



3001 HEALTHCARE WAY
MODESTO, CALIFORNIA



COLDWELL BANKER
COMMERCIAL



OFFERING MEMORANDUM



3001 HEALTHCARE WAY
MODESTO, CALIFORNIA

This offering has been prepared solely for informational purposes. It is designed to assist a potential investor in determining whether it wishes to proceed with an in-depth investigation of the subject property. While the information contained herein is from sources deemed reliable, it has not been independently verified by the Coldwell Banker Commercial affiliate or by the Seller.

The projections and pro forma budget contained herein represent best estimates on assumptions considered reasonable under the circumstances. No representations or warranties, expressed or implied, are made that actual results will conform to such projections.

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Interested buyers should be aware that the Seller is selling the Property "AS IS" CONDITION WITH ALL FAULTS, WITHOUT REPRESENTATIONS OR WARRANTIES OF ANY KIND OR NATURE. Prior to and/or after contracting to purchase, as appropriate, buyer will be given a reasonable opportunity to inspect and investigate the Property and all improvements thereon, either independently or through agents of the buyer's choosing.

The Seller reserves the right to withdraw the Property being marketed at any time without notice, to reject all offers, and to accept any offer without regard to the relative price and terms of any other offer. Any offer to buy must be: (i) presented in the form of a non-binding letter of intent; (ii) incorporated in a formal written contract of purchase and sale to be prepared by the Seller and executed by both parties; and (iii) approved by Seller and such other parties who may have an interest in the Property. Neither the prospective buyer nor Seller shall be bound until execution of the contract of purchase and sale, which contract shall supersede prior discussions and writings and shall constitute the sole agreement of the parties. Prospective buyers shall be responsible for their costs and expenses of investigating the Property and all other expenses, professional or otherwise, incurred by them.



NICHOLAS BORRELLI
COLDWELL BANKER COMMERCIAL
626.484.7975
nborrelli@nbcreinvestments.com
CalRE# 01481673



- 1 PROPERTY OVERVIEW
- 2 EXECUTIVE SUMMARY
- 3 TENANT OVERVIEW
- 4 AREA OVERVIEW



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PROPERTY OVERVIEW

Ownership Interest: Fee Simple (Building & Land)
 Parcel ID: 078-069-024(NEW)
 Address: 3001 Healthcare Way, Building #200
 City: Modesto
 County: Stanislaus
 State: California
 Zip Code: 95356
 Land (Acres): 0.61 acres
 Land (SF): 26,572
 Built: 2023
 Rentable Building Area (SF): 4,214 SF
 Floors: One (1)
 Use: Dialysis Clinic
 C of O Date: December 29, 2022

RENT ROLL

LEASE YEAR	BASE ANNUAL	PSF	INCREASE
Years 1 to 5	\$166,200.16	\$39.44	
Years 6 to 10	\$182,820.18	\$43.38	10.0%
Years 11 to 15	\$201,102.19	\$47.72	10.0%
Option One	\$221,212.41	\$52.49	10.0%
Option Two	\$243,333.65	\$57.74	10.0%
Option Three	\$267,667.02	\$63.52	10.0%





MODESTO

VINTAGE FAIRE MALL

Olive Garden
Black Bear Diner
WinCo FOODS
planet fitness
IN-N-OUT BURGER
OUTBACK STEAKHOUSE
Wendy's
BIG 5 SPORTING GOODS
TRADER JOE'S
five BELOW

Starbucks
Abercrombie & Fitch
Apple
BJS RESTAURANT BREWHOUSE
Lids
BANK OF AMERICA
BUFFALO WILD WINGS
CHIPOTLE MEXICAN GRILL
BOB'S FURNITURE
carter's
Wetzel's
Panera BREAD
VICTORIA'S SECRET
jcpenny
COLD STONE

TARGET
ULTRA BEAUTY
Burlington
DSW DESIGNER SHOE WAREHOUSE
PETSMART
ROSS DRESS FOR LESS

BEST BUY
AT&T
Ashley HOMESTORE
Michaels

IN-N-OUT BURGER
Chevron
VALARITA SUPERMARKETS
planet fitness

99 GOLDEN STATE HWY

GIACOMO'S ESPRESSO
Walgreens

VALLEY URGENT CARE
Quest Diagnostics
Valley Children's HEALTHCARE

AutoZone
SAVE MART SUPERMARKETS

EXTRA MILE
Chevron
CHIPOTLE MEXICAN GRILL

THE BRASS TAP
TOGO'S TRUE 28 SANDWICH
76
Starbucks

KAISER PERMANENTE



HEALTHCARE WAY

LOWE'S
SWING CENTER
Cane's
WORLD MARKET
verizon
THE VITAMIN SHOPPE

COSTCO WHOLESALE
crumbl COOKIES
BAJA FRESH
SUPERCUTS
COLD STONE
PANDA EXPRESS

AMR
A Global Medical Response Solution
KAISER PERMANENTE
Mental Health Training Program
Northern California
CALIFORNIA HIGHWAY PATROL

