



SUBJECT PROPERTY



OFFERING MEMORANDUM

HOLY CROSS MEDICAL ARTS PLAZA

1398 WEIMER ROAD, TAOS, NEW MEXICO 87571

HIGHGATE PARTNERS
BROKERAGE | INVESTMENT | DEVELOPMENT

Offered Exclusively by:

Beau Terrell

Principal

C | 404-272-0970

E | beauterrell@highgatepartners.net

Andrew Murphy

Principal

C | 404-840-9303

E | amurphy@highgatepartners.net

HIGHGATE PARTNERS
BROKERAGE | INVESTMENT | DEVELOPMENT

This Offering Memorandum and any subsequent evaluation material you may be provided (collectively known as the “Offering Memorandum”) is intended solely for your limited use in considering whether to pursue negotiations to acquire Holy Cross Medical Center Arts Plaza (the “Property”) located at 1398 Weimer Road, Taos, New Mexico 87571. The Property is being marketed for sale by Highgate Partners (“Broker”).

The Offering Memorandum contains brief, selected information pertaining to the business and affairs of the Property and has been prepared by Broker. It does not, however, purport to be all-inclusive or to contain all of the information that a prospective purchaser may desire. Broker makes no representation or warranty, express or implied, as to the accuracy or completeness of the Offering Memorandum or any of its contents, and no legal liability is assumed to be implied with respect thereto.

By acknowledgment of your receipt of the Offering Memorandum you agree that the Offering Memorandum and its contents are confidential, that you will hold and treat it in the strictest of confidence, that you will not directly or indirectly disclose, or permit anyone else to disclose, the Offering Memorandum or its contents to any other person, firm, or entity (including, without limitation, any principal for whom you have been engaged), without prior written authorization of Owner or Broker and that you will not use or permit to be used the Offering Memorandum or its contents to be copied or used in any fashion or manner detrimental to the interest of Owner. Photocopy or other duplication is strictly prohibited.

THE OFFERING MEMORANDUM SHALL NOT BE DEEMED TO REPRESENT THAT STATE OF AFFAIRS OF THE PROPERTY OR CONSTITUTE AN INDICATION THAT THERE HAS BEEN NO CHANGE IN THE BUSINESS OR AFFAIRS OF THE PROPERTY SINCE THE DATE OF PREPARATION OF THE OFFERING MEMORANDUM.

The information provided in the Offering Memorandum has been gathered from sources that are deemed reliable, but the Broker does not warrant or represent that the information is true or correct. Prospective offerers are advised to verify information independently. The Offering Memorandum is not to be construed as an offer or as any part of a contract to sell the property.

Furthermore, the inclusion or exclusion in the Offering Memorandum of information relating to asbestos or any other hazardous, toxic or dangerous chemical item, waste or substance (hereinafter collectively referred to as “Waste”) relating to the Property shall in no way be construed as creating any warranties or representations, expressed or implied by the Broker as to the existence or nonexistence or nature of Waste in, under or on the Property, it may create significant legal and/or economic obligations upon the Owner, lessee and/or other holders of interest in the Property or a part thereof and you are hereby advised to obtain professional assistance such as from a consultant, engineer and/or attorney prior to taking an interest in the Property or a part thereof.



