TRANSWESTERN

OFFERING MEMORANDUM

601 FALL CREEK HWY

601 FALL CREEK HWY | GRANBURY, TX

Table of Contents

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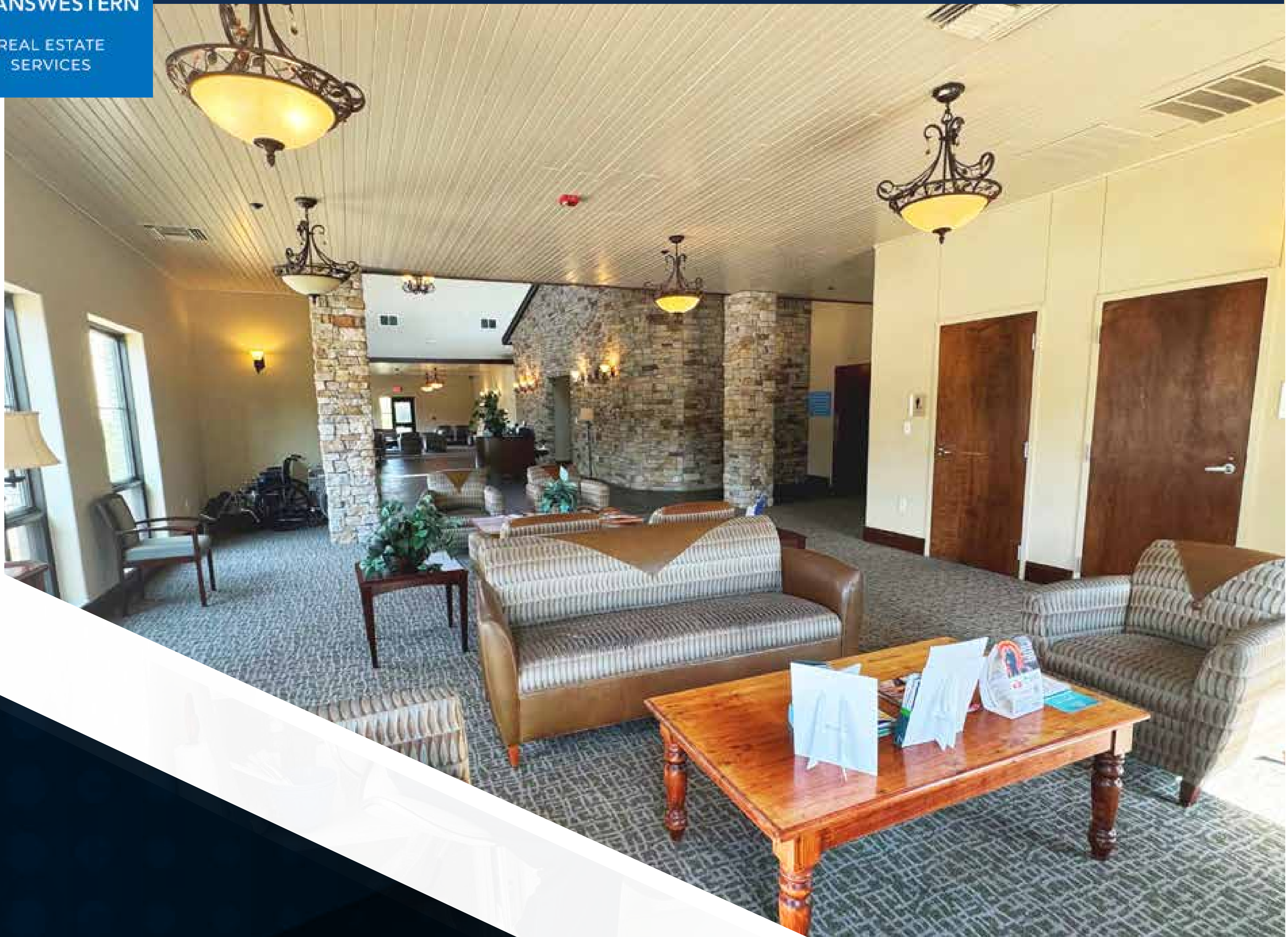


