Mercy

Mercy Health Primary Care
4280 Mid America Lane, St. Louis, MO 63129

Offering Memorandum (Leasehold)

A+ S&P	NNN	Purpose-Built	10+ Years
Investment Grade Credit	Lease Structure	Primary Care Facility	Remaining Lease Term

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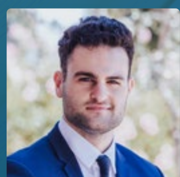

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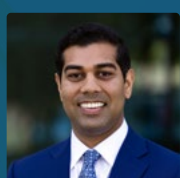

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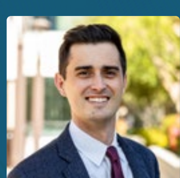

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Executive Overview

Investment Highlights

Corporate Lease Guaranty from Mercy Health | A+ Credit Rating (S&P Global) | Investment Grade

Unlike many healthcare investments that rely solely on subsidiary operating entities, the lease is fully guaranteed by Mercy Health, providing investors with credit support from the system as a whole. Mercy's investment-grade credit profile and extensive regional footprint materially enhance the long-term security of the income stream.

Long-Term Lease | 20-Year Initial Term | Four (4) Five-Year Renewal Options

The lease features an initial 20-year term which expires September 5, 2036, with four (4) additional five-year renewal options, providing durable long-term cash flow and long-term tenant commitment.

Purpose-Built Medical Facility | Sticky Healthcare Tenancy | Designed Specifically for Mercy Health

Originally developed as a build-to-suit facility for Mercy Health, the property was purposefully designed for modern outpatient operations. The specialized layout, infrastructure, and medical improvements create meaningful replacement costs and **reinforce the strategic importance of the location**.

Leasehold Investment | Favorable Depreciation Opportunity

The **offering consists of a leasehold interest, allowing a greater portion of the acquisition basis to generally be allocated toward depreciable improvements** rather than non-depreciable land. Subject to a purchaser's tax circumstances and a cost segregation study, this structure may provide enhanced depreciation benefits. (Investor to check with their CPA)*

1.5% Annual Rental Increases | Built-In Inflation Protection

The lease features 1.50% annual rental increases throughout the initial term and 2.50% annual increases during the renewal options, providing predictable NOI growth.

Triple-Net Lease Structure | Passive Investment

The lease is structured on a landlord-friendly NNN basis with the tenant responsible for substantially all operating expenses, creating a highly passive ownership opportunity.

One of the Nation's Largest Health Systems | $10.2 Billion in Annual Revenue

Mercy Health is one of the nation's largest integrated health systems, generating **approximately $10.2 Billion in annual operating revenue** while operating 50 hospitals, 20 ambulatory surgery centers, and more than 1,000 outpatient and physician locations.

Strategic St. Louis Location | 142,000+ VPD Along Interstate 55 | Ideal Retail Dense Location

The property is positioned near the signalized intersection of Interstate 55 and Butler Hill Road. Approximately 142,000 vehicles per day travel Interstate 55 near the property, while Butler Hill Road carries approximately 23,000 vehicles per day, providing exceptional visibility and accessibility. The surrounding corridor is anchored by national retailers and healthcare providers including Schnucks, Starbucks, Subway, Burger King, Popeyes, Holiday Inn, Hampton Inn, BJC Health, and the nearby South County Center, reinforcing the area's long-term commercial strength and patient convenience.

175K Dense & Affluent South St. Louis Demographics

Within a five-mile radius are approximately 175,000 residents and 76,000 households with an average household income exceeding $85,000, supporting durable long-term demand for outpatient healthcare services.

Located Within an Established Medical & Commercial Corridor

The property benefits from its location within the Butler Hill commercial corridor, surrounded by national retailers, complementary healthcare providers, and dense residential neighborhoods, supporting patient convenience and long-term relevance.

Mission-Critical Outpatient Healthcare | Recession-Resistant Asset Class

Outpatient medical facilities continue to benefit from stable demand regardless of economic conditions, making healthcare real estate one of the most resilient and sought-after net lease asset classes.

