



Mercy Health Primary Care
505 N 25th Street, Ozark, MO 65721
Offering Memorandum

A+ S&P

Investment Grade Credit

NNN

Lease Structure

Purpose-Built

Primary Care Facility

10+ Years

Remaining Lease Term



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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 guaranteed by Mercy Health, providing investors with credit support from the broader health system. With an expansive network of hospitals, physician practices, specialty clinics, and outpatient facilities across Missouri, Arkansas, Oklahoma, and Kansas, Mercy possesses significant operational scale and financial resources that strengthen the long-term security of the lease and reduce tenant credit risk.

Mission-Critical Mercy Primary Care Facility | Springfield MSA Location | Fee Simple Ownership

The property is strategically located in Ozark, Missouri, within the rapidly growing Springfield MSA, one of the strongest healthcare markets in Southwest Missouri. The facility serves as an integral component of Mercy Health's outpatient network, providing convenient access to primary care services for one of the region's fastest-growing suburban communities.

Leading Health System | \$10.2 Billion in Revenue | Multi-State Footprint

Mercy Health is one of the 15 largest health systems in the United States, generating approximately \$10.2 billion in annual operating revenue while employing more than 52,000 caregivers and 5,600 physicians and advanced practice providers. The system operates 50 acute care and specialty hospitals, 20 outpatient surgery centers, and more than 1,000 physician practice and outpatient locations across its multi-state footprint.

2016 Purpose-Built Facility | Build-to-Suit for Mercy Health

Originally constructed in 2016 as a build-to-suit facility for Mercy Primary Care, the building was specifically designed to accommodate modern outpatient medical operations. Medical facilities require significant capital investment for specialized improvements, infrastructure, exam rooms, and building systems that are often difficult and expensive to replicate elsewhere. These characteristics create meaningful barriers to relocation and help reinforce long-term tenancy.

20 Year NNN Lease | 10 Years Remaining | 4 x 5 Year Options

The property is leased to Mercy Health through July 2036, providing approximately 10 years of lease term remaining. Long-term occupancy from one of the nation's premier healthcare systems offers investors predictable cash flow backed by a tenant with significant operational scale and a longstanding commitment to the Springfield market.

Triple-Net Structure | Ideal 1031 Exchange Opportunity

The lease is structured on a NNN basis, with the tenant responsible for taxes, insurance, maintenance, including repair and replacement of the roof and HVAC. This minimizes ongoing landlord responsibilities while providing investors with a stable and predictable income stream, making the asset particularly attractive for passive and out-of-state ownership.

1.5% Annual Rental Increases | Built-In Inflation Protection

The lease features 1.5% annual rental increases throughout the base term, providing contractual NOI growth. Annual escalations help preserve purchasing power over time while steadily increasing investor returns throughout the hold period.

Primary Care Facility | Premier Healthcare Asset Class | Recession-Resistant Investment

Primary care represents one of the most essential and non-discretionary segments of healthcare. Demand for outpatient medical services remains relatively consistent regardless of economic conditions, making healthcare real estate one of the most resilient property types and a continued focus for institutional and private investors.

Springfield MSA | Rapid Population Growth | Strong Demographic Fundamentals

Located just south of Springfield, Ozark benefits from one of the fastest-growing metropolitan areas in Missouri. The Springfield MSA is home to approximately 500,000 residents, while Christian County has grown by more than 13% since 2020, making it one of the fastest-growing counties in the state. Continued residential expansion, strong household formation, and continued increasing healthcare demand provide an attractive foundation for long-term outpatient investment performance.

Property Summary: 505 N 25th Street | Ozark, MO 65721



Investment Summary

List Price	\$7,270,839
NOI (Upcoming Increase)	\$418,073
Cap Rate	5.75%
Price/SF	\$534.86
Base Rent/SF	\$30.75
Year Built	2016
GLA of Building	±13,594
Lot Size	±2.50

Lease Abstract

Tenant Name	Mercy Health Springfield Communities
Type of Ownership	Fee Simple
Lease Guarantor	Mercy Health
Lease Type	NNN
Original Lease Term	20 Years
Rent Commencement	8/7/2016
Lease Expiration Date	7/7/2036
Term Remaining	10.00
Rental Increases	1.5% Annually
Option Periods	4 x 5 Years
Roof	Tenant Responsible for repair and replacement
Landlord Responsibilities	Landlord is responsible for foundations, exterior walls, structural portions of the building.
Tenant Repair and Maintenance	Tenant maintains the Premises, including all interior and non-structural components, parking areas, landscaping, sidewalks, entrances, refuse areas and other improved portions of the property.
Taxes	Tenant responsible for all real estate taxes, assessments and governmental charges applicable to the Premises.
Insurance	Tenant Responsible
HVAC and Building Systems	Tenant maintains, repairs and replaces HVAC, heating, plumbing, sewerage, lighting and other non-structural building systems.
ROFR	Yes



