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FRESENIUS MEDICAL CARE

Los Lunas, NM | 15-Year Absolute NNN Lease | Corporate Guarantee
(Albuquerque MSA)

Parcel lines are not exact and the actual property boundary may vary.
Buyer will need to verify during their due diligence period.

Actual Location

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.
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FRESENIUS MEDICAL CARE

2800 PALMILLA ROAD NW, LOS LUNAS, NEW MEXICO 87031
(ALBUQUERQUE MSA)

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\$18.5 B

FRESENIUS MEDICAL CARE
GENERATED \$18.5 BILLION IN
REVENUE FOR 2018⁽¹⁾

BBB-

FRESENIUS MEDICAL CARE HOLDINGS,
INC. (GUARANTOR) HAS AN INVESTMENT
GRADE CREDIT RATING FROM S&P

TENANT OVERVIEW

FRESENIUS MEDICAL CARE
LOS LUNAS, NM | ALBUQUERQUE MSA

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(1) All financial data shown above is for Fresenius Medical Care, which does not guarantee the Lease. Lease is guaranteed by the US entity, Fresenius Medical Care Holdings, Inc.

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FRESENIUS MEDICAL CARE⁽¹⁾

Fresenius Medical Care is the world's largest provider of products and services for individuals with renal diseases of which around 3.4 million patients worldwide regularly undergo dialysis treatment. Through its network of 3,928 dialysis clinics, Fresenius Medical Care provides dialysis treatments for 333,331 patients around the globe. Fresenius Medical Care has over 112,658 employees in more than 50 countries. Fresenius Medical Care is also the leading provider of dialysis products such as dialysis machines or dialyzers. Along with the core business, the company focuses on expanding the range of related medical services in the field of Care Coordination. Fresenius Medical Care is listed on the Frankfurt Stock Exchange (FME) and on the New York Stock Exchange (FMS).

- ▶ \$18.5 BILLION IN REVENUE / \$11.5 BILLION NET WORTH (2018)
- ▶ AVERAGE ANNUAL GROWTH OF 15% OVER THE LAST 20 YEARS
- ▶ INVESTMENT GRADE TENANT - S&P RATED BBB- / MOODY'S RATED BAA3⁽²⁾
- ▶ FRESENIUS MEDICAL CARE EMPLOYS MORE THAN 112,658 PEOPLE, INCLUDING OVER 60,000 IN NORTH AMERICA
- ▶ FRESENIUS MEDICAL CARE SERVES 333,331 PATIENTS IN MORE THAN 50 COUNTRIES ACROSS 3,928 CLINICS
- ▶ EVERY 0.6 SECONDS A DIALYSIS TREATMENT IS PERFORMED BY FRESENIUS MEDICAL CARE

FRESENIUS MEDICAL CARE AT A GLANCE



333,331
PATIENTS
SERVED



50 M
TREATMENTS



3,928
CLINICS
WORLDWIDE



42
PRODUCTION
SITES



112,658
EMPLOYEES

(1) All financial data shown above is for Fresenius Medical Care, which does not guarantee the Lease. Lease is guaranteed by the US entity, Fresenius Medical Care Holdings, Inc.

Sources: www.freseniusmedicalcare.com, Yahoo Finance, Standard & Poor's, Moody's.

(2) S&P Credit Rating is for Fresenius Medical Care Holdings, Inc., the Lease Guarantor

Source: www.freseniusmedicalcare.com

NEW 15-YEAR
ABSOLUTE NNN
LEASE

NO LANDLORD MAINTENANCE
RESPONSIBILITIES

ANNUAL
CPI
INCREASES

CPI INCREASES
CAPPED AT 2%

INVESTMENT
OVERVIEW

FRESENIUS MEDICAL CARE
LOS LUNAS, NM | ALBUQUERQUE MSA

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INVESTMENT OVERVIEW

NEW 15-YEAR LEASE WITH ANNUAL CPI INCREASES

New 15-year Absolute NNN lease with annual CPI rent increases (Capped at 2%). There are an additional three, 5-Year Renewal Option Periods.

