

SINGLE TENANT NET LEASED INVESTMENT



- 100% Leased to a \$15 Billion Company
- VillageMD is 63% Owned by Walgreens
- With the Investment of Walgreens, Village MD has Increased the Number of Co-located Primary Care Practices to Over 600 Locations in More than 30 U.S. Markets



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INVESTMENT REAL ESTATE

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VillageMD

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Gilbert, Arizona

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Gilbert, Arizona

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One, Three, Five Miles

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SALE PRICE:

\$1,242,707 (\$397.28 PSF)

PROPERTY ADDRESS:

1485 SOUTH HIGLEY ROAD | GILBERT, AZ

BUILDING SIZE:

3,128 SF

CAP RATE:

5.25%

ESCALATIONS:

3% ANNUAL INCREASES

LEASE OPTIONS:

(1) 5 YEAR OPTION

LEASE EXPIRATION:

DECEMBER 14TH, 2025

NOI:

\$65,242

TENANT NAME:

VILLAGEMD (63% OWNED BY WALGREENS)

SALE TYPE:

INVESTMENT

LEASE STRUCTURE:

NNN

YEAR BUILT:

2008

PARCEL NUMBER:

APN 304-28-936

ZONING:

SC

PARKING RATIO:

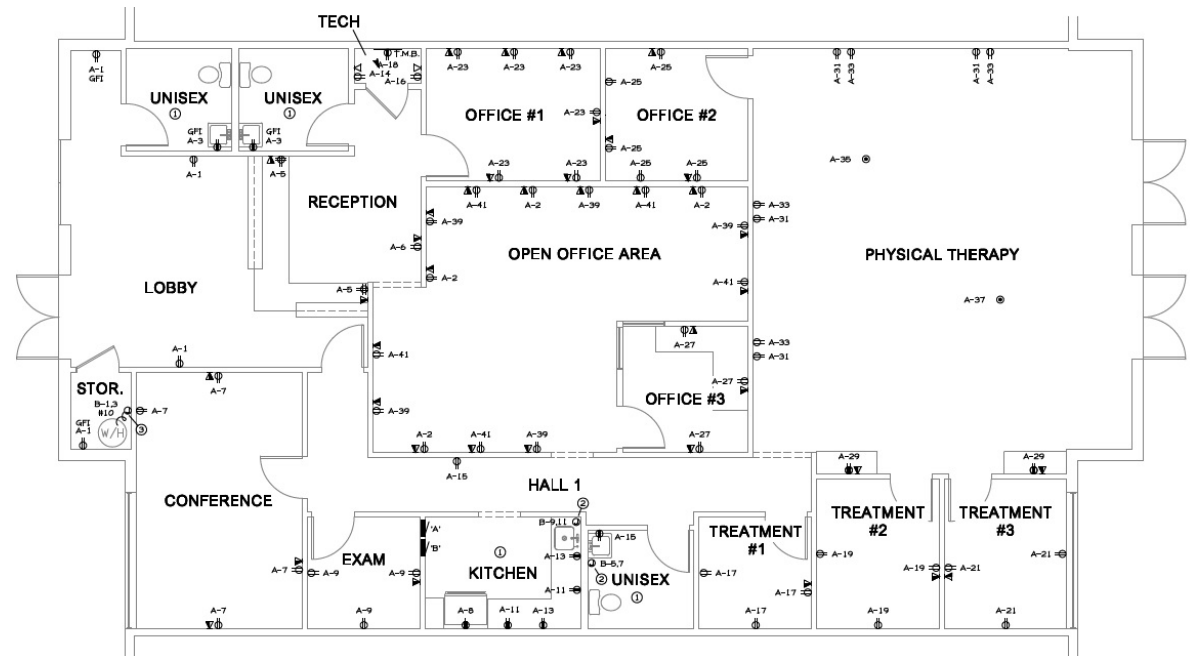
5/1,000 SF

SIGNAGE:

MONUMENT & BUILDING SIGNAGE AVAILABLE

TRAFFIC COUNTS:

RAY & HIGLEY ROADS (48,393 VPD)





VillageMD™



TEAM-BASED



PHYSICIAN-LED



TECH-ENABLED



DATA-INFORMED

VillageMD collaborates with primary care physicians to maximize success in a changing health care environment. VillageMD's goal is to be the largest, highest performing primary care-led network in the U.S. VillageMD is a provider of healthcare for organizations moving toward a primary care-led, high-value clinical model. The VillageMD solution provides the tools, technology, operations, and staffing support needed for physicians to drive the highest quality clinical results across a population. VillageMD works with physician groups, independent practice associations, and health systems to improve quality, deliver a first-rate patient experience, and lower costs in the communities they serve.

TENANT HIGHLIGHTS:

- Headquarters Greater Chicago Area
- Assets under Management \$4 billion and over 200 clinics nationwide across 9 markets
- Patients served to date (Feb 2022) 1.6m
- Walgreens owns a 63% stake in VillageMD
- February 15, 2022 VillageMD buys chronic care management company and Healthy Interactions
- February 16, 2022 Walgreens and VillageMD continue Florida expansion with Jacksonville Openings
- October 2021 Walgreens injects \$5.2 billion investment in VillageMD making VillageMD Valuation of more than \$15 billion dollars and one of the largest primary care providers in the United States. This Injection of cash accelerates the opening of at least 600 Village Medical at Walgreens primary care practices in more than 30 U.S. markets by 2025 and 1,000 by 2027
- VillageMD plans to conduct an IPO in 2022
- VillageMD has experienced rapid growth, increasing revenues from \$217 million in 2017 to \$1.3 billion expected in 2021

“VillageMD is a leader within the fast-growing, value-based primary care segment with high rates of patient satisfaction and a talented management team who share our strategic vision of the central role that primary care can serve to improve patient outcomes and lower costs.”

