



FRESENIUS MEDICAL CARE

Somerset, KY | 15-Year Absolute NNN Lease | Corporate Guarantee

Actual Location

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FRESENIUS MEDICAL CARE

119 TRADE PARK DRIVE, SOMERSET, KENTUCKY 42503

TABLE OF CONTENTS

01 TENANT OVERVIEW
SECTION 1
Fresenius • Dialysis Market Overview

05 INVESTMENT OVERVIEW
SECTION 2
Investment Overview • Highlights • Rent Roll
Rent Schedule • CAP Rate Growth Chart

11 LOCATION & MARKET OVERVIEW
SECTION 3
Location Overview • Demos
Aerials • Somerset

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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
SOMERSET, KY

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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

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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

NEW 15-YEAR ABSOLUTE NNN LEASE

NO LANDLORD MAINTENANCE
RESPONSIBILITIES

ANNUAL CPI INCREASES

CPI INCREASES
CAPPED AT 2%

INVESTMENT OVERVIEW

FRESENIUS MEDICAL CARE
SOMERSET, KY

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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 WITHIN UPSCALE REGIONAL MEDICAL HUB

The Subject Property has a 19-year operational history at this location and is situated just off U.S. Highway 27 (31,974 ADT) in a premier regional medical and retail hub. The facility is located near the 54-acre, 19-tenant, \$30 million MedPark West Professional Center and Lake Cumberland Regional Hospital (295 patient beds). National retailers in the immediate trade area include CVS/pharmacy, The UPS Store, O'Reilly Auto Parts, Walgreens, Pizza Hut, Kroger Grocery Store, Advance Auto Parts, KFC, Hertz, BB&T, Papa John's Pizza and Dunkin' Donuts. This dialysis center is one of two renal care clinics in Somerset, with the next nearest dialysis center more than 45 minutes away.

INVESTMENT GRADE TENANT

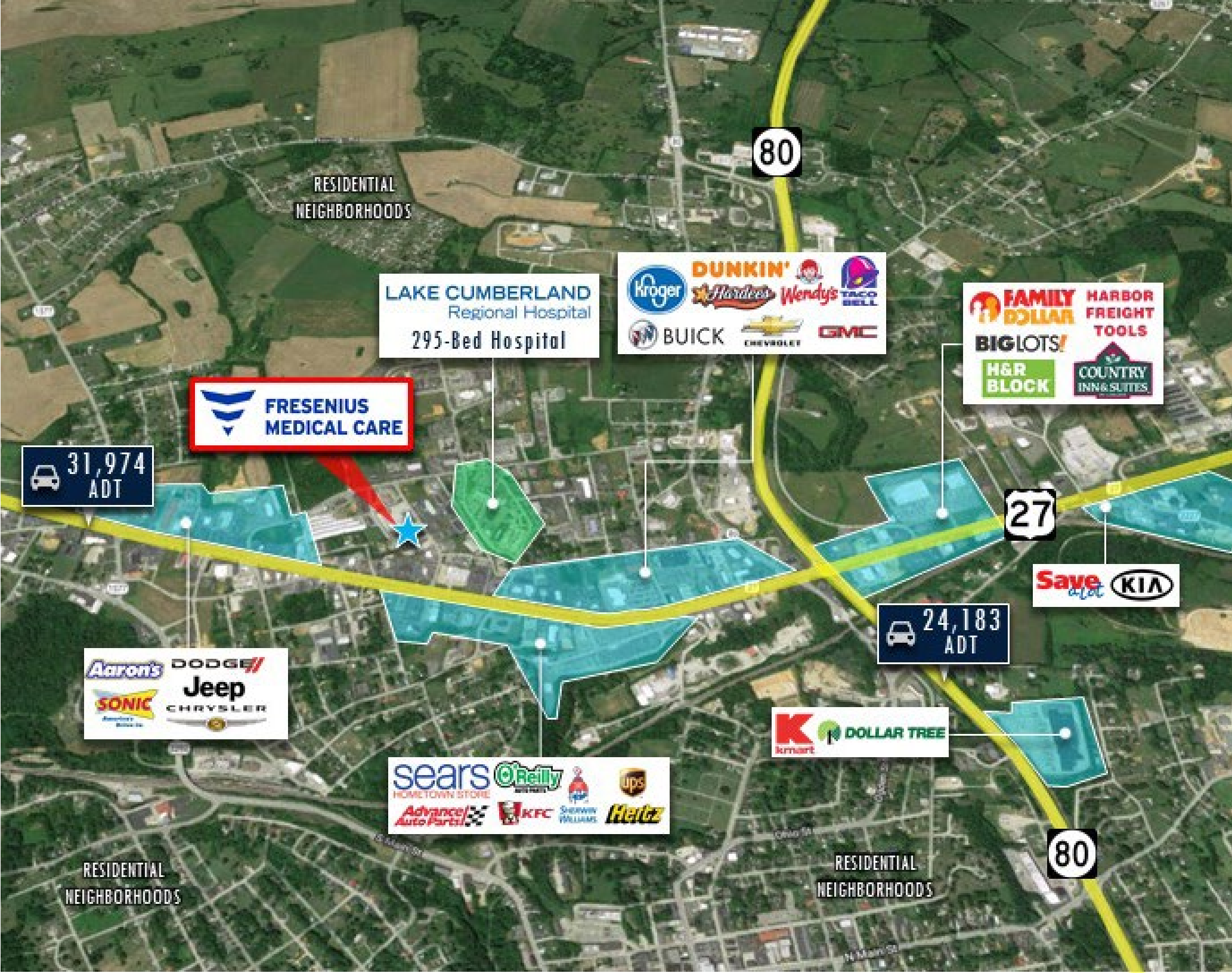
Fresenius Medical Care Holdings, Inc., the Guarantor under the Lease, carries an Investment Grade Credit Rating of "BBB-" from S&P and "Baa3" from Moody's. Unlike many other dialysis center leases, the Guarantee does not expire at the end of the primary term. The lease is guaranteed by Fresenius Medical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



