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Marcus & Millichap

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FRESENIUS Germantown

2801 Fox Street, Philadelphia, PA 19123

Marcus & Millichap has been selected as the exclusive advisor to market for sale Fresenius Medical Care, Germantown/
Ontario (the "Property")—a single tenant, 30,000 square foot medical office building located 2801 Fox Street in
Philadelphia, Pennsylvania. The Property sits less than half of a mile from the heavily trafficked Roosevelt Expressway (US1, 100,000+ vehicles per day), less than two miles from the Schuylkill Expressway (I-76, 100,000+ vehicles per day), and is
less than four miles from Center City Philadelphia.

Occupying 100% of the Property, Fresenius (NYSE: FMC, Moody's: Baa3), is operating under a ten-year, corporate backed triple net lease which began July 1, 2018 and includes two percent annual rent escalations. Per their lease, the tenant is responsible for all expenses related to the Property besides replacement of roof and structure. In 2007, the Property was completely renovated, including the installation of a new roof, new mechanical systems, and new floors. Current ownership and Fresenius collectively invested an additional \$6.6 million towards the dialysis clinic fit out costs.

The Property was strategically selected to house two outpatient dialysis centers (Germantown and Ontario) that were previously in separate locations within the market. With three Temple Health nephrologists working within two practices and under one roof, the location treats approximately one-hundred and eighty patients each day with over sixty infusion chairs. The Property is a unique, high volume location for Fresenius that also serves as a training facility for its employees.

The Property's net operating income for the forward twelve-month period beginning July 1, 2019 is \$443,700. At a purchase price of \$6,450,000, this represents a favorable 6.88% capitalization rate as compared to yields for other available Fresenius locations. The offering presents to qualified investors a rare opportunity to acquire a ten-year, corporate backed triple net lease to Fresenius.

OFFERING SUMMARY FRESENIUS GERMANTOWN

Total Price	\$6,450,000
Address	2801 Fox Street, Philadelphia, PA 19129
Rentable SF	30,000
Tenant	Fresenius Medical Care
CAP Rate	6.88%
NOI	\$443,700

SUMMARY OF TERMS

INTEREST OFFERED

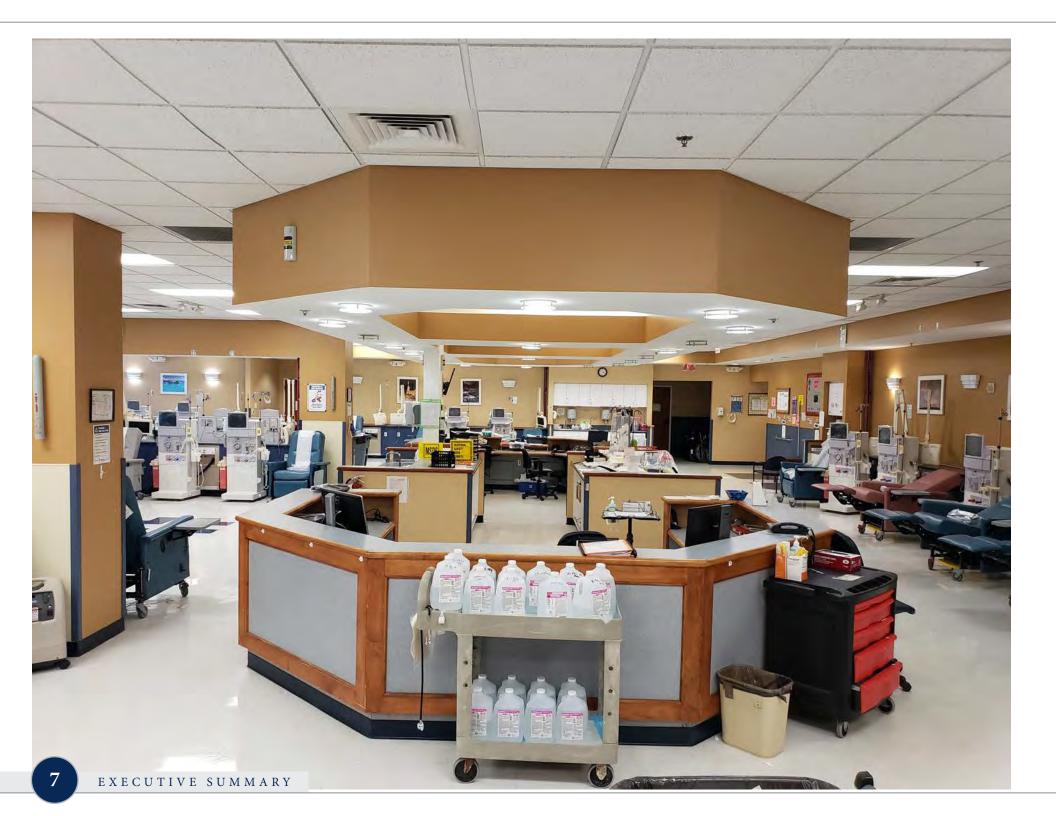
Fee simple interest in the Fresenius Germantown / Ontario, a 30,000-square-foot net leased medical office building located at 2801 Fox Street, Philadelphia PA 19123

