

OFFERING MEMORANDUM

FRESENIUS MEDICAL CARE - TALLADEGA ON-CAMPUS LEASEHOLD OPPORTUNITY

717 STONE AVE, TALLADEGA, AL 35160



**FRESENIUS
KIDNEY CARE**



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SECTION I
INVESTMENT
OVERVIEW



OFFERING SUMMARY

Price:	\$1,636,642
CAP Rate:	8.50%
NOI:	\$139,114.56
Price / SF:	\$217.17
Rentable SF:	7,536 SF
Lease Type:	NNN - Leasehold
Lease Expiration:	7/31/2033
Lease Guarantor:	National Renal Alliance, LLC
Ground Lease:	07/31/2033
Ground Lease Renewal Options:	2 (15) Year



APN:	13-07-26-2-007-001.800
County:	Talladega County
Building Class:	C
Rentable SF:	7,536 SF
Lot Size:	1.36 Acres +/-
Year Built:	2004
Renovated:	2019
Floors:	1
Parking:	33 Surface Spaces
Parking Ratio:	4.38/1,000
Tenants/Units:	1 - STNL
Ownership Type:	Leasehold



PROPERTY DESCRIPTION

Cook Commercial Partners are pleased to present the Fresenius Medical Care - Talladega Leasehold Opportunity, a single-tenant dialysis clinic in Talladega, AL.

The 7,536 SF facility was built-to-suit for Fresenius in 2004. **Fresenius recently signed a 7-year lease extension, securing the term through August 31, 2033.** The lease features 2% annual rental increases and **two additional five-year renewal options.** The ground lease runs through July 31, 2033, with two 15-year renewal options.

Located on the campus of Citizens Baptist Medical Center (Orlando Heath), a 122-bed acute care hospital, this mission-critical facility offers investors stable cash flow, annual rental growth, and a long-term commitment from the world's leading dialysis provider.

Purchaser holds the absolute right to renew the ground lease for two additional 15-year terms exercisable by written notice prior to February 1, 2033.



717 STONE AVE, TALLADEGA, AL 35160



FRESENIUS MEDICAL CARE - TALLADEGA



SINGLE-TENANT; 7,536 SQUARE-FOOT



100% OCCUPIED

SECTION I: INVESTMENT OVERVIEW

INVESTMENT HIGHLIGHTS

- **Built-to-Suit** Fresenius Dialysis Clinic (2004)
- **On-Campus Location** | Strategically located at Citizens Baptist Medical Center (Orlando Health), a 122-bed acute care hospital with 350+ healthcare professionals
- **Long-Term Operating History** | Fresenius recently executed a 7-year extension; lease now runs through August 31, 2033
- **Ground Lease Through July 31, 2033** | Includes two (15-year) renewal options
- **Ground Lease Renewal Right** | Purchaser holds the absolute right to renew the ground lease for two additional 15-year terms exercisable by written notice prior to February 1, 2033
- **NNN Leasehold Structure** | Minimal landlord responsibilities
- **Recent Capital Improvements (2019 & 2025):**
 - Replaced entire sewage/plumbing infrastructure system (~\$100,000)
 - Resurfaced, sealed, repainted, and re-striped asphalt parking lot
 - Replaced architectural roof shingles
 - Repaired/replaced HVAC refrigerant line insulation and electrical conduit deficiencies
- **Clinic Capacity** | Features 30 dialysis stations offering in-center hemodialysis, in-center peritoneal dialysis, and home hemodialysis training
- **Built-In Rent Growth** | 2% annual rent increases with two 5-year renewal options providing long-term stability
- **Regulatory Advantage** | Alabama requires a Certificate of Need (CON) for dialysis centers, limiting competition and supporting tenant retention
- **Tax Advantage** | Leasehold structure allows for depreciation of nearly the entire ownership basis, offering investors a meaningful tax benefit not typically available with fee simple ownership