INVESTMENT OVERVIEW

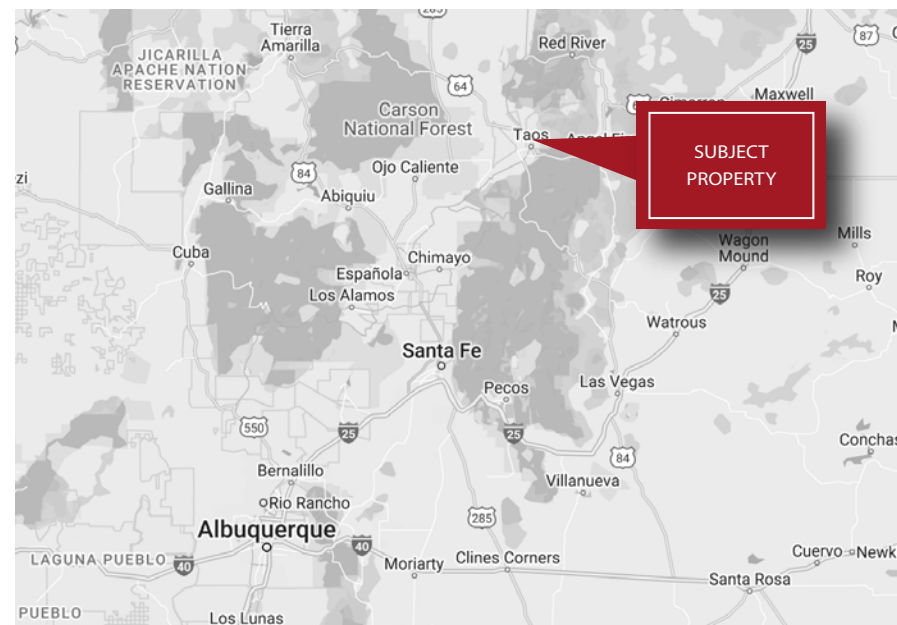
THE OFFERING

Highgate Partners' Healthcare Investment Sales Team, as exclusive listing broker, is proud to present the opportunity to acquire Holy Cross Medical Arts Plaza, a two-story, ±18,036 square foot multi-tenant medical office building located directly across the street from Holy Cross Medical Center hospital in Taos, New Mexico. This building offers a strong WALT (3.8 years) and is anchored by Holy Cross Medical Center/Taos Health System, Inc., who occupies 12,036 square feet or approximately 67% of the asset. Holy Cross Medical Center and Hanger Prosthetics have both renewed for 5+ years.

The 100% leased asset is located in north-central New Mexico in the upscale resort/destination city of Taos. Taos is conveniently located just 45 miles south of the Colorado border and less than 70 miles from Santa Fe. The 29-bed hospital operated by Taos Health System, Inc., is the central hub for health care in north-central New Mexico and southern Colorado. The hospital and clinics are home to over 80 physicians, covering a variety of continuously expanding specialties to include: internal medicine, wound care, dermatology, OB/GYN, orthopedics, general surgery, urology, and a fully staffed emergency department. The Holy Cross Medical Center is one of four (4) locations staffed and operated by Taos Health System, Inc.

Being only one of two (2) pure multi-tenant medical office buildings serving the North Central New Mexico households, the property boasts of 100% occupancy for the last 15+ years. The barriers to entry on this market are quite strong as well, which only strengthens the commitment to tenants at the subject property.

Proximity to campus, tenant credit, barriers to entry, historical occupancy and a competitive in-place yield, solidify this opportunity to acquire a quality cash flowing asset with NNN leases and annual escalations.



OFFERING SUMMARY

Location:	Holy Cross Medical Center Arts Plaza 1398 Weimer Road, Taos, New Mexico 87571
Project Square Footage:	18,036 SF
Acreage:	2.145 Acres
Occupancy:	100%
Debt Structure	Free and Clear
Year-One NOI:	\$337,426
Asking Price:	\$4,500,000
In-Place CAP Rate:	7.5%
WALT:	3.8 Years

UNIQUE PROPERTY ATTRIBUTES

THIS OPPORTUNITY IS HIGHLIGHTED BY A NUMBER OF FACTORS:



100% LEASED ASSET FOR OVER 15 YEARS



LONG TERM LEASES



NNN LEASES WITH LIMITED MANAGERIAL RESPONSIBILITIES



ACROSS THE STREET FROM HOLY CROSS MEDICAL, A 29-BED, 89,000 SF HOSPITAL



CENTRAL HUB FOR HEALTH CARE IN NORTH-CENTRAL NEW MEXICO AND SOUTHERN COLORADO

INVESTMENT HIGHLIGHTS

- 100% leased multi-tenant medical office building directly across the street from the hospital with approximately two-thirds of tenancy being hospital credit along with Hanger's credit (publicly traded on the NYSE) and 100% of tenancy extending leases this quarter.
- The 29-bed, 89,000 square foot hospital operated by Taos Health System, Inc., is the central hub for health care in north-central New Mexico and southern Colorado. The hospital and clinics are home to over 80 physicians, covering a variety of continuously expanding specialties to include: internal medicine, wound care, dermatology, OB/GYN, orthopedics, general surgery, urology, and a fully staffed emergency department. The Holy Cross Medical Center is one of four (4) locations staffed and operated by Taos Health System, Inc. The additional locations on or in the shadow of the hospital campus include Taos Dental Center, Women's Care, Taos Public Health Office, Dialysis Clinic, Inc., Taos Clinic for Children and Youth, Taos Surgical Specialties medical building, and the 100-bed, 41,308 SF Taos Living Center. This facility houses both a skilled nursing and rehabilitation center that continues to remain at 90%+ occupied.
- Property has remained 100% occupied for 15+ years.
- Stable, long-term tenancy with the average tenant occupying the subject property for an average of 17.6 years.
- NNN lease with annual escalations and limited managerial responsibilities.
- Recent renewals of Taos Health Systems, Inc. on their entire 12,036 SF thorough February of 2029 and Hanger Prosthetics' 1,500 SF through December of 2028.

INVESTMENT OVERVIEW

PROPERTY DETAILS

Location:	Holy Cross Medical Center Arts Plaza 1398 Weimer Road, Taos, NM 87571
Rentable SF:	18,036 SF
Year Built:	2001
Acreage:	±2.145 Acres
Property Description:	2-story medical office building, with both floors accessible at ground level & each floor having their own separate parking lot.
Parking:	129 total parking spaces (7.15/1,000 parking ratio) & the parking lot was milled, resealed and restriped in 2022.
Foundation:	6" thick reinforced 3,000 psi concrete slab with 12" retention walls & 10" and 12" concrete footers
Exterior Walls:	Steel construction with stucco/adobe siding
Interior Walls:	Steel frame construction with construction grade drywall and high-end paint finishes
HVAC System:	12 rooftop mounted package units
Patio:	The building has a concrete patio with a 4-foot surrounding wall that serves as an exterior common area for the tenants and their patients.
Restrooms:	Each tenant has their own private restroom within their suite.
Utilities:	All public utilities to include electric, gas, sewer and water.
Roof:	New roof as of 2022 with new 20-year warranty



TENANT OVERVIEW



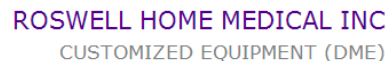
Hanger Prosthetics & Orthotics, Inc.: Hanger is world renown and a leader in the industry of prosthetics, orthotics and related products and services. Hanger is publicly traded on the New York Stock Exchange and has been in business for over 150 years. Hanger specializes in enhancing and restoring the physical capabilities of patients with disabilities or injuries.

- Suite 102: 1,500 RSF, expiring 12/31/2028
- Tenant has a termination option



Taos Health System, Inc. (dba THS): Taos Health Systems Inc. is a full-service non-profit hospital, as well as a network of providers and rural clinics working in tandem. THS are a diverse group of medical specialists and public health advocates providing an array of medical specialties for the greater community. This group has over a 90 year track record of experience and has been a staple for both Taos and the surrounding communities.

- Suite 101: 1,500 RSF, expiring 2/28/2029
- Suite 103: 1,500 RSF, expiring 2/28/2029
- Suite 104-106: 4,500 RSF, expiring 2/28/2029



Roswell Home Medical, Inc. Roswell Home Medical Inc. is a subsidiary of Rotech Healthcare, Inc., with over 400 locations throughout the continental United States and headquartered in Orlando, Florida. Roswell Home Medical is a provider of home medical supplies to include: respirators, wheelchairs, at-home dialysis systems and an array of physician prescribed medical supplies and monitoring systems.

