

OFFERING MEMORANDUM

Davita®

SAN ANTONIO, TX



MATTHEWS™
REAL ESTATE INVESTMENT SERVICES

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BROKER OF RECORD

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"Matthews Retail Advisors are not qualified to provide, and have not been contracted to provide, legal, financial, or tax advice, and that any such advice regarding any investment by the recipients must be obtained from the recipients' attorney, accountant, or tax professional. Any prospective purchaser shall conduct their own due diligence, to verify the material listed in the Offering Memorandum, as well as any additional information related to the property. Any prospective purchaser shall also validate any lease information related to the property during their own due diligence review"

An aerial photograph of a suburban landscape. A multi-lane road runs diagonally from the bottom left towards the top left. The area is filled with green trees and some commercial buildings. In the foreground, there are several white storage containers or trailers parked in a lot. The sky is blue with some light clouds. The text "EXECUTIVE OVERVIEW" is overlaid in the center in a large, white, sans-serif font.

EXECUTIVE OVERVIEW



INVESTMENT HIGHLIGHTS

Tenant:

- Corporate Guaranty: Total Renal Care
- 92 Patients, 24 Stations 2 Shifts, 6 Days a week
- 2.5% Increase per year, 4% in 2021

Location:

- Texas is ranked number #4 in US for Kidney Disease
- Seventh-largest city in the United States
- 2nd largest city in Texas and Southern US (9% Growth)
- Great location: a little over half a mile from Baptist Medical Center (1,487 Beds)



\$2,473,846

LIST PRICE



6.50%

CAP RATE



\$160,800.00

NOI



An aerial photograph of a commercial property, likely a retail or service center, featuring a large, single-story building with a flat roof. The building has several large windows and a covered entrance area. A large parking lot is situated in front of the building, containing numerous vehicles including cars, vans, and a pickup truck. To the left of the building, there is a large, open lot with several semi-trailers parked. The surrounding area includes a grassy field, some trees, and a road with a power line tower in the foreground. The entire image is overlaid with a semi-transparent blue filter.

FINANCIAL OVERVIEW

LEASE ABSTRACT

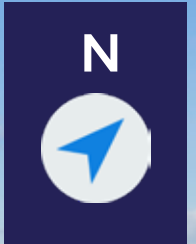
Tenant	DaVita (Total Renal Care)
Address	4602 E Southcross Blvd, San Antonio, TX 78222
Lease Type	NN Lease
Year Built	2004
Building Size	8,040 SF
Leasable Space	8,040 SF
Land Area	0.58 AC / 25,265 SF
Rent Commencement Date:	1/21/2005
New Expiration Date:	7/19/2025
Term Remaining:	± 6.5 Years
Current Annual Rent:	\$160,800
Renewal Options:	One, 5-Year option.
Rent Increase	2.5% Increase per year, 4% in 2021
Landlord Responsibilities:	Roof, roof membrane, roof covering, concrete slab, footings, foundation, structural components, exterior walls, exterior doors and windows, exterior plumbing of the building.
Tenant Responsibilities:	Interior of the Premises and routine maintenance of the HVAC, plumbing, gas and electrical.
Utilities:	Tenant shall pay directly.
Tenant Insurance:	Tenant maintains general liability insurance
Taxes:	Reimburse by tenant

PARCEL MAP



ANNUALIZED OPERATING SUMMARY

	MONTHLY	ANNUAL	RENT/SF	CAP
Current 2018- July 2019	\$13,400.00	\$160,800.00	\$20.00	6.50%
July 20, 2020 - 2021	\$13,735.00	\$164,820.00	\$20.50	6.66%
2021	\$14,291.10	\$171,493.20	\$21.33	6.93%
2022	\$14,291.10	\$171,493.20	\$21.33	6.93%
2023	\$14,291.10	\$171,493.20	\$21.33	6.93%
2024	\$14,291.10	\$171,493.20	\$21.33	6.93%
2025	\$14,291.10	\$171,493.20	\$21.33	6.93%



Pecan Valley
Park Estates

Roland Rd ±2,000 VPD

S WW White Rd ±13,000 VPD

Lower Southeast Side

E Southcross Blvd ±12,000 VPD





Crestlake

Rosillo Creek

HWY 410 ± 62,000 VPD



E Southcross Blvd ± 12,000 VPD



MEDICAL MAP



SOUTHEAST
ENDODONTICS, PC

Baptist
Hospitals of Southeast Texas
Beaumont Hospital
Performing Sacred Work Every Day

Southeast
NURSING & REHAB

 **SOUTHEAST
TEXAS OB/GYN
ASSOCIATES, P.A.**

**South Texas Veterans
Health Care System**


Q PHARMACY



E Southcross Blvd ± 12,000 VPD

S WW White Rd ± 13,000 VPD

Davita



TENANT OVERVIEW





COMPANY NAME
DaVita Inc.

