photo



HERMITAGE ORTHOPEDICS AND SPORTS MEDICINE

1005 CAMPUS CIRCLE HERMITAGE, PA 16148

OFFERING MEMORANDUM



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OFFERING PRICE
\$5,980,000

CAP RATE
7.24%

RENT + MANAGEMENT FEE
\$432,865

GROSS LEASABLE AREA (GLA)
17,924 SF

LOT SIZE (AC)
11.16 AC

YEAR BUILT
2005

Actual Site Photo



ALPHA
REAL ESTATE ADVISORS

SUMMARY

TENANT NAME	Hermitage Orthopedics & Sports Medicine
TENANT GUARANTOR	Business + Personal (\$8M Net Worth)
ORIGINAL LEASE TERM	5 Years
RENTAL INCREASES	3% Annually
OPTIONS	Two (2), Three (3) Years
LEASE STRUCTURE	NNN
LEASE COMMENCEMENT	10/17/2025
LEASE EXPIRATION	10/17/2030

RENT SCHEDULE

LEASE YEAR	MONTHLY RENT	ANNUAL RENT	MGMT FEE (5%)	RENT + MGMT FEE	CAP RATE
Year 1	\$34,354	\$412,252	\$20,613	\$432,865	7.24%
Year 2	\$35,385	\$424,620	\$21,231	\$445,850	7.46%
Year 3	\$36,447	\$437,358	\$21,868	\$459,226	7.68%
Year 4	\$37,540	\$450,479	\$22,524	\$473,003	7.91%
Year 5	\$38,666	\$463,993	\$23,200	\$487,193	8.15%

INVESTMENT HIGHLIGHTS

PROPERTY OVERVIEW

- ◆ **NNN Lease Structure**
Tenant is responsible for Taxes, Insurance, and Common Area Maintenance (CAM) making this an ideal investment for investors seeking a true passive incoming producing asset.
- ◆ **Healthy Lease Remaining**
+/-4.5 Years remaining on a newly structured 5-year lease that commenced during the 2025 Fiscal Year.
- ◆ **Property Appraised at List Price**
Seller recently obtained an appraisal confirming the property value at list price.
- ◆ **Build-to-Suit**
In 2005, the property was built specifically for Dr. Tonnie's physical therapy practice that was constructed to provide a foundation for his clients for years to come.
- ◆ **Sole Practitioner Profile**
Dr. Tonnie's has been practicing for 25+ years holding a prestigious reputation amongst his colleagues and clients in the medical field.
- ◆ **Regional Operations**
Dr. Tonnie's has admitting privileges with two of the primary major healthcare systems in the region: UPMC & Allegheny Health along with being a partner at a local surgery center 3x week.
- ◆ **Escrow Holdback in Place**
Tenant has agreed to provide a 3 year escrow holdback of \$1.2M+ demonstrating both assurance and commitment to the location for the foreseeable future.
- ◆ **Business + Personal Guarantee**
Tenant has agreed to personally guarantee the lease with a net worth more than \$8M & has zero debt obligation outside of his current lease obligations.