LEASE ABSTRACT – FRESENIUS MEDICAL CARE

Tenant Name:	Fresenius Medical Care - Talladega	Roof:	Section 11: Landlord/Tenant - Landlord is responsible for any repairs exceeding \$7,500 maintenance cap per occurrence.
Lease Guarantor:	National Renal Alliance, LLC	Structure:	Section 11: Landlord/Tenant - Landlord is responsible for any repairs exceeding \$7,500 maintenance cap per occurrence.
Lease Type:	NNN - Leasehold	Real Estate Taxes:	Section 16: Tenant
Lease Start Date:	08/25/2004	Property Insurance:	Section 15: Tenant
Lease Exp. Date:	08/31/2033	HVAC:	Section 11: Landlord/Tenant - Landlord is responsible for any repairs exceeding \$7,500 maintenance cap per occurrence.
Renewal Options:	2 (5) Year	Parking Lot:	Section 11: Tenant
Rent Escalations:	2% Annual	Utilities:	Section 12: Tenant
ROFR:	None	CAM:	Section 11: Tenant
		Ground Lease Rent:	Section 4: Tenant

RENT SCHEDULE - FRESENIUS

Term	Rent Per SF	Monthly Rent	Annual Rent	Increase Amount
Current - 8/31/2026	\$18.45	\$11,590.09	\$139,081.06	-
9/1/2026 - 8/31/2027	\$18.46	\$11,592.88	\$139,114.56	2%
9/1/2027 - 8/31/2028	\$18.83	\$11,825.24	\$141,902.88	2%
9/1/2028 - 8/31/2029	\$19.21	\$12,063.88	\$144,766.56	2%
9/1/2029 - 8/31/2030	\$19.59	\$12,302.52	\$147,630.24	2%
9/1/2030 - 8/31/2031	\$19.98	\$12,547.44	\$150,569.28	2%
9/1/2031 - 8/31/2032	\$20.38	\$12,798.64	\$153,583.68	2%
9/1/2032 - 8/31/2033	\$20.79	\$13,056.12	\$156,673.44	2%

Notes

- Fresenius Recently Executed a 7-Year Lease Extension | Lease Term Now Runs Through August 31, 2033
- Rental increase taking place in September 2026 has been captured in current NOI.



LEASE ABSTRACT – GROUND LEASE

ORLANDO HEALTH®

Landlord:	Orlando Health
Tenant:	Purchaser
Lease Start Date:	08/01/2003
Lease Exp. Date:	07/31/2033
Initial Term:	30 Years
Term Remaining:	7+ Years
Renewal Options:	2 (15) Year
Renewal Notice:	Due by 02/01/2033
ROFR:	Waived by Orlando Health

Notes:

- Ground Lease Renewal Right: Purchaser holds the absolute right to renew the ground lease for two additional 15-year term exercisable by written notice prior to February 1, 2033.



SECTION II
TENANT
OVERVIEW





**FRESENIUS
MEDICAL CARE**

Headquartered: Waltham, MA
.....
Company Type: Public (FMS)
.....
Year Founded: 1996
.....
Website: [freseniusmedicalcare.com](https://www.freseniusmedicalcare.com)



LEARN MORE ABOUT FRESENIUS MEDICAL CARE HERE



REVENUE
\$21.40 BILLION



EMPLOYEES
119,845+



LOCATIONS
4,000+



PATIENTS
332,548+

**FORTUNE 500 COMPANY & THE ONE OF THE
LARGEST PROVIDERS OF KIDNEY DIALYSIS
SERVICES FOR PATIENTS WITH CHRONIC KIDNEY
FAILURE AND END-STAGE RENAL DISEASE**

