

OFFERING MEMORANDUM



31,270 VPD

Crossroads Drive

Crossroads Drive

Expansion Lot Included

Subject Property

Davita



DAVITA DIALYSIS

ARDMORE, OKLAHOMA

Marcus & Millichap

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HONDA NISSAN



INTERSTATE 35
31,270 VPD

BRAUM'S chili's
Starbucks Shell Arby's



Chick-fil-A
FIVE GUYS BURGERS and FRIES
GameStop
PHILLIPS 66
COTTON PATCH CAFE
at&t IBC BANK

Subject Property



Expansion Lot Included

Crossroads Drive



TABLE OF CONTENTS

01

EXECUTIVE SUMMARY // 6-7

02

PROPERTY DESCRIPTION // 8-9

03

FINANCIAL ANALYSIS // 10-11

06

MARKET OVERVIEW // 12-14

Marcus & Millichap



DAVITA DIALYSIS

2617 Crossroads Drive, Ardmore, OK 73401

Marcus & Millichap is pleased to present the opportunity to acquire a double net leased DaVita Dialysis in Ardmore, Oklahoma. The property consists of a 11,753-square foot, freestanding building that sits on approximately 2.79 acres of land.

DaVita recently completed an addition to the property and signed a new lease extension through 2032. The lease has rare three percent annual increases that give an investor a 7.75 percent weighted return over the course of the term. This clinic also benefits from having the nephrology practice included in the sale; a major benefit with the new ESRD incentives beginning to take place. The nearest DaVita is located more than 30 miles away; making this the key location in DaVita's regional strategy.

DaVita Inc. provides kidney dialysis services through a network of 2,664 outpatient dialysis centers in the United States, serving 202,700 patients, and 241 outpatient dialysis centers in other countries. The company has a 37 percent market share in the dialysis market. It is organized in Delaware and based in Denver.

INVESTMENT HIGHLIGHTS

Recent Lease Extension Through 2032 with Rare 3% Annual Rent Increases

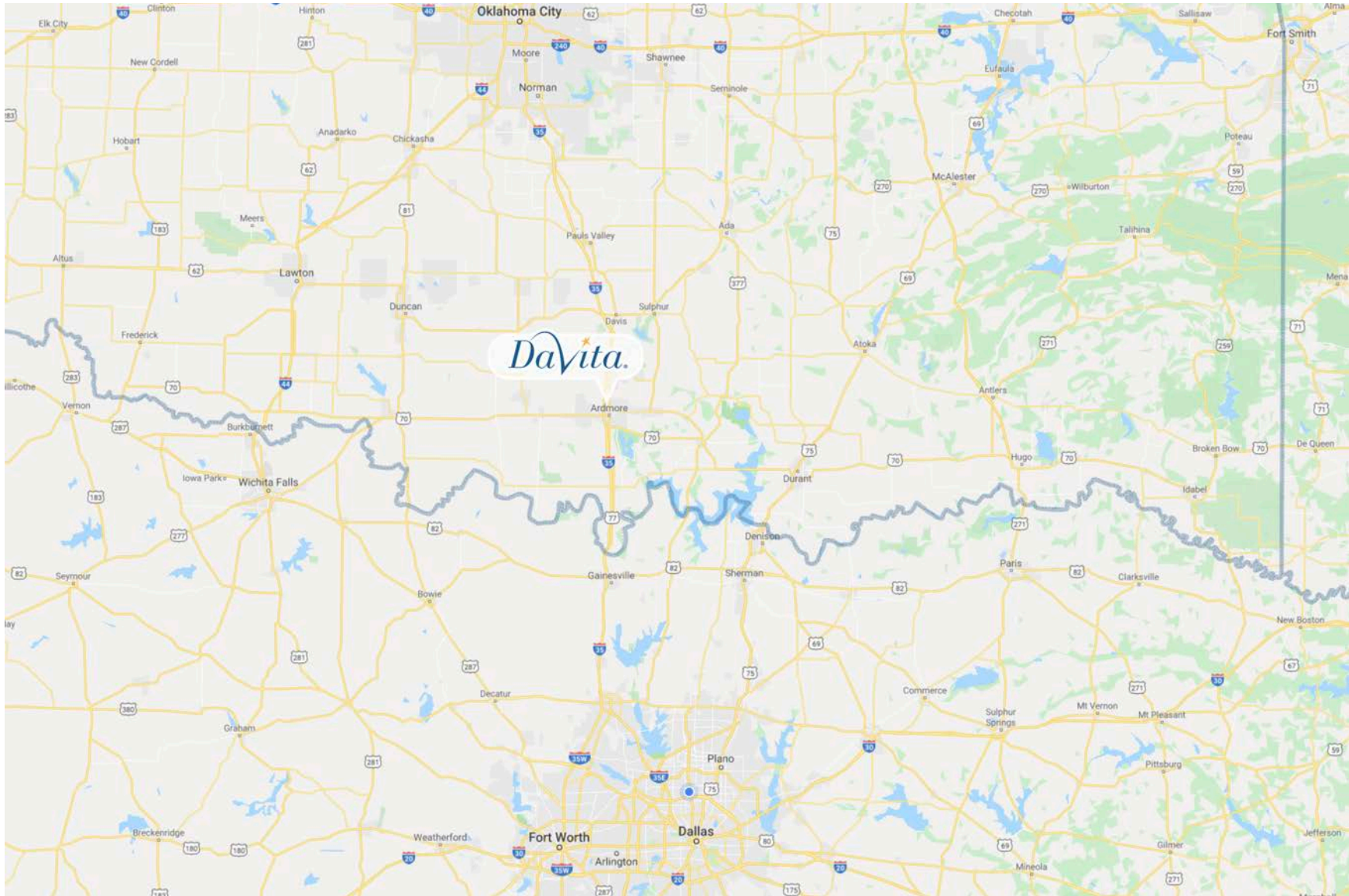
Corporate Guarantee from DaVita Dialysis - BB Credit Rated