TERMS OF SALE

Fresenius Germantown / Ontario is offered at \$6,4500,000 based on a capitalization rate of 6.88 percent. The net operating income figures for the property represent a fiscal year starting 7/1/2019.

PROPERTY TOURS

Prospective purchasers are encouraged to visit the subject property prior to submitting offers. However, all property tours must be arranged with the Marcus & Millichap listing agents. At no time shall the tenants, on-site management or staff be contacted without prior approval.



INVESTMENT HIGHLIGHTS



INVESTMENT GRADE SINGLE TENANCY

Investment-grade (Moody's: Baa3) Fresenius (NYSE:FMS) guarantees the lease of the entire 30,000 square foot Property through June 30th, 2028. Fresenius is the #1 ranked provider of products and services for people with chronic kidney failure and has over 111,000 employees and serves over 325,000 patients with more than 3,800 dialysis clinics worldwide.



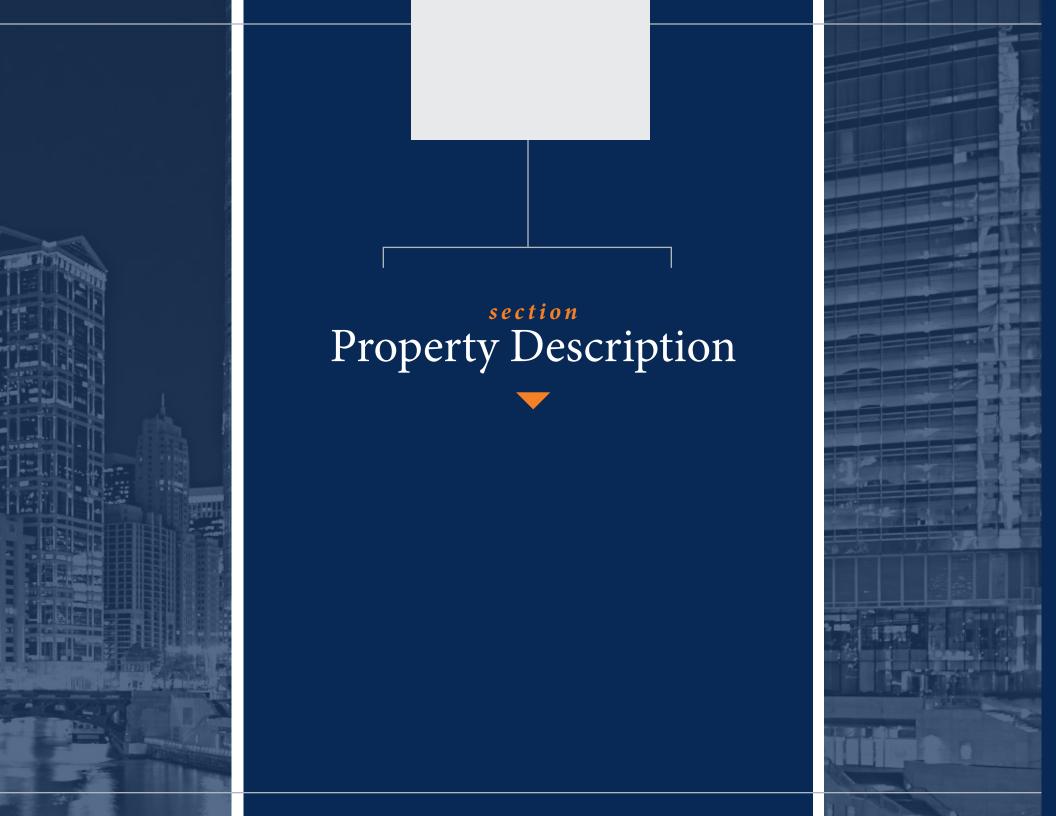
TRIPLE NET LEASE WITH CONTRACTUAL ESCALATIONS

The NNN lease structure protects an investor against operating expense fluctuations and landlord responsibility. Additionally, 2% annual rent escalations provide appreciating cashflow and a hedge against inflation.