DALE ROAD

COURTYARD BY MARRIOTT

EL RIO COMMUNITY HEALTH CENTER

Surgical Artistry

KIERNAN AVENUE

ARCO

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PRICE: \$3,324,003

CAP RATE: 5%

EXECUTIVE SUMMARY

Property Address:	3001 Healthcare Way, Building #200 Modesto, CA
Guarantor:	DaVita, Inc.
Use:	Home Health/Peritoneal Dialysis
Credit:	Corporate (NYSE: DVA)
Credit Rating:	S&P: BB
Interest:	Fee Simple
Encumbrances:	Free & Clear
Land (Acres):	0.61 acres (Adjacent parcel available for purchase.)
RBA:	4,214 SF
Initial Term:	15 years
Term Remaining:	12 years
Options:	3, 5-year options
Increases:	10% every 5 years
Expenses:	NN Lease
NOI:	\$166,200.16
NOI/SF:	\$39.44





EXECUTIVE SUMMARY

Coldwell Banker Commercial is pleased to offer qualified investors the opportunity to acquire the fee-simple interest in a newly constructed, single-tenant medical office facility located in Modesto (the “Property”).

The Property consists of 0.61 acres improved with a one-story, 4,214-square-foot medical office building that was built-to-suit in 2023 to the Tenant’s exact specifications. Investors may also acquire an adjacent, vacant 0.57-acre parcel featuring designed shared parking access and expansion flexibility. The Property is strategically positioned near the signalized intersection of Dale Road (approximately 14,000 vehicles per day) and Kiernan Avenue (approximately 27,000 vehicles per day) and is immediately adjacent to the region’s dominant hospital campus, Kaiser Permanente’s Modesto Medical Center. The surrounding five-mile trade area includes approximately 129,000 residents with an average household income exceeding \$97,000 annually.

The Tenant recently completed a comprehensive build-to-suit incorporating its brand-new prototype, representing the top tier of the kidney care industry with respect to patient experience, clinical functionality, and energy-efficient design standards. A neighboring dialysis facility—developed as a build-to-suit approximately six years ago and owned by a third party—previously housed both inpatient and home-health operations. Due to physical constraints within that building, the Tenant was unable to expand its inpatient hemodialysis services. To accommodate growth, the Seller acquired the adjacent parcel and relocated the home-health component into the newly constructed facility, allowing inpatient operations to expand within the original building. The two complementary facilities now house distinct functions, with supervising medical professionals able to walk between locations.

The Property is secured by an initial fifteen-year (15-year) lease term featuring three (3) five-year renewal options. The lease is the Tenant’s standard form used across the majority of its national portfolio and is structured as a highly passive, landlord-favorable net lease with minimal expense exposure due to the new construction. Rental increases of ten percent (10%) occur every five (5) years throughout the term and option periods.

The lease is unconditionally guaranteed by DaVita, Inc., one of the world’s leading kidney care providers, operating more than 2,724 outpatient clinics across 46 states and providing acute inpatient dialysis services in approximately 850 hospitals nationwide. DaVita, Inc. is publicly traded and ranked No. 323 on the Fortune 500. As of December 31, 2022, the company reported revenues exceeding \$11.61 billion and net income of approximately \$547 million. DaVita, Inc. is credit-rated Ba3 by Moody’s Investor Services and BB by Standard & Poor’s Rating Service. Berkshire Hathaway, led by Warren Buffett, is a long-time shareholder and owns approximately 38% of the company’s outstanding shares, representing one of its largest equity positions.



JS WEST IS BUILDING A NEW HEADQUARTERS IN MODESTO

After 116 years in its original downtown location, JS West & Companies has announced the relocation of its corporate headquarters to a brand-new, four-story, 63,000 SF Class A office development in northwest Modesto.

The new headquarters, located at the southwest corner of Dale Road and Kiernan Avenue, represents a significant investment in Modesto's continued growth and signals strong confidence in the area's expanding commercial corridor. The modern facility will feature corporate offices on the upper floors, with additional professional office and retail/restaurant space planned on the ground levels — creating a dynamic mixed-use environment.

With construction underway and completion projected for 2027, this move marks a pivotal moment for one of the region's most established companies, reinforcing northwest Modesto as a premier destination for corporate, retail, and professional users.



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EXECUTIVE SUMMARY

HOSPITAL CAMPUS ADJACENT

The Property is strategically located directly across the street from Kaiser Permanente's Modesto Medical Center Campus in Modesto. Proximity to a major regional hospital system enhances referral synergy, long-term demand stability, and the overall institutional appeal of the asset.

NO EARLY TERMINATION OR KICK-OUT CLAUSE

The lease contains no early termination options or kick-out provisions during the initial term or any exercised option periods. This structure provides investors with secure, predictable income and long-term cash flow visibility.

LEADING OPERATOR - DAVITA INC.

DaVita is one of the largest kidney care providers in the world, operating approximately 2,724 outpatient dialysis centers across 46 states and serving roughly 199,400 patients. The company's extensive platform, scale, and operating history position it as a dominant force within the dialysis sector.

STRONG CORPORATE GUARANTEE

DaVita, Inc. generated approximately \$11.61 billion in annual revenue with over \$547 million in net income. The company maintains a Ba3 credit rating from Moody's Investors Service and a BB rating from Standard & Poor's, supporting the strength of the lease guarantee.