Excess Land for Expansion Potential

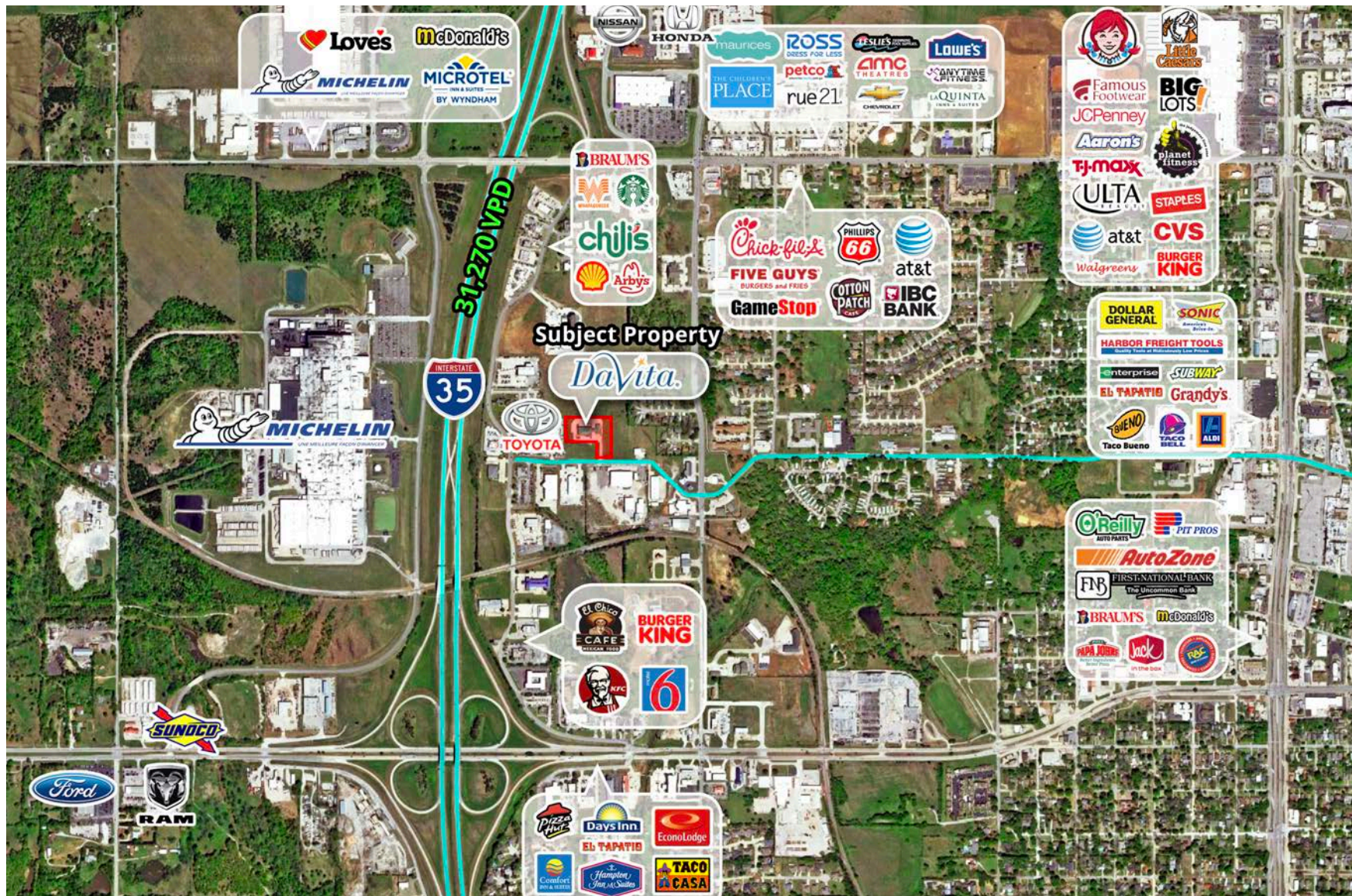
Located in Proximity to Interstate 35, Where Traffic Counts Exceed 31,270 VPD

