



VICTORY BLVD
±37,030 VPD

LANKERSHIM BLVD
±40,726 VPD

OFFERING MEMORANDUM

DAVITA DIALYSIS

11702 Victory Boulevard | North Hollywood, Los Angeles, CA 91606

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DAVITA DIALYSIS

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LISTED BY

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Senior Associate

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License No. 01368589 (CA)

INVESTMENT HIGHLIGHTS



» Pride of ownership Hollywood, CA



» 2018 build-to-suit, state-of-the-art medical facility that is 100% leased to DaVita



» 2% Annual Increases



» 15 Year, Corporately guaranteed by DaVita Inc.



» Densely Populated Affluent Area: Over 617k+ People within a 5-Mile Radius with an Average Household Income of \$62k+



SECTION I

FINANCIAL OVERVIEW

THE OFFERING

PROPERTY NAME

DaVita Dialysis

ADDRESS

11702 Victory Boulevard

LOCATION

North Hollywood, Los Angeles, CA 91606

PARCEL

2334-006-036; 2334-006-037

LEASE TYPE

NN Lease

YEAR BUILT

2018

BUILDING SIZE

±10,800 SF

LEASABLE AREA

±10,800 SF

LAND AREA

±0.38 AC (16,430 SF); ±0.34 AC (14,920 SF) = **±0.71 AC (31,350 SF)**



PRICE

\$9,621,000



CAP RATE

5.00%

PARCEL MAP



LEASE SUMMARY

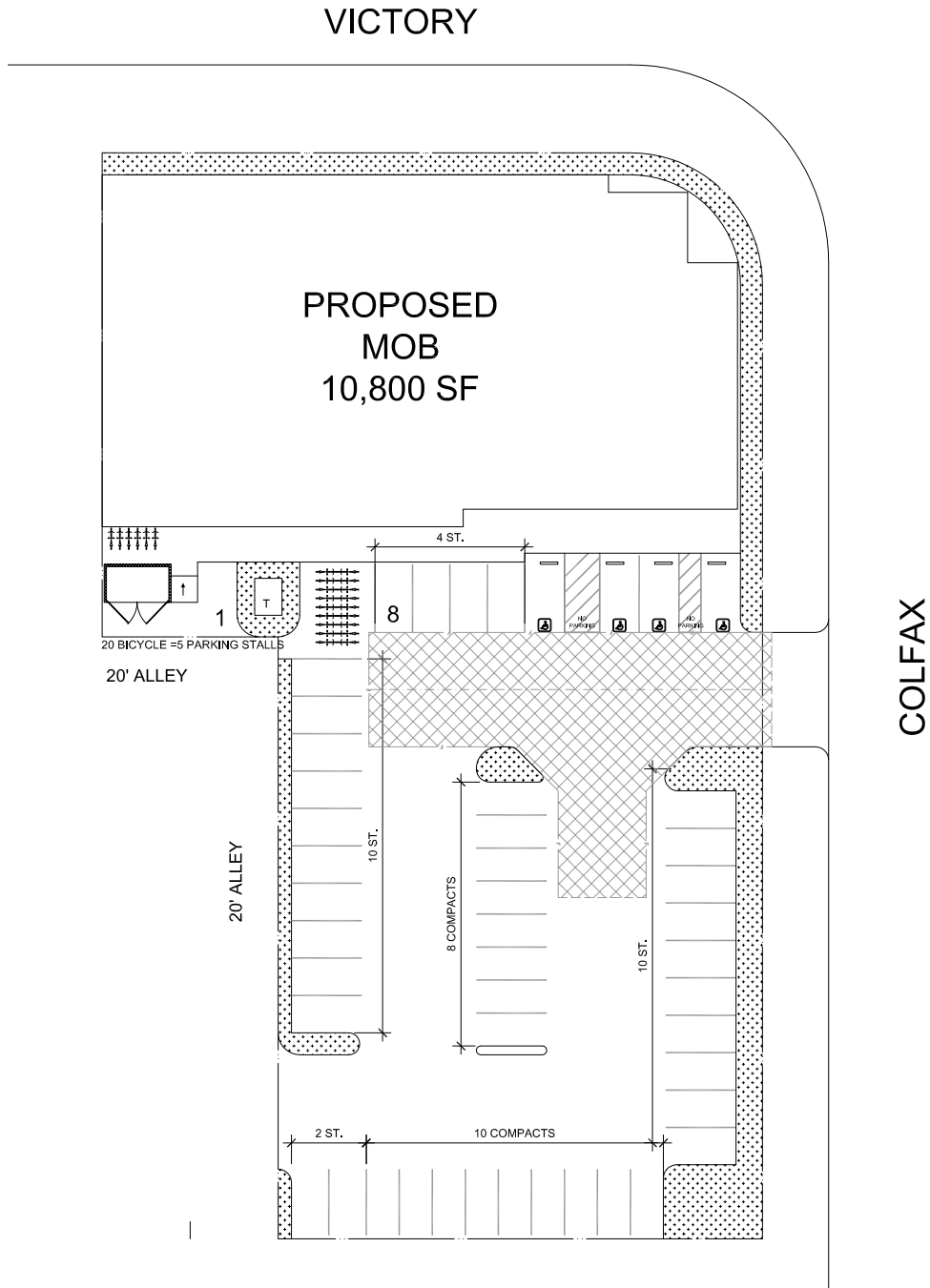
| YEAR | MONTHLY RENT |
|----------------------------|--|
| Tenant | DAVITA |
| Address | 11702 Victory Boulevard North Hollywood Los Angeles CA 91606 |
