

TRANSWESTERN NATIONAL NET LEASE | SALE-LEASEBACK GROUP

OFFERING MEMORANDUM

FRESENIUS KIDNEY CARE

HILLSBORO, TEXAS

PRICING: \$1,593,750 / 6.8% CAP



PRESENTED BY:
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INVESTMENT OVERVIEW

Transwestern National Net Lease | Sale Leaseback Group is pleased to present a rare opportunity to acquire a single-tenant Fresenius Kidney Care center located in Hillsboro, Texas. The Property is located adjacent to the former Hillsboro Outlet Mall which is undergoing a complete redevelopment.

Having occupied and operated at the Property for twenty years, the tenant recently executed a new 5-year lease with a 6.8% rental bump over the previous year and new, 2.4% annual rental increases, demonstrating a strong commitment to the site. The newly renewed lease runs through August 31, 2030.

Fresenius Kidney Care, a division of Fresenius Medical Care (FMC), a publicly traded company, is the leading provider of products and services for patients with kidney disease serving more than 190,000 patients in more than 2,600 centers nationwide. Worldwide, FMC cares for more than 346,500 patients in more than 4,000 facilities, including 44 production sites on all continents to provide dialysis products such as dialysis machines, dialyzers and related disposables.

FMC is headquartered in Bad Homburg v.d.H., Germany with its North American headquarters in Waltham, Massachusetts.



OFFERING SUMMARY

PRICING / CAP RATE \$1,593,750 / 6.8% CAP

Property Address	1507 Hillview Drive, Hillsboro, Texas
Tenant	Bio-Medical Applications of Texas, Inc., d/b/a Fresenius Kidney Care Hillsboro
Building Size	8,500 square feet
NOI - Effective 11/1/2025	\$108,375.00 with 2.4% annual increases
Lease Expiration	August 31, 2030
Lease Structure	Triple net with limited landlord responsibilities

*Refer to Lease for details

PROPERTY & INVESTMENT HIGHLIGHTS

- Fresenius is the largest provider of dialysis related products and services worldwide
- Tenant has 20-year operating history at the site
- Tenant recently signed a new 5-year lease renewal indicating strong commitment to the site
- Tenant agreed to a 6.8% rent increase for the first year of the renewal term with 2.4% annual increases thereafter
- Limited landlord responsibilities
- Exceptional location at the northeast quadrant of Interstate 35 and Corsicana Highway (Route 22)



