

OFFERING MEMORANDUM

2010 North Outer Road • Dexter, MO. 63841



Marcus & Millichap

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ALL PROPERTY SHOWINGS ARE BY APPOINTMENT ONLY.
PLEASE CONSULT YOUR MARCUS & MILLICHAP AGENT FOR MORE DETAILS.

DAVITA DIALYSIS DEXTER, MO
Dexter, MO
ACT ID ZAA0310582

Broker of Record
Bradley Barham
Lic. # 2013016939

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NET LEASED DISCLAIMER

Marcus & Millichap hereby advises all prospective purchasers of Net Leased property as follows:

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Any projections, opinions, assumptions or estimates used in this Marketing Brochure are for example only and do not represent the current or future performance of this property. The value of a net leased property to you depends on factors that should be evaluated by you and your tax, financial and legal advisors.

Buyer and Buyer's tax, financial, legal, and construction advisors should conduct a careful, independent investigation of any net leased property to determine to your satisfaction with the suitability of the property for your needs.

Like all real estate investments, this investment carries significant risks. Buyer and Buyer's legal and financial advisors must request and carefully review all legal and financial documents related to the property and tenant. While the tenant's past performance at this or other locations is an important consideration, it is not a guarantee of future success. Similarly, the lease rate for some properties, including newly-constructed facilities or newly-acquired locations, may be set based on a tenant's projected sales with little or no record of actual performance, or comparable rents for the area. Returns are not guaranteed; the tenant and any guarantors may fail to pay the lease rent or property taxes, or may fail to comply with other material terms of the lease; cash flow may be interrupted in part or in whole due to market, economic, environmental or other conditions. Regardless of tenant history and lease guarantees, Buyer is responsible for conducting his/her own investigation of all matters affecting the intrinsic value of the property and the value of any long-term lease, including the likelihood of locating a replacement tenant if the current tenant should default or abandon the property, and the lease terms that Buyer may be able to negotiate with a potential replacement tenant considering the location of the property, and Buyer's legal ability to make alternate use of the property.

By accepting this Marketing Brochure you agree to release Marcus & Millichap Real Estate Investment Services and hold it harmless from any kind of claim, cost, expense, or liability arising out of your investigation and/or purchase of this net leased property.

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INVESTMENT OVERVIEW



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Marcus & Millichap is pleased to present the opportunity to acquire a build to suit DaVita in Dexter, Missouri. DaVita took occupancy in May of 2009 when construction was completed. The original fifteen-year lease features two percent annual escalations for the entire term of the lease and minimal landlord responsibilities. In addition, there are three five-year options to renew with same terms of the original agreement.

The city of Dexter is situated in the Southeast corner of Missouri and is equidistant from the cities of Poplar Bluff and Sikeston, where the nearest dialysis clinics are located. The clinic benefits from proximity to Southeast Health's forty-eight bed hospital which is approximately one mile away. The economy of Dexter is comprised of a healthy mix of tourism and industrial industry. Globally recognized Tyson Foods, Inc. operates a major processing plant employing nearly 650 workers. Other major employers include WW Wood Products employing nearly 1,000 workers and Faurecia Emissions Control Technology employing nearly 700 workers.

This property represents the opportunity for an investor to acquire a medical office specifically built to serve residents of the city. There is great stability and a growing cash flow to keep up with the rate of inflation. With no local competition and a decade of successful business, this clinic will continue to provide valuable services for years to come.

INVESTMENT HIGHLIGHTS

- ✓ 2009 Construction | Build to Suit
- ✓ Two Percent Annual Increases
- ✓ 100% Market Share | Only Clinic in 23 Mile Radius
- ✓ Additional Billboard Income



The Offering

Property	DaVita Dialysis Dexter, MO
Property Address	2010 North Outer Road Dexter, Missouri 63841
Price	\$1,025,000
Capitalization Rate	7.82%
Price/SF	\$269.17

Property Description

Year Built	2009
Gross Leasable Area	3,808 SF
Zoning	Commercial
Type of Ownership	Fee Simple
Lot Size	0.99 Acres

Lease Summary

Tenant	DaVita Dialysis
Rent Increases	2% Annually
Lease Type	NN
Lease Commencement	June 9, 2009
Lease Expiration	June 8, 2024
Lease Term	15
Term Remaining on Lease (Years)	4.5
Renewal Options	Three Five Year Options
Landlord Responsibility	Roof, Structure
Tenant Responsibility	Taxes, Insurance, CAM

Rent schedule includes billboard income. 30-year billboard lease up for renewal in 2021

