



POTOMAC RIDGE BEHAVIORAL HEALTH SYSTEM

821 Fieldcrest Drive, Cambridge, MD

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The owner reserves the right to continue to solicit proposals prior to the execution of a binding contract for the purchase of the Potomac Ridge Behavioral Health building.

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Executive Summary

Overview:

The 821 Fieldcrest Drive building is a 40,180 square foot , single story masonry detached, institutional type building, with a total capacity of 75 beds. The building was constructed in 1999. It is currently leased in its entirety to Adventist HealthCare, Inc. and is operated as Potomac Ridge Behavioral Health System, an acute care and residential mental health resource for children and adolescents. The lease commenced in September of 2006 and expires September 30, 2016 with (4) five-year options to renew.

Potomac Ridge is part of a network of health care facilities owned by Adventist HealthCare. Adventist HealthCare, Inc., one of the largest private employers based in Montgomery County, is a non-profit network of healthcare providers that includes hospitals, home health agencies, nursing centers, and other healthcare services.

The property is located on Fieldcrest Drive, in the Fifth Ward, City of Cambridge, Cambridge Election District, Dorchester County, Maryland. According to MSA, subject is tract 9704.

Demographics:

The household count in this market area* has changed from 17,291 in 2000 to 19,496 in the current year, an increase of 1.67% annually. The five-year projection of households is 21,079, a change of 1.57% annually from the current year total.

The current year population is 46,461. In 2000, the Census count in the market area was 41,874. The rate of change since 2000 was 1.44% annually. The five-year projection for the population in the market area is 49,855, representing a change of 1.42% annually from 2007 to 2012.

Current median household income is \$46,729 in the market area, compared to \$53,154 for all U.S. households.

Current per capita income is \$28,765 in the market area, compared to the U.S. per capita income of \$27,916. The per capita income is projected to be \$33,968 in five years. In 2000, the per capita income was \$23,032, compared to \$15,030 in 1990.

This acquisition represents a superior investment as an addition to a portfolio or as a 1031 exchange acquisition with minimal landlord responsibilities. The property is offered on an all cash basis. Asking price is \$8,700,000.

*Market area defined as 15-mile radius of the site.

Executive Summary (cont.)

Potomac Ridge Behavioral Health System

821 Fieldcrest Drive,
 Cambridge, MD 21613

Price:	\$8,700,000
Building Size (SF):	40,180 sq ft
Lot Size:	7.749 acres
Year Built:	1999
Tenant:	Potomac Ridge Behavioral Health System
Lease Commencement Date:	September 2006
Lease Expiration Date:	September 2016
Renewal Options:	(4) five-year options

Investment Highlights:

- Adventist Healthcare, Inc., one of the largest private medical care providers in Maryland.
- System Wide operating revenue for 2006: \$719,588,613.
- 10-year NNN lease ending in September, 2016 with four (4) five-year renewal options
- Tenant noted as one of the top ten major employers for Dorchester County, MD

Location

- Centrally Located, 75 miles from Baltimore, 87 miles from DC
- Within 5 mile radius U.S Route 50, Route 16, Route 392
- Overnight reach to more than 30% of the nation's population
- 7.6% population growth since 2000



Property Description

Single story masonry detached, institutional type building containing 40,180 square feet and a total capacity of 75 beds. Facility is used as a juvenile rehabilitation and treatment center and non-public school, located on Maryland's Eastern Shore in the town of Cambridge, Maryland.

BUILDING SF:

40,180

YEAR BUILT:

1999

FOUNDATION:

Reinforced concrete footers

BUILDING/FRAME:

Masonry

EXTERIOR WALLS:

Brick and concrete block

ROOF:

Built up and mansard shingle

HVAC:

Electric fired heat pumps

PAVING:

Bituminous asphalt surface

LOCATION:821 Fieldcrest Drive
Cambridge, MD 21613**LAND AREA:**

7.749 acres

PARKING:

106 spaces

UTILITIES:

480 v. 600+ amp electric service

ZONING:

I-1 Special Use

TOPOGRAPHY:

Topography in the vicinity of the Property is level

INGRESS/EGRESS:

Property is accessed from Eastern Shore Public Service Right of Way, 100' wide adjacent to Fieldcrest Drive

The Tenant

Potomac Ridge Behavioral Health System

Potomac Ridge Behavioral Health System, Eastern Shore is the region's only acute care and residential mental health resource for children and adolescents. The facility offers a one-of-a-kind program in the state of Maryland for low-functioning adolescents with IQs between 50 and 70. Currently, no specialty programs exist in the state to address the special clinical and therapeutic needs of this population.

Potomac Ridge is part of a network of health care facilities owned by Adventist HealthCare (See www.adventistbehavioralhealth.com).

