



Actual Location

**LIBERTY
DIALYSIS**



**FRESENIUS
MEDICAL CARE
GUARANTY**

CBRE

91-2139 Fort Weaver Road • Ewa Beach, Hawaii

Net Lease Property Group

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Actual Location



Investment Overview

CBRE is pleased to exclusively offer for sale the leasehold interest in a 11,656-square-foot Fresenius Medical Care-guaranteed dialysis center located in Ewa Beach, Hawaii (Population: 15,618), which is a component of the Honolulu, HI MSA. The offering represents the opportunity to acquire an absolute NNN asset leased to a high quality, credit tenant generating an average cash-on-cash return of 16.82% over the remaining lease term. Fresenius is situated on Fort Weaver Road (Traffic Count: 62,523 VPD) which leads to Interstate-H1 approximately 1.0 mile to the north. Interstate-H1 runs east-west across the island, and provides direct access to Honolulu (17 miles east). The facility is immediately adjacent to The Queen’s Medical Center West Oahu, a community hospital licensed for 80 acute beds. Queens Medical Center provides major hospital services including an emergency room, inpatient and outpatient surgery, imaging, a women’s center, orthopedics, cardiology and specialty clinics. The immediate area features a mix of residential and retail establishments, including Taco Bell, Popeye’s, Pacific Supermarket, and a variety of local/regional retailers and restaurants. Additionally, the other side of Fort Weaver Road comprises a heavily industrialized area occupied by Goodyear Tire & Rubber, ABC Furniture, Ferguson and multiple car dealerships. The property is located on Oahu, the third largest Hawaiian island which contains approximately two thirds of the population—1,014,211 people—and is home to the state capital, Honolulu. The area is highly affluent, with an average household income of \$104,444 and a median home value of \$534,460 within a five-mile radius. Oahu boasts an ideal mix of dynamic economic development, strong community engagement, and healthy lifestyle options. The island’s incredible natural beauty and tropical climate have encouraged the development of tourism which is the cornerstone of Oahu’s economy.

Demographics

1 Mile Pop.	1 Mile AHI	3 Mile Pop.	3 Mile AHI	5 Mile Pop.	5 Mile AHI	Traffic Counts
15,269	\$95,181	102,822	\$105,907	230,056	\$104,444	Fort Weaver Road: 62,523 VPD Farrington Highway: 38,639 VPD

*Please see the financial summary/cash-on-cash analysis on page 6 for additional information.



Actual Location

Investment Summary

Address	91-2139 Fort Weaver Road, Ewa Beach, HI 96706
Parcel Size	1.30 Acres
Building Size	11,656 SF
Parking Spaces:	49 Spaces
Year Built:	2016
NOI*	\$310,526
Price	\$3,931,000
Cap Rate	7.90%
Average Cash-on-Cash over Term*	16.82%
Equity Multiple	3.2x

Investment Highlights

Strong Guaranty

Fresenius Medical Care Holdings, Inc. d/b/a Fresenius Medical Care North America (FMCNA) is the leading provider of dialysis services and products to more than 190,000 patients suffering from Chronic Kidney Disease in North America. The company operates 2,200 dialysis facilities in all 50 states and employs over 60,000 people. FMCNA is a division of Fresenius Medical Care AG & Co. KGaA (NYSE: FMS; S&P: BBB-).

Phenomenal Return

The offering represents an average cash-on-cash return of 16.82% over the remaining 18.7-year term and an equity multiple of 3.2x.

Excellent Access & Visibility

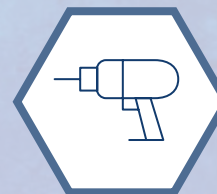
Situated on Fort Weaver Road (Traffic Count: 62,523 VPD) which leads to Interstate-H1 approximately 1.0 mile to the north. Interstate-H1 runs east-west across the island, and provides direct access to Honolulu (17 miles east).

Prominent Retail Corridor

The immediate area features a mix of residential and retail establishments, including Taco Bell, Popeye's, Pacific Supermarket, and a variety of local/regional retailers and restaurants. Additionally, the other side of Fort Weaver Road comprises a heavily industrialized area occupied by Goodyear Tire & Rubber, ABC Furniture, Ferguson and multiple car dealerships.

