



Muscatine, IA



Dayton, OH

Available for Investment June 30, 2017

# Fresenius Medical Care Dialysis Clinics

LONG-TERM LEASES • INVESTMENT-GRADE TENANT • ACCELERATED DEPRECIATION



Davenport, IA



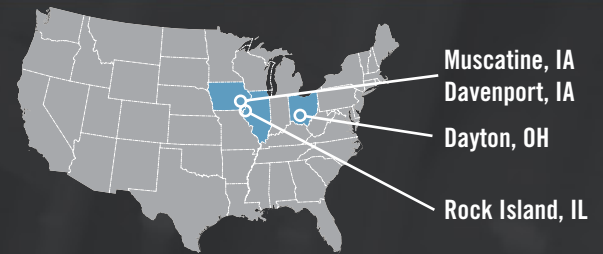
Rock Island, IL

## INVESTMENT HIGHLIGHTS

- › 6.25% Initial Cash Flow
- › Long-Term Leases
- › Escalating Rental Schedules
- › Fresenius is Publicly Traded (NYSE: FMS)
- › DST Structure Ideal for 1031 Exchanges
- › Accelerated Depreciation<sup>1</sup>

KB Exchange Trust provides a cost segregation study prepared by **CBRE**. Utilizing this analysis for accelerated depreciation may allow investors to shelter up to **100%** of their income for a period of up to **10 years**.<sup>1</sup>

## MIDWEST PORTFOLIO



Fresenius Medical Care is the world's largest integrated provider of products and services for individuals undergoing dialysis due to chronic kidney failure. Fresenius is a \$30 billion worldwide company with over 110,000 employees and a network of 3,600 dialysis clinics in North America, Europe, Latin America, Asia-Pacific, and Africa.

(1) Consult with your tax professional to see how much of your income can be sheltered.



Call Us To Discuss This Investment Opportunity

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**FRESENIUS KIDNEY CARE EAST DAYTON**  
821 EDWIN C. MOSES BLVD • DAYTON, OH

Rentable Square Footage: 8,419  
Lot Size: 0.9 Acres



**DESCRIPTION:** Dayton is located just north of Cincinnati and approximately 71 miles east of Columbus. According to the 2014 U.S. Census, Dayton's population was 141,000. Interstate 75 runs from Cincinnati to Toledo by way of Dayton. This interstate connects and runs through Midtown Dayton. This Fresenius Medical Care property is located near Interstate 75 which allows for excellent visibility and access. This clinic is also located directly across the street from the Kindred Hospital of Dayton, a 67-bed acute long-term care hospital. Also, located less than two miles away is the Miami Valley Hospital, an 845-bed acute care medical center.

LEASE YEARS	ANNUAL RENT
Years 1	\$310,477.13
Years 2	\$310,477.13
Years 3	\$310,477.13
Years 4	\$310,477.13
Years 5	\$310,477.13
Years 6	\$341,524.84
Years 7	\$341,524.84
Years 8	\$341,524.84
Years 9	\$341,524.84
Years 10	\$341,524.84
Years 11	\$375,677.32
Years 12	\$375,677.32
Years 13	\$375,677.32
Years 14	\$375,677.32
Years 15	\$375,677.32

LEASE SUMMARY	
Tenant	Fresenius Medical Care <sup>(1)</sup>
Lease Term	15 Years
Annual Base Rent (Current)	\$310,477.13
Annual Rent/SF	\$36.88/SF
Lease Commencement	May 2017
Lease Expiration	May 2032
Renewal Options	Three 5-Year Options
Increases	10% Increase Every 5 Years
Property Taxes	Tenant Responsibility
Insurance	Tenant Responsibility
Utilities	Tenant Responsibility
HVAC	Tenant Responsibility
Roof & Structure	Landlord Responsibility

(1) Guarantor is Fresenius Medical Care Holdings, a wholly-owned subsidiary of Fresenius Medical Care.



