

DAVITA DIALYSIS JENNINGS | MISSOURI



MID-AMERICA®

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OFFERING SUMMARY

Mid-America Real Estate Corporation, in cooperation with Mid-America Real Estate Group-Missouri LLC, has been retained on behalf of the owner, as the exclusive listing broker to sell the fee simple interest in the DaVita Dialysis located at 8029 West Florissant Avenue in Jennings, Missouri. The property is located approximately 8 miles north of Downtown St. Louis, and is comprised of a 9,300 square foot retail building situated on 1.47 acres of land. DaVita Dialysis is subject to a 15 year lease with 12.5 years of term remaining and rental increases of \$1.00 per square foot every five years throughout the primary term and 10% rental increases throughout each of the option periods, as highlighted in the financial section. The site is located in the densely populated area of Jennings, with approximately 111,500 residents in three miles radius and 265,000 in five miles. The site's outlot location to the busy Plaza on the Boulevard, excellent traffic exposure, combined with desirable tenancy and new construction, make it an excellent net lease investment opportunity.



INVESTMENT HIGHLIGHTS

RECENTLY CONSTRUCTED BUILDING, 12.5 YEAR LEASE WITH INCREASES EVERY 5 YEARS

The building is constructed to DaVita Dialysis's latest specifications, and is subject to a long term 15 year lease with 12.5 years of term remaining. The investment comes with a 15 year warranty on the roof corresponding with the primary lease term. The rent increases by \$1.00 per square foot every five years during the primary term and 10% in each of the five year option periods. This lease structure makes for a higher yield throughout the investment, while hedging against future inflation.

DESIRABLE TENANCY WITH FORTUNE 500 COMPANY AND CORPORATE GUARANTEE

DaVita Dialysis has established itself as one of the largest dialysis provider's in the world with 2,600+ locations throughout the United States and the leading provider of kidney care. The company boasts an S&P Credit Rating of "BB". As of December 2018, DaVita, Inc., reported total assets of \$19.11 billion, revenues exceeding \$11.41 billion and a market cap of \$9.42 billion.



Price: \$2,592,000

Cap Rate: 6.10%

Investment Overview

Tenant:	Total Renal Care, Inc. d/b/a DaVita Dialysis
Guarantor:	DaVita, Inc.
Address:	<u>8029 W. Florissant Ave.</u> <u>Jennings, MO 63136</u>
Term Remaining:	12.5 Years
Expiration Date:	February 29 th , 2032
Annual Rent (Year 1):	\$158,100
Rental Increases:	Increases \$1.00 Per Square Foot Every 5 Years In Primary Term
Lease Type:	NN Lease
Total Square Footage:	9,300
Lot Size:	1.47 Acres
Year Built:	2016



KEY FEATURES

INFILL GROCERY-ANCHORED SHOPPING CENTER

The subject offering is an outlot in the Plaza on the Boulevard anchored by a high performing Schnucks. This infill location is densely populated with no other regional malls or power centers within ten driving miles. Schnucks is the only grocery store located within a multi-tenant retail shopping center in this area, which makes this site desirable for all types of retailers.

DENSELY POPULATED ST. LOUIS SUBURB

Within three miles of the site, there are more than 111,500 residents, and over 265,000 in five miles. This dense population base makes the property well poised to hold long term value for DaVita Dialysis and many other retailers and investors.

PROVEN GROCERY LOCATION

Schnucks is the number one market share grocer in the St. Louis MSA. The grocer has maintained an extremely good health ratio, at this location, assuring their plans of being a strong anchor to the center for the foreseeable future.

PROXIMITY TO DOWNTOWN ST. LOUIS

The subject offering is located less than 8 miles northwest of downtown St. Louis. The St. Louis MSA has a population of approximately 2.8 million people, making it the 20th largest metropolitan area in the United States. The Greater St. Louis area is headquarters to 18 Fortune 1000 companies, nine of which are in the Fortune 500: Emerson Electric, Express Scripts, Monsanto, Ameren, Reinsurance Group of America, Charter Communications, Peabody Energy, Graybar Electric, and Centene Corporation.

EXCELLENT TRAFFIC, VISIBILITY & ACCESS

At the busy intersection of West Florissant Avenue and Lucas-Hunt Road, there are a combined 60,000 vehicles per day that pass by the shopping center. Customers have access into the shopping center from nine different entrances including three that are fully signalized. This access helps regulate traffic flow, and creates many opportunities to turn in and visit the subject offering.