TENANT OVERVIEW

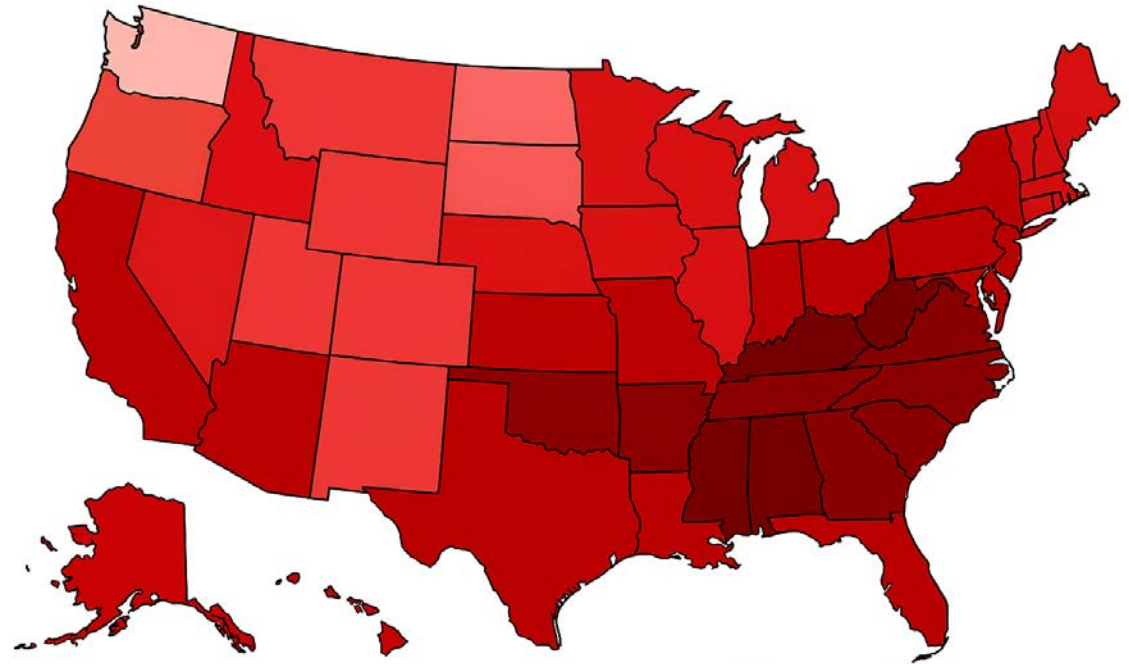
UNDERSTANDING THE UNITED STATES DIALYSIS MARKET

WHAT IS DIALYSIS?

Dialysis is the process of removing excess water, solutes, and toxins from the blood in people whose kidneys can no longer perform these functions naturally. Dialysis is able to take the place of some kidney functions, and along with medication and proper care, help people live longer.

WHO NEEDS DIALYSIS?

When a person with chronic kidney disease (CKD) reaches end-stage renal disease (ESRD), also known as kidney failure or stage 5 CKD, the kidneys are no longer functioning to filter and clean the blood the way normal healthy kidneys would. Without treatment, either a kidney transplant or dialysis treatment, a person could not survive.



PREVALENCE OF KIDNEY FAILURE



Highest

Lowest

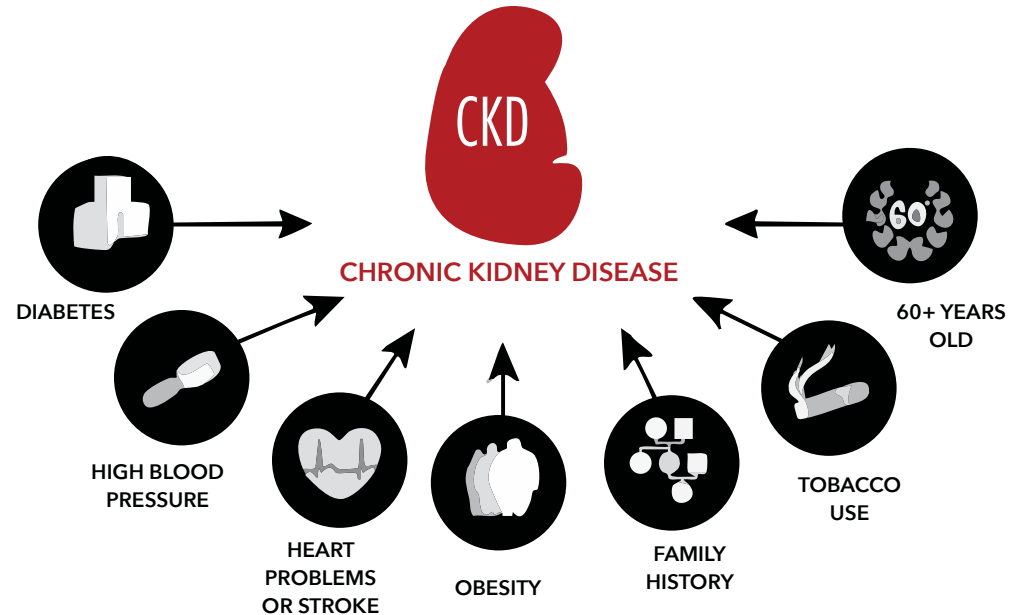
TENANT OVERVIEW

UNDERSTANDING THE UNITED STATES DIALYSIS MARKET

FACTS ON KIDNEY DISEASE:

- Approximately 14% of U.S. adults have chronic kidney disease (CKD), equating to about 35.5 million people.
- Diabetes and high blood pressure remain the top causes. Roughly 1 in 3 adults with diabetes and 1 in 5 with high blood pressure may have CKD.
- CKD is most prevalent among adults aged 65 and older.
- Over 815,000 Americans are currently living with kidney failure (end-stage renal disease, or ESRD). More than 555,000 of these individuals are on dialysis treatment.
- In 2024, approximately 131,000 Americans were newly diagnosed with kidney failure, requiring dialysis or a kidney transplant.

