

Offering Memorandum

FRESENIUS MEDICAL CARE BRAND NEW CONSTRUCTION

632 Marine Drive
Astoria, Oregon 97103

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RETAIL • NET LEASED • HEALTHCARE
MIXED-USE

Marcus & Millichap

*Fresenius Kidney Care Representative Photo



New
Construction

15yr

15-Year
Lease

2%

Annual
Increases

NN

Double-Net
Lease



Corporate
Guarantee



Hard Corner
Location



Internet
Resistant



Hospital
Nearby

INVESTMENT HIGHLIGHTS

- New Fresenius Medical Care Ground-Up Construction
- 15-Year Double-Net Lease | Minimal Landlord Responsibilities
- Two Percent Annual Rental Increases
- Corporate Guarantee | Fresenius Medical Care Holdings, Incorporated
- Landlord has Ability to Charge Five Percent Management Fee on Gross Revenues from Property
- Relocation Clinic
- 16 Dialysis Stations and One Hemodialysis Training Room
- One Mile From Columbia Memorial Hospital | 49 Beds
- Nearest Clinic 20 Miles Away in Washington State



Fresenius Kidney Care

632 Marine Drive, Astoria, Oregon 97103

| | |
|---------------------|-----------------------|
| Price | \$4,567,817 |
| Cap Rate | 5.50% |
| NOI | \$251,230 |
| Gross Leasable Area | 7,178 SF |
| Year Built | 2018 |
| Lot Size | 0.66 Acres +/- |
| Parcel Number | TBD |
| Type of Ownership | Fee Simple |
| Parking | 31 Surface Spaces +/- |

LEASE SUMMARY

| | |
|---------------------|---|
| Lease Type | NN |
| Lease Guarantor | Fresenius Medical Care Holdings (Corporate) |
| Roof & Structure | Landlord |
| Lease Term | 15 Years |
| Rent Commencement | Est. July 2019 |
| Lease Expiration | 15 Years From Rent Commencement |
| Options | 4, 5-Years |
| Option to Terminate | None |
| Option to Purchase | None |

RENT SCHEDULE

| Term | Period | Annual Rent | Rent/SF |
|------|--------|-------------|---------|
| Base | Year 1 | \$251,230 | \$35.00 |
| | Year 2 | \$256,255 | \$35.70 |
| | Year 3 | \$261,380 | \$36.41 |
| | Year 6 | \$266,607 | \$37.14 |
| | Year 9 | \$271,939 | \$37.89 |

Notes: Two percent annual increases. Option periods to be FMV.

TENANT OVERVIEW



freseniuskidneycare.com

- World's Largest Provider of Products and Services for Renal Diseases
- More Than 320,000 Patients
- 41 Production Sites for Dialysis Equipment
- One in Two Dialysis Machines Worldwide is Made by the Company
- Offer Dialysis Services and Products in Around 150 Countries
- Generated Revenues of Around 17.8 Billion Euro in 2017

| | |
|------------------------|--------------------------|
| Tenant | Fresenius Medical Care |
| Number of Locations | 3,752+ |
| Stock Symbol Board | FME FWB |
| Stock Symbol Board | FMS NYSE |
| Credit Rating Agency | BBB- Standard & Poor's |

LEASE ABSTRACT

| | Responsible Party | Notes |
|------------------------------|-------------------|--|
| Roof | Landlord | Roof and Structure: Landlord shall be responsible for any structural repairs to the premises and exterior utility pipes serving the premises. Landlord will maintain the exterior walls and the roof structure, such costs to be the responsibility of landlord. |
| Structure | Landlord | Roof and Structure: Landlord shall be responsible for any structural repairs to the premises and exterior utility pipes serving the premises. Landlord will maintain the exterior walls and the roof structure, such costs to be the responsibility of landlord. |
| Parking Lot | Landlord | Landlord agrees to properly maintain during the lease term and any extension thereof, the parking area, lighting, landscaping, and stormwater facilities on the property. Landlord shall operate, manage and maintain all of the parking areas on the property and furnish proper landscaping, drainage facilities and lighting facilities throughout all areas of the property other than that occupied by the building. |
| HVAC | Tenant | HVAC: Tenant, at tenant's expense, shall maintain its HVAC system ("HVAC") servicing the premises under a preventative maintenance contract with a reputable licensed and bonded maintenance contractor reasonably acceptable to landlord, which shall provide for quarterly service limited to filter replacement, belt adjustments, freon level checks and cleaning. Landlord shall be responsible for the replacement of the HVAC units or any major component of the HVAC (a "major component") will be defined as any replacement cost over \$2,500.00) during the term of the Lease. |
| Taxes | Tenant | Paid as additional rent |
| Insurance | Tenant | Paid as additional rent |
| CAM | Tenant | Paid as additional rent |
| Management Fee Reimbursement | | The cost of any property management fees associated with the administration of the property, which fees shall not exceed five percent (5 percent) of the gross revenues from the property. |

