



# Fresenius Medical Care

701 EAST LAUCHWOOD DRIVE, LAURINBURG, NORTH CAROLINA 28352



*An offering by America's most experienced owner of all-cash, high-quality net leased properties.*

Dear Investor:

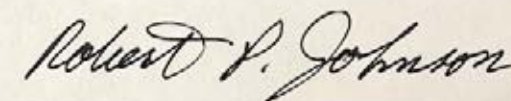
For real estate owners seeking high-quality property investment for direct ownership or to complete their 1031 exchanges, net leased commercial properties are one of the most sought-after assets. AEI has been specializing in commercial net lease property investments since 1974. As landlord for major American corporations, we've developed, owned, and managed more than 300 net lease properties in 37 states, representing the investment capital of more than 19,000 investors nationwide.

For TIC investors seeking direct asset ownership, a commercial income property under a long-term net lease to a name-brand corporate tenant is a very attractive choice. AEI is a leader in the TIC industry. We were the first company in America to offer securitized TIC investments in 1992. We were the first company to receive a favorable Private Letter Ruling from the IRS with respect to the qualification of our TIC-1031 offerings as "like-kind" property. We are one of the most experienced sources of net lease property TIC offerings in the country.

This offering brings the optimal components of an AEI property together in one investment: a category leading tenant, Fresenius Medical Care, a property in an ideal location and an attractive long-term net lease.

We look forward to sharing more information with you on this or other TIC-1031 properties.

Sincerely,



Robert P. Johnson  
President/CEO  
AEI Capital Corporation



### *Disclosure*

*This information is provided by the property owners. It is intended only to provide a general overview of each property and neither AEI Capital Corporation, nor any of its affiliates, makes any warranty, expressed or implied, or assumes any legal liability or responsibility for the accuracy or completeness of the information contained herein. This information may not be distributed, reproduced, or used in any manner without the express written consent of AEI Capital Corporation.*

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# INVESTMENT OVERVIEW

<b>Tenant:</b>	Bio-Medical Applications of North Carolina, Inc.	<b>Lease Type:</b>	NN
<b>Lease Guarantor:</b>	Fresenius Medical Care Holdings, Inc.	<b>Year Built:</b>	2003
<b>Price:</b>	\$2,942,000	<b>Lot Size:</b>	63,461 sq. ft. (1.46 Acres)
<b>Cap Rate:</b>	6.26%	<b>Lease Term:</b>	10/25/2002 - 10/31/2023
<b>Annual Rent:</b>	\$184,164	<b>Renewal Options:</b>	3 5-year options
<b>Gross Leasable Area:</b>	10,625 sq. ft.	<b>Rent Increases:</b>	14% on 11/1/16
		<b>Minimum Investment:</b>	\$150,000



# PROPERTY HIGHLIGHTS

**Tenant:**

- Fresenius Medical Holdings, Inc., a subsidiary of Fresenius Medical Care Ag & Co KGAA - the world's largest dialysis operator
- 1,832 clinics in North America
- Net income of \$621 million\*
- Annual revenues of \$8.03 billion and a net worth of \$7.95 billion\*

**Location:**

- Located in Laurinburg, NC, a diverse economic city
- Corner location with close proximity to Interstate 74
- Located within the medical area of Laurinburg with several medical tenants including Scotland Memorial Hospital, a 104 bed acute care facility

**Lease Terms:**

- Long-term net lease – 11 years remain on initial term
- 14% rent increase November 1, 2016
- 6.60% Average cap rate over remaining lease term\*\*

\*As of 12-31-2011  
\*\*As of 11-1-2012



File Photo



# TENANT PROFILE

## About the Parent Company

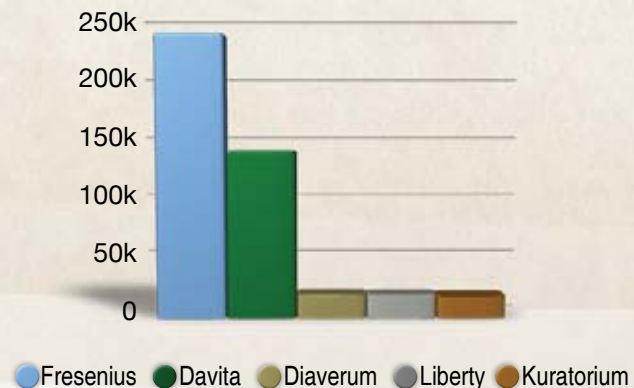
Fresenius Medical Care Ag & Co KGAA (NYSE: FMS) is the world's largest integrated provider of products and services for individuals undergoing dialysis because of chronic kidney failure, a condition that affects more than two million individuals worldwide and is expected to grow to more than three million by 2020. Through over 2,900 kidney dialysis clinics in North America, Europe, Latin America, Asia-Pacific and Africa, they provide treatment to more than 230,000 patients. FMS is, also, the world's pre-eminent provider of dialysis products such as hemodialysis machines, dialyzers and related disposable products. Fresenius Medical Care's 2011 revenues were \$12.79 billion, resulting in a net income of \$1.07 billion. As of December 31, 2011 FMS had total shareholder's equity of \$7.90 billion.

## About the Lease Guarantor

Fresenius Medical Care Holdings, Inc. (FMCH), which guarantees the lease, conducts business under the trade name Fresenius Medical Care North America. FMCH is a wholly owned subsidiary of Fresenius Medical Care and was responsible for 60% of FMS's revenues in 2011.