UNIQUE, IRREPLACEABLE FACILITY

The 30,000 square foot facility is significantly larger than the average Fresenius dialysis treatment center, housing over sixty infusion chairs and treating roughly one hundred and eighty patients daily. In addition to its use as a treatment facility, Fresenius uses the location as a training center for its employees from facilities across the region.



PROPERTY DETAIL

FRESENIUS GERMANTOWN

Address	2801 Fox Street, Philadelphia, PA 19129
Lot Size	1.14 Acres
Rentable SF	30,000
Zoning	ICMX
Opportunity Zone	Yes
Current Lease Expiration	2028

PROPERTY HIGHLIGHTS

Unique 30,000 Square Foot Facility - Home to Both Fresenius Germantown & Fresenius Ontario Dialysis Units

Completely Redeveloped and Renovated for Fresenius Occupancy in 2007 Including All Infrastructure

Great Access and Proximity to Nearby Highways and Transportation

Desirable Location Adjacent to Public Transit

Located Within Qualified Opportunity Zone





General Information					
Tenant Name	Fresenius Medical Care				
Website	FMCNA.com				
Parent Company	Fresenius Medical Care of North America				
Headquartered	Global HQ: Bad Homburg Germany North American HQ: Waltham, MA				
Rentable Square Feet	30,000 SF				
Percentage of RBA	100%				
Lease Commencement	7/1/2018				
Lease Expiration	6/30/2028				
No. of Locations	3,815				

Fresenius Medical Care North America is the premier health care company focused on delivering the highest quality care to people with renal and other chronic conditions. Through our industry-leading network of more than 2,200 dialysis facilities, outpatient cardiac and vascular labs, and urgent care centers, as well as the country's largest practice of hospitalist and post-acute providers, Fresenius Medical Care provides coordinated health care services at pivotal care points for hundreds of thousands of chronically ill customers throughout the continent. As the world's only vertically integrated renal company, they also offer specialty pharmacy and laboratory services, as well as manufacturing and distributing the most comprehensive line of dialysis equipment, disposable products and renal pharmaceuticals.

Fresenius Medical Care's corporate headquarters is in Bad Homburg, Germany. The North American headquarters is in Waltham, Massachusetts, and the Asian-Pacific headquarters is located in Hong Kong.



Temple University Health System (TUHS) is an 866 bed healthcare network with four hospitals. The Health System includes Temple University Hospital (TUH), which is ranked as one of the "Best Hospitals" in the region by U.S. News & World Report; TUH-Episcopal Campus; TUH-Northeastern Campus; Fox Chase Cancer Center, an National Cancer Institute designated comprehensive cancer center; Jeanes Hospital a community-based hospital offering medical, surgical and emergency services; Temple Transport Team, a ground and air-ambulance company; and Temple Physicians, Inc., a network of community-based specialty and primary-care physician practices. TUHS is affiliated with the Lewis Katz School of Medicine at Temple University (LKSOM), which is one of the nation's leading medical schools. Each year, the School of Medicine educates approximately 840 medical students and 140 graduate students. Based on its level of funding from the National Institutes of Health, the Lewis Katz School of Medicine is the second-highest ranked medical school in Philadelphia and the third-highest in the Commonwealth of Pennsylvania. According to U.S. News & World Report, LKSOM is among the top 10 most applied-to medical schools in the nation.

Fresenius & Temple Health Affiliation Fresenius - Germantown / Ontario is served by nephrologists that practice at Temple University Health System ("Temple Health"). The three doctors that provide renal care at the Property have all been practicing for at least 20+ years and boast impressive educational backgrounds.















PROPERTY DESCRIPTION

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MARKET OVERVIEW // Fresenius Germantown





PRICING DETAIL // Fresenius Germantown

PRICE	\$6,450,000
Down Payment	\$1,935,000
Down Payment %	30%
Number of Suites	1
Price Per SqFt	\$215
Rentable Square Footage	30,000 SF
Lot Size	1.14 Acres
Year Built/Renovated	1948 / 2006
Occupancy	100%

RETURNS	
CAP Rate	6.88%
Cash-on-Cash	8.59%
Debt Coverage Ratio	1.62
PAN AN AN A	
FINANCING	
Loan Amount	\$4,515,000
Loan Amount Loan to Value	\$4,515,000 70%