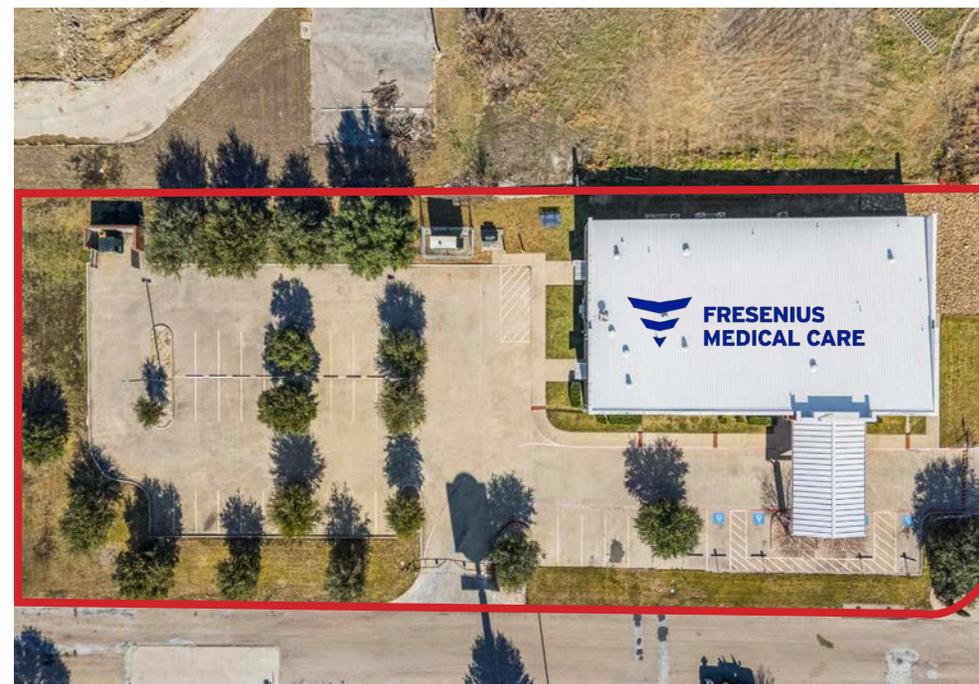
PROPERTY/LEASE SUMMARY

Tenant	Bio-Medical Applications of Texas, Inc. d/b/a Fresenius Kidney Care Hillsboro
Guarantor	Corporate
Property Address	1507 Hillview Drive, Hillsboro, Texas
Commencement Date	9/1/2005
Lease Expiration Date	8/31/2030
Building Size	8,500 square feet
Renewal Options	Three (3), five (5) year renewal options by providing sixty (60) days prior written notice. Such renewals shall be at then Fair Market Rental Value
Total Land Area	1.34 acres
Net Operating Income	\$108,375.00 with 2.4% annual increases
Average Term NOI	\$113,713.00 (7.13% cap rate)
Real Estate Taxes & Insurance	Paid by Tenant
Common Area Maintenance Charges	Paid by Tenant along with a 12% CAM administrative fee
Tenant Responsibilities	Tenant shall maintain and keep the interior of the Premises in good repair, free of refuse and rubbish and shall return same at the expiration or termination of this Lease in as good condition as received by Tenant, ordinary wear and tear excepted. Tenant shall be responsible for maintenance and repair of equipment on the Premises and shall replace all broken glass. Tenant shall be responsible for the regular maintenance, repair and replacement of the HVAC system.
Landlord Responsibilities	Landlord shall, without expense to Tenant (except for any reimbursement for Common Area Maintenance Charges as provided in Paragraph 28), maintain and make all necessary repairs and replacements to the exterior portions and structural portions of the Building, roof, retaining walls, landscaping, parking areas and Common Areas.
Hill CAD Property ID #	145416
Legal Description	South Outlet Bus Ctr Blk 2, Lot 1 - 1.34 acres
Zoning	"C" - Commercial
Tenant Ownership/Guarantor	Publicly traded, corporate guaranty
North American Tenant Headquarters	Waltham, Massachusetts
Year Founded	1912
Website	freseniuskidneycare.com

ACTUAL LOCATION - 1507 Hillview Drive, Hillsboro, Texas



ACTUAL LOCATION - 1507 Hillview Drive, Hillsboro, Texas



TENANT OVERVIEW



Fresenius Medical Care (FMC)

Fresenius Medical Care is a global healthcare company based in Bad Homburg, Germany, that specializes in the treatment of kidney disease. FMC describes itself as the world's leading provider of products and services for individuals with renal diseases. Worldwide group 2024 revenue topped €19 billion.

Core business

- FMC operates at multiple points in the renal care value chain: it manufactures dialysis machines, dialyzers (filters), and related disposables; it also runs dialysis clinics and provides services for patients with chronic kidney failure.
- As of the most recent data, FMC cares for more than 330,000 patients globally in a network of roughly 4,000 dialysis clinics and runs about 40 production sites worldwide.
- The company emphasizes innovation and R&D: its strategy includes developing new therapies and treatment concepts for patients with kidney disease.

Mission & characteristics

- FMC's goal is to improve patients' quality of life by offering high quality products and services, increasing access to care, and incorporating technology and innovation.
- The firm is global in scale — operating in many countries, across different types of dialysis (in center, home, etc.) and facing significant regulatory, clinical and logistical complexity.
- FMC also attaches importance to non financial metrics: for example, its 2023 Annual Report highlights efforts in sustainability (reducing emissions), diversity and inclusion (increasing women in management), and patient satisfaction (Net Promoter Score around 72) in its clinics.

Fresenius Kidney Care (FKC)

Fresenius Kidney Care is a division of FMC (in North America) and represents FMC's in center dialysis services and associated care across the U.S. (and in some cases abroad).

TENANT OVERVIEW CONT.

Scope and focus

- FKC has more than 2,600 dialysis centers in the U.S. alone, delivering over 31 million dialysis treatments annually in that country.
- It supports patients not just with the dialysis procedure itself but with a holistic approach: education, lifestyle guidance, nutritional support, mental health resources, and coordination of other services such as vascular access, pharmacy, lab and post acute care support.
- The division emphasizes high clinical quality: FKC states that its centers consistently earn strong ratings under the U.S. Centers for Medicare & Medicaid Services (CMS) Five Star Quality Rating System.