**FRESENIUS MEDICAL CARE DAVENPORT**  
120 W. LOCUST ST. • DAVENPORT, IA

Rentable Square Footage: 7,048  
Lot Size: .51 Acres



**DESCRIPTION:** Davenport, part of the Quad Cities Metropolitan Area, is located approximately halfway between Chicago and Des Moines, on the border of Iowa and Illinois. Per the 2014 U.S. Census, Davenport has a population of approximately 102,000, making it Iowa's third largest city. The Quad Cities Metropolitan Area has a population of over 380,000 people. This Fresenius clinic is located just one mile from Genesis Medical Center, a 508-bed acute-care medical facility. Genesis Medical Center services a 10-county bi-state region of Quad Cities and surrounding communities of Iowa and Illinois.

LEASE YEARS	ANNUAL RENT
Years 1	\$148,008.00
Years 2	\$148,008.00
Years 3	\$148,008.00
Years 4	\$148,008.00
Years 5	\$148,008.00
Years 6	\$162,808.80
Years 7	\$162,808.80
Years 8	\$162,808.80
Years 9	\$162,808.80
Years 10	\$162,808.80
Years 11	\$179,089.68
Years 12	\$179,089.68
Years 13	\$179,089.68
Years 14	\$179,089.68
Years 15	\$179,089.68

**LEASE SUMMARY**

Tenant	Fresenius Medical Care <sup>1</sup>
Lease Term	15 Years
Annual Base Rent (Current)	\$148,008.00
Annual Rent/SF	\$21.00/SF
Lease Commencement	April 2016
Lease Expiration	April 2031
Renewal Options	Three 5-Year Options
Increases	10% Increase Every 5 Years
Property Taxes	Tenant Responsibility
Insurance	Tenant Responsibility
Utilities	Tenant Responsibility
HVAC	Tenant Responsibility
Roof & Structure	Landlord Responsibility

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**FRESENIUS MEDICAL CARE MUSCATINE**  
311 PARHAM ST. • MUSCATINE, IA

Rentable Square Footage: 4,609  
Lot Size: .87 Acres



LEASE YEARS	ANNUAL RENT
Years 1	\$87,571.00
Years 2	\$87,571.00
Years 3	\$87,571.00
Years 4	\$87,571.00
Years 5	\$87,571.00
Years 6	\$96,328.10
Years 7	\$96,328.10
Years 8	\$96,328.10
Years 9	\$96,328.10
Years 10	\$96,328.10
Years 11	\$106,007.00
Years 12	\$106,007.00
Years 13	\$106,007.00
Years 14	\$106,007.00
Years 15	\$106,007.00

### LEASE SUMMARY

Tenant	Fresenius Medical Care <sup>1</sup>
Lease Term	15 Years
Annual Base Rent (Current)	\$87,571.00
Annual Rent/SF	\$19.00/SF
Lease Commencement	April 2016
Lease Expiration	April 2031
Renewal Options	Three 5-Year Options
Increases	10% Increase Every 5 Years
Property Taxes	Tenant Responsibility
Insurance	Tenant Responsibility
Utilities	Tenant Responsibility
HVAC	Tenant Responsibility
Roof & Structure	Landlord Responsibility

*(1) Guarantor is Fresenius Medical Care Holdings, a wholly-owned subsidiary of Fresenius Medical Care.*

**DESCRIPTION:** Muscatine located in southeast Iowa, has a population of over 50,000 people within its statistical area. The population grew approximately 4.5% increase since 2010. Muscatine is home to major corporations such as Bridgestone Bandag, H.J. Heintz Company, and the Monsanto Company. This dialysis property is located directly across the street from UnityPoint Health-Trinity Muscatine, a 80-bed general medical and surgical hospital. UnityPoint Health-Trinity operates four full service hospitals in the Midwest area.



**FRESENIUS MEDICAL CARE ROCK ISLAND**  
2623 17TH STREET • ROCK ISLAND, IL

Rentable Square Footage: 6,050  
Lot Size: .82 Acres



**DESCRIPTION:** Rock Island, part of the Quad Cities Metropolitan Area, is located along the Mississippi River. According to the 2010 U.S. Census, Rock Island's population was 39,000. The Quad Cities Metropolitan Area is home to over 380,000 people. This Fresenius clinic is located as an outlot of the UnityPoint Health-Trinity Rock Island, a 338-bed acute-care medical facility. UnityPoint Health-Trinity operates four full service hospitals in the Midwest Area.