| Parcel | 2334-006-036/ 2334-006-037 |
| Lease Type | NNN (Roof & Structure) |
| Year Built | 2018 |
| Building Size | 10,800 |
| Leasable Space | 10,800 |
| Land Area | 16,430 SF .38 Acres/ 14,920 SF .34 acres = .71 Acres 31,350 SF |
| Rent Commencement Date: | 11/1/18 |
| Rent Expiration Date: | 11/1/31 |
| Term Remaining: | 15 years |
| Current Annual Rent: | \$480,600.00 |
| ** Plus Cam | includes, HVAC and roof repairs less \$5k |
| Renewal Options: | 3 (5) yr 2% per year |
| Landlord Responsibilities: | timely clean, maintain, repair, replace and insure all parking areas, and all easement areas and utility lines located on the land, (billed as CAM). Maintain in good order, and promptly repair and replace the structural items, including roof structure, roof membrane and repair and replace, parking areas, sidewalks, driveways and utility systems including HVAC. |
| Tenant Responsibilities: | repair and replace, exterior and interior lighting, irrigation system, domestic fire line, exterior painting, interior and nonstructural portions of the Premises, all utilities and HVAC systems within the Premises and non-structural elements of all doors, windows, and entrances and floor coverings |
| Utilities: | Tenant shall pay directly. |
| Tenant Insurance: | Tenant maintains general liability insurance at sole cost and expense. |
| Taxes: | Tenant pays directly |