Role within FMC

- FKC is essentially the care delivery arm in the U.S. that links the manufacturing and product side (machines, filters) with patient facing services.
- It leverages the broader FMC infrastructure (product development, global supply chain, research) but focuses on diagnostics, treatment, monitoring, and patient support in the dialysis setting.
- Because FMC offers services globally, FKC is one major component — especially in North America — of that global network.

Why the two matter together

- The linkage of FMC (product + global services) and FKC (dialysis care delivery, especially in the U.S.) illustrates the integrated model: from machines and disposables □ to patient treatment □ to ongoing care and support.
- For patients with end stage renal disease (ESRD) or chronic kidney disease (CKD) requiring dialysis, this means a provider that intends to cover “all the corners”: in center dialysis, potentially home dialysis, vascular access, pharmacy, labs, etc.
- For the health care system and payers, the integrated model may offer efficiencies (one provider covering multiple parts of care), but also places responsibility on the provider for outcomes, quality and cost control.

RENT SCHEDULE

Period	Monthly Base Rent	Annualized Rent	Rent Per Square Foot	Percentage Increase
<i>Primary Term</i> 9/1/2025 – 8/31/2026	\$9,031.25	\$108,375.00	\$12.75	
9/1/2026 – 8/31/2027	\$9,250.83	\$111,010.00	\$13.06	2.4%
9/1/2027 – 8/31/2028	\$9,470.42	\$113,645.00	\$13.37	2.4%
9/1/2028 – 8/31/2029	\$9,697.08	\$116,365.00	\$13.69	2.4%
9/1/2029 – 8/31/2030	\$9,930.83	\$119,170.00	\$14.02	2.4%
<i>Option 1</i> 9/1/2030 – 8/31/2035				Fair Market Rental Value
<i>Option 2</i> 9/1/2035 – 8/31/2040				Fair Market Rental Value
<i>Option 3</i> 9/1/2040 – 8/31/2045				Fair Market Rental Value

FINANCIAL SNAPSHOT

Entity	Fresenius Medical Care AG & Co. KGaA
Ticker:	NYSE: FMS
World Headquarters	Bad Homburg, Germany
North American HQ	Waltham, Massachusetts
2024 Revenue	€ 21.833 billion
Gross Profit	€ 5.378 billion
EBIT	€ 1.782 billion
Net Income	€ 471 million
Total Liabilities and Shareholder Equity	€ 43.550 billion
Credit Rating	S&P: BBB- Moody's: Baa3

