

STURGIS, MICHIGAN

1276 KITSON AVENUE, STURGIS, MI 49041



INVESTMENT OVERVIEW FRESENIUS OF STURGIS, MICHIGAN



OVERVIEW

Built in 2008, the 6,500 square foot, freestanding facility consists of 12-patient stations with 33 patients and operates 3 days a week (3 shifts - Monday, Wednesday, Friday).

LEASE TERM

The tenant exercised an early 5-Year extension in 2019, resulting in a new lease expiration date of 8/31/2026, or 6 years of lease term remaining. Beginning in 2022, the lease provides for 2% annual rent escalations for the remainder of the term.

NET LEASE STRUCTURE

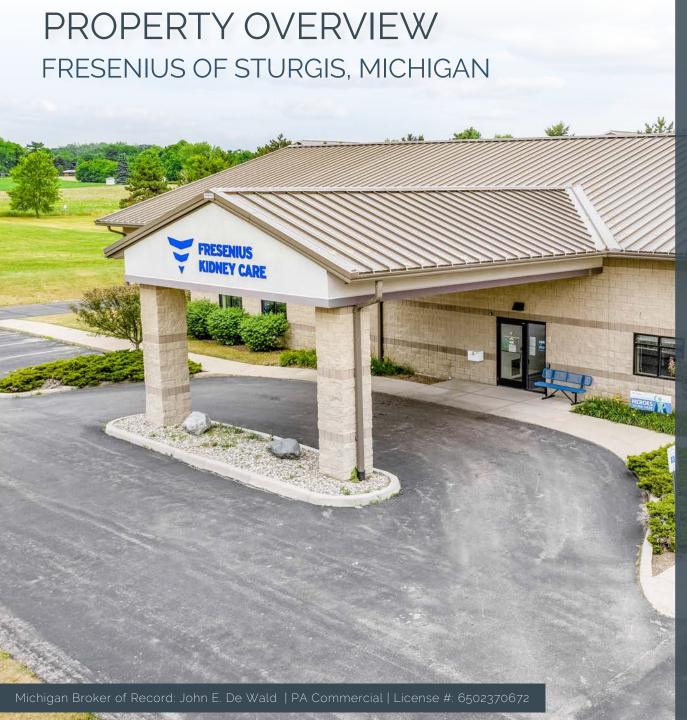
The lease is structured on a net basis, whereby the Tenant is responsible for all expenses relating to common area maintenance, HVAC, landscaping, snow removal, insurance, taxes and utilities. The landlord is responsible for the roof and structure as well as the parking areas of the facility.

INVESTMENT GRADE TENANT

Fresenius Medical Care is the largest provider of renal care in both the United States and across the world. Fresenius delivers services to patients with chronic kidney failure and end stage renal disease. Fresenius has a net worth exceeding \$22.50 billion and holds S&P's Investment Grade credit rating of "BBB Stable".

CORPORATE GUARANTEE

The lease is backed by a corporate guarantee from Fresenius' corporate parent, Fresenius Medical Care Holdings, Inc.





1276 Kitson Ave, Sturgis, MI

6,500 SF RENTABLE AREA

1.23 Acres

FMC Holdings, Inc. corporate guarantee

08/31/2026
CURRENT TERM EXPIRATION

6 Years

CURRENT TERM REMAINING

\$82,849 ANNUAL BASE RENT

2% Annually (Beginning in 2022)

ESCALATIONS

(3) 5-Year RENEWAL OPTIONS

Fair Market Value (FMV)

OPTION ESCALATIONS

PRICING

FRESENIUS OF STURGIS, MICHIGAN

PURCHASE PRICE \$1,120,000

CAP RATE 7.40%

NET OPERATING INCOME \$82,849



INVESTMENT HIGHLIGHTS FRESENIUS OF STURGIS, MICHIGAN



INVESTMENT GRADE TENANT - Fresenius Medical Care is the largest provider of renal care in both the United States and across the world. Fresenius has a net worth exceeding \$22.50 billion and holds S&P's Investment Grade credit rating of "BBB Stable".



FACILITY LOCATION - The 12-patient station, 33-patient dialysis facility has been operational since 2008 and is the only dialysis facility in a 20-mile radius.



ANNUAL ESCALATIONS - Beginning in 2022, base rental rate escalations of 2% annually throughout the remainder of the term offer as a generous hedge against inflation.



"ESSENTIAL BUSINESS" INVESTMENT - Given the current market conditions, the significance of "essential businesses", which represents tenants who provide landlords guaranteed rental income, has become of utmost importance.



CORPORATELY GUARANTEED - The lease is backed by a corporate guarantee from Fresenius' parent company Fresenius Medical Care Holdings, Inc.



NET LEASE STRUCTURE FRESENIUS OF STURGIS, MICHIGAN





Expense Category	Tenant's Responsibility	Landlord's Responsibility
Exterior Structure		√
Roof		√
Parking Lot		√
HVAC	√	
CAM	√	
Landscaping	√	
Janitorial	√	
Taxes	√	
Insurance	√	
Utilities	√	

The tables shown above represent the financial responsibility of the expense categories.