RENT SCHEDULE

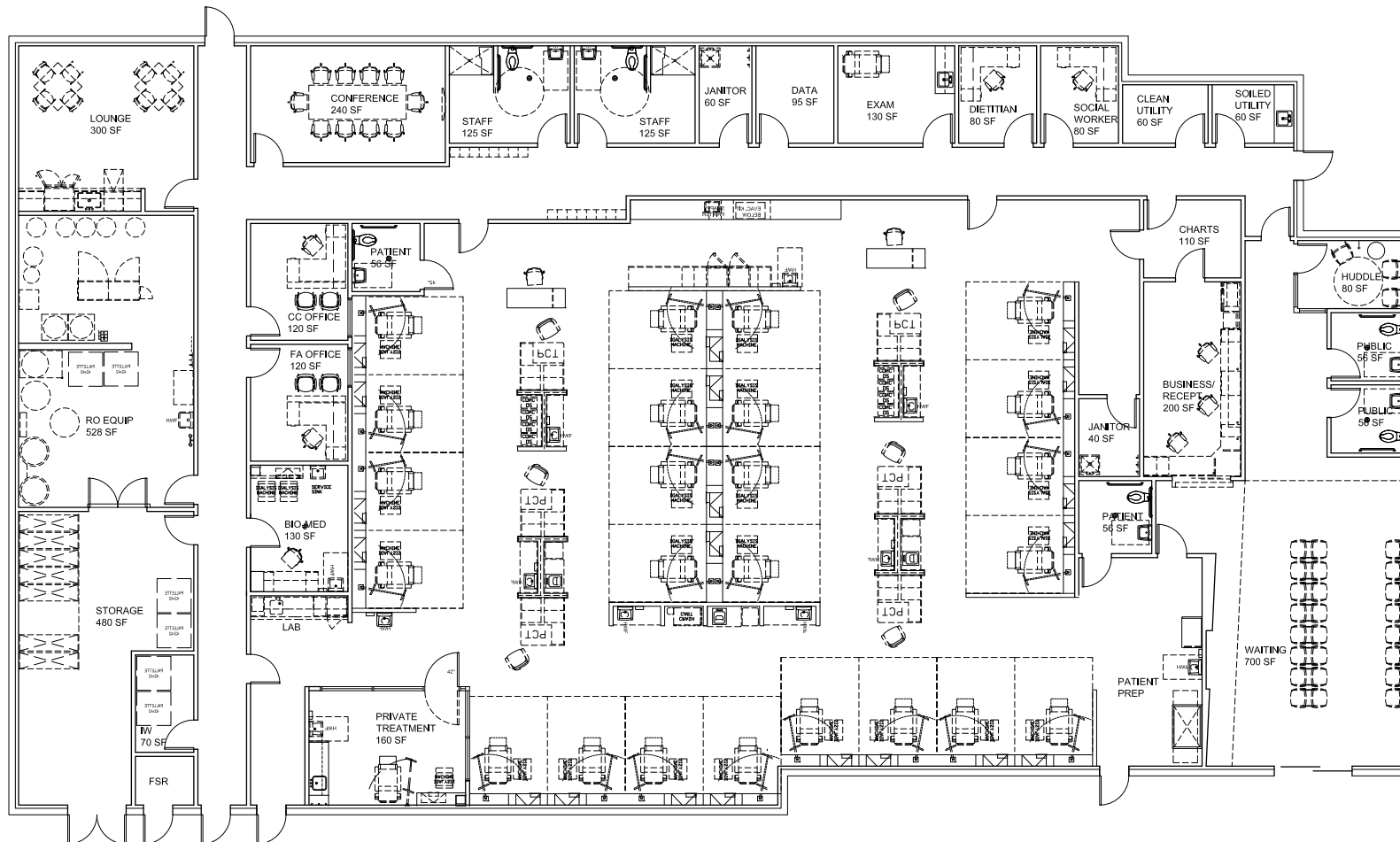
| PERIOD | BASE RENT PER S/F | MONTHLY BASE RENT | YEARLY BASE RENT |
|---|-------------------|-------------------|------------------|
| Full months 1 through 12 inclusive, plus any partial month at the beginning of the Lease Term | \$44.50 | \$40,050 | \$480,600.00 |
| Full months 13 through 24 inclusive: | \$45.39 | \$40,851 | \$490,212.00 |
| Full months 25 through 36 inclusive: | \$46.30 | \$41,670 | \$500,040.00 |
| Full months 37 through 48 inclusive: | \$47.22 | \$42,498 | \$509,976.00 |
| Full months 49 through 60 inclusive: | \$48.17 | \$43,353 | \$520,236.00 |
| Full months 61 through 72 inclusive: | \$49.13 | \$44,217 | \$530,604.00 |
| Full months 73 through 84 inclusive: | \$50.11 | \$45,099 | \$541,188.00 |
| Full months 85 through 96 inclusive: | \$51.12 | \$46,008 | \$552,096.00 |
| Full months 97 through 108 inclusive: | \$52.14 | \$46,926 | \$563,112.00 |
| Full months 109 through 120 inclusive: | \$53.18 | \$47,862 | \$574,344.00 |
| Full months 121 through 132 inclusive: | \$54.24 | \$48,816 | \$585,792.00 |
| Full months 133 through 144 inclusive: | \$55.33 | \$49,797 | \$597,564.00 |
| Full months 145 through 156 inclusive: | \$56.44 | \$50,797 | \$609,564.00 |
| Full months 157 through 168 inclusive: | \$57.56 | \$51,804 | \$621,648.00 |
| Full months 169 through 180 inclusive: | \$58.72 | \$52,848 | \$634,176.00 |

