



Davita®

2130 NICHOLASVILLE RD
LEXINGTON, KY 40503

OFFERING MEMORANDUM

MATTHEWSTM
REAL ESTATE INVESTMENT SERVICES

EXCLUSIVELY LISTED BY:

BROKER OF RECORD

KYLE MATTHEWS

License No. 221925 (KY)

BRYANT HOOVER

Associate Vice President

D: (310) 774-2163

E: bryant.hoover@matthews.com

License No. 01368589 (CA)

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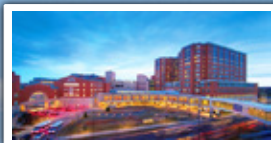
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Area Overview



Front of Building





UK HealthCare

HEALTHCARE

BAPTIST HEALTH
LEXINGTON

HEALTHCARE

UK University of Kentucky

± 30,500 STUDENTS



HOTEL



RESTAURANT



BANKING

BAPTIST HEALTH
Home Care

HEALTHCARE

BAPTIST HEALTH
Urgent Care - Primary Care

HEALTHCARE



INSURANCE



GAS

NICHOLASVILLE RD
± 38,100 VPD



Associated Family Dental Care

HEALTHCARE

TireDiscounters

RETAIL



GROCERY



HEALTHCARE



RETAIL



ZANDALE SHOPPING CENTER



RESTAURANT

Associated Family Dental Care

HEALTHCARE



RETAIL



RETAIL



RESTAURANT



BANKING



RESTAURANT



OIL CHANGE



REGENCY CENTER



NICHOLASVILLE RD
± 38,100 VPD

MEDICAL MAP



VA LEXINGTON VA
MEDICAL CENTER

HEALTHCARE

 **UK HealthCare®**

HEALTHCARE

 **BAPTIST HEALTH**
LEXINGTON

HEALTHCARE

 **BAPTIST HEALTH**
DIAGNOSTIC CENTER

HEALTHCARE

 **BAPTIST HEALTH**
Home Care

HEALTHCARE

 **BAPTIST HEALTH**
Urgent Care - Primary Care

HEALTHCARE



Associated Family Dental Care

HEALTHCARE

Rear of Building

EXECUTIVE OVERVIEW

DAVITA

INVESTMENT HIGHLIGHTS

- » Essential Business: Pandemic and Recession Resistant
- » Corporate Guarantee: Total Renal Care, Inc
- » Reimbursement of property management fees yielding additional income \$43,210 (Pg 12)
- » Full remodel of facility, tenant spent \$1,380,558 in improvements
- » Facility offers Chronic Dialysis, Peritoneal Dialysis including training, home Hemodialysis training and Acute Kidney Injury one of the 1sts in the country

THE CLINIC OFFERS

- » **Hemodialysis – Including home training**
 - » Hemodialysis is a procedure where a dialysis machine and a special filter called an artificial kidney, or a dialyzer, are used to clean your blood. To get your blood into the dialyzer, the doctor needs to make an access, or entrance, into your blood vessels. This is done with minor surgery, usually to your arm.
- » **Peritoneal Dialysis – Including training**
 - » Peritoneal dialysis is a way to remove waste products from your blood when your kidneys can't adequately do the job any longer. This procedure filters the blood in a different way than does the more common blood-filtering procedure called hemodialysis.
- » **Acute kidney injury – One of the 1st in the country**
 - » Acute kidney injury (AKI) is a sudden episode of kidney failure or kidney damage that happens within a few hours or a few days. AKI causes a build-up of waste products in your blood and makes it hard for your kidneys to keep the right balance of fluid in your body.

CHAIRS 17

- » 6 Peritoneal dialysis
- » 10 Hemodialysis with 1 Isolation



LIST PRICE

\$2,723,369



TOTAL NOI

\$177,019



CAP RATE

6.50%



GROSS LEASABLE AREA

± 10,352 SF

Front of Building

FINANCIAL OVERVIEW

DAVITA



LIST PRICE

\$2,723,369



CAP RATE

6.50%

EXECUTIVE SUMMARY

Tenant Trade Name	DaVita Dialysis
Type of Ownership	Fee Simple
Lease Guarantor	DaVita (Total Renal Care, Inc)
Lease Type	NN
Lease Expiration Date	10/21/28
Rent Commencement	6/18/2012
Term Remaining	±7.2 YRS
Annual Increase	CPI + Base Rent
Additional Rent	\$43,210 (Minimum @ \$4 SQFT)
Rent SQFT	\$17.10
Options	Two, 5-Year Renewals at FMV
Gross Leasable Area	±10,352 SF
Land Area	±3,048 SF
NOI	\$177,019
Year Built/Renovated	1961/2019
Landlord Responsibilities	Roof, Foundation, and Exterior Walls
Tenant Responsibilities	Non-structural portions of the interior of the premises
Utilities	Tenant
Taxes	Tenant



