

# WILMINGTON HEALTH OFFICE CONDOMINIUM INVESTMENT PROPERTY



The Offices at Mayfaire - Mayfaire II Building  
6781 Parker Farm Drive, Unit 2A  
Wilmington, NC 28405

Exclusively Listed Investment Property Opportunity  
Presented By:



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## DISCLAIMER AND CONFIDENTIALITY NOTICE

The information contained in the following Marketing Brochure is proprietary and strictly confidential. It is intended to be reviewed only by the party receiving it from MedSouth Management, LLC and its affiliates and should not be made available to any other person or entity without the written consent of MedSouth Management, LLC and its affiliates. This Marketing Brochure has been prepared to provide a summary of unverified information to prospective qualified equity investors, and to establish only a preliminary level of interest in the subject property. The information contained herein is not a substitute for a thorough due diligence investigation and verification of that information.

All potential buyers must take appropriate measures to verify all of the information set forth herein.

MedSouth Management, LLC and its affiliates makes no guarantees, representations, or warranties as to the accuracy of the information contained herein. Any assumptions, opinions, or projections on this property do not necessarily represent the current or future performance of this property.

Additionally, the Principals of MedSouth Management, LLC are licensed real estate brokers and have an ownership interest in the investment opportunity.

# CONFIDENTIALITY AGREEMENT

## Confidentiality Agreement

The Parties hereto understand and agree that the information being supplied by hard copy, electronic file, on disk and/or any other information being supplied are strictly confidential between MedSouth Healthcare Properties, L.L.C. and its Affiliates and \_\_\_\_\_ (hereafter "**Interested Party**"). This information is being provided for the sole purpose of allowing **Interested Party** opportunity to review and evaluate the relevant portfolio information in order to prepare, if they so elect, an unsolicited offer of purchase or equity in the investment for the property commonly described as Wilmington Health - Mayfaire II Medical Office Condominium.

The Parties further understand and agree that the disclosure of any information provided in conjunction with or any of this Agreement's terms, information or provisions to any third party will be detrimental to the other's business. The Parties hereby agree, promise and covenant to:

1. Hold this information provided by hard copy, electronic file, disk or otherwise in strict confidence, to protect and safeguard against its publication, disclosure or transfer to any third party;
2. To restrict access to the information provided by hard copy, electronic file, disk or otherwise to its officers, directors, and employees who clearly need such access, to advise each of the persons to whom it provides access that they are strictly prohibited from disclosing or transferring this Agreement or any of its terms to any third party and;
3. To maintain specific and adequate procedures to prevent the publication, disclosure and transfer of the information provided by hard copy, electronic file, disk or otherwise or any of its terms to any third party. The Parties have carefully considered the nature and extent of the restrictions upon them, and acknowledge that the same are reasonable and are fully required in order to protect their legitimate interests.

The Parties agree that the terms of this Agreement survive between the Parties regardless of whether or not the Parties enter into a Contract for Purchase and Sale, formally executed or otherwise. This Agreement may not be assigned by either Party. The Agreement shall remain in full force and effect in the event of a sale or other transfer of all or substantially all of the ownership or assets of either party. Neither **Interested Party** nor the successor in interest to **Interested Party**, shall be released from this Agreement as a result of such assignment, sale, merger or transfer. This agreement shall be enforceable for one (1) year from the date of execution.

The undersigned acknowledges that MedSouth Management, LLC is acting as the agent for the Borrower/Sponsor and has a principal ownership interest; and any fees for the Investor's Broker, if any, shall be paid by the Investor to its agents, except as may be otherwise agreed.

MedSouth Management, LLC and its Affiliates shall not be responsible for any 3rd party fees in respect to this transaction, unless approved and accepted in advance between the respective parties.

