



DMC Medical Office Building  
28300 Orchard Lake Road | Farmington Hills, MI

# Affiliated Business Disclosure and Confidentiality Agreement

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This is a confidential Memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest in the acquisition of the Property.

This Memorandum contains selected information pertaining to the Property and does not purport to be a representation of the state of affairs of the Property or the owner of the Property (the "Owner"), to be all-inclusive or to contain all or part of the information which prospective investors may require to evaluate a purchase of real property. All financial projections and information are provided for general reference purposes only and are based on assumptions relating to the general economy, market conditions, competition and other factors beyond the control of the Owner and CBRE, Inc. Therefore, all projections, assumptions and other information provided and made herein are subject to material variation. All references to acreages, square footages, and other measurements are approximations. Additional information and an opportunity to inspect the Property will be made available to interested and qualified prospective purchasers. In this Memorandum, certain documents, including leases and other materials, are described in summary form.

These summaries do not purport to be complete nor necessarily accurate descriptions of the full agreements referenced. Interested parties are expected to review all such summaries and other documents of whatever nature independently and not rely on the contents of this Memorandum in any manner.

Neither the Owner or CBRE, Inc. nor any of their respective directors, officers, Affiliates or representatives make any representation or warranty, expressed or implied, as to the accuracy or completeness of this Memorandum or any of its contents, and no legal commitment or obligation shall arise by reason of your receipt of this Memorandum or use of its contents; and you are to rely solely on your investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserved the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase the Property, and/or to terminate discussions with any entity at any time with or without notice which may arise as a result of review of this Memorandum. The Owner shall have no legal commitment or obligation to any entity reviewing this Memorandum or making an offer to purchase the Property unless and until written agreement(s) for the purchase of the Property have been fully executed, delivered and approved by the Owner and any conditions to the Owner's obligations therein have been satisfied or waived.

By receipt of this Memorandum, you agree that this Memorandum and its contents are of a confidential nature, that you will hold and treat it in the strictest confidence and that you will not disclose this Memorandum or any of its contents to any other entity without the prior written authorization of the Owner or CBRE, Inc. You also agree that you will not use this Memorandum or any of its contents in any manner detrimental to the interest of the Owner or CBRE, Inc.

If after reviewing this Memorandum, you have no further interest in purchasing the Property, kindly return this Memorandum to CBRE, Inc.

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## For More Information Please Contact

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Executive Summary  
**CBRE**

**INVESTMENT HIGHLIGHTS**

**Stabilized Medical Office Building, 34% Occupied by DMC**

The subject property is currently 95% occupied by 11 medical office tenants with varying lease terms and 60% of the property expiring in 2020 and later.

**Strong Demographics, High Growth Market**

The average household income is \$96,000 and the average housing value is \$230,000 within a three mile radius of the subject property.

**Great Location, Close Access to I-696**

The property is in a great location with direct frontage along Orchard Lake Road, just north of 12 Mile Road and I-696.

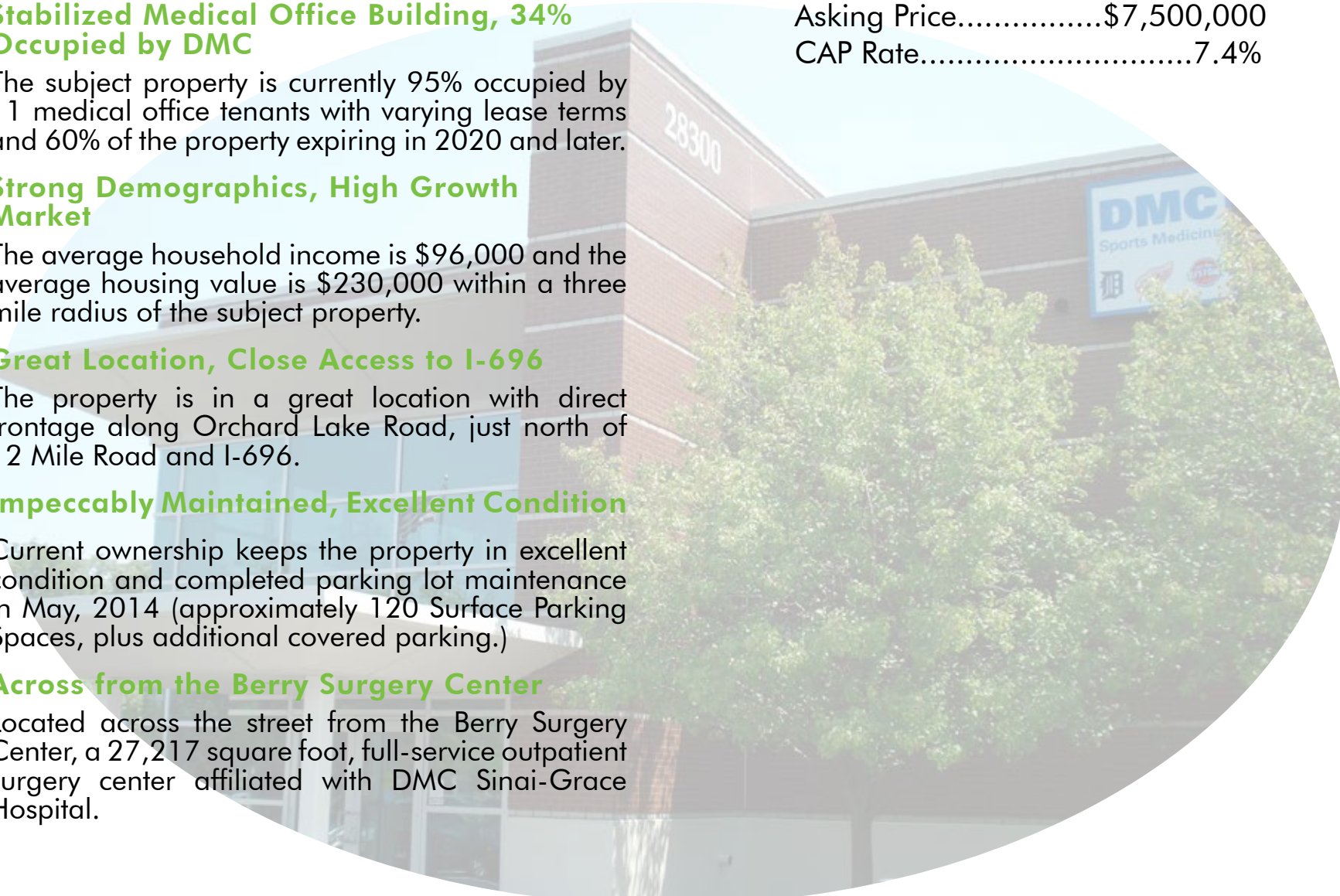
**Impeccably Maintained, Excellent Condition**