TRADE AREA - NORTHEAST



TRADE AREA - SOUTHEAST



SHOPPING CENTER AERIAL



SITE AERIAL



NORTH



W FLORISSANT AVE

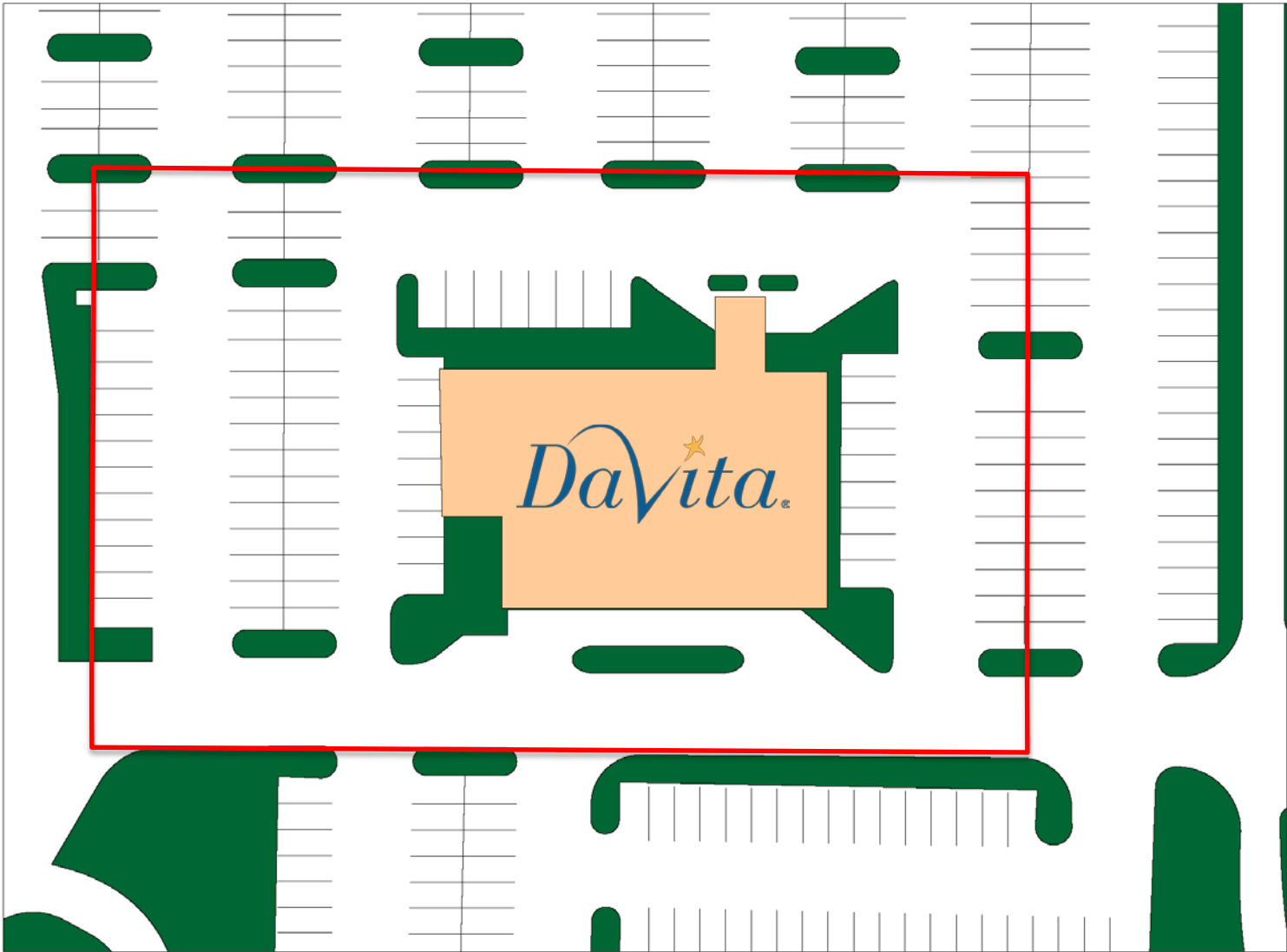


25,916 VPD



Subject Offering





FINANCIAL SUMMARY

PRICING

Price: \$2,592,000

Cap Rate: 6.10%

Building Size: 9,300 Square Feet

Years	Dates	Annual Base Rent	Monthly Rent	Rent Per Square Foot	Yield	Rental Increase
1-5	2/1/2017-1/31/2022	\$158,100	\$13,175	\$17.00	6.10%	-
6-10	2/1/2022-1/31/2027	\$167,400	\$13,950	\$18.00	6.46%	5.88%
11-15	2/1/2027-1/31/2032	\$176,700	\$14,725	\$19.00	6.82%	5.56%
Average Yield Throughout Primary Term					6.46%	
Option 1						
16-20	2/1/2032-1/31/2037	\$194,370	\$16,198	\$20.90	7.50%	10.00%
Option 2						
21-25	2/1/2037-1/31/2042	\$213,870	\$17,817	\$22.99	8.25%	10.00%
Option 3						
26-30	2/1/2042-1/31/2047	\$235,197	\$19,600	\$25.29	9.07%	10.00%
Average Yield Throughout Option Periods					8.27%	

LEASE SUMMARY - DAVITA DIALYSIS

Tenant:	Total Renal Care, Inc. d/b/a DaVita Dialysis
Guarantor:	DaVita, Inc.
Address:	8029 W. Florissant Ave, Jennings, MO 63136
Lease Type:	NN Lease
Year Built:	2016
Building Size:	9,300 sf
Land Area:	1.47 Acres
Rent Commencement Date:	February 15 th , 2017
Expiration Date:	February 29 th , 2032
Annual Rent:	\$158,100
Monthly Rent:	\$13,175
Rent Per Square Foot:	\$17.00
Rental Increases:	There are \$1.00 psf rental increases every five years throughout the primary term.
Renewal Options:	Three (3) – five (5) year options with 10% rental increases in each option.
Landlord Responsibilities:	Landlord is responsible at its sole cost and expense, maintain and keep in good order any necessary repairs and replacements to the structure, foundation, roof, and parking area replacement.
Tenant Responsibilities:	Tenant maintain the interior, all HVAC systems installed by Tenant and non-structural elements.
CAM:	Landlord shall maintain, repair, light, operate and insure all “Common Areas”. Maintenance services shall include snow and ice removal and repair of the parking lot. Landlord shall maintain and keep the building and common areas in good condition and repair and such costs shall be considered CAM Charges. Tenant reimburses Landlord for CAM Charges. There is a 5% cap on CAM (excluding taxes, insurance, utilities for the building, snow removal costs and costs associated with repairs due casualty, vandalism or other source outside of Landlord’s reasonable control).
