

Offering Memorandum

FRESENIUS MEDICAL CARE – LEE COUNTY

1031 South Madison Street, Tupelo, Mississippi 38801



COOK & ASSOCIATES

REAL ESTATE ADVISORS



kW CHICAGO - LINCOLN PARK
KELLERWILLIAMS

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MS License # 21201

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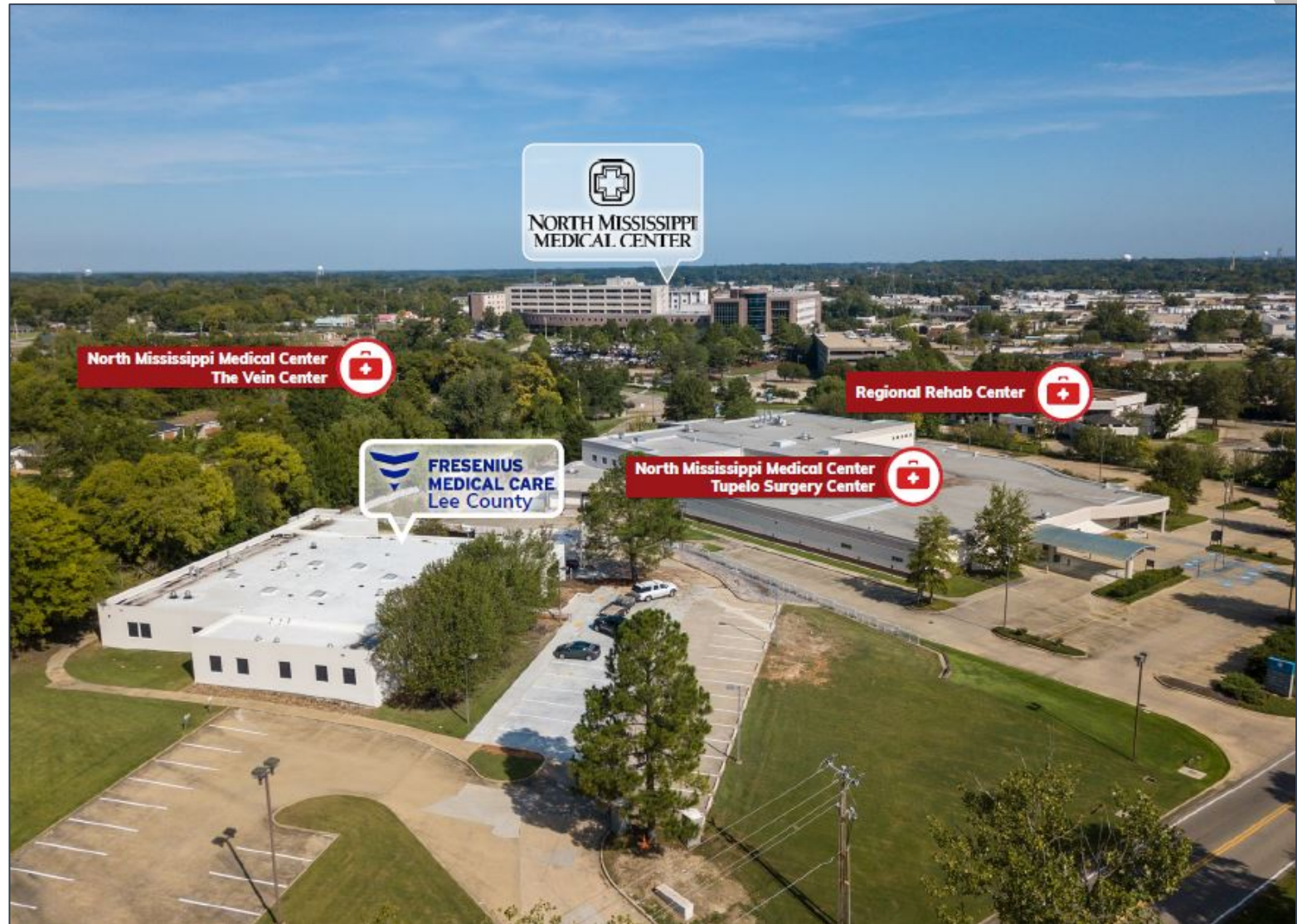
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Fresenius Medical Care – Lee County