Current ownership keeps the property in excellent condition and completed parking lot maintenance in May, 2014 (approximately 120 Surface Parking Spaces, plus additional covered parking.)

**Across from the Berry Surgery Center**

Located across the street from the Berry Surgery Center, a 27,217 square foot, full-service outpatient surgery center affiliated with DMC Sinai-Grace Hospital.

Asking Price.....\$7,500,000  
CAP Rate.....7.4%



## THE OFFERING

CBRE, Inc. has been retained by current ownership as the exclusive marketing advisor for the disposition of the DMC Medical Office Building located at 28300 Orchard Lake Road in Farmington Hills, Michigan.

## INVESTMENT SUMMARY

The DMC Medical Building consists of 33,723 square feet and is currently 95% occupied by 11 tenants. Of those 11 leases, 60% of the tenants have leases expiring in 2020 and later. DMC occupies 34% of the building on two separate leases through 2018 and 2020. The Rontal-Akervall Clinic, ENT specialists, occupies 20% of the property through February, 2020.

The majority of the tenants are on gross with base year

expense stops, in which they are responsible for reimbursing for all operating expenses over their base year. The landlord is responsible for repairs, maintenance and replacement to the roof and structure.

The DMC Medical Building is located across from the Berry Surgery Center, affiliated with DMC Sinai-Grace Hospital. Additionally, this dense demographic has over 182,000 people within a five mile radius, which allows the tenants a strong, neighborhood client base. This in-fill location is minutes from I-696, I-275, M-5 as well as the Cities of Farmington, West Bloomfield and Southfield.

The DMC Medical Building provides an investor with a rare opportunity to own a medical office building, which is a proven asset class, demonstrating a durable financial resiliency in today's economic environment.



**DMC Medical Building** | 28300 Orchard Lake Road | Farmington Hills, Michigan 48334

<b>COUNTY:</b>	Oakland County
<b>PARCEL NUMBER:</b>	22-23-11-351-050
<b>BUILDING SIZE / LAND AREA:</b>	33,723 Square Feet / 2.59 Acres
<b>OCCUPANCY:</b>	95%
<b>YEAR BUILT:</b>	1999
<b>NUMBER OF TENANTS:</b>	11
<b>ZONING:</b>	Commercial / Office
<b>NUMBER OF FLOORS:</b>	Two
<b>PARKING:</b>	Asphalt Paved, Sealed and Striped, May 2014
<b>FRONTAGE:</b>	Along Orchard Lake Road
<b>EXTERIOR WALLS:</b>	Brick Veneer
<b>ROOF:</b>	Rubber Membrane
<b>STRUCTURE:</b>	Structural Steel
<b>FOUNDATION:</b>	Poured Concrete
<b>HVAC:</b>	Roof Mounted Units



Photos



Photos







28300

DHC

Market Overview  
**CBRE**

## LOCATION OVERVIEW

### Oakland County

The DMC Medical Office Building is located in Oakland County, Michigan. Metro Detroit's suburbs are among the most affluent in the nation. Oakland County is the fourth wealthiest county in the United States among counties with more than one million people. Located just 20 miles north of downtown Detroit, Oakland County is Michigan's leading center for international commercial activity with 721 companies representing 37 countries with business locations in the county.

Oakland County received its first AAA Bond Rating in 1998 and has had it reaffirmed every year since by Moody's and Standard and Poor's. Only 38 counties among more than 3,000 nationwide have attained and maintained this same rating.

### City of Farmington Hills, Michigan

Farmington Hills is a diverse community of over 80,000 residents located in Oakland County, the most prosperous county in Michigan. The city has earned the reputation of being a well-run, desirable place to live and work with award-winning police, fire, recreation programs, and public services. The highly-rated Farmington Public School District has received a Gold Medal designation for ranking nationally in the top 16 percent of all school districts. Farmington Hills is a "bright spot" in Oakland County with its thriving business community, exemplified by the lowest vacancy rate for corporate real estate in the metropolitan Detroit area. Farmington Hills is consistently ranked among the safest cities in Michigan and is currently the 19th safest city in the nation.