Limited Competition - Nearest DaVita is More than 30 Miles Away

REGIONAL MAP // *Davita Dialysis*



AERIAL // *Davita Dialysis*



PRICING DETAILS // *Davita Dialysis*

LOCATION	2617 CROSSROADS DR, ARDMORE, OK 73401
Price	\$4,600,000
Rentable SF	11,753
Price/SF	\$391.39
CAP Rate	6.45%
Year Built	2010
Lot Size	2.79 Acres
Type of Ownership	Fee Simple
LEASE SUMMARY	
Tenant Name	DaVita Dialysis
Ownership	Public
Tenant	DaVita Dialysis
Lease Guarantor	Corporate Guarantee
Lease Type	Double Net
Roof and Structure	Landlord
Lease Term	20 Years
Lease Commencement Date	12/1/2012
Lease Expiration Date	11/30/2032
Term Remaining on Lease	13 Years
Options	None
Increases	3% Every Year

ANNUALIZED OPERATING INFORMATION		
YEAR	ANNUAL RENT	MONTHLY RENT
Current	\$296,587.00	\$24,716.00
12/1/2020 - 11/30/2021	\$305,485.00	\$25,457.00
12/1/2021 - 11/30/2022	\$314,649.00	\$26,221.00
12/1/2022 - 11/30/2023	\$324,089.00	\$27,007.00
12/1/2023 - 11/30/2024	\$333,811.00	\$27,818.00
12/1/2024 - 11/30/2025	\$343,826.00	\$28,652.00
12/1/2025 - 11/30/2026	\$354,140.00	\$29,512.00
12/1/2026 - 11/30/2027	\$364,765.00	\$30,397.00
12/1/2027 - 11/30/2028	\$375,707.00	\$31,309.00
12/1/2028 - 11/30/2029	\$386,979.00	\$32,248.00
12/1/2029 - 11/30/2030	\$398,588.00	\$33,216.00
12/1/2030 - 11/30/2031	\$410,546.00	\$34,212.00
12/1/2031 - 11/30/2032	\$422,863.00	\$35,239.00
Base Rent (\$25.24/SF)		\$296,587.00
Net Operating Income		\$296,587.00
Total Return		6.45% / \$296,587.00

PRICING DETAILS // *Davita Dialysis*

TENANT SUMMARY										
SUITE	TENANT	GLA	% OF GLA	LEASE COMM.	LEASE EXP.	ANNUAL RENT	RENT/SF	CHANGES ON	RENT INCREASE	LEASE TYPE
100	DaVita Dialysis	8,953	76.20%	12/1/12	11/30/32	\$225,929	\$25.24	Dec 2020	\$232,707	NN
200	Southern Oklahoma Kidney Center	2,800	23.80%	TBD	11/30/32	\$70,658	\$25.24	Dec 2020	\$72,778	NN
TOTAL OCCUPIED		11,753	100.00%			\$296,587			\$305,485	
Total		11,753	100.00%			\$296,587			\$305,485	





TENANT OVERVIEW // *Davita Dialysis*



DaVita Inc. provides kidney dialysis services through a network of 2,664 outpatient dialysis centers in the United States, serving 202,700 patients, and 241 outpatient dialysis centers in other countries. The company has a 37 percent market share in the dialysis market. It is organized in Delaware and based in Denver.