ABSOLUTE NNN LEASE

Unlike the standard dialysis center leases with significant Landlord responsibilities (such as roof, structure, parking lot and HVAC replacement), the Subject Property has an absolute NNN lease structure that provides an investor with a long-term, passive income stream with no landlord maintenance responsibilities whatsoever.

WELL-ESTABLISHED LOCATION WITH STRONG DEMOGRAPHICS

The Subject Property has a 14-year operational history at this location and is situated just off Interstate 25 (32,209 VPD). The facility is located near Walmart Supercenter, Walgreens, KFC, Home Depot, Lowe’s and a 100,000 sq ft Fresenius Medical Care Distribution Center, serving more than 1,300 patients throughout Arizona, Colorado, New Mexico and the West Texas region. The dialysis center is situated less than 2 miles from the newly constructed 2.8 million sq ft, \$1 billion Facebook Data Center completely powered by renewable solar and wind energy. A reported \$2 million increase in gross receipts tax revenue for the first quarter of the fiscal year was attributable to the Data Center alone. Likewise, there are average household incomes of \$68,840 within a one-mile radius of the Subject Property, with the Health Care Industry as the #1 largest industry group in the Albuquerque MSA.

INVESTMENT GRADE TENANT

Fresenius Medical Care Holdings, Inc., the Guarantor under the Lease, carries an Investment Grade Credit Rating of “BBB-” from S&P and “Baa3” from Moody’s. Unlike many other dialysis center leases, the Guarantee does not expire at the end of the primary term. The lease is guaranteed by Fresenius Medical Care Holdings, Inc.

FRESENIUS MEDICAL CARE⁽¹⁾

- Fresenius Medical Care reported \$18.5 Billion in revenue and a net worth of \$11.5 Billion (2018)
- Fresenius Medical Care is the world’s largest provider of products and services for individuals with renal diseases of which approximately 3.4 million patients worldwide regularly undergo dialysis treatment
- Revenue in North America, approximately 72% of Fresenius Medical Care’s total revenue, increased 8% from the previous year
- Fresenius Medical Care serves 333,331 patients in more than 50 countries across 3,928 clinics
- Fresenius Medical Care employs more than 112,658 people in more than 50 countries around the world, which includes over 60,000 in North America

(1) All financial data shown above is for Fresenius Medical Care, which does not guarantee the Lease. Lease is guaranteed by the US entity, Fresenius Medical Care Holdings, Inc., which carries an investment grade credit rating of “BBB-” from S&P and “Baa3” from Moody’s.

Sources: www.freseniusmedicalcare.com, Yahoo Finance, Standard & Poor’s, Moody’s, www.newmexico.org



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OFFERING HIGHLIGHTS

FRESENIUS MEDICAL CARE

LOS LUNAS, NM
(ALBUQUERQUE MSA)

2800 PALMILLA ROAD NW, LOS LUNAS, NEW MEXICO 87031

OFFERING PRICE

CAP RATE

\$2,883,513

5.75%

Net Operating Income	\$165,802
Lease Type	Absolute NNN
Lease Commencement	12/21/2018
Lease Expiration Date	12/31/2033
Year Built	2005 ⁽¹⁾
Rentable Area	8,080 SF ⁽¹⁾
Lot Size	1.330 Acres ⁽¹⁾
Increases	Annual CPI Increases (Capped at 2%)
Options	(3) Five-Year Options
Guarantor	Fresenius Medical Care Holdings, Inc. ⁽¹⁾
S&P Rating	BBB- / Stable (Investment Grade) ⁽¹⁾

(1) Rentable Area, Lot Size, Year Built, Guarantor, and S&P Rating are estimates. Buyer is responsible for verifying during the Due Diligence process.