### Area Overview

The DMC Medical Building is located along the west side of Orchard Lake Road, just north of 12 Mile Road and I-696. The property is located within the Farmington/Farmington Hills office submarket with 101 medical office properties totaling just over 2 million square feet of medical office space.

The property is located across the street from the Berry Surgery Center, a 27,217 square foot full-service surgery center affiliated with DMC-Sinai Grace Hospital.



### Metro Detroit Overview

Detroit is the largest city in the state of Michigan. It is the major city among the primary cultural, financial and transportation centers in the Metro Detroit area, a region of 5.2 million people. Detroit serves as a major port on the Detroit River connecting the Great Lakes systems to the St. Lawrence Seaway. The Detroit Metro area covers Southeast Michigan, centered on the city of Detroit which shares an international border with Windsor, Ontario. As a major metropolitan area, it is known for its automotive heritage, arts, entertainment, and popular music and sports legacies. The Detroit Urban Area, which serves as the core of the Metropolitan Statistical Area, ranks as the 12th most populous of the United States.

## Location Maps



Aerial/Map



## DEMOGRAPHIC PROFILE

	28300 Orchard Lake Rd 1 mile radius	28300 Orchard Lake Rd 3 mile radius	28300 Orchard Lake Rd 5 mile radius	
<b>POPULATION</b>	2014 Estimated Population	7,757	65,663	182,243
	2019 Projected Population	7,901	66,971	185,882
	2010 Census Population	7,609	64,310	178,507
	2000 Census Population	7,652	65,625	183,802
	Growth 2010-2014	1.95%	2.10%	2.09%
	Growth 2014-2019	1.86%	1.99%	2.00%
<b>POPULATION</b>	2014 Estimated Median Age	44.14	45.54	44.52
	2014 Estimated Average Age	43.51	43.26	43.02
<b>HOUSEHOLDS</b>	2014 Estimated Households	3,657	26,783	78,095
	2019 Projected Households	3,760	27,594	80,486
	2010 Census Households	3,552	25,913	75,542
	2000 Census Households	3,522	25,635	75,943
	Growth 2010-2014	2.97%	3.36%	3.38%
	Growth 2014-2019	2.80%	3.03%	3.06%
<b>HOUSEHOLDS</b>	2014 Est. Average Household Size	2.12	2.41	2.32
<b>INCOME</b>	2014 Est. Median Household Income	\$53,042	\$70,576	\$64,423
	2019 Prj. Median Household Income	\$55,810	\$75,451	\$69,396
	2000 Cen. Median Household Income	\$56,459	\$74,883	\$68,493
	2014 Est. Average Household Income	\$67,346	\$96,070	\$91,897
	2014 Estimated Per Capita Income	\$31,753	\$39,185	\$39,380
<b>HOUSING</b>	2014 Estimated Housing Units	3,979	28,800	85,549
	2014 Estimated Occupied Units	3,657	26,783	78,095
	2014 Estimated Vacant Units	322	2,017	7,454
	2014 Est. Owner Occupied Units	2,000	19,254	50,261
	2014 Est. Renter Occupied Units	1,658	7,528	27,834
	2014 Est. Median Housing Value	\$177,311	\$197,037	\$194,999
	2014 Est. Average Housing Value	\$190,593	\$230,942	\$241,592