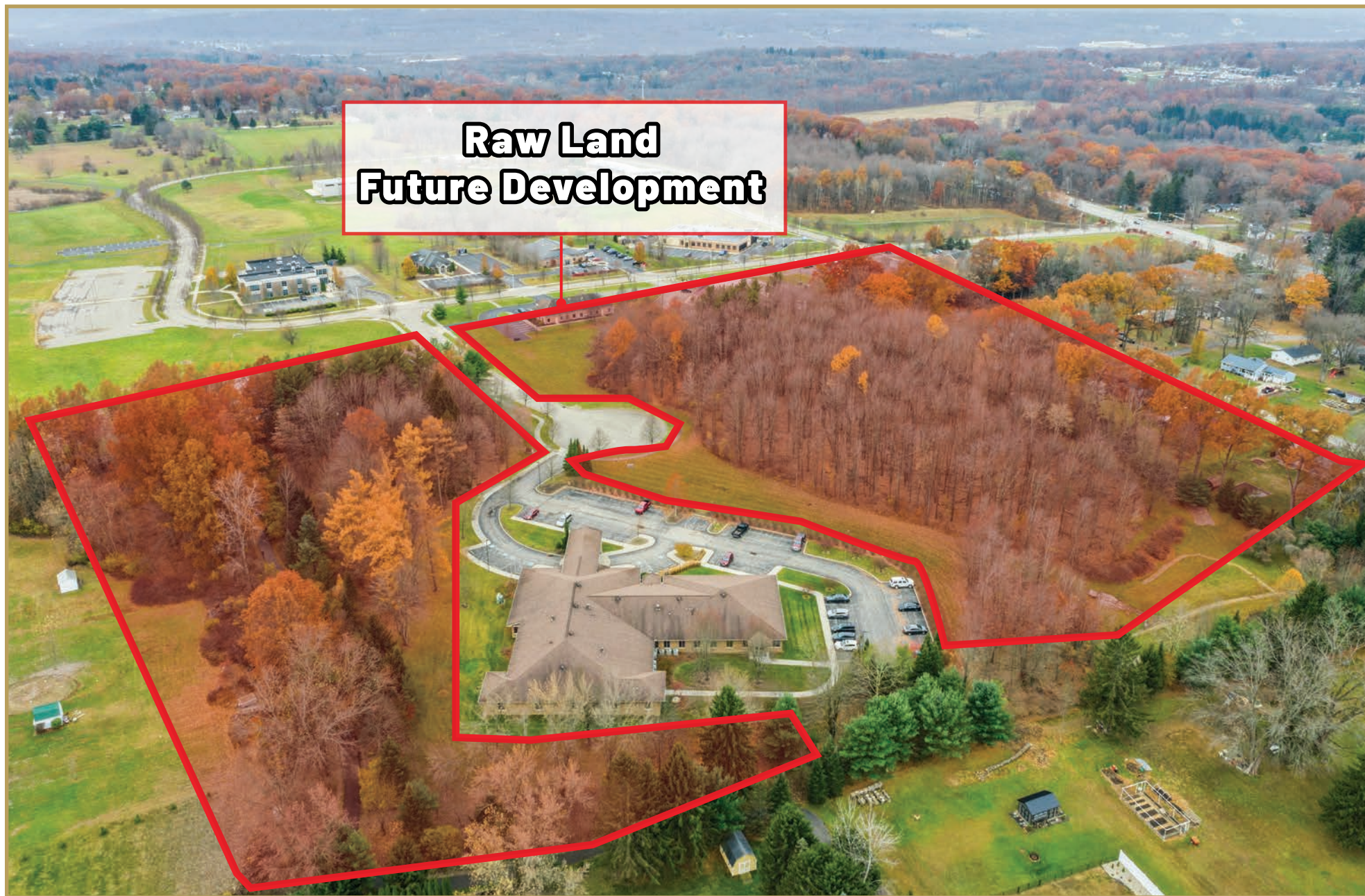
GROUND PHOTOS



AERIAL PHOTOS



FUTURE LAND DEVELOPMENT OPPORTUNITY



HERMITAGE, PA

Hermitage is part of the Youngstown–Warren–Boardman MSA and stands as one of Western Pennsylvania's most stable suburban trade areas. The economy is supported by a strong mix of healthcare, manufacturing, education, and logistics employers — including UPMC Horizon, Sharon Regional Medical Center, Joy Cone, and Wheatland Tube — providing a steady middle-income population and consistent demand for healthcare and service-oriented uses. With strong commuter patterns and a regional draw that extends into Ohio, Hermitage benefits from reliable foot traffic, stable employment, and resilient consumer activity.

Located along U.S. Route 18 and State Street, Hermitage has become a key destination for outpatient healthcare, orthopedic services, and sports-medicine providers. Its strategic positioning between Pittsburgh, Youngstown, and Erie — combined with proximity to Interstate 80 — supports strong accessibility and expanding residential growth from nearby communities like Sharon, Sharpsville, and Hickory.

Favorable operating costs, strong regional mobility, and a robust healthcare ecosystem make Hermitage an attractive market for orthopedic, physical therapy, and sports-medicine users. Steady demographics, growing youth athletic participation, and year-round demand for musculoskeletal care support reliable patient volume and long-term performance for specialty medical providers.



STRATEGIC LOCATION & CONNECTIVITY

Hermitage benefits from direct access to U.S. Route 18, State Street, and the I-80 interchange, providing quick connectivity to Pittsburgh, Erie, Youngstown, and Cleveland. This high-traffic network — combined with proximity to UPMC Horizon–Shenango Valley and Sharon Regional Medical Center — strengthens referral patterns and expands the service radius for orthopedic and sports-medicine providers across Western Pennsylvania and Eastern Ohio.

HEALTHCARE RESILIENCE & SPORTS MEDICINE DEMAND

Hermitage's dependable healthcare ecosystem supports steady year-round demand for orthopedic, physical therapy, and sports-rehabilitation services. Strong school athletics participation, workforce-related injuries, and an aging population drive recurring volumes, while new residential growth and reinvestment in local athletic programs further reinforce long-term sports-medicine demand.

WORKFORCE, STABILITY & ECONOMIC MOMENTUM

A stable labor pool, supported by regional universities and major employers, contributes to consistent weekday utilization for outpatient orthopedic and rehabilitation practices. With steady job growth, affordable living, and resilient healthcare demand, Hermitage provides a strong foundation for long-term specialty medical operators.