Taxes:	Tenant pays to Landlord.
Landlord’s Insurance:	Landlord shall procure and maintain in full force and effect with respect to the building, common areas and the land on which the building is located. These policies include property insurance for full replacement value, a policy of commercial liability insurance in a minimum amount of \$1,000,000 per claim and \$3,000,000 in the aggregate for both bodily injury and property damage. Tenant reimburses Landlord for insurance premiums.
Tenant’s Insurance:	Tenant shall keep in force commercial general liability insurance in a minimum amount of \$2,000,000 per claim and \$5,000,000 in the aggregate for both bodily injury and property damage. Tenant shall also maintain Property Insurance Coverage, Business Income and Extra Expense Insurance, and Statutory Worker’s liability coverage.
Utilities:	Tenant pays directly.
Estoppel:	Within fifteen (15) days after receipt of written request.

*Shopping Center operator will perform CAM responsibilities in this section and will bill new owner.



TENANT OVERVIEW



DaVita, Inc. is one of the largest kidney care companies in the United States, with corporate headquarters in Denver, Colorado. DaVita Inc., a Fortune 500® company. DaVita, Inc. 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, Inc. strives to improve patients' quality of life by innovating clinical care, and by offering integrated treatment plans, personalized care teams and convenient health-management services. As of September 30, 2018, DaVita, Inc. operated or provided administrative services at 2,625 outpatient dialysis centers located in the United States serving approximately 210,000 patients. The company also provides acute inpatient dialysis services in approximately 900 hospitals as well as 237 outpatient dialysis centers internationally. DaVita, Inc. supports numerous programs dedicated to creating positive, sustainable change in communities around the world. DaVita has more than 70,800 employees working to provide superior patient care.