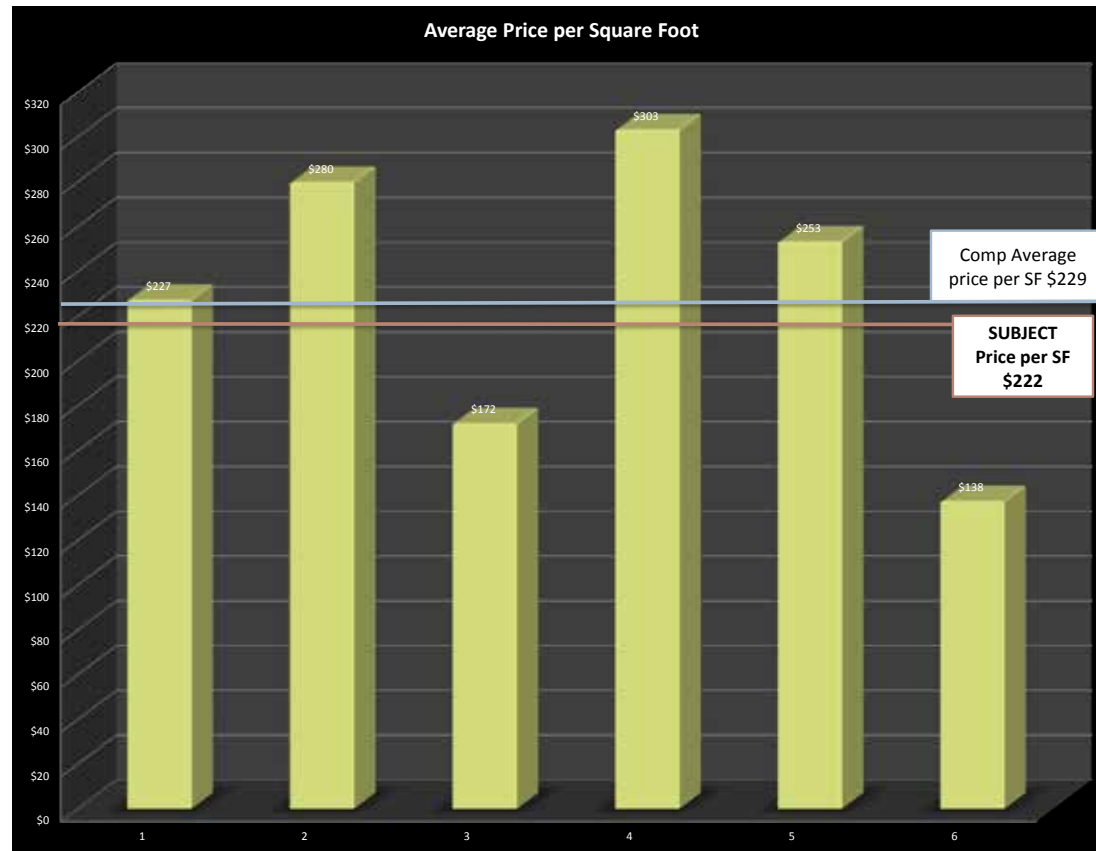


Sale Comparables  
**CBRE**

## SALES COMPARABLES

		Property Name Address	Year Built	Building Size (SF)	Sale Date	Sales Price	Price/SF	Occupancy at Sale	Cap Rate	Comments
★		DMC Medical Office Building 28300 Orchard Lake Road Farmington Hills, MI	1999	33,723		\$7,500,000	\$222	95%	7.4%	The subject property is currently 95% occupied with 34% of the property occupied by DMC and 25% leased to the Rontal Medical Practice. Due to the fact that the comparables are on NNN leases, the analysis has shown the subject property on an estimated NNN basis by backing out reimbursements.
1		Lewis Medical Centre 39475 Lewis Drive Novi, MI	2004	45,287	9/1/2013	\$10,300,000	\$227	95%	7.3%	The comparable is a two-story, suburban medical office building that was constructed in 2004 and is presently in good overall condition. The comparable property is situated on a 5.61-acre site and the facility is currently 94.9% leased. The property includes a mixture of doctors' practices. The property is considered a Class B+ property in this market place. Within a three miles radius there are approximately 25,227 households with an average household income of \$89,651. The property sold to a private investor.
2		Keystone Medical Center 46325 W 12 Mile Road Novi, MI	2006	57,636	3/28/2013	\$16,132,253	\$280	80%	8.0%	Keystone Medical Center is conveniently located near the intersection of I-96 and the new Beck Road Interchange. Upgraded common area finishes, glass suite entrances, parking on all four sides with covered drop-off pedestrian canopies. Large elevator cab for special needs patients.
3		Michigan Orthopedic Center 5315 Elliott Drive Ypsilanti, MI	1995	86,125	12/1/2012	\$14,840,000	\$172	99%	8.3%	The comparable is subject to a ground lease that commenced in June of 1993 and will expire in June of 2043. The lease also provides two 20-year options. The comparable is located on the campus of St. Joseph Mercy Hospital Ann Arbor. The hospital campus sits on 340 acre site and includes 537 beds. St. Joseph Mercy Health System is a subsidiary of Trinity Health, one of the largest hospital systems in the Midwest with over \$1 billion in annual revenue. At the time of sale, the property was 98.63% occupied and the majority of tenants lease agreements expire after 2018. St. Joseph Mercy occupies 20,500 SF in two separate suites within the building totaling 23.8% of the rentable square footage.
4		Bronson Lakeview Outpatient Center 451 Health Parkway Paw Paw, MI	2006	100,321	9/1/2012	\$30,430,000	\$303	100%	7.7%	Bronson Healthcare Group, leases the entire property with a remaining term of 9-years on a triple net lease. Currently the contract rental rate of the property is approximately \$23.00 per square foot and the terms of the lease call for annual rent increases of 2.75%. In addition to the 9-year term remaining of the lease, the tenant has the option to exercise two, five-year lease extensions. In September 2012 the property was sold from Great Lakes Medical Properties for consideration of \$30,430,000 or approximately \$303 per square foot. Based on in place income with no deduction for vacancy, the capitalization rate on this transaction was near 7.7%. According to the seller, the motivation for the sale was the attractiveness of medical office properties amongst investors in the current market.
5		St. John Providence Medical Office Building 26850 Providence Parkway Novi, MI	2007	202,515	2/1/2012	\$51,320,000	\$253	99%	N/A	The comparable represents an on campus medical office building located at 26850 Providence Parkway, Novi, Oakland County, MI. The property was constructed in 2007 and includes a total of 202,515 square feet on a 13.54 acre parcel. The property is five story in nature and is leased to various medical groups. The property is located on the Providence Park hospital campus which is a newly constructed 200 bed hospital that opened in 2008. The property was traded in an off market transaction whereby a REIT purchased the property from the doctors groups that originally developed the building.
6		Grand Traverse Heart 1200 W 6th Street Traverse City, MI	2003	38,544	10/1/2010	\$5,300,000	\$138	N/A	N/A	The 4-story medical office building containing these two units is located on the northwest corner of Madison and 6th and attached to the hospital via an elevated walkway. The units were owned by some of the doctors comprising the Grand Traverse Heart Association, the practice group which occupied the space. The sale occurred concurrent with the acquisition of the practice group by Munson which has since changed the name of the practice group to Traverse Heart and Vascular. According to sources familiar with the transaction, the sale price for the real estate was based on an appraisal which did not consider the investment value of the property (Munson is a NPC and does not pay real estate taxes). At the time of the sale, the facility was in good condition having received institutional grade maintenance.
						Comparable Averages	\$229	95%	7.8%	