Growing Industry Fundamentals

There are more than 562,000 ESRD dialysis patients in the United States, with disease prevalence growing at a 3.0% compound annual growth rate over the past decade. Aging demographics and chronic health trends continue to support sustained long-term demand for dialysis services.

Insulated from Macroeconomic Volatility

Approximately 90% of DaVita's dialysis patients are covered under government-based reimbursement programs. This payer mix provides relative insula-



tion from broader economic cycles and enhances revenue stability.

HOME-ONLY CLINIC MODEL

This location serves as an extension of an established clinic in the area and will house the group's dedicated home dialysis unit. While home dialysis represents approximately 15% of DaVita's treatments annually, it accounts for over 18% of revenue and remains one of the company's most profitable service lines.

NEW "HOPE" PROTOTYPE DESIGN

The facility features DaVita's institutional-quality "HOPE" prototype design—one of only a limited number nationwide. The enhanced layout and energy-efficient systems are designed to reduce operating costs compared to traditional dialysis clinic models.

LONG-TERM, PASSIVE LEASE STRUCTURE

The investment offers fifteen (15) years of highly passive income under a net lease structure, minimizing landlord responsibilities and providing stable, long-duration cash flow.

SCHEDULED RENT GROWTH

The lease provides for 10% rental increases every five (5) years throughout the initial term and option periods, offering built-in income growth and inflation hedge protection.

STRONG DEMOGRAPHICS

Approximately 129,000 residents reside within a five-mile radius of the Property, with average household incomes exceeding \$97,000—supporting long-term healthcare demand fundamentals in the immediate trade area.




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ADDITIONAL PICTURES




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ADDITIONAL PICTURES



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ADDITIONAL PICTURES

LEASE ABSTRACT



Tenant: DaVita affiliate
Guarantor: DaVita, Inc.
Credit: Corporate
Initial Term: Fifteen (15) Years
Lease Commencement: January 28, 2023
Lease Expiration: January 31, 2038
Early Termination: None
Renewal Options: Three (3), Five (5) Year

Maintenance: Landlord shall, at Landlord's sole cost and expense, promptly maintain and keep in good order and repair and promptly make any necessary replacements to the following building structures and economic systems: concrete slab, footings, foundation, structural components, exterior walls (excluding painting), sidewalks, driveways, loading areas, flooring system (excluding floor covering), exterior plumbing, and electrical systems of the building.

Insurance: Tenant shall reimburse Landlord for the commercially reasonable cost of such insurance, not to exceed the cost of insurance premiums charged by third party commercial providers, as additional rent. Any additional insurance obtained by Tenant shall be at Tenant's sole cost and expense.

Taxes: Tenant shall promptly pay all real estate taxes, assessments, water and sewer charges and other governmental levies, and any applicable ownership association fees ("impositions") against the premises.

Landlord Maintenance Responsibilities: Landlord shall keep the roof and structural components of the Building in good order and repair at Landlord's sole cost and expense. Landlord shall make any replacements to the parking lot (and any components thereof), roof and HVAC system (collectively "Capital Items") if necessary, during the Term. Tenant shall reimburse Landlord (a) the actual and reasonable costs for roof maintenance, not to exceed \$1,000.00 per Lease Year, and (b) the reasonable actual costs of the Capital Items on an amortized basis, see Lease for more detail.

Tenant Maintenance Responsibilities: Except for Landlord's obligations set forth above and except for any damage caused by the acts of negligence by Landlord or its agents within the Premises, Tenant shall maintain said Premises, including the HVAC system serving the Premises, and parking areas, in good condition, order and repair as they are at the commencement of the Term, excepting therefrom ordinary wear and tear arising from the use thereof and damage by fire or other casualty. Tenant shall maintain a contract for the routine and periodic maintenance and regular inspection of such HVAC systems servicing the Premises, the replacement of filters as recommended and the performance of other recommended

ROFR Tenant has ROFO for subsequent sales following the initial sale by Genesis KC Development, LLC.



 **7,618 CPD**
(CARS PER DAY)

 **KAISER
PERMANENTE®**

 **4,355 CPD**
(CARS PER DAY)


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 **10,667 CPD**
(CARS PER DAY)

COMPANY OVERVIEW

DaVita Inc. (NYSE: DVA)



DaVita Inc. (NYSE: DVA) is the largest independent kidney care company in the United States, providing life-sustaining dialysis services to patients with end-stage renal disease (ESRD) and chronic kidney disease (CKD). Founded in 1994 and rebranded in 2000 — with the name derived from the Italian ‘Dare Vita,’ meaning ‘to give life’ — DaVita is headquartered in Denver, Colorado, and incorporated in Delaware. The company is a component of the S&P; 500 and ranked #331 on the Fortune 500. As of December 31, 2025, DaVita served approximately 295,000 patients across 3,242 outpatient dialysis centers in the U.S. and 14 countries worldwide.

FY 2025 FINANCIAL HIGHLIGHTS

Consolidated revenues were \$3.620 billion and \$13.643 billion for the three months and full year ended December 31, 2025, respectively. Operating income was \$2,044 million and adjusted operating income was \$2,094 million for the full year 2025.