Annualized Operating Data

Lease Year	Annual Rent	Monthly Rent	Rent PSF	Cap Rate
Year 10 (Current)	\$411,895	\$34,324.57	\$30.30	
Year 11 (Upcoming Increase)	\$418,073	\$34,839.44	\$30.75	5.75%
Year 12	\$424,344	\$35,362.03	\$31.22	5.84%
Year 13	\$430,709	\$35,892.46	\$31.68	5.92%
Year 14	\$437,170	\$36,430.84	\$32.16	6.01%
Year 15	\$443,728	\$36,977.31	\$32.64	6.10%
Year 16	\$450,384	\$37,531.97	\$33.13	6.19%
Year 17	\$457,139	\$38,094.95	\$33.63	6.29%
Year 18	\$463,996	\$38,666.37	\$34.13	6.38%
Year 19	\$470,956	\$39,246.37	\$34.64	6.48%
Year 20	\$478,021	\$39,835.06	\$35.16	6.57%



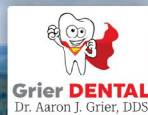


Ozark High School
±1,500 Students



Ozark Junior High School
±950 Students

Innovation Center Ozark High School
±1,500 Students



14
± 16,087 VPD

New Construction





Missouri State University
±11,380 Students | ±950 Employees



Mercy Clinic Family Medicine

Battlefield Mall

Dillard's ★ macy's

**TILLYS**

OLD NAVY

Primrose Marketplace



target



T.J. maxx



Total Wine  **& MORE**



OZARKS TECHNICAL COMMUNITY COLLEGE

Ozarks Technical Community College
±11,380 Students | ±950 Employees

Springfield

±500K MSA Population

Children's

HOSPITAL • ST. LOUIS

BJC HealthCare
±72 Beds | ±1,000 Employees



±706 Beds | ±6,000 Employees

± 40,613 VPD

±886 Beds | ±9,200 Employees
**Mercy Springfield Hospital
 and Emergency
 Department**

GoHealth Urgent Care
and Mercy Advanced
Care

Mercy Springfield Clinic
and Primary Care

Mercy Orthopedic
Hospital

Mercy Clinic Family
Medicine



Mercy

Subject Property

Mercy Clinic Primary Care

Google Earth



Springfield Hospital & Emergency Department

1,024+ Providers | 829,888 Outpatient Visits (FY 2025)

Springfield
±16 Miles

Town Centre Medical Corridor

Largest Concentration of Medical Offices in Ozark



US Hwy 65 N
± 46,970 VPD



Mercy Health Network

Mercy Hospital Springfield

±573 Beds | ±13 Miles

Mercy Urgent Care-Ozark

±2.3 Miles

Mercy Clinic Family Medicine

±4.8 Miles

Mercy Imaging Center

±5 Miles

Mercy Outpatient Surgery Center

±13 Miles

Springfield MSA

±500K Residents

16%+ Growth Christian County 2020-2025

New Mercy Springfield GME Residency

Program Launching Summer 2027

Projected \$111M Economic Impact



Ozark Marketplace

±2 Miles | ±250-400 New Jobs

40-Acre Mixed-Use Retail Center Planned with Aldi, Dutch Bros, McDonald's, Casey's, Plaza Tire Service, and Additional Retail/Restaurant Space.



New Housing Developments

Valley Ridge

First phase completed.

Approximately 144 homes planned.

Roughly 30 homes completed in the first phase.

Finley Crossing

New residential neighborhood under construction near Midtown Ozark.

Initial homes are being built.

2026 Build



W Jackson St
± 16,087 VPD



Subject Property

Retail & Dining Corridor



STARBUCKS



tropical CAFE

Tenant Overview

Mercy Health Primary Care

505 N 25th Street, Ozark, MO 65721



| 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.