Rear of Building

DEBT QUOTE

LTV: 60%

RATE: 3.50%

AMORTIZATION: 25 Years

TERM: 5 Years

Loan quote provided by Barrington Capital based on market conditions at this time. Actual rates and terms will vary based on market conditions at closing. Please contact:

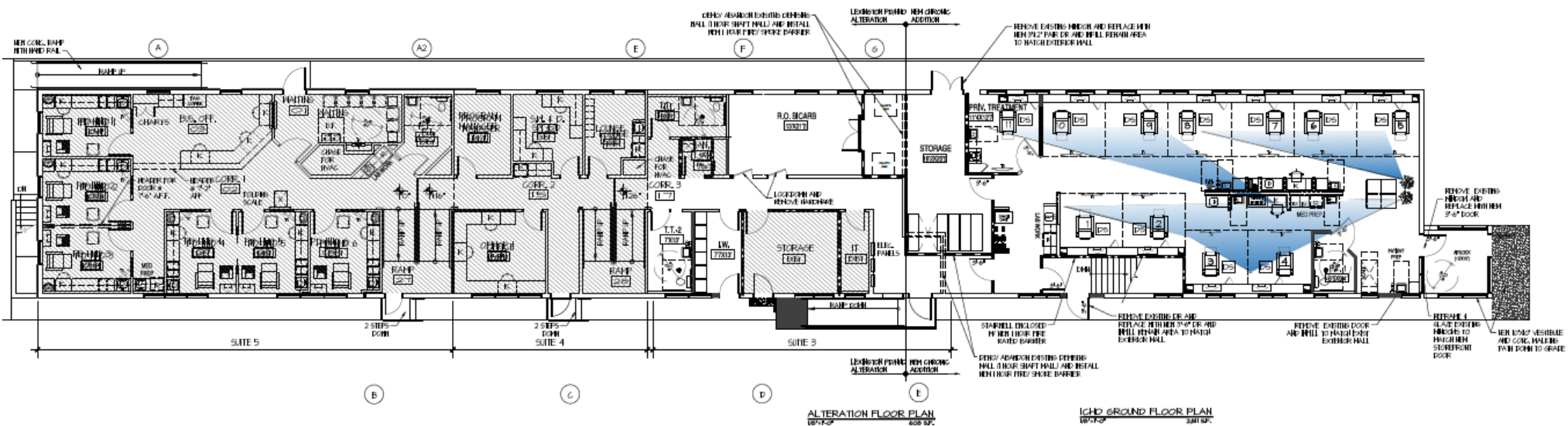
Brian Krebs

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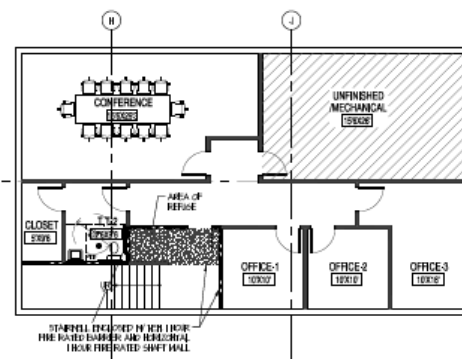
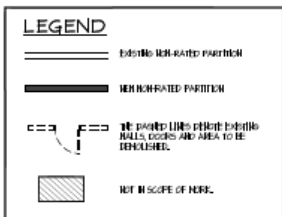


EXHIBIT A FLOOR PLAN



TOTAL BUILDING R.S.F.	
WRT FOND (GROUND FLOOR + BASEMENT) -	5,760 R.S.F.
CHRONIC NODALITY (GROUND FLOOR) -	280 R.S.F.
CHRONIC NODALITY (BASEMENT) -	1,007 R.S.F.
TOTAL BUILDING SQUARE FEET =	10,466 R.S.F.

AFFECTED BUILDING R.S.F.	
CEILING ALTERATION -	608 R.S.F.
CRACKING MOBILITY (GROUND FLOOR) -	281 R.S.F.
CRACKING MOBILITY (BASEMENT) -	1897 R.S.F.
TOTAL AFFECTED SQUARE FEET =	5306 R.S.F.