METRIC

FY 2025

Total Revenue	\$13.643 billion
Q4 2025 Revenue	\$3.620 billion
Adjusted Operating Income (FY)	\$2.094 billion
Adjusted EPS (FY)	\$10.78
Q4 Adjusted EPS	\$3.40
Q4 Adjusted Operating Margin	20.4%
Cash & Short-Term Investments (Q4 end)	\$700.7 million

Full-year adjusted EPS was \$10.78, reflecting an 11.4% increase from the prior year. Q4 revenues of \$3.62 billion increased 9.9% year over year, exceeding Wall Street estimates by 2.7%.

BUSINESS SEGMENTS

U.S. Dialysis Services — The core business. Total U.S. dialysis treatments for Q4 2025 were 7,264,520, or 91,608 per day on average. Dialysis patient service revenues were \$3.39 billion in Q4, up 8.9% year over year.

Integrated Kidney Care (IKC) — A milestone segment. As of December 31, 2025, DaVita had approximately 66,000 patients in risk-based integrated care arrangements representing approximately \$5.6 billion in annualized medical spend, plus an additional 9,400 patients in other integrated care arrangements. CompaniesMarketCap Notably, the IKC business turned profitable for the first time in 2025, a milestone originally not expected until 2026.

KEY CORPORATE STATISTICS

TICKER

NYSE: DVA

HEADQUARTER

DENVER, CO

EMPLOYEES

~70,000+

FORTUNE 500

#331

STRATEGIC PARTNERSHIP (NEW IN 2025) — DaVita announced a ~\$200 million minority investment in Elara Caring to build a kidney-specific home care model, a direct bet on reducing hospitalizations and expanding beyond the clinic.

CAPITAL ALLOCATION & SHARE REPURCHASES

DaVita completed large multi-year share repurchase programs totaling over \$7.20 billion. PitchBook In Q3 2025 alone, the company repurchased 3.3 million shares at an average price of \$140.67 per share, and also refinanced existing Term Loan B-1 with a new \$1.9 billion Term Loan B-2. Investor The company has shrunk its share count by approximately 38.5% over five years, materially boosting per-share metrics.

2026 GUIDANCE

DaVita initiated 2026 guidance expecting Revenue Per Treatment (RPT) growth of 1%–2%, with treatment volume expected to be flat compared to 2025. Adjusted EPS from continuing operations is projected in the range of \$13.60–\$15.00, versus the prior analyst consensus of \$12.65 — a 33% jump over 2025 results.

KEY RISK FACTORS

Cybersecurity: DaVita experienced a cybersecurity incident in 2025 that disrupted network and operations. CompaniesMarketCap Management has since invested in remediation.

Regulatory/Reimbursement Risk: Potential impacts from the One Big Beautiful Bill Act (OBBBA) and federal government policy changes, including with respect to Medicare, Medicare Advantage, and Medicaid reimbursement rates, remain key risks. CompaniesMarketCap.

Tariffs & Supply Chain: Evolving trade policies and tariffs could affect the availability or cost of clinical supplies, including home dialysis supplies.

Leverage: DaVita's debt-to-equity ratio is notably higher than the industry average, at approximately 99.63x, indicating elevated financial leverage. Davita

INVESTMENT HIGHLIGHTS

Defensive, Recurring Revenue — Dialysis is a life-sustaining treatment required three times per week. Revenue is non-discretionary, with ~two-thirds of U.S. revenue backed by Medicare reimbursement.

SCALE & MARKET LEADERSHIP — ~35% U.S. market share, 2,657 domestic centers, and a growing international footprint across 14 countries.

IKC PROFITABILITY INFLECTION — The IKC segment reaching profitability a year ahead of schedule signals strong execution and a broader growth platform beyond dialysis.

STRONG 2026 EPS GUIDANCE — Projected adjusted EPS of \$13.60–\$15.00 represents a ~33% jump, driven by capital returns, IKC maturation, and rate increases.

BERKSHIRE HATHAWAY OWNERSHIP — Berkshire Hathaway owns approximately 45% of DaVita Davita, providing a significant institutional validation of the long-term thesis.

ANALYST UPGRADES — TD Cowen raised its price target to \$144 and UBS lifted theirs to \$190, signaling Wall Street is repricing DaVita as a growth story, not just a dialysis utility.




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HEALTHCARE WAY

DaVita: HOME DIALYSIS SERVICES

DaVita Inc. is one of the dominant players in the U.S. dialysis market, operating in what is essentially a duopoly. The company provides life-sustaining treatment for patients with end-stage renal disease (ESRD), a condition that requires ongoing dialysis multiple times per week. Because dialysis is non-discretionary and largely covered by Medicare, DaVita benefits from highly recurring, predictable revenue streams. This creates a relatively defensive business model compared to many other healthcare segments.

A major differentiator for DaVita is its leadership in home dialysis programs, including peritoneal dialysis and home hemodialysis. The company operates the largest home dialysis platform in the country. This is strategically important because federal healthcare policy has increasingly encouraged home-based treatment, which can lower overall costs and improve patient quality of life. As reimbursement models shift toward value-based care, companies that can efficiently deliver home treatment stand to benefit from both policy tailwinds and operating leverage.

