



Fresenius Medical Care



OFFERING MEMORANDUM
2014 City Line Road | Bethlehem, PA



SANDS INVESTMENT GROUP



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TABLE OF CONTENTS

INVESTMENT SUMMARY	Investment Summary	4
	Investment Highlights	
PROPERTY OVERVIEW	Property Details	5
	Property Maps	
AREA OVERVIEW	City Overview	11
	Demographics	12
TENANT PROFILE	Lease Abstract & Tenant Profile: RMS	13
	Lease Abstract & Tenant Profile: Fresenius	14
	Lease Abstract & Tenant Profile: VKS	15
FINANCIAL ANALYSIS	Rent Roll	16
	NOI Analysis	17
	Scheduled Base Rent Increases	18



Sands Investment Group believes the information contained herein to be reliable. However, we make no guarantees, representations or warranties of any kind, expressed or implied regarding this information; including, but not limited to content, accuracy & reliability. Investors should consult a tax and legal advisor, as well as verify ALL information prior to the investment.



Investment Summary

OFFERING PRICE	\$5,338,743
COST/ BUILDING SF	\$234.75
NOI	\$357,571
CAP RATE	6.70%
TOTAL BUILDING AREA	22,742 SF
TOTAL LAND AREA	111,819 SF

Investment Highlights

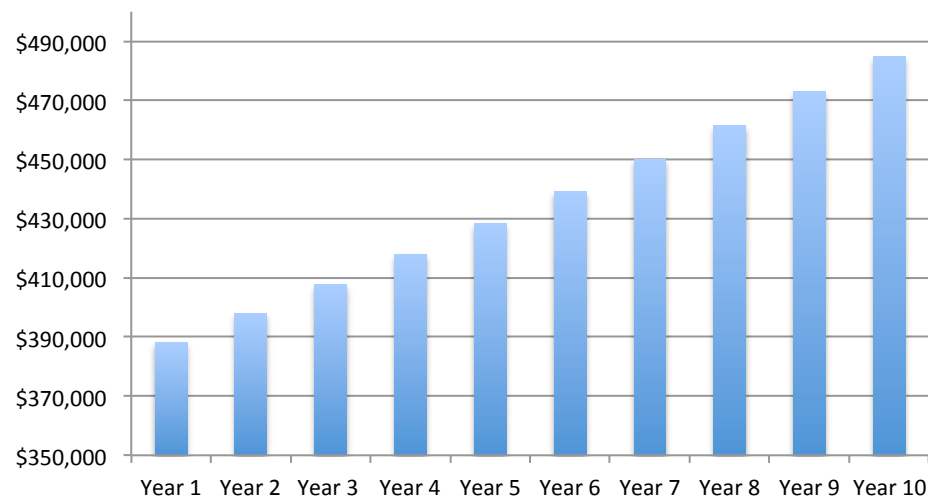
- Brand New 10 Year Leases with Annual Increases
- Long Term Operating History at This Location Since 2008
- Net Leased Medical Building Guaranteed by Fresenius (NYSE: FMS – Moody’s Rating Ba3 and S&P BBB-), RMS (DaVita Subsidiary; NYSE:DVA – Moody’s Rating Ba3 and S&P BB) and Valley Kidney Specialists
- Strong Location: 28 Chairs Running Two Shifts Mon, Wed, Fri, Nocturnal on Tue, Thurs and Sun and Home Program HEMO and PD. (adding 4-6 chairs)
- Fresenius operates a dialysis center, and RMS, a DaVita Subsidiary, uses this space as an [Access Center](#) only. Both entities have zero market overlap on these premises.
- Demand for Dialysis Services is on the Rise Due to Demographic Trends: Longer Life Spans & Aging Baby Boomers Will Double the Population of Americans, 65 Years or Older, Over the Next 25 Years to 72 Million (Source: CDC)

Sands Investment Group is pleased to exclusively offer for sale a multi-tenant Fresenius Medical Care Property in Bethlehem, PA.

This medical location is within the Bethlehem, PA Metropolitan Statistical Area, and consists of 22,742 SF on a 111,819 SF lot. The property is divided into three separate medical uses, each with a brand new 10-year Lease in place. Each Lease contains 2.5% annual rent increases and three 5-Year options to renew in place.

The property is located in an optimal medical area surrounded by a number of hospitals and clinics, and is situated within a mile of the Lehigh Valley Hospital.