Limited Landlord Obligations | Predictable Ownership Costs

Landlord obligations are limited primarily to the ground rent, ground lease CAM allocation (currently approximately $1,085 annually) and a demolition fee obligation of approximately $10,000 annually. These limited obligations provide transparency while maintaining highly predictable ownership costs.

Ideal 1031 Exchange Opportunity | Predictable Long-Term Cash Flow

The combination of an investment-grade guaranty, long-term lease, annual rental growth, passive ownership structure, and favorable leasehold depreciation creates an attractive opportunity for 1031 exchange and long-term income investors.

Property Summary: 4280 Mid America Lane | St. Louis, MO 63129

Investment Summary

List Price	$4,828,350
NOI*	$313,843
Base Rent (Upcoming Oct 2026 Increase)	$470,986
Cap Rate	6.50%
Price/SF	$404.89
Base Rent/SF	$39.50
Year Built	2016
GLA of Building	±11,925 SF
Lot Size	±1.02 AC

**Note: NOI accounts for ground rent of $146,058, annual unreimbursed CAM ($1,085), and Demo Fee ($10,000)*

Lease Abstract

Tenant Name	Mercy Health East Communities
Type of Ownership	Leasehold
Ground Lease Term Remaining	±30.2 Years
Lease Type	NNN
Original Lease Term	20 Years
Rent Commencement	10/6/2016
Lease Expiration Date	9/5/2036
Term Remaining	±10.11 Years
Rental Increases	1.5% Annually
Option Periods	4 x 5 Years
Roof and Structure	Tenant Responsible
Tenant Responsibilities	Taxes, Insurance, CAM

Ground Lease Abstract

Tenant Name	Butler Hill MO Medical LLC
Ground Lessor	Four Points Development LLC
Original Ground Lease Term	40 Years
Ground Lease Term Remaining	±30.2 Years
Current Ground Rent	$146,058
Ground Rent Increase Structure	Greater of 10% or CPI Every 5 Years
Total Ground CAM	$2,585 Annually
Unreimbursed CAM Expense	$1,085 Annually
Annual Demolition Rent	$10,000
ROFR	Yes - Ground Lessor

Annualized Operating Data

Lease Year	Mercy Annual Rent	Monthly Rent	Rent PSF	Cap Rate*
Year 10 (Current)	$464,025	$38,668.78	$38.91	-
Year 11 (Upcoming Increase)	$470,986	$39,248.81	$39.50	6.50%
Year 12	$478,051	$39,837.55	$40.09	6.65%
Year 13	$485,221	$40,435.11	$40.69	6.79%
Year 14	$492,500	$41,041.64	$41.30	6.95%
Year 15	$499,887	$41,657.26	$41.92	7.10%
Year 16	$507,385	$42,282.12	$42.55	7.25%
Year 17	$514,996	$42,916.35	$43.19	7.41%
Year 18	$522,721	$43,560.10	$43.83	7.57%
Year 19	$530,562	$44,213.50	$44.49	7.73%
Year 20	$538,520	$44,876.70	$45.16	7.90%

**Note: Cap rate accounts for current annual ground rent, CAM and demo fee per ground lease*


W
Suson Pines Apartments
±224 Units
Village Royale Apartments
±196 Units
The Residences at Tesson Ridge
±210 Units
SSMHealth.
holiday by ATRIA SENIOR LIVING
ORCHID TERRACE
±120 Residents
WashU Medicine
Barnes-Jewish Hospital
BJC HealthCare
Center for Advanced Medicine
South County
Regions Bank
Hardee's
Fairfield BY MARRIOTT
±82 Guest Rooms
Interstate 55
± 137,744 VPD
Burger King
Butler Hill Rd
± 16,332 VPD
Subject Property
Taco Bell
Phillips 66
Holiday Inn
±99 Guest Rooms
Children's HOSPITAL • ST LOUIS
BJC HealthCare
Specialized Hospital
±3,400 Employees
Hampton by Hilton
±88 Guest Rooms