Adventist HealthCare is a non-profit network of healthcare providers that includes hospitals, home health agencies, nursing centers, and other healthcare services. Based in Rockville, Maryland, Adventist HealthCare employs more than 7,200 people and cares for more than 450,000 men, women and children each year among the various entities and services. The primary service areas for Adventist HealthCare are the Washington, D.C. metropolitan area and northwestern New Jersey.

- One of the largest private employers based in Montgomery County.
- System wide operating revenue for 2006: \$719,588,613.
- More than \$206 million in goods and supplies purchased each year.
- Performing 600 open heart surgeries and more than 8,000 heart catheterizations and angioplasties annually.
- More than 150,000 emergency visits each year.
- More than 7,000 babies delivered annually.
- Over 6,600 skilled home care admissions each year.
- More than 1,600 doctors serve on the medical staffs of the two Adventist HealthCare hospitals.
- Patient capacity includes: 855 hospital beds (General Acute Care, Rehabilitation, and Behavioral Health Hospitals); 709 comprehensive care beds; and 50 assisted living beds.
- In 2005, Adventist HealthCare served over 62,000 community members spending nearly \$1 million on health and wellness programs for the community, including: free childhood immunizations; free and low-cost screening mammograms; free prostate cancer screenings; colon cancer education and outreach program; flu shots; and health education classes on topics from exercise and stress reduction to CPR training and smoking cessation programs.

Lease Abstract

Tenant	Potomac Ridge Behavioral Health System	
Demised Premises	40,180 square feet	
Lease Term	10 year Lease NNN	
	Commencement:	09/2007
	Expiration:	09/2016
Lease Extensions	(4) 5 year renewal options	
Income as of October 2009	Annual Base Rent:	\$668,750.00
Parking	106 spaces	
Expenses	None	

Annual NOI and Cap Rate

October 2010 – October 2011	\$ 688,062.50 = 8.0%
October 2011 – October 2012	\$ 707,954.38 = 8.1%
October 2012 – October 2013	\$ 728,443.01 = 8.4%
October 2013 – October 2014	\$ 749,546.30 = 8.6%
October 2014 – October 2015	\$ 771,282.69 = 8.9%
October 2015 – October 2016	\$ 793,671.17 = 9.1%