2024

				LEASE	DATES								
TENANT	SUITE	SQUARE FEET	% BLD SHARE	COMM.	EXP.	ANNUAL RENT/SF	TOTAL RENT/ MONTH	TOTAL RENT/YEAR	PRO FORMA RENT/YEAR	CHANGES ON	RENT IN- CREASE	LEASE TYPE	RENEWAL OPTIONS
Fresenius Medical Care	1	30,000	100.0%	7/1/18	6/30/28	\$14.79	\$36,975	\$443,700	\$452,580	Jul-2020	\$37,715	NNN	Two 5-Year Renewal Periods

Year Due

OPERATING STATEMENT // Fresenius Germantown

INCOME	BEGINNING 7/1/2019		PER SF
Scheduled Base Rental Income	\$443,700		\$14.79
Expense Reimbursement Income			
CAM	\$235,976		\$7.87
Insurance	\$10,338		\$0.34
Real Estate Taxes	\$14,464		\$0.48
Management Fee	\$31,883		\$1.06
Total Reimbursement Income	\$292,660	100%	\$9.76
Effective Gross Revenue	\$736,360		\$24.55
OPERATING EXPENSES			
Gas & Electric	\$21,608		\$0.72
Water	\$5,842		\$0.19
Sewer	\$51,662		\$1.72
Cleaning / Security & Associated Personel	\$123,290		\$4.11
Repairs & Maintenance	\$16,413		\$0.55
Landscaping	\$12,340		\$0.41
Snow Removal	\$3,970		\$0.13
Sprinkler & Fire Inspection	\$850		\$0.03
Insurance	\$10,338		\$0.34
Real Estate Taxes	\$14,464		\$0.48
Management Fee	\$31,883	4.3%	\$1.06
Total Expenses	\$292,660		\$9.76
Expenses as % of EGR	39.7%		

\$443,700

\$14.79

Net Operating Income



Market Overview

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Marcus & Millichap





[EAST FALLS]

Submarket

East Falls—the area between Wissahickon Avenue, the Schuylkill River, Lincoln Drive, and Roosevelt Boulevard—is an emerging neighborhood in northwest Philadelphia. The childhood home of actress and Princess of Monaco Grace Kelly, East falls gets its name from its location on the east side of the Schuylkill Falls along the Schuylkill River.

The neighborhood benefits from the presence of both Jefferson University and the Drexel University College of Medicine. Private and public sources of capital have invested over \$300 million in the neighborhood since 2010. In 2017, a portfolio of eight retail properties directly across Fox Street from the subject property traded for \$52.4 million. East Falls is a fifteen-minute train ride from Center City Philadelphia and boasts a two and a half percent vacancy rate for multifamily assets.

For home buyers, thirty one percent relocated to East Falls from outside the city of Philadelphia; eighteen percent moved from Center City Philadelphia neighborhoods; another nineteen percent from the surrounding neighborhoods of Chestnut Hill and Germantown and twenty two percent were existing East Falls residents. The median age of the population is thirty one years with a growing millennial population. The residents of East Falls continue to outpace the city average for household income (\$53,153 vs. \$30,746). Twenty percent of the households earned \$75,000 and over.

Innovative new housing developments are attracting young and creative professionals and college students who attend Drexel School of Medicine, Jefferson University, Eastern University, Temple University and The University of Pennsylvania. The neighborhood is home to the national headquarters of The Pep Boys with over 600 employees, as well as William Penn Charter School with 136 faculty members and 850 students.

MARKET OVERVIEW // Fresenius Germantown

POPULATION	2.5 Miles	5 Miles	10 Miles
2022 Projection			
Total Population	259,494	984,681	2,213,525
2017 Estimate			
Total Population	264,640	988,638	2,223,932
■ 2010 Census			
Total Population	254,070	948,680	2,156,521
■ 2000 Census			
Total Population	266,323	956,626	2,149,473
 Current Daytime Population 			
2017 Estimate	250,807	1,161,795	2,257,964
HOUSEHOLDS	2.5 Miles	5 Miles	10 Miles
2022 Projection			_
Total Households	98,433	396,729	866,126
2017 Estimate			_
Total Households	98,590	391,380	857,561
Average (Mean) Household Size	2.54	2.42	2.50
■ 2010 Census			_
Total Households	95,722	378,923	836,937
■ 2000 Census			
Total Households	96,198	370,429	826,483
HOUSEHOLDS BY INCOME	2.5 Miles	5 Miles	10 Miles
2017 Estimate			
\$200,000 or More	1.67%	4.15%	4.67%
\$150,000 - \$199,999	1.30%	3.43%	4.49%
\$100,000 - \$149,000	5.61%	9.22%	11.45%
\$75,000 - \$99,999	6.98%	9.08%	10.75%
\$50,000 - \$74,999	12.78%	15.51%	16.35%
\$35,000 - \$49,999	13.03%	13.15%	13.19%
\$25,000 - \$34,999	11.63%	10.54%	10.01%
\$15,000 - \$24,999	14.83%	12.23%	11.32%
Under \$15,000	26.59%	19.45%	16.24%
Average Household Income	\$43,901	\$64,721	\$72,501
Median Household Income	\$27,559	\$40,096	\$47,118
Per Capita Income	\$16,968	\$26,181	\$28,380