- Suite 202-202: 4,500 RSF, expiring 2/28/2027

TENANT OVERVIEW



HOSPITAL (HOLY CROSS MEDICAL CENTER) HIGHLIGHTS

Holy Cross Medical Center, originally known as Holy Cross Hospital, was founded in 1936 by socialite, Mable Dodge Luhan. Luhan ran the then limited hospital for 25 years prior to its major expansion in 1960, which tripled its then capacity and continued to operate for the next 30 years. The hospital has expanded on the original standard of excellence in care and has remained the backbone of the north-central New Mexico and southern Colorado healthcare community. In 1991, the city of Taos completely overhauled and expanded the hospital and today it vaunts of an 89,000+ Square Foot facility with 29-beds and remains a non-profit hospital. Holy Cross Medical Center is now home to an expertly qualified and diverse team of medical professionals.

Specialties Offered:

- General Surgery
- Cardiology (surgeons as well)
- Adult primary care
- Pediatric primary care
- Labor & Delivery
- Emergency Department
- Urology
- OB/GYN
- Orthopedics
- Anticoagulation Services
- Birth Services
- Breast Care
- Cardiopulmonary
- Cosmetic Procedures
- Diabetes Care
- Oncology
- Diabetes Care
- Diagnostic Procedures
- Digestive Care
- Ear, Nose and Throat
- Endoscopy
- Family Practice
- Imaging and Radiology
- Laboratory Services