Average Cap Rate = 8.52%

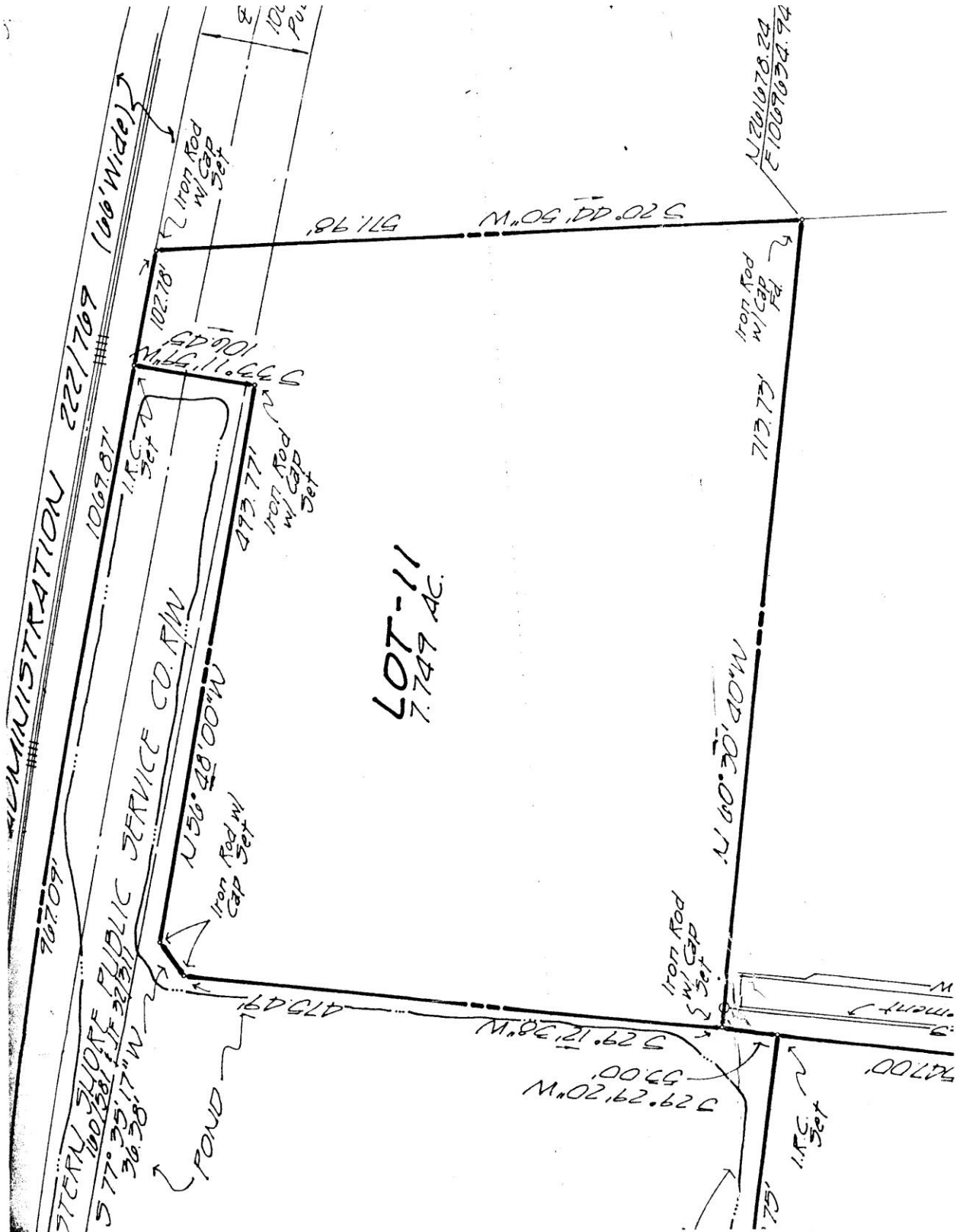
Property Photographs



Property Photographs

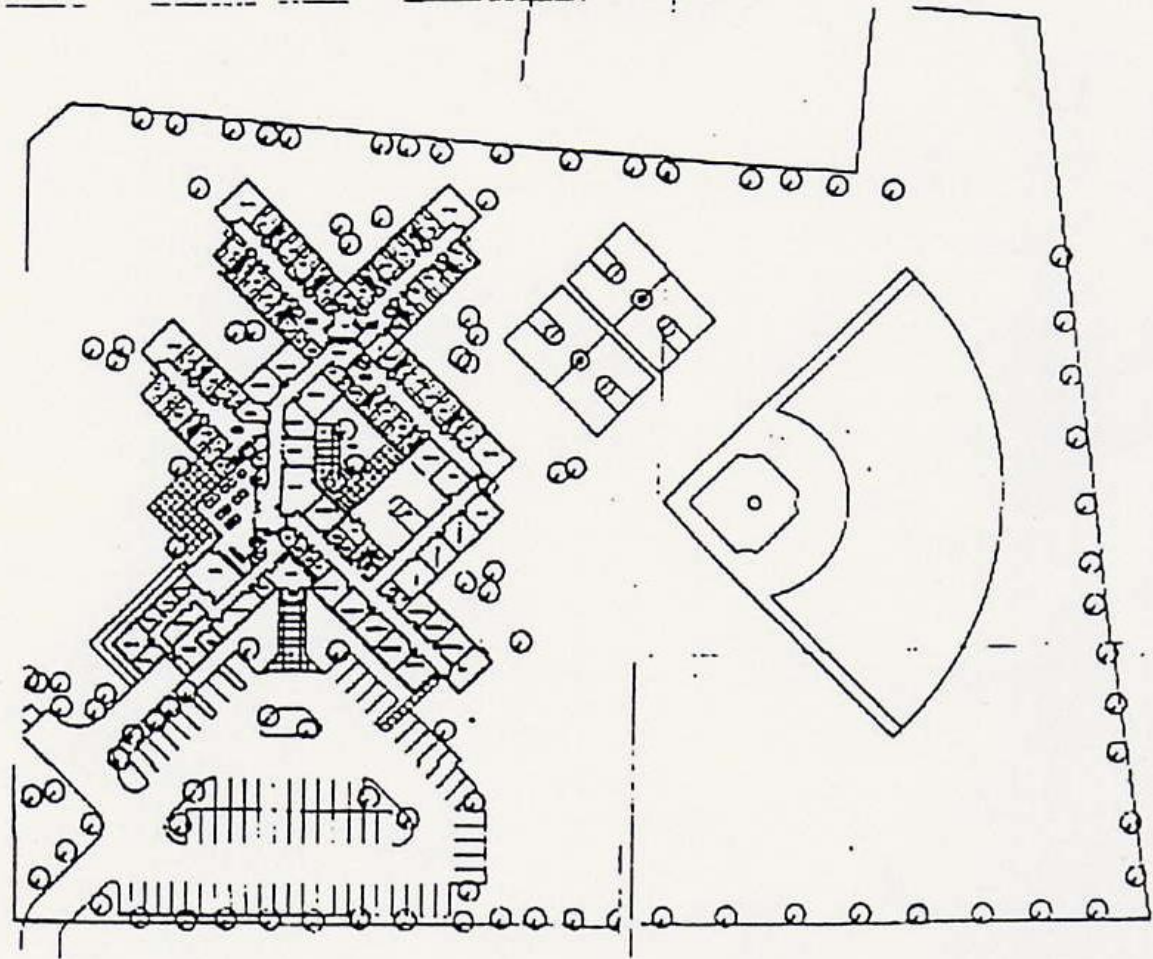



Survey