Roz Brewer, Walgreens CEO

TENANT WRITE UP

1485 South Higley Road

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The Tenant





Walgreens Boots Alliance Makes \$5.2 Billion Investment in VillageMD to Deliver Value-Based Primary Care to Communities Across America

Investment increases ownership stake in VillageMD to 63 percent

Increases number of co-located primary care practices to over 600 in more than 30 U.S. markets by 2025 and 1,000 by 2027, with more than half in underserved communities

DEERFIELD, Ill. & CHICAGO – October 14, 2021 – Walgreens Boots Alliance (Nasdaq: WBA) and VillageMD today announced that WBA has agreed to make an additional investment in VillageMD to advance its strategic position in the delivery of value-based primary care, a \$1 trillion, fast-growing segment of the healthcare system.

The \$5.2 billion investment will accelerate the opening of at least 600 Village Medical at Walgreens primary care practices in more than 30 U.S. markets by 2025 and 1,000 by 2027, with more than half of those practices in medically underserved communities. Walgreens' partnership with VillageMD will lead to a significant increase in access to primary care in underserved urban and rural communities – more than 75 percent of Americans live within five miles of a Walgreens.

The investment increases WBA's ownership stake in VillageMD to 63 percent from 30 percent. VillageMD remains a standalone company, with its own board and management, and the company plans to conduct an IPO in 2022.

Through its partnership with VillageMD, Walgreens is the first national pharmacy chain to offer full-service primary care practices with primary care physicians and pharmacists co-located at its stores all under one roof at a large scale.

"The best healthcare is deeply rooted in local communities, and Walgreens is committed to expanding convenient access to high-quality and affordable healthcare services to our patients and customers in our neighborhood locations," said Roz Brewer, CEO, Walgreens Boots Alliance. "VillageMD is a leader within the fast-growing, value-based primary care segment with high rates of patient satisfaction and a talented management team who share our strategic vision of the central role that primary care can serve to improve patient outcomes and lower costs."

VillageMD currently operates over 230 practices across 15 markets, with plans to expand nationally over time. The company has experienced rapid growth, increasing revenues from \$217 million in 2017 to \$1.3 billion expected in 2021.

"Over the past two and a half years, we have worked side-by-side with Walgreens to create an integrated primary care and pharmacy model that accomplishes one primary goal: better patient care. WBA's investment supports our ongoing commitment to providing the highest quality healthcare to all patients, including many people who don't currently have convenient access to a primary care provider," said Tim Barry, CEO and chairman of VillageMD. "This expanded partnership helps us accelerate our mission to deliver the best healthcare in the world."

VillageMD delivers high-quality primary care and an outstanding experience to patients, and enables physicians to transition from traditional fee-for-service to risk-based care models. Its physician-led care teams include pharmacists, nurses, lab techs, behavioral health specialists and other types of providers with a national network of clinical best practices to help provide coordinated, personalized care for each patient.

With this investment, VillageMD can accelerate its strategy of providing comprehensive, coordinated care through a primary care model, including expansion into broader service lines. Village Medical at Walgreens locations accept a wide range of health insurance options. Patients may access care and support through in-person, at-home and telehealth visits.

WBA and VillageMD have 52 co-located primary care practice locations currently open, and will have more than 80 open by the end of this calendar year. The companies first announced a partnership in 2019 with the trial launch of five co-located practices in the Houston area. Following the highly successful pilot, the companies expanded the partnership in July 2020, followed by an announcement in January of this year when WBA accelerated its investment.

The transaction is subject to the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and other customary closing conditions and is expected to close by the end of calendar 2021. VillageMD's financials will be consolidated by WBA. Sidley Austin LLP acted as lead legal advisor for WBA, along with Weil, Gotshal & Manges LLP. Latham & Watkins, LLP acted as lead legal advisor for VillageMD.



PARCEL #: 304-28-936
TAXES (2021): \$9,114.80
LOT SIZE: 3,128 SF

Epicenter
NWC Higley Road & Ray Road | Gilbert, Arizona

±50,000 SF of High-
End, Local Retailers &
Restaurateurs
Situated Below 320+ Luxury
Apartments



HIGLEY ROAD | 28,026 VPD

RAY ROAD | 20,367 VPD



Proforma Rent Roll															
SUITE #	TENANT	SQ. FT.	Month 1 May-22	Month 2 Jun-22	Month 3 Jul-22	Month 4 Aug-22	Month 5 Sep-22	Month 6 Oct-22	Month 7 Nov-22	Month 8 Dec-22	Month 9 Jan-23	Month 10 Feb-23	Month 11 Mar-23	Month 12 Apr-23	Total
103	VillageMD	3,128	\$5,369.73	\$5,369.73	\$5,369.73	\$5,369.73	\$5,369.73	\$5,369.73	\$5,369.73	\$5,530.80	\$5,530.80	\$5,530.80	\$5,530.80	\$5,530.80	\$65,242
BASE RENTAL REVENUE			3,128	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,370	\$5,531	\$5,531	\$5,531	\$5,531	\$5,531	\$65,242

Cash Flow Summary

Projected Base Rent	\$65,242
Expense Reimbursements	\$17,537
Total Rental Income	\$82,779
Operating Expenses	(\$17,537)
NOI	\$65,242

Operating Expense Summary

Property Taxes	\$ 9,114.80
Property Insurance	\$ 540.00
Maintenance	\$ 7,882