Scheduled Base Rent Increases



Property Details

Location

2014 County Line Road
Bethlehem, PA 18017

Site

Located just Northwest of Schoenersville Road & Lehigh Valley Thruway

Parcels

Tax Assessor's parcel number: 641859095962 1

Building Area

The subject site consists of a single-story 22,742 square foot building divided into three suites

Land Area

According to the tax assessor records the subject property land area is 111,819 square feet or 2.57 acres

Access

Access to the site is allowed via one (1) ingress / egress point, on City Line Road

Parking

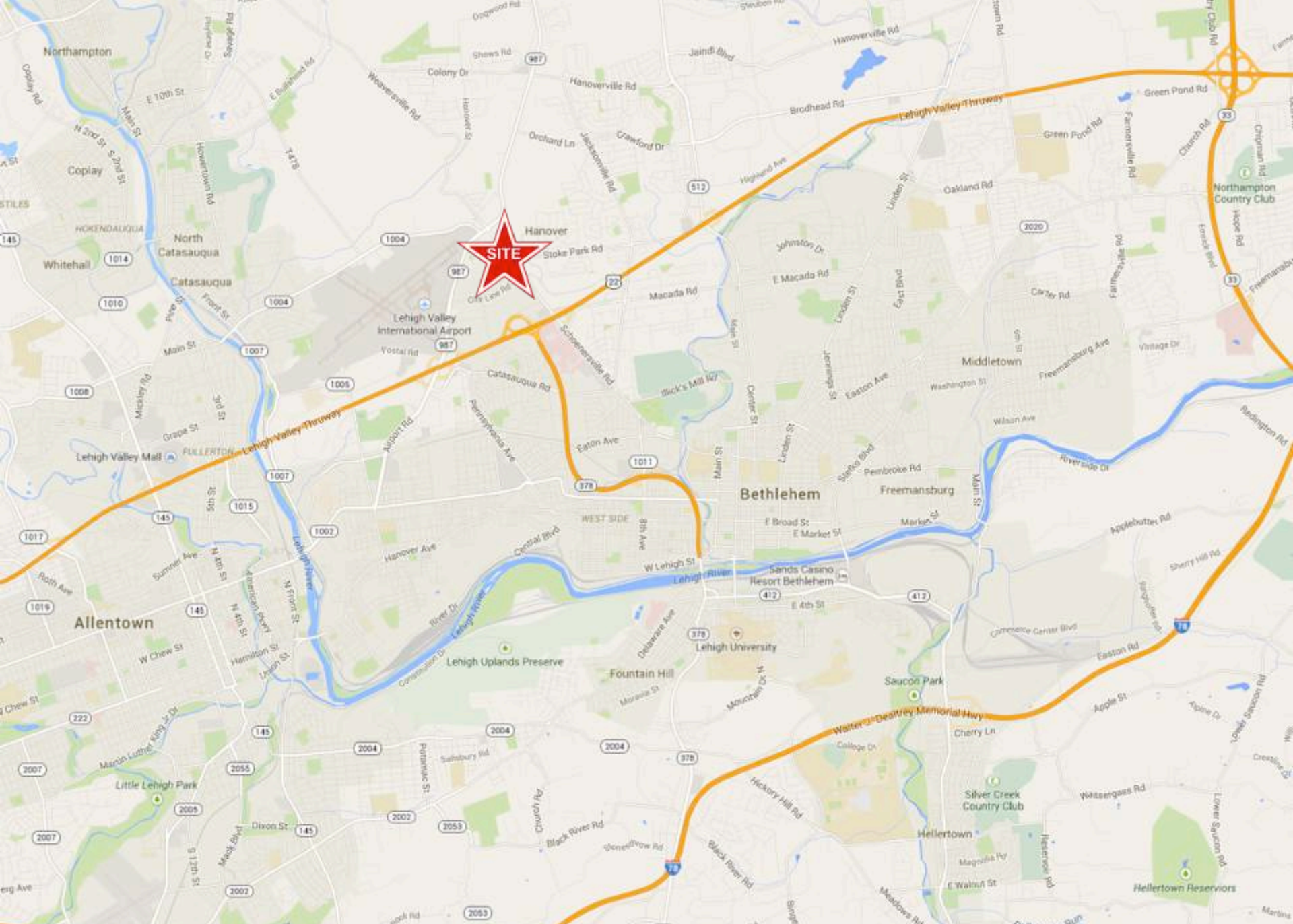
Ample parking available surrounding the property