## SALES COMPARABLES

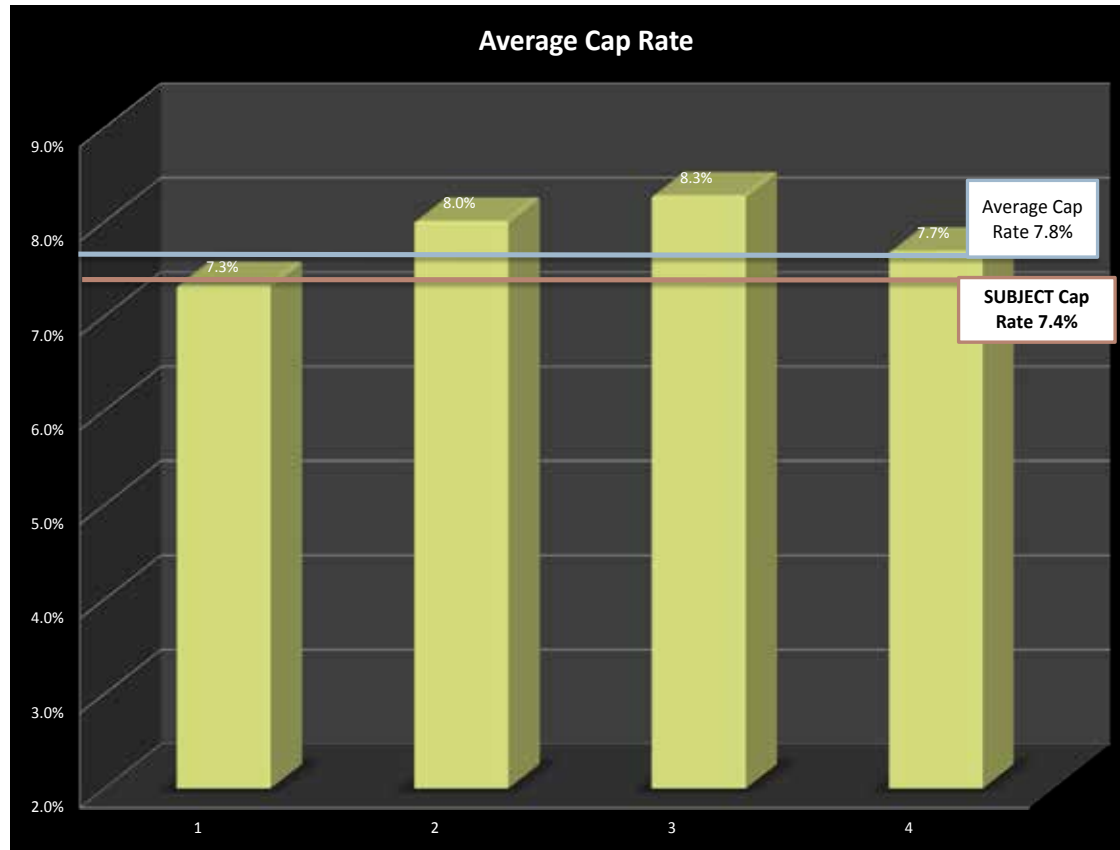


### PRICE PER SQUARE FOOT ANALYSIS

The average price for sale transactions of similar medical office buildings in the Metro Detroit market with comparable lease terms is \$229 per square foot; therefore, the subject property, priced at \$222 per square foot, is priced in line with the market.



## SALES COMPARABLES



## CAP RATE ANALYSIS

The average cap rate for sales of similar medical office buildings in the Metro Detroit market with comparable lease terms is 7.8%, compared to the subject property, which is priced at a cap rate of 7.4% due to its great location, credit tenants and long term stability.