LOCATION HIGHLIGHTS

- Located on the South Shore of the Columbia River
- 125,000 Visitors per Year
- Over 570 Businesses, Large and Small
- City is Served By the Deepwater Port of Astoria – Recently Invested \$10 Million in Pier Improvements to Accommodate Cruise Vessels
- Based on the Economic Impact Study, the Port Generated Approximately \$110 Million in Direct Business Revenue in 2009
- Transportation Includes the Astoria Regional Airport, U.S. Route 30, U.S. Route 101, and a 4.1-Mile Astoria–Megler Bridge Connecting Washington Across the River
- Astoria Offers Hiking, a Riverwalk, Downtown Trolley, Several Museums, Many Seasonal Events and Nearby Beach Experiences
- The Crab, Seafood and Wine Festival Held the Last Weekend of April and the Great Columbia Crossing 10K Run/Walk Held In October



Fresenius Kidney Care

632 Marine Drive Astoria, Oregon 97103

DEMOGRAPHICS

| Population | 5-Miles | 10-Miles | 15-Miles |
|-----------------|---------|----------|----------|
| 2018 Population | 18,099 | 23,438 | 38,767 |
| 2023 Population | 18,361 | 23,906 | 39,692 |

| Households | 5-Miles | 10-Miles | 15-Miles |
|-----------------|---------|----------|----------|
| 2018 Households | 7,699 | 9,880 | 16,624 |
| 2023 Households | 7,925 | 10,229 | 17,275 |

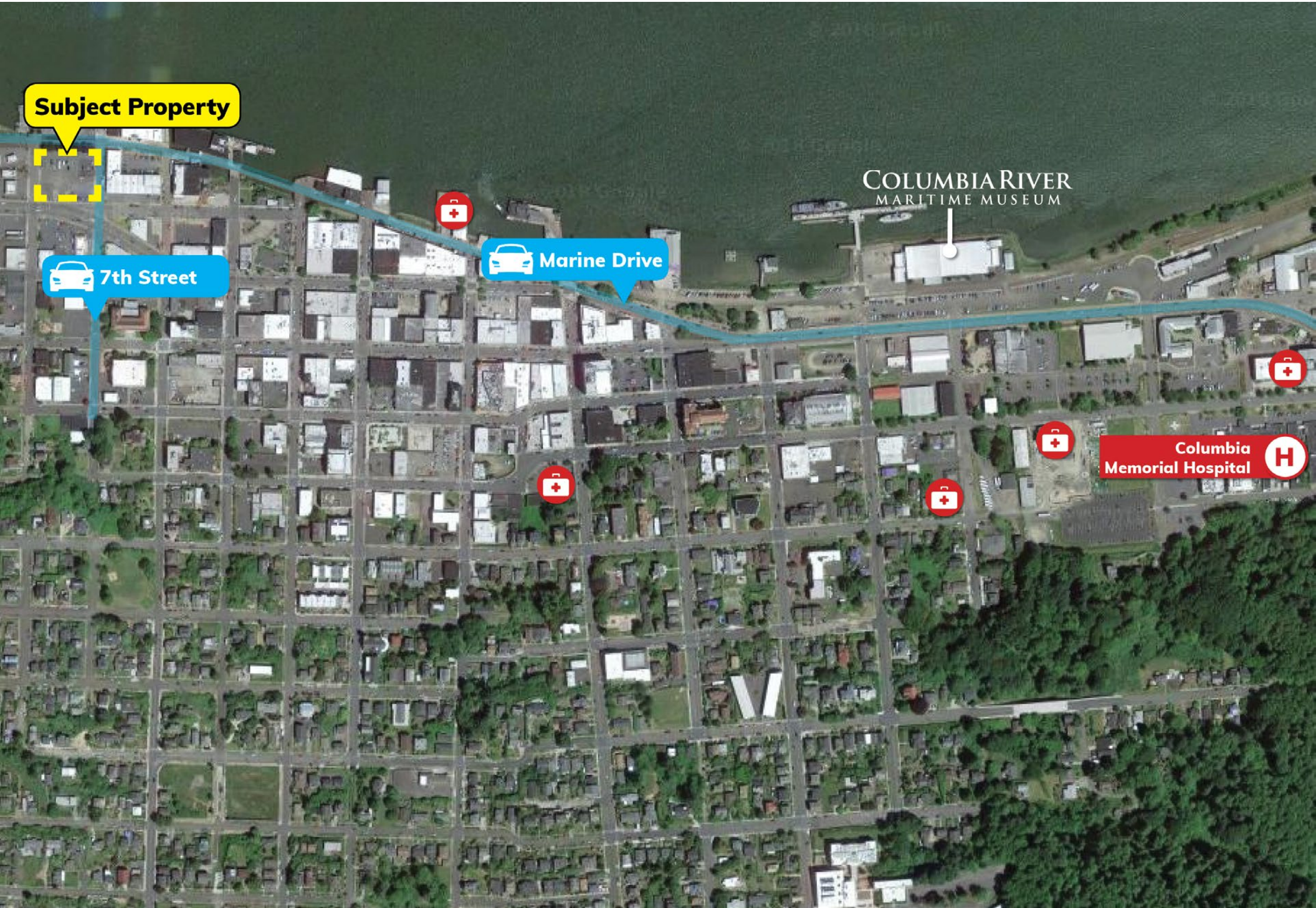
| Daytime Population | 5-Miles | 10-Miles | 15-Miles |
|--------------------|---------|----------|----------|
| 2018 Population | 21,188 | 24,038 | 39,246 |

