



**CONFIDENTIAL
OFFERING
MEMORANDUM**

DAVITA DIALYSIS

413B US 59 | ATLANTA, TX 75551



EXCLUSIVE OFFERING

LISTED BY:



JOSIAH BYRNES
VICE PRESIDENT

Josiah Byrnes serves as Vice President of Embree Capital Markets Group, Inc., where he helps guide the formation and execution of diversified real estate capital structures and investment strategies for individual, institutional, and international investors, developers, and tenants.

Josiah joined Embree Group of Companies in 2010. He received BA and MBA degrees from the University of Colorado, as well as a Master of Real Estate Development Degree from Arizona State University.

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KLINTON LEWIS
ASSOCIATE-NET LEASE SERVICES

Klinton Lewis serves as Associate of Net Lease Services with Embree Capital Markets Group, Inc., where he is responsible for marketing current assets, new developments, and private client's commercial real estate properties. Klinton also provides investment advice to clients, and is focused on new and existing client business development.

Prior to joining the Embree Capital Markets Group Inc., Klinton served as a real estate agent specializing in single-tenant, net-lease properties, with Marcus & Millichap in Austin, Texas.

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\$2,160,000
PURCHASE PRICE

\$134,951
NOI

6.25%
CAP RATE

NN
LEASE TYPE

- **~10 Year Lease Term Remaining**
- **Income Tax-Free State**
- **Corporate Guarantee**
- **Recession-Resistant Business Model**



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The information contained herein is not a substitute for a thorough due diligence investigation. The Embree Group has supplied information in this brochure from sources we believe are reliable; however, all potential Buyers and Investors must take appropriate measures to investigate and verify the income and expenses for any specific property, the future projected financial performance of any specific property, the size and square footage of any specific property and its improvements, the presence or absence of contaminating substances, PCB's or asbestos, the compliance with State and Federal regulations, the physical condition of the improvements thereon, or the financial condition or business prospects of any tenant or any tenant's plans or intentions to continue its occupancy of any specific property.

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TABLE OF CONTENTS



Property & Lease Details

- 5 -

Tenant Overview

- 6 -

Site Plan

- 7 -

Maps & Aerials

- 8 -

Demographic Analysis

- 13 -

Contact

- 14 -

PROPERTY & LEASE DETAILS



OFFERING OVERVIEW

Embree Group is pleased to offer for sale a unique net-leased dialysis clinic leased to Total Renal Care, Inc. with the parent company DaVita Healthcare Partners, Inc. (corporate) as guarantor. This is an opportunity for an investor to acquire a well-established dialysis center newly built in 2014 for DaVita as a build-to-suit. The tenant currently has over 10 years of lease term remaining that includes 10% increases every five years. This location originally operated 7 stations with hours of operation from 6:00AM to 5:00PM Monday through Saturday, the tenant recently increased the number of stations to 13 and currently maintains the same hours of operation. The subject property currently has a 4-star rating from Medicare.

AREA DESCRIPTION

Atlanta, TX is a city located in northeast Texas in Cass County. The city is 25 miles south of Texarkana off U.S. Highway 59, the highest trafficked non-interstate highway in the nation. Atlanta is an ideal hub for transportation and distribution centers due to its close proximity to Interstate 20, 30, and 49. According to the United States Census Bureau, the city had a population of 5,675 people in 2010, CoStar reports a population of 10,373 people in 2018 within a 5-mile radius. The major employer's in Atlanta are International Paper, Atlanta Independent School District, Walmart, Atlanta Memorial Hospital, Bowie Cass Electronic, and Texas Department of Transportation.

THE OFFERING

PROPERTY ADDRESS	413B US 59, Atlanta, TX 75551
TENANT	Total Renal Care, Inc.
GUARANTOR	DaVita Healthcare Partners, Inc.