DaVita has also built a significant competitive moat through its technology infrastructure and data assets. Over more than 25 years of kidney care delivery, the company has accumulated extensive longitudinal patient data. This data supports clinical optimization, risk modeling, and improved treatment protocols. Combined with its integrated care systems and digital tools, this allows DaVita to better manage patient outcomes and align with value-based reimbursement models.

Another strength lies in DaVita's physician relationships and education infrastructure. Dialysis care is highly referral-driven, and nephrologists play a central role in guiding patients to providers. By investing in physician partnerships and training, DaVita strengthens its referral pipeline and embeds itself within the broader kidney-care ecosystem. This integration helps reinforce patient retention and operational stability.

Overall, DaVita operates in a high-barrier, recurring-revenue industry with structural support from federal healthcare programs. Its scale, home dialysis leadership, data infrastructure, and physician alignment position it as a durable operator within the dialysis space. However, its heavy reliance on government reimbursement means that policy changes and rate pressures remain key variables in assessing its long-term outlook.



MODESTO & STANISLAUS COUNTY

HEALTHCARE DEMAND

Healthcare Market Indicator	Stanislaus County	Benchmark / Context
Adults on public insurance (Medi-Cal/Medicare/CHIP/VA)	47.8%	High government payer concentration
Uninsured adults	8.8% (up to 25% in some tracts)	Drives ER utilization & FQHC demand
Adult diabetes prevalence	11.3%	Primary driver of kidney failure
Estimated CKD residents — County	65,000–75,000 adults	14–16% adjusted prevalence
Estimated undiagnosed CKD — City	~20,000–26,000	90% nationally unaware
Adults rating health 'fair' or 'poor'	19.8%	Above CA & US averages
Primary care MDs per 100,000	93	CA avg: 102 US avg: 110
County life expectancy	76.0 years	3.9 years below CA average (79.9)
Food insecurity rate	11% overall / 15.2% children	Amplifies chronic disease risk

KIDNEY DISEASE DEMAND DRIVERS

Stanislaus County's demographic and health profile creates structural, sustained demand for dialysis and kidney care services. The county exhibits elevated rates of diabetes and hypertension—the two primary drivers of kidney failure—supporting a consistent pipeline of patients requiring chronic treatment.

In addition, the area's large and rapidly growing Hispanic population, a demographic statistically associated with approximately 2x higher risk of progression to End-Stage Kidney Disease (ESKD), further reinforces long-term demand fundamentals. Coupled with ongoing physician shortages and limited specialty care access, these factors position Stanislaus County as a high-need, underserved ESKD market with durable healthcare utilization trends.

CKD / ESKD Market Metric	Data Point & Context
US adults with Chronic Kidney Disease (CKD)	35.5 million 1 in 7 American adults
Americans living with ESKD (dialysis or transplant)	808,000+ (USRDS 2024 Annual Data Report)
Est. Modesto ESKD patients (dialysis/transplant)	~440 residents (2 per 1,000 national rate)
Est. Stanislaus County ESKD patients	~1,150 residents
New US kidney failure diagnoses (2022)	~131,000 annually (~360 per day)
ESKD prevalence trend	ESKD incidence declined 18.6% last decade — but CKD prevalence continues rising
2025 CMS ESRD dialysis base payment rate	\$273.82 / session (up from \$271.02 in 2024)
Total CMS ESRD payments CY 2025	\$6.6 billion projected to ~7,700 facilities nationwide
Hispanic residents — Stanislaus County	~47% of county 2x ESKD progression risk vs. White adults
Diabetes → Kidney failure link	Diabetes causes ~45% of all new ESKD cases in the US

PAYER MIX & INSURANCE PROFILE

End-Stage Renal Disease (ESKD) triggers a unique federal Medicare entitlement — patients of any age qualify for Medicare once on dialysis, making Medicare the dominant payer nationwide and in this market. This creates predictable, government-backed revenue streams for dialysis facility operators and their landlords.

Payer / Coverage Type	County Share	Revenue Implications
Medicare — ESKD (age-independent)	Primary payer for all ESKD	Guaranteed federal entitlement; starts month 4 of dialysis
Medi-Cal dual eligible (ESKD)	~42% of Medicare ESKD pts	Covers premiums, cost-sharing; enhances access for low-income pts
Public insurance overall (County)	47.8% of all residents	High government concentration; stable but rate-sensitive
Uninsured adults (County avg)	8.8% (up to 25% in some tracts)	Pre-ESKD gap; FQHCs provide bridge coverage
Medicare Advantage (ESKD eligible since 2021)	Growing enrollment	New MA enrollment channel for ESKD pts; higher potential rates
CalAIM Enhanced Care Management	Medi-Cal innovation program	New PMPM revenue stream for CKD/ESKD care management
CMS ESRD Quality Incentive Program (QIP)	Facility performance metric	Payment adjustments tied to quality scores; health equity metrics begin 2026





KAISER PERMANENTE MODESTO MEDICAL CENTER



FACILITY AT A GLANCE

Kaiser Permanente Modesto Medical Center is the primary acute care hospital for Kaiser Permanente's Central Valley service area, consolidated operationally with the Kaiser Foundation Hospital in Manteca. The facility operates 24 hours a day, seven days a week, and houses a broad spectrum of inpatient and outpatient specialty services under one roof at the main 4601 Dale Road campus, with additional medical offices at 4531 Dale Road.