Rent Comparables  
**CBRE**

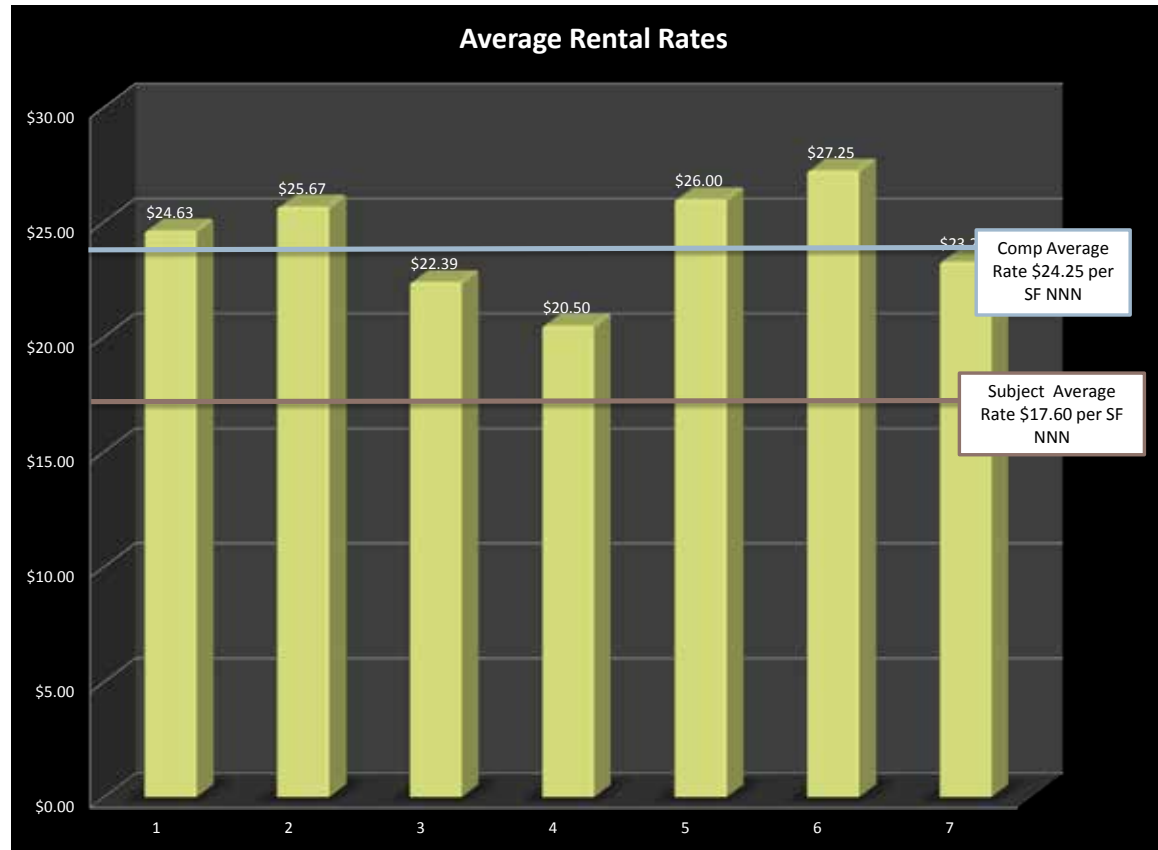
## RENT COMPARABLES

	Building Name Address	Building Size (SF)	Year Built	Current Occupancy	Lease Date	Lease Term (Months)	Signed SF	Signed Rental Rate	Expense Recovery Type	Comments
★	 DMC Medical Office Building 28300 Orchard Lake Road Farmington Hills, MI	33,723	1999	95%				\$17.60	NNN	The subject property is currently 95% occupied with 34% of the property occupied by DMC and 25% leased to the Rental Medical Practice. Due to the fact that the comparables are on NNN leases, the analysis has shown the subject property on an estimated NNN basis by backing out reimbursements.
1	 Dearborn Town Center 4700 Schaefer Dearborn, MI	144,477	2009	100%	11/2010 - 10/2030	240	103,106	\$24.63	Absolute Net	Oakwood Hospital has master leased the building on a 20 year term at a rate of \$24.63/SF absolute net with 2.5% annual rental rate increases. Oakwood will sublease out space within the facility for space not needed by the hospital with all leases commencing in November 2011. Currently, Oakwood plans to utilize 103,106 square feet of space with Midwest Health Care leasing 16,924, University Physician Group leasing 10,682 square feet, King's Pharmacy leasing 3,690 square feet and a deli leasing 2,377 square feet.
2	 Dearborn Town Center 4700 Schaefer Dearborn, MI	144,477	2009	100%	11/2010 - 10/2020	120	16,924	\$25.67	NNN	Oakwood Hospital has master leased the building on a 20 year term at a rate of \$24.63/SF absolute net with 2.5% annual rental rate increases. Oakwood will sublease out space within the facility for space not needed by the hospital with all leases commencing in November 2011. Currently, Oakwood plans to utilize 103,106 square feet of space with Midwest Health Care leasing 16,924, University Physician Group leasing 10,682 square feet, King's Pharmacy leasing 3,690 square feet and a deli leasing 2,377 square feet.
3	 Infinity Health Building 28455 Haggerty Road Novi, MI	36,338	2005	85%	3/2011 - 2/2016	65	4,020	\$22.39	NNN	The tenant, the Michigan Cancer Center is on a five year lease for \$22.39 per square foot. And did not receive any free net or tenant improvements. The property is in good overall condition and is located on a 4 acre site. The property is considered to be a Class B property in this market.

## RENT COMPARABLES

	Building Name Address	Building Size (SF)	Year Built	Current Occupancy	Lease Date	Lease Term (Months)	Signed SF	Signed Rental Rate	Expense Recovery Type	Comments
4	 Oakwood Medical Office/Surgical Center 18100 Oakwood Boulevard Dearborn, MI	102,968	2005	100%	1/2010 - 12/2019	120	1,144	\$20.50	NNN	The tenant, Oakwood Healthcare, is on a 10 year lease in which they received three months of free rent and \$50.00 per square foot in tenant improvements. The building is located across the street from Oakwood Hospital Dearborn and is anchored by the Dearborn Surgery Center (29% of space) and Oakwood Hospital (22.4% of space).
5	 North Macomb Medical Building 15979 Hall Road Macomb Township, MI	64,515	2005	91%	1/2012 - 7/2022	120	4,892	\$26.00	NNN	The tenant signed a lease on a 10 year term for \$26.00 per square foot and received \$50.00 per square foot in tenant improvements.
6	 University of Michigan Southwest Corner of Seven Mile and Haggerty Roads Northville Township, MI	100,000	2013	100%	5/2014 - 4/2039	300	100,000	\$27.25	NNN	The property is being constructed as a build to suit project for the University of Michigan Health System and is guaranteed by the Regents of the university of Michigan, which has a S&P Rating of AAA and a Moody's credit rating of Aaa. The tenant received \$200 per square foot in tenant improvements and has escalations of 5 percent every five years.
7	 McLaren Clarkston Medical Office Building 5701 Bow Pointe Drive Independence Township, MI	133,794	2009	94%	2/2011 - 1/2021	120	2,837	\$23.28	NNN	The comparable is anchored by three large medical groups and has a variety of smaller doctor's office and support services (pharmacy, medical supply equipment). The leases were completed on a build to suit basis for each tenant within the property. The property is part of a larger health campus that includes the McLaren Cancer Center and additional vacant land that McLaren Hospital has proposed to improve with a new 200 bed hospital.
<b>Actual Signed Lease Comparable Averages</b>								<b>\$24.25</b>		

## RENT COMPARABLES



## RENT COMPARABLE ANALYSIS

The average rental rate for similar medical office buildings in the market is \$24.25 per square foot on a NNN basis. Therefore, the subject property, at a blended market rental rate of \$17.60 per square foot, is in operating at a rental rate that is below the market.