SITE DESCRIPTION

BUILDING SIZE	Approximately 6,342 rentable square feet
LAND SIZE	Approximately 0.86 acres

INVESTMENT SUMMARY

ASSET CLASS	Single-Tenant, Medical Office
ANNUAL RENT	\$134,951
CAP RATE	6.25%
PURCHASE PRICE	\$2,160,000
COMMENCEMENT	February 15, 2014
LEASE END	February 14, 2029
TERM REMAINING	~10 Years
LEASE TYPE	NN (Roof, Structure, & Parking Lot)
LEASE ESCALATIONS	10% Every Five Years
RENEWAL OPTIONS	Two, 5-Year

OVERVIEW

DaVita Inc., a Fortune 500 company, is the parent company of DaVita Kidney Care and HealthCare Partners. DaVita Kidney Care is a leading provider of kidney care in the United States, delivering dialysis services to patients with chronic kidney failure and end stage renal disease. DaVita Kidney Care consistently differentiates itself from other kidney care companies and surpasses national averages for clinical outcomes. Through its Kidney Care division, the firm is one of the US' largest providers of dialysis, providing administrative services to more than 2,200 outpatient centers across the US; it serves some 180,000 patients. The company also offers home-based dialysis services, as well as inpatient dialysis in about 900 hospitals. It operates two clinical laboratories that specialize in routine testing of dialysis patients and serve the company's network of clinics. Subsidiary HealthCare Partners (HCP) operates primary care clinics and physician practices in several states.

STRATEGY

While DaVita has primarily grown through acquisitions over the years, it also expands its operations through joint ventures and partnerships. In 2015 DaVita merged two of its business units - DaVita Clinical Research and HealthCare Partners Clinical Research - to further expand its extensive clinical research and data analytics services, specifically in patients with chronic kidney disease and end stage renal disease, as well as primary care and chronic disease patients treated in an integrated care organization. A long-term strategy to expand into overseas markets for growth is in play. Through acquisitions and partnerships, DaVita was able to enter the Chinese, Brazilian and Saudi Arabian markets in 2015.