Honolulu, HI

Honolulu is the largest city (Population: 428,652) in the Hawaiian Islands. The city's airport—Hawaii's largest—facilitates Honolulu's position as the natural gateway to the island's significant tourism industry (\$15.6 Billion in 2016 visitor spending). Honolulu's strategic location in the Pacific make it a large business and trading hub, particularly between the East and the West.



Absolute NNN Leasehold

This is an absolute NNN leasehold interest whereby the Tenant reimburses the Landlord for the underlying ground rent.

Attractive Rent Escalations

3% annual rent escalations throughout the initial term.

Strategic Location

The facility is immediately adjacent to The Queen's Medical Center West Oahu, a community hospital licensed for 80 acute beds. Queens Medical Center provides major hospital services including an emergency room, inpatient and outpatient surgery, imaging, a women's center, orthopedics, cardiology and specialty clinics.

Upscale 5-Mile Demographics

Population of 230,056 and an average household income of \$104,444.

Leading Dialysis Facility in O'ahu

In 2015, this facility treated 178 patients, while the average dialysis center typically serves less than 100 patients. Due to the significant demand for dialysis care, this location is opening up 48 new stations with plans to add 12-24 more in the future.

Lease Summary

TENANT:	Liberty Dialysis - Hawaii, LLC
GUARANTOR:	Fresenius Medical Care Holdings, Inc.
LEASE EXPIRATION:	July 29, 2037
TERM REMAINING:	± 18.7 Years
LEASE TYPE:	Absolute NNN Leasehold
CURRENT RENT:	\$310,526
RENT INCREASES:	3% annually
TAXES:	<p>Tenant shall pay to the appropriate government authority, all real property taxes and assessments of every description to which the Premises or any part of thereof or improvement thereon are now or may during the term of the Sublease be assessed or become liable.</p> <p>Tenant will pay to Landlord as additional rent, at the time and together with each payment of rent, additional rent, or other charges required hereunder to be made by Tenant to Landlord which is subject to the Hawaii general excise tax on gross income or any successor or similar tax.</p> <p>Tenant shall be responsible for and shall pay for all conveyance taxes imposed by the State of Hawaii on this Sublease under and pursuant to Chapter 247 or the Hawaii Revised Statutes and any successor or substitute law.</p>
INSURANCE:	<p>Tenant shall purchase and maintain, at Tenant's sole expense, the following policies of insurance:</p> <p>a) Commercial property insurance covering all buildings, structures and other Improvements located on the Land, in an amount equal to full replacement cost, written on an Insurance Services Office, Inc. Commercial Premises Policy - "Special Form" Causes of Loss form. The policies shall provide Replacement Cost Coverage and shall contain an Agreed Value Endorsement.</p> <p>b) Business income with extra expense insurance in an amount sufficient to insure payment of rent and other fixed costs, for a period of not less than 12 months, during any interruption of Tenant's business by reason of the Premises or Tenant's business personal property being damaged by fire or other perils covered under an ISO Commercial Premises Policy - "Special Form" Causes of Loss form.</p> <p>c) Commercial general liability insurance and excess or umbrella liability insurance written on an "occurrence" form covering the use, occupancy and maintenance of the Premises and all operations of Tenant therein or thereon. Limits shall be not less than the following: Bodily Injury and Premises Damage Combined Single Limit - \$2,000,000 per occurrence, subject to \$2,000,000 general aggregate per policy year; \$2,000,000 products and completed operations aggregate per policy year; Personal and Advertising Injury - \$2,000,000 per person/organization per policy year, subject to \$2,000,000 general aggregate per policy year; Fire Legal Liability \$50,000 per fire, subject to \$2,000,000 general aggregate per policy year; and Medical Expense - \$5,000 each injury.</p> <p>d) Umbrella liability insurance providing excess coverage on an "occurrence" form with a limit of liability of not less than \$5,000,000 per policy year.</p>
REPAIRS AND MAINTENANCE:	Tenant shall, at Tenant's sole expense, throughout the term of the Lease restore, repair, maintain, amend and keep all Improvements in good and safe repair, order and condition, reasonable wear and tear and destruction by unavoidable casualty excepted.
LEASE NOTES:	<ul style="list-style-type: none"> The ground rent payment is passed through the Tenant so the sublease rent is absolute NNN to the Landlord. The land lease, sublease and sub-sublease are all co-terminus.