OFFERING HIGHLIGHTS

FRESENIUS MEDICAL CARE

SOMERSET, KY

119 TRADE PARK DRIVE, SOMERSET, KENTUCKY 42503

OFFERING PRICE

\$2,287,965

CAP RATE

5.75%

Net Operating Income	\$131,558
Lease Type	Absolute NNN
Lease Commencement	12/21/2018
Lease Expiration Date	12/31/2033
Year Built	2000 ⁽¹⁾
Rentable Area	9,178 SF ⁽¹⁾
Lot Size	0.689 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

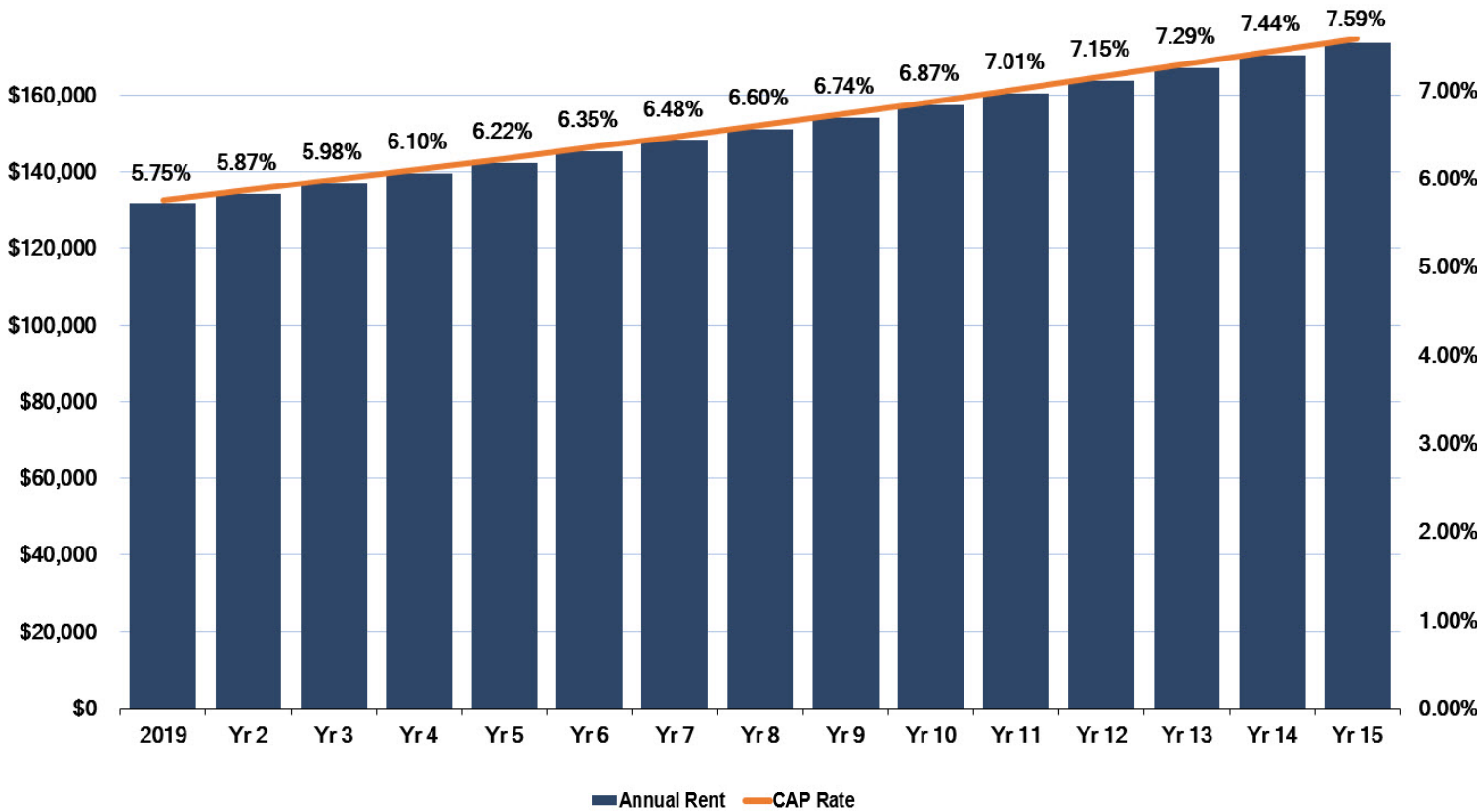
TENANT INFO		LEASE TERMS		CURRENT	RENT INCREASES		LEASE	
GUARANTOR	RENTABLE AREA	COMMENCEMENT	EXPIRATION	ANNUAL BASE RENT	YEARS 1-15	OPTIONS	NEXT ESCALATION	TYPE
FRESENIUS MEDICAL CARE HOLDINGS, INC.	9,178 SF ⁽¹⁾	12/21/2018	12/31/2033	\$131,558	CPI INCREASES (CAPPED AT 2%)	3, 5-YEAR RENEWAL OPTIONS	1/2020	ABSOLUTE NNN

RENT SCHEDULE⁽²⁾

Lease Years	Possible Increases	Annual Rent
2019	CPI Capped at 2%	\$131,558