West County Center
macy's JCPenney
H&M Build-A-Bear Workshop Foot Locker
PACSUN HOLLISTER American Eagle Outfitters
BARNES&NOBLE Apple Store
SSMHealth
St. Mary's Hospital
±525 Beds | ±2,500 Employees
VA U.S. Department of Veterans Affairs
Medical Center
±120 Beds | ±3,500 Employees
N
St. Louis
±14 Miles Away
Mercy
Children's HOSPITAL • ST LOUIS
BJC HealthCare
St. Louis Children's Hospital
±455 Beds | ±3,423 Employees
Mercy
SSMHealth
St. Clare Hospital
±180 Beds | ±1,100 Employees
Interstate 55
Touchette REGIONAL HOSPITAL
Regional Hospital
±132 Beds | ±350 Employees
Interstate 270
COSTCO WHOLESALE
TARGET
± 137,744 VPD
South County Mall
JCPenney Dillard's
MEN'S WEARHOUSE
QDOBA MEXICAN EATS
American Eagle Outfitters
CHARLEYS PHILLY STEAKS
FAMOUS footwear
CHAMPS SPORTS
THE CHILDREN'S PLACE
Mercy
± 159,053 VPD
Subject Property
Mercy
Mercy Hospital South
±767 Beds | ±3,700 Employees
Children's HOSPITAL • ST LOUIS
BJC HealthCare
Specialized Hospital
±3,400 Employees

Tenant Overview

Mercy Health Primary Care
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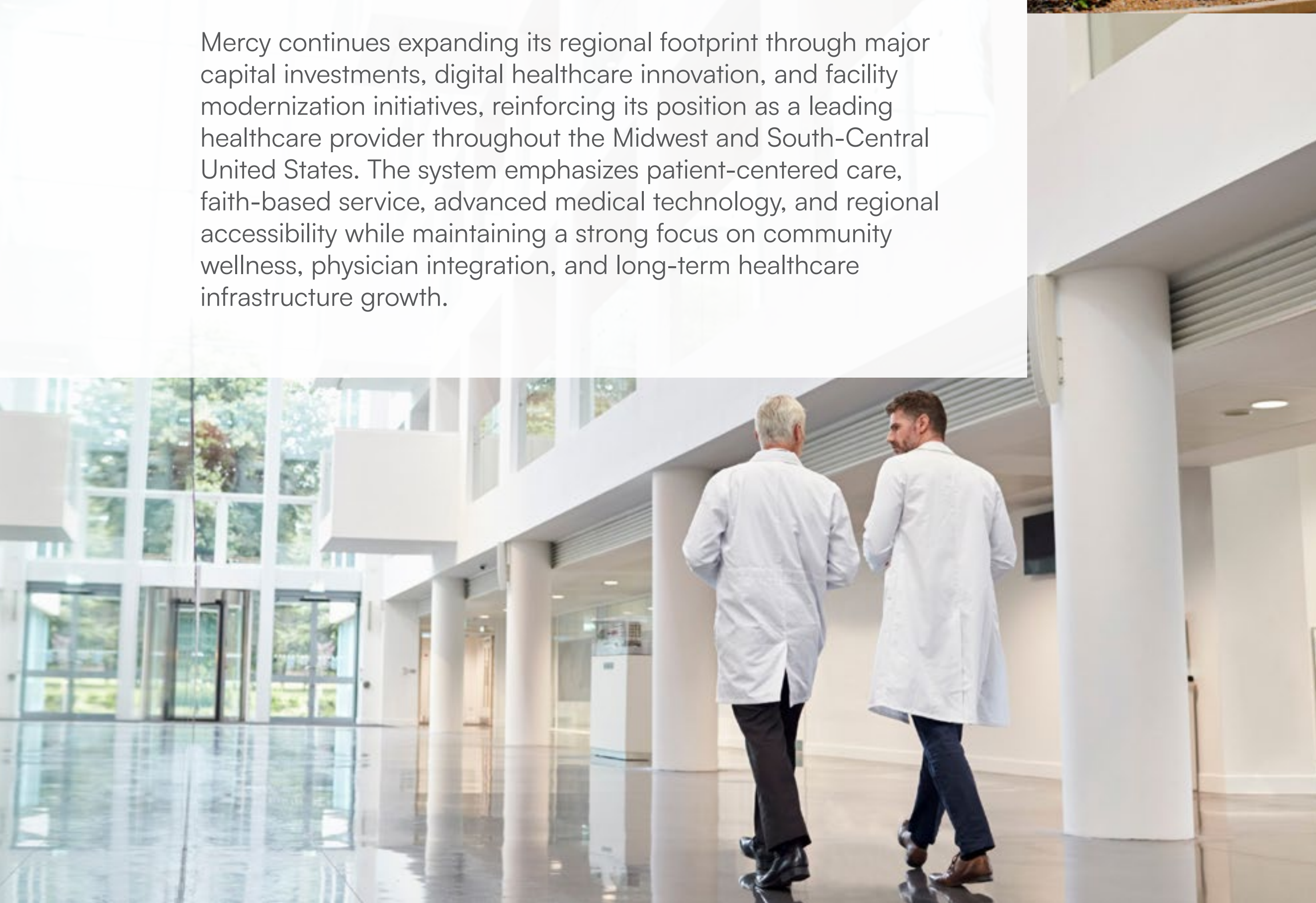
Tenant Overview