### Agreed and Accepted by:

MedSouth Management, LLC

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Please mail or e-mail a signed copy to either:

Bill Transou  
5950 Fairview Road - Ste 405  
Charlotte, NC 28210  
bill@MedSouthHCP.com

OR

### Interested Party:

Signed: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Benjamin Bivens  
5950 Fairview Road - Ste 405  
Charlotte NC, 28210  
Benjamin@MedSouthHCP.com

## WORKING WITH REAL ESTATE AGENTS

**NOTE: Effective July 2, 2001, in every real estate sales transaction, a real estate agent shall, at first substantiate contact directly with a prospective buyer or seller, provide the prospective buyer or seller with the following information [NC Real Estate Commission Rule 21 NCAC 58A.0104(c)].**

When buying or selling real estate, you may find it helpful to have a real estate agent assist you. Real estate agents can provide many useful services and work with you in different ways. In some real estate transactions, the agents work for the seller. In others, the seller and buyer may each have agents. And sometimes the same agents work for both the buyer and the seller. It is important for you to know whether an agent is working for you as **your** agent or simply working **with** you while acting as an agent of the other party.

This brochure addresses the various types of working relationships that may be available to you. It should help you decide which relationship you want to have with a real estate agent. It will also give you useful information about the various services real estate agents can provide buyers and sellers, and it will help explain how real estate agents are paid.

### SELLERS

#### ***Seller's Agent***

If you are selling real estate, you may want to "list" your property for sale with a real estate firm. If so, you will sign a "listing agreement" authorizing the firm and its agents to represent you in your dealings with buyers as your *seller's agent*. You may also be asked to allow agents from other firms to help find a buyer for your property.

Be sure to read and understand the listing agreement before you sign it.

**Duties to Seller:** The listing firm and its agents must • promote your best interests • be loyal to you • follow your lawful instructions • provide you with all material facts that could influence your decisions • use reasonable skill, care and diligence, and • account for all monies they handle for you. Once you have signed the listing agreement, the firm and its agents may not give any confidential information about you to prospective buyers or their agents without your permission. But **until you sign the listing agreement, you should avoid telling the listing agent anything you would not want a buyer to know.**

**Services and Compensation:** To help you sell your property, the listing firm and its agents will offer to perform a number of services for you. These may include • helping you price your property • advertising and marketing your property • giving you all required property disclosure forms for you to complete • negotiating for you the best possible price and terms • reviewing all written offers with you • otherwise promoting your interests.

For representing you and helping you sell your property, you will pay the listing firm a sales commission or fee. The listing agreement must state the amount or method for determining the commission or fee and whether you will allow the firm to share its commission with agents representing the buyer.

#### ***Dual Agent***

You may even permit the listing firm and its agents to represent you **and** a buyer at the same time. This "dual agency relationship" is most likely to happen if an agent with your listing firm is working as a *buyer's agent* with someone who wants to purchase your property. If this occurs and you have not already agreed to a dual agency relationship in your listing agreement, your listing agent will ask you to sign a separate agreement or document permitting the agent to act as agent for both you and the buyer.

It may be difficult for a *dual agent* to advance the interests of both the buyer and seller. Nevertheless, a *dual agent* must treat buyers and sellers fairly and equally. Although the *dual agent* owes them the same duties, buyers and sellers can prohibit *dual agents* from divulging **certain** confidential information about them to the other party.

Some firms also offer a form of dual agency called "designated agency" where one agent in the firm represents the seller and another agent represents the buyer. This option (when available) may allow each "designated agent" to more fully represent each party.

If you chose the "dual agency" option, remember that since a dual agent's loyalty is divided between parties with competing interests, it is especially important that you have a clear understanding of • what your relationship is with the *dual agent* and • what the agent will be doing for you in the transaction.

### BUYERS

When buying real estate, you may have several choices as to how you want a real estate firm and its agents to work with you. For example, you may want them to represent only you (as a **buyer's agent**). You may be willing for them to represent both you and the seller at the same time (as a **dual agent**). Or you may agree to let them represent only the seller (**seller's agent** or **subagent**). Some agents will offer you a choice of these services. Others may not.

#### ***Buyer's Agent***

**Duties to Buyer:** If the real estate firm and its agents represent you, they must • promote your best interests • be loyal to you • follow your lawful instructions • provide you with all material facts that could influence your decisions • use reasonable skill, care and diligence, and • account for all monies they handle for you. Once you have agreed (either orally or in writing) for the firm and its agents to be your *buyer's agent*, they may not give any confidential information about you to sellers or their agents without your permission. But **until you make this agreement with your buyer's agent, you should avoid telling the agent anything you would not want a seller to know.**

**Unwritten Agreements:** To make sure that you and the real estate firm have a clear understanding of what your relationship will be and what the firm will do for you, you may want to have a written agreement. However, some firms may be willing to represent and assist you for a time as a *buyer's agent* without a written agreement. But if you decide to make an offer to purchase a particular property, the agent must obtain a written agency agreement. If you do not sign it, the agent can no longer represent and assist you and is no longer required to keep information about you confidential. Furthermore, if you later purchase the property through an agent with another firm, the agent who first showed you the property may seek compensation from the other firm.