ICHD BASEMENT FLOOR PLAN
1/8"=1'-0" 1/8"=1'-0"

Alex Roush Architects, Inc.
2255 CUMBERLAND PARKWAY
BUILDING 100
ATLANTA, GEORGIA 30339
(770) 333-7978
FAX 333-7902

KENTUCKY HOME-ICHD ADDITION
DAVITA INC.
2130 NICHOLASVILLE ROAD
LEXINGTON, KY 40503

DRAWN BY:	EMM / DL
DATE:	10-04-18
PROJECT NO.	1853
REVISIONS	
REV.	
REV.	

ADDITIONAL INCOME

1. Wages, salaries and fees of all employees and subcontractors of Landlord engaged in operation and maintenance of the Property, including taxes, insurances and benefits relating thereto.
2. All supplies and materials used in operation and maintenance of the property including the exterior Common Areas.
3. Cost of any utility services to the Property not provided by Tenant under this Lease or by other Building occupants.
4. Cost of all maintenance and service agreements for the Property or any portion thereof including security services, window cleaning, Building and parking area maintenance and repair, landscaping maintenance, snow removal, and janitorial services.
5. Cost of casualty and liability insurance applicable to the Property and Landlord's personal property (if any) used in connection therewith.
6. All Taxes, defined herein to mean any fees, charges or assessments related to the Property that are imposed by any governmental or quasi-government authority having jurisdiction over the Building, and including without limitation, ad valorem real property taxes, franchise taxes, personal property taxes, payments in lieu of real estate taxes, sewer rents, transit taxes, taxes based on rents, and the reasonable costs and attorneys' fee of successful appeal by Landlord of an increase, or for a reduction of Taxes (not exceeding the amount of the reduction in such Taxes).





TENANT OVERVIEW

DAVITA

LEADING OPERATOR IN KIDNEY CARE



TENANT OVERVIEW

DaVita Inc., a Fortune 500® company, is the parent company of DaVita Kidney Care and HealthCare Partners. DaVita Kidney Care 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 Kidney Care consistently differentiates itself from other kidney care companies and surpasses national averages for clinical outcomes. Through its Kidney Care division, the firm is one of the US' largest providers of dialysis, providing administrative services to more than 2,200 outpatient centers across the US; it serves some 180,000 patients. The company also offers home-based dialysis services, as well as inpatient dialysis in about 900 hospitals. It operates two clinical laboratories that specialize in routine testing of dialysis patients and serve the company's network of clinics. Subsidiary HealthCare Partners (HCP) operates primary care clinics and physician practices in several states.

STRATEGY

While DaVita has primarily grown through acquisitions over the years, it also expands its operations through joint ventures and partnerships. In 2015 DaVita merged two of its business units -- DaVita Clinical Research and HealthCare Partners Clinical Research -- to further expand its extensive clinical research and data analytics services, specifically in patients with chronic kidney disease and ESRD, as well as primary care and chronic disease patients treated in an integrated care organization. A long-term strategy to expand into overseas markets for growth is in play. Through acquisitions and partnerships, DaVita was able to enter the Chinese, Brazilian and Saudi Arabian markets in 2015.

GEOGRAPHIC REACH

California, Florida, and Texas are home to about 30% of all DaVita dialysis centers, though the firm has locations in more than 45 US states and Washington, DC. Nearly all of the company's outpatient dialysis centers are either wholly owned or majority-owned by DaVita. Currently, the company's international operations comprise a small fraction of its total business at 118 outpatient dialysis centers in 10 countries. The company has established a presence in select international markets, including Europe, Latin America, the Middle East, and the Asia/Pacific region. Colombia, Germany, India, and Malaysia together account for more than 70% of DaVita's outpatient dialysis centers outside of the US.



COMPANY NAME
DAVITA INC.



OWNERSHIP
PUBLIC (NYSE: DVA)



YEAR FOUNDED
1999



INDUSTRY
HEALTHCARE



HEADQUARTERS
DENVER, CO



NO. OF EMPLOYEES
±74,500



AREA OVERVIEW

DAVITA

LEXINGTON, KY

Lexington is the second-largest city in Kentucky and the county seat of Fayette County. Known as the “Horse Capital of the World”, it is the heart of the state’s Bluegrass region. Notable locations in the city include the Kentucky Horse Park, The Red Mile and Keeneland race courses, Rupp Arena, Transylvania University, the University of Kentucky, and Bluegrass Community and Technical College. Lexington ranks 10th among US cities in college education rate, with 39.5% of residents having at least a bachelor’s degree.