POPULATION PROFILE	2.5 Miles	5 Miles	10 Miles
Population By Age			
2017 Estimate Total Population	264,640	988,638	2,223,932
Under 20	28.64%	25.32%	25.33%
20 to 34 Years	25.81%	28.22%	24.68%
35 to 49 Years	16.51%	17.69%	18.31%
50 to 59 Years	12.45%	11.99%	12.95%
60 to 64 Years	5.22%	5.17%	5.50%
65 to 69 Years	3.92%	4.01%	4.25%
70 to 74 Years	2.70%	2.75%	3.00%
Age 75+	4.77%	4.88%	5.98%
Median Age	31.58	32.72	34.99
Population by Gender			
2017 Estimate Total Population	264,640	988,638	2,223,932
Male Population	45.85%	46.73%	47.36%
Female Population	54.15%	53.27%	52.64%
AVERAGE HEALTH CARE	2.5 Miles	5 Miles	10 Miles
EXPENDITURE	2.5 Willes	3 IVIIIes	TO IVINES
2017 Estimate Total Expenditure			
Percent of Total	18.94%	15.05%	14.94%
Health Care Insurance	\$2,353	\$2,886	\$3,079
Percent of Total	73.21%	73.26%	72.65%
Medical Services	\$460	\$582	\$641
Percent of Total	14.32%	14.78%	15.12%
Medical Supplies	\$89	\$106	\$114
Percent of Total	2.76%	2.70%	2.68%
Percentage Change 2017-			
Health Care Insurance	24.30%	21.83%	21.34%
Medical Services	27.17%	24.60%	24.04%
Medical Supplies	30.77%	29.13%	28.34%

MARKET OVERVIEW // Fresenius Germantown



Population

In 2017, the population in your selected geography is 264,640. The population has changed by -0.63% since 2000. It is estimated that the population in your area will be 259,494.00 five years from now, which represents a change of -1.94% from the current year. The current population is 45.85% male and 54.15% female. The median age of the population in your area is 31.58, compare this to the US average which is 37.83. The population density in your area is 13,457.93 people per square mile.



Race and Ethnicity

The current year racial makeup of your selected area is as follows: 20.50% White, 63.49% Black, 0.04% Native American and 2.42% Asian/Pacific Islander. Compare these to US averages which are: 70.42% White, 12.85% Black, 0.19% Native American and 5.53% Asian/Pacific Islander. People of Hispanic origin are counted independently of race.

People of Hispanic origin make up 19.79% of the current year population in your selected area. Compare this to the US average of 17.88%.



Households

There are currently 98,590 households in your selected geography. The number of households has changed by 2.49% since 2000. It is estimated that the number of households in your area will be 98,433 five years from now, which represents a change of -0.16% from the current year. The average household size in your area is 2.54 persons.



Housing

The median housing value in your area was \$76,191 in 2017, compare this to the US average of \$193,953. In 2000, there were 49,379 owner occupied housing units in your area and there were 46,820 renter occupied housing units in your area. The median rent at the time was \$409.



Income

In 2017, the median household income for your selected geography is \$27,559, compare this to the US average which is currently \$56,286. The median household income for your area has changed by 23.14% since 2000. It is estimated that the median household income in your area will be \$32,772 five years from now, which represents a change of 18.92% from the current year.

The current year per capita income in your area is \$16,968, compare this to the US average, which is \$30,982. The current year average household income in your area is \$43,901, compare this to the US average which is \$81,217.



Employment

In 2017, there are 125,302 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 56.18% of employees are employed in white-collar occupations in this geography, and 43.92% are employed in blue-collar occupations. In 2017, unemployment in this area is 9.83%. In 2000, the average time traveled to work was 38.00 minutes.

Marcus & Millichap hereby advises all prospective purchasers of Single Tenant Net Leased property as follows:

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a single tenant property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any single tenant property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

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