

DaVita Dialysis

OFFERING MEMORANDUM

DaVita[®]

902 BEAR MOUNTAIN BLVD,
ARVIN, CA 93203

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An aerial photograph of a suburban neighborhood. In the foreground, there is a large commercial building with a sign that reads "DOLLAR TREE". To the left of the Dollar Tree is a smaller building and a parking lot. The middle ground shows a grid of residential streets with houses and trees. In the background, there is a large body of water, possibly a lake or a reservoir, under a clear sky. The text "EXECUTIVE OVERVIEW" is overlaid in the center of the image.

EXECUTIVE OVERVIEW

INVESTMENT HIGHLIGHTS

Property

- Attractive E-Commerce Resistant Medical Tenant
- NN Lease – This investment offers investors a passive income with minimal landlord responsibilities
- 9 years and 5 months left on the lease – Perfect for someone looking to invest in a long-term deal
- Three (3) five (5) year options to extend
- Attractive Scheduled Rental Increases – Rent increases 10% every 5 years, which acts as a major hedge against inflation moving forward

Location

- Minimal Competition – Property is the only dialysis clinic in an 18.5-mile radius
- Strong Location – The clinic is situated in a strong retail corridor with surrounding national tenants such as Dollar Tree, ARCO, AMPM, AutoZone and Burger King
- Ideal Dialysis Demographic – Population includes around 15,000 residents within a 1-mile radius and the average household income is \$45,608 within a 5-mile radius
- Stellar Growth Rate – In a 5-mile radius, this market experienced a 13.10% growth rate from 2010-2018 and is projected for an additional 4.24% growth over the next 5 years!

Tenant

- DaVita, Inc. is a Fortune 500 Company headquartered in Denver, CO and its subsidiaries operate a network of 2,510 dialysis centers across the US and 327 dialysis centers in 11 other countries

The image shows the exterior of a single-story commercial building, identified by a sign as a Davita Dialysis center. The building has a light-colored stucco facade and a central entrance with a dark-framed glass door. Above the entrance, the words "Davita Dialysis" are displayed in a blue, stylized font. The building features arched windows on either side of the entrance. In the foreground, there is a paved parking lot with several empty spaces. To the left, there is a landscaped area with a young tree and some bushes. To the right, there are several tall palm trees. The sky is blue with some light clouds. The entire image has a semi-transparent blue overlay, and the title "FINANCIAL OVERVIEW" is written in large white letters across the center.

Davita Dialysis

FINANCIAL OVERVIEW



\$2,999,999

LIST PRICE



±7,560

GLA



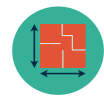
6.26%

CAP RATE



±0.67 AC

LOT SIZE



\$187,846.10

NOI



2013

YEAR BUILT

TENANT SUMMARY

Tenant Name	DaVita Dialysis
Type of Ownership	Fee Simple
Lease Type	NN
Original Lease Term	15 Years
Lease Commencement Date	9/28/13
Lease Expiration Date	9/27/28
Term Remaining	9 Years 5 Months
Increases	10% every 5 years
Options	Three (3) Five (5)



ANNUALIZED OPERATING SUMMARY

	MONTHLY	ANNUAL	RENT/SF
DaVita Dialysis	\$15,653.84	\$187,846.10	\$24.85



Davita®

VALLEY
SUPERMARKETS
Los Angeles Area's Best Supermarket

UNITED STATES
POSTAL SERVICE

City of
Arvin

Chevron

SUBWAY

McDonald's

metroPCS

BURGER
KING

AutoZone

DOLLAR TREE

ampm

NAPA

Bear Mountain Blvd ±12,000 ADT



Bear Mountain
Elementary School

T-Mobile

NAPA

O'Reilly
AUTO PARTS

Bear Mountain Blvd ±12,000 ADT

McDonald's

BURGER
KING

AutoZone

ampm

Davita

DOLLAR TREE

TENANT OVERVIEW





COMPANY NAME

DaVita Inc.

OWNERSHIP

Public (NYSE: DVA)

YEAR FOUNDED

1999

INDUSTRY

Healthcare

HEADQUARTERS

Denver, CO

NO. OF EMPLOYEES

±74,500

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.

An aerial photograph of a river valley. The river flows from the bottom left towards the center. The surrounding hills are covered in green vegetation, with some areas showing terraced patterns. A bridge is visible in the bottom left corner. The sky is clear and blue. The text "AREA OVERVIEW" is overlaid in the center in a large, white, sans-serif font.

AREA OVERVIEW

ARVIN, CA

Residential areas, clean streets, low crime rate, a first class fire station and a well kept City Hall all make up the City of Arvin's appeal and livability. In addition, the City boasts a Department of Motor Vehicles office, a Veterans Hall for community gatherings, and a library which houses a wonderful collection of local art by artist Roberta Jean Owens.

Poised to expand and develop, the City of Arvin area is primarily an agricultural-based economy with a growing manufacturing presence. Strong leadership in the community for water rights and water supply over the years has set the stage for the growth and vitality of the agricultural industry. Just to the East of Arvin, the Arvin Edison Canal ends a fluid journey from the high Sierras mid-state to percolation ponds which continually recharge the underground aquifers. Water is then pumped when it is needed for irrigation for the many crops.

Along the railroad tracks from the many packing houses, fresh fruits and vegetables are shipped worldwide. Well known names such as Grimmway carrots, Gold Ribbon potatoes, and in the "old days" Di Giorgio grapes, peaches, and plums were and are often seen in markets all across America. And in the case of Grimmway Farms, it is the largest producer of carrots in the world.