PROPERTY AERIAL



PROPERTY PHOTOS



PROPERTY PHOTOS





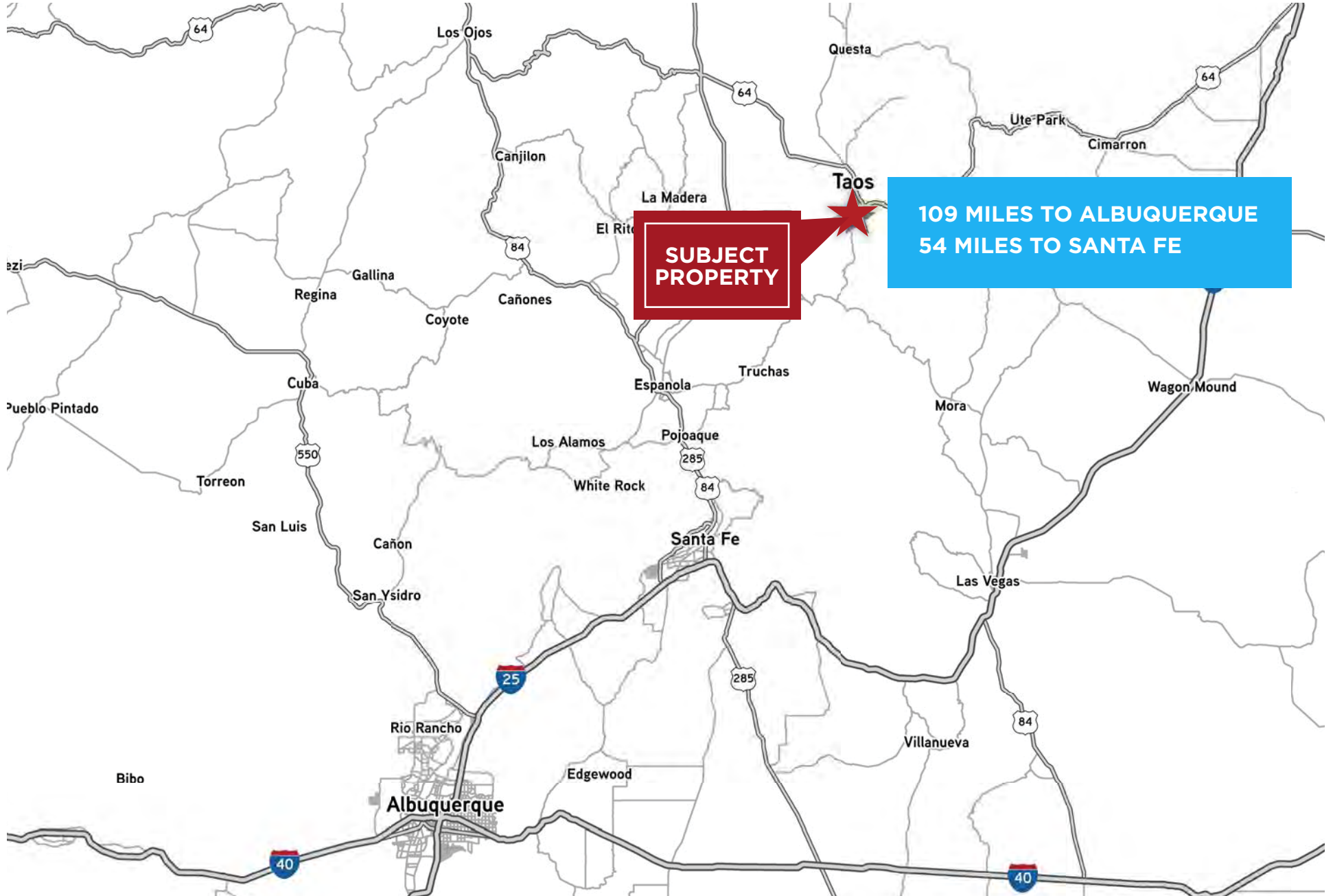
MARKET OVERVIEW

MARKET OVERVIEW MAP



1. Taos High School
2. Bealls
3. Walgreens
4. El Taoseno
5. Mondo Italiano Taos
6. Walmart
7. Taos Java
8. Hotel don Fernando de Taos
9. 5 Star Burgers
10. Hunan Chinese
11. Storyteller Cinemas
12. Yu Garden Asian Cuisine
13. KOKO Coffee/Deli/Carry-out
14. Quality Inn
15. Subway
16. Blake's Lotaburger
17. Taco Bell
18. Taos Visitor Center
19. Days Inn
20. Super 8
21. Sonic Drive-in
22. Guadalajara Grill
23. Sagebrush Inn
24. Hampton Inn
25. Taos Youth & Family Center
26. Gutters Bowling
27. Holy Cross Hospital
28. The Oral & Maxiofacial Center of Santa Fe
29. Dialysis Clinic Inc.
30. Adobe Zen House
31. Taos Charter School
32. Taos Clinic - Children & Youth
33. Taos Living Center
34. Winter Corn Place
35. Blue Sky Retreat at San Geronimo Lodge
36. Inn on the Rio

LOCATION OVERVIEW MAP



ABOUT TAOS, NEW MEXICO

Taos, New Mexico is strategically located in north central New Mexico and is the county seat of Taos County. Lying just 35 miles south of the Colorado border and less than 54 miles north of the state capital, Santa Fe. This now destination and resort city has been occupied for nearly a millennium. It is estimated that the city of Taos was founded between 1000 A.D. and 1450 A.D., making it one of the oldest continuously inhabited cities in the entire United States.

Taos is known both locally and nationally as a hub for western arts as it is home to many artists, festivals and museums. In addition, the city of Taos has begun a popular vacation destination as it is home to four (4) ski areas: Taos Ski Valley, Red River ski area, Sipapu, and Angel Fire ski area. While the city of Taos' elevation sits at 6,969 feet above sea level, the surrounding mountain peaks can reach an elevation of 13,161 feet above sea level.

The city of Taos has grown each of the last seven (7) decades by an average population growth of 31.34%. The enhancement of US Route 64 and the Taos Regional Airport (SKX) have helped to further spur the growth. The two (2) largest employers in Taos are Taos Health Systems and the Taos Mountain Casino. Historic Taos also still plays a major role in the city's industry, as it has been the center of local trade for centuries. Today, the historic streets are lined with old mercantile stores, art galleries, shops and restaurants.