RENT ROLL

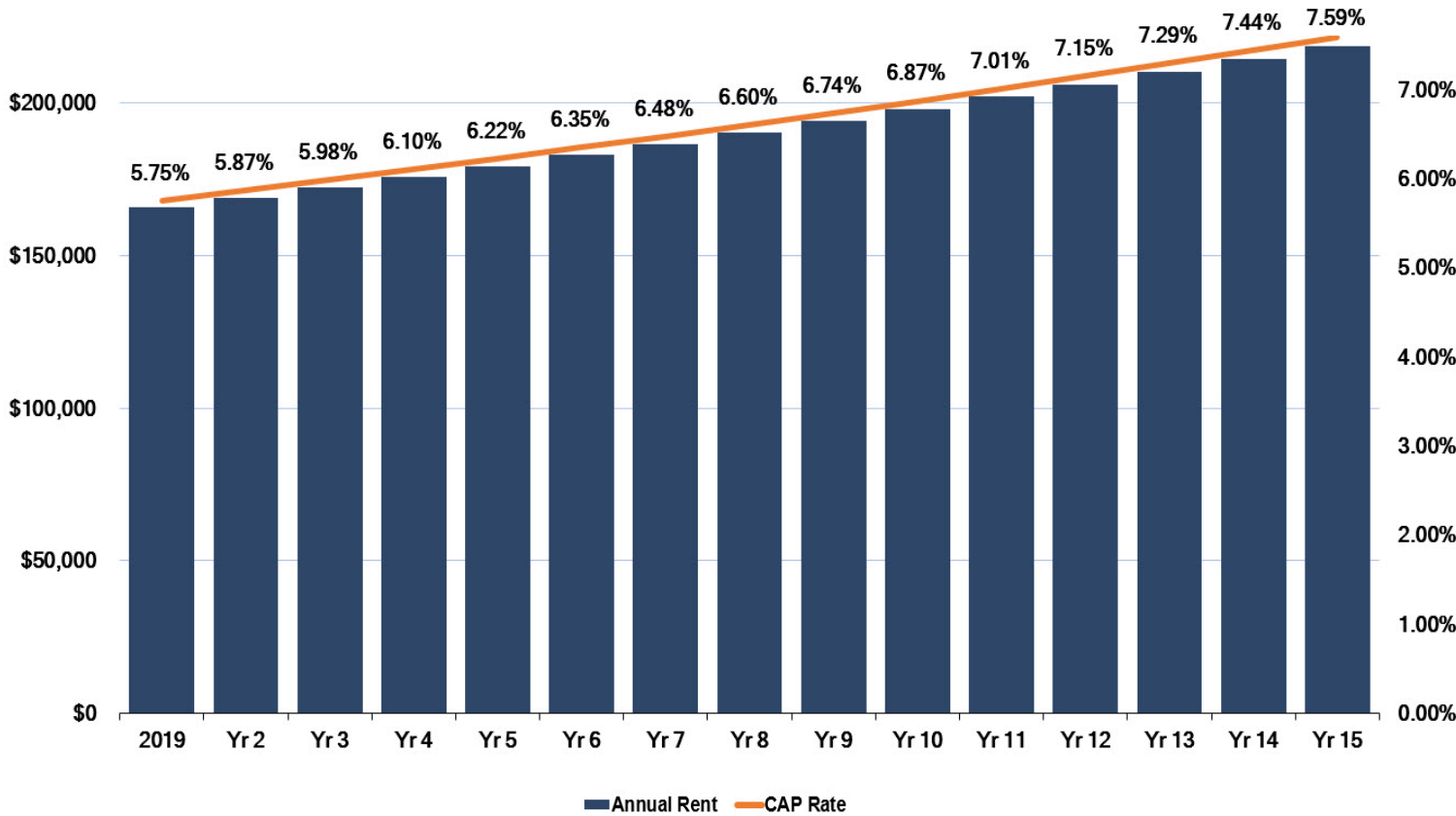
TENANT INFO		LEASE TERMS		CURRENT	RENT INCREASES		LEASE	
GUARANTOR	RENTABLE AREA	COMMENCEMENT	EXPIRATION	ANNUAL BASE RENT	YEARS 1-15	OPTIONS	NEXT ESCALATION	TYPE
FRESENIUS MEDICAL CARE HOLDINGS, INC.	8,080 SF ⁽¹⁾	12/21/2018	12/31/2033	\$165,802	CPI INCREASES (CAPPED AT 2%)	3, 5-YEAR RENEWAL OPTIONS	1/2020	ABSOLUTE NNN