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

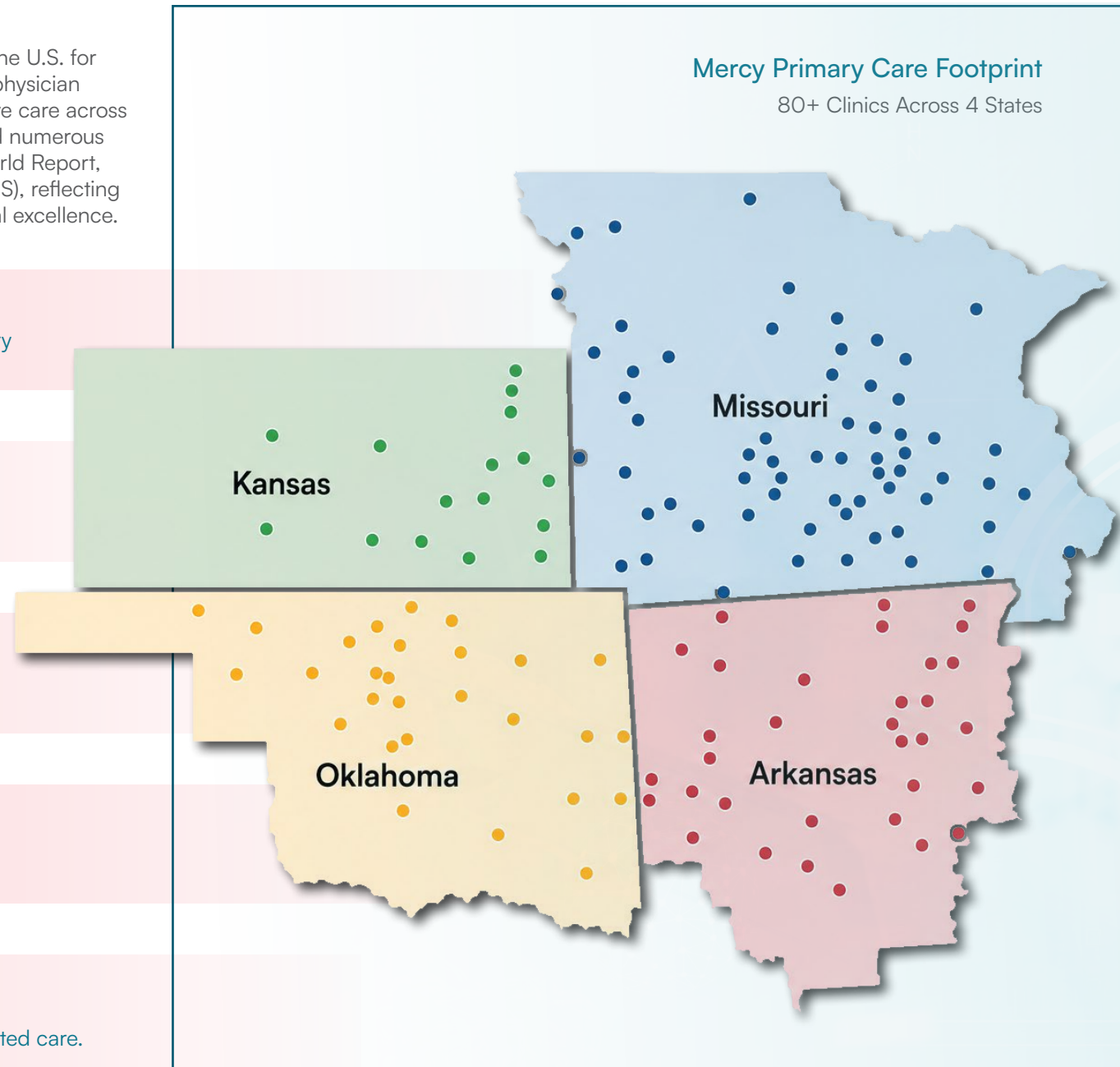
Backed by Mercy's more than 150-year mission of compassionate, quality care.

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

505 N 25th Street, Ozark, MO 65721



| Market Overview

Ozark, Missouri

Ozark is one of the fastest-growing communities within the Springfield MSA and continues to benefit from strong residential expansion, commercial development, and increasing healthcare demand throughout Southwest Missouri. Located just south of Springfield, the area has become a preferred suburban destination due to its strong schools, growing population base, and expanding retail and service infrastructure.

The property is positioned within a highly active commercial corridor surrounded by restaurants, entertainment, and new mixed-use development activity. Nearby city-owned land is currently part of a larger municipal development initiative that includes future hospitality, office, and healthcare-related uses, further supporting long-term growth in the immediate area.

Springfield serves as the dominant healthcare hub for Southwest Missouri, drawing patients from surrounding rural communities across Missouri, Arkansas, Oklahoma, and Kansas. Continued suburban growth, expanding outpatient care demand, and limited Class A medical inventory within the Ozark submarket support favorable long-term fundamentals for healthcare real estate.