Tenant:	DaVita, Inc.
S&P Credit Rating:	"BB"
Moody's:	"Ba2"
Stock Symbol:	Public [NYSE: DVA]
Number of Locations (June 2017):	2,600+
Headquarters:	Denver, CO
Year Founded:	1999
Website:	www.davita.com

Revenue*:	\$11.41 B
Net Income*:	\$159.39 M
Stockholder Equity*:	\$3.70 B
Total Assets*:	\$19.11 B

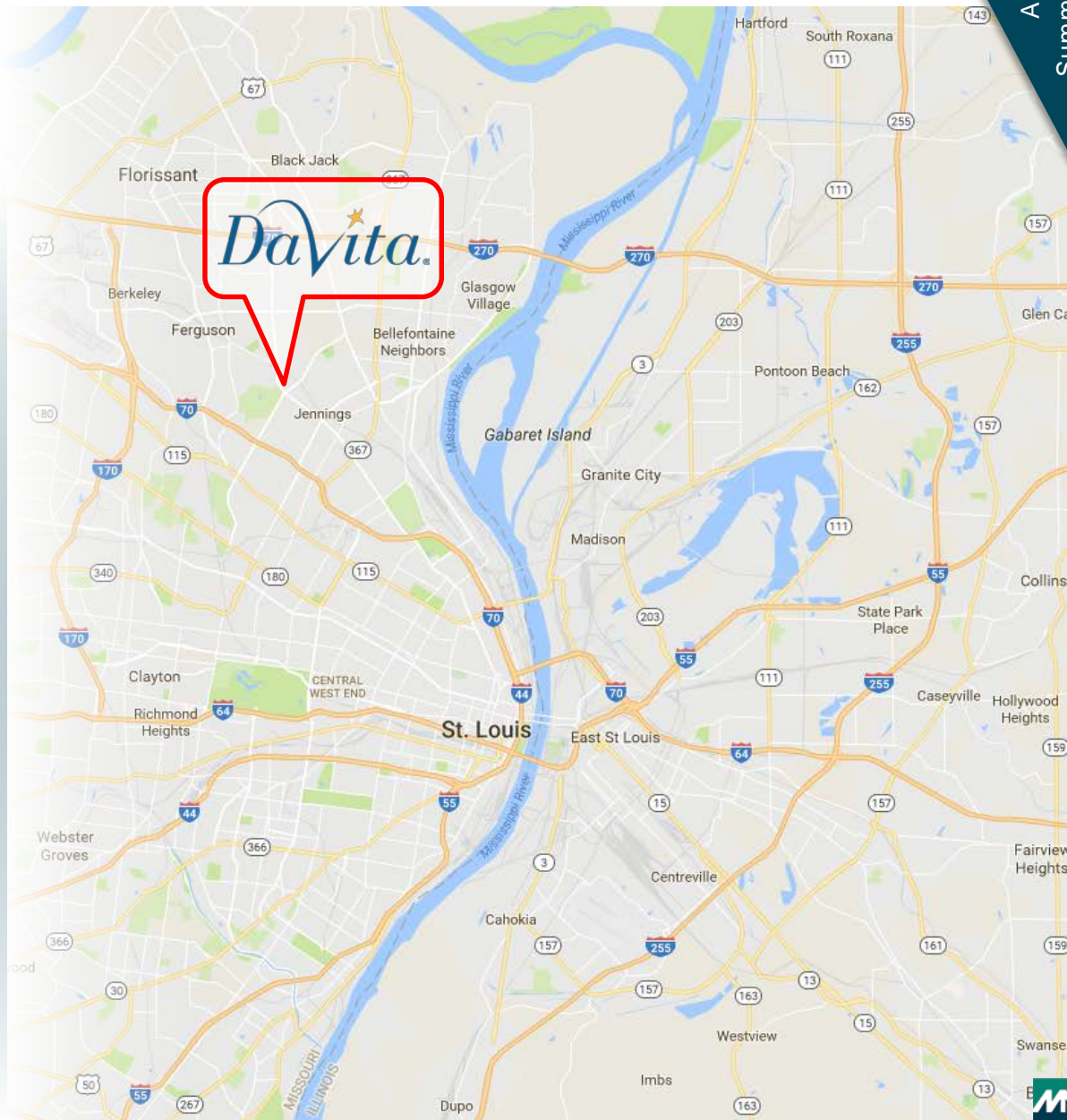
* As of December 31st, 2018.