FINANCIAL OVERVIEW

Annualized Operating Information

DaVita Rent Per Square Foot	\$20.72
Annual Billboard Income	\$1,200

Rent Schedule

Year	Annual Income	Monthly Income	Cap Rate
Current	\$80,113	\$6,676	7.82%
June 2020 - June 2021	\$81,691	\$6,808	7.97%
June 2021 - June 2022	\$83,301	\$6,942	8.13%
June 2022 - June 2023	\$84,943	\$7,079	8.29%
June 2023 - June 2024	\$86,618	\$7,218	8.45%
First Option			
June 2024 - June 2025	\$88,326	\$7,361	8.62%
June 2025 - June 2026	\$90,069	\$7,506	8.79%
June 2026 - June 2027	\$91,846	\$7,654	8.96%
June 2027 - June 2028	\$93,659	\$7,805	9.14%
June 2028 - June 2029	\$95,508	\$7,959	9.32%
Second Option			
June 2029 - June 2030	\$97,394	\$8,116	9.50%
June 2030 - June 2031	\$99,318	\$8,277	9.69%
June 2031 - June 2032	\$101,281	\$8,440	9.88%
June 2032 - June 2033	\$103,282	\$8,607	10.08%
June 2033 - June 2034	\$105,324	\$8,777	10.28%

Third Option at Same Terms Not Pictured

OFFERING SUMMARY

Price	\$1,025,000
Net Operating Income	\$80,113
Capitalization Rate – Current	7.82%
Price / SF	\$269.17
Rent / SF	\$20.72
Lease Type	NN
Gross Leasable Area	3,808 SF
Year Built / Renovated	2009
Lot Size	0.99 acre(s)

FINANCING

Loan Amount	\$768,750
Loan Type	Financed - New Loan
Loan to Value	75.00%
Down Payment	25% / \$256,250
Interest Rate / Amortization	4% / 25 Years
Annual Loan Payment	\$48,693
Net Cash Flow After Debt Service	12.26% / \$31,420
Cash on Cash Return	12.26%
Total Return	19.39% / \$49,696



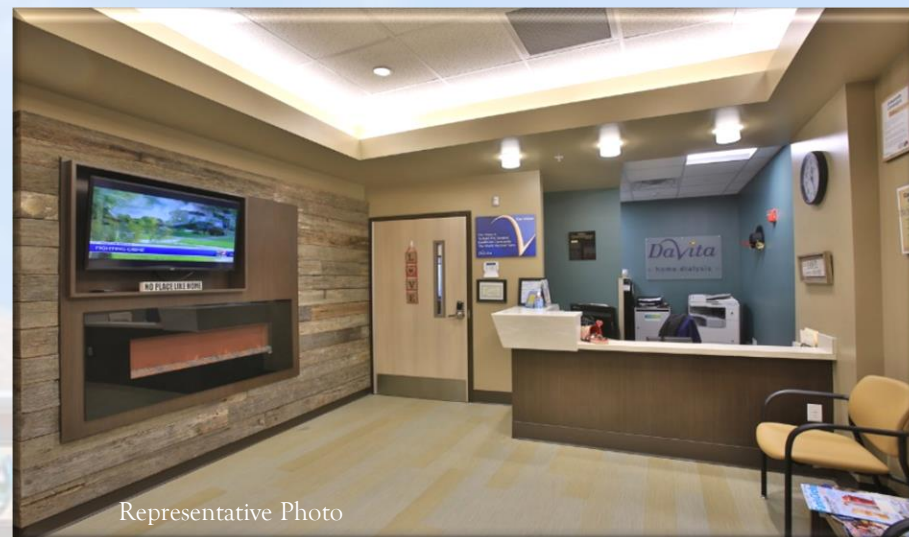
OFFERING SUMMARY

Demographics

	3 Miles	5 Miles	10 Miles
POPULATION			
2023 Projection	10,990	12,669	20,424
2018 Estimate	10,900	12,574	20,276
2010 Census	11,001	12,671	20,438
2000 Census	10,660	12,362	20,251
INCOME			
Average	\$56,129	\$56,138	\$53,661
Median	\$41,738	\$41,958	\$41,219
Per Capita	\$23,378	\$23,358	\$22,240
HOUSEHOLDS			
2023 Projection	4,555	5,251	8,424
2018 Estimate	4,499	5,186	8,316
2010 Census	4,612	5,308	8,507
2000 Census	4,489	5,180	8,356
HOUSING			
2018	\$101,702	\$101,093	\$95,783
EMPLOYMENT			
2018 Daytime Population	12,904	13,790	19,715
2018 Unemployment	5.77%	5.82%	5.68%
2018 Median Time Traveled	19	19	21
RACE & ETHNICITY			
White	96.56%	96.48%	96.25%
Native American	0.06%	0.05%	0.03%
African American	0.46%	0.63%	1.09%
Asian/Pacific Islander	0.44%	0.42%	0.34%