(Source: National Kidney Foundation, USRDS 2024)



AS OF 2024, THE U.S. DIALYSIS SERVICES MARKET IS VALUED AT APPROXIMATELY **\$27.47 BILLION** AND IS PROJECTED TO GROW TO **\$43.67 BILLION** BY 2032, WITH A COMPOUND ANNUAL GROWTH RATE (CAGR) OF **6.0%**.

IN-CENTER DIALYSIS REMAINS THE DOMINANT SEGMENT, GENERATING THE MAJORITY OF MARKET REVENUE. HOWEVER, **HOME DIALYSIS IS GAINING TRACTION** DUE TO TECHNOLOGICAL ADVANCEMENTS, PATIENT PREFERENCE FOR FLEXIBILITY, AND FEDERAL INITIATIVES ENCOURAGING AT-HOME TREATMENT OPTIONS.

(Source: Fortune Business Insights, 2024)

SECTION III
PROPERTY
PHOTOS
AND MAPS



SITE VIEW



SECTION III: PROPERTY PHOTOS AND MAPS



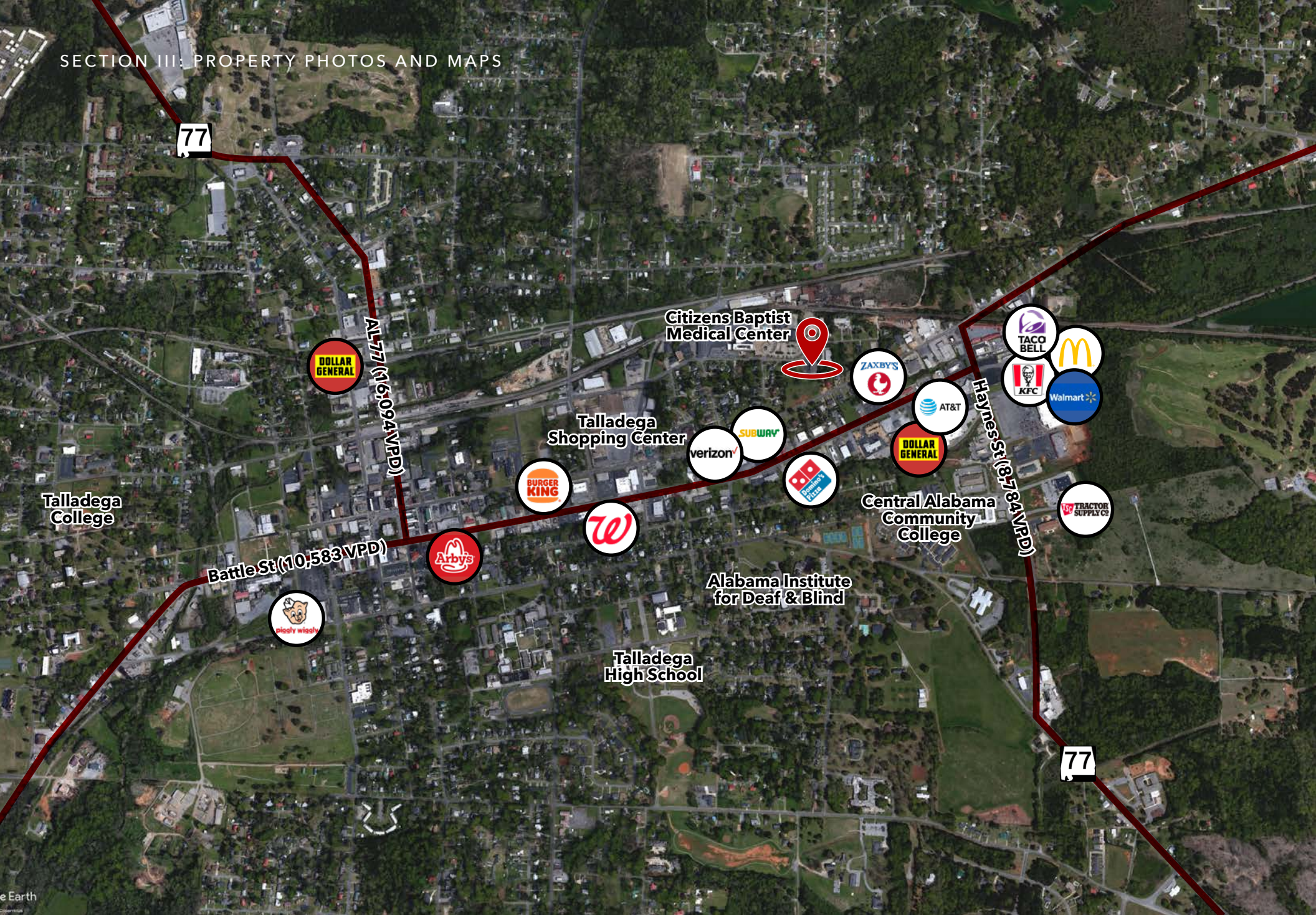
SECTION III: PROPERTY PHOTOS AND MAPS



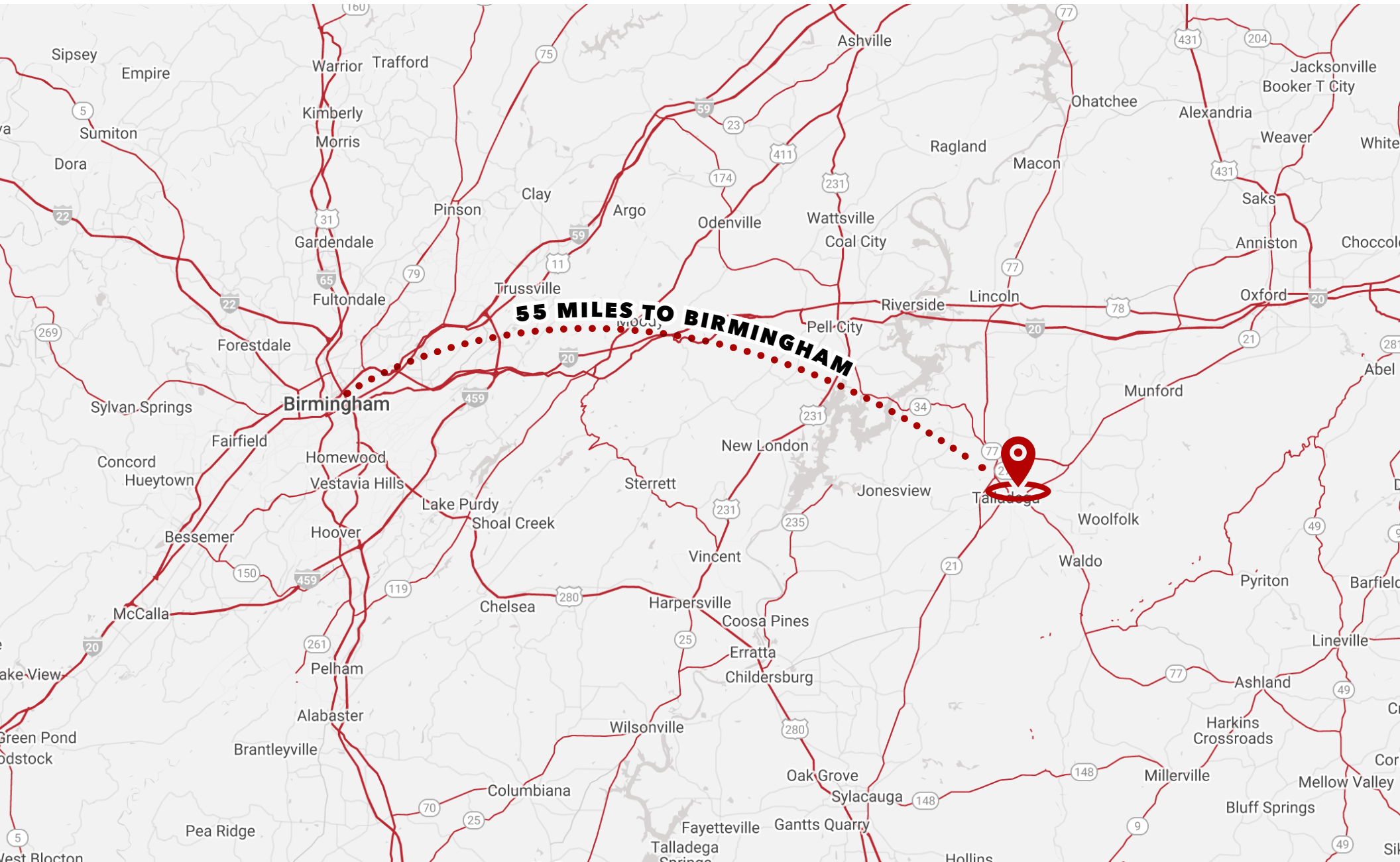
SECTION III: PROPERTY PHOTOS AND MAPS



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SECTION III: PROPERTY PHOTOS AND MAPS



SECTION IV
LOCATION
OVERVIEW



LOCATION HIGHLIGHTS

TALLADEGA, AL

- **Growing Population:** Talladega, AL serves as a regional hub in east-central Alabama, drawing residents from neighboring rural communities. While the city maintains a moderate population, its role as a central service center sustains ongoing demand for medical care and essential services.