OWNERSHIP
Public (NYSE: DVA)

YEAR FOUNDED
1999

INDUSTRY
Healthcare

HEADQUARTERS
Denver, CO

NO. OF EMPLOYEES
±74,500

TENANT 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 ESRD, 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.

An aerial photograph of a large industrial and commercial area. The scene includes several large warehouse-like buildings, extensive parking lots filled with cars and trucks, and a network of roads. A prominent road runs diagonally from the bottom left towards the top right. The background shows a mix of developed land and open fields under a blue sky with scattered clouds. A large, semi-transparent blue rectangle is overlaid on the center of the image, containing the text 'AREA OVERVIEW' in white, bold, sans-serif capital letters.

AREA OVERVIEW

SAN ANTONIO

San Antonio officially the City of San Antonio, is the seventh most populous city in the United States and the second most populous city in both Texas and the Southern United States. Straddling the regional divide between South and Central Texas, San Antonio anchors the southwestern corner of an urban megaregion colloquially known as the "Texas Triangle".

San Antonio is the center of the San Antonio–New Braunfels metropolitan statistical area. Commonly called Greater San Antonio, the metro area has a population of 2,473,974 based on the 2017 U.S. census estimate, making it the 24th-largest metropolitan area in the United States and third-largest in Texas. Growth along the Interstate 35 and Interstate 10 corridors to the north, west, and east make it likely that the metropolitan area will continue to expand.

The city contains five 18th-century Spanish frontier missions, including The Alamo and San Antonio Missions National Historical Park, which together were designated UNESCO World Heritage sites in 2015. Other notable attractions include the River Walk, the Tower of the Americas, SeaWorld, the Alamo Bowl, and Marriage Island. Commercial entertainment includes Six Flags Fiesta Texas and Morgan's Wonderland amusement parks. According to the San Antonio Convention and Visitors Bureau, the city is visited by about 32 million tourists a year. It is home to the five-time NBA champion San Antonio Spurs and hosts the annual San Antonio Stock Show & Rodeo, one of the largest such events in the U.S.



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	9,337	74,818	168,726
2018 Estimate	8,834	69,720	154,663
2010 Census	6,666	56,523	132,211
Growth 2018-2023	5.70%	7.31%	9.09%

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Projection	2,936	23,878	53,219
2018 Estimate	2,848	22,899	50,224
2010 Census	2,285	19,576	45,090
Growth 2018-2023	3.07%	4.28%	5.96%

INCOME	1-MILE	3-MILE	5-MILE
2018 Average Household Income	\$62,739	\$58,712	\$53,864

SAN ANTONIO ECONOMY

The City of San Antonio maintains a strong financial position with a “AAA” general obligation bond rating from all three major rating agencies. The Milken Institute has ranked San Antonio No. 1 on its Best-Performing Cities list.

As the seventh-largest city in the United States, San Antonio is experiencing solid economic growth in 21st-century industries such as bioscience and healthcare, aerospace, IT and cybersecurity, and green technologies.