RENT SCHEDULE⁽²⁾

Lease Years	Possible Increases	Annual Rent
2019	CPI Capped at 2%	\$165,802
Year 2	CPI Capped at 2%	\$169,118
Year 3	CPI Capped at 2%	\$172,500
Year 4	CPI Capped at 2%	\$175,950
Year 5	CPI Capped at 2%	\$179,469
Year 6	CPI Capped at 2%	\$183,059
Year 7	CPI Capped at 2%	\$186,720
Year 8	CPI Capped at 2%	\$190,454
Year 9	CPI Capped at 2%	\$194,263
Year 10	CPI Capped at 2%	\$198,149
Year 11	CPI Capped at 2%	\$202,112
Year 12	CPI Capped at 2%	\$206,154
Year 13	CPI Capped at 2%	\$210,277
Year 14	CPI Capped at 2%	\$214,483
Year 15	CPI Capped at 2%	\$218,772

(2) Lease increases annually by CPI (Capped at 2%). Chart assumes 2% annual increases. Pro forma returns shown above are not guaranteed and does not take into consideration any unforeseen expenses. Buyer must conduct their own due diligence to confirm these estimates.

CAP RATE GROWTH CHART⁽²⁾



14-YEAR OCCUPATIONAL HISTORY

ESTABLISHED DIALYSIS CENTER

EPICENTER OF HEALTHCARE

THE ALBUQUERQUE METRO AREA IS THE ECONOMIC,
RETAIL, HEALTHCARE AND GEOGRAPHIC HUB OF NEW MEXICO

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LOCATION & MARKET OVERVIEW

FRESENIUS MEDICAL CARE
LOS LUNAS, NM | ALBUQUERQUE MSA

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LOCATION OVERVIEW



WELL-ESTABLISHED
DIALYSIS CENTER
WITH A 14-YEAR
OPERATIONAL HISTORY
IN LOS LUNAS

HOME TO FACEBOOK'S
NEWEST \$1 BILLION,
2.8 MILLION SQ FT
CLOUD CAMPUS, ONE
OF ONLY 12 GLOBAL
DATA CENTERS

MAJOR REGIONAL
RETAIL, MEDICAL AND
COMMERCIAL HUB IN
NEW MEXICO

HOME TO SOCIAL MEDIA GIANT FACEBOOK'S NEWEST \$1 BILLION, 2.8 MILLION SF CLOUD CAMPUS

Located in the second fastest growing city in the state of New Mexico and less than 20 minutes from Downtown Albuquerque, the Subject Property has a 14-year operational history in this location and is situated just off major Interstate 25 (32,209 VPD). This dialysis center is positioned in the main retail corridor of Los Lunas near Walmart Supercenter and a Walmart Distribution Center, Walgreens, Goodwill, AutoZone, KFC, Starbucks, Great Clips, O'Reilly Auto Parts, Home Depot, Chili's Grill & Bar, Lowe's and a 100,000+ square foot Fresenius Medical Care Distribution Center. Servicing Arizona, Colorado, New Mexico and the West Texas region, the Fresenius Los Lunas distribution center distributes supplies using its internal fleet of drivers to deliver into homes and dialysis facilities to more than 1,300 customers. The Subject Property is situated less than 2 miles from the newly constructed, \$1 billion, 2.8 million square foot Facebook Data Center completely powered by renewable solar and wind energy. A reported \$2 million increase in gross receipts tax revenue for the first quarter of the fiscal year was attributable to the energy-efficient cloud campus alone with an estimated 1,000 construction jobs during peak construction activity and construction crews on site well into year 2023. The average household income within a one-mile radius of the Subject Property is \$68,840. Business-friendly Los Lunas has enjoyed a 47.8% population growth since 2000, attracting a highly skilled workforce and industries needing room to expand to the region.