LEASE YEARS	ANNUAL RENT
Years 1	\$127,050.00
Years 2	\$127,050.00
Years 3	\$127,050.00
Years 4	\$127,050.00
Years 5	\$127,050.00
Years 6	\$139,755.00
Years 7	\$139,755.00
Years 8	\$139,755.00
Years 9	\$139,755.00
Years 10	\$139,755.00
Years 11	\$153,730.50
Years 12	\$153,730.50
Years 13	\$153,730.50
Years 14	\$153,730.50
Years 15	\$153,730.50

LEASE SUMMARY	
Tenant	Fresenius Medical Care <sup>1</sup>
Lease Term	15 Years
Annual Base Rent (Current)	\$127,050.00
Annual Rent/SF	\$21.00/SF
Lease Commencement	April 2016
Lease Expiration	April 2031
Renewal Options	Three 5-Year Options
Increases	10% Increase Every 5 Years
Property Taxes	Tenant Responsibility
Insurance	Tenant Responsibility
Utilities	Tenant Responsibility
HVAC	Tenant Responsibility
Roof & Structure	Landlord Responsibility

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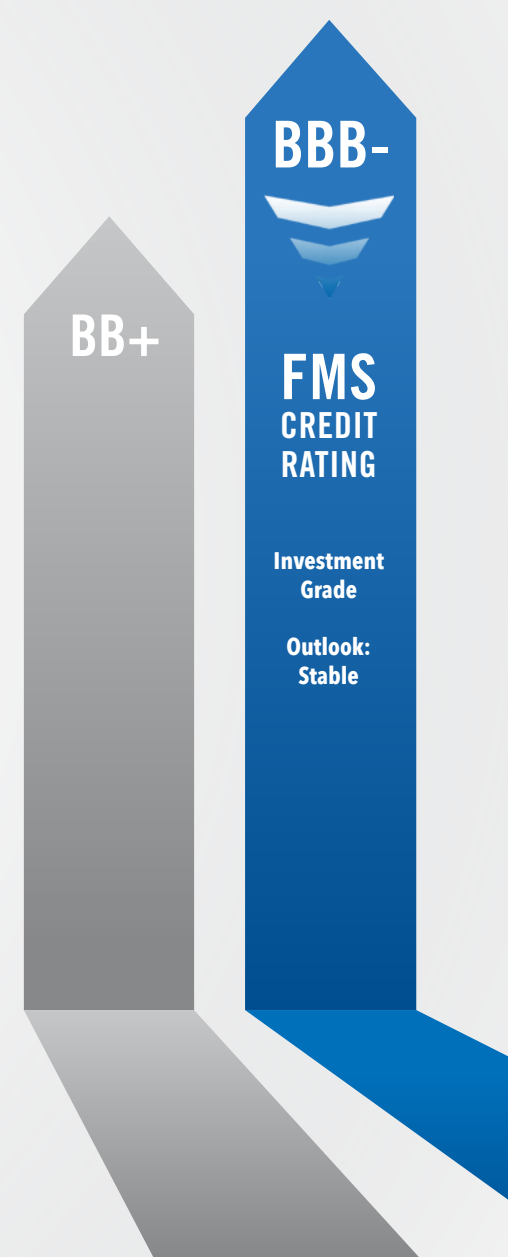
BIG NEWS FROM



## Standard & Poor's Upgrades Fresenius Medical Care's Credit Rating to Investment Grade

January 19, 2015

Bad Homburg, Germany – Fresenius Medical Care AG & Co. KGaA (the “company” or “Fresenius Medical Care”; Frankfurt Stock Exchange: FME / New York Stock Exchange: FMS), the world’s largest provider of dialysis products and services, today announced that Standard & Poor’s has upgraded the corporate credit rating of Fresenius Medical Care from BB+ to BBB- with a stable outlook. The company’s financial policy remains unchanged. Fresenius Medical Care will continue to focus on the execution of the long-term strategy introduced in early 2014.