For 2025, the hospital received top marks across every major national safety rating program — including a Leapfrog "A" Hospital Safety Grade, Top Hospital status, and Healthgrades' Patient Safety Excellence Award — reflecting consistent performance on infection control, nursing staffing, medication safety, and operational quality.

NET REVENUE BY PAYER (2023 REPORT PERIOD)

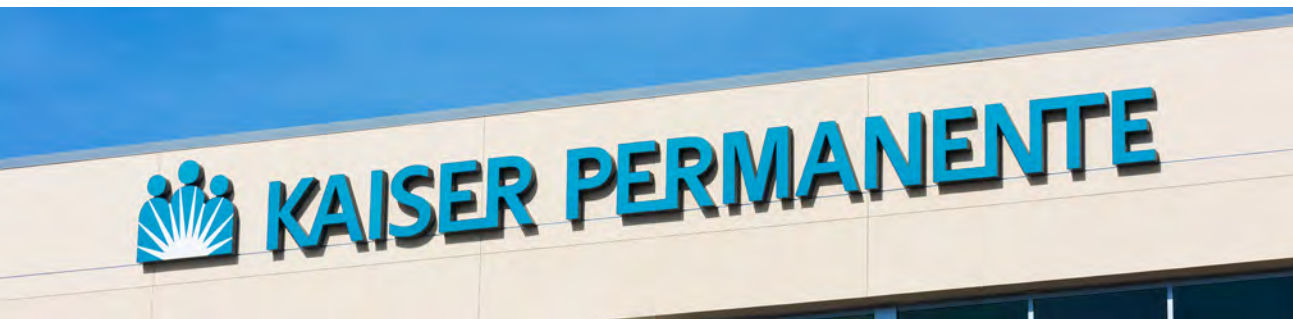
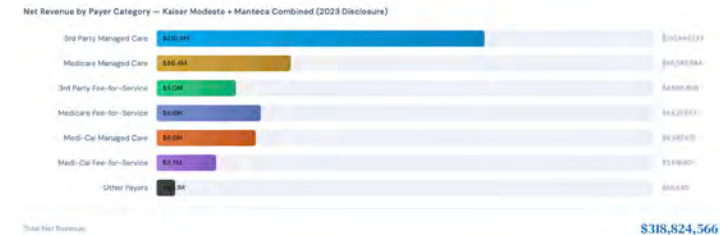
The most recent publicly filed revenue data from California's Health Care Access and Information (HCAI) annual disclosure covers January 1 through December 31, 2023 and is reported consolidated with Kaiser Foundation Hospital – Manteca. Total net patient revenue across all payers reached approximately \$318.8 million. Third-party managed care — primarily Kaiser Permanente's own health plan — dominates the revenue mix at 66%, followed by Medicare managed care at 27%.

At the system level, Kaiser Foundation Health Plan, Hospitals, and Risant Health reported combined operating revenues of \$127.7 billion in full-year 2025, up from \$115.8 billion in 2024, with an operating income of \$1.4 billion and net income of \$9.3 billion.

NURSING STAFFING METRICS (2025 LEAPFROG SURVEY)

Kaiser Permanente Modesto achieved the Leapfrog standard for nursing staffing across all measured categories in 2025. The facility logged 11.72 total nursing hours per patient day, of which 9.13 hours were performed by Registered Nurses — a ratio reflecting a deeply RN-heavy staffing model. 77.89% of all nursing hours are covered by RNs, and the hospital scored a perfect 120 out of 120 on both Effective Leadership to Prevent Errors and Staff Culture of Safety measures.

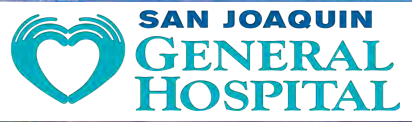
The barcode medication administration (BCMA) system achieved 100% implementation across all care units, with 99% compliance on patient and medication scans prior to administration — virtually eliminating a significant category of preventable medication errors.



SAN RAMON

TRACY

STOCKTON



99 GOLDEN STATE HWY

**KAISER PERMANENTE
BANGS AVENUE
MEDICAL OFFICES**



KIERNAN AVENUE

HEALTHCARE WAY



PELANDALE AVE.



DALE ROAD

MODESTO



AREA OVERVIEW

MODESTO, CALIFORNIA



Modesto, California serves as the economic and healthcare anchor of Stanislaus County and the greater Central Valley. Strategically positioned along Highway 99, Modesto benefits from strong regional connectivity between Northern and Southern California, supporting logistics, agriculture, and healthcare-driven growth.

HEALTHCARE INFRASTRUCTURE

Modesto functions as a primary medical hub for a broad multi-county trade area, driving consistent employment and long-term demand for medical office and related commercial real estate.