Executive Summary

Executive Summary

The Offering

+ Transwestern has been exclusively retained by the owner to offer qualified investors an opportunity to purchase Fall Creek Medical Plaza (the "Property"). The property at 601 Fall Creek Highway in Granbury, Texas, is a fully leased 16,464 SF medical office building. This single-tenant facility is 100% leased by Granbury Hospital Corporation (part of Community Health Systems/Lakeside Physicians), offering long-term stability through a NNN lease, which provides passive income for investors. The property also features excess land for potential expansion and a large parking ratio of 7.5 spaces per 1,000 SF, totaling 124 parking spaces.
+ The building was built for the tenant in 2008 on 4.99 acres which was ground leased from the tenant for 50 years with two 25-year extension options. The ground lease expense is passed through as CAM.
+ Granbury, named the Best Small Town in America by USA Today, is a thriving and attractive market for retirees and professionals. Approximately 35 miles southwest of Fort Worth, the town has seen 19% population growth since 2020, with a median household income of $96,000 and a high proportion of residents over 45, making it an ideal market for medical and healthcare services.
+ Fall Creek Medical Plaza offers investors a stable income-producing asset in a high-demand healthcare market, with opportunities for future growth and development in one of Texas' most desirable small towns.

Lease Abstract

Building Lease

Address	601 Fall Creek Highway
Tenant	Granbury Hospital Corporation (Community Health Systems)
Lease Date	August 8, 2008
Term	February 28, 2031
Square Feet	16,464
Base Rent (1)	$453,629
Rate/SF	$27.22
Lease Type	NNN
Annual Incr	1.46% to 1.50%
Guarantee	Expired January 31, 2022
Lot Size	4.99 AC

(1) For calendar year 2025

Ground Lease

Landlord	Granbury Hospital Corporation (Community Health Systems)
Commenced	August 1, 2008
Term	July 20, 2058
Square Feet	217,364
Rent/SF	$0.18
Base Rent	$38,438
Annual Incr	2%
Type	NNN
Options	2 - 25 Yr options
Lot Size	4.99 AC

Note: The ground lease payment is passed through to the tenant in the Building Lease as CAM

Investment Highlights

Growing Population

19% GROWTH SINCE 2020

NNN Leased property

OFFERING A PASSIVE INCOME FOR INVESTORS

NOI - $454,722

Granbury, TX

WAS VOTED BEST SMALL TOWN IN AMERICA BY USA TODAY

100% Leased

BY THE LOCAL GRANBURY HOSPITAL
(COMMUNITY HEALTH SYSTEMS/ LAKESIDE PHYSICIANS)

Older Demographic

53% OVER THE AGE 45
(USERS OF HEALTHCARE SERVICES)