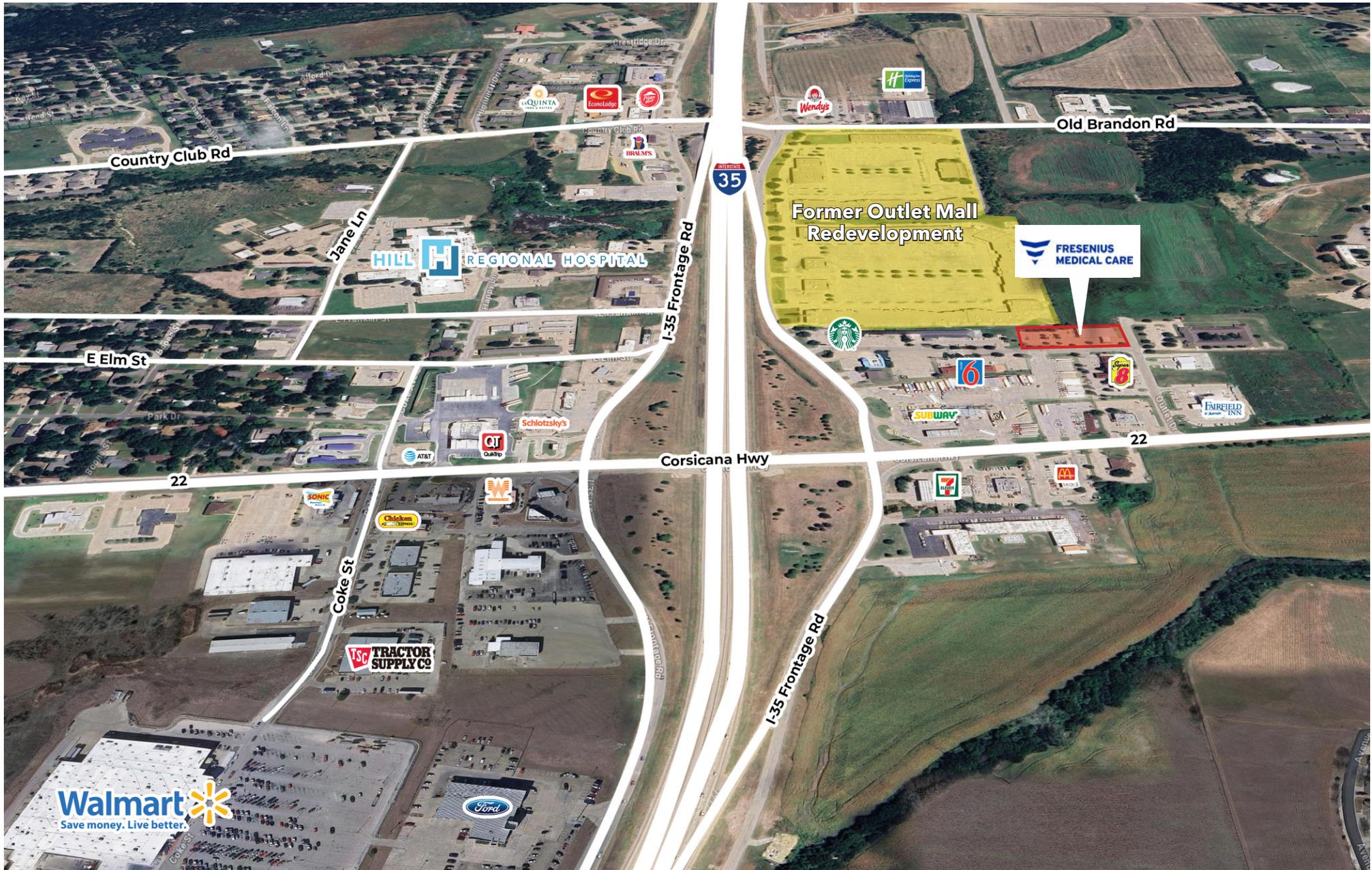
SITE PLAN - 1507 Hillview Drive, Hillsboro, Texas



AERIAL SITE PLAN - 1507 Hillview Drive, Hillsboro, Texas



MARKET AERIAL - 1507 Hillview Drive, Hillsboro, Texas



MARKET AERIAL - 1507 Hillview Drive, Hillsboro, Texas



AREA OVERVIEW



Hillsboro, Texas

Hillsboro, Texas, is a small but vibrant city located in Hill County, about 50 miles south of the Dallas-Fort Worth metroplex. As the county seat, Hillsboro serves as a regional hub for commerce, culture, and education. With a population of around 9,000 residents, the city offers a unique blend of rural charm and suburban development, making it an attractive place for both residents and businesses.

The business climate in Hillsboro is shaped by its strategic location along Interstate 35, which is a major north-south highway connecting the northern and southern parts of Texas. This accessibility makes Hillsboro an ideal location for small and medium-sized businesses looking to serve the local community and beyond. The city has a strong presence in retail, agriculture, and manufacturing, and businesses benefit from a supportive local government that fosters growth and development.

Business Climate and Major Employers

A major factor in the city's economic health is its proximity to the larger cities of Dallas-Fort Worth and Waco, which offer additional markets for local goods and services. Hillsboro is also located in a region with a strong tradition of agricultural production, especially in crops like cotton, corn, and hay. The agriculture industry remains a cornerstone of the local economy, supporting several farms, agricultural suppliers, and processing plants.

One of the city's largest employers is the Hill Regional Hospital, a key provider of healthcare services to the surrounding area. The hospital offers a range of medical services, from emergency care to outpatient services, and serves as a critical part of the community's infrastructure. Other significant employers in Hillsboro include manufacturing companies, retail businesses, and service industries that support both the local population and the influx of visitors traveling through the region.

Educational Institutions

Education in Hillsboro is served by the Hillsboro Independent School District (ISD), which includes several elementary schools, a middle school, and a high school. The district is known for its commitment to providing quality education and preparing students for success in both higher education and the workforce. Hillsboro High School, in particular, offers a variety of extracurricular activities, including sports, fine arts programs, and academic clubs. The school's sports teams, particularly the football team, are a source of pride for the community, and local residents often come together to support the school's athletic events.