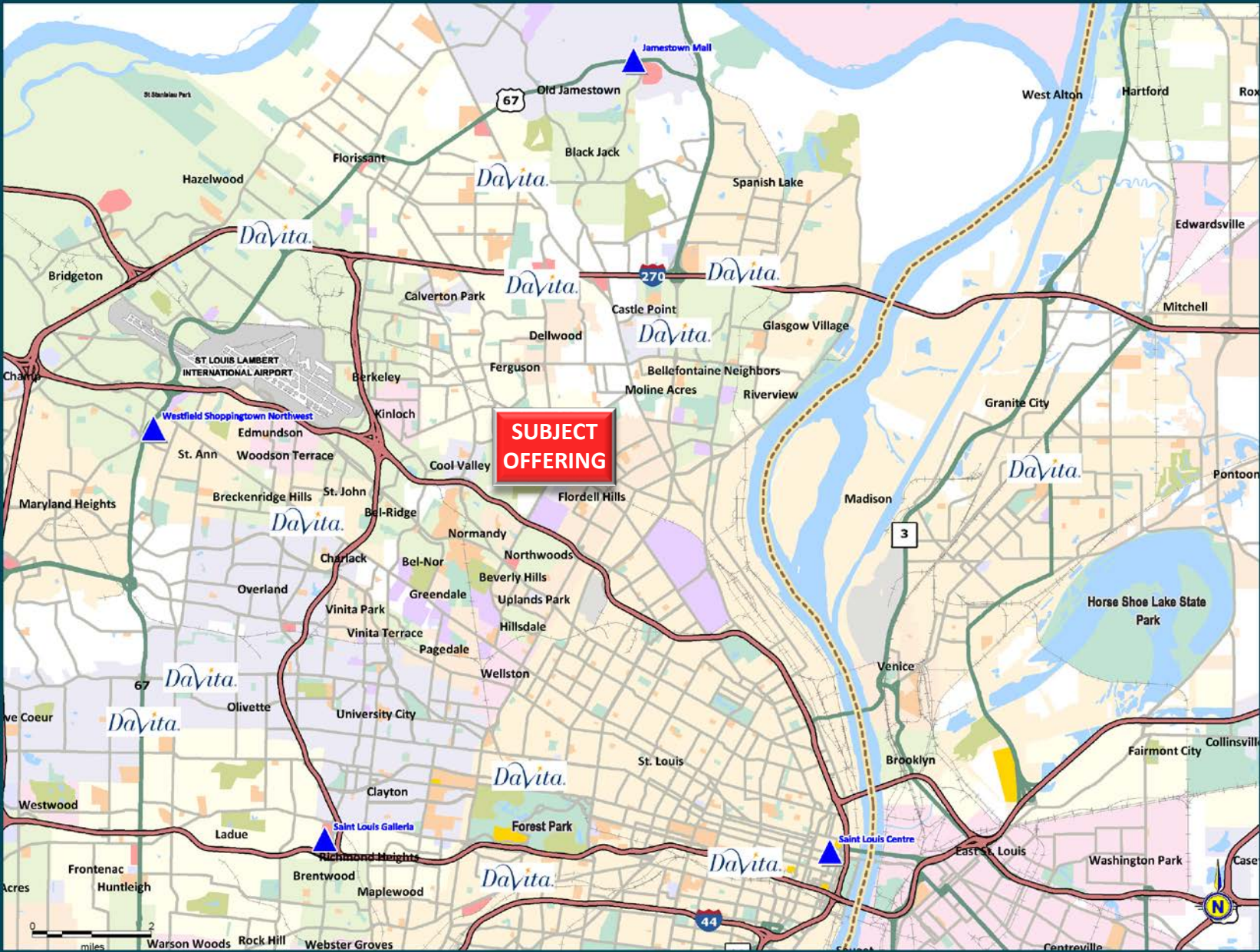
AREA SUMMARY

JENNINGS

Jennings is a dense, infill, middle-class community of over 14,000 residents located just 9 miles northwest of downtown St. Louis in St. Louis County. With 980,632 residents, St. Louis County is the most populous of St. Louis' metropolitan-area counties. Overall the area is thoroughly suburban with many corporate offices and service businesses. The top five employers in St. Louis County are Boeing (16,000 employees), Washington University in St. Louis (12,390 employees), SSM Healthcare (12,102 employees), Schnuck Markets, Inc. (10,500 employees), and St. John's Mercy Health Care (8,876 employees). The St. Louis MSA has a population of 2.8 million people, making it the 19th largest metropolitan area in the United States. The St. Louis MSA is home to the headquarters of nine Fortune 500 companies including Emerson Electric (located across the street from the subject property), Express Scripts, Ameren, Monsanto, Charter Communications, and Reinsurance Group of America. Other companies with a significant presence include Anheuser-Busch InBev, Enterprise Rent-A-Car, Edward Jones, Scottrade, Energizer Holdings, and Nestle's Ralston Purina subsidiary.