Since 2018, the city of Taos boasts of an unheard less than 1% vacancy rate on all of its commercial office and medical properties. Due to high barriers of entry on new development, this statistic has a tremendously high likelihood of maintaining. With healthcare being the largest industry outside of tourism, the healthcare sector in Taos continues to grow and provides the true backbone of the community.



AREA OVERVIEW

TAOS SKI VALLEY

Taos Ski Valley sits just 20 miles North of Taos, a 30-minute drive. The village was first settled by a group of miners in the early 1800s, however it was not fully incorporated until 1996. In 1955, Ernie and Rhoda Blake founded TSV as a ski mountain.

The village sits at an elevation of 9,207 ft. The park was purchased in 2013 by billionaire hedge fund manager Louis Bacon. Louis has since created an air-charter business which services airports throughout NM and TX.

Annually the Taos Ski Valley hires an average of 700 employees during the winter months. The town earns a yearly \$47 million through their tourism attractions with over \$14 million from ski operations alone.





FINANCIAL OVERVIEW

SUMMARY OF FINANCIAL ASSUMPTIONS

GLOBAL

Analysis Period

Commencement Date	January 1, 2025
End Date	December 31, 2034
Term	10 Years

Area Measures

Building Square Footage (RSF)	18,036 SF
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Consumer Price Index (CPI)

3.00%

Vacancy Loss [1]

0.00%

REVENUES

Market Rent Growth

2026 - 3.00%	2031 - 3.00%
2027 - 3.00%	2032 - 3.00%
2028 - 3.00%	2033 - 3.00%
2029 - 3.00%	2034 - 3.00%
2030 - 3.00%	2035 - 3.00%

EXPENSES

Growth Rates

Operating Expenses	3.00%
Capital Reserves	3.00%
Property Taxes	3.00%
Property Taxes Reassessed	No

Management Fee (% of EGR)

3.00%

Operating Expense Source [2]

CY 2023 P&L

2025 Capital Reserves

\$0.25 PSF

SECOND GENERATION LEASING

Retention Ratio

Medical Tenants:	85%
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Lease Term

5 Years

2025 Annual Market Rent

Medical MLA	\$19.00 PSF
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Rent Adjustment

2.50% Annually

Expense Recovery Type

NNN

2025 Tenant Improvements

New	\$25.00 PSF
Renewal	\$10.00 PSF
Weighted Average	\$12.25 PSF

Commissions

New	6.00%
Renewal	3.00%
Weighted Average	3.45%

Downtime

New	6 Month(s)
Weighted Average [3]	1 Month(s)

Footnotes:

[1] The Vacancy Loss percentage used in this analysis is 0.00%. Hanger Prosthetics has been excluded from this model.

[2] The Operating Expense Source used for this underwriting is based on the calendar year 2023 P&L.

[3] The weighted average downtime for this model has been rounded up to the nearest month.