| Income | 5-Miles | 10-Miles | 15-Miles |
|------------------------|----------|----------|----------|
| 2018 Median HH Income | \$49,984 | \$52,120 | \$50,473 |
| 2018 Average HH Income | \$64,461 | \$66,867 | \$65,485 |



*Fresenius Kidney Care Representative Photo





Subject Property

7th Street

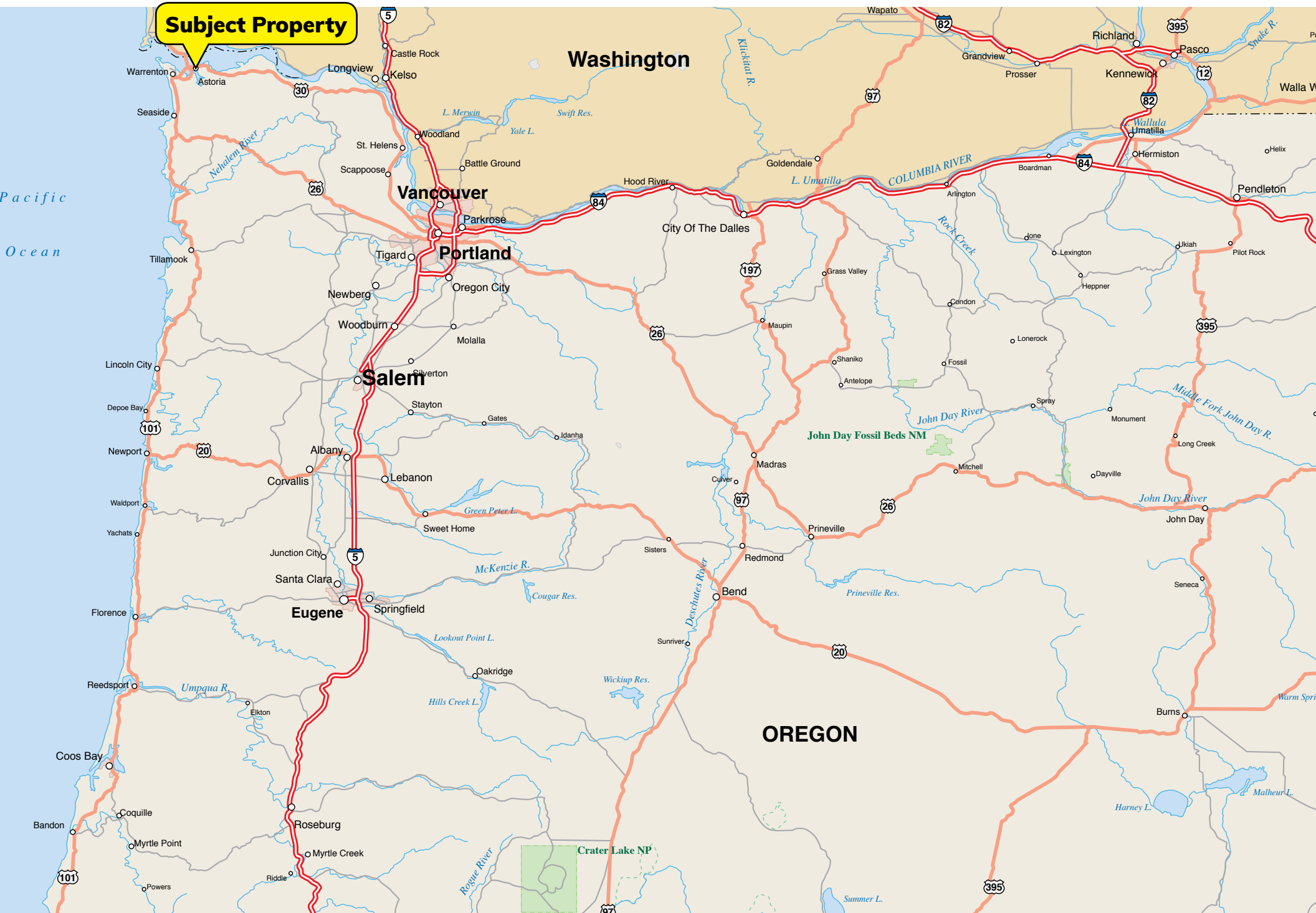
Marine Drive

COLUMBIA RIVER
MARITIME MUSEUM

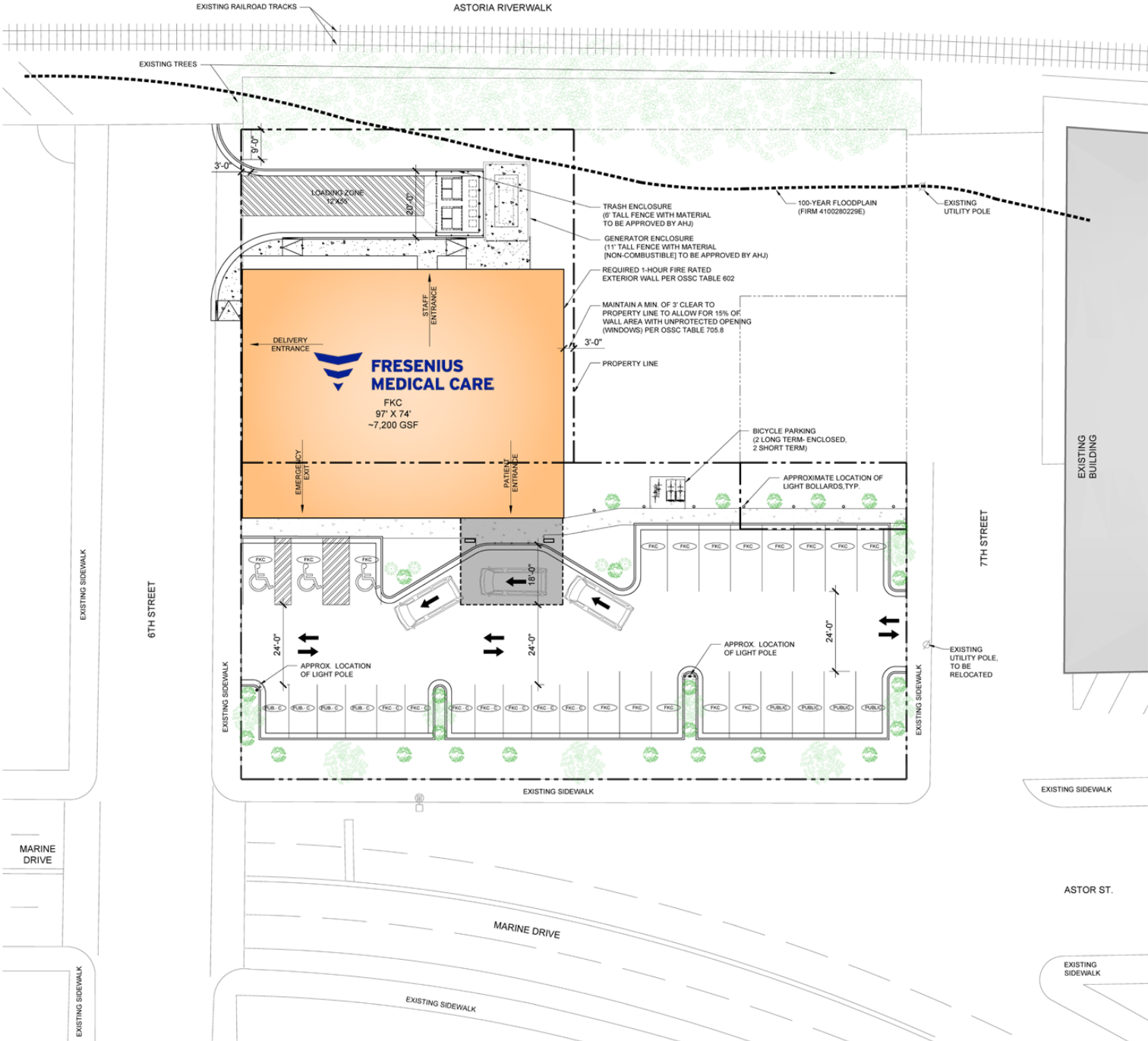
Columbia
Memorial Hospital