Household Income

IS ABOVE AVERAGE AT $96K

Additional Income

$24K PER YEAR FROM REIMBURSEMENT OF CAPITAL EXPENDITURES

High Net Worth Retirees

LARGE NUMBER LIVING IN GRANBURY, TX

Property Overview

Property Features

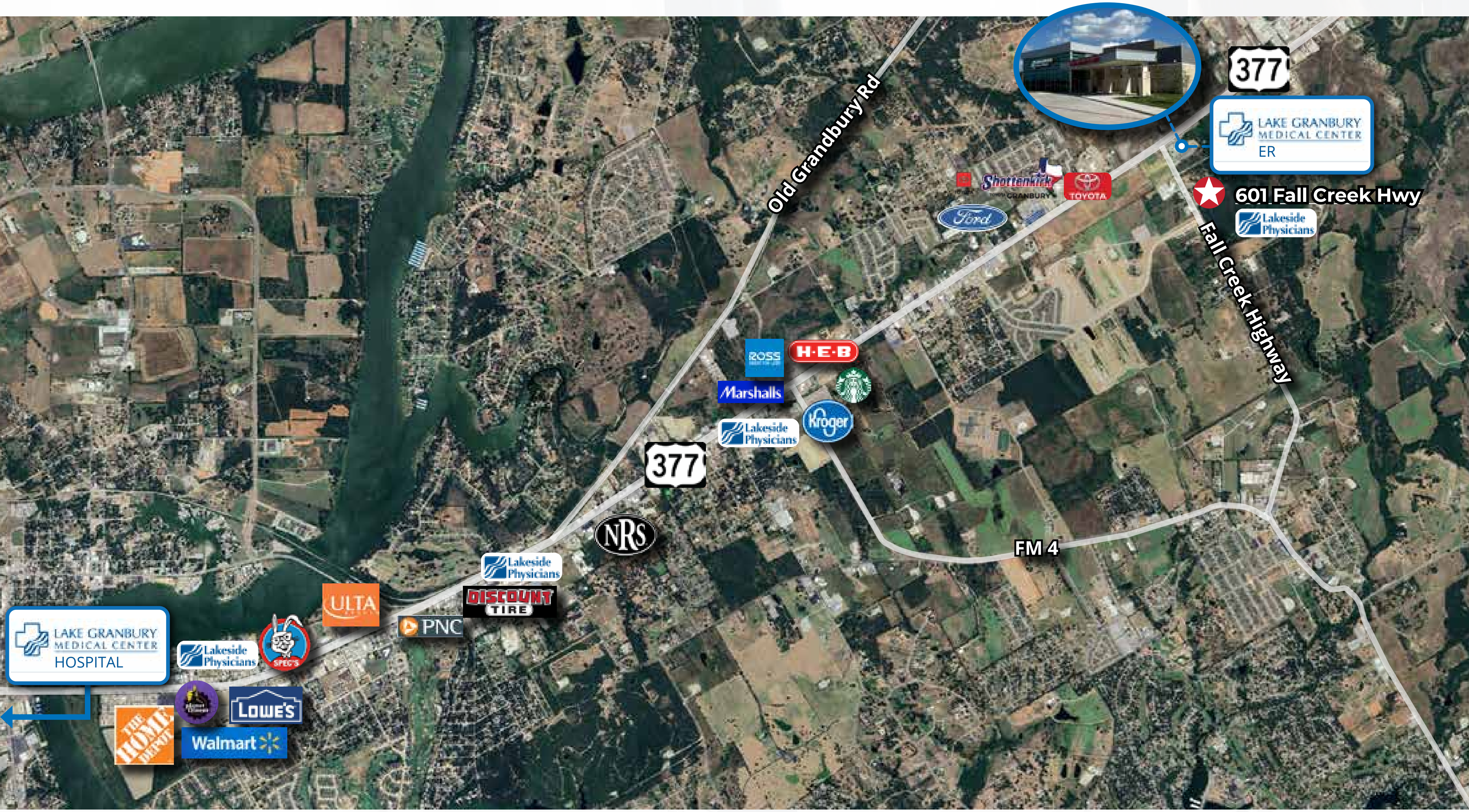
601 Fall Creek Hwy Granbury, TX

16,464 SF on 4.99 ACRES	**Large Parking Ratio** (7.5/1,000) WITH 124 PARKING SPACES	**2008** CONSTRUCTION

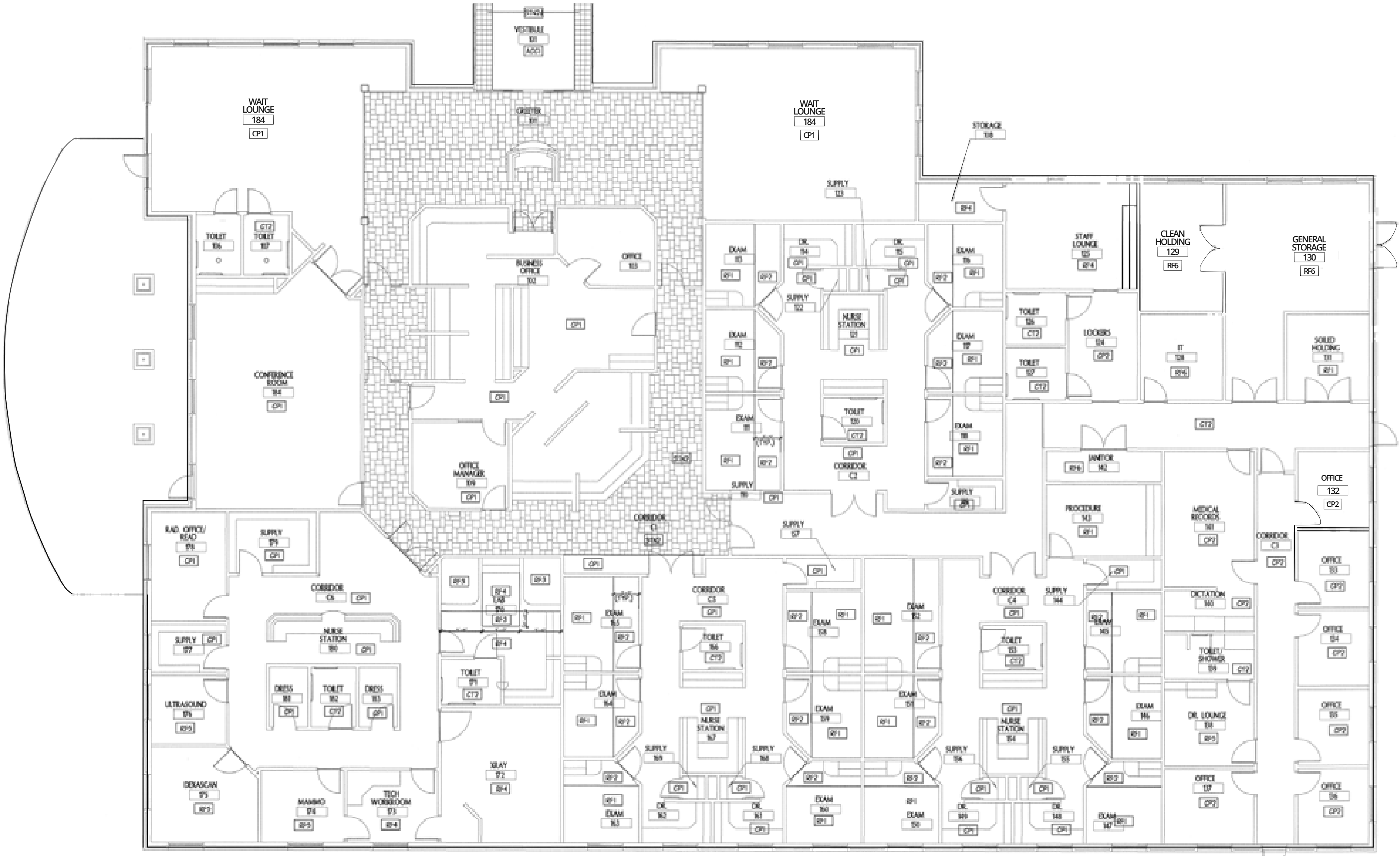
Single Tenancy 100% OCCUPIED	**Additional Land** PROPERTY EXPANSION POTENTIAL