| PERIOD | BASE RENT PER S/F | MONTHLY BASE RENT | YEARLY BASE RENT |
|--------------------------------------|-------------------|-------------------|------------------|
| Option 1 | | | |
| Full months 1 through 12 inclusive: | \$ 59.89 | \$ 53,901.00 | \$ 646,812.00 |
| Full months 13 through 24 inclusive: | \$ 61.09 | \$ 54,981.00 | \$ 659,772.00 |
| Full months 25 through 36 inclusive: | \$ 62.31 | \$ 56,079.00 | \$ 672,948.00 |
| Full months 37 through 48 inclusive: | \$ 63.56 | \$ 57,204.00 | \$ 686,448.00 |
| Full months 49 through 60 inclusive: | \$ 64.83 | \$ 58,347.00 | \$ 700,164.00 |
| Option 2 | | | |
| Full months 1 through 12 inclusive: | \$ 66.12 | \$ 59,508.00 | \$ 714,096.00 |
| Full months 13 through 24 inclusive: | \$ 67.45 | \$ 60,705.00 | \$ 728,460.00 |
| Full months 25 through 36 inclusive: | \$ 68.80 | \$ 61,920.00 | \$ 743,040.00 |
| Full months 37 through 48 inclusive: | \$ 70.17 | \$ 63,153.00 | \$ 757,836.00 |
| Full months 49 through 60 inclusive: | \$ 71.58 | \$ 64,422.00 | \$ 773,064.00 |
| Option 3 | | | |
| Full months 1 through 12 inclusive: | \$ 73.01 | \$ 65,709.00 | \$ 788,508.00 |
| Full months 13 through 24 inclusive: | \$ 74.47 | \$ 67,023.00 | \$ 804,276.00 |
| Full months 25 through 36 inclusive: | \$ 75.96 | \$ 68,364.00 | \$ 820,368.00 |
| Full months 37 through 48 inclusive: | \$ 77.48 | \$ 69,732.00 | \$ 836,784.00 |
| Full months 49 through 60 inclusive: | \$ 79.02 | \$ 71,118.00 | \$ 853,416.00 |