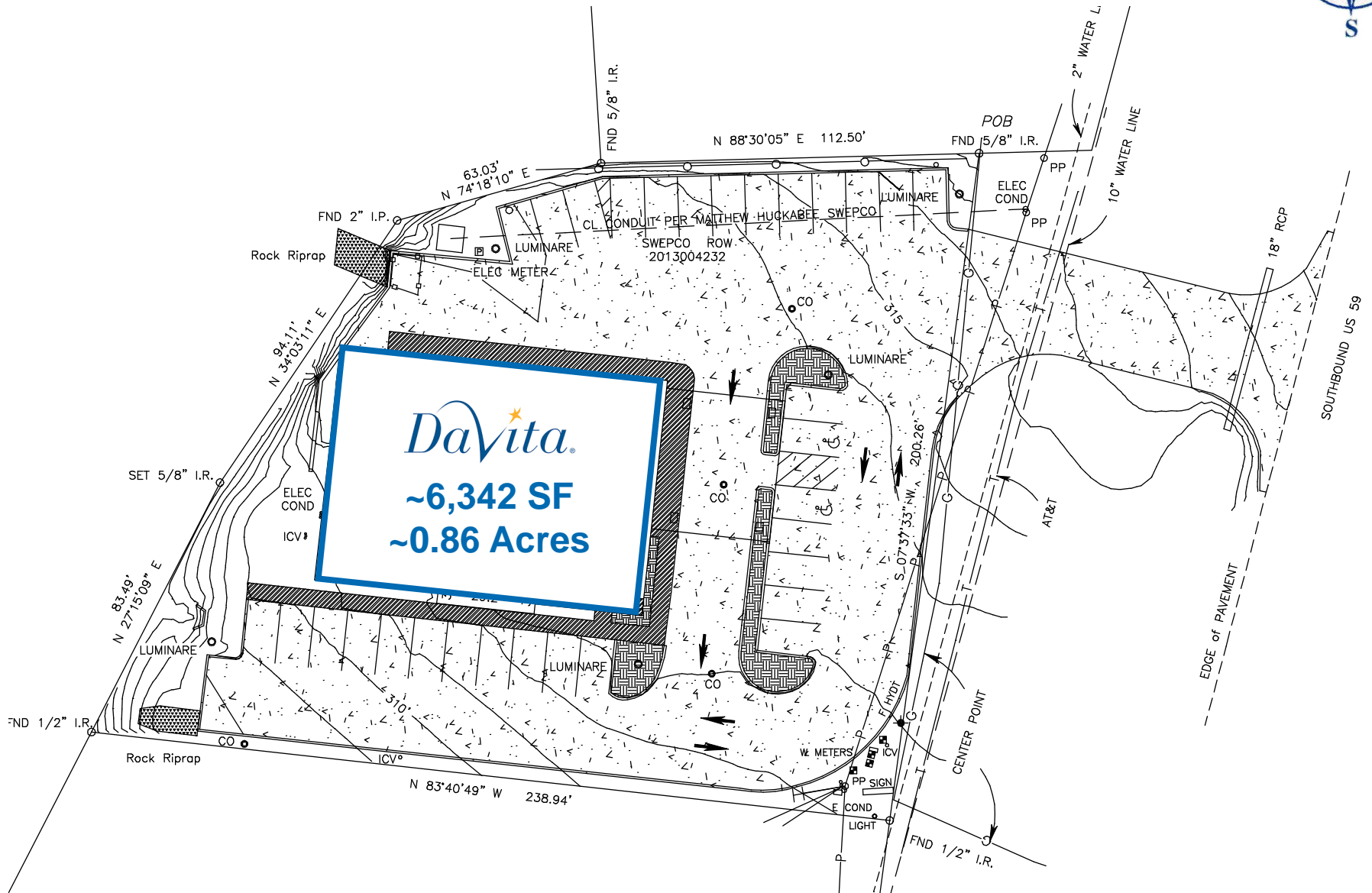
GEOGRAPHIC REACH

California, Florida, and Texas are home to about 30% of all DaVita dialysis centers, though the firm has locations in more than 45 US states and Washington, DC. Nearly all of the company's outpatient dialysis centers are either wholly owned or majority-owned by DaVita. Currently, the company's international operations comprise a small fraction of its total business at 118 outpatient dialysis centers in 10 countries. The company has established a presence in select international markets, including Europe, Latin America, the Middle East, and the Asia/Pacific region. Colombia, Germany, India, and Malaysia together account for more than 70% of DaVita's outpatient dialysis centers outside of the US.