RENT SCHEDULE FRESENIUS OF STURGIS, MICHIGAN



Effective Date	Base Rent/SF	Monthly Base Rent	Net Operating Income	Escalations		
Sep-2019	\$12.50	\$6,769	\$79,632	-		
Sep-2020	\$12.75	\$6,904	\$82,848	2%		
Sep-2021	\$12.75	\$6,904	\$82,848	-		
Sep-2022	\$13.01	\$7,074	\$84,888	2%		
Sep-2023	\$13.27	\$7,188	\$86,256	2%		
Sep-2024	\$13.54	\$7,334	\$88,008	2%		
Sep-2025	\$13.81	\$7,480	\$89,760	2%		
Option Period 1	Fair Market Value (FMV)					
Option Period 2	Fair Market Value (FMV)					
Option Period 3	Fair Market Value (FMV)					

NOTES

- Represents the Net Operating Income at which the property is marketed upon.

From the Sep-2020 effective date, a rent abatement is in place for the September base rent of each year for the remainder of the current term.

The monthly rent abatement total (\$36,000) will be credited to the buyer upon close.

LOCATION OVERVIEW

ECONOMY

The economy of Sturgis, MI employs 27.6k people. The largest industries in Sturgis, MI are Manufacturing (10,395 people), Health Care & Social Assistance (2,826 people), and Retail Trade (2,453 people), and the highest paying industries are Mining, Quarrying, & Oil & Gas Extraction (\$60,781), Utilities (\$57,368), and Public Administration (\$47,955). The highest paid jobs held by residents of Sturgis, MI, by median earnings, are Life, Physical, & Social Science Occupations (\$70,402), Law Enforcement Workers Including Supervisors (\$67,500), and Architecture & Engineering Occupations (\$63,938).

HEALTH

90.9% of the population of Sturgis, MI has health coverage, with 44.9% on employee plans, 19.7% on Medicaid, 13.1% on Medicare, 12.1% on non-group plans, and 1.06% on military or VA plans. Per capita personal health care spending in the MSA of Sturgis, MI was \$8,055 in 2014. This is a 4% increase from the previous year (\$7,745). Primary care physicians in Sturgis, MI see 1,254 patients per year on average, which represents a 0.804% increase from the previous year (1,244 patients). Compare this to dentists who see 1,385 patients per year, and mental health providers who see 431 patients per year.

DEN	MOGRAPHICS	3 Miles	5 Miles	10 Miles
8	Population	15,099	17,887	34,309
8	Population Growth (%) 2019-2024	0.2%	-0.1%	0.2%
	Households	5,714	6,711	12,456
	Average Household Income	\$59,068	\$60,356	\$64,425
	Avg. Income Growth Est. (%) 2019-2014	14.35%	14.21%	14.52%



TENANT OVERVIEW

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases of which around 3 million patients worldwide regularly undergo dialysis treatment. Fresenius Kidney Care dialysis centers are part of Fresenius Medical Care North America.

Centers may be known as Fresenius Kidney
Care or Fresenius Medical Care, as well as other
names. Through its network of 4,000+ dialysis
clinics, Fresenius Medical Care provides dialysis
treatments for 348,000 patients around the globe.
Fresenius Medical Care is also the leading provider
of dialysis products such as dialysis machines
or dialyzers. Along with the core business, the
company focuses on expanding the range of
related medical services in the field of Care
Coordination.

Fresenius Medical Care is listed on the Frankfurt Stock Exchange (FME) and on the New York Stock Exchange (FMS). The company was founded in 1912 and is headquartered in Bad Homburg, Germany.



Offers should be submitted electronically to:

NATHAN HUFFMAN

at nathan@phnlg.com and include the following information:

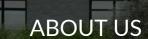
Purchase Price

Earnest Money

Closing Period

Other Terms

Sources of Debt & Equity



Peranich Huffman Net Lease Group is a privately held real estate brokerage firm specializing in single tenant net leased medical office investment sales throughout the nation.

Our firm facilitates the purchase & sale of commercial real estate tenanted by Dialysis Operators, Freestanding Emergency Departments, Surgery Centers, Dental Offices and Hospices.

Michigan Broker of Record:

John E. De Wald | PA Commercial | License #: 6502370672

PERANICH HUFFMAN



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The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed, should be registered with Peranich Huffman Net Lease Group as a "Registered Potential Investor" or as "Buyer's Agent" for an identified "Registered Potential Investor." The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by Agent prior to delivery of this Offering Memorandum. The enclosed materials are being provided solely to facilitate the prospective investor's own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent or the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein.

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Seller shall have no legal commitment or obligation to any interested party reviewing the enclosed materials, performing additional investigation and/or making an offer to purchase the Property unless and until a binding written agreement for the purchase of the Property has been fully executed, delivered, and approved by Seller and any conditions to Seller's obligations thereunder have been satisfied or waived.

By taking possession of and reviewing the information contained herein, the recipient agrees that (a) the enclosed materials and their contents are of a highly confidential nature and will be held and treated in the strictest confidence and shall be returned to Agent or Seller promptly upon request; and (b) the recipient shall not contact employees or tenants of the Property directly or indirectly regarding any aspect of the enclosed materials or the Property without the prior written approval of the Seller or Agent; and (c) no portion of the enclosed materials may be copied or otherwise reproduced without the prior written authorization of Seller or Agent or as otherwise provided in the Confidentiality and/or Registration Agreement executed and delivered by the recipient(s) to Peranich Huffman Net Lease Group.

FRESENIUS MEDICAL CARE

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