Year 2	CPI Capped at 2%	\$134,189
Year 3	CPI Capped at 2%	\$136,873
Year 4	CPI Capped at 2%	\$139,610
Year 5	CPI Capped at 2%	\$142,403
Year 6	CPI Capped at 2%	\$145,251
Year 7	CPI Capped at 2%	\$148,156
Year 8	CPI Capped at 2%	\$151,119
Year 9	CPI Capped at 2%	\$154,141
Year 10	CPI Capped at 2%	\$157,224
Year 11	CPI Capped at 2%	\$160,368
Year 12	CPI Capped at 2%	\$163,576
Year 13	CPI Capped at 2%	\$166,847
Year 14	CPI Capped at 2%	\$170,184
Year 15	CPI Capped at 2%	\$173,588

(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⁾



19-YEAR OCCUPATIONAL HISTORY

ESTABLISHED DIALYSIS CENTER WITH EXCLUSIVE LOCAL MARKET SHARE
SITUATED ALONG SOMERSET'S U.S HIGHWAY 27 COMMERCIAL CORRIDOR

REGIONAL MEDICAL HUB

LOCATED NEAR THE 54-ACRE, 19-TENANT, \$30 MILLION MEDPARK WEST
PROFESSIONAL PARK AND LAKE CUMBERLAND REGIONAL HOSPITAL (295-BEDS)