In addition to the K-12 education provided by the local ISD, Hillsboro residents also have access to higher education opportunities at nearby institutions. The University of Texas at Arlington, Texas State Technical College, and McLennan Community College are just a short drive away and offer a range of academic programs that can help residents further their education and career goals.

AREA OVERVIEW CONT.

Recreational Activities

Despite its small size, Hillsboro offers a wide variety of recreational activities for residents and visitors alike. The city boasts several parks, including Lake Whitney State Park, which is a popular spot for boating, fishing, and camping. The park is located just outside of the city and provides an excellent opportunity for outdoor enthusiasts to connect with nature.

In addition to outdoor activities, Hillsboro is home to a number of community events throughout the year. These include the Hill County Fair, a longstanding tradition that showcases the region's agricultural heritage with livestock shows, a carnival, and local food vendors. There are also numerous opportunities for sports, including youth leagues and adult recreational teams in soccer, baseball, and softball.

Redevelopment of the Hillsboro Outlet Mall

In addition to the 2024 opening of the 74,000 square foot world renowned Buc-ee's massive convenience store a few miles to the north, the redevelopment of the Hillsboro Outlet Mall has been a significant project for the city in recent years. Originally opened in the 1990s, the mall had struggled in recent years due to shifting retail trends and economic factors. However, in response to growing demand for retail and entertainment options, the city has invested in revitalizing the outlet mall to attract new businesses and visitors.

Plans for the \$75 million redevelopment include updating the physical infrastructure, adding new stores and a "restaurant row" with restaurant pad sites, and creating entertainment spaces that will appeal to both locals and tourists traveling through the region. The goal of this redevelopment is to transform the outlet mall into a vibrant commercial hub that contributes to the city's economic growth and provides a convenient shopping and entertainment destination for both residents and visitors from surrounding areas.

Hillsboro, Texas, may be a small city, but it is a community on the rise. Its strategic location, strong agricultural base, and growing business climate make it an attractive destination for businesses and residents alike. With a commitment to quality education, vibrant recreational opportunities, and the ongoing redevelopment of key areas like the Hillsboro Outlet Mall, the city is poised for continued growth and success in the years to come. Whether you're a resident or a visitor, Hillsboro offers a warm and welcoming environment that balances tradition with modern development, creating a community that looks toward the future while celebrating its rich history.



DEMOGRAPHIC SNAPSHOT - 1507 Hillview Drive, Hillsboro, Texas

POPULATION			
	1 miles	3 miles	5 miles
2020 Census Population	2,152	8,893	9,401
2025 Population	2,245	9,020	9,541
2030 Projected Population	2,301	9,158	9,695

HOUSEHOLDS			
	1 miles	3 miles	5 miles
2020 Census Households	934	3,206	3,395
2025 Households	963	3,310	3,505
2030 Projected Households	995	3,395	3,599
2025 Estimated Average Household Size	2.26	2.69	2.68

ESTIMATED HOUSEHOLD INCOME			
	1 miles	3 miles	5 miles
2025 Average Household Income	\$81,473	\$78,735	\$79,141
2025 Median Household Income	\$63,472	\$64,482	\$64,823
2025 Per Capita Income	\$32,486	\$28,936	\$29,163
2025 Median Age	41.1	36.3	36.8

TRAFFIC COUNTS			
	VPD	Distance from Property	Collection Year
I-35 Service Road @ East Franklin Sreet South	64,044	0.31 mi	2024
Purple Heart Trail @ FM 286 North	54,864	0.26 mi	2025



Transwestern is a privately held real estate firm of collaborative entrepreneurs who deliver a higher level of personalized service– the Transwestern Experience. Specializing in Agency Leasing, Management, Tenant Advisory, Capital Markets, Research and Sustainability services, our fully integrated global enterprise adds value for investors, owners and occupiers of all commercial property types. We leverage market insights and operational expertise from members of the Transwestern family of companies specializing in development, real estate investment management and research. Transwestern has 35 U.S. offices and assists clients through more than 180 offices in 37 countries as part of a strategic alliance with BNP Paribas Real Estate.

Year-to-date, Transwestern has overseen the leasing and management of 2,006 properties, representing more than 370 million square feet - leased and managed combined. Within that same time period, the firm completed leasing, sales and finance transactions totaling \$8.6 billion.

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