\$105,598

MEDIAN NET WORTH

\$636,007

AVERAGE NET WORTH

\$636,007

AVERAGE INCOME 5-MILES

ECONOMY

Lexington has one of the nation’s most stable economies. Lexington describes itself as having “a fortified economy, strong in manufacturing, technology, and entrepreneurial support, benefiting from a diverse, balanced business base”. The city is home to several large corporations. Sizable employment is generated by four Fortune 500 companies: Xerox (which acquired Affiliated Computer Services), Lexmark International, Lockheed-Martin, and IBM, employing 3,000, 2,800, 1,705, and 552, respectively. United Parcel Service, Trane, and Amazon.com, Inc. have large operations in the city, and Toyota Motor Manufacturing Kentucky is within the Lexington CSA, located in adjoining Georgetown. A Jif peanut butter plant located here produces more peanut butter than any other factory in the world.

The city’s largest employer, the University of Kentucky, as of 2017, employed 13,563. The university ranks as the 9th-largest economic company in the state of Kentucky, with an annual budget of \$1.4 billion, and the College of Medicine within the university is the 21st-largest company in the state.

DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2025 Projection	10,217	118,385	235,865
2020 Estimate	10,820	128,281	257,046
2010 Census	9,830	61,671	139,867
Growth 2020-2025	0.60%	0.60%	0.70%
Growth 2010-2020	0.60%	0.80%	0.90%
HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2025 Projection	5,145	58,657	113,691
2020 Estimate	5,001	56,791	109,958
2010 Census	4,728	52,353	100,820
Growth 2020 - 2025	0.60%	0.70%	0.70%
Growth 2010 - 2020	0.10%	0.40%	0.50%
INCOME	1-MILE	3-MILE	5-MILE
2020 Average Household Income	\$90,354	\$113,723	\$222,380

HORSE COUNTY TOURS

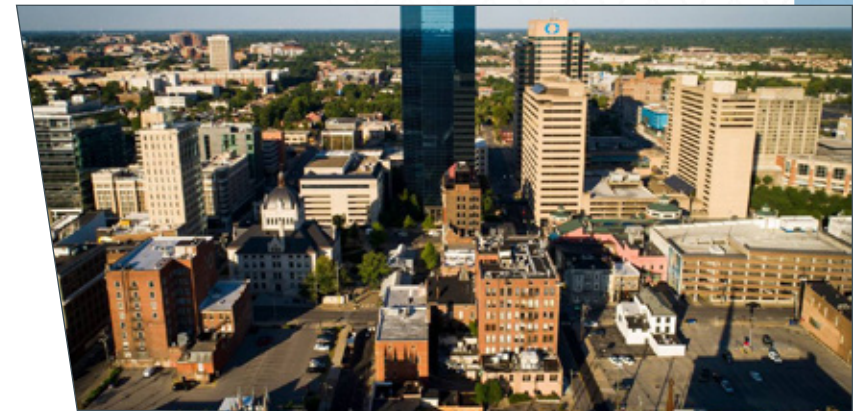
- Drive through the beautiful, fence-lined bluegrass countryside and pet a few horses on a horse farm tour. The Kentucky Horse Park is a great place to visit, offering educational demonstrations, horseback riding, and a chance to meet the park's two resident Kentucky Derby winners.

BOURBON TOURS

- Bourbon is a large part of Lexington's culture. With Bourbon Distilleries surrounding the city, a popular activity is bourbon tours and hopping around to different distilleries. Thirty minutes in one direction takes you to Bourbon County, said to be the birthplace of bourbon whiskey. Thirty minutes in the other direction will lead you to Buffalo Trace Distillery, the oldest continually operating distillery in America. It all adds up to a city that loves its bourbon—so much so that they find a way to infuse it into everything they can, from beer, coffee and desserts to soaps, candles and furniture made from barrels.

OUTDOOR ACTIVITIES

- With hundreds of routes to choose from, Red River Gorge in Muir Valley is a climber's paradise. Bruise Brothers Wall, Pebble Beach, Sky Bridge Ridge, and Roadside Crag are just a few popular climbing sections.
- Black Mountain, located in Partridge and sitting 4,145 feet above sea level, is the highest peak in Kentucky. Before you go, be sure to obtain, sign, and mail in a waiver to the property owners, Penn Virginia Resources. Know, too, that the mountain lies over mine shafts prone to collapse.
- Cemetery hunting is an unique way to explore the outdoors while also embracing the darker side of local culture and history. Taphophiliacs—"lovers of tombs"—can visit Eastern Cemetery, an abandoned place of entombment with a sordid past of bodies being buried on top of bodies since the 1840s. The mistreatment of graves led to urban legends and ghost stories.