Zoning

The site is zoned as Commercial

Year Built

Built in 1972






Fresenius Medical Care




Fresenius Medical Care

 **LEHIGH VALLEY**
HOSPITAL
AND HEALTH NETWORK






Fresenius Medical Care

Wawa

SHEETZ SUPERCUTS
DICHEY'S BARBECUE PIT Moe's southwest grill Starbucks

SUNOCO

Fulton Bank

PNC
DUNKIN' DONUTS BURGER KING

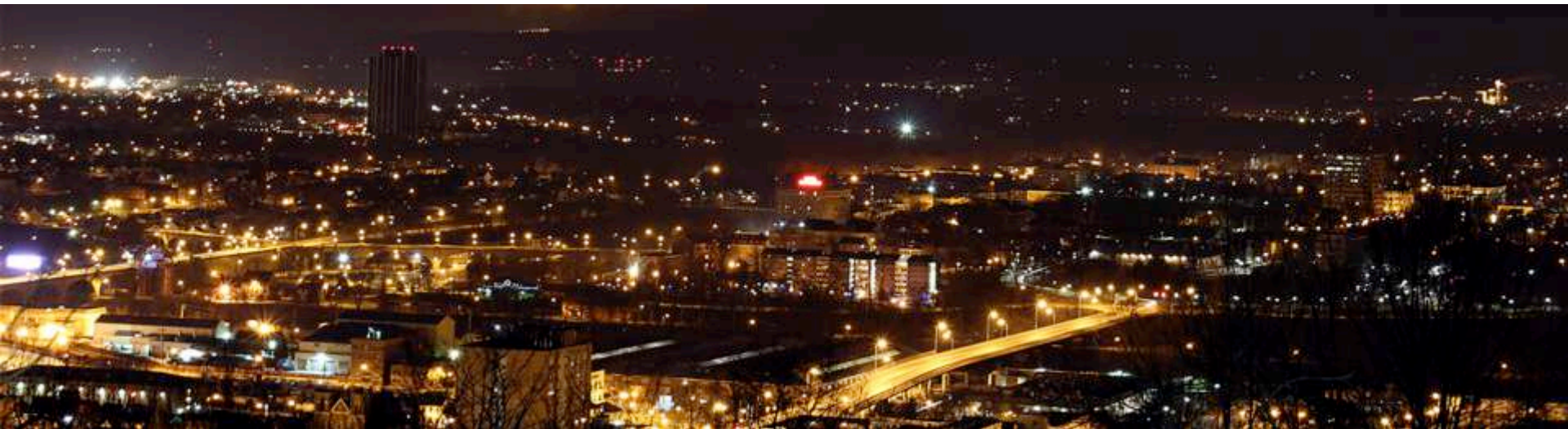
City Overview

Bethlehem is a city in Lehigh and Northampton counties in the Lehigh Valley region of the eastern portion of the U.S. state of Pennsylvania. As of the 2010 census, the city had a total population of 74,982, making it the seventh largest city in Pennsylvania, after Philadelphia, Pittsburgh, Allentown, Erie, Reading, and Scranton. Of this, 55,639 were in Northampton County, and 19,343 were in Lehigh County.

Bethlehem lies in the center of the Lehigh Valley, a region of 731 square miles that is home to more than 800,000 people. Together with Allentown and Easton, the Valley embraces the Allentown-Bethlehem-Easton, PA-NJ metropolitan area, including Lehigh, Northampton, and Carbon counties within Pennsylvania, and Warren County in the adjacent state of New Jersey. Smaller than Allentown but larger than Easton, Bethlehem is the Lehigh Valley's second most populous city. In turn, this metropolitan area comprises Pennsylvania's third-largest metropolitan area and the state's largest and most populous contribution to the greater New York City metropolitan area.

There are four general sections of the city: central Bethlehem, the south side, the east side, and the west side. Each of these sections blossomed at different times in the city's development and each contains areas recognized under the National Register of Historic Places. Zip codes that use the address Bethlehem totaled 116,000 in population in the year 2000. These zip codes include Bethlehem Township and Hanover Township.

In July 2006, Money magazine placed Bethlehem as number 88 on its "Top 100 Best Places to Live."