Be sure to read and understand any agency agreement before you sign it.

**Services and Compensation:** Whether you have a written or unwritten agreement, a *buyer's agent* will perform a number of services for you. These may include helping you • find a suitable property • arrange financing • learn more about the property and • otherwise promote your best interests. If you have a **written** agency agreement, the agent can also help you prepare and submit a written offer to the seller.

A *buyer's agent* can be compensated in different ways. For example, you can pay the agent out of your own pocket. Or the agent may seek compensation from the seller or listing agent first, but require you to pay if the listing agent refuses. Whatever the case, be sure your compensation arrangement with your *buyer's agent* is spelled out in a buyer agency agreement before you make an offer to purchase property and that you carefully read and understand the compensation provision.

## WORKING WITH REAL ESTATE AGENTS - Continued

### **Dual Agent**

You may permit an agent or firm to represent you **and** the seller at the same time. This “dual agency relationship” is most likely to happen if you become interested in a property listed with your *buyer's agent* or the agent's firm. If this occurs, and you have not already agreed to a dual agency relationship in your (written or oral) buyer agency agreement, your *buyer's agent* will ask you to sign a separate agreement or document permitting him or her to act as agent for both you and the seller. It may be difficult for a *dual agent* to advance the interests of both the buyer and seller. Nevertheless, a *dual agent* must treat buyers and sellers fairly and equally. Although the *dual agent* owes them the same duties, buyers and sellers can prohibit *dual agents* from divulging **certain** confidential information about them to the other party.

Some firms also offer a form of dual agency called “designated agency” where one agent in the firm represents the seller and another agent represents the buyer. This option (when available) may allow each “designated agent” to more fully represent each party.

If you choose the “dual agency” option, remember that since a *dual agent's* loyalty is divided between parties with competing interests, it is especially important that you have a clear understanding of • what your relationship is with the *dual agent* and • what the agent will be doing for you in the transaction. This can best be accomplished by putting the agreement in writing at the earliest possible time.

### **Seller's Agent Working with a Buyer**

If the real estate agent or firm that you contact does not offer *buyer agency* or you do not want them to act as your *buyer agent*, you can still work with the firm and its agents. However, they will be acting as the *seller's agent* (or “subagent”). The agent can still help you find and purchase property and provide many of the same services as a *buyer's agent*. The agent must be fair with you and provide you with any “material facts” (such as a leaky roof) about properties.

But remember, the agent represents the seller – not you – and therefore must try to obtain for the seller the best possible price and terms for the seller's property. Furthermore, a *seller's agent* is required to give the seller any information about you (even personal, financial or confidential information) that would help the seller in the sale of his or her property. Agents must tell you *in writing* if they are *seller's agents* before you say anything that can help the seller. But **until you are sure that an agent is not a seller's agent, you should avoid saying anything you do not want a seller to know.**

*Seller's agents* are compensated by the sellers.

## WORKING WITH REAL ESTATE AGENTS

### ***This is not a contract***

By signing, I acknowledge that the agent named below furnished a copy of this brochure and reviewed it with me.

\_\_\_\_\_  
*Buyer Name (Print or Type)*

\_\_\_\_\_  
*Buyer (Print or Type)*

\_\_\_\_\_  
*Buyer Signature*

\_\_\_\_\_  
*Buyer Signature*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*Date*

\_\_\_\_\_  
*MedSouth Management, LLC*  
*Firm Names*

\_\_\_\_\_  
*William Transou & Benjamin E. Bivens*  
*Agent Names*

### ***Disclosure of Seller Subagency - If Box Is Check Marked***



*When showing your property and assisting you in the purchase of a property, the above agent and firm will represent the SELLER if the box is check marked. For more information, see “Seller's Agent Working with a Buyer” in the brochure.*

*Buyer's Initials Acknowledging Disclosure:* \_\_\_\_\_

***Agent must retain this acknowledgement for their files.***

# EXECUTIVE SUMMARY



MedSouth Management, LLC ("MedSouth") is pleased to present investors with the opportunity to acquire a Class A, 100% leased and occupied medical office condominium investment property located in Wilmington, North Carolina, in New Hanover County; herein referred to as Wilmington Health at Mayfaire II.