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LOCATION & MARKET OVERVIEW

FRESENIUS MEDICAL CARE
SOMERSET, KY

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LOCATION OVERVIEW



LOCATED NEAR THE 54-ACRE,
19-TENANT, \$30 MILLION
MEDPARK WEST PROFESSIONAL
PARK AND LAKE CUMBERLAND
REGIONAL HOSPITAL (295-BEDS)

WELL-ESTABLISHED DIALYSIS
CENTER WITH A 19-YEAR
OPERATIONAL HISTORY

KENTUCKY’S TOURISM
INDUSTRY GENERATED
OVER \$15 BILLION IN
ECONOMIC IMPACT IN
2017 AND SUPPORTED
MORE THAN 195,000 JOBS

UPSCALE REGIONAL MEDICAL HUB

Located within an upscale regional medical hub near the premier 54-acre, 19-tenant, \$30 million MedPark West Professional Park and Lake Cumberland Regional Hospital (295-bed acute care facility) along Somerset’s U.S. HWY 27 retail and commercial corridor. MedPark West medical campus draws over 1000 visitors and 200 employees to the park each day, while the state-of-the-art hospital employs a staff of more than 1,200 health care professionals and 170 physicians representing 40+ medical specialties. Lake Cumberland Regional Hospital is the largest private employer in the region.

SURROUNDED BY NATIONAL RETAILERS

Fresenius Medical Care is surrounded by several national retailers including Walgreens, CVS/pharmacy, KFC, The UPS Store, O’Reilly Auto Parts, Advance Auto Parts, Pizza Hut, Kroger Grocery Store, Hertz, BB&T, Papa John’s Pizza and Dunkin’ Donuts. The Subject Property is situated on U.S. Highway 27, the state’s longest stretch of businesses outside of Louisville and Lexington.

EXCLUSIVE MARKET CONTROL IN SOMERSET

Fresenius Medical Care has limited competition in the region as one of only two renal care providers in the city of Somerset with the next nearest dialysis center more than 45 minutes away. According to estimates, the number of people requiring dialysis treatment is rising at a relatively constant rate of 6% annually and by year 2025, 4.9 million patients will receive dialysis. At the end of 2017, 3.2 million patients received treatments and 3.4 million patients in 2018. Fresenius Medical Care is dedicated to meeting this demand in the future.