601 FALL CREEK HWY | GRANBURY, TX

Area Retail & Medical



Floor Plan



WAIT LOUNGE
184
CP1
WAIT LOUNGE
184
CP1
CONFERENCE ROOM
CLEAN HOLDING
129
RF6
GENERAL STORAGE
130
RF6
OFFICE
132
CP2

Interior Photos

Interior Photos

Tenant Highlights

LAKESIDE PHYSICIANS

- Lakeside Physicians Group is a part of Lake Granbury Medical Center, offering comprehensive healthcare services to patients in the counties of Hood, Erath, and Somerville Texas. Their services cover a wide range of specialties inclusive of, and not limited to, family medicine, pediatrics, Cardiology, Urology, and many more. Lakeside Physicians Group benefits from the resources and backing of Lake Granbury Medical Center, which is owned by Community Health Systems (CHS), one of the largest publicly traded healthcare companies in the U.S.
- Number of Locations: 25
- Number of Physicians at this location: 7
- Website Link - https://www.lakesidephysicians.com
- Services Offered:

- Bariatric Surgery
- Cardiology
- Family Medicine
- Gastroenterology
- General Surgery
- Internal Medicine
- Neurology
- OB/GYN
- OB/GYN
- Orthopedic Surgery
- Pain Management
- Pediatrics
- Primary Care
- Pulmonary & Critical Care
- Urology
- Walk-In Care

COMMUNITY HEALTH SYSTEMS

- Community Health Systems, Inc. is one of the nation's largest healthcare systems with over $12.6 billion in revenue in 2023. Headquartered in Franklin, Tennessee and publicly traded on the New York Stock Exchange under the symbol CYH, Community Health Systems has been developing and operating healthcare delivery systems committed to helping people get well and live healthier for nearly 40 years.
- Their affiliated healthcare systems provide a wide range of services and function as vitally important members of their local communities, offering more than 1,000 sites of care including general acute and specialty care hospitals, physician practices, urgent care centers, freestanding emergency departments, occupational medicine clinics, imaging centers, cancer centers and ambulatory surgery centers.
- CYH operates 69 hospitals in 15 states including Lake Granbury Medical Center.
- Website Link - https://www.chs.net/