DEMOGRAPHICS

POPULATION	1-MILE	3-MILE	5-MILE
2023 Projection	14,637	22,261	24,257
2018 Estimate	14,226	21,350	23,301
2010 Census	13,730	19,943	21,863
Growth 2018-2023	2.89%	4.27%	4.10%

HOUSEHOLDS	1-MILE	3-MILE	5-MILE
2023 Projection	3,311	4,880	5,381
2018 Estimate	3,229	4,707	5,196
2010 Census	3,139	4,494	4,975
Growth 2018-2023	2.54%	3.67%	3.56%

INCOME	1-MILE	3-MILE	5-MILE
2018 Average Household Income	\$44,813	\$48,676	\$49,032

BAKERSFIELD, CA

Sitting on the southern end of the Central Valley within the Kern County boundaries, Bakersfield is a city in the San Joaquin Valley. It is equal distance to Los Angeles and Fresno. As a primarily agricultural and industrial town, Bakersfield relies primarily on agriculture, petroleum extraction and refining, and manufacturing as its major economic staples. Irrigated agriculture, mostly cotton, orchard crops and grapes lie to the north whereas the large oil industry supported by nearby fields operates in and around the city. The historic and major industries of the city have related to Kern County's two main industries of oil and agriculture. Kern County is the most productive oil county in America, with around 10% of the nation's domestic production. Ranking in the top five most productive agricultural counties in the nation, Kern County is a major producer of grapes, citrus, almonds, carrots, alfalfa, cotton, and roses. Bakersfield itself serves as the home for both corporate and regional headquarters of companies engaged in these industries.

Bakersfield's proximity to the Southern California area has attracted businesses looking for an affordable location, thereby improving the economy. Several companies have moved to Bakersfield because of its inexpensive land and access to the rest of America, as well as international sports in both Los Angeles and Oakland. Other companies have opened regional offices and non-oil/agricultural businesses because of Bakersfield's business-friendly policies, such as having no local utility or inventory taxes.



DISCOVERING BAKERSFIELD

Bakersfield has been known for being a fast-growing city and has seen its population more than triple in the past 30 years. Given that it is the largest city with the lowest sales tax in California, the area has particularly been attracting Southern Californians looking to escape the high costs and bustle of the L.A. Basin.

Due to the continuous population growth, Bakersfield has engaged in new retail and housing development west of town as well as the addition of a new riverfront park. The large bluff and plateau, which lies east of the city, has also been under continued development.

Home to California State University, Bakersfield, the city has access to an educated and skilled workforce. Each year, CSU Bakersfield continues to help shape the future of Kern County through its graduation of more than 2,000 alumni.

As the nation's top city for family activities and fun, Bakersfield has a number of cultural assets including the Kern County Museum and the Buena Vista Museum of Natural History. Events held within the city include one of the California's Scottish Games and Clan Gatherings, the Greek Festival, the Low-rider National in the Kern County Fairgrounds, drag racing events at the Auto Club Famous Raceway and Kern County Fair. Other recreational opportunities in the area include whitewater rafting, rock climbing, mountain biking, fossil collecting and skiing in the southern Sierra Mountain range.

57.8%
Homeownership rate

30.6
Median Age

\$61,039
Median Household Income



CONFIDENTIALITY AGREEMENT & DISCLAIMER

This Offering Memorandum contains select information pertaining to the business and affairs of **DaVita** located in **902 Bear Mountain Blvd, Arvin, CA 93203** ("Property"). It has been prepared by Matthews Real Estate Investment Services. This 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 is based in part upon information supplied by the Seller and in part upon financial information obtained from sources it deems reliable. Owner, nor their officers, employees, or agents makes any representation or warranty, express or implied, as to the accuracy or completeness of this Offering Memorandum or any of its contents 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 and conduct their own due diligence.

By acknowledging your receipt of this Offering Memorandum for the Property, you agree:

1. The Offering Memorandum and its contents are confidential;
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.

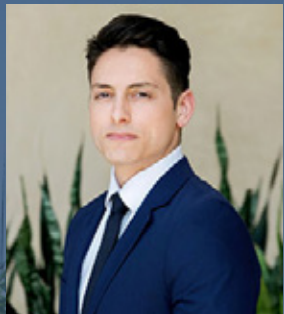
Owner and Matthews Real Estate Investment Services expressly reserve the right, at their sole discretion, to reject any and all expressions of interest or offers to purchase the Property and to terminate discussions with any person or entity reviewing this Offering Memorandum or making an offer to purchase the Property unless and until a written agreement for the purchase and sale of the Property has been fully executed and delivered.

If you wish not to pursue negotiations leading to the acquisition of the Property or in the future you discontinue such negotiations, then you agree to purge all materials relating to this Property including this Offering Memorandum.

A prospective purchaser's sole and exclusive rights with respect to this prospective transaction, the Property, or information provided herein or in connection with the sale of the Property shall be limited to those expressly provided in an executed Purchase Agreement and shall be subject to the terms thereof. In no event shall a prospective purchaser have any other claims against Seller or Matthews Real Estate Investment Services or any of their affiliates or any of their respective officers, Directors, shareholders, owners, employees, or agents for any damages, liability, or causes of action relating to this solicitation process or the marketing or sale of the Property.

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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REAL ESTATE INVESTMENT SERVICES

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