INVESTMENT SUMMARY

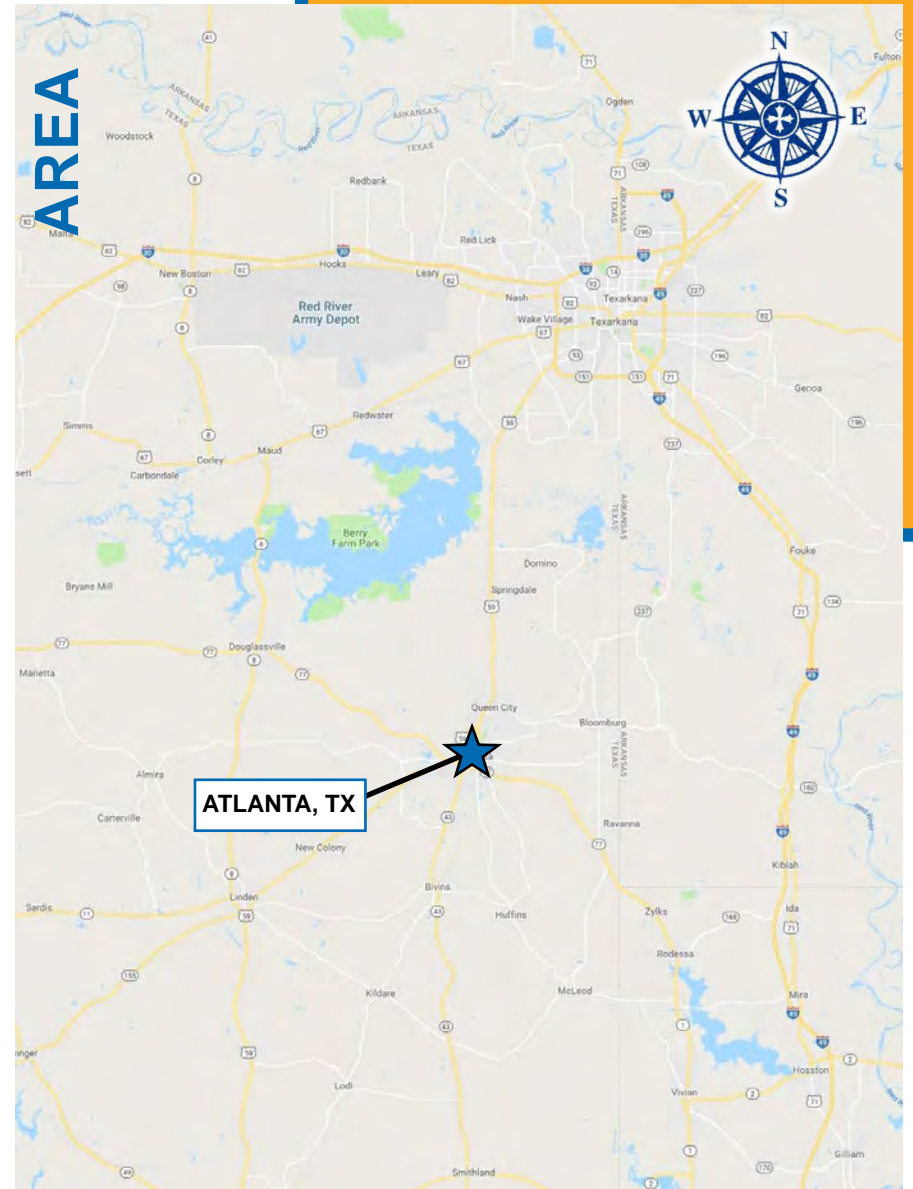
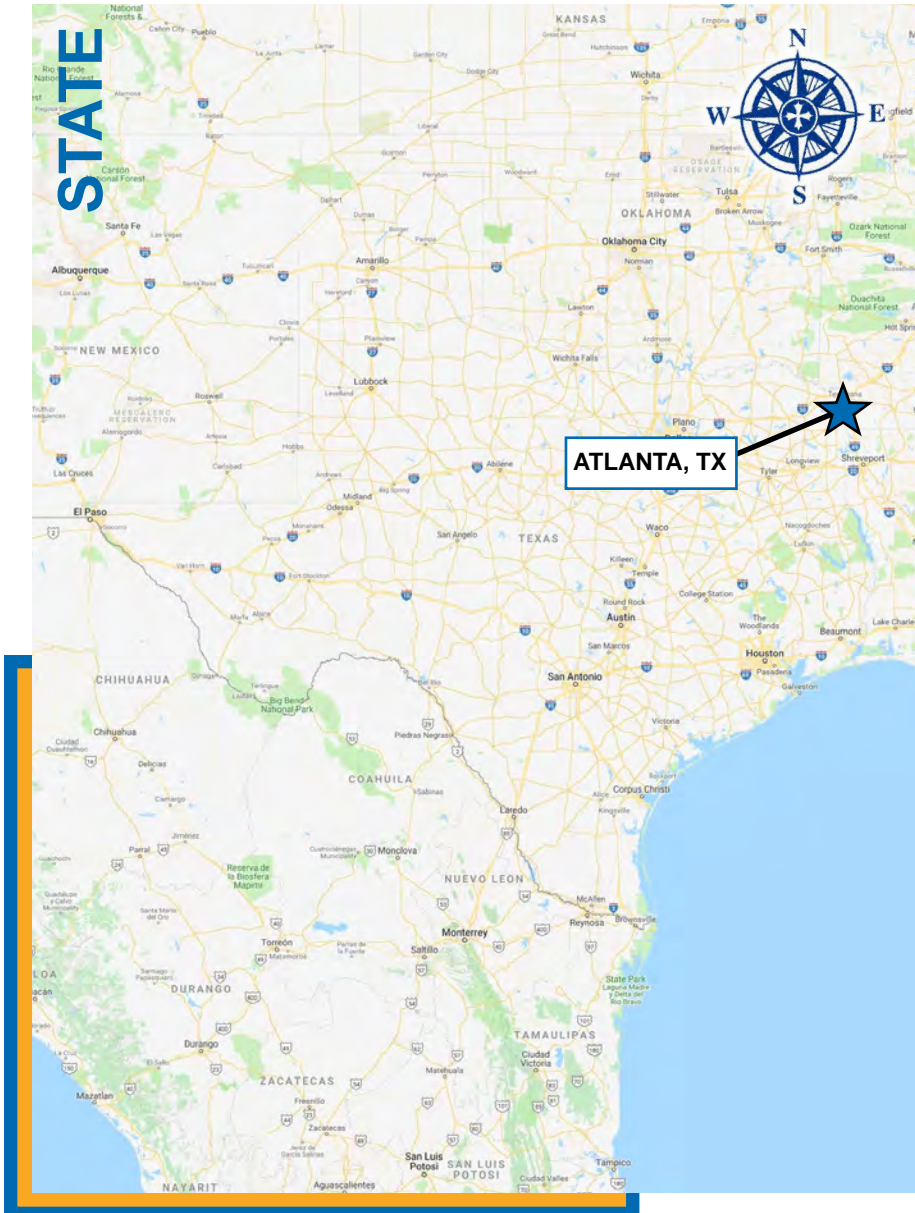
PROPERTY NAME	DaVita
COMPANY TRADE NAME	DaVita Inc. (NYSE: DVA)
OWNERSHIP	Public
CREDIT RATING (S&P)	BB
NO. OF LOCATIONS	2,510+
NO. OF EMPLOYEES	70,800+
HEADQUARTERED	Denver, Colorado
WEB SITE	www.davita.com
YEAR FOUNDED	1994
TOTAL REVENUE	\$15.9 Billion (2017)
NET WORTH	\$4.6 Billion (2017)