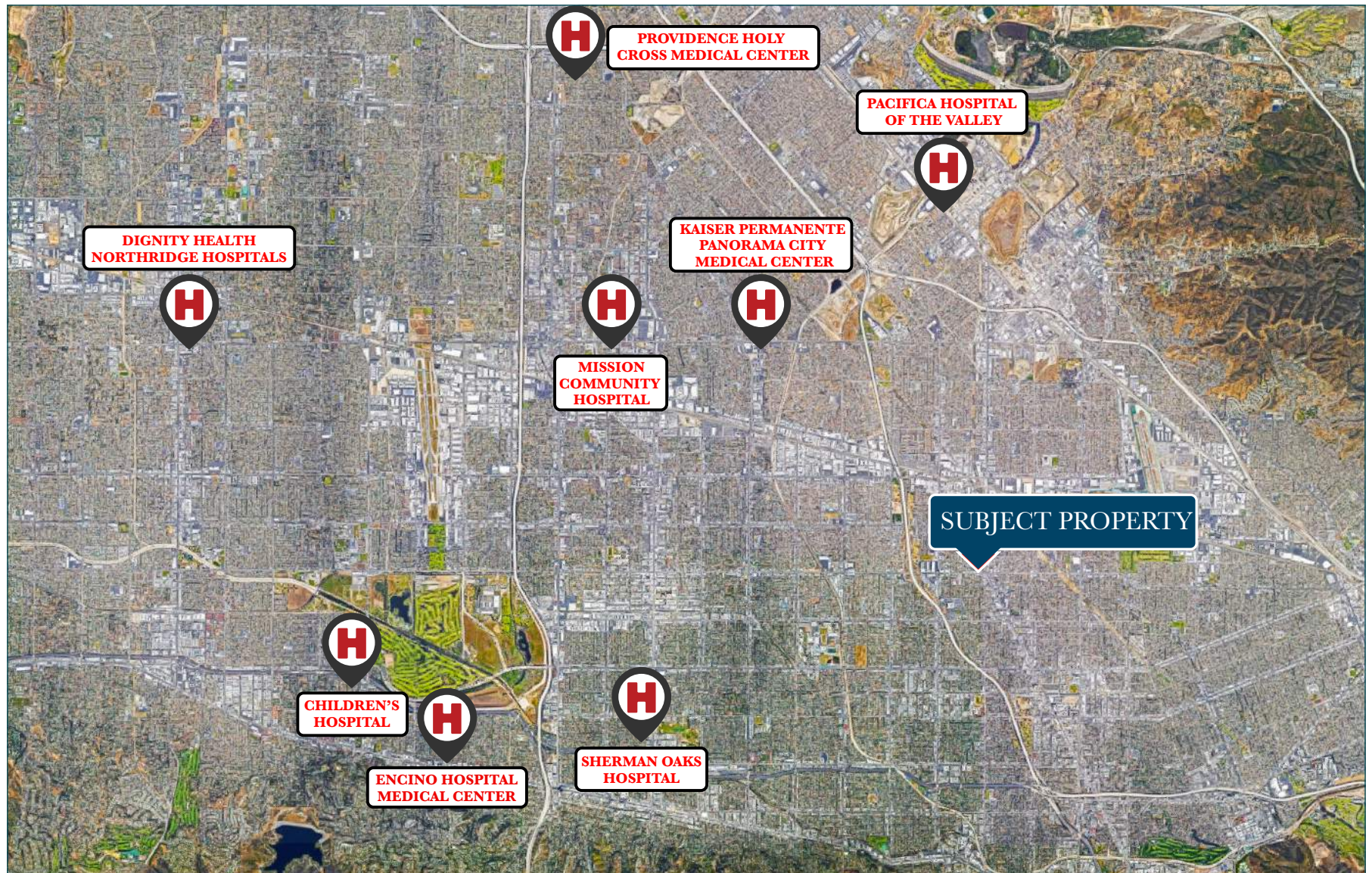
SITE PLAN



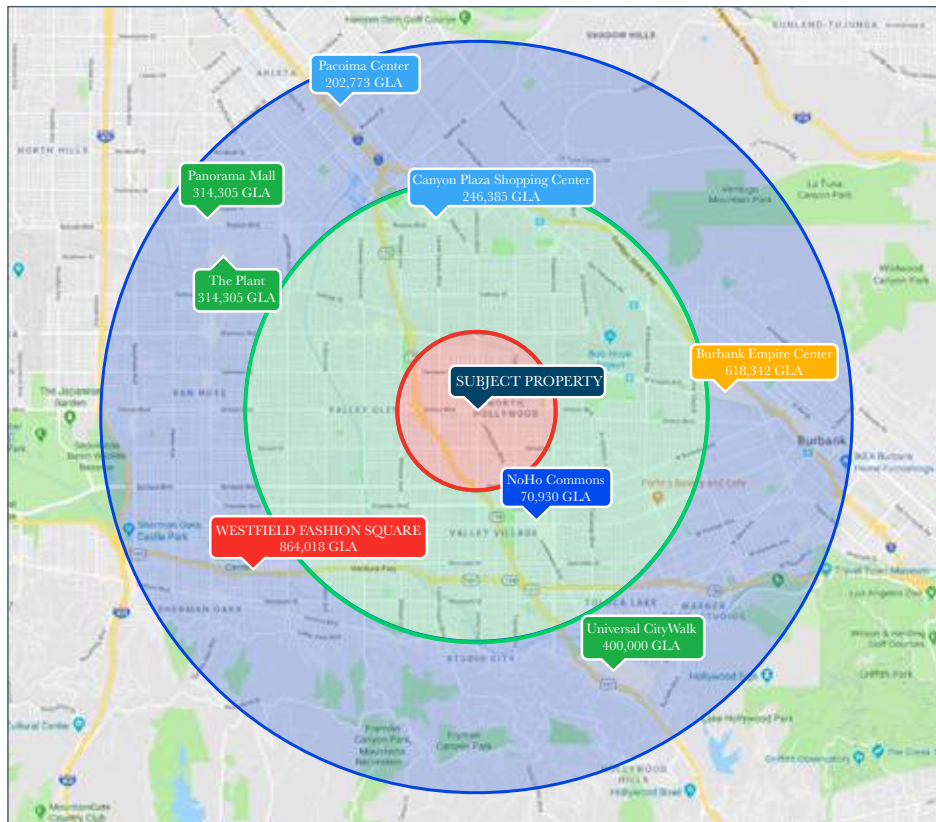
FLOOR PLAN



SURROUNDING MEDICAL CENTERS



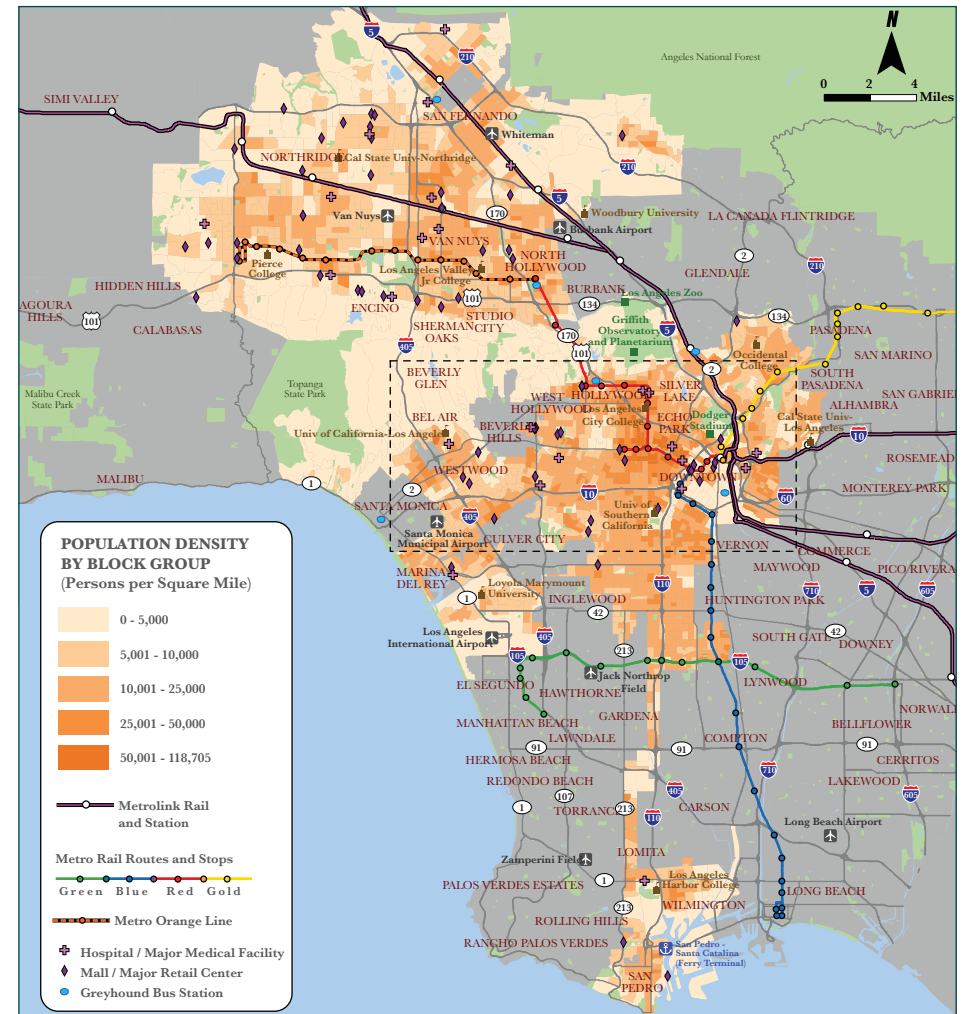
MAJOR SHOPPING CENTERS



- Less than 200,000 sq ft
- 200,001 - 300,000
- 300,001 - 500,000
- 500,001 - 800,000
- More than 800,000

POPULATION DENSITY

NORTH HOLLYWOOD IS 20% HIGHER THAN LOS ANGELES



Davita

Thank you for making us
your provider of choice.

SECTION II

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.



SECTION III

AREA OVERVIEW

NORTH HOLLYWOOD

North Hollywood is a neighborhood in the east San Fernando Valley region of the city of Los Angeles. It is home to the NoHo Arts District and the Academy of Television Arts & Sciences, and it has seven public and eight private schools. Once a gritty suburb, North Hollywood has transformed into the Valley's go-to cultural hub over the last decade with an influx of dance studios, art galleries, and acting workshops—and still no shortage of strip malls.