1031 South Madison Street, Tupelo, Mississippi 38801

ADDITIONAL PHOTOS



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ADDITIONAL PHOTOS



*Property
photos taken in
late 2018
during tenant
remodel

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EXECUTIVE SUMMARY

PROPERTY DESCRIPTION

Cook & Associates Real Estate Advisors are pleased to present the Fresenius Medical Care clinic located in Tupelo, Mississippi. The subject property is a single tenant, 13,535 sq. ft, complete gut-remodel facility for Fresenius in 2018. This investment offers just under fourteen years of lease term, with 1.7% annual rental increases and a full corporate parent guarantee.

Fresenius Medical Care – Lee County is ideally located within the State of Mississippi, which is only one of twelve states in the country that require a Certificate of Need for renal care facilities. This government requirement limits competition among dialysis providers and grants operation approval based strictly on the demographic needs for the services of the tenant. For the tenant, this encourages stronger commitment to a location. For the investor, this provides an extra layer of security to the investment.



SALE PRICE:	\$ 4,931,042
CAP RATE:	5.80%
BASE RENT:	\$289,067
PROPERTY INSURANCE:	\$3,064
NOI:	\$286,003
LOT SIZE:	1.81 Acres +/-
YEAR BUILT RENOVATED	1998 2018
BUILDING SIZE:	13,535 SF
PRICE / SF:	\$364.32

INVESTMENT HIGHLIGHTS

- Fourteen Years Remaining on Initial Fifteen Year Double Net Lease
- As of 2016, the State of Mississippi Ranked Number One in the United States for Kidney Disease Mortality
- Full Corporate Guarantee of Fresenius Medical Care Holdings Inc.
- NN Lease Structure | Very Limited Landlord Responsibilities
- Located within a Certificate of Need State for Renal Failure | Only one of Twelve States in the Country
- Located Across the Street from the North Mississippi Medical Center | A 650-Bed Regional Hospital Considered the Largest Non-Metropolitan Hospital in America
- Annual Rental Increases of 1.7% | Three, Five-Year Renewal Options

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TENANT LEASE SUMMARY & OVERVIEW

LEASE TYPE	NN
LEASE GUARANTOR	Fresenius Medical Care Holdings, Inc.
LEASE TERM REMAINING	14 Years
RENT COMMENCEMENT	1/30/2018
LEASE EXPIRATION	1/31/2033
OPTIONS	3, 5-Year
OPTION TO TERMINATE	None
OPTION TO PURCHASE	None

RESPONSIBLE PARTY		Notes
ROOF	Landlord	
STRUCTURE	Landlord	
PARKING LOT (Sec.7.2)	Tenant / Landlord	LL responsible for replacement. Tenant responsible for maintenance.
HVAC (Sec. 10.1)	Tenant / Landlord	LL responsible for repairs and replace over \$2,500. Tenant handles repairs and maintenance.
TAXES	Tenant	Paid as additional rent
CAM	Tenant	Paid as additional rent
Insurance	Landlord	

