

Delaware Eye Care Center
HUB Center
DOVER, DE



OFFERING MEMORANDUM



BRANDS



NNN Investments
of Berger Realty Group, Inc.
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CONFIDENTIALITY DISCLOSURE

This is a confidential disclosure memorandum intended solely for your limited use and benefit in determining whether you desire to express further interest into the acquisition of the Subject 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 Owner or the Property, 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/or Berger Realty Group, 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 all interested and qualified prospective purchasers. Neither the Owner or Berger Realty Group Inc., nor any of their respective directors, officers, affiliates, agents, or representatives are making 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 own investigations and inspections of the Property in evaluating a possible purchase of the real property.

The Owner expressly reserves the right, at its sole discretion, to reject any or all expressions of interest or offers to purchase Property, and/or to terminate discussions with any entity at any time with or without notice that 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 obligations therein have been satisfied or waived.

By review and receipt of this disclosure 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 Berger Realty Group, Inc. Furthermore, you agree not to use this memorandum or any of its contents in a manner detrimental to the interest of the Owner or Berger Realty Group, Inc.

In this memorandum, certain documents, including leases and other materials, are described in summary form. These summaries do not purport to be neither complete nor necessarily accurate descriptions of the full agreements referenced therein. Interested parties are so advised and expected to review all such summaries and other documents independently and not to rely on the contents of this memorandum in any manner.

ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY. PLEASE CONSULT YOUR BERGER REALTY GROUP, INC. AGENT FOR MORE DETAILS.

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FINANCIAL OVERVIEW

833 S Governors Ave Dover, DE 19904
825 S Governors Ave Dover, DE 19904

Annualized Operating Data

Rent Increases Annual rent increases of 3%

					Monthly	Annually
Price	\$6,598,000	2014	\$17,788.00	\$2,500.00	\$20,288.00	\$243,456.00
		2015	\$18,321.64	\$2,575.00	\$20,896.64	\$250,759.68
		2016	\$18,871.29	\$2,652.25	\$21,523.54	\$258,282.48
Rentable Square Feet	10,000	2017	\$20,621.17	\$6,873.72	\$27,494.89	\$329,938.68
current rent (2017)	\$329,938.68	2018	\$21,239.80	\$7,079.93	\$28,319.73	\$339,836.76
CAP Rate	5%	2019	\$21,877.00	\$7,292.33	\$29,169.33	\$350,031.96
renovated	1994/2003	2020	\$22,533.31	\$7,511.10	\$30,044.41	\$360,532.92
Lot Size	1.5 Acres	2021	\$23,209.31	\$7,736.44	\$30,945.75	\$371,349.00
Type of Ownership	Fee Simple	2022	\$23,905.58	\$7,968.53	\$31,874.11	\$382,489.32
		2023	\$24,622.75	\$8,207.58	\$32,830.33	\$393,963.96
		2024	\$25,361.43	\$8,453.81	\$33,815.24	\$405,782.88
		2025	\$26,122.28	\$8,707.43	\$34,829.71	\$417,956.52
		2026	\$26,905.95	\$8,968.65	\$35,874.60	\$430,495.20
		2027	\$27,713.13	\$9,237.71	\$36,950.84	\$443,410.08
		2028	\$28,544.52	\$9,514.84	\$38,059.36	\$456,712.32
		2029	\$29,400.86	\$9,800.28	\$39,201.14	\$470,413.68
		2030	\$30,282.89	\$10,094.29	\$40,377.18	\$484,526.16
		2031	\$31,191.37	\$10,397.12	\$41,588.49	\$499,061.88
		2032	\$32,127.11	\$10,709.03	\$42,836.14	\$514,033.68
		2033	\$33,090.92	\$11,030.30	\$44,121.22	\$529,454.64
		2034	\$34,083.65	\$11,361.21	\$45,444.86	\$545,338.32

Tenant Summary

Ownership	Land and Building
Tenant	Delaware Eye Care
Lease Guarantor	Eye Care Service Partners
Lease Type	NNN
Original Lease Term	20.4 years
Commencement Date	1-Jan-2014
Lease Term	1-Jan-2014
Expiration Date	1-May-2034
Remaining on Lease	18 years
Increases	3% annually
Options	2 Five year options

TOTAL RENTS OF \$7,725,327.90

Large Corporate Guarantee by



Headquartered in Baltimore, ESP is creating the nation's leading eye care services company in both quality and scale by consolidating ophthalmologic and optometric practices and ambulatory surgery centers that are locally dominant and clinically differentiated. They provide a patient centric model that delivers outstanding care and quality outcomes through all of their providers and staff by leveraging a comprehensive array of best-in-class technology, processes, and managerial infrastructure.