- **Healthcare Demand:** As one of the primary population centers in the region, Talladega addresses the healthcare needs of a diverse and aging demographic. Demand for dialysis, outpatient procedures, and specialty services continues to grow, driven by chronic conditions such as diabetes, hypertension, and kidney disease.
- **Economic Expansion:** Talladega benefits from its strategic location and role as both an economic and healthcare anchor in the region. Citizens Baptist Medical Center plays a key role in supporting the local economy, attracting medical professionals and stimulating growth in adjacent sectors like rehabilitation, senior care, and mental health services.
- **Medical Infrastructure:** Citizens Baptist Medical Center, a 122-bed community hospital, serves as a cornerstone of healthcare in the area. The facility offers a range of advanced services including stroke and chest pain care, surgical procedures, orthopedics, and psychiatric care, supporting the region's broader medical ecosystem.
- **Accessibility:** Positioned along major transportation routes such as US-77 and Alabama State Route 21, Talladega offers convenient access for patients from outlying rural areas. This connectivity enables local healthcare providers to serve a wider regional population.
- **Quality of Life:** With a low cost of living, abundant green space, proximity to outdoor destinations like Talladega National Forest, and a strong sense of community, Talladega appeals to families and retirees alike—further fueling long-term demand for comprehensive healthcare services.



SECTION IV: LOCATION OVERVIEW

CITIZENS BAPTIST MEDICAL CENTER

Citizens Baptist Medical Center is a 122-bed facility with over 350 professionals located in Talladega County, offering a comprehensive range of medical services. These include emergency care, chest pain and stroke treatment, minimally invasive and general surgery, orthopedics and rehabilitation, psychiatric care, cardiovascular services, diagnostic imaging, gastroenterology, occupational medicine, oncology, physical therapy, sleep studies, and urology.

Affiliations & Network:

- Formerly Brookwood Medical Center and part of Baptist Health System and Orlando Health System
- Now part of Brookwood Baptist Health, uniting two of Central Alabama's largest healthcare systems
- Member of Alabama's largest and most experienced network of primary and specialty care physicians

Accreditations & Awards:

- Fully accredited Chest Pain Center - Society of Cardiovascular Patient Care
- 4 out of 5 Stars - Centers for Medicare & Medicaid Services (Home Health Quality of Patient Care Star Rating)
- Joint Commission Top Performers Award for Key Quality Measures