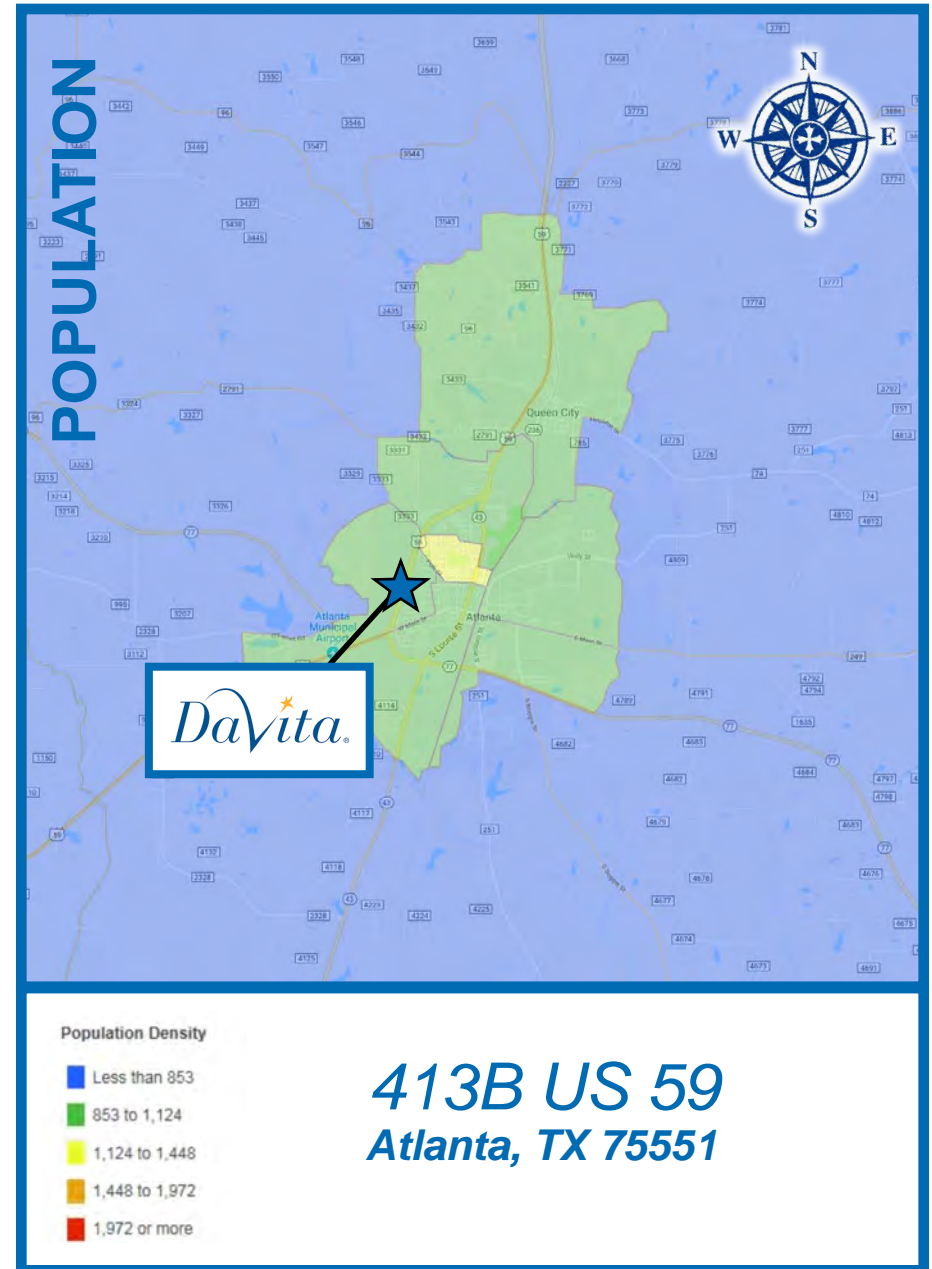