The offering is located in the second phase of a brand new, Class A professional office condominium development called The Offices at Mayfaire. The offering consists of a condominium interest of approximately 9,517 rentable square feet (which includes an allocated interest in the common areas) and is 100% directly leased by Wilmington Health, PLLC <http://www.wilmingtonhealth.com/>. The condominium unit is located on the second floor of a three story, approximately 36,000 +/- square foot professional office condominium building. The Offices at Mayfaire professional condominiums are located within the Mayfaire Professional Office Park in Mayfaire Town Center - <http://www.mayfairetown.com/> the newest and most prestigious mixed-use development in New Hanover County. Mayfaire Town Center is a Class A, mixed-use development featuring an eclectic mix of over 80 top name brand shops, restaurants and businesses and features four high end apartment and residential condominium living communities. The Offices at Mayfaire professional office project is an exclusive development by a prominent local developer who is focused on Class A Office, Medical Office and Retail condominium developments. The current lease was signed by Wilmington Health PLLC for a 10 year period which has an effective date of September 14th 2012 and a certificate of occupancy and commencement date of May 6th 2013.



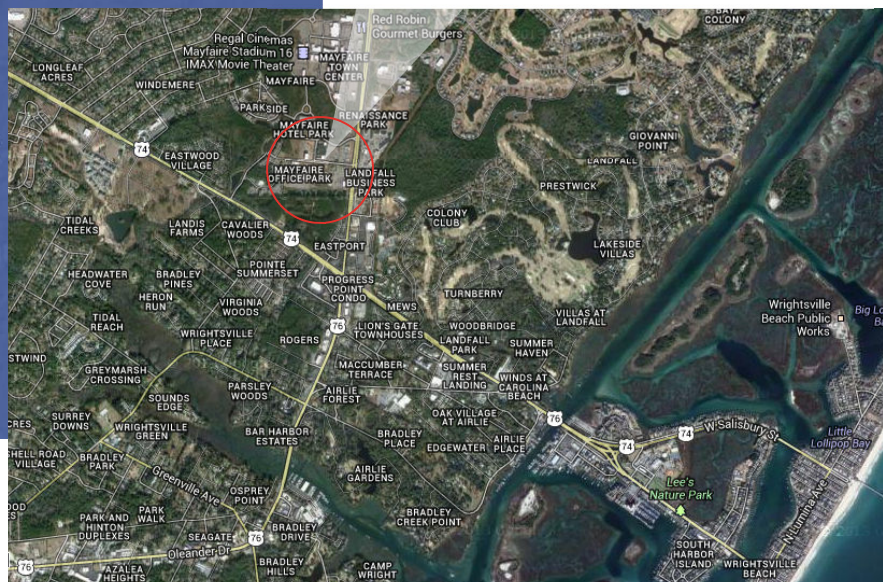
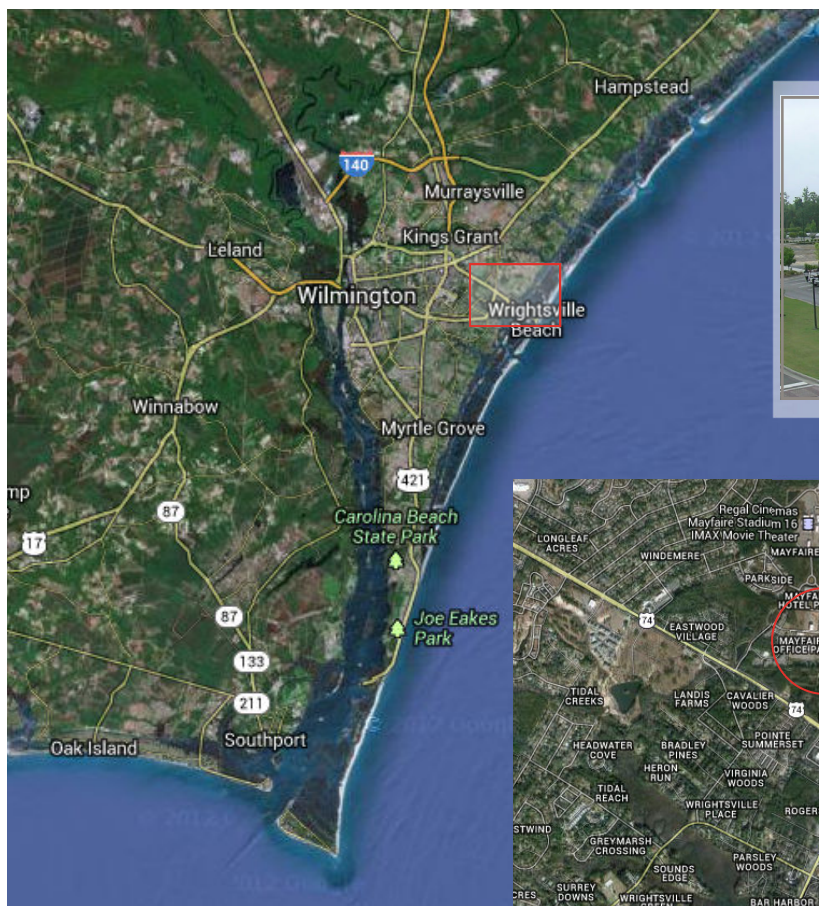
The tenant has three (3), five (5) year option periods after the initial term along with an Option to Terminate on the 7th anniversary giving 6 months prior notice and paying a penalty of \$106,855 which represents approximately 6 months of rental income or 49% of year 7 rental income. The tenant originally had a Right of First Refusal to purchase the property under the lease which was waived with written confirmation. The lease provides for an annual increase derived from the C.P.I. Index with a minimum floor of 3% and maximum ceiling of 6% annual rental escalations over the length of the lease.