- Headquartered in Waltham, Massachusetts, FMCH employs 45,000 people and is the leading provider of kidney dialysis services and renal care products in North America.
- FMCH have more than 1,800 kidney dialysis clinics and care for nearly 142,000 patients in the United States.
- FMCH is composed of two divisions. Fresenius Medical Services, which provides ongoing dialysis treatment for patients through their network of national facilities, and The Renal Therapies Group, which manufactures and distributes a variety of dialysis products and equipment.

Number of Patients Worldwide



\*As of 12-31-2011



## INCOME SUMMARY

YEAR	ANNUAL BASE RENT	YIELD	TAX EQUIVALENT YIELD*
2012	\$184,164	6.26%	8.25%
2013	\$184,164	6.26%	8.25%
2014	\$184,164	6.26%	8.25%
2015	\$184,164	6.26%	8.25%
2016*	\$188,461	6.41%	8.55%
2017	\$210,000	7.14%	9.52%
2018	\$210,000	7.14%	9.52%
2019	\$210,000	7.14%	9.52%
2020	\$210,000	7.14%	9.52%
2021	\$210,000	7.14%	9.52%
2022	\$210,000	7.14%	9.52%
2023**	\$140,000	5.71%	7.61%

\*Assumes a 25% tax rate

\*\*Initial lease term expires October 31, 2023. The tenant shall pay no monthly rent from 9/1/2023 - 10/31/23.



# LAURINBURG MARKET OVERVIEW

Laurinburg is the county seat of Scotland County and is within 100 miles of the metro regions of Raleigh and Charlotte. Scotland County has a diverse economic base made up of agriculture, manufacturing, educational and healthcare and various small businesses.

Laurinburg projects positive job growth over the next five years. Population and average household income within a five mile radius have increased over the past decade to 21,930 and \$49,708, respectively. Most recently the Scotland County Economic Department was awarded a grant in the amount of \$85,000 to spur training programs for small business owners and entrepreneurs.

For dialysis, North Carolina is a Certificate of Need State, meaning that dialysis providers are required to obtain approval from the Department of Health and Human Services prior to constructing a new facility.

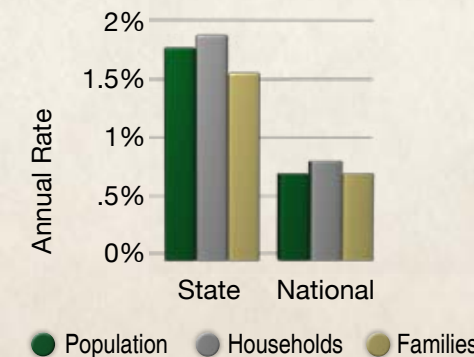


# LAURINBURG DEMOGRAPHICS

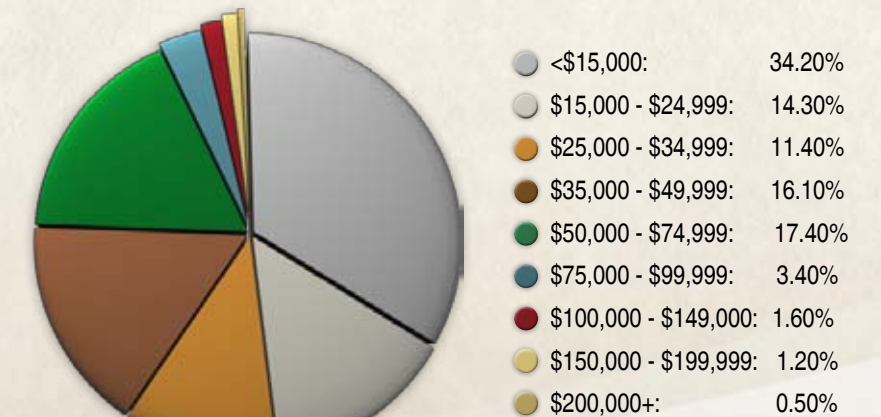
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Population	2,661	21,930	44,933
Households	946	8,176	16,514
Families	510	5,646	11,698
Average Household Size	2.35	2.47	2.60
Median Age	29.20	37.00	35.80
Average Household Income	\$34,127	\$49,078	\$46,257

2010 ESRI Data

## Growth Trends 2010-2015



## Households by Income



1 mile radius of subject

## ABOUT AEI



Founded in 1970, AEI is one of America's oldest sponsors of net lease real estate investment programs and a leader in the TIC-1031 exchange industry. AEI is a national source of high quality,

commercial real estate for property owners engaged in 1031 tax-deferred property exchanges. AEI has specialized in developing, evaluating and purchasing these types of properties for more than 35 years and offers a portfolio of name-brand, net leased commercial retail properties.

### Why come to AEI for your TIC or 1031 properties?

**Exceptional service.** If this is your first 1031 property exchange or TIC purchase, we make every effort to ensure that you fully understand

the transaction. Our experienced professionals are available to assist you at each step.

**Stability and quality.** AEI offers quality, single tenant properties – freestanding real estate occupied by creditworthy corporate tenants under long-term net leases.

**Acquisition expertise.** AEI has performed institutional-grade due diligence on every property we own. Acquiring property from AEI can reduce this time-consuming, labor-intensive aspect of your property selection process and provide a higher level of expertise than you may be able to provide yourself.

**Post-purchase services.** After your property purchase is complete, AEI can provide the following services:

- Accounting and distribution of rental income
- Year-end 1099 forms for tax reporting
- Assisting with any management concerns you may have about your property
- Monitoring lease compliance, tax and insurance payments, and property maintenance by the tenant





**AEI CAPITAL CORPORATION**

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