Tenant Overview

Mercy Health System is one of the nation's largest nonprofit Catholic healthcare systems, headquartered in Chesterfield, serving communities across Missouri, Arkansas, Oklahoma, and Kansas. The integrated healthcare network includes acute care hospitals, specialty clinics, physician groups, outpatient centers, urgent care facilities, virtual care services, imaging centers, pharmacies, and comprehensive home health programs.

Mercy continues expanding its regional footprint through major capital investments, digital healthcare innovation, and facility modernization initiatives, reinforcing its position as a leading healthcare provider throughout the Midwest and South-Central United States. The system emphasizes patient-centered care, faith-based service, advanced medical technology, and regional accessibility while maintaining a strong focus on community wellness, physician integration, and long-term healthcare infrastructure growth.



1 OF 15
Largest US Health Systems

50
Acute & Specialty Hospitals

1,000+
Outpatient Care Locations and Clinics

±52,000
Employees & Team Members

11.6M
Outpatient & Office Visits

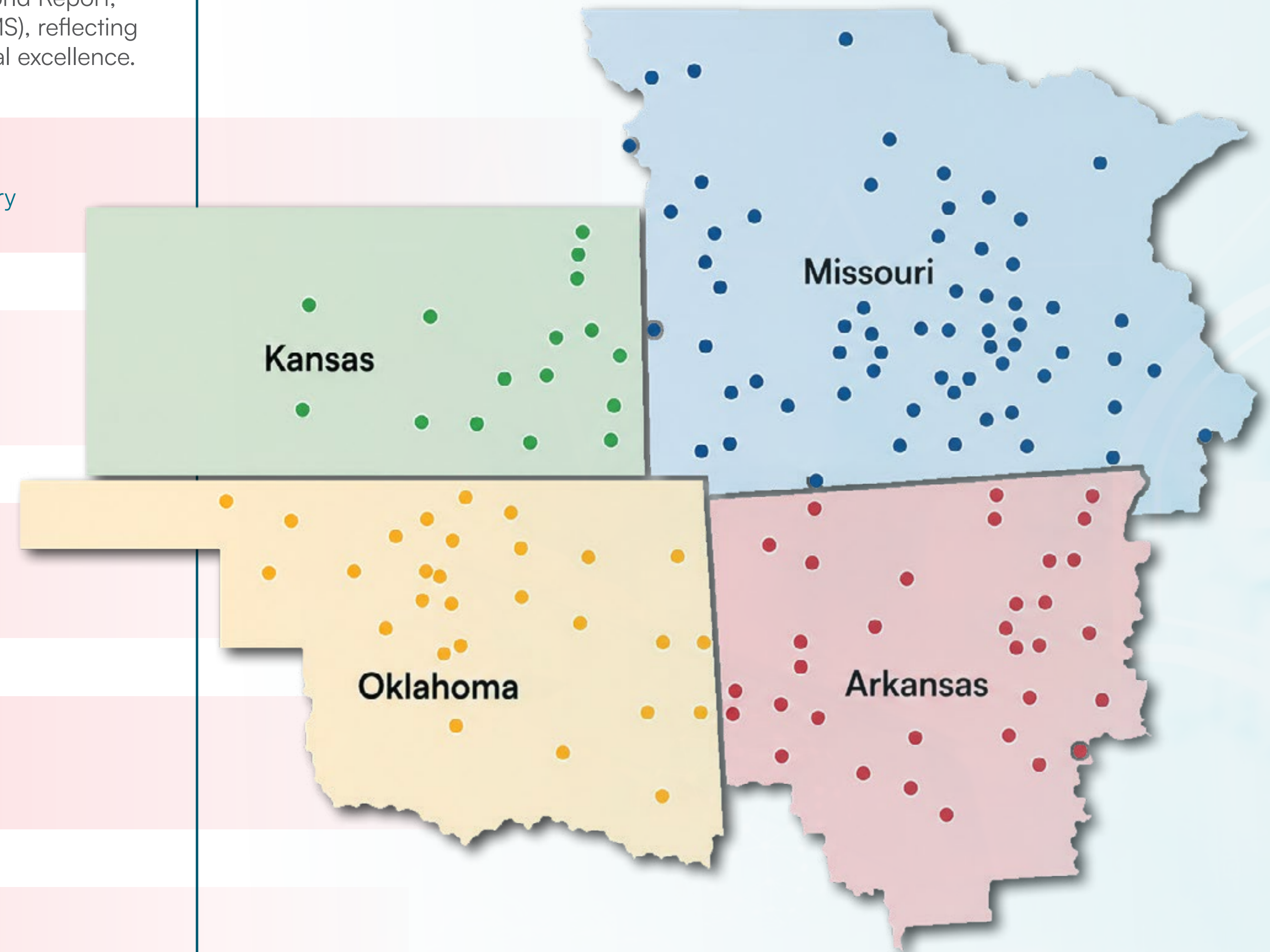
Tenant Overview

Rankings & Awards

Mercy Healthcare has been named the top large health system in the U.S. for patient experience by NRC Health and operates more than 1,000 physician practice locations, delivering comprehensive primary and preventive care across multiple states. In addition, Mercy hospitals and clinics have earned numerous national recognitions from organizations including U.S. News & World Report, Newsweek, and the Centers for Medicare & Medicaid Services (CMS), reflecting their commitment to high-quality, patient-centered care and clinical excellence.

Mercy Primary Care Footprint

80+ Clinics Across 4 States



Strong National Presence