ESP is one of the largest eye care groups consisting of Katzen Eye Group, Aesthetics, Dulaney Eye institute, Delaware Eye Care Center and Inland Eye Specialists.

ESP is backed by the multi-billion dollar equity firm, Varsity Partners. Together they are dominating the eye care surgical market.

TENANT OVERVIEW

Property Name	Delaware Eye Care Center
Property Address	833 & 825 S Governor Ave Dover, DE 19904
Property Type	Absolute NNN HUB Center
Rentable Square Feet	10,000

Tenant Trade Name	Delaware Eye Care Center
Ownership	Private Equity Firm
Tenant	Surgical Group
Lease Guarantor	Corporate Guarantee
Rank	***Largest Eyecare Surgical Centers in US

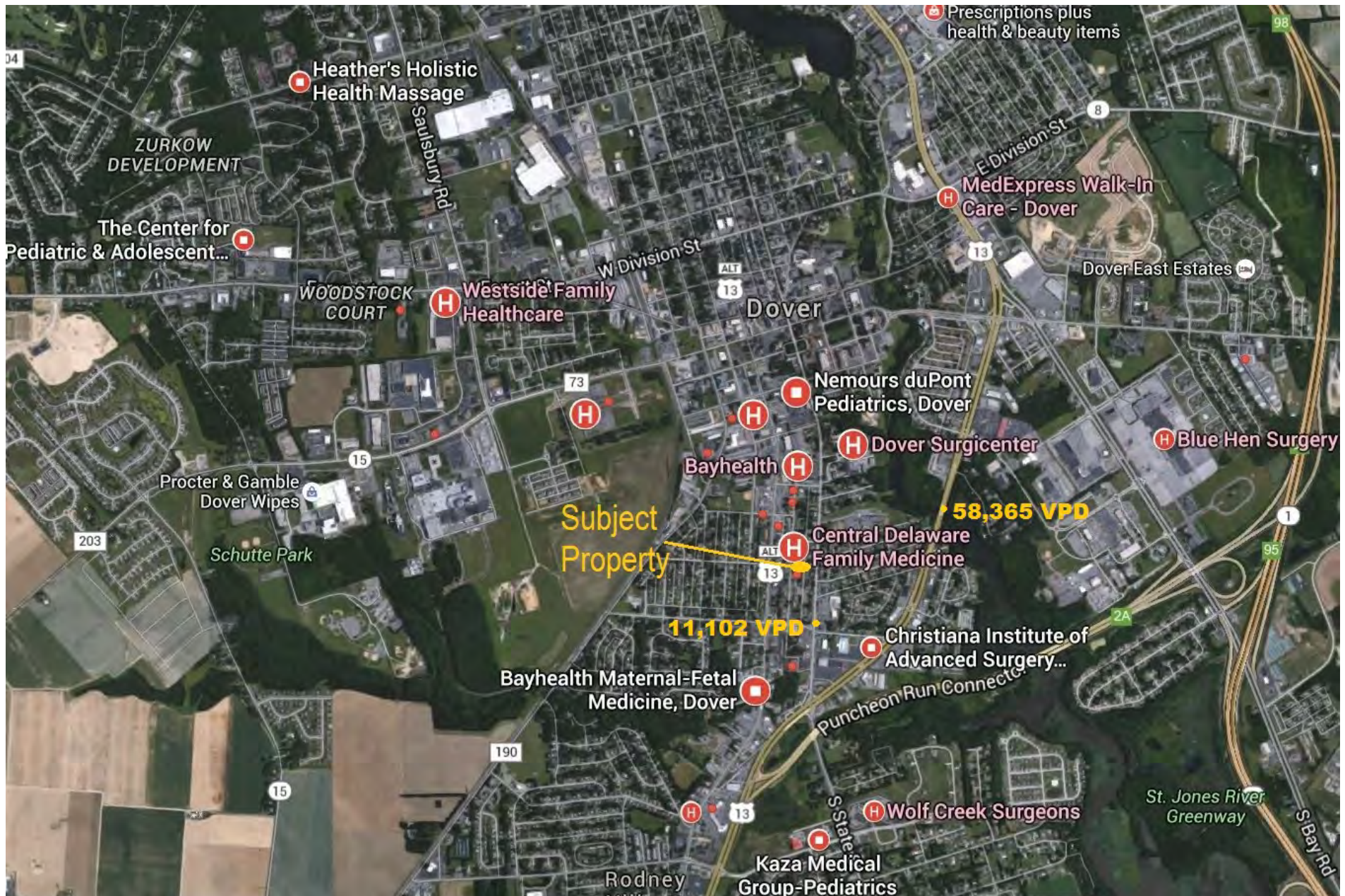
Lease Commencement Date	1/01/2014
Rent Commencement Date	1/01/2014
Lease Expiration Date	01/04/2034
Term Remaining on Lease	18 Years
Lease Type	Triple Net (NNN)
Roof and Structure	Tenant Responsible
Original Lease Term	20 Years