For generations, the San Fernando Valley has been the home of legends. Bob Hope, Ron Howard, Gene Autry, Sally Field, Clark Gable, John Wayne, Tom Selleck and countless others have called the Valley, home. Today, corporate stars have become business legends in their own right. Among those who make NoHo their home are: Universal Studios Hollywood, Universal Studios & Music, The Walt Disney Company, Warner Brothers, DreamWorks SKG, NBC, Litton Industries, Boeing-Rocketdyne Propulsion and Power, Countrywide Credit, Academy of Television Arts & Sciences, Nestle USA, Nickelodeon Animation Studios, CBS Studio Center, Pinkerton, and Wellpoint Health Networks. NoHo's highly educated workforce, well-developed infrastructure, hospitable climate, business-friendly municipal governments and strategic position along the Pacific Rim have combined to facilitate the establishment of more than 50,000 small businesses.

| DISTANCE: | STREET: | CLOSEST CROSS-STREET: | YEAR OF COUNT: | COUNT: |
|-----------|----------------------|-----------------------------------|----------------|--------|
| 0.02 | Victory Blvd | Simpson Ave (0.03 miles W) | 2014 | 37,030 |
| 0.04 | Lankershim Blvd | Victory Blvd (0.03 miles S) | 2011 | 40,726 |
| 0.06 | Victory Blvd | Troost Ave (0.03 miles E) | 2014 | 34,257 |
| 0.09 | Colfax Ave | Sylvan St (0.04 miles S) | 2011 | 3,986 |
| 0.09 | Lankershim Blvd | Sylvan St (0.06 miles SE) | 2011 | 28,879 |
| 0.19 | Victory Blvd | Beck Ave (0.09 miles E) | 1998 | 33,191 |
| 0.19 | Lankershim Blvd | Hamlin St (0.04 miles S) | 2011 | 28,298 |
| 0.19 | Colfax Ave | Erwin St (0.06 miles S) | 2007 | 6,037 |
| 0.23 | Lankershim Blvd | Erwin St (0.06 miles SE) | 2011 | 25,182 |
| 0.25 | Erwin St | Colfax Ave (0.02 miles E) | 2007 | 1,799 |
| 0.25 | Erwin St | Colfax Ave (0.03 miles W) | 2007 | 1,900 |
| 0.26 | Victory Blvd | Radford Ave (0.03 miles E) | 1998 | 34,465 |
| 0.27 | Beck Ave | Friar St (0.02 miles S) | 2002 | 3,866 |
| 0.32 | Colfax Ave | Calvert St (0.06 miles S) | 2007 | 4,923 |
| 0.32 | Lankershim Blvd | Archwood St (0.05 miles N) | 2011 | 29,309 |
| 0.34 | Erwin St | Troost Ave (0.03 miles W) | 2002 | 633 |
| 0.37 | Radford Ave | Lemay St (0.02 miles N) | 2002 | 1,939 |
| 0.42 | Lankershim Blvd | Archwood St (0.05 miles S) | 2011 | 25,130 |
| 0.44 | Lankershim Blvd | Oxnard St (0.12 miles SE) | 2011 | 26,011 |
| 0.45 | Colfax Ave | Oxnard St (0.05 miles S) | 2014 | 7,776 |
| 0.46 | Victory Blvd | Laurel Canyon Blvd (0.02 miles W) | 2007 | 32,230 |
| 0.46 | Sylvan St | Agnes Ave (0.03 miles E) | 2013 | 990 |
| 0.46 | Hamlin St | Agnes Ave (0.03 miles E) | 2013 | 490 |
| 0.48 | Laurel Canyon Blvd | Sylvan St (0.06 miles S) | 2013 | 19,900 |
| 0.48 | N Laurel Canyon Blvd | Bellingham Ave (0.06 miles S) | 2013 | 19,520 |
| 0.49 | Victory Blvd | Kraft Ave (0.03 miles W) | 2014 | 29,629 |
| 0.50 | Oxnard St | Simpson Ave (0.02 miles W) | 2014 | 25,632 |
| 0.50 | Oxnard St | Colfax Ave (0.03 miles W) | 2014 | 25,439 |
| 0.50 | Vanowen St | Simpson Ave (0.02 miles W) | 2014 | 26,633 |
| 0.51 | Vanowen St | Lankershim Blvd (0.03 miles W) | 2014 | 26,511 |