### FRESENIUS BY THE NUMBERS

Worldwide Provider of Dialysis Products and Services	#1
Year Founded	1912
Market Capitalization	\$30.21 Billion <i>(as of 6/20/17)</i>
Global Fortune 500 Ranking	341
Total Dialysis Clinics <i>(worldwide)</i>	3,654
Patients <i>(worldwide)</i>	310,473
Number of Employees <i>(worldwide)</i>	110,000 <i>(approx)</i>

## IN THE NEWS

### Fresenius Medical Care Lifts 2016 Profit Guidance

Published: October 29, 2015

FRANKFURT--German health care group Fresenius SE & Co. KGaA (FRE.XE) on Thursday said a good third quarter and continuing strong results at its Fresenius Kabi unit in North America allowed it to raise its net profit guidance for the third time this year.

Fresenius now expects net profit to be some 20% to 22% higher than the year-earlier figure of 1.086 billion euros (\$1.20 billion). Under its last guidance raised in July--for the second time this year after April--it had forecast an 18% to 21% profit increase.

Fresenius also targets 2015 sales growth of 8% to 10% over the 2014 figure of EUR23.2 billion, unchanged from its previous guidance.

The Kabi unit, the group's clinical technology provider, also raised its guidance. It now forecasts an 8% rise in sales, at the upper end of its previous 6% to 8% guidance, and EBIT growth of 19% to 22%, up from the previously targeted 18% to 21%. All company forecasts are in constant currency.

In the quarter from July to September, net profit rose 31% to EUR367 million, helped by a tailwind from the positive foreign exchange translation effects of the weak euro, beating a forecast EUR348 million. Sales rose 16% to EUR6.94 billion from EUR5.98 billion in the same quarter a year ago, below the forecast EUR6.95 billion

As a result of the weakening of the euro against the U.S. dollar and other major currencies, group sales and profit benefited strongly...

\*Source: <http://www.marketwatch.com/story/fresenius-medical-care-lifts-2016-profit-guidance-2015-10-29>

### Fresenius Medical Care Shares Rise as Earnings Beat Forecasts

Published: August 2, 2016

American depository shares in Fresenius Medical Care (FMS) rose in pre-market trading after the dialysis specialist beat second-quarter earnings expectations.

The stock was up 2.1% at \$46.61 before the opening bell in New York.

The company, which is 30.9% owned by Fresenius SE, posted revenue of \$4.42 billion, up 5% year-on-year but marginally below analysts' expectations in the second quarter. Ebit and earnings-per-share were 2% and 4% higher, respectively, than analysts' consensus forecast, according to Jefferies analyst Chris Cooper. The group's second-quarter net profit rose 22% to \$294 million.

The company derived about three-quarters of second-quarter revenue from North America, where it bolstered margins in the period. The Bad Homburg vor der Hohe, Germany company also reiterated its full-year forecast for 7% to 10% revenue growth and a 15% to 20% increase in net profit based on current exchange rates. Net profit in the first half rose 16%, after 9% growth in the first-quarter, putting it at the low end of that full-year forecast rate, Cooper noted.

Fresenius Medical Care announced its figures at around the same time as Fresenius SE, a diversified health care group which operates hospitals and sells medical equipment and treatments.

Fresenius' quarterly sales came in 2% short of expectations after its Kabi division was hit by currency fluctuations. Sales were € 7.09 billion...

\*Source: <https://www.thestreet.com/story/13660948/1/fresenius-medical-care-shares-rise-as-earnings-beat-forecasts.html>

### Fresenius Medical Care and Humana Partner to Improve Health of Kidney Failure Patients Across the Nation

Published: March 9, 2017

WALTHAM, Mass.--(BUSINESS WIRE)--Fresenius Medical Care North America (FMCNA), a division of Fresenius Medical Care (NYSE: FMS), announced today that it is joining forces with Humana Inc. (NYSE: HUM) in a new program designed to improve care and health outcomes for Humana's members with end stage renal disease (ESRD).

Under the program, FMCNA, operating through its Fresenius Health Partners business, will implement its proprietary care coordination model to enhance the ability of these patients to obtain the health care services they need to address their illness and improve their quality of life.

Each patient will be supported by a collaborative team of local nephrologists and clinicians working in partnership with the Care Navigation Unit (CNU), FMCNA's group of specialized nurses and service coordinators who provide 24/7 support and care coordination services. By focusing on the unique physical and emotional needs of each patient, the CNU foresees issues before they arise and helps patients, their families and their providers respond as they happen.