LOCAL DEVELOPMENTS



HICKORY FIELDS REDEVELOPMENT

Source: City of Hermitage Press Release – Hickory Fields Project Begins: Redevelopment of Former Shenango Valley Mall Site

The City of Hermitage has officially launched the Hickory Fields Project, beginning the full redevelopment of the former Shenango Valley Mall into a modern mixed-use district and future City Center. The first phase includes approval for four new buildings and the subdivision of the 54-acre property into 11 interconnected parcels with improved roadways, walkability, and open-space features.

Developer Flicore LLC is leading the transformation with new retail, dining, and hospitality uses, supported by city partnerships and community-driven planning through the Hermitage 2030 Comprehensive Plan. The vision includes enhanced public gathering areas, natural spaces, and amenities intended to reestablish the site as a vibrant community anchor.

This project represents a major economic turning point for the Shenango Valley, restoring the tax base, attracting tens of millions in private investment, and creating hundreds of new jobs. Early commitments from national brands and \$5.5 million in state-backed infrastructure improvements have helped accelerate momentum.

Construction on the initial parcels is slated to begin this year, with openings expected in 2026 and additional phases continuing the buildout of the full City Center.



LINDENPOINTE INNOVATION CAMPUS

Source: City of Hermitage – LindenPointe Business Campus Overview

LindenPointe is a forward-thinking 115-acre business campus featuring meticulously planned technical-park zoning and covenants designed to protect long-term property values. The master plan creates a unique, campus-like environment that distinguishes it from traditional commercial developments.

A collaborative effort between the Commonwealth of Pennsylvania, KAKE Development, Inc., the City of Hermitage, and the Penn-Northwest Development Corporation, LindenPointe was conceived to stimulate regional economic growth. Supported by a \$2.5 million investment from the Commonwealth, the campus provides a high-end, shovel-ready mixed-use technical park – representing a model \$6 million public-private initiative.

LindenPointe focuses on fostering business expansion, supporting small and mid-sized enterprises, diversifying the local economic base, and generating high-quality employment opportunities. Economic development efforts emphasize community-focused investment, strengthening the regional business landscape, and advancing job creation. Penn-Northwest and the City of Hermitage maintain an active business-outreach and retention program to support long-term success.

LOCAL DEVELOPMENTS CONTINUED



SHARON REGIONAL HEALTH SYSTEM EXPANSION CONTINUES

Source: Sharon Regional Health System Press Release – “Expanding Services Six Months After Reopening”

Sharon Regional Health System has made major strides in rebuilding and expanding services since reopening under new ownership in March 2025. Now operated by the Tenor Health Foundation, the hospital has restored key clinical operations and reaffirmed its commitment to providing comprehensive care close to home for Mercer County residents.

The emergency department has rebounded significantly, now treating 1,250–1,300 patients per month and continuing to work toward its historic capacity of 2,000 monthly visits. The hospital is also developing new service lines aimed at reducing the need for patient transfers outside the region, expanding access to specialty and emergent care locally.

Most former staff members have returned following the January closure, and the system is actively hiring—seeking up to 50 new professionals across multiple departments to support growing patient volumes and service expansion. These efforts reflect a renewed dedication to strengthening the local healthcare workforce and enhancing care delivery throughout the community. Sharon Regional’s progress marks the beginning of a new chapter, with continued investment in services, staff, and facilities designed to build a stronger and more resilient healthcare presence in Mercer County.



PUBLIC-SECTOR CAPITAL CONTINUED INVESTMENT MOMENTUM

Source: City of Hermitage – 2025 Capital Improvement Program & Major Capital Projects Summary

The City of Hermitage is executing an unprecedented wave of public-sector investment, reinforcing community stability and long-term growth. More than \$150 million in combined public and private capital is currently committed across infrastructure, recreation, transportation, and redevelopment initiatives.

Major projects include the \$100 million Hickory Fields redevelopment, Joy Cone’s \$80 million expansion, multimillion-dollar roadway upgrades, multimodal transportation improvements, a new animal shelter, athletic complex enhancements, citywide paving programs, stormwater upgrades, sidewalk expansions, and significant grant-funded community improvements throughout Hermitage and Wheatland.

These investments strengthen quality of life, improve connectivity, enhance workforce amenities, and support the area’s appeal to families and employers — key drivers for sustained healthcare demand and long-term medical office stability.

DISCLAIMERS & AGREEMENT

Alpha Real Estate Advisors LLC ("AREA") has been retained as the exclusive listing broker to arrange the sale or lease of the property identified herein above (the "Property").

Purpose and Intent. This Offering Memorandum ("Memorandum") has been prepared by the undersigned real estate professional, is provided in the normal course of his/her business, and is intended to express only his/her recommended listing, selling, or purchase price or a rental or lease consideration for the Property. This Memorandum does not constitute an offer to sell, lease, or a solicitation of an offer to buy or rent, the Property, and has not been made for the purpose of submission as evidence of value to a court or administrative body. The disclosures herein are intended to supersede all prior written and oral communications and understandings regarding the Memorandum. You are advised to carefully read this Memorandum and review it with your legal and tax advisors.