Part of Mercy, operating in multiple states with thousands of primary care providers.

Patient-Centered Care

Focused on preventive care, chronic condition management, and whole-person wellness.

Trusted & Established

Backed by Mercy's more than 150-year mission of compassionate, quality care.

Growing Footprint

Expanding primary care locations to improve access and meet community needs.

High Quality Standards

Committed to clinical excellence, patient satisfaction, and coordinated care.

Market Overview

Mercy Health Primary Care
4280 Mid America Lane, St. Louis, MO 63129

Market Overview

St. Louis, Missouri

St. Louis, Missouri, is one of the Midwest's largest economic centers, serving as a regional hub for healthcare, biotechnology, financial services, logistics, and advanced manufacturing. Located along the Mississippi River at the intersection of several major interstate highways, the metro area provides efficient access to markets throughout the central United States. The region is home to a highly educated workforce supported by institutions such as Washington University in St. Louis and Saint Louis University, while employers including Mercy, SSM Health, Boeing, Edward Jones, and Bayer contribute to a diverse and resilient economy.

The area continues to benefit from ongoing investment in medical research, innovation districts, and infrastructure improvements that support long-term economic growth. Neighborhoods throughout the metropolitan area offer a range of residential, retail, and commercial development opportunities, while attractions such as Forest Park, the Gateway Arch, and a nationally recognized cultural scene enhance quality of life. Combined with relatively affordable operating costs, strong transportation connectivity, and a stable employment base, St. Louis remains an attractive location for businesses, healthcare providers, and commercial real estate investment.