ORLANDO HEALTH®



A COMMUNITY BUILT ON CARE

Located: 604 Stone Ave,
Talladega, AL 35160

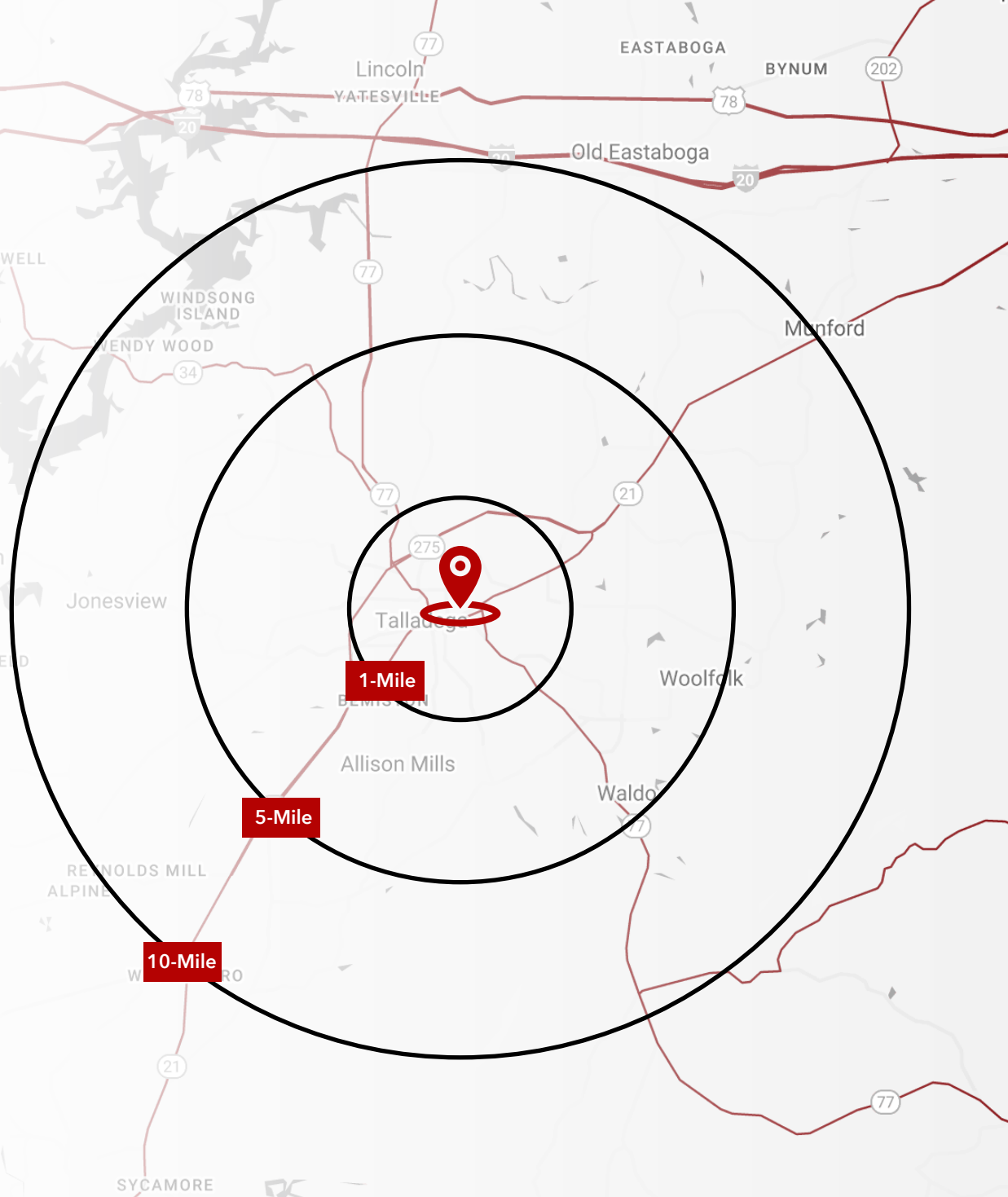
Phone: (833) 251-9896

Website: <https://www.baptis-thealthal.com/facilities/citizens-hospital>

SECTION IV: LOCATION OVERVIEW

DEMOGRAPHICS

Population	1-Mile	5-Mile	10-Mile
2020 Population	3,582	18,762	31,120
2024 Population	3,603	17,949	30,528
2029 Population Projection	3,517	17,381	30,374
Households	1-Mile	5-Mile	10-Mile
2020 Households	1,426	6,964	12,001
2024 Households	1,483	6,912	12,253
2029 Household Projection	1,451	6,706	12,418
Income	1-Mile	5-Mile	10-Mile
Avg Household Income	\$41,338	\$49,441	\$68,973
Median Household Income	\$23,661	\$33,717	\$59,881
< \$25,000	787	2,789	3,087
\$25,000 - 50,000	200	1,676	1,954
\$50,000 - 75,000	247	1,042	3,199
\$75,000 - 100,000	112	461	1,652
\$100,000 - 150,000	57	373	1,578
\$150,000 - 200,000	42	312	366
\$200,000+	6	31	416





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