LEASE SUMMARY

Tenant Name	DaVita Dialysis
Ownership	Public
Sales Volume	\$14.5 Billion
Credit Rating	BB
Rating Agency	Standard & Poor's
Stock Symbol	DVA
Board	NYSE
Options to Terminate	No
Options to Purchase	No
First Right of Refusal	No
No. of Locations	2,905
Headquartered	Denver
Web Site	www.davita.com
Years in the Business	40



ARDMORE OKLAHOMA

POPULATION
24,795

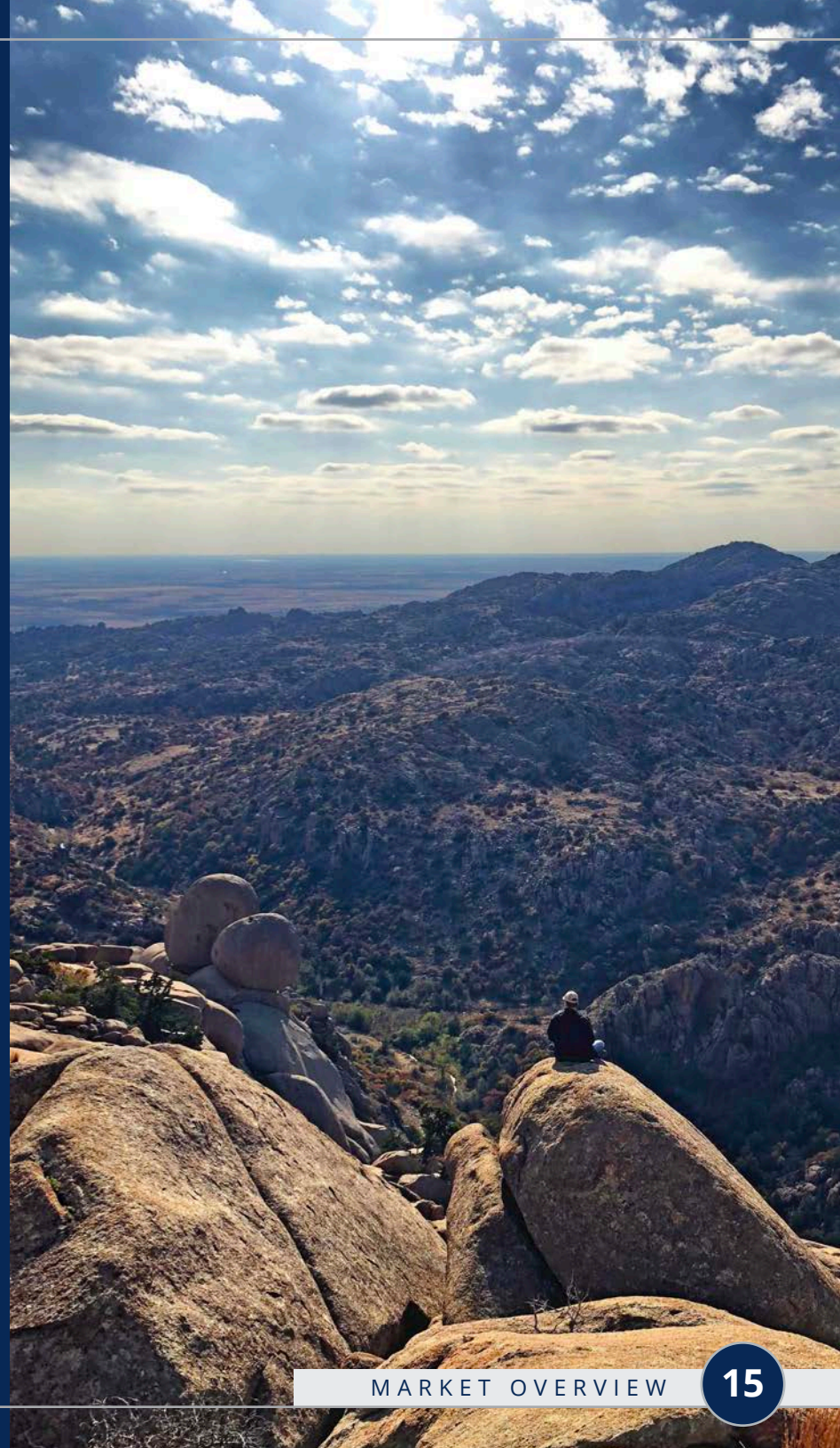
City Of ARDMORE, OK

A gateway city, Ardmore greets visitors traveling by car on I-35 or by rail on Amtrak. In between these two major transportation by-ways lays a confident community with a bold vision and an independent spirit. Ardmore was built by entrepreneurs filled with dreams and the drive to make them true. Today, Ardmore's new pioneers are forging their own way, reimagining this proud city and reshaping its bright future.