Asset Highlights

- 660K+ annual outpatient visits nearby
- 67K+ annual ER visits at Mercy Hospital South
- 200K+ patients served annually
- 120K+ population within 5 miles
- Low South County MOB vacancy
- Located at I-55 & I-270 interchange
- Strong regional healthcare corridor
- Limited competing Class A MOB supply

Property Demographics

POPULATION	3-MILE	5-MILE	10-MILE
2020 Population	73,501	172,869	573,894
2025 Population	70,088	165,670	537,433
2030 Population Projection	69,210	164,112	527,413
HOUSEHOLDS	**3-MILE**	**5-MILE**	**10-MILE**
2020 Households	31,949	72,694	245,097
2025 Households	30,463	69,640	228,101
2030 Household Projection	30,077	68,967	223,154
INCOME	**3-MILE**	**5-MILE**	**10-MILE**
Avg Household Income	$112,054	$110,434	$112,637

Market Overview

Four State Healthcare Service Area

A vital healthcare network supporting our communities through access, innovation, and comprehenisve care, Mercy Hospital St. Louis was awarded a CMS Five-Star rating multiple times and and recognized by The Leapfrog Group as a Straight A safety hospital.

450,000 Residents

Four State Healthcare Service Area

234,600 Jobs

St. Louis MSA healthcare and social assistance employment, 2025

16.8%

Healthcare employment growth, 2021-2025

$26 Billion

St. Louis healthcare and social assistance revenue, 2023

Mercy Hospital St. Louis At-A-Glance

715
Staffed Beds

1,362
Providers

101,387
Emergency Visits, FY2025

46,711
Inpatient Discharges, FY2025

44,138
Surgeries, FY2025

Market Overview

Healthcare Demand Drivers

St. Louis, Missouri is one of the Midwest's premier healthcare markets, serving patients throughout eastern Missouri, southern Illinois, and surrounding states. Anchored by nationally recognized academic medical centers, leading nonprofit health systems, and two world-class medical schools, the region supports one of the nation's strongest healthcare ecosystems. Continued investment in hospitals, outpatient facilities, biomedical research, and workforce development reinforces long-term demand for medical office, specialty care, and outpatient real estate.

Regional Referral Center

St. Louis serves as the primary tertiary and quaternary healthcare destination for eastern Missouri and southern Illinois, attracting patients from a multi-state region for specialized cardiovascular, cancer, neurosciences, transplant, pediatric, and trauma care.

Nationally Recognized Health Systems

The metro is anchored by BJC HealthCare, Mercy, SSM Health, St. Luke's, and VA St. Louis Health Care System, creating one of the largest concentrations of hospitals, physicians, and specialty providers in the Midwest.

Largest Employment Sector

Healthcare is St. Louis' largest employment industry, supporting more than 220,000 healthcare workers and generating approximately $18.6 billion in annual economic activity across the region.

Academic Medicine & Research

Washington University School of Medicine and Saint Louis University School of Medicine provide nationally recognized physician training, biomedical research, and clinical innovation while supplying a highly skilled healthcare workforce.

Aging Population

The St. Louis region's growing senior population continues to increase demand for primary care, specialty care, orthopedics, cardiology, oncology, rehabilitation, and outpatient medical services.

Expanding Outpatient Care

Regional health systems continue investing billions of dollars in new ambulatory care centers, specialty clinics, medical office buildings, and campus expansions to improve patient access and meet growing demand for outpatient services.

Healthcare Innovation Cluster

The collaboration between hospitals, universities, research institutions, and the growing life sciences sector has positioned St. Louis as one of the nation's leading centers for medical research, biotechnology, and healthcare innovation.

Strong Insured Employment Base

A diverse economy supported by financial services, manufacturing, logistics, higher education, biotechnology, and professional services provides a stable base of insured employees that supports sustained demand for physician offices, imaging, rehabilitation, and specialty medical care.

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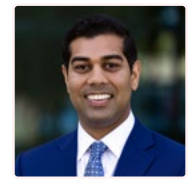

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