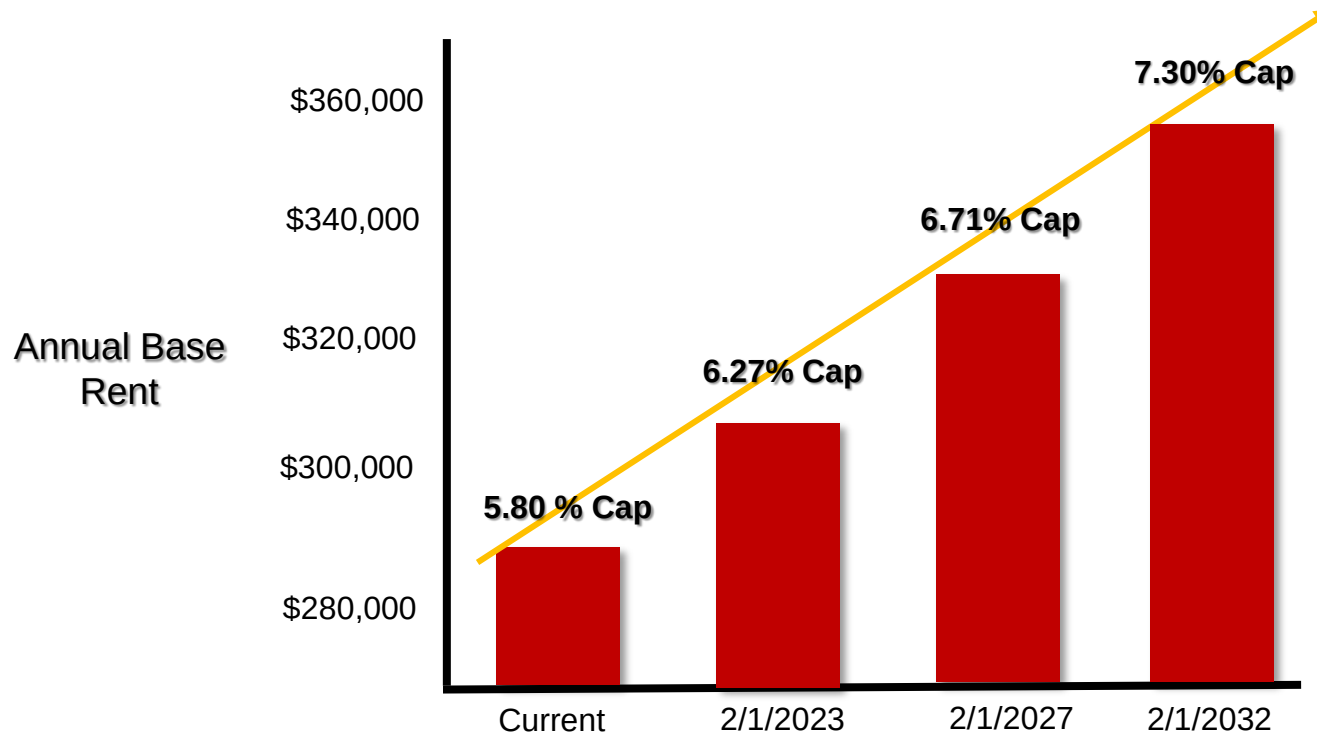


**FRESENIUS
MEDICAL CARE**

- World's Largest Provider of Products and Services For Renal Disease
- More than 320,000 Patients
- Generated Revenues of Around 17.8 Billion Euro in 2017
- Services Offered Include Both Specialty Treatments and Comprehensive Service

Tenant	Renal Care Group Tupelo, LLC
DBA	Fresenius Medical Care
Guarantor	Fresenius Medical Care Holdings, Inc.
Number of Locations	3,752 + (Fresenius)