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Financials  
**CBRE**

## FINANCIAL ANALYSIS

	CAP RATE	PRICE PER SQUARE FOOT
ASKING PRICE \$7,500,000	7.4%	\$222

### FINANCIAL OVERVIEW

**PROPOSED FINANCING TERMS:** LTV: 35%  
Amortization Schedule: 30 Year  
Loan Term: 10 Years  
Interest Rate: 4.25%  
Possibility for interest only for two years.  
Structure for TI Sweeps

**FINANCING:** The asset is being offered free and clear of existing financing

**TYPE OF OWNERSHIP:** Fee Simple

### INCOME ESTIMATES

**SCHEDULED BASE RENT:** The scheduled base rent for the first year of the analysis assumes the rental income for the current tenants only based on the year one income of 6/2015 - 5/2016.

**EXPENSE REIMBURSEMENT:** The analysis has assumed that all tenants are paying their reimbursement method per their lease agreements.

**VACANT SPACE** The analysis assumes that the vacant space will remain vacant for the first year of the analysis.

### EXPENSE ESTIMATES

**REAL ESTATE TAXES:** The real estate taxes have been estimated based on the 2014 SEV of \$980,790 (same as the 2014 taxable value) and the 2013 non-homestead millage rate of 50.9889.

**COMMON AREA MAINTENANCE AND INSURANCE:** Estimated based on the 2012, 2013 YTD income and expenses as well as the 2014 YTD.

**MANAGEMENT FEE:** Estimated at 5.0% of effective gross revenue.

**VACANCY AND COLLECTION LOSS:** The analysis has not applied a vacancy factor in the first year of the analysis due to the current vacancy of 5.0%.

**REPLACEMENT RESERVES:** The analysis has included replacement reserves of \$0.25 per square foot.

## ANALYSIS ASSUMPTIONS

### TEN YEAR ANALYSIS - ASSUMPTIONS

<b>ANALYSIS DATES-YEAR ONE:</b>	6/1/2015 - 5/31/2016
<b>ENTIRE ANALYSIS PERIOD:</b>	Ten Years
<b>CURRENT TENANTS:</b>	The property is currently 95% occupied. We have assumed that all of the vacant space (one suite of 1,777 square feet) will remain vacant for the first year of the analysis.
<b>EXPENSE RECOVERY TYPE:</b>	The majority of the tenants are on gross leases with base year expense stop, please refer to the rent roll on the following pages for further details.
<b>RENEWAL PROBABILITY:</b>	A renewal probability of 75% has been applied to all current tenants.
<b>MARKET RENTAL RATE:</b>	A market rental rate of \$17.50 per square foot on a base year stop
<b>TENANT IMPROVEMENTS:</b>	\$40.00 per square foot for new space and \$15.00 per square foot for renewals.
<b>LEASING COMMISSIONS:</b>	6.0% for new leases and 3.0% for renewals.
<b>LEASE TERM:</b>	Five Years
<b>EXPENSE RECOVERY TYPE:</b>	Gross with base year
<b>VACANCY FACTOR:</b>	Calculated to be a total of 10% upon full lease up of the property (Year Two of the analysis).





**FINANCIALS - RENT ROLL**

DMC Medical Office Building Rent Roll as of January, 2015								
Tenant Name Type & Suite Number Lease Dates & Term	SqFt Bldg Share	Annual Rate	Rate per SF	Changes On	Changes To	Expense Reimbursement Method	Renewals / Comments	
1 Rental Clinic Office, Suite: 100,104 Mar-2010 to Feb-2025	6,944 20.59%	\$204,848	\$29.50	Mar-2016 Mar-2017 Mar-2018 Mar-2019 Mar-2020 Mar-2021 Mar-2022 Mar-2023	\$30.00 \$30.50 \$31.00 \$31.50 \$31.80 \$32.10 \$32.70 \$33.00	Base Year Stop of \$6.50 per square foot plus suite electric	None	
2 Rental Storage Storage Mar-2010 to Feb-2020	1,570 4.66%	\$9,960	\$6.34	-	-	Gross	N/A	
3 Oakland Drugs Office, Suite: 101 Jun-2011 to May-2016	1,266 3.75%	\$27,219	\$21.50	Jun-2015	\$22.00	Base Year Stop of \$6.50 per square foot plus suite electric	Two, five year renewal options with a notification period of 180 days. Lease rate to increase \$0.50 per SF per year during renewal term.	
4 Oakland Hearing Aid Office, Suite: 102 Mar-2010 to Feb-2020	776 2.30%	\$22,892	\$29.50	Mar-2016 Mar-2017 Mar-2018 Mar-2019	\$30.00 \$30.50 \$31.00 \$31.50	Base Year Stop of \$6.50 per square foot plus suite electric	None	