"Through this partnership, we will positively impact the overall medical care of Humana's ESRD members who receive treatment within our dialysis centers, and it's our responsibility to ensure they can access the care they need, when they need it," said William McKinney, President of FMCNA's Integrated Care Group. "Ultimately, we believe our coordinated approach to patient care will be a natural extension of..."

\*Source: <https://www.thestreet.com/story/13660948/1/fresenius-medical-care-shares-rise-as-earnings-beat-forecasts.html>

**This Fresenius Medical Care portfolio is being sold with a Delaware Statutory Trust (DST) ownership structure in place. It is, therefore, eligible as a 1031 exchange.**

### About DSTs

A Delaware Statutory Trust (DST) is a separate legal entity created as a trust under Delaware statutory law. Delaware law provides great flexibility in the design and operation of the entity. However, to use a DST in a Section 1031 tax-deferred exchange program, it must comply with the requirements of IRS Revenue Ruling 2004-86 so that a beneficial interest in the trust is treated as a direct interest in real estate for tax purposes. The trust also must satisfy lender requirements, especially if the loan is to be securitized.

A DST-structure is a "pooled-equity" investment. DST purchasers realize significant benefits by acquiring a property that is typically a higher-quality asset than could be purchased individually. Investors looking for stabilized, core properties often favor a DST-structured investment.

### Simplified 1031-Exchange Solution

Purchasers of DST-structured real estate investments typically enjoy monthly cash flow from high quality properties. A KB Exchange Trust DST investment affords purchasers an investment free of day-to-day management responsibilities as KB Exchange Trust and its third-party management partners professionally conduct all property and asset management.

### KB Exchange Trust facilitates the entire transaction:

- Identifying the real property
- Professional due diligence reports
- Securing financing (non-recourse to DST Investors)
- Coordinating with qualified intermediaries
- Providing all organizational and offering documentation
- Providing a legal Tax Opinion
- Professional third-party property and asset management services
- Monthly check issuance to investors (by check or direct-deposit)





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**FRESENIUS  
MEDICAL CARE**

**INVESTMENT SUMMARY**

Offering Price:	\$12,700,000
Cap Rate:	6.05%
Net Operating Income (Year 1):	\$673,106
Lease Terms:	±14 Years
Monthly Rent Per Sq. Ft.:	\$1.74
Total Rentable Sq. Ft.:	32,157

**FINANCING - NEW FIRST MORTGAGE**

Loan Amount:	\$7,300,000
Loan-to-Value:	66%
Loan-to-Cost:	57.5%
Interest Rate:	4.60%
Loan Term (Months):	120
Interest-Only Period (Months):	60
Monthly Loan Payments:	\$27,983.33
Annual Loan Payments:	\$335,800

<b>ESTIMATED YEAR 1 PRE-TAX CASH FLOW</b>	<b>\$337,306</b>
<b>ESTIMATED YEAR 1 CASH-ON-CASH RETURN</b>	<b>6.25%</b>
<b>MINIMUM EQUITY PURCHASE</b>	<b>\$100,000</b>
<b>PRICE PER EACH 1% INTEREST</b>	<b>\$54,000</b>

**FRESENIUS MEDICAL CARE AT-A-GLANCE**

As a vertically-integrated company, Fresenius Medical Care offers products and services along the entire dialysis value chain from a single source. FMC cares for more than 300,000 patients in their global network of 3,500 dialysis clinics. At the same time, they operate more than 40 production sites on all continents, making them the world's leading provider of dialysis products such as dialysis machines dialyzers, and related disposable accessories.

**EQUITY INVESTMENTS STARTING FROM \$100,000**



MUSCATINE, IOWA



DAVENPORT, IOWA



ROCK ISLAND, ILLINOIS



DAYTON, OHIO

**ABOUT KB EXCHANGE TRUST**

KB Exchange Trust is an affiliate of Kingsbarn Realty Capital, an experienced national commercial real estate firm. KB Exchange Trust provides real estate investors with 1031-exchange eligible property ownership through its Delaware Statutory Trust ("DST") program. The principals of KB Exchange Trust have acquired over \$2 billion of commercial properties over the past 10 years.

A KB Exchange Trust DST investment affords purchasers an investment free of day-to-day management responsibilities as KB Exchange Trust and its third-party management partners professionally conduct all property and asset management.

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