**St. Francis Medical Center
(Land Owner)**

**Landlord
(Sub-Tenant)**

LAND-LEASE
GROUND-RENT

SUB-LEASE
GROUND-RENT

SUB-SUB-LEASE
GROUND RENT
+ IMPROVEMENTS/RENT

**Liberty Dialysis / Fresenius
(Tenant)**

**Liberty Dialysis / Fresenius
(Sub-Sub-Tenant)**

Cash-on-Cash Analysis

Summary Chart	
Price	\$3,931,000
LTV*	65%
Initial Loan Balance	\$2,555,150
Cap Rate	7.90%
Interest Rate	5.00%
Amortization Period	15 Years
Down Pmt/Equity	\$1,375,850
Average Cash-on-Cash	16.82%
Equity Multiple	3.2x
Loan Balance at EOT	\$0/Fully Amortized



Cash Flow Analysis	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12	Year 13	Year 14	Year 15	Year 16	Year 17	Year 18	Year 19
	7/31/2018	7/31/2019	7/31/2020	7/31/2021	7/31/2022	7/31/2023	7/31/2024	7/31/2025	7/31/2026	7/31/2027	7/31/2028	7/31/2029	7/31/2030	7/31/2031	7/31/2032	7/31/2033	7/31/2034	7/31/2035	7/31/2036	7/31/2037
NOI	310,526	319,842	329,437	339,320	349,500	359,985	370,784	381,908	393,365	405,166	417,321	429,841	442,736	456,018	469,698	483,789	498,303	513,252	528,650	544,509
Debt Service		(242,472)	(242,472)	(242,472)	(242,472)	(242,472)	(242,472)	(242,472)	(242,472)	(242,472)	(242,472)	(242,472)	(242,472)	(242,472)	(242,472)	(242,472)	-	-	-	-
Net Cash		77,370	86,965	96,849	107,028	117,513	128,313	139,436	150,893	162,694	174,849	187,369	200,264	213,546	227,227	241,318	498,303	513,252	528,650	544,509
Loan Balance	2,555,150	2,417,631	2,293,216	2,162,435	2,024,963	1,880,458	1,728,560	1,568,890	1,401,051	1,224,625	1,039,173	844,233	639,320	423,923	197,505	-	-	-	-	-
Cash-on-Cash		5.62%	6.32%	7.04%	7.78%	8.54%	9.33%	10.13%	10.97%	11.83%	12.71%	13.62%	14.56%	15.52%	16.52%	17.54%	36.22%	37.30%	38.42%	39.58%

*Lesser of 65% and the appraised value.