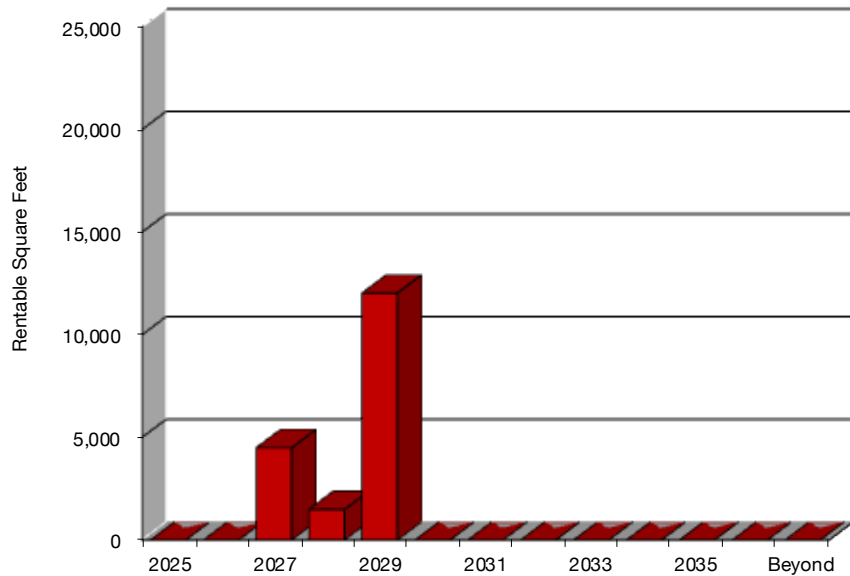
CASH FLOW PROJECTIONS

Calendar Year		2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
REVENUES	CY 2025 \$/SF/YR											
Gross Potential Revenue	18.71	337,426	347,176	355,620	364,425	379,023	387,561	397,250	407,226	417,179	430,457	439,999
Absorption & Vacancy Turnover	0.00	-	-	(7,559)	-	(24,122)	-	-	(8,763)	-	(27,964)	-
Total Minimum Rent	18.71	337,426	347,176	348,061	364,425	354,901	387,561	397,250	398,463	417,179	402,493	439,999
Expense Recoveries	3.79	68,400	69,938	69,708	73,041	69,315	76,462	78,168	77,942	81,708	77,447	86,044
POTENTIAL GROSS REVENUE	22.50	405,826	417,115	417,770	437,466	424,216	464,023	475,418	476,405	498,887	479,941	526,043
EFFECTIVE GROSS REVENUE	22.50	405,826	417,115	417,770	437,466	424,216	464,023	475,418	476,405	498,887	479,941	526,043
EXPENSES												
Administrative/Accounting	(0.61)	(10,974)	(11,304)	(11,643)	(11,992)	(12,352)	(12,722)	(13,104)	(13,497)	(13,902)	(14,319)	(14,749)
Insurance	(0.43)	(7,689)	(7,920)	(8,157)	(8,402)	(8,654)	(8,914)	(9,181)	(9,457)	(9,740)	(10,032)	(10,333)
R&M	(0.27)	(4,895)	(5,042)	(5,193)	(5,349)	(5,509)	(5,675)	(5,845)	(6,020)	(6,201)	(6,387)	(6,578)
Management Fees	(0.68)	(12,175)	(12,513)	(12,533)	(13,124)	(12,726)	(13,921)	(14,263)	(14,292)	(14,967)	(14,398)	(15,781)
Real Estate Taxes	(1.35)	(24,376)	(24,620)	(24,866)	(25,115)	(25,366)	(25,619)	(25,876)	(26,134)	(26,396)	(26,660)	(27,460)
Utilities (Gas, Elec. Water)	(0.18)	(3,291)	(3,390)	(3,491)	(3,596)	(3,704)	(3,815)	(3,930)	(4,048)	(4,169)	(4,294)	(4,423)
Property Enginner	(0.28)	(5,000)	(5,150)	(5,305)	(5,464)	(5,628)	(5,796)	(5,970)	(6,149)	(6,334)	(6,524)	(6,720)
TOTAL EXPENSES	(3.79)	(68,400)	(69,939)	(71,188)	(73,042)	(73,939)	(76,462)	(78,169)	(79,597)	(81,709)	(82,614)	(86,044)
NET OPERATING INCOME	18.71	337,426	347,176	346,582	364,424	350,277	387,561	397,249	396,808	417,178	397,327	439,999
CAPITAL COSTS												
Tenant Improvements	0.00	0	0	(58,482)	0	(186,627)	0	0	(67,797)	0	(216,352)	0
Leasing Commissions	0.00	0	0	(16,815)	0	(51,298)	0	0	(19,031)	0	(58,461)	0
Capital Reserves	(0.25)	(4,509)	(4,644)	(4,784)	(4,927)	(5,075)	(5,227)	(5,384)	(5,546)	(5,712)	(5,883)	(6,060)
TOTAL CAPITAL COSTS	(0.25)	(4,509)	(4,644)	(80,081)	(4,927)	(243,000)	(5,227)	(5,384)	(92,374)	(5,712)	(280,696)	(6,060)
OPERATING CASH FLOW	18.46	332,917	342,532	266,501	359,497	107,277	382,334	391,865	304,434	411,466	116,631	433,939

[1] This figure takes into account credit loss, leaseup downtime, and rollover downtime.