UNIVERSITY OF KENTUCKY

The University of Kentucky (UK or UKY) is a public research university in Lexington, Kentucky. The institution comprises 16 colleges, a graduate school, 93 undergraduate programs, 99 master programs, 66 doctoral programs, and four professional programs. It is classified among "R1: Doctoral Universities – Very high research activity". According to the National Science Foundation, Kentucky spent \$393 million on research and development in 2018, ranking it 63rd in the nation. T

he University of Kentucky offers seven main dining facilities, 23 residence halls, and numerous recreation facilities spread between three distinct campuses: north, south, and central. It is also home to more than 250 student-run organizations. UK has a strong faculty core that supports more than 200 academic programs spread across 16 degree-granting colleges, the Lewis Honors College, Graduate School and the UK Library system. In the last several years, UK has received nearly 100 national rankings for excellence in academics, research, health care and economic development.



+30,546 STUDENTS ENROLLED



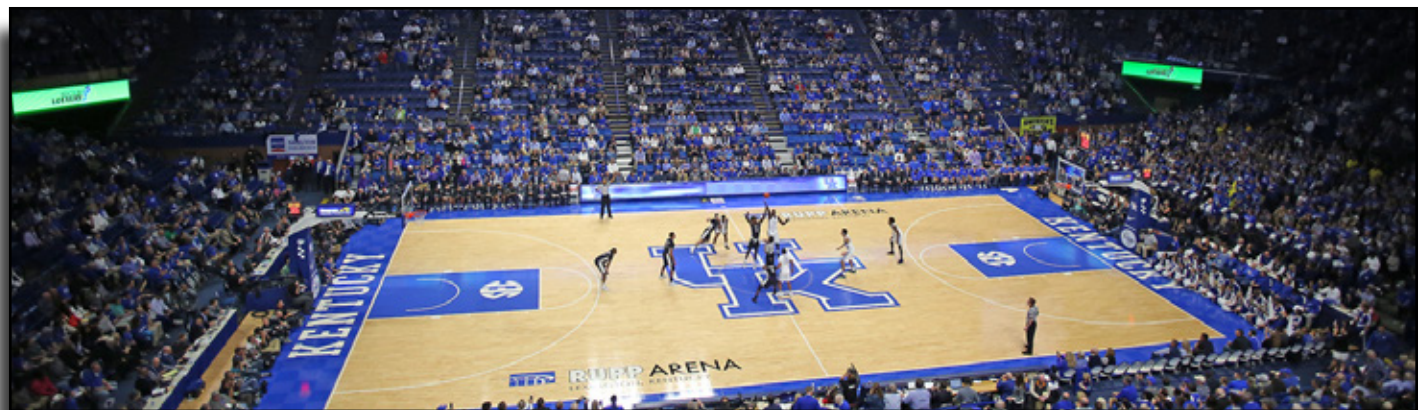
+200 ACADEMIC PROGRAMS



TOP NOTCH ATHLETIC PROGRAM

ATHLETICS

The university boasts of numerous national championships, with its latest coming in 2012 when the men's basketball team won its eighth national title. UK also boasts of a cross country national team championship (women's, 1988), eight individual championships in gymnastics, an Olympic medalist in track and field, and 21 national championships in cheerleading. The UofK football team competes in the NCAA Division 1 level and has been the in top 10 football teams in the country several years running.



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **DaVita** located at **2130 Nicholasville Rd, Lexington, KY 40503** ("Property"). The Offering Memorandum may not be all-inclusive or contain all of the information a prospective purchaser may desire. The information contained in this Offering Memorandum is confidential and furnished solely for the purpose of a review by a prospective purchaser of the Property. It is not to be used for any other purpose or made available to any other person without the written consent of Seller or Matthews Real Estate Investment Services. The material and information in the Offering Memorandum is unverified. Matthews Real Estate Investment Services has not made any investigation, and makes no warranty or representation, with respect to square footage, income and expenses, the future financial performance of the property, future rent, and real estate value market conditions, the condition or financial prospects of any tenant, or the tenants' plans or intentions to continue to occupy space at the property. All prospective purchasers should conduct their own thorough due diligence investigation of each of these areas with the assistance of their accounting, construction, and legal professionals, and seek expert opinions regarding volatile market conditions given the unpredictable changes resulting from the continuing COVID-19 pandemic. The information is based in part upon information supplied by the Owner and in part upon financial information obtained from sources the Owner deems reliable. Owner, nor their officers, employees, or real estate agents make any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum, or any of its content, and no legal liability is assumed or shall be implied with respect thereto. Prospective purchasers should make their own projections and form their own conclusions without reliance upon the material contained herein.

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2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner detrimental to the interest of the Seller.

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This Offering Memorandum shall not be deemed to represent the state of affairs of the Property or constitute an indication that there has been no change in the state of affairs of the Property since the date this Offering Memorandum.

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