Tenant Profile

Entity	DaVita Inc.
Ticker	NYSE: DVA
Headquarters	Denver, Co.
Revenue	\$11.41 Billion
EBITDA	\$1.49 Billion
Net Income	\$0.33 Billion
Total Cash	\$0.32 Billion
Total Debt	\$7.91 Billion
Net Worth	\$5.03 Billion
Credit Rating	S&P BB Moody's Ba2



Representative Photo

DaVita Inc. is an American healthcare company. It is best known as one of the largest kidney care providers in the United States. DaVita is headquartered in Denver, Colorado, and its subsidiaries operate a network of 2,664 dialysis centers across the United States and 237 dialysis centers in 11 other countries.

The company provides a variety of services including in-center hemodialysis, in-center nocturnal dialysis, peritoneal dialysis, home hemodialysis, vascular access management, chronic kidney disease education, and renal diet assistance. DaVita holds subsidiaries under two divisions, DaVita Clinical Research and DaVita kidney Care. The company ranked number 181 on the Fortune 500 in 2017, which was its 11th year to be ranked. It has been on Fortune's World's Most Admired Companies for 10 consecutive years.

LOCATION & MARKET OVERVIEW

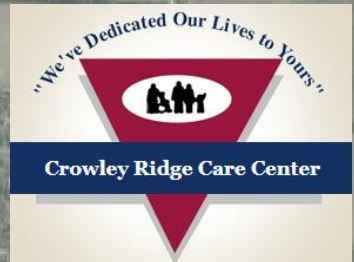


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Cypress
Point
skilled nursing by Americare





At SoutheastHEALTH, the region's premier healthcare system in Southeast Missouri, our patients receive excellent care of the highest clinical quality, close to home. Within our network are more than 50 care locations in 10 communities, including hospitals, primary and specialty care clinics representing over 30 clinical specialties and extending care for patients in a four-state area. Southeast Hospital in Cape Girardeau has been a trusted health care resource in the community for nearly 100 years. Southeast Health Center of Stoddard County was established in 1969 and has been under SoutheastHEALTH's management since 2013.

<https://www.sehealth.org/about>



A happier life is waiting at Cypress Point, an Americare community. We offer skilled nursing services to seniors in Dexter, MO. Our focus is on making you or your loved one feel welcomed and engaged from the moment you first walk through our doors. With friendly care partners, spacious floor plans, and a selection of amenities and events sure to keep a smile on your face, this is more than a retirement community. It's home.

<https://www.americareusa.net/senior-living/mo/dexter/cypress-point/>



Tyson Foods is a modern, multi-national, protein-focused food company producing approximately 20% of the beef, pork and chicken in the United States in addition to a portfolio of foods under the Tyson®, Jimmy Dean®, Hillshire Farm®, BallPark®, Wright®, Aidell's® and State Fair® brands. Tyson Foods is also the leading protein provider to many national restaurant chains, including quick service, casual, mid-scale, and fine dining restaurants. We make great food for a variety of foodservice customers, including schools, military bases, hospitals, nursing homes and international customers as well. We are also the only company that sells chicken, beef, pork, and prepared foods products through all major retail distribution channels, including club stores, grocery stores, and discount stores.