HEALTHCARE EPICENTER OF NEW MEXICO

The Albuquerque metro area is the major retail, commercial and medical hub of New Mexico where healthcare ranks as the #1 industry group. With more than 1,900 hospital beds and nationally recognized programs and facilities, Albuquerque is the center of health care excellence.

Sources: www.abq.org, www.govtech.com



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LOS LUNAS / ALBUQUERQUE MSA

Los Lunas is a village in Valencia County in Central New Mexico. It is 20 miles south of Albuquerque and 85 miles southwest west of Sante Fe. As of the 2010 census, the population is 14,835 while Valencia County has a population of 76,569. Los Lunas is part of the Albuquerque MSA which home to over 909,000 residents. Interstate 25 is the major north-south highway in New Mexico that provides residents with easy access to Albuquerque to the north and Las Cruces to the south.

The Albuquerque MSA encompasses four counties with the city of Albuquerque being the most populous city in the MSA and in the state of New Mexico. The MSA ranks as the 60th largest MSA in the United States with over 909,000 residents. The University of New Mexico, the largest flagship university in the state with over 26,000 students is in downtown Albuquerque. Kirtland Air Force Base, the 6th largest installation in the Air Force, is located 8 miles east of Downtown Albuquerque. The base covers over 51,000 acres and employs over 23,000 people providing a significant impact on the City of Albuquerque. Kirtland Air Force Base claimed nearly \$6.7 Billion in total economic impact in 2016 with more than \$4 Billion of that in the greater Albuquerque area.

The Albuquerque MSA is also home to the center of the New Mexico Technology Corridor, a concentration of high-tech private companies and government institutions along the Rio Grande. Intel operates a large semiconductor factory in suburban Rio Rancho and in neighboring Sandoval County. Northrop Grumman is located along I-25 in northeast Albuquerque, and Tempur-Pedic is located on the West Mesa next to I-40 with the latter opening an 800,000-square-foot mattress factory in northwest Albuquerque in 2007. The new 2.8 million square foot Facebook Data Center development will consist of six buildings totaling 2.8 million square feet with Facebook investing over \$1 billion into the project. The center is expected to be one of the most advanced and energy-efficient data center facilities in the world, powered with 100 percent clean and renewable energy powered by three new solar plants.



FACEBOOK DATA CENTER - LOS LUNAS, NM

A \$1 BILLION, 2.8 MILLION SF PROJECT COMPLETELY POWERED BY RENEWABLE SOLAR AND WIND ENERGY AND ONE OF THE SOCIAL MEDIA GIANT'S TWELVE GLOBAL CLOUD CAMPUSES

AERIAL VIEW

The subject property is located on 2800 Palmilla Road NW in Los Lunas, less than 2 miles from a 100,000+ square foot Fresenius Medical Care Distribution Center, which serves more than 1,300 customers throughout Arizona, Colorado, New Mexico and the West Texas Region.



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HOUSEHOLD INCOME

YEAR 2018	1 MILE	3 MILES	5 MILES
AVERAGE	\$68,840	\$61,668	\$62,405
MEDIAN	\$56,121	\$48,433	\$49,424

POPULATION

YEAR	1 MILE	3 MILES	5 MILES
2023 Projection Total Population	5,197	18,606	32,543
2018 Census Total Population	4,053	16,367	29,886
2010 Census Total Population	3,856	16,168	29,876

Source: Marcus & Millichap Research Services, CoStar



**FRESENIUS
MEDICAL CARE**

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ACTUAL LOCATION

FRESENIUS MEDICAL CARE | Los Lunas, NM | 15-Year Absolute NNN Lease (Albuquerque MSA) Corporate Guarantee

MATT REEVES
NM BROKER OF RECORD
LICENSE: NM 19583