Asset Highlights

Fast-growing Springfield suburban market

Strong residential and population growth

Regional healthcare hub for Southwest Missouri

Adjacent mixed-use and city development

Strong surrounding retail corridor

Continued outpatient healthcare demand

Property Demographics

POPULATION	3-MILE	5-MILE	10-MILE
2020 Population	26,212	56,576	146,942
2025 Population	29,380	62,917	154,494
2030 Population Projection	31,224	66,769	160,771
HOUSEHOLDS	3-MILE	5-MILE	10-MILE
2020 Households	9,614	21,278	59,836
2025 Households	10,796	23,687	62,678
2030 Household Projection	11,479	25,145	65,162
INCOME	3-MILE	5-MILE	10-MILE
Avg Household Income	\$98,184	\$98,076	\$99,663

Market Overview

Four State Healthcare Service Area

A vital healthcare network supporting our communities through access, innovation, and comprehensive care, Mercy Hospital Springfield was named one of the World's Best Hospitals by Newsweek.

450,000

Residents

Four State Healthcare Service Area



35,900

Jobs

Springfield MSA healthcare and social assistance employment, 2025

16.8%

Healthcare employment growth, 2021-2025

\$3.4

Billion

Springfield healthcare and social assistance revenue, 2022

Mercy Hospital Springfield At-A-Glance

573

Staffed Beds

1,024

Providers

74,988

Emergency Visits, FY2025

829,888

Outpatient Visits, FY2025

41,373

Surgeries, FY2025

MERCY INVESTING IN SPRINGFIELD'S FUTURE

Graduate Medical Education Program

Summer 2027 Launch

- 160+ residency & fellowship positions by 2032
- 75 Internal Medicine residency positions planned
- Supports physician recruitment and long-term retention
- Estimated to generate **\$111M+** in regional economic output
- Estimated to support **635 jobs** during the program's first seven years



| Market Overview

Healthcare Demand Drivers

Springfield, Missouri serves as the healthcare capital of southwest Missouri and the greater Ozarks, providing advanced medical services to patients across southern Missouri, northern Arkansas, eastern Oklahoma, and southeast Kansas. Anchored by Mercy Hospital Springfield and CoxHealth, the region benefits from nationally recognized healthcare systems, a growing medical workforce, expanding graduate medical education programs, and one of the largest concentrations of healthcare employment in the state. These demand drivers continue to support long-term demand for medical office, outpatient, and specialty healthcare facilities.

Regional Referral Hub

Springfield serves as the primary healthcare destination for the Ozarks, drawing patients from more than 60 counties across southwest Missouri and neighboring states. The market functions as the region's principal center for tertiary, trauma, cardiovascular, oncology, pediatric, and specialty medical care.

Nationally Recognized Health Systems

The city is anchored by Mercy Hospital Springfield and CoxHealth, two of Missouri's largest health systems. Together they provide a broad network of physicians, specialists, outpatient centers, and advanced clinical services that attract patients well beyond the local population.

Growing Healthcare Employment

Healthcare is the largest employment sector in the Springfield metropolitan area, supporting nearly 36,000 healthcare and social assistance jobs. Continued population growth and increasing regional demand have fueled sustained expansion in healthcare employment over the past several years.

Expanding Medical Education Pipeline

Mercy is launching its Graduate Medical Education (GME) program beginning in 2027, creating up to 160 residency and fellowship positions by 2032. Combined with Missouri State University, Ozarks Technical Community College, and regional nursing and allied health programs, Springfield continues to strengthen its long-term physician and healthcare workforce pipeline.

Aging Regional Population

The Ozarks has a larger-than-average share of residents age 65 and older, supporting sustained demand for primary care, cardiology, orthopedics, oncology, and rehabilitation as the population continues to age.

Large Regional Trade Area

Springfield's economy is supported by major employers including Mercy, CoxHealth, Bass Pro Shops, O'Reilly Auto Parts, Missouri State University, and numerous advanced manufacturing and financial services companies. This diversified employment base generates consistent demand for employer-sponsored healthcare and outpatient medical services.



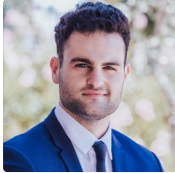
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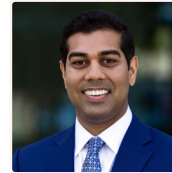
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2. You will hold it and treat it in the strictest of confidence; and
3. You will not, directly or indirectly, disclose or permit anyone else to disclose this Offering Memorandum or its contents in any fashion or manner.

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