Financial Analysis

Rent Schedule

RENT INCREASES

Space Lease			Ground Lease		
Year	Base Rent	Incr %	Year	Base Rent	Incr %
3 / 2024	$ 448,163	1.46%	8 / 2024	$ 38,438	2.00%
3 / 2025	$ 454,722	1.46%	8 / 2025	$ 39,207	2.00%
3 / 2026	$ 461,411	1.47%	8 / 2026	$ 39,991	2.00%
3 / 2027	$ 468,235	1.48%	8 / 2027	$ 40,791	2.00%
3 / 2028	$ 475,195	1.49%	8 / 2028	$ 41,607	2.00%
3 / 2029	$ 482,295	1.49%	8 / 2029	$ 42,439	2.00%
3 / 2030	$ 489,536	1.50%	8 / 2030	$ 43,287	2.00%

Financials (2023)

	Actual	Adjustments	Adjusted
Rental Income	$ 440,682		$ 440,682
CAM	$ 214,674		$ 214,674
CAM True Up	$ 17,318	$ (17,318)	$ -
Income	$ 672,674		$ 655,356
Taxes	$ 53,661		$ 53,661
Insurance	$ 15,954		$ 15,954
Ground Rent (1)	$ 37,253		$ 37,253
Electric	$ 35,019		$ 35,019
Water	$ 19,473		$ 19,473
Management Fees	$ 22,034		$ 22,034
Fire System	$ 10,327		$ 10,327
Amortization (2)	$ 9,532		$ 9,532
Other	$ 98		$ 98
Expense	$ 203,351		$ 203,351
Net Income	$ 469,323		$ 452,005
Non-Cash Charges	$ 9,532		$ 9,532
Net Ordinary Income	$ 478,855		$ 461,537

(1) Ground lease passes through to the tenant as CAM

(2) Amortization of HVAC capital expense is billed to tenant as CAM

TRANSWESTERN REAL ESTATE SERVICES

Financial Analysis

In addition to the base rent and operating expenses, the tenant is also reimbursing the landlord for capital expenses over the term of the lease. The present value of these monthly payments represents additional value for a buyer of the property.

Present Value of Capital Expense
(Billed to the tenant monthly)

Capital Project	Cost	Monthly	Loan Start	End Date
Comfortmaker 14	$15,259.00	$174.79	8/29/2022	7/29/2032
6 Ton 3 Phase System	$21,774.49	$241.24	10/19/2022	9/19/2032
Comfortmaker 5-Ton 3-Phase	$16,210.44	$179.97	7/3/2023	6/3/2033
2007 R22 Unit (IT Server Room)	$12,178.13	$135.20	7/26/2023	6/26/2033
Comfortmaker 5-Ton 3-Phase (Reception)	$20,134.50	$223.53	8/11/2023	7/11/2033
Comfortmaker 3-Ton 3-Phase (Brazos)	$18,943.75	$210.31	9/6/2023	8/6/2033
Comfortmaker 3-Ton 3-Phase (Breakroom)	$20,697.40	$229.78	10/19/2023	9/19/2033
Fire System Compressor	$7,221.92	$80.18	1/1/2024	1/1/2034
[Conference Room Unit 2.21.24]	$22,353.63	$248.17	2/21/2024	2/21/2034
[Lobby Unit 2.27.24]	$25,728.83	$285.64	3/11/2024	3/11/2024
Total				

		2024	2025	2026	2027	2028	2029	2030	2031
Total Income Thru Lease Expiration		$23,038	$24,106	$24,106	$24,106	$24,106	$24,106	$24,106	$4,018
Present Value Thru 2/28/31 at discount rate of	5.00%	**141,187**							