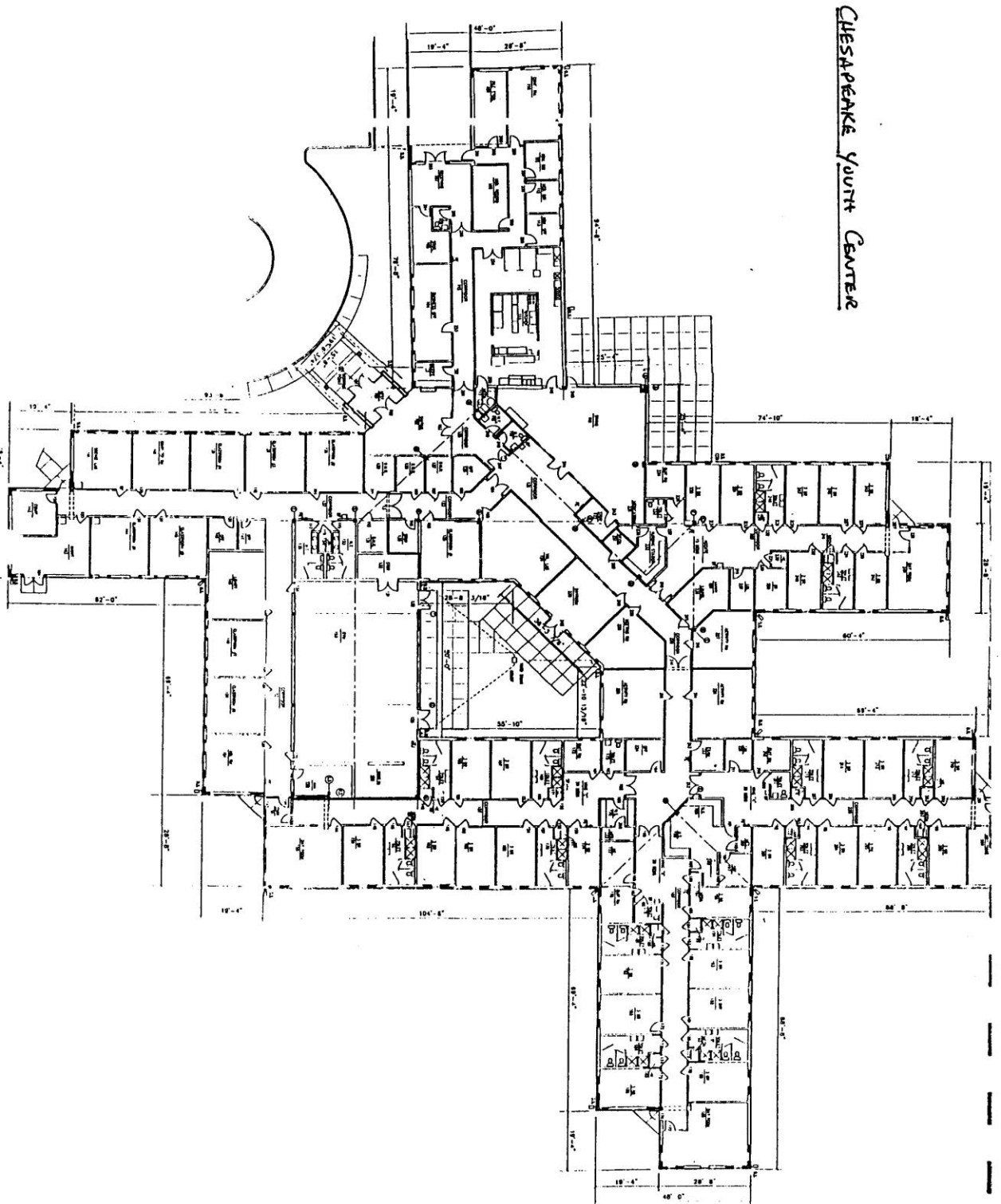
Site Plan

Site Plan of Subject



 SITE PLAN - CHESAPEAKE TREATMENT CENTER
MAY 1997

Building – Floor Plan



Aerial Photographs