RENT SCHEDULE



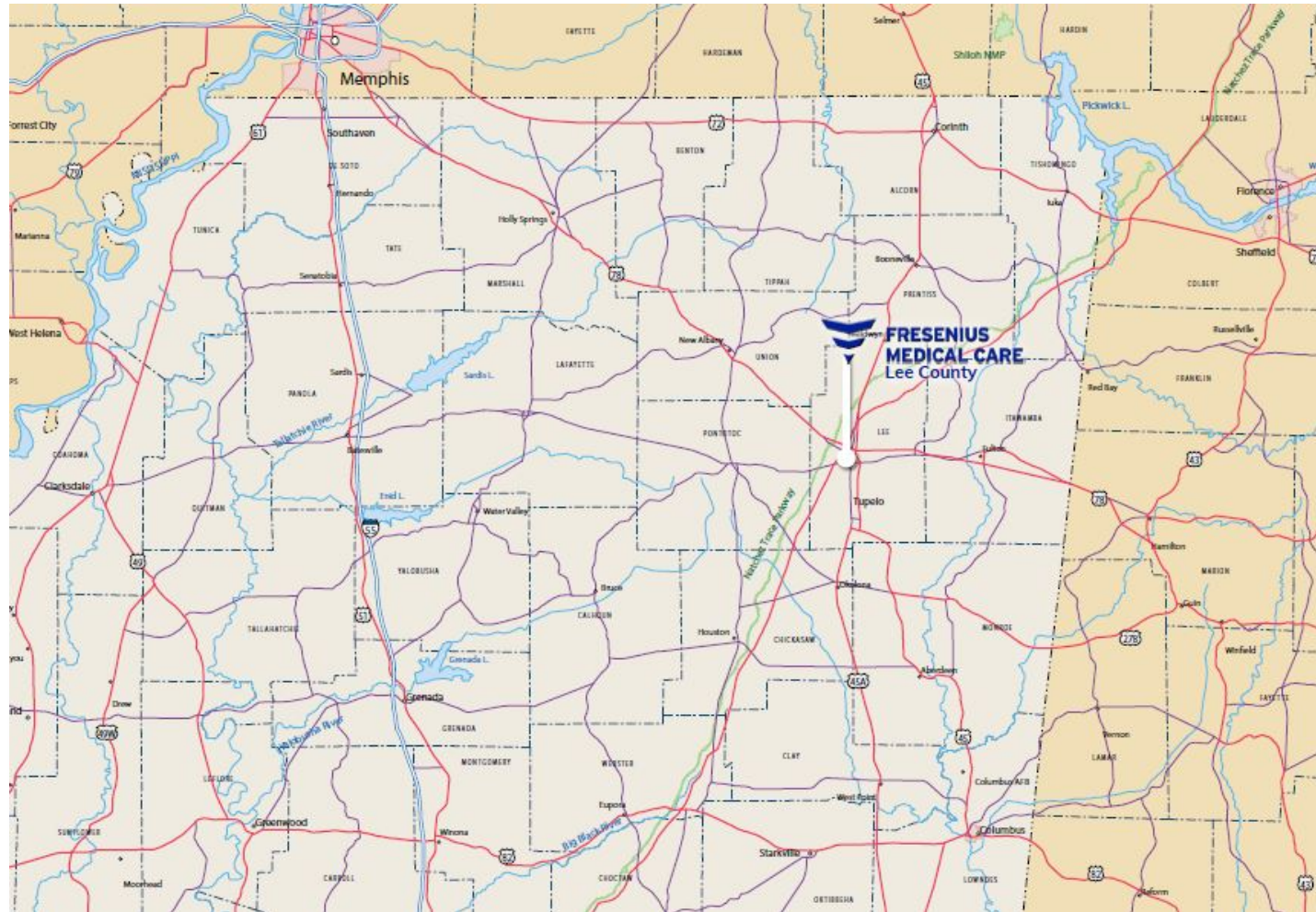
**Graph depicts base rent growth (and rate of return) only over the remaining term of the lease, with property insurance remaining constant throughout the term for purposes of example to reflect rent growth and return over time.

TERM	PERIOD	ANNUAL RENT	RENT / SF
Current		\$289,067	\$21.36
	2/1/2023	\$309,230	\$22.85
	2/1/2027	\$330,800	\$24.44
	2/1/2032	\$359,890	\$26.59