The tenant has several medical practices operating out of the space including OB/GYN, Internal Medicine and Pediatrics. The landlord has contributed \$430,000 (\$53.93 psf) to tenant improvements and the tenant has also spent approximately \$153,000 (19.19 psf) of it's own money up-fitting the space.

<https://www.wilmingtonhealth.com/locations/mayfaire>

| <b><u>Offer-<br/>Sta-</u></b> | <b>List Price:</b> | <b>NOI:</b> | <b>\$/SF:</b> | <b>Cap Rate</b> | <b><u>ing<br/>tistics:</u></b> |
|-------------------------------|--------------------|-------------|---------------|-----------------|--------------------------------|
|                               | \$2,750,000        | \$197,568   | \$288.96      | 7.18%           |                                |

# LOCATION OVERVIEW - STATE AND CITY



# LOCATION OVERVIEW - SUBMARKET



The Offices at Mayfaire professional and medical office condominiums are planned to be completed as a phased in development. The first, second and phase is completed and fully occupied with the subject property being located in the second phase or referred to as The Offices at Mayfaire II.

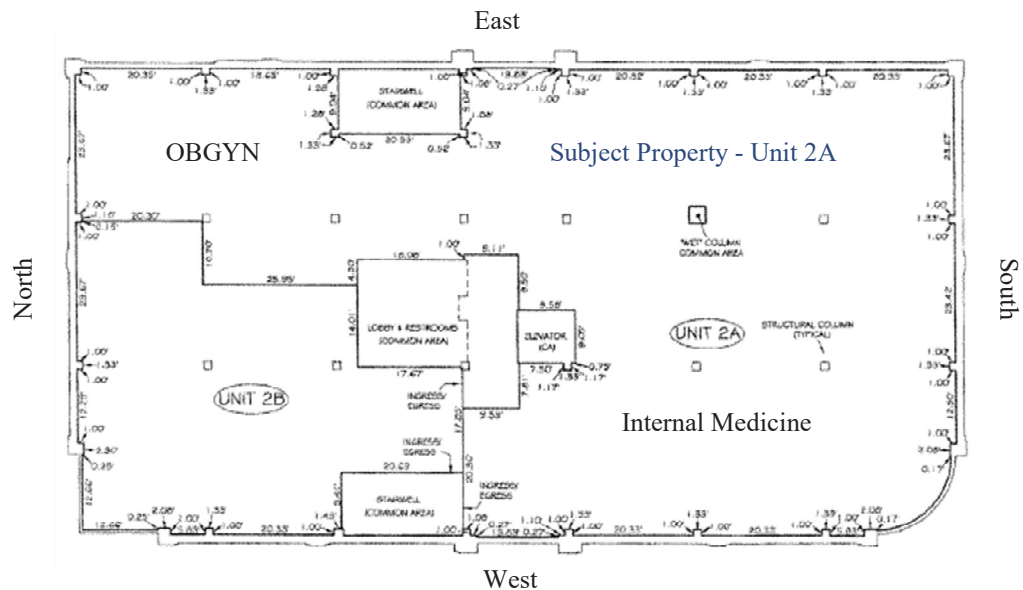
The retail portion fronting Military Cutoff Road is largely already built out with major brand name banking, restaurant and grocery retailers as noted on the map above.