SEAFOOD CITY
SUPERMARKET

POPEYES
LOUISIANA KITCHEN

McDonald's

Longs Drugs

Pizza Hut

AT&T

Don Quijote

O'Reilly
AUTO PARTS

Walgreens

GMC

KIA

CAT

NAPA AUTO PARTS

U-HAUL

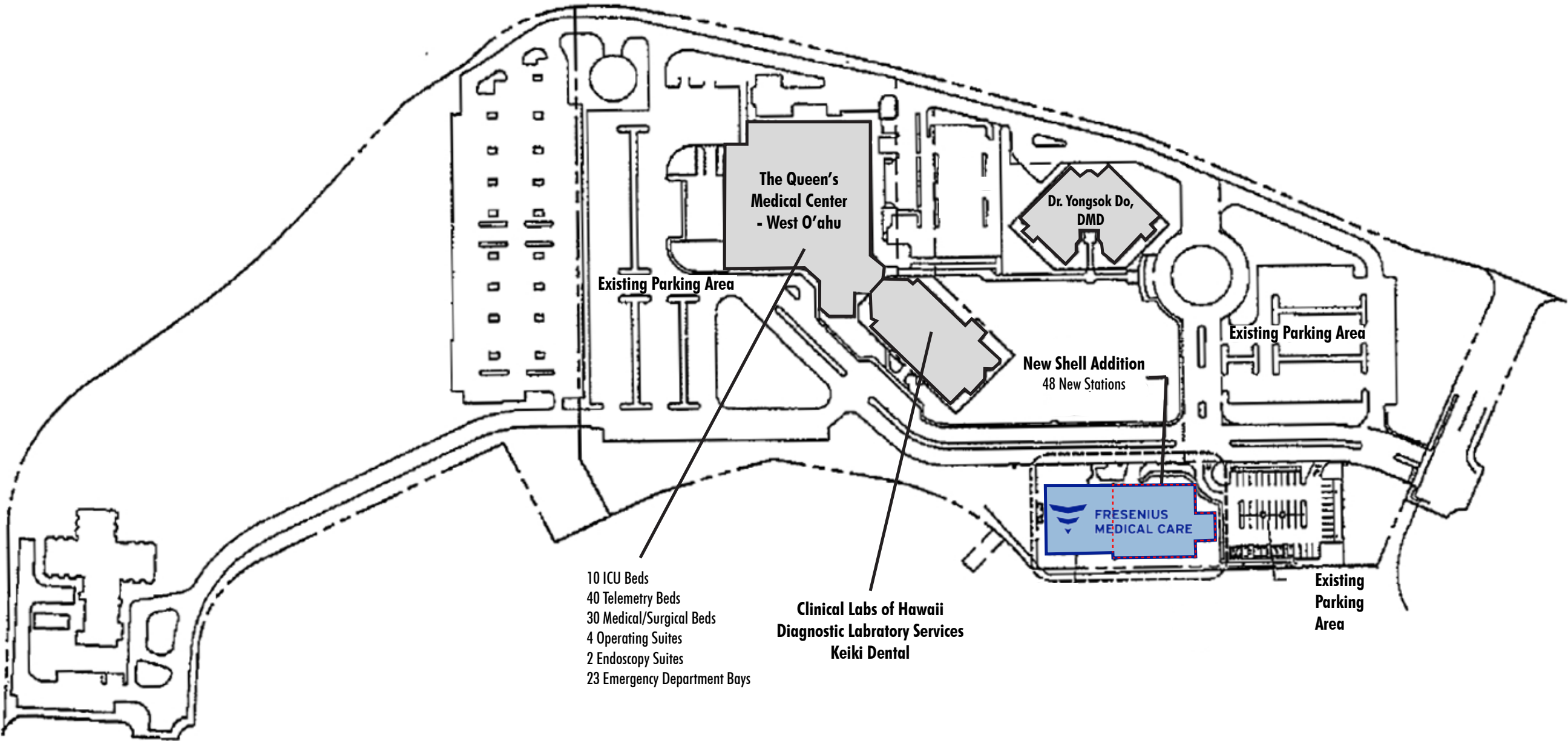
**THE QUEEN'S MEDICAL
CENTER – WEST**

**FRESENIUS
MEDICAL CARE**

FORT WEAVER RD - 62,523 VPD

FARRINGTON HIGHWAY - 38,639 VPD

Site Plan



Interior Photos











Guaranty Overview

Fresenius Medical Care Holdings, Inc. d/b/a Fresenius Medical Care North America (FMCNA) is the leading provider of dialysis services and products to more than 190,000 patients suffering from Chronic Kidney Disease in North America. The company—which is headquartered in Waltham, MA—operates 2,200 dialysis facilities in all 50 states and employs over 60,000 people. FMCNA is a division of Fresenius Medical Care AG & Co. KGaA (NYSE: FMS; S&P: BBB-).

Formed in 1996 through the merger of Fresenius AG and U.S dialysis service provider National Medical Care, Fresenius Medical Care AG & Co. is the world’s largest provider of dialysis-related products and services. Over half of all dialysis machines in use worldwide are made by the company. In 2016, the company treated an impressive 310,473 people suffering from chronic kidney failure, through 46,529,154 dialysis treatments, at 3,650 Fresenius Medical Care dialysis clinics around the world. Additionally, Fresenius employs more than 110,000 people in more than 50 countries. Headquartered in Bad Homburg, Germany, Fresenius Medical Care has a 2017 net worth of \$13.1B and revenue of \$21.5B.

The tenant under the lease, Liberty Dialysis, develops, owns and operates over 250 dialysis clinics across the country and was acquired by Fresenius Medical in 2012.

	2,200 U.S. DIALYSIS CLINICS 3,650 WORLDWIDE DIALYSIS CLINICS		60,000 EMPLOYEES IN THE U.S.
	190,000 PATIENTS SERVED IN THE U.S. ANNUALLY		FORBES AMERICA’S BEST EMPLOYERS (2015)
	FRESENIUS PROVIDES DIALYSIS TREATMENT TO SOMEONE EVERY 0.7 SECONDS		WORLD’S MOST ETHICAL COMPANIES - ETHISPHERE.COM (2008)



Actual Location



Actual Location



Honolulu, HI Overview

Honolulu is the largest city (Population: 428,652) in the Hawaiian Islands. The city’s airport—Hawaii’s largest—facilitates Honolulu’s position as the natural gateway to the island’s significant tourism industry (\$15.6 Billion in 2016 visitor spending). Honolulu’s strategic location in the Pacific make it a large business and trading hub, particularly between the East and the West.