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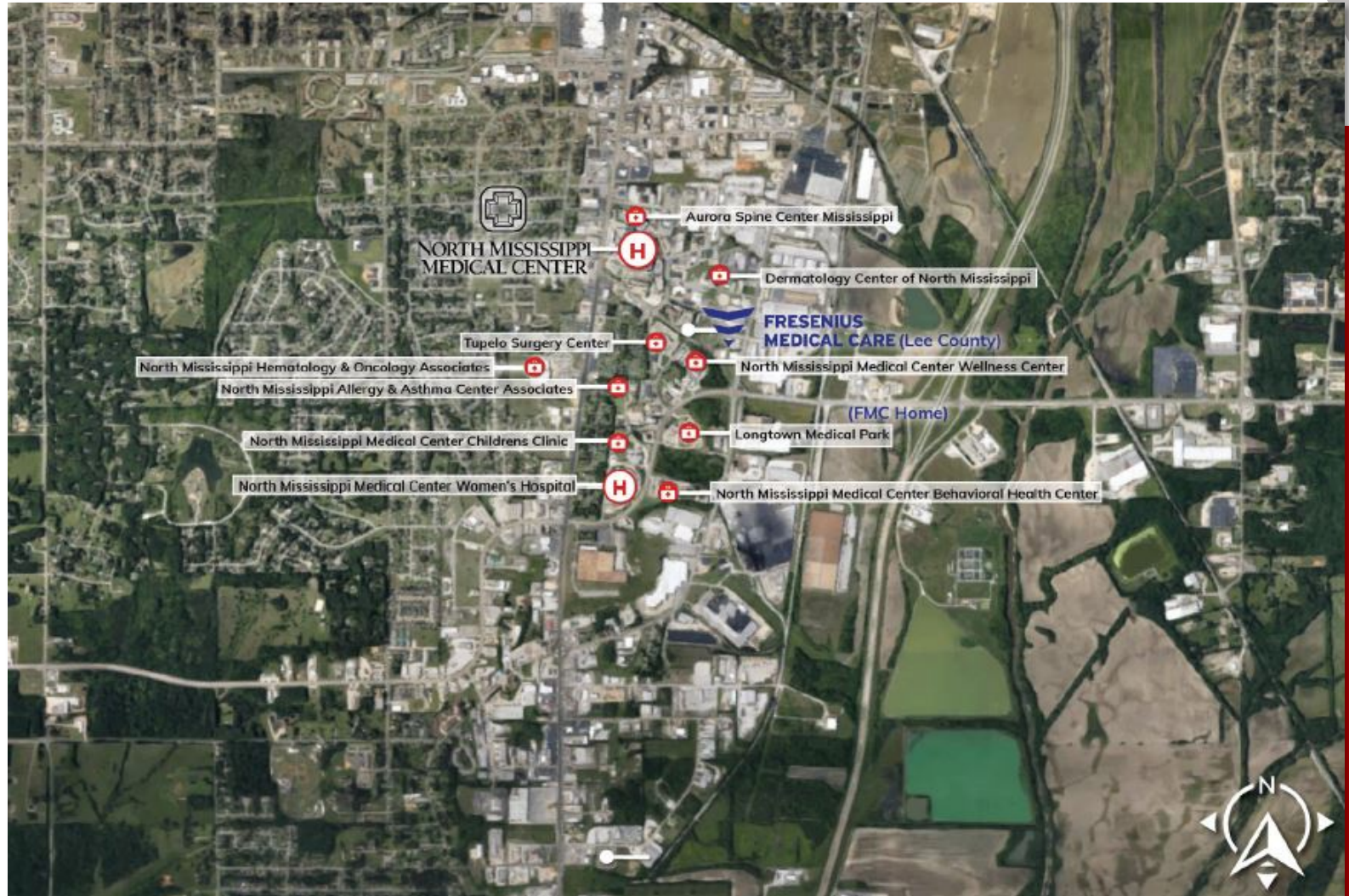
LOCATION OVERVIEW – Regional Map