Options to Renew	2 Five year
Options to Terminate	None
Options to Purchase	None
First Right of Refusal	None

Headquartered	Dover, DE
Tenant Web Site	www.delawareeyecare.com
Corporate Guarantee - EyeCare Service Partners	www.espmgmt.com
Parent Equity Firm - Varsity Healthcare Partners	varsityhealthcarepartners.com

Delaware Eye Care Center

PROPERTY DESCRIPTION



INVESTMENT OVERVIEW

Investment Highlights

- Corporate HUB Location
- One of the Largest Eye Care Companies
- 3% Increase in Annual Rent
- Within 1/2 Mile of the Bayhealth Medical Hospital
- Tenant just extended lease to 18 years with a \$71,116 rent increases starting in 2017, showing how strong this location is
- 3 Miles from Delaware State University
- Surrounded by Hospitals, Medical Centers and in the heart of the city center, 1 mile from Dover State Capitol



The subject property is a freestanding 10,000+/- sq.ft. Delaware Eye Care located on Governors Ave. in Dover, Delaware. Governors Ave., is a major medical thoroughfare with a reported traffic count of approximately 11,000 cars per day which joins near US13 with 58,536 cars per day. Delaware Eye Care Center was opened and operated by Dr Gary Markowitz, the tenant has been operating in this location for more than 30 years with locations all over Delaware, they have an abundant of new patients and are recruiting more Dr's. every month, dominating the eye surgical market. This is the main HUB store in Delaware supplying 6 other locations. In 2014 ESP (Eye Service Partners under Varsity Health Care) bought this multi million dollar company together with other high quality eye care corporate brands. Today ESP with a multi billion dollar backing is acquiring numerous other brands and opening up multiple eye surgical centers all across the US.



The Tenant is planning a major expansion on the building located on 825 S Governors Ave, which is currently being used as parking for staff. This will begin end of 2016 /2017

Dover - is the capital and second largest city in the U.S. state of Delaware. It is also the county seat of Kent County, and the principal city of the Dover, DE Metropolitan Statistical Area, which encompasses all of Kent County. Delaware's largest employer is also Dover's - the state government. A large portion, but not all, of the state's bureaucracy is located in and around Dover. However, like some other American states, Delaware's capital is not its largest city.