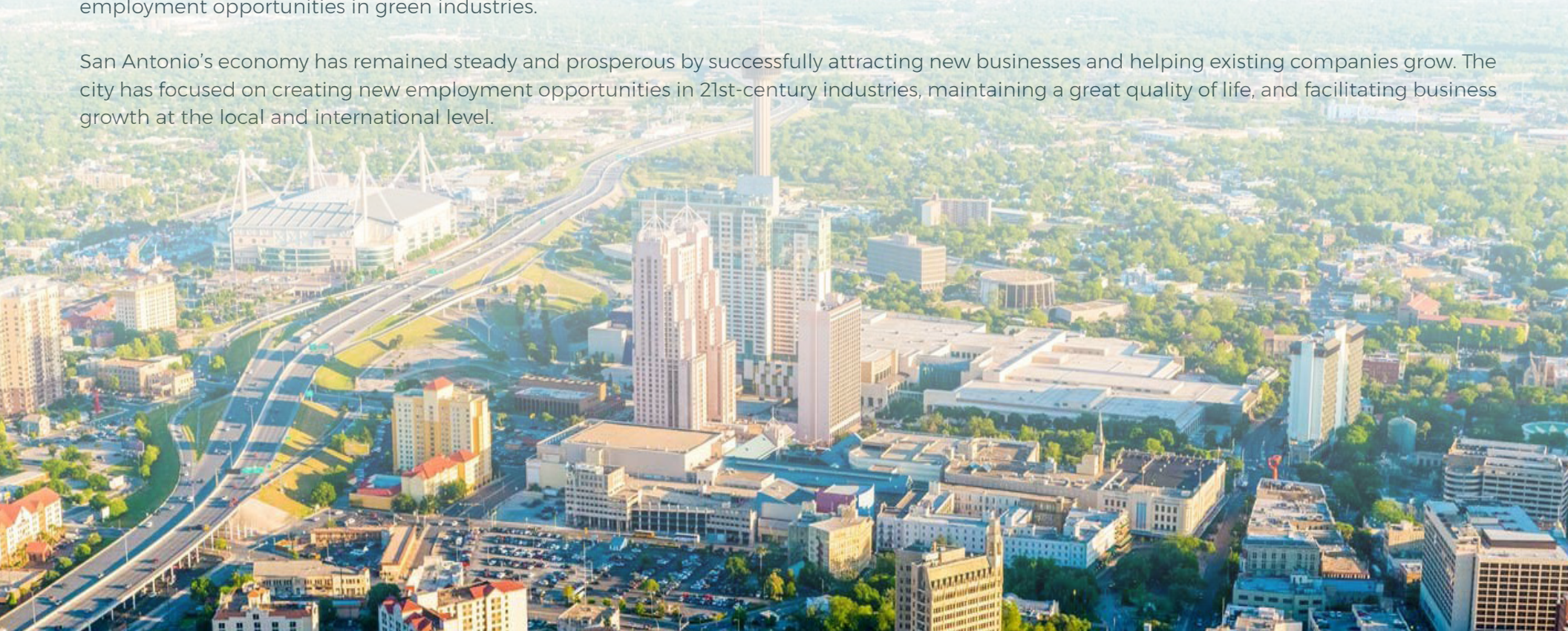
Biotech companies and healthcare systems in San Antonio contribute billions to the local economy.

The Aerospace industry remains a dominant economic strength in San Antonio with the presence of several aviation and aerospace corporations, including the military. The military has had a significant relationship with San Antonio for more than 200 years and is home to several military commands.

The city is also a cybersecurity hub; nationally recognized as a leader in the field of information security.

San Antonio is positioning itself to be at the forefront of the New Energy Economy in the United States, committed to investing and creating employment opportunities in green industries.

San Antonio's economy has remained steady and prosperous by successfully attracting new businesses and helping existing companies grow. The city has focused on creating new employment opportunities in 21st-century industries, maintaining a great quality of life, and facilitating business growth at the local and international level.



SAN ANTONIO CULTURE

San Antonio is a popular tourist destination. The Alamo Mission in San Antonio ("The Alamo"), located in Downtown, is Texas' top tourist attraction. Because of the mission, San Antonio is often called "Alamo City".

The River Walk, which meanders through the Downtown area, is the city's second-most-visited attraction, giving it the additional nickname of "River City". Extended an additional 13 miles between 2009–2013, the landscaped walking and bike path line the San Antonio River from the "Museum Reach" beginning in Brackenridge Park through downtown, "Downtown Reach", past the Blue Star's "Eagleland" to the "Mission Reach" ending near Loop 410 South past Mission Espada. Lined with numerous shops, bars, and restaurants, as well as the Arneson River Theater, this attraction is transformed into an impressive festival of lights during the Christmas and New Year holiday period (except for the Mission Reach), and is suffused with the local sounds of folklorico and flamenco music during the summer, particularly during celebrations such as the Fiesta Noche del Rio.

The Downtown area also features San Fernando Cathedral, The Majestic Theatre, Hemisfair (home of the Tower of the Americas, and UTSA's Institute of Texan Cultures), La Villita, Market Square, the Spanish Governor's Palace, and the historic Menger Hotel. The Fairmount Hotel, built in 1906 and San Antonio's second oldest hotel, is in the Guinness World Records as one of the heaviest buildings ever moved intact. It was placed in its new location, three blocks south of the Alamo, over four days in 1985, and cost \$650,000 to move.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **DaVita** located in **4602 E Southcross Blvd, San Antonio, TX 78222** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.



Information About Brokerage Services

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

Kyle Matthews/Matthews Retail Group Inc.	678067	kyle.matthews@matthews.com	(310) 919-5757
Licensed Broker /Broker Firm Name or Primary Assumed Business Name	License No.	Email	Phone
Kyle Matthews	678067	kyle.matthews@matthews.com	(310) 919-5757
Designated Broker of Firm	License No.	Email	Phone
Licensed Supervisor of Sales Agent/ Associate	License No.	Email	Phone
Sales Agent/Associate's Name	License No.	Email	Phone

Buyer/Tenant/Seller/Landlord Initials

Date

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