Ardmore is a business, cultural, and tourism city in and the county seat of Carter County, Oklahoma. The city has a population of 24,795 and the micropolitan statistical area has a population of 48,491. Oklahoma City is 97 miles to the north, and Dallas/Fort Worth is 103 miles to the south, with Interstate 35 connecting all three. U.S. Highway 70 runs east/west through Ardmore, intersecting with I-35

Ardmore is the principal center of trade for a ten-county region in South Central Oklahoma, with a retail pull factor of 1.7-1.9. With major employers such as Michelin North America and Mercy Hospital, Ardmore has a wide range of employment with diverse industries.

The geography of Ardmore is just as diverse as its people. Lakes, rivers and creeks surround the city, and just 10 miles to the north are the Arbuckle Mountains, the most diverse collection of mineral resources in Oklahoma.



DEMOGRAPHIC SUMMARY

POPULATION	1 Mile	3 Miles	5 Miles
2000 Population	2,540	21,565	26,388
2010 Population	2,364	22,079	27,503
2018 Population	2,405	21,965	27,674
2023 Population	2,405	22,032	27,990
HOUSEHOLDS	1 Mile	3 Miles	5 Miles
2000 Households	1,069	8,807	10,611
2010 Households	1,043	8,902	10,918
2018 Households	1,041	8,699	10,803
2023 Households	1,060	8,796	10,999
2018 Average HH Size	2.287800	2.467200	2.505900
2018 Daytime Population	3,660	32,120	38,717
HOUSING UNITS	1 Mile	3 Miles	5 Miles
Median HH Income	\$50,857	\$46,001	\$47,564
Per Capita Income	\$30,132	\$25,811	\$25,431
Average HH Income	\$68,571	\$64,377	\$64,488

POPULATION

In 2018, the population in your selected geography is 27,674. The population has changed by 4.87% since 2000. It is estimated that the population in your area will be 27,990 five years from now, which represents a change of 1.14% from the current year. The current population is 47.75% male and 52.25% female. The median age of the population in your area is 36.9, compare this to the entire US average which is 38.0. The population density in your area is 352.29 people per square mile.

HOUSEHOLDS

There are currently 10,803 households in your selected geography. The number of households has changed by 1.81% since 2000. It is estimated that the number of households in your area will be 10,999 five years from now, which represents a change of 1.81% from the current year. The average household size in your area is 2.51 persons.

INCOME

In 2018, the median household income for your selected geography is \$47,564, compare this to the entire US average which is currently \$58,754. The median household income for your area has changed by 62.73% since 2000. It is estimated that the median household income in your area will be \$57,674 five years from now, which represents a change of 21.25% from the current year.

The current year per capita income in your area is \$25,431, compare this to the entire US average, which is \$32,356. The current year average household income in your area is \$64,488, compare this to the entire US average which is \$84,609.

RACE AND ETHNICITY

The current year racial makeup of your selected area is as follows: 67.10% White, 9.10% Black, 0.02% Native American and 1.78% Asian/Pacific Islander. Compare these to entire US averages which are: 70.20% White, 12.89% Black, 0.19% Native American and 5.59% Asian/Pacific Islander.

People of Hispanic origin are counted independently of race. People of Hispanic origin make up 9.92% of the current year population in your selected area. Compare this to the entire US average of 18.01%.

HOUSING

In 2000, there were 6,961 owner occupied housing units in your area and there were 3,650 renter occupied housing units in your area. The median rent at the time was \$341.

EMPLOYMENT

In 2018, there are 15,623 employees in your selected area, this is also known as the daytime population. The 2000 Census revealed that 54.13% of employees are employed in white-collar occupations in this geography, and 45.89% are employed in blue-collar occupations. In 2018, unemployment in this area is 5.54%. In 2000, the average time traveled to work was 17.3 minutes.





INFORMATION ABOUT BROKERAGE SERVICES

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH – INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of each party to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with provide opinions and advice to, and carry out the instructions of each party to the transaction;
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - o That the owner will accept a price less than the written asking price;
 - o That the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - o Any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interest of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

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