**FINANCIALS - RENT ROLL**

DMC Medical Office Building Rent Roll as of January, 2015								
Tenant Name Type & Suite Number Lease Dates & Term	SqFt Bldg Share	Annual Rate	Rate per SF	Changes On	Changes To	Expense Reimbursement Method	Renewals / Comments	
5 Pain Management Office, Suite: 103 Aug-1999 to May-2016	3,991 11.83%	\$121,726	\$30.50	Jun-2015	\$31.00	Base Year Stop of \$9.78 per square foot plus suite electric	None	
6 Pain Management Storage Aug-1999 to May-2016	160 0.47%	\$1,920	\$12.00	-	-	Gross + Suite Elec	None	
7 DMC Sports Medical Group Office, Suite: 200 Jan-2011 to Aug-2018	6,300 18.68%	\$117,810	\$18.70	Sep-2015 Sep-2016 Sep-2017	\$19.10 \$19.50 \$19.90	NNN + Mgmt	Two, five-year renewal options with 180 days notice and a rental rate at the prevailing market rate.	
8 Oakland Allergy Center Office, Suite: 201 Mar-2010 to Feb-2025	2,100 6.23%	\$54,600	\$26.00	Mar-2016 Mar-2017 Mar-2018 Mar-2019 Mar-2020 Mar-2021 Mar-2022 Mar-2023 Mar-2024	\$26.50 \$27.00 \$27.50 \$28.00 \$28.50 \$28.80 \$29.10 \$29.40 \$29.70	Base Year Stop of \$6.50 per square foot plus suite electric	None	

**FINANCIALS - RENT ROLL**

DMC Medical Office Building Rent Roll as of January, 2015								
Tenant Name Type & Suite Number Lease Dates & Term	SqFt Bldg Share	Annual Rate	Rate per SF	Changes On	Changes To	Expense Reimbursement Method	Renewals / Comments	
9 St. Clair Specialty Office, Suite: 202 Jun-2011 to Nov-2021	2,440 7.24%	\$63,440	\$26.00	Dec-2017 Dec-2018 Dec-2019 Dec-2020	\$26.50 \$27.00 \$27.50 \$28.00	Base Year Stop of \$9.07 per square foot plus suite electric	One, five year renewal option with 270 days notice and a rental rate at the prevailing market rate.	
10 Befitting You Office, Suite: 204 Feb-2015 to Jan-2020	1,200 3.56%	\$21,600	\$18.00	Feb-2016 Feb-2017 Feb-2018 Feb-2019	\$18.50 \$19.00 \$19.50 \$20.00	Gross	None	
11 DMC Orthopedic Center - Joint Plus Office, Suite: 222 Dec-2013 to Nov-2020	5,199 15.42%	\$93,062	\$17.90	Dec-2015 Dec-2016 Dec-2017 Dec-2018 Dec-2019	\$18.30 \$18.70 \$19.10 \$19.50 \$19.90	NNN + Mgmt	Two, five-year renewal options with 180 days notice and a rental rate at the prevailing market rate.	
Vacant Space	1,777 5.27%	-	-	-	-	-	-	
<b>Total Occupied SqFt</b>	<b>31,946</b>		<b>95%</b>		<b>\$739,077</b>			
<b>Total Available SqFt</b>	<b>1,777</b>		<b>5%</b>		<b>\$23.14</b>	<b>Average Rental Rate</b>		
<b>Total Building Size</b>	<b>33,723</b>				<b>DMC Occupied Space</b>	<b>34.10%</b>		

## FINANCIALS - INCOME & EXPENSES

DMC Medical Office Building					
Year One Cash Flow Estimates					
Cash Flow Estimates as of January, 2015					
	Price			\$7,500,000	
	Down Payment	35%		\$2,625,000	
	Proposed Financing			\$4,875,000	
	Rentable Square Feet			33,723	
	Price per Square Foot			\$222.40	
	CAP Rate			7.4%	
	Current Occupancy			95%	
Operating Income				6/2015 - 5/2016	Per SF
Scheduled Base Rent					
Base Rent - Occupied Space	95%	31,946	SF	\$747,688	\$23.40
Base Rent - Vacant Space	5%	1,777	SF	\$0	\$0.00
Total Income				\$747,688	\$22.17
Expense Reimbursements				\$195,906	\$5.81
Total Gross Revenue				\$943,594	\$27.98
Vacancy/Collection Allowance		0.00%		\$0	\$0.00
Effective Gross Income				\$943,594	\$27.98
Operating Expense Estimates					
Administrative				\$2,760	\$0.08
CAM Expense				\$30,635	\$0.91
Housekeeping Expense				\$58,700	\$1.74
Maintenance Expense				\$45,973	\$1.36
Security Expense				\$2,865	\$0.08
Insurance Expense				\$12,091	\$0.36
Utility Expense				\$139,924	\$4.15
Real Estate Tax Expense				\$50,009	\$1.48
Total Operating Expenses				\$342,957	\$10.17
Management Fee		4.0%		\$37,744	\$1.12
Replacement Reserve		\$0.25		\$8,431	\$0.25
Total Expenses				\$389,132	\$11.54
<b>Net Operating Income</b>				<b>\$554,462</b>	<b>\$16.44</b>
Net Cash Flow Before Debt Service				\$554,462	\$16.44
Debt Service-Proposed Financing				(\$286,769)	(\$8.50)
Debt Service Coverage Ratio				1.93	
Net Cash Flow After Debt Service				\$267,693	\$7.94
<b>Year One Cash on Cash Return</b>				<b>10.20%</b>	
Principal Reduction				\$82,185	\$2.44
Total Return				\$349,878	\$10.38
<b>Year One Total Return</b>				<b>13.33%</b>	



For More Information Please Contact:

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