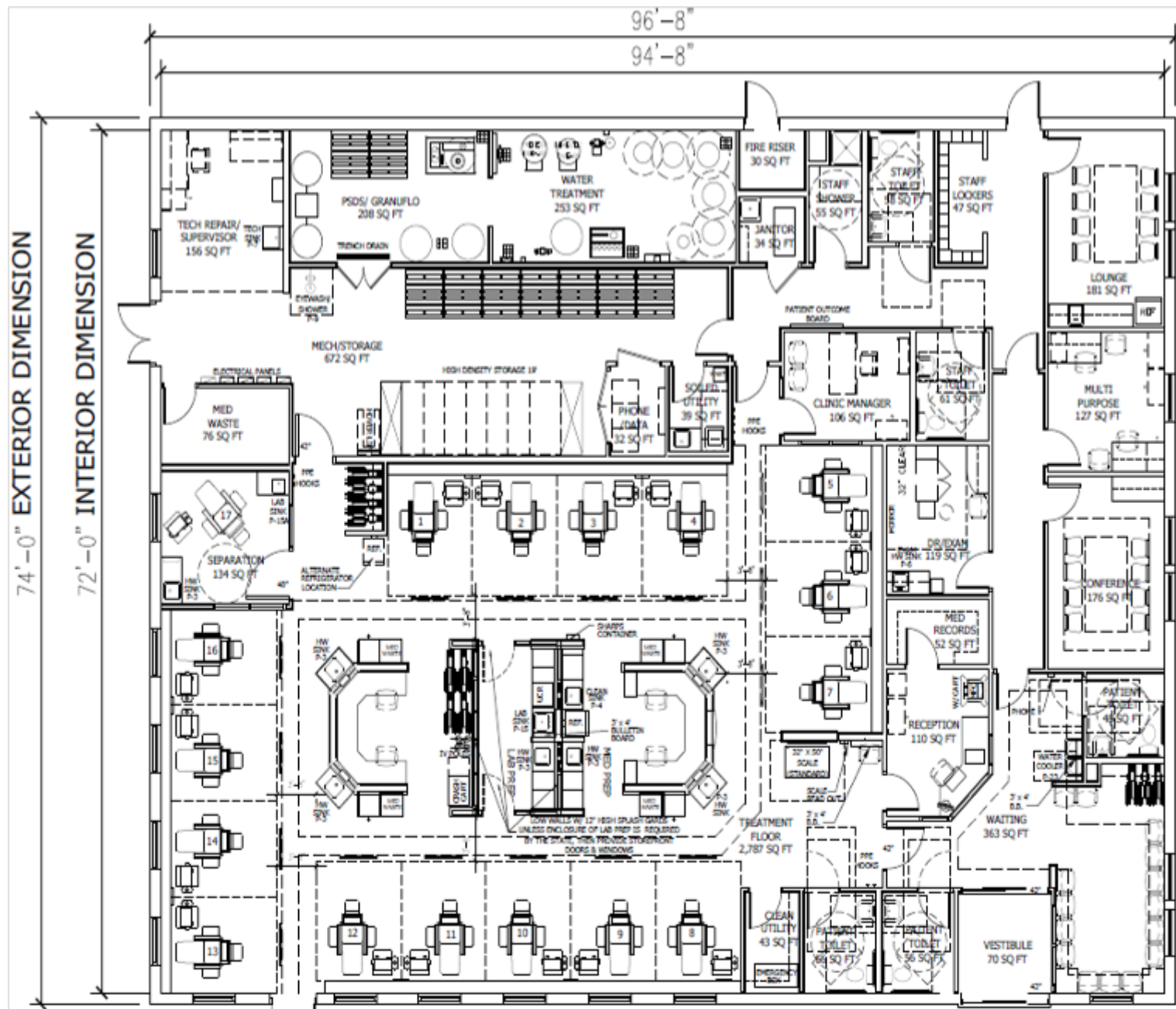
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REGIONAL MAP



SITE PLAN





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MIXED-USE

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