Parker Farm Drive has a 4 way traffic signal with turning lanes into and out of the development making ingress and egress very convenient.

# LOCATION OVERVIEW - BUILDING



Eastern and Northern view of the Subject Property. The property is located on the Second Floor.



Western and Southern view of the Subject Property. The property is located on the Second Floor.



# SUBJECT PROPERTY INTERIOR PHOTOS



1st Floor - Main Lobby



2nd Floor - Common Lobby and Main Entry



Subject Property - Internal Medicine Hallway



Subject Property - Internal Medicine Exam Room



Subject Property - OB/GYN Exam Room



Subject Property - OB/GYN Nursing Mothers Room

# TENANT PROFILE SUMMARY



Wilmington Health's Headquarters Building in Wilmington, NC

The tenant, Wilmington Health, PLLC, has been serving the population of Wilmington NC and the Southeastern region of NC since 1971. The company is structured as the largest, privately held, multi-specialty clinic in the area which includes Primary Care, Specialty Care, Diagnostic Imaging and Urgent Care. They have 21 locations in the area serving patients currently.

Wilmington Health provides comprehensive, up-to-date care in multiple medical specialties, including cardiology, electrophysiology, pulmonology, gastroenterology, infectious diseases, neurology, and dermatology. General, vascular, endovascular, colorectal, obstetrics and gynecology, ear nose and throat, and robotics are among the surgical procedures they offer. The primary care services are family medicine, internal medicine, and pediatrics. Although many physicians at Wilmington Health tend to their patients at the hospital. Wilmington Health also has a highly specialized group of internists specializing in hospital-based medicine.

Wilmington Health also offers medical services such as sleep evaluations, physical therapy, travel clinic, neurodiagnostic testing, general radiology, and CT and MRI imaging. They also perform a variety of cardiologic services: nuclear medicine, echocardiography, pacemaker evaluations, catheterizations, and HeartScore cardiac calcium scoring. They also have a fully integrated vascular laboratory for the evaluation of circulatory problems.

| PRIMARY CARE      | SPECIALTY CARE                          | LAB/X-RAY           |
|-------------------|-----------------------------------------|---------------------|
| FAMILY MEDICINE   | AUDIOLOGY                               | IMAGING (RADIOLOGY) |
| INTERNAL MEDICINE | CARDIOLOGY                              | QUICK CARE          |
| OB/GYN            | CLINICAL PHARMACY                       | CONVENIENT CARE     |
| PEDIATRICS        | CLINICAL RESEARCH                       | URGENT CARE         |
|                   | DERMATOLOGY                             |                     |
|                   | DIABETES EDUCATION                      |                     |
|                   | EAR, NOSE, AND THROAT                   |                     |
|                   | ENDOCRINOLOGY                           |                     |
|                   | GASTROENTEROLOGY                        |                     |
|                   | HEARING AID SERVICES                    |                     |
|                   | HOSPITALIST                             |                     |
|                   | INFECTIOUS DISEASES AND TRAVEL CLINIC   |                     |
|                   | INFUSION CENTER                         |                     |
|                   | NEUROLOGY                               |                     |
|                   | NUTRITION SERVICES                      |                     |
|                   | OCCUPATIONAL HEALTH SERVICES            |                     |
|                   | ONCOLOGY/HEMATOLOGY                     |                     |
|                   | ORTHOPAEDIC SURGERY                     |                     |
|                   | PHYSICAL THERAPY                        |                     |
|                   | PLASTIC AND RECONSTRUCTIVE SURGERY      |                     |
|                   | PODIATRY                                |                     |
|                   | PULMONARY AND ALLERGY                   |                     |
|                   | RHEUMATOLOGY                            |                     |
|                   | ROBOTIC SURGERY                         |                     |
|                   | SLEEP MEDICINE                          |                     |
|                   | SPECIAL NEEDS AND TRANSITIONAL MEDICINE |                     |
|                   | SPINAL INTERVENTION                     |                     |
|                   | SURGERY                                 |                     |
|                   | UROLOGY                                 |                     |
|                   | VASCULAR SURGERY                        |                     |
|                   | WEIGHT MANAGEMENT, AN HMR PROGRAM       |                     |