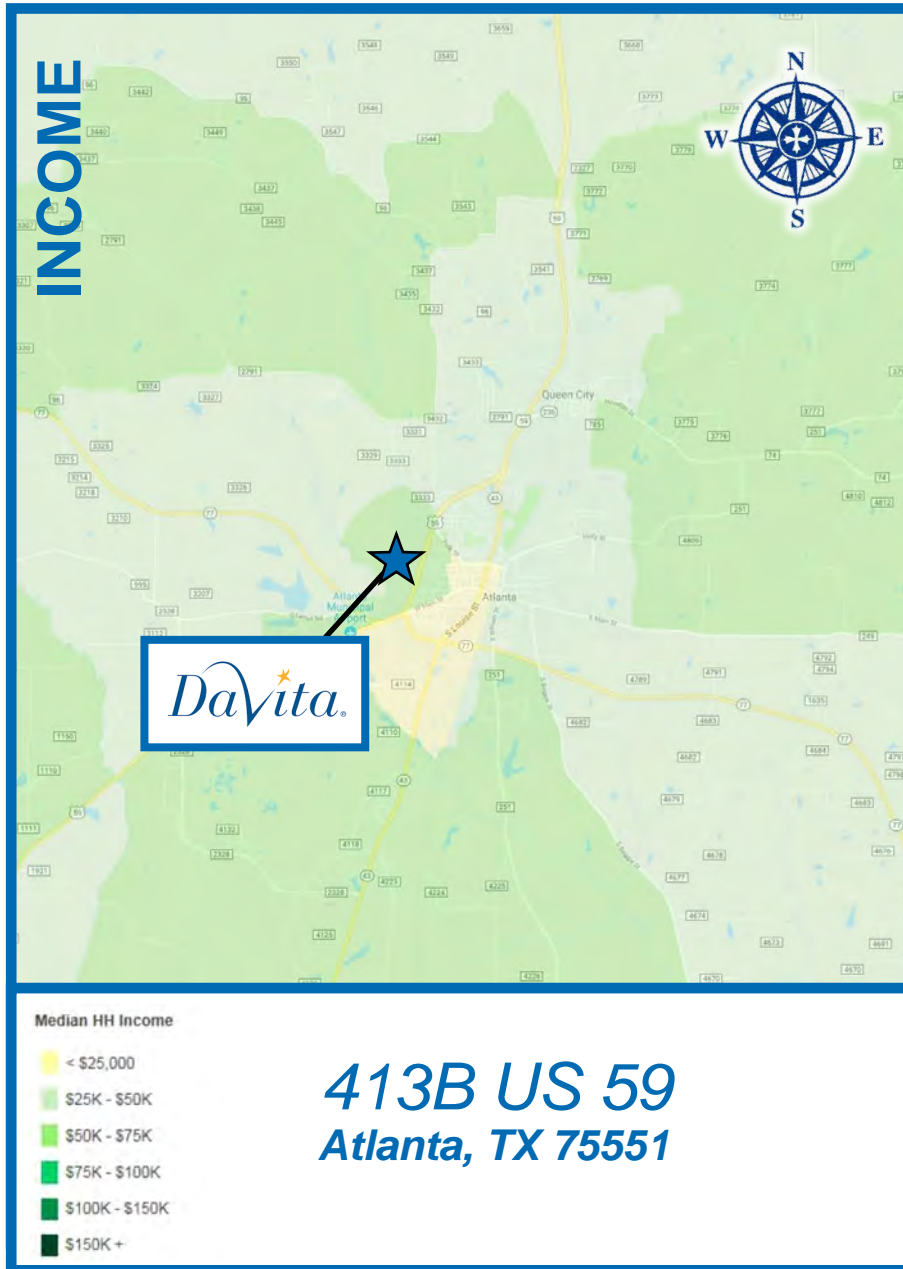
SITE PLAN