MAJOR HEALTHCARE INSTITUTIONS INCLUDE:

Kaiser Permanente – Modesto Medical Center – A major regional hospital campus and one of the largest employers in the area.

Memorial Medical Center (operated by Sutter Health) – Full-service acute care facility.

Doctors Medical Center of Modesto – Comprehensive trauma and specialty care hospital.

Healthcare represents one of the most stable and recession-resistant sectors in the region, supported by population growth, aging demographics, and limited competing hospital infrastructure in surrounding rural communities.

ECONOMIC DRIVERS

Modesto's economy is diversified across essential industries that provide stability through various economic cycles:

AGRICULTURE & FOOD PROCESSING

The region is internationally recognized for almond production, dairy operations, and poultry processing. Agriculture remains a foundational economic driver, supporting manufacturing and distribution sectors.

MANUFACTURING & WINE PRODUCTION

E. & J. Gallo Winery, headquartered in Modesto, is one of the largest wine producers in the world and a major local employer. The presence of large-scale food and beverage operations strengthens the city's industrial base.

LOGISTICS & DISTRIBUTION

Highway 99 access provides efficient distribution routes to Sacramento, the Bay Area, and Southern California.

The Central Valley's lower operating costs continue to attract distribution and light industrial users.

GOVERNMENT & EDUCATION

Public sector employment remains significant, anchored by:
Stanislaus County
Modesto City Schools

EMPLOYMENT BASE

Top employers in Modesto include:
Kaiser Permanente
Memorial Medical Center
E. & J. Gallo Winery
Stanislaus County
Modesto City Schools

The employment profile is weighted toward essential services, healthcare, agriculture, and government, providing relative insulation from volatility associated with tech-centric markets.



AREA OVERVIEW

MODESTO, CALIFORNIA



HISTORICAL CONTEXT

Established in 1870 as a Central Pacific Railroad stop, Modesto developed into one of California's most productive agricultural centers. The city gained national recognition through American Graffiti, directed by Modesto native George Lucas. Today, the city blends its agricultural heritage with expanding healthcare and industrial infrastructure.

INVESTMENT CONSIDERATIONS

- Established regional medical hub serving a multi-county trade area
- Diverse employment base anchored by healthcare, agriculture, and government
- Strategic Central Valley logistics corridor location
- Lower operating costs relative to coastal California markets
- Recession-resistant industry concentration

Modesto offers investors exposure to essential-service-driven fundamentals within one of California's most productive and strategically positioned regions.



DAVITA CLINICS IN MODESTO

DaVita Coffee Road Dialysis – Dialysis clinic located at 1328 Coffee Road, Modesto, CA 95355, offering in-center hemodialysis and kidney care services.

DaVita Archway Dialysis Of Modesto – Main DaVita outpatient dialysis center at 3001 Healthcare Way, Building E, Suite 102, Modesto, CA 95356. This location provides comprehensive dialysis treatment options.

DaVita Archway Modesto HT At Home – At-home dialysis training and support facility at 3001 Healthcare Way, Building 200, Modesto, CA 95356, serving patients who receive home-based dialysis care.

NEARBY DAVITA FACILITY (CERES)

DaVita Ceres Dialysis Center – Located near-by at 1768 Mitchell Road, Ste 308, Ceres, CA 95307. While outside Modesto city limits, this center serves patients in the broader region.

These clinics are part of DaVita Inc.'s network of outpatient dialysis centers providing treatment for chronic kidney disease, including in-center hemodialysis and home dialysis training options to patients in the Modesto area.



DEMOGRAPHICS

MODESTO, CALIFORNIA

Population

	1 mile	3 miles	5 miles
Population	19,817	127,548	248,608
Population Density (people per sq mi)	6,348	4,540	3,198

Income

	1 mile	3 miles	5 miles
Median Household Income (in 2024 inflation adjusted dollars)	\$76,389	\$74,993	\$78,281
Average Household Income (in 2024 inflation adjusted dollars)	\$92,188	\$100,428	\$103,432
Families in Poverty	547 12%	3,011 10%	6,680 11%
Households	6,465	43,981	81,364
Less than \$25,000	993 15%	6,350 14%	11,904 15%
\$25,000 to \$49,999	837 13%	7,175 16%	13,252 16%
\$50,000 to \$74,999	1,341 21%	8,467 19%	14,131 17%
\$75,000 to \$99,999	1,113 17%	5,494 12%	10,629 13%
\$100,000 to \$199,999	1,718 27%	12,083 27%	22,691 28%
Over \$200,000	463 7%	4,411 10%	8,757 11%