The company is structured as a privately administered healthcare clinic with a six member executive staff which includes the CEO, COO, CFO, Board President, CMO (Chief Medical Officer) and a Director of Lean Operations. The organization looks to hire and or acquire existing professional medical staff and has built up a brand name reputation within the Wilmington market and surrounding areas. Wilmington Health has over 150 healthcare providers on staff serving nearly 450,000 residents of the greater Wilmington area which include New Hanover, Pender, and Brunswick Counties.

<https://www.wilmingtonhealth.com/>

# TENANT LEASE SUMMARY



The Offices at Mayfaire - Mayfaire II Building  
6781 Parker Farm Drive, Unit 2A  
Wilmington, NC 28405

|                                               |                                                                                                                                                                                                                                                                      |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Tenant Name:</b>                           | Wilmington Health, PLLC                                                                                                                                                                                                                                              |
| <b>Rentable Square Feet:*</b>                 | 9,517                                                                                                                                                                                                                                                                |
| <b>Price/RSF of Purchase Price:</b>           | \$288.96                                                                                                                                                                                                                                                             |
| <b>Effective Lease Date:</b>                  | 9/14/2012                                                                                                                                                                                                                                                            |
| <b>Lease and Rent Commencement:**</b>         | 5/6/2013                                                                                                                                                                                                                                                             |
| <b>Initial Term:</b>                          | 10 Years from Commencement Date                                                                                                                                                                                                                                      |
| <b>Options to Renew:</b>                      | 3 - 5 Year Options with 180 Days written notice                                                                                                                                                                                                                      |
| <b>Direct Tenant Paid Upfit to the Space:</b> | \$153,000                                                                                                                                                                                                                                                            |
| <b>Annual Increases:</b>                      | Adjusted Annually by C.P.I. with a 3% minimum and a 6% maximum increase per year.                                                                                                                                                                                    |
| <b>Option to Terminate:</b>                   | Tenant has the one time right to terminate the lease on the 7th anniversary of the lease commencement by giving 6 months advance written notice, plus a cancellation penalty fee of \$106,855 payable to the landlord not less than 30 days prior to the expiration. |
| <b>Medical Practices at Location:</b>         | Internal Medicine, OB/GYN & Pediatrics                                                                                                                                                                                                                               |
| <b>Lease Structure:</b>                       | Tenant Responsible for; Real Estate Taxes, Operating Expenses (CAMS), Janitorial to it's own suite, Utilities.<br>Landlord responsible for capital expenditures subject to the condominium association.                                                              |

\* - Rentable Square Feet includes the total of the physically occupied space plus an allocated interest in the common areas of the condominium.

\*\* - Lease and Rent Commencement started upon issuance of the Certificate of Occupancy which was on 5/6/2013



Healthcare Properties, LLC

MedSouth Healthcare Properties, L.L.C. is the premiere acquisition firm  
in the Southeast for income producing healthcare real estate.

For Further Information Please Contact the Principal's of MedSouth Healthcare Properties, L.L.C.:

**Bill Transou**

Principal

Direct: (704) 577-2076

[Bill@MedSouthHCP.com](mailto:Bill@MedSouthHCP.com)

Licensed Real Estate Broker: NC, SC, GA, TN and OK

**Benjamin Bivens**

Principal

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Licensed Real Estate Broker: NC, SC, and TN