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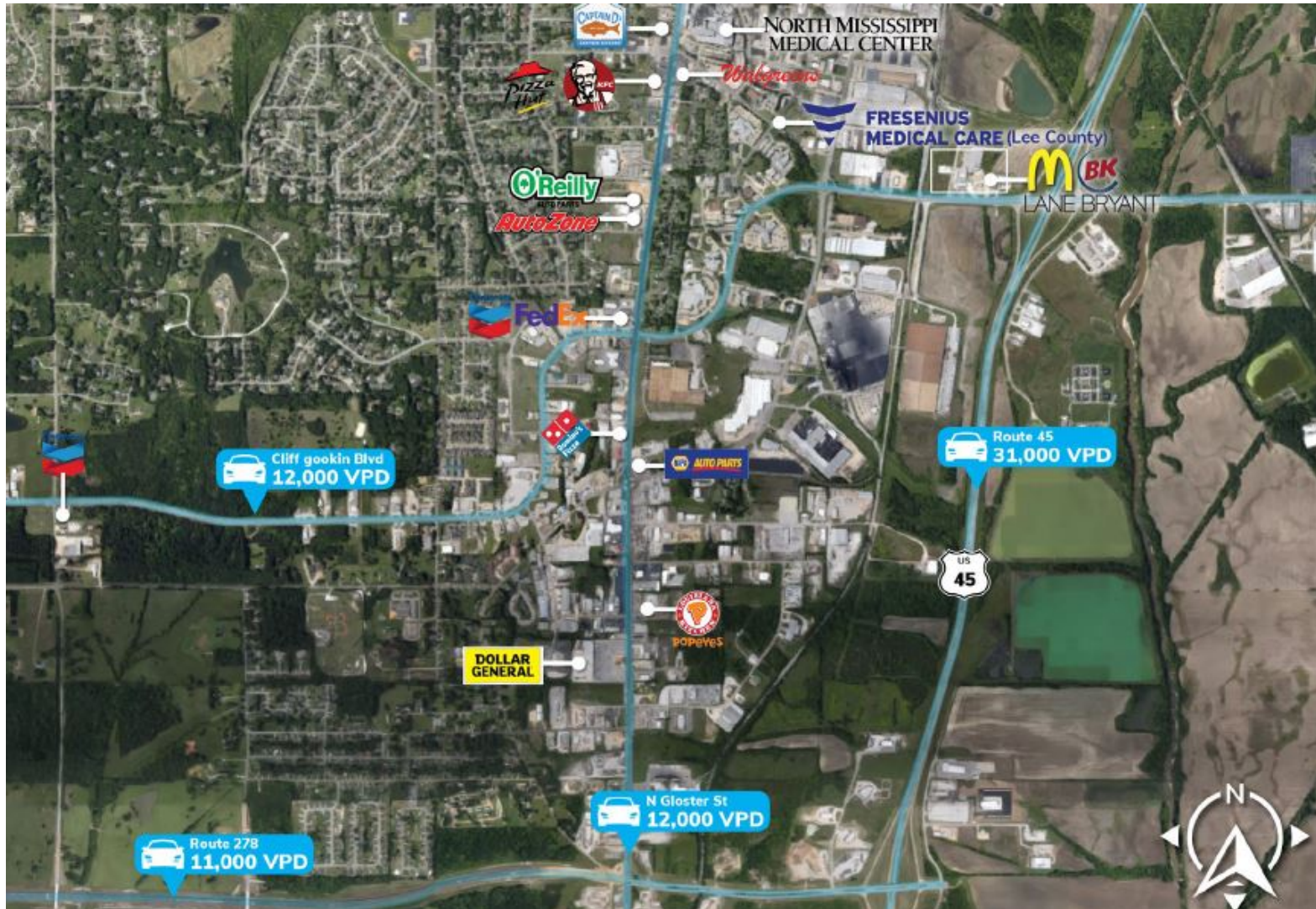
AERIAL – Tupelo Medical Corridor