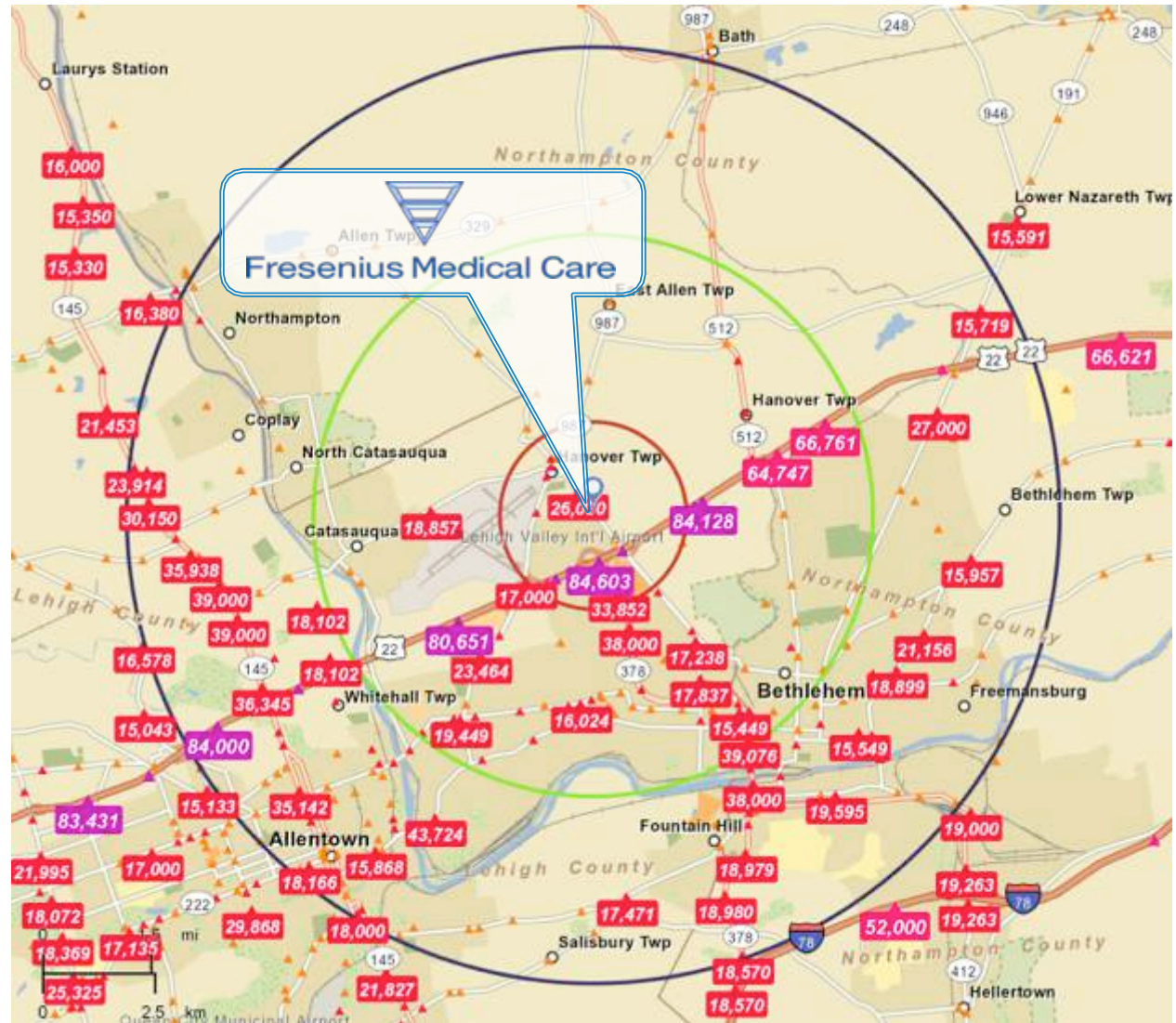
Demographics

5 Mile Radius Area Demographics

2014 Population	227,124
2019 Projected Population	231,704
Growth 2010-2014	1.8%
Projected Grow 2014-2019	2.0%
2014 Median Age	48.8
2014 Households	86,755
2019 Projected Households	89,830

Traffic Counts (VPD)