Age

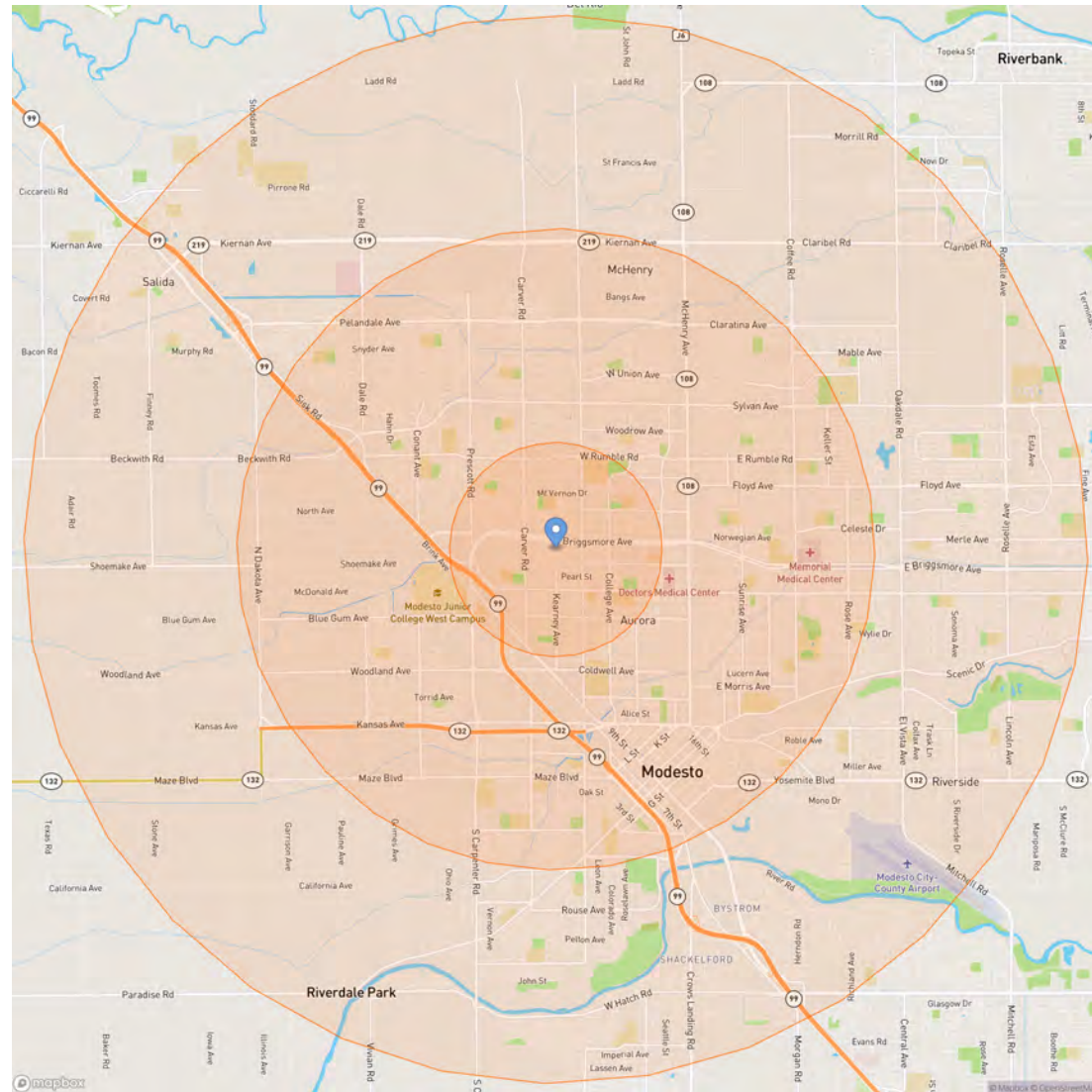
	1 mile	3 miles	5 miles
Median Age	33	36	35
Population	19,817	127,548	248,608

Race & Ethnicity

	1 mile	3 miles	5 miles
Population	19,817	127,548	248,608
White	7,597 38%	50,893 40%	85,970 35%
Black	759 4%	4,704 4%	8,554 3%
American Indian	20 0%	854 1%	1,028 0%
Asian	775 4%	8,357 7%	17,419 7%
Pacific Islander	53 0%	1,347 1%	1,887 1%
Other race	84 0%	574 0%	934 0%
Two or more races	731 4%	6,100 5%	10,838 4%
Hispanic or Latino	9,797 49%	54,720 43%	121,977 49%

Employment Status

	1 mile	3 miles	5 miles
Population Aged 16 & Over	15,244	98,833	190,684
In labor force	9,316 61%	60,136 61%	117,013 61%
Civilian labor force	9,280 61%	60,076 61%	116,816 61%
Employed	8,583 56%	55,519 56%	107,483 56%
Unemployed	698 5%	4,557 5%	9,334 5%
In armed forces	36 0%	60 0%	196 0%
Not in labor force	5,928 39%	38,696 39%	73,671 39%



NEIGHBORING CITIES MODESTO, CALIFORNIA

STOCKTON – ~30 MIN VIA CA-99



SACRAMENTO – ~1.5 HRS VIA CA-99 OR I-5



SAN FRANCISCO – ~2.5-3 HRS VIA I-580/I-80



SANTA ROSA (NORTH COAST) – ~3.5 HRS



HALF MOON BAY – ~3 HRS VIA I-580 + HWY 1



SANTA CRUZ – ~2 HRS VIA I-580/US-101/HWY 17





NICHOLAS BORRELLI
COLDWELL BANKER COMMERCIAL
626.484.7975
nborrelli@nbcreinvestments.com
CalRE# 01481673