Market Overview

601 FALL CREEK HWY | GRANBURY, TX

Granbury Demographics

Total Population

12,622

Median Age

52

Average Household Income

$96,807

Per Capita Income

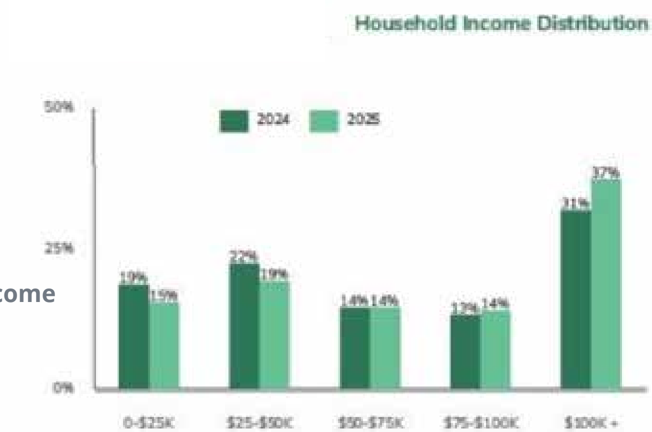
$42,760

Median Disposable Income

$50,000

Median Home Value

$376,856



EDUCATION

6.32%
No High School Dipoma

27.14%
High School Graduate

28.07%
Some College

38.48%
Associate's/ Bachelor's / Grad Degree

EMPLOYMENT

50%
White Collar

22%
Blue Collar

24%
Services

4%
Unemployment Rate

Granbury, Texas

12,622
2024 Population

52
2024 Median Age

$96,807
2024 Avergae Household Income

$376,856
2024 Median Home Value

GRANBURY

Granbury, Texas, is a thriving, historic city located 35 miles southwest of Fort Worth. Known for its rich history, natural beauty, and lakeside living, Granbury has experienced steady growth in recent years. It is an increasingly popular destination for both tourists and new residents seeking small-town charm with access to modern amenities and proximity to the Dallas-Fort Worth Metroplex. Granbury's economy is diverse, with key sectors including healthcare, tourism, retail, and construction.

The city is a hub for the surrounding region's services and healthcare, driven by facilities like Lake Granbury Medical Center and numerous medical groups, including Lakeside Physicians. Healthcare is a significant employer in the area, followed by education, retail, and local government services. The tourism industry also plays a notable role due to Granbury's historic downtown, lake activities, and cultural events.

As of 2023, Granbury's population is estimated at around 11,000 residents, with Hood County (where Granbury is the county seat) home to over 65,000 people. The population has seen steady growth, averaging about 2% per year over the last decade, driven by the city's appeal to retirees, families, and young professionals. The median age in Granbury is approximately 49 years, highlighting the city's attractiveness to retirees. However, the population also includes a healthy mix.

Proximity to Dallas-Fort Worth Metroplex

Distance to Fort Worth: Granbury is located approximately 35 miles from Fort Worth, about a 45-minute drive via U.S. Highway 377 and the Chisholm Trail Parkway, making it an easy commute for those working in the city.

Proximity to Dallas: Granbury is about 70 miles southwest of downtown Dallas, typically a 1-hour and 15-minute drive.

Access to a Major Market: Granbury benefits from its proximity to the **Dallas-Fort Worth Metroplex,** the 4th largest metropolitan area in the U.S., with a population exceeding **7.7 million** people. The Metroplex is a global economic hub, home to 23 Fortune 500 companies, including **American Airlines, AT&T, and ExxonMobil**. Its diverse economy spans sectors such as technology, finance, healthcare, energy, and aerospace.

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Transwestern ("Agent") has been engaged as the exclusive agent for the sale of Fall Creek Medical Plaza located in Granbury, Texas ("Property"), by the owner of the Property ("Seller"). The Property is being offered for sale in an "as-is, where-is" condition and Seller and Agent make no representations or warranties as to the accuracy of the information contained in this Offering Memorandum.

The enclosed materials include highly confidential information and are being furnished solely for the purpose of review by prospective purchasers of the interest described herein. Neither the enclosed materials nor any information contained herein is to be used for any other purpose or made available to any other person without the express written consent of the Seller. Each recipient, as a prerequisite to receiving the enclosed, should be registered with Transwestern as a "Registered Potential Investor" or as "Buyer's Agent" for an identified "Registered Potential Investor." The use of this Offering Memorandum and the information provided herein is subject to the terms, provisions and limitations of the confidentiality agreement furnished by Agent prior to delivery of this Offering Memorandum. The enclosed materials are being provided solely to facilitate the prospective investor's own due diligence for which it shall be fully and solely responsible. The material contained herein is based on information and sources deemed to be reliable, but no representation or warranty, express or implied, is being made by Agent or Seller or any of their respective representatives, affiliates, officers, employees, shareholders, partners and directors, as to the accuracy or completeness of the information contained herein. Without limiting the foregoing, the materials, information and data contained herein may not account for or reflect the situation surrounding COVID-19 and its effect on local economic, demographic and real estate market conditions. Summaries contained herein of any legal or other documents are not intended to be comprehensive statements of the terms of such documents, but rather only outlines of some of the principal provisions contained therein. Neither the Agent or the Seller shall have any liability whatsoever for the accuracy or completeness of the information contained herein or any other written or oral communication or information transmitted or made available or any action taken or decision made by the recipient with respect to the Property. Interested parties are to make their own investigations, projections and conclusions without reliance upon the material contained herein.

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