State Rte. 22	84,603
Schonersville Rd.	26,000



TENANT PROFILE

Lease Abstract - RMS

TENANT	RMS (subsidiary of DaVita)
PREMISES	A suite of approximately 5,300 SF in Bethlehem, PA; APN: 641859095962 1
LEASE COMMENCEMENT	January 1, 2016
LEASE EXPIRATION	December 31, 2025
LEASE TERM	10 Years Remaining
RENEWAL OPTIONS	Three (3) – Five (5) Year Options To Renew with 2.5% Annual Rent Increases
RENT INCREASES	2.5% Annually
LEASE TYPE	NNN (Landlord responsible for roof & structure)
LEASE GUARANTOR	DaVita
PROPERTY TAXES	Tenant Pays Proportionate Share
INSURANCE	Tenant Pays Proportionate Share
COMMON AREA	Tenant Pays Proportionate Share
ROOF & STRUCTURE	Landlord Responsible, 2008 New Roof – 20yr Warranty
REPAIRS & MAINTENANCE	Tenant Pays Proportionate Share
UTILITIES	Tenant Pays Directly

Tenant Profile – RMS Lifeline

RMS Lifeline Inc. works with premier physician practices to develop and manage outpatient centers that provide focused and coordinated vascular access procedures to patients receiving hemodialysis treatment for end-stage renal disease (ESRD). They currently manage more than 50 physician-owned vascular access centers and provide physician practices with financial and outcomes reporting, staffing and training, facility operations, insurance billing services, and regulatory compliance. The RMS Lifeline network of managed vascular access centers is accredited by the Joint Commission on Accreditation of Healthcare Organizations.

RMS Lifeline, Inc. is a subsidiary of DaVita, a publicly traded company with over \$8 Billion in 2012 revenue.

Company Facts – DaVita Healthcare Partners, Inc.

FOUNDED	1999
CORPORATE LOCATION	Denver, CO
REVENUE	\$8.186 Billion
PUBLIC COMPANY	NYSE: DVA
# OF LOCATIONS	2,179+
# OF EMPLOYEES	53,400+

Lease Abstract – Fresenius Medical Care

TENANT	Fresenius Medical Care
PREMISES	A suite of approximately 11,500 SF in Bethlehem, PA; APN: 641859095962 1
LEASE COMMENCEMENT	January 1, 2016
LEASE EXPIRATION	December 31, 2025
LEASE TERM	10 Years Remaining
RENEWAL OPTIONS	Three (3) – Five (5) Year Options To Renew with 2.5% Annual Rent Increases
RENT INCREASES	2.5% Annually
LEASE TYPE	NNN (Landlord responsible for roof & structure)
LEASE GUARANTOR	Fresenius
PROPERTY TAXES	Tenant Pays Proportionate Share
INSURANCE	Tenant Pays Proportionate Share
COMMON AREA	Tenant Pays Proportionate Share
ROOF & STRUCTURE	Landlord Responsible, 2008 New Roof – 20yr Warranty
REPAIRS & MAINTENANCE	Tenant Pays Proportionate Share
UTILITIES	Tenant Pays Directly

Tenant Profile – Fresenius Medical Center

Fresenius Medical Care is the world's largest integrated provider of products and services for individuals undergoing dialysis because of chronic kidney failure, a condition that affects more than 2.5 million individuals worldwide. Through its network of 3,250 dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, Fresenius Medical Care provides dialysis treatments for 270,122 patients around the globe.

Fresenius Medical Care is also the world's leading provider of dialysis products such as hemodialysis machines, dialyzers and related disposable products. Fresenius Medical Care has revenues of \$14.6 Million and is listed on the Frankfurt Stock Exchange (FME) and the New York Stock Exchange (FMS).

Company Facts – Fresenius Medical Care

FOUNDED	1996
CORPORATE LOCATION	Waltham, MA
REVENUE	\$14.6 Million
PUBLIC COMPANY	NYSE: FMS
# OF LOCATIONS	3,200+
# OF EMPLOYEES	86,000+