Plaza on the Boulevard is a community shopping center positioned to serve the day-to-day needs of the nearby residential neighborhoods, and benefits from its location within a dense in-fill market of over 113,000 residents within a three-mile radius. The Jennings trade area is defined by the Mississippi River to the east, I-270 to the north (3 miles from the center), I-170 to the west (4.5 miles from the center), and I-70 to the south (1.8 miles from the center). Plaza on the Boulevard has limited competition with only a few other grocers within a three mile radius of the property, which include Walmart Supercenter, Schnucks, Shop 'n Save, and Aldi. The Schnucks grocery store is the only grocer within this trade area that is located within a multi-tenant retail shopping center, which provides the necessary draw and gives it an advantage over its competitors.





DEMOGRAPHIC PROFILE

Population	1 Mile	3 Miles	5 Miles
Q1 2018 Estimated Population	12,455	111,559	265,272
2023 Projected Population	12,446	110,746	263,355
Estimated Daytime Population	12,834	103,599	251,035
Median Age	31.1	35.9	36.7
Households	1 Mile	3 Mile	5 Mile
Q1 2018 Estimated Households	4,925	42,703	102,508
2023 Projected Households	4,904	42,296	101,546
Persons per Household	2.53	2.57	2.54
Income	1 Mile	3 Mile	5 Mile
Average Household Income	\$40,998	\$49,175	\$50,662

ST. LOUIS MSA

MSA OVERVIEW

The St. Louis MSA is comprised of twelve counties along the Mississippi River covering 6,375 square miles in Missouri and Illinois and has a population of approximately 2.8 million people, making it the 20th largest metropolitan area in the United States. St. Louis MSA, which has one of the lowest costs of living in the country's top 20-major metro areas and ranks second in the most-affordable housing market. The region has a large, diverse, and affordable housing stock consisting of old and new, urban neighborhood, suburban city, and rural village homes. The region also offers 115 public school districts ranging from outstanding urban magnet schools to excellent suburban systems, over 300 of the finest private schools in the nation, and eighty technical and vocational schools, one of which was designated as an exemplary school by the U.S. Department of Education. In addition, twelve universities and four-year colleges, including 19th-ranked Washington University in St. Louis, Saint Louis University, and the University of Missouri-St. Louis, eight two-year institutions, and numerous professional schools enhance the quality and skills of the region's work force and enrich its intellectual creativity and strength.

TOURISM

Union Station, a national historic landmark, is undergoing a \$60 million dollar transformation by its new owner, Lodging Hospitality Management. All 536 rooms at the Curio Hilton have been renovated and a 200' observation wheel and roller coaster will be built on the grounds. South Grand Boulevard, a center for ethnic restaurants and art galleries; historic Soulard, featuring an open-air farmer's market, beautifully restored homes and the Anheuser-Busch brewery; the Hill, home to Italian neighborhoods, shops, and restaurants; and the Central West End, with its eateries, antique shops, and grand old homes are just a few of the neighborhoods visitors love to explore. In addition, residents of the St. Louis MSA don't have to travel far to reach a variety of attractions outside of the city, including the Fairmont Park thoroughbred racing arena, Cahokia Mounds State Historic Site, Casino St. Charles Riverfront Station, Six Flags over Mid-America, and several historic area wineries. The St. Louis Cardinals baseball team and St. Louis Blues hockey team play in downtown St. Louis venues.