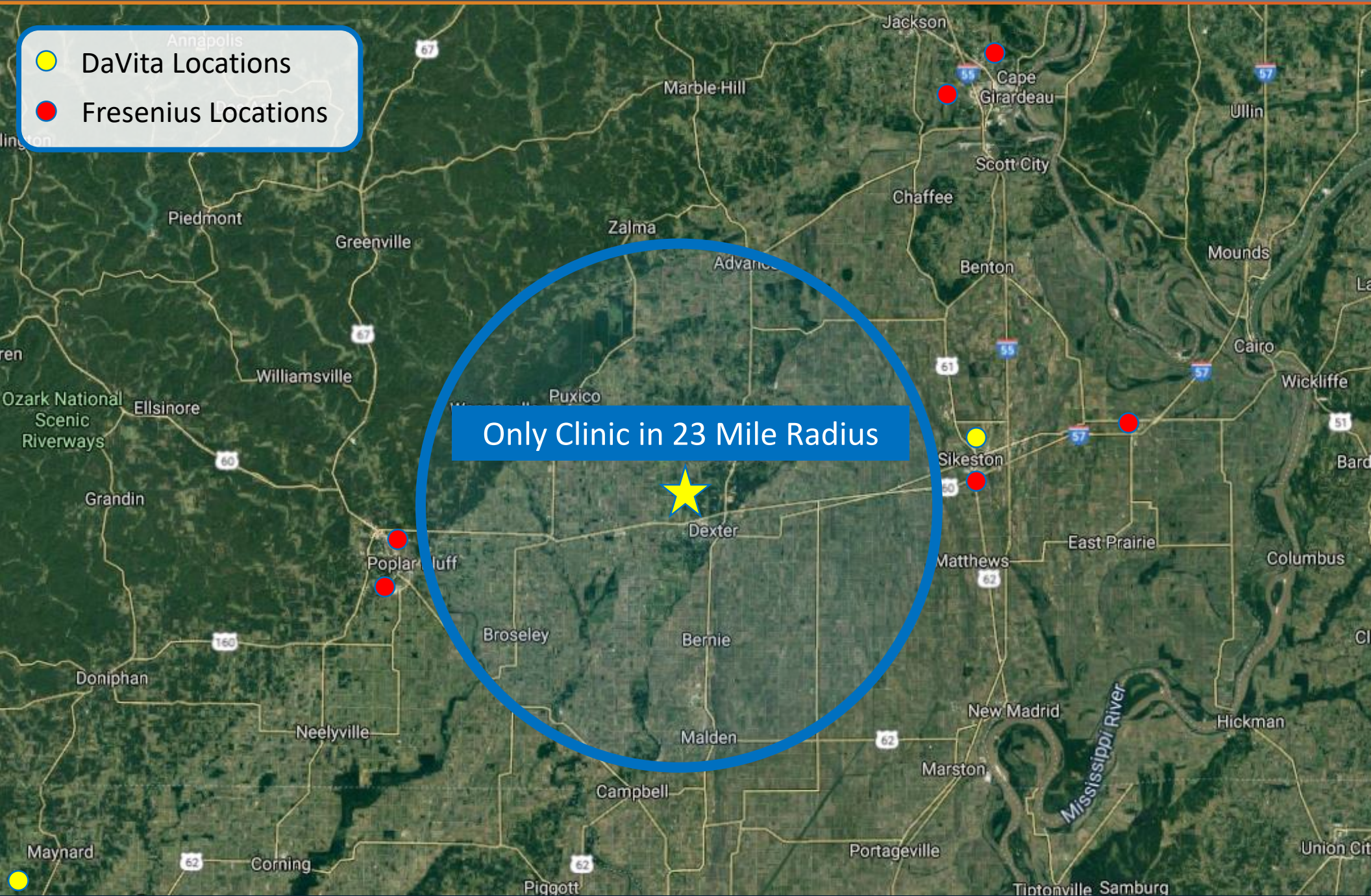
<https://www.tysonfoods.com/who-we-are/our-story/what-we-do>



FAURECIA IN NORTH AMERICA

Faurecia is North America's eighth largest automotive supplier. In 2017, Faurecia had sales of \$5.3 billion, representing 26 percent of Faurecia Group sales worldwide. Employing more than 20,000 people across 47 locations in Canada, Mexico and the U.S., Faurecia North America is poised for renewed growth and robust profitability in the region.

<https://www.faurecia-us.com/faurecia-north-america>







MARCUS & MILLICHAP CAPITAL CORPORATION CAPABILITIES

MMCC—our fully integrated, dedicated financing arm—is committed to providing superior capital market expertise, precisely managed execution, and unparalleled access to capital sources providing the most competitive rates and terms.

We leverage our prominent capital market relationships with commercial banks, life insurance companies, CMBS, private and public debt/equity funds, Fannie Mae, Freddie Mac and HUD to provide our clients with the greatest range of financing options.

Our dedicated, knowledgeable experts understand the challenges of financing and work tirelessly to resolve all potential issues to the benefit of our clients.



**Closed 1,678
debt and equity
financings
in 2018**



**National platform
operating
within the firm's
brokerage offices**



**\$6.24 billion
total national
volume in 2018**



**Access to more
capital sources
than any other
firm in the
industry**

WHY MMCC?

**Optimum financing solutions
to enhance value**

**Our ability to enhance
buyer pool by expanding
finance options**

**Our ability to enhance
seller control**

- Through buyer qualification support
- Our ability to manage buyers finance expectations
- Ability to monitor and manage buyer/lender progress, insuring timely, predictable closings
- By relying on a world class set of debt/equity sources and presenting a tightly underwritten credit file

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