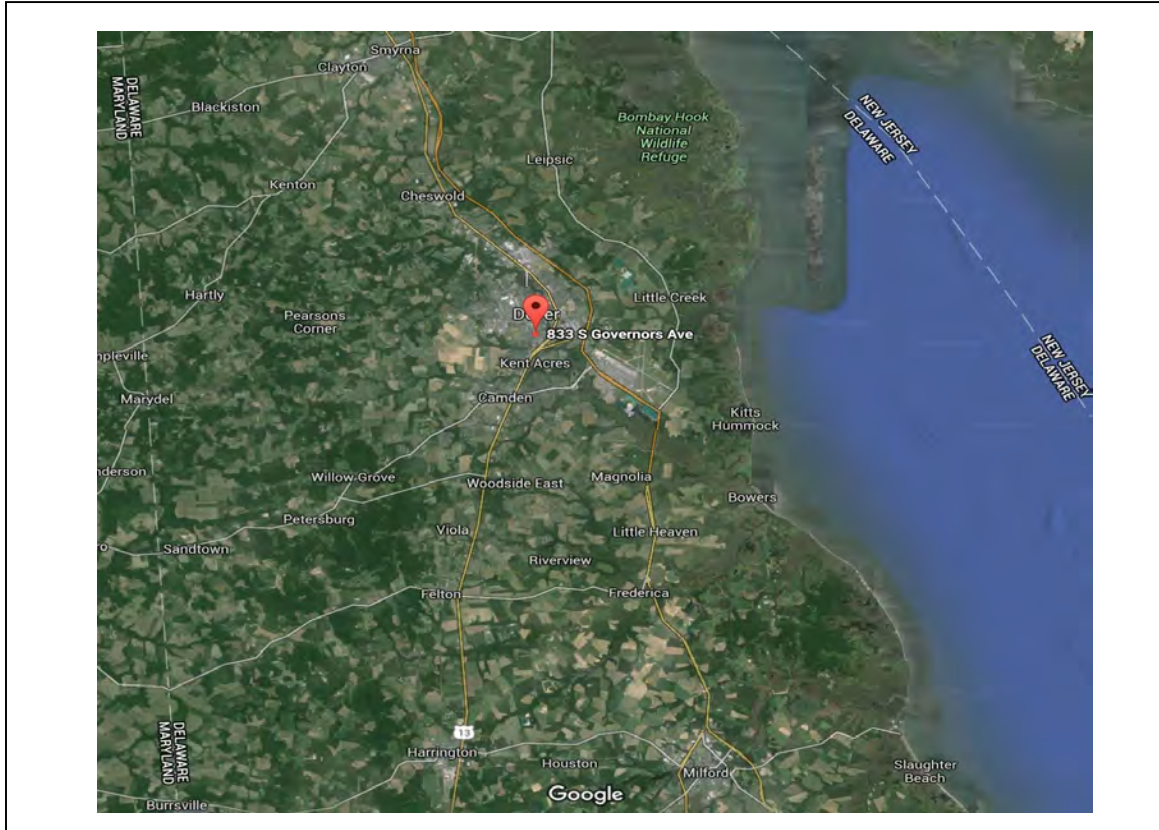
Consequently, Wilmington, in the northern part of the state and its largest city, has many state offices and employees one would normally expect to find in the state capital, including the headquarters of the Office of the Attorney General, especially as many large American corporations maintain nominal offices in that city to register their Delaware corporation. Dover is one of the fast-growing areas in the state of Delaware, due in large part to the relatively low cost of living. As a consequence, the Kent County government is a major employer in the area as well. Apart from the state and county governments, Dover's significant employers include Dover Air Force Base, located within the southeast corporate limits of the city