LEASE EXPIRATIONS

Calendar Year	Number of Suites	Rentable Square Feet Expiring	Annual [1]	Cumulative [1]
2025	0	0	0.00%	0.00%
2026	0	0	0.00%	0.00%
2027	1	4,500	24.95%	24.95%
2028	1	1,500	8.32%	33.27%
2029	1	12,036	66.73%	100.00%
2030	0	0	0.00%	100.00%
2031	0	0	0.00%	100.00%
2032	0	0	0.00%	100.00%
2033	0	0	0.00%	100.00%
2034	0	0	0.00%	100.00%
2035	0	0	0.00%	100.00%
2036	0	0	0.00%	100.00%
Beyond	0	0	0.00%	100.00%
Subtotal	3	18,036	100.00%	100.00%
Vacant	0	0	0.00%	100.00%
TOTAL	3	18,036	100.00%	100.00%



RENT ROLL

General Tenant Information		Rent Details			Recovery	
Tenant Name	Initial Area	Rate Per Year	Rent Changes On	Rent Changes To	Structure Name	Notes
Suite Number	Building Share %		Date	\$/SF-Annual	Type	
Lease Dates					Input Amount	
1. Hanger Prosthetics & Orthotics	1,500.	19.37	Aug-2025	19.86	NNN (5% Cap)	<p>The tenant has one five (5) year renewal option at a monthly base rent equal to 95% of the fair market rental rate, given 120 days written notice.</p> <p>The tenant has the option to terminate this lease after the thirty-sixth (36th) month of the extended term, upon at least one hundred eighty (180) days' written notice to landlord of such termination.</p>
Suite: 102	8.32%		Aug-2026	20.35		
8/1/2005 - 12/31/2028			Aug-2027	20.86		
			Aug-2028	21.38		
2. Roswell Home Medical, Inc.	4,500.	18.66	Mar-2025	19.41	NNN (5% Cap)	
Suite: 200, 201, 202	24.95%		Mar-2026	20.18		
2/1/2007 - 2/28/2027						
3. Taos Health Systems	12,036.	18.27	Oct-2025	18.73	NNN	<p>Tenant has the right of first refusal for any space that becomes available in the building. Tenant shall have ten (10) business days from the date of written notice from landlord that such space is available. If tenant exercises it's right to lease the available space, the terms of the leases shall govern except that the term of a new lease for such expansion be sixty-five (65) months.</p>
Suite: 101, 103-106, 203-205	66.73%		Oct-2026	19.20		
5/1/2001 - 2/28/2029			Oct-2027	19.68		
			Oct-2028	20.17		

INSTRUCTIONS TO INTERESTED PARTIES

OFFERING MEMORANDUM

Confidential Offering Memorandum will be distributed to interested parties who have executed a Confidentiality Agreement.

MARKETING PERIOD

During the marketing period, interested parties are encouraged to:

- (i) review materials provided by listing agent.
- (ii) schedule showings / market tours with exclusive listing broker;
- (iii) dialogue with exclusive listing brokers to clarify any information provided in the offering memorandum.

OFFERS DUE

Offers are due in writing and should include the following:

- Purchase Price
- Earnest Money Deposit
- Inspection Period
- Closing Period
- Description of Purchaser's entity structure and capital source
- Details on Purchaser's debt (if any) & equity structure
- Description of any contingencies, caveats, and approvals of which the Ownership should be aware in evaluating your offer

CONDITION OF SALE

The property is being offered in its "as is" condition. Purchaser shall confirm by Purchaser's own due diligence the condition and suitability of the property, without any reliance upon information provided herein.

Please submit one electronic copy of your offer to Andrew Murphy at amurphy@highgatepartners.net and/or Beau Terrell at beauterrell@highgatepartners.net



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