Information Provided As An Opinion: The information in this Memorandum has been obtained from sources believed to be reliable, but has not been verified for accuracy, completeness, or fitness for any particular purpose. This Memorandum does not contain all the information that you may need or desire to evaluate the Property. All information in this Memorandum and any other written or oral communication transmitted to you in the course of your evaluation of the Property is presented "as is" without representation or warranty, express or implied, of any kind by AREA, Owner/Seller, or either's respective subsidiaries, agents, affiliates, members, officers, and/or employees. AREA assumes no responsibility for this Memorandum, and hereby disclaims any and all liability for representations, expressed or implied, contained in, or for omissions from, this Memorandum. This Memorandum is subject to prior placement, errors, omissions, changes, or withdrawal without notice and does not constitute a recommendation, suitability determination, or endorsement as to the Property's value by AREA or Owner/Seller. This Memorandum contains certain documents, which are described in summary form and do not purport to be complete or accurate descriptions of, nor do they constitute a legal analysis of, the full documents involved. All such summaries are qualified in their entirety by reference to such documents. All references to acreage(s), square footage(s), and other measurements are approximations. Neither AREA nor Owner/ Seller undertakes any responsibility or compulsion to update any of the information discussed herein. Any information and expressions of opinion herein contained are subject to change without notice. Neither the delivery of this Memorandum nor the purchase or lease of the Property shall, under any circumstance(s), create an implication that there has been no change in the affairs of the Property since the date this Memorandum was created or provided to you.

By accepting this Memorandum, you agree that in determining the advisability of purchasing or leasing the Property, you shall not rely on this Memorandum or upon any other materials or information provided AREA or its brokers, but rather that you shall rely solely upon your own examination (including engineering and environmental inspections) and investigation of the Property at your own cost prior to purchasing or leasing the Property. An opportunity to inspect the Property will be made available to you upon written request. You acknowledge AREA is not acting as an attorney, tax advisor, surveyor, appraiser, structural engineer, and that you should consult such professionals.

This Memorandum is not to be used in connection with an offer to sell, lease, or the solicitation of an offer to buy or lease in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make sure offer or solicitation. ALL INFORMATION CONTAINED HEREIN IS A STATEMENT OF OPINION. ANY RELIANCE ON THIS MEMORANDUM IS SOLELY AT YOUR OWN RISK.

Forward-Looking Statements and Financial Projections. All statements herein, other than statements of historical fact, are statements that could be deemed "forward-looking" statements with respect to the anticipated future performance of the Property, including any financial projections, statements regarding future economic conditions or performance, and statements of belief and of assumptions underlying any of the foregoing. These projections and statements are provided for general reference purposes only and may involve known and unknown risks and various assumptions subject to significant business, economic, and competitive uncertainties and contingencies beyond the control of AREA and/or Owner/ Seller, and which therefore are subject to material change and/or variation. Accordingly, there can be no assurance that such projections or forward-looking statements will be realized.

Potential purchasers or tenants of the Property are cautioned that the actual results, performance, and/or achievements may vary materially from anticipated results, performance, and/or achievements. No representations or warranties are made as to the accuracy or reasonableness of such assumptions or the projections of forward-looking statements based thereon. **YOU MAY NOT RELY UPON THE FINANCIAL PROJECTIONS, AS THEY ARE ILLUSTRATIVE ONLY.**

Owner's/Seller's Reserved Rights. Owner/Seller expressly reserves the right, at its sole discretion, to reject any or all expressions of interest and/or to terminate discussions with any party at any time with or without notice and for any reason. Owner/Seller shall have no legal commitment or obligation to any recipient of this Memorandum unless a written agreement for the purchase of the Property has been executed, delivered, and approved by the Owner/Seller and any conditions to the purchaser's obligations therein have been satisfied or affirmatively waived. The Owner/Seller reserves the right to move forward with an acceptable offer on the Property prior to the call for offers deadline.

Confidentiality: The Property is privately offered, and your receipt of this Memorandum serves to evidence your agreement that: (i) this Memorandum is subject to the Confidentiality and Non-Circumvention Agreement you previously executed with AREA, (ii) this Memorandum is furnished to you for the sole purpose of evaluating your interest in the Property, (iii) you will return the Memorandum if requested to do so by AREA, (iv) you will not use any part of this Memorandum in a manner detrimental to Owner/Seller or AREA, and (v) you will not reproduce or disclose any portion of this Memorandum to anyone without the prior written authorization of AREA. These terms and conditions apply to this Memorandum and all documents and other information provided in connection herewith.





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