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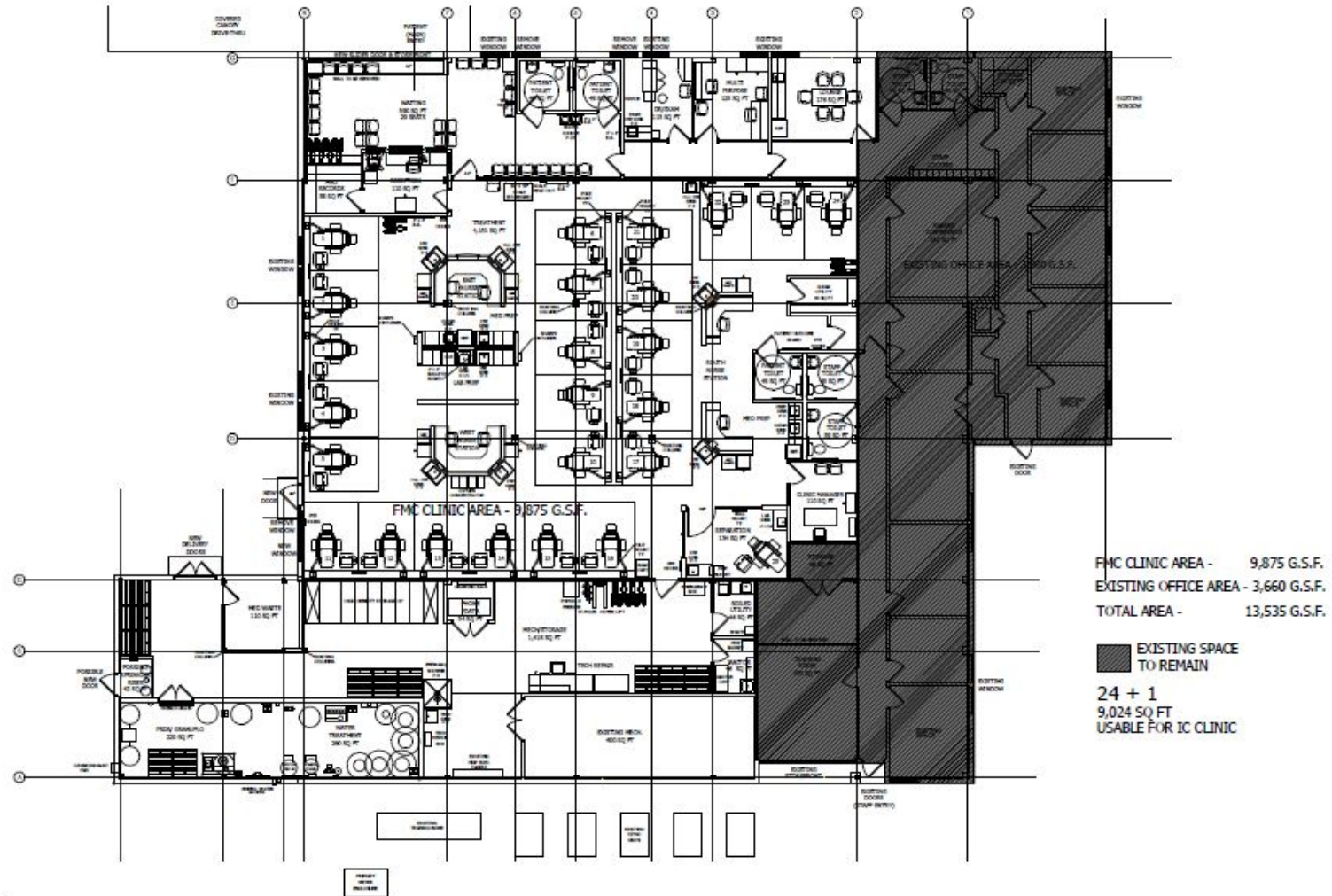
AERIAL