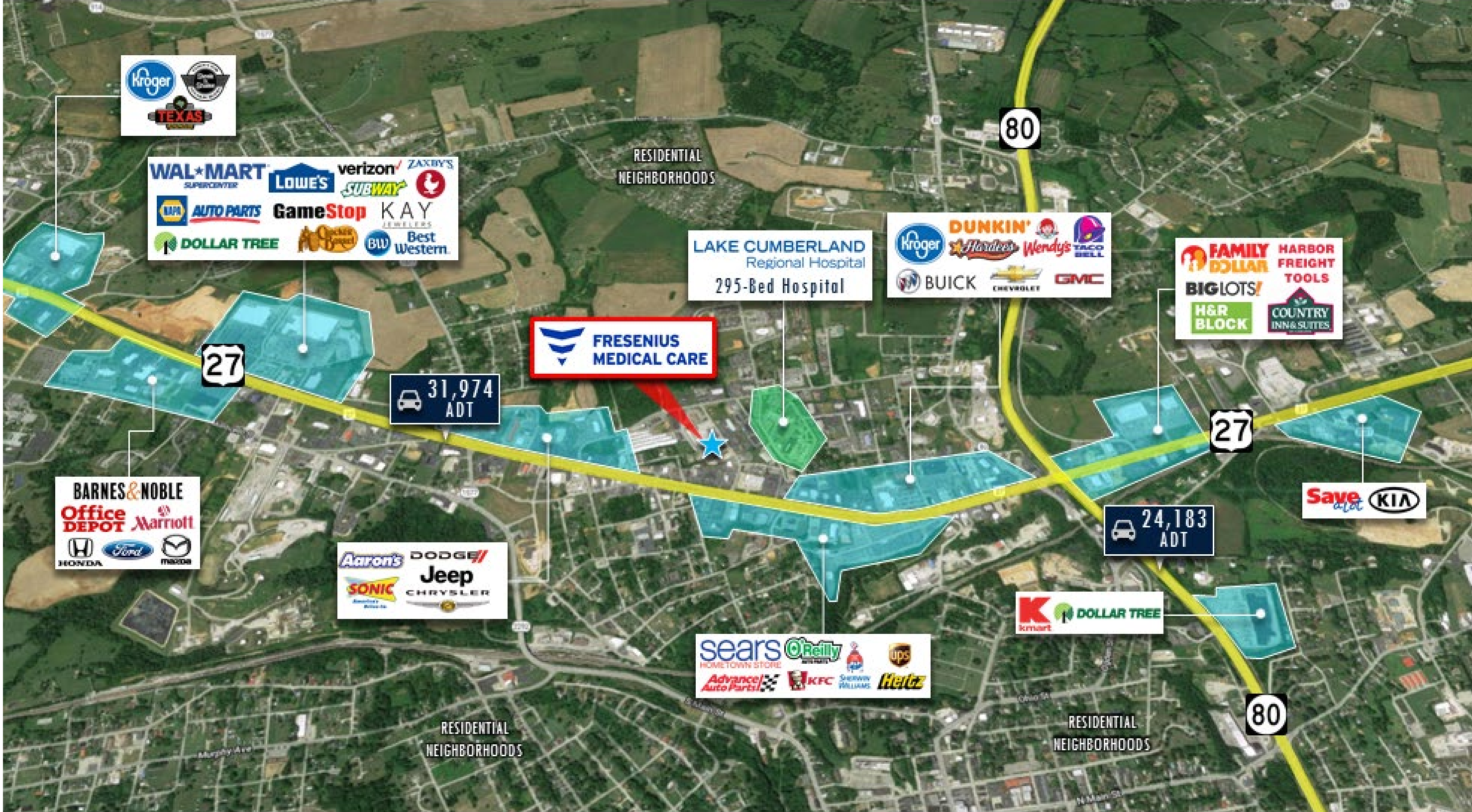
HOUSEHOLD INCOME

YEAR 2018	1 MILE	3 MILES	5 MILES
AVERAGE	\$41,585	\$54,735	\$57,732
MEDIAN	\$28,179	\$41,079	\$43,258

POPULATION

YEAR	1 MILE	3 MILES	5 MILES
2023 Projection Total Population	4,100	19,554	32,968
2018 Census Total Population	4,069	18,995	31,499
2010 Census Total Population	4,024	18,768	31,061

Source: Marcus & Millichap Research Services, CoStar



SOMERSET, KENTUCKY

As the birthplace of Abraham Lincoln and the site of many significant American Civil War battles, the Commonwealth of Kentucky is famous for its horses, history and hospitality! And nestled on the northeastern edge of Lake Cumberland and just west of the Daniel Boone National Forest, Somerset is the definition of "Southern Hospitality". While better known for the Kentucky Derby and the finest of Bourbon, the Bluegrass State is a diverse mix of French, Canadian, Native American, African American and Appalachian cultures... the melting pot of America. In Somerset there are plenty of mouth-watering eateries, local breweries, fishing holes, places of worship, no shortage of front porches, and acres and acres of lake and vineyards. As the largest man-made lake east of the Mississippi River, Lake Cumberland is the "Houseboat Capital of the World" and has a reputation as one of the best striped bass lakes in the nation. With its shoreline measuring 1,255 miles and spreading across 65,530 acres, families can enjoy hiking, jet skiing, fishing, swimming and boating at the waterfront. This popular travel destination hosts powerboat events throughout the year including Thunder Run and the Poker Run. In 2017 the tourism industry across the state of Kentucky generated over \$15 billion in economic impact and supported more than 195,000 jobs.

A natural crossroads where history, progress and natural wonders collide, Kentucky is full of adventure. Wind your way along its rich history, discovering each and every charming town one at a time. Experience a sweet slice of Americana engrained deep within every single vibrant river city. Taste and sip your way through the commonwealth indulging in authentic BBQ and bourbon. Feel the heart and magic of the region as thoroughbreds thunder down the track. Maybe it's just for the weekend, but hopefully it's for a lifetime... the question is not whether you'll make memories in the state of Kentucky.... it's how many....





FRESENIUS MEDICAL CARE | Somerset, KY | 15-Year Absolute NNN Lease

Corporate Guarantee

COLBY HAUGHNESS
KY BROKER OF RECORD
(816) 410-1010
LICENSE: 00241410