Lease Abstract – Valley Kidney Specialists

TENANT	Valley Kidney Specialists
PREMISES	A suite of approximately 5,942 SF in Bethlehem, PA; APN: 641859095962 1
LEASE COMMENCEMENT	January 1, 2016
LEASE EXPIRATION	December 31, 2025
LEASE TERM	10 Years Remaining
RENEWAL OPTIONS	Two (2) – Five (5) Year Options To Renew with 2.5% Annual Rent Increases
RENT INCREASES	0.5% Annually
LEASE TYPE	NNN (Landlord responsible for roof & structure)
LEASE GUARANTOR	VKS
PROPERTY TAXES	Tenant Pays Proportionate Share
INSURANCE	Tenant Pays Proportionate Share
COMMON AREA	Tenant Pays Proportionate Share
ROOF & STRUCTURE	Landlord Responsible, 2008 New Roof – 20yr Warranty
REPAIRS & MAINTENANCE	Landlord Responsible
UTILITIES	Tenant Pays Proportionate Share

Tenant Profile – Valley Kidney Specialists

Valley Kidney Specialists was founded in 1969 by Dr. James Kintzel. It has grown into the largest Nephrology practice in the region.

They take a multifaceted approach to the care of patients with kidney disease. First they work to identify the underlying cause of patients' kidney problems and establish a treatment plan. They monitor for complications associated with kidney failure such as anemia and hypertension. If progressive kidney disease is anticipated, they begin early planning for dialysis as well as evaluation for possible kidney transplant.

Education is an important component of VKS' relationship with patients. They work closely with the local dialysis clinics and have a free Chronic Kidney Disease Options class offered monthly. They also utilize certified renal dietitians to assist with diet counseling.

Many of VKS' patients have multiple medical problems and have several physicians involved in their care. VKS tries to make their appointments as convenient as possible with their satellite offices all throughout the Lehigh Valley. VKS is on staff at Easton Hospital, Good Shepherd Rehabilitation Hospital, Grand View Hospital, Kindred Hospital/Easton, Lehigh Valley Hospital Cedar Crest and Muhlenberg, Pocono Medical Center, and Sacred Heart Hospital.

VKS prides itself on providing the best care possible and have received numerous awards for quality. Their dialysis units have repeatedly won center of excellence awards and their program at Lehigh Valley Hospital recognized as one of the nation's best.

Rent Roll

STE	TENANT NAME	SIZE		RENT		INCREASE DATES	RENTAL INCREASE	LEASE TERM		
		SQUARE FOOTAGE	% OF TOTAL	ANNUAL BASE RENT*	RENT / SF			LEASE BEGIN	LEASE END	OPTIONS
103	RMS Lifeline, Inc. (DaVita)	5,300	23.80%	\$98,050	\$18.50	Annually	2.5%	1/1/16	12/31/25	(2) 5 Yr
102	Fresenius	14,000	61.56%	\$217,000	\$15.50	Annually	2.5%	1/1/16	12/31/25	(2) 5 Yr
101	VKS	3,442	15.13%	\$63,677	\$18.50	Annually	0.5%	1/1/16	12/31/25	(2) 5 Yr
	OCCUPIED SF	22,742	100%	\$378,727	\$18.50					
	VACANT SF	0	0%	\$0.00	\$0.00					
	TOTAL / WTD AVG	22,742	100%	\$378,727	\$18.50					

NOI Analysis

Estimated Operating Summary

Scheduled Base Rent	\$378,727
Scheduled Additional Rent	<u>\$162,746</u>
Total Gross Potential Income	\$541,473
Less Vacancy	---
Effective Operating Income	\$541,473
Less Expenses	(\$183,901)
Net Operating Income	\$357,113