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FLOOR PLAN



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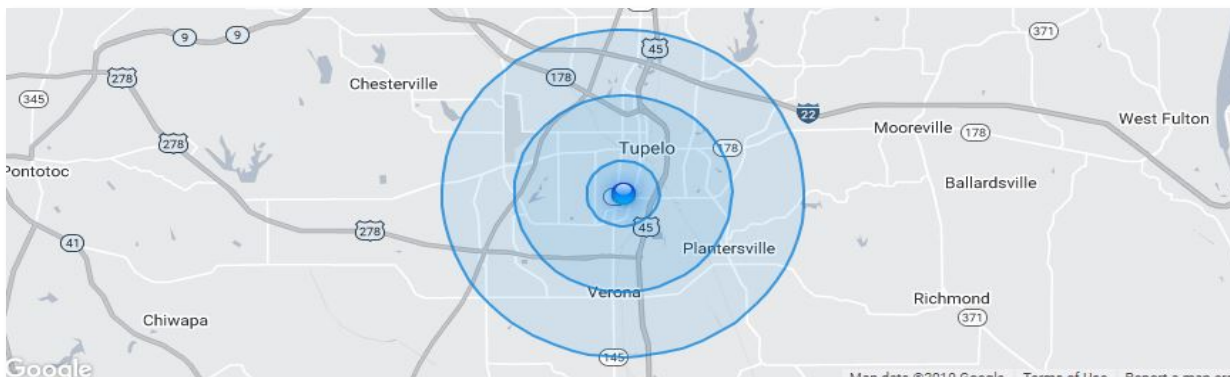
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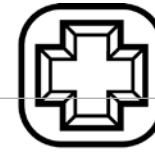
LOCATION HIGHLIGHTS & DEMOGRAPHICS

- Located in a Certificate of Need State for Renal Failure | Only one of 12 States in the Country
- Ideally Located One Block South of the North Mississippi Medical Center (See Following Page)
- Heavily Surrounded by Various Medical Specialty Practices
- Five-Time “All-American City Award” Winner (National Civic League)
- Easily Accessible via Interstate 22, Highway 145 and 178 and US Route 45
- Major Corporation Headquarters Include Tecumseh, Heritage Home Group, Hancock Fabrics, H.M Richards, Toyota Motor Manufacturing Mississippi, Savings Oil Company, and many more

Population	1 Mile	3 Miles	5 Miles
2016 Population	2,319	25,994	40,585
2021 Population	2,301	25,865	41,230

Households & Income	1 Mile	3 Miles	5 Miles
2016 Households	866	10,274	15,960
2021 Households	876	10,318	16,395
2016 Average HH Income	\$52,902	\$55,584	\$60,563





LOCATION HIGHLIGHT

NORTH MISSISSIPPI MEDICAL CENTER

- 650 – Bed Regional Referral Center
- Specializing in 50 Medical Specialties
- Largest, Private, Non-For-Profit Hospital in Mississippi
- Largest Non-Metropolitan Hospital in America
- Serves More than 730,000 People in 24 Counties in North Mississippi, Northwest Alabama, and Portions of Tennessee
- Designated Level II Trauma Center by Mississippi State Department of Health
- Recognized for Providing Cost-Efficient Care to Hospitalized Patients (The American Journal)
- The Only Hospital in North Mississippi to be Recognized for High Performance | Named a Blue Distinction Plus Center of Excellence for Knee and Hip Replacement, Spine Surgery, and Cardiac Care by Blue Cross Blue Shield



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Jennifer D Stein | Broker of Record
JDS Real Estate Services, Inc.
1221 Puerta Del Sol, Suite 600
San Clemente, CA 92673
(213) 446-5366
Email: jstein@jdsreservices.com
MS License # 21201



Valerie C Cook | Director
Cook & Associates Real Estate Advisors
KW Commercial | Keller Williams Chicago-Lincoln Park
2211 N. Elston Avenue Suite #104 Chicago, IL 60614
Cell : (312) 515-1116 (voice/text)
Email: valerie.cook@kw.com
IL 475.157687

“Helping Others is our Success”



Kayla Rebolledo | Associate
Cook & Associates Real Estate Advisors
KW Commercial | Keller Williams Chicago-Lincoln Park
2211 N. Elston Avenue Suite #104 Chicago, IL 60614
Cell : 925-667-8495 (voice/text)
Email: krebolledo@kw.com
IL 475.180782

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