ECONOMY

As the United States experiences higher job and income growth, Honolulu anticipates an increase in domestic tourist visits. Honolulu’s economy will experience an upward trend during both the short and long-term. The city’s economy is highly favored due to its attractive climate, large tourism industry, above-average educational attainment, large military presence and high per capita income. Its unemployment rate sits at 2.5%, close to the all-time low experienced during the 1990s (Moody’s Analytics). During 2016, Hawaii set new visitor arrival records with over 8.9 million visitors. According to the Hawaii Tourism Authority, the state generated \$42.7 million in average visitor spending per day. The tourism industry supports over 190,000 jobs and has experienced record growth during each of the past 5 years. The increase in tourist traffic will continue to support the retail and hospitality sectors for the foreseeable future. Additionally, hotel revenue per available room has risen by nearly 67%, far exceeding national growth. While Canada and Japan are the two main sources of foreign visitors to the area, Moody Analytics predicts that the upcoming appreciation in both currencies will lift the foreign visitor count even further.

TRANSPORTATION

The Daniel K. Inouye International Airport (FY 2017 Annual Passengers: 35,699,588) is located at the western end of Honolulu and serves as the principal aviation gateway for the state. Two interstate highways serve the area: Interstates H-1 and Interstate H-201. Other roadways linking Honolulu with other regions of the island include Pali Highway, Likelike Highway, Kalanianaʻaʻole Highway and Kamehameha Highway. In 2010, the Honolulu Authority for Rapid Transportation was created to oversee the planning, construction and extensions to Honolulu’s future rail system. Additionally, Honolulu is served with bus service by TheBus, which is comprised of 107 routes and 531 buses.

EDUCATION

Honolulu is home to several institutions of higher education, including Honolulu Community College, Kapiolani Community College, the University of Hawaii at Manoa, Chaminade University and Hawaii Pacific University. The Hawaii Department of Education operates public schools within the city. High schools include: Wallace Rider Farrington, Kaiser, Kaimuki, Kalani, Moanalua, William McKinley and Theodore Roosevelt. Honolulu also features an abundance of private education options, such as Academy of the Pacific, Damien Memorial School and Hawaii Baptist Academy.

EWA BEACH, HAWAII

Situated along the leeward coast of O’ahu, Ewa Beach (Population: 15,618) is a census-designated place in the state of Hawaii. Ewa Beach was initially a large plantation farm under the rule of Queen Lili’uokalani, who played an influential role in Hawaii’s culture, economy and politics. Ewa Beach is significant for its association with the Ewa Sugar Plantation. Though encompassing only 1.9 total square miles, Ewa Beach is home to 3,388 households



Affiliated Business Disclosure & Confidentiality Agreement

CBRE, Inc. operates within a global family of companies with many subsidiaries and/or related entities (each an “Affiliate”) engaging in a broad range of commercial real estate businesses including, but not limited to, brokerage services, property and facilities management, valuation, investment fund management and development. At times different Affiliates may represent various clients with competing interests in the same transaction. For example, this Memorandum may be received by our Affiliates, including CBRE Investors, Inc. or Trammell Crow Company. Those, or other, Affiliates may express an interest in the property described in this Memorandum (the “Property”) may submit an offer to purchase the Property and may be the successful bidder for the Property. You hereby acknowledge that possibility and agree that neither CBRE, Inc. nor any involved Affiliate will have any obligation to disclose to you the involvement of any Affiliate in the sale or purchase of the Property. In all instances, however, CBRE, Inc. will act in the best interest of the client(s) it represents in the transaction described in this Memorandum and will not act in concert with or otherwise conduct its business in a way that benefits any Affiliate to the detriment of any other offeror or prospective offeror, but rather will conduct its business in a manner consistent with the law and any fiduciary duties owed to the client(s) it represents in the transaction described in this Memorandum.

Confidentiality Agreement

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.

Disclaimer

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