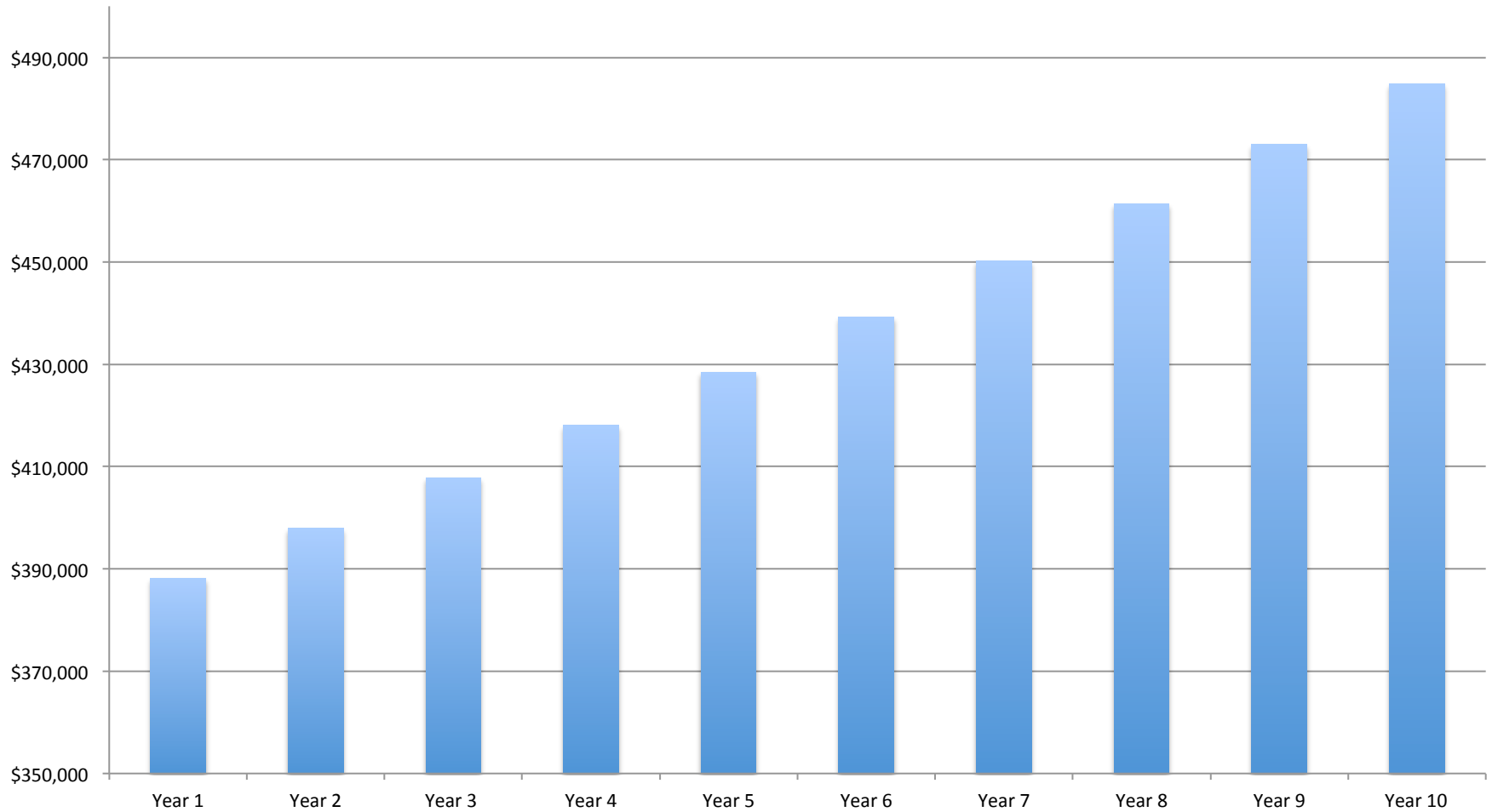
Estimated Expense Information

Taxes	\$132,401
Insurance	\$4,500
CAM	\$25,845
Administrative	\$1,500
Reserves	\$3,411
Management	<u>\$16,244</u>
TOTAL	\$183,901

Notes:

Calculation: Using a full reimbursement of Taxes (including a Tax reassessment of upon sale), CAM and Insurance. Not reimbursing admin costs or reserves (@ .15 per foot based per age of the building) 3% property management fee and a zero vacancy factor.

Scheduled Base Rent Increases



Confidentiality Agreement

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This Offering Memorandum has been prepared to provide summary, unverified information to prospective purchasers, and to establish only a preliminary level of interest in the subject property.

The information contained herein is not a substitute for a thorough due diligence investigation, and makes no warranty or representation, with respect to the income or expenses for the subject property, the future projected financial performance of the property, the size and square footage of the property and improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant, or any tenant's plans or intentions to continue its occupancy of the subject property.

The information contained in this Offering Memorandum has been obtained from sources we believe to be reliable; however, Sands Investment Group has not verified, and will not verify, any of the information contained herein, nor has Sands Investment Group conducted any investigation regarding these matters and makes no warranty or representation whatsoever regarding the accuracy or completeness of the information provided. All potential buyers must take appropriate measures to verify all of the information set forth herein.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose its contents in any manner detrimental to the interest of the Owner. You also agree that by accepting this Memorandum you agree to release Sands Investment Group and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this property.



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