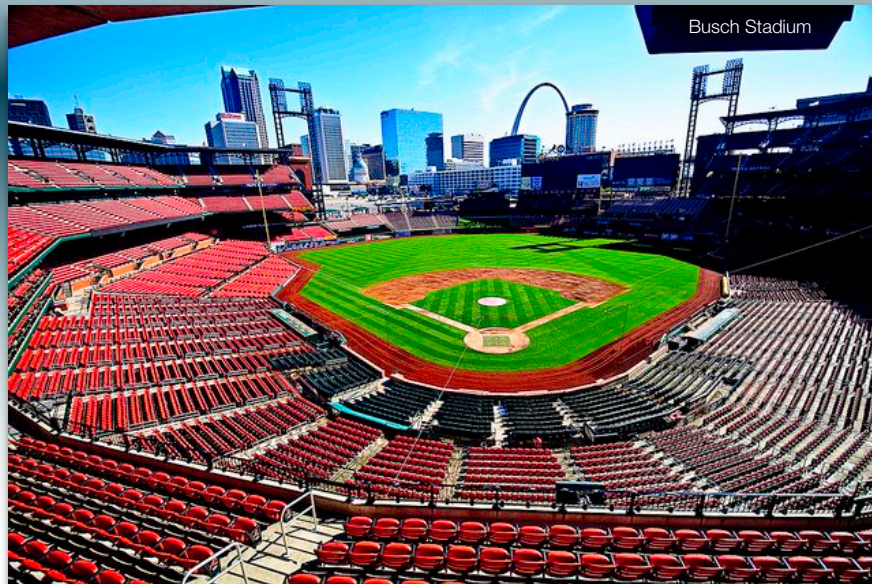
ST. LOUIS MSA

TRANSPORTATION

With the Metrolink light rail system, four main interstate routes, and 575 Bi-State Development Agency buses, the St. Louis MSA is an easy region to navigate. In addition, the area is home to Lambert St. Louis International Airport and to several smaller regional airports, including Mid-America Airport located in St. Clair County in Illinois. The region is also easily accessible by train via the many Amtrak passenger trains that pass through each week.

ECONOMY

The St. Louis economy offers an attractive balance of economic stability and growth forging new frontiers in innovative and exciting industries, such as plant and medical sciences, information technology, and advanced manufacturing. The historic stability of St. Louis's job growth is the second highest in the country, and employment is broadly diversified across many sectors. The Greater St. Louis area is the headquarters for 18 Fortune 1000 companies, nine of which are in the Fortune 500 including Emerson Electric, Express Scripts, Monsanto, Ameren, Reinsurance Group of America, Charter Communications, Peabody Energy, Graybar Electric, and Centene Corp. Other major employers with a significant presence that demonstrate the economy's diversity include BJC Healthcare, Anheuser-Busch InBev, Boeing, Washington University, Schnucks, McDonald's, and Citigroup. St. Louis is also home to some of the country's largest privately held companies, including Enterprise Rent-A-Car, Graybar Electric, Center Oil Co., Edwards Jones, Schnuck Markets Inc, and UniGroup, parent company of Mayflower Transit and United Van Lines, and to some of the fastest-growing businesses in the country. Some St. Louis's largest employers include BJC HealthCare, Schnucks, Boeing Defense, Space & Security, Wal-Mart Stores, Inc., Scott Air Force Base, Washington University in St. Louis, and SSM Health Care.



LEGAL DISCLAIMER

The Offering Memorandum ("The Memorandum") is intended solely for the limited use of The Potential Purchaser in considering whether to pursue negotiations to acquire the 8021 West Florissant Avenue, Jennings, MO 63136 ("The Property"). The Memorandum, prepared by Mid-America Real Estate Corporation, in cooperation with Mid-America Real Estate Group-Missouri LLC (Hereinafter collectively referred to as "MAREC"), contains brief, selected information pertaining to the operation of The Property and Owner does not purport to be all-inclusive or to contain all the information, which The Potential Purchaser may desire. The Memorandum will be delivered with the understanding that The Potential Purchaser will conduct its own analysis and investigation of The Property, independently and without reliance upon The Owner, MAREC or The Memorandum and based on such documents, information and other matters as The Potential Purchaser, in its sole discretion, deems appropriate in evaluating a purchase of The Property. In furnishing The Memorandum, MAREC and/or The Owner reserve(s) the right to request the return of The Memorandum (including all copies or partial copies), or any other information provided, at any time. Neither The Owner nor MAREC or any of their officers, employees or agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of The Memorandum or any oral or written communication transmitted from MAREC and/or The Owner to The Potential Purchaser and no legal liability is assumed or to be implied with respect thereto. By accepting The Memorandum, The Potential Purchaser agrees that The Memorandum's contents and any other information pertaining to The Property and provided to The Potential Purchaser are confidential and proprietary; that The Memorandum and the information contained therein or provided is the property of The Owner and/or MAREC, that it will hold and treat The Memorandum and information provided in the strictest of confidence; that it will not, directly or indirectly, disclose or permit anyone else to disclose The Memorandum's contents without prior written authorization; and, that it will not use or permit to be used The Memorandum or The Memorandum's contents in any fashion or manner detrimental to the interest of The Owner and/or MAREC or in violation of the obligation to maintain such information and The Memorandum in strict confidence. However, The Potential Purchaser may disclose such confidential information to its employees, auditors, financial advisors, directors and/or counsel to whom it is reasonably necessary for purposes of evaluating The Property provided such disclosure is made pursuant to this agreement, all reasonable precautions are taken to safeguard the information and parties are informed of the need to maintain the information as confidential. The Potential Purchaser agrees that photocopying or other duplication of information provided by The Owner and/or MAREC is strictly prohibited. The Owner expressly reserves the right, at its sole discretion, to reject any or all proposals or expressions of interest in The Property and to commence, participate in, or terminate discussions with any party at any time with or without notice. The Potential Purchaser acknowledges that The Owner has no obligation to discuss or agree to the sale of The Property. Notwithstanding that The Potential Purchaser and The Owner may reach one or more oral understandings or agreements on one or more issues that are being discussed, neither party shall be bound by any oral agreement of any kind and no rights, claims, obligations or liabilities of any kind, either express or implied, shall arise or exist in favor of or be binding upon either party except to the extent expressly set forth in a written agreement signed by both parties. The Memorandum shall not be deemed a representation of the state of affairs of The Property nor constitute an indication that there has been no change in the business or affairs of The Property since the date of its preparation. The Potential Purchaser agrees not to contact the tenants, leasing MARECs or property management staff of The Property in connection with its review of The Property. Any and all questions related to The Memorandum or The Property must be directed to MAREC. In the event The Potential Purchaser decides not to pursue the acquisition of The Property, The Potential Purchaser agrees to return The Memorandum and all copies (including partial copies) to the appropriate representative of MAREC.