PROPERTY PHOTOS



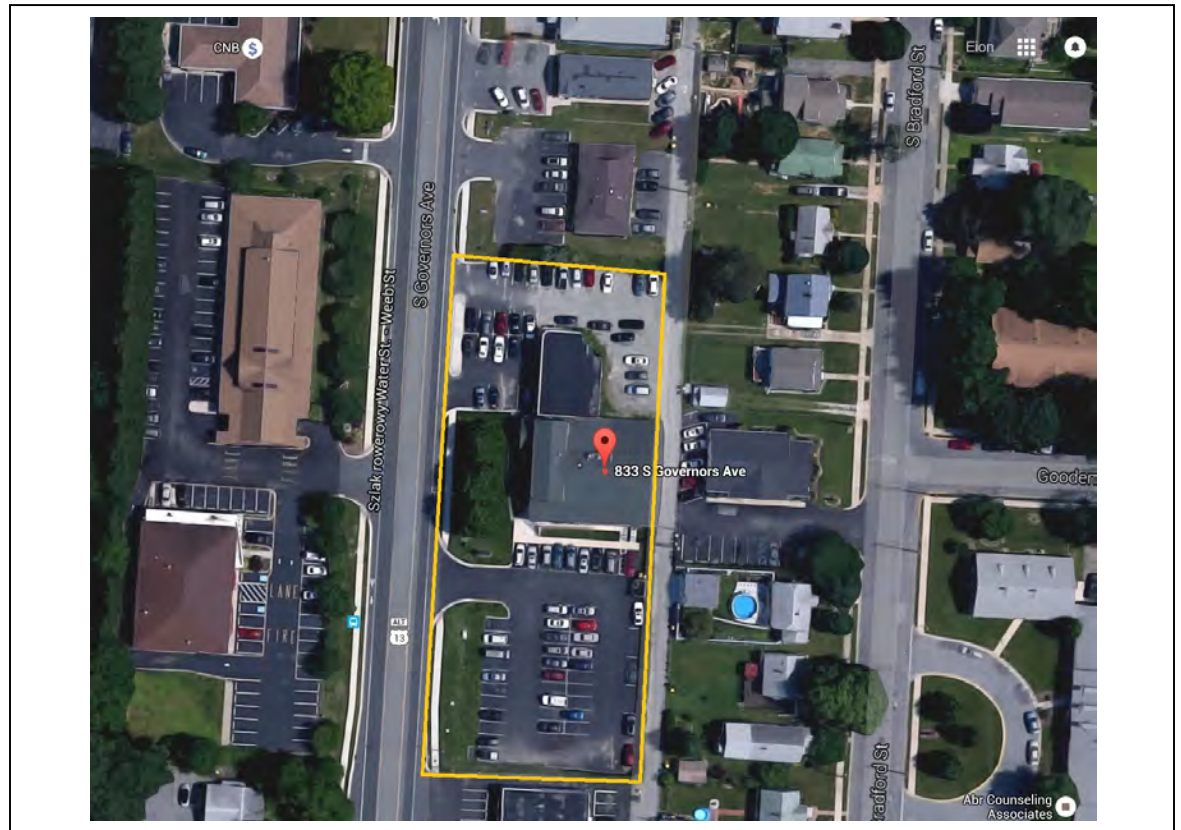
Delaware Eye Care Center

PROPERTY DESCRIPTION



Local Map

Regional Map



DEMOGRAPHIC REPORT

	1 Mile	3 Miles	5 Miles
Basic Variables			
Population	6,477	49,740	69,785
Female Population	3,406	26,342	36,623
Female Percentage	52.6%	53.0%	52.5%
Male Population	3,070	23,398	33,163
Male Percentage	47.4%	47.0%	47.5%
Households	2,955	20,597	28,352
Race & Ethnicity			
American Indian and Alaska Native Alone	0.4%	0.5%	0.6%
Asian Alone	2.2%	3.2%	3.1%
Black Alone	45.3%	37.0%	33.8%
Native Hawaiian and Other Pacific Islander Alone	0.1%	0.1%	0.1%
Some Other Race Alone	2.0%	2.4%	2.3%
Two or More Races	4.1%	4.2%	4.2%
White Alone	50.1%	56.8%	60.1%
Hispanic or Latino Ethnicity	93.5%	92.9%	93.3%
Not Hispanic or Latino Ethnicity	6.5%	7.1%	6.7%
Size of Household			
1 Person Households	31.8%	29.2%	26.8%
2 Person Households	31.9%	32.5%	33.6%
3 Person Households	15.6%	16.5%	16.8%
4 Person Households	11.6%	12.2%	12.7%
5 Person Households	5.8%	5.9%	6.2%
6 Person Households	1.9%	2.4%	2.4%
7 + Person Households	1.4%	1.3%	1.4%