HOME TO SEVERAL BUSINESSES



DEMOGRAPHICS

| POPULATION | 1-MILE | 3-MILE | 5-MILE |
|-------------------------------|----------|----------|----------|
| 2023 Projection | 42,438 | 314,014 | 671,177 |
| 2018 Estimate | 41,944 | 310,717 | 663,340 |
| 2010 Census | 40,434 | 295,040 | 633,847 |
| Growth 2018-2023 | 1.18 % | 1.06 % | 1.18 % |
| HOUSEHOLDS | 1-MILE | 3-MILE | 5-MILE |
| 2023 Projection | 14,492 | 119,339 | 253,555 |
| 2018 Estimate | 13,955 | 115,006 | 244,156 |
| 2010 Census | 13,214 | 106,511 | 228,447 |
| Growth 2018-2023 | 3.85 % | 3.77 % | 3.85 % |
| INCOME | 1-MILE | 3-MILE | 5-MILE |
| 2018 Average Household Income | \$65,951 | \$85,948 | \$95,194 |

NOHO ARTS DISTRICT

The NoHo Arts District is a community in North Hollywood, Los Angeles, California, that is home to contemporary theaters, art galleries, cafes, and shops. The community is generally bounded by Hatteras Street to the north, Cahuenga Blvd to the east, Tujunga Ave to the west, and Camarillo Street to the south. The area features more than twenty professional theaters, producing new work and classics, diverse art galleries, public art, and professional dance studios. The district also features the largest concentration of music recording venues west of the Mississippi. A Metro Rail station is located here, the North Hollywood station of the Red Line, and serves as the terminus of the Metro Orange Line busway.

Business and theater owners in the Universal City/North Hollywood Chamber of Commerce established a theater and arts district in 1992 with support from the Los Angeles Department of Cultural Affairs. They chose “NoHo”, a play off the well-known SoHo Arts District neighborhood of New York City.

Today, The NoHo Arts District, in conjunction with greater North Hollywood, is being transformed into a regional center, in large part as a result of the construction of Metro Stations for the Red Line and the Orange Line, two lines that have made the neighborhood into a regional hub for the San Fernando Valley. Medium- and high-density developments are being built around the Metro Station, making the Arts District a center of citywide development, with the intent of creating a walkable urban village. North Hollywood’s landscape (and the Art’s District as a result) has been transformed in recent years, with condominium towers (including a fifteen-story building on Lankershim Boulevard being built in the midst of older one-story bungalows and small apartment complexes.



NOHO GROWTH

The theater district includes two new large venues that expand upon existing theaters, the newly redesigned NoHo Arts Center (formerly the American Renegade Theatre) and the redesigned Historical El Portal. They add to the existing 31 theaters located in and around the NoHo Arts District. NoHo Commons, developed by J.H. Snyder Company, is located near the NoHo Arts District's commercial core and subway station. The \$100-million, 292-unit loft apartment project by Snyder was the first segment to be completed of NoHo Commons, part of a "transit village" taking form at the terminus of the Metro Red Line subway and the Orange Line busway. The NoHo Commons construction and development consisted of three phases, completing with the construction of a Laemmle Theatre. Phase III also consisted of the construction of an eight-story office on the corner of Lankershim and Weddington in 2009. The building's primary tenant is currently the Art Institute of California-Hollywood. NoHo 14, a 180-unit, fourteen-story apartment building, was built in 2004 as one of the first large-scale developments in the neighborhood.

The historic North Hollywood train depot at Lankershim and Chandler Boulevards was restored in 2014 for \$3.6 million. It is a Southern Pacific Railroad standard design, a One Story Combination Depot No. 15 or 21. The train depot, dating to 1896, sits on land owned by the Los Angeles County Metropolitan Transportation Authority, across from the Metro Red Line subway station and next to the terminus of the Orange Line bus line.

Currently, the NoHo Arts District, in conjunction with the Community Redevelopment Agency-Los Angeles, is working on beautification efforts to make the area more appealing to businesses. The current focus is primarily on revamping storefronts on Lankershim Blvd and Magnolia Blvd with Burbank Blvd to follow.

North Hollywood plans a mixed-use development at Lankershim and Chandler, surrounding the Metro Red and Orange line terminals. The projects would re-develop 15.6 acres with 1,720,000 square feet of commercial and residential space. The first would be a smaller development with 750 residential units, 40,500 square feet of retail space, and 200,000 square feet of offices. The second would include 1,500 units of housing, 150,000 square feet of retail, and 450,000 square feet of offices (and 5,400 parking spaces).



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **DaVita Dialysis** located in **11702 Victory Boulevard, North Hollywood, Los Angeles, CA 91606** (“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.

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