LEGAL DISCLAIMER

Representation

The Potential Purchaser understands and agrees that MAREC is not representing The Potential Purchaser in this Proposed Sale. MAREC is only representing The Owner in this Proposed Sale.

Americans with Disabilities Act

The United States Congress has enacted the Americans With Disabilities Act. Among other things, this act is intended to make business establishments equally accessible to persons with a variety of disabilities. As such, modifications to real property may be required. State and local laws also may mandate changes. Neither The Owner nor MAREC is qualified to advise The Potential Purchaser as to what, if any, changes may be required now, or in the future. The Potential Purchaser should consult the attorneys and qualified design professionals of its choice for information regarding these matters. Neither The Owner nor MAREC can determine which attorneys or design professionals have the appropriate expertise in this area.

Hazardous Materials Disclosure

Various construction materials may contain items that have been or may in the future be determined to be hazardous (toxic) or undesirable and as such may need to be specifically treated, handled or removed. Due to prior or current uses of The Property or the area, there may be hazardous or undesirable metals, minerals, chemicals, hydrocarbons or biological or radioactive items (including electric and magnetic fields) in soils, water, building components, above or below-ground containers or elsewhere in areas that may or may not be accessible or noticeable. Such items may leak or otherwise be released. Neither The Owner nor MAREC has expertise in the detection or correction of hazardous or undesirable items. Expert inspections are necessary. Current or future laws may require clean up by past, present and/or future owners and/ or operators. It is the responsibility of The Potential Purchaser to retain qualified experts to detect and correct such matters.

Remedies

If there is a breach or threatened breach of any provision of these Conditions of Offering, The Owner and/or MAREC shall be entitled to seek redress by court proceedings in the form of an injunction restraining The Potential Purchaser without the necessity of showing any actual damages or that monetary damages would not afford an adequate remedy and/or a decree for specific performance without any bond or other security being required. Nothing herein shall be construed as prohibiting The Owner and/or MAREC from pursuing any other remedies at law or in equity, which it may have. If The Owner and/or MAREC is involved in a court proceeding to enforce the covenants contained in these Conditions of Offering and The Owner and/or MAREC prevails in such litigation, The Potential Purchaser shall be liable for the payment of The Owner and/or MAREC's reasonable attorneys' fees, court costs and ancillary expenses together with such other and further relief as available under any applicable statute.

This information has been secured from sources we believe to be reliable, but we make no representations or warranties, expressed or implied, as to the accuracy of the information. References to square footage or age are approximate. Buyer must verify the information and bears all risk for any inaccuracies.



RELY ON THE MIDWEST'S RETAIL REAL ESTATE EXPERTS.



For further information contact the owner's exclusive representatives:

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