STATE & AREA CONTEXT







COMPETITION MAP



COMPETITIVE FACILITIES

- ① DaVita Miller County Dialysis (27-miles)
- ② Vamana, Inc. (28-miles)
- ③ DaVita Texarkana Regional Dialysis (31-miles)
- ④ Lewisville Dialysis Center (47-miles)
- ⑤ DaVita Marshall Dialysis Center (52-miles)
- ⑥ DaVita Pinecrest Dialysis Center (52-miles)

CITY AERIAL



DaVita



US Route 59/TX-77 (19,000 VPD)



Main Street (7,700 VPD)



SITE AERIAL

DaVita

ABC
AUTO

Aaron's

Novatron
Corporation

TSC

US Route 59/TX-77 (19,000 VPD)

AutoZone

DWET
FIRE PROS
DISCOUNT WHEEL & TIRE

Pizza
Hut

Best
Western

Domino's
Pizza



DEMOGRAPHIC ANALYSIS

POPULATION 3 MILE 5 MILE 15 MILE

2017 Population	7,446	10,166	24,397
2022 Projection	7,500	10,257	24,642
2010 Census	7,477	10,199	24,517
Growth 2017-2022	0.1%	0.2%	0.2%

HOUSEHOLDS

2017 Households	3,011	4,099	9,940
2022 Projected Households	3,034	4,137	10,036
Growth 2017-2022	0.2%	0.2%	0.2%
Owner Occupied	1,931	2,840	7,600
Renter Occupied	1,080	1,259	2,340

RACE/ETHNICITY

Caucasian	5,201	7,639	19,258
African American	1,954	2,150	4,291
Am. Indian & Alaskan	26	40	107
Asian	34	40	90
Hawaiian & Pacific Islander	0	1	6
Hispanic	291	377	824
Other	257	337	759



INCOME 3 MILE 5 MILE 15 MILE

Avg. Household Income	\$52,379	\$54,309	\$53,961
\$25,000-\$29,999	131	237	618
\$35,000-39,999	240	296	643
\$45,000-\$49,999	94	137	441
\$55,000-\$59,999	109	156	391
\$65,000-\$69,999	68	106	292
\$80,000-\$89,999	130	193	413
\$100,000-\$125,000	147	225	552
\$500,000+	12	18	26

DAY

Businesses	305	348	512
Employees	4,003	4,650	6,325



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ABOUT EMBREE

Embree Group of Companies provides nationwide turnkey real estate services, specializing in build-to-suit development, design/build, general construction, program management, and capital markets for specialty retail, financial, automotive, restaurant, healthcare and senior living facilities. Embree's fully integrated, in-house services allow us to become an extension of the client's organization. Since 1979, Embree's foundation has been built on developing tailored programs for 300+ national clients. The firm is headquartered near Austin, Texas, with a regional office located in Phoenix. Over the past 39 years, Embree's executive team has developed, built, or transacted more than 12,000 assets in all 50 states, Puerto Rico, and Canada with a total market value in excess of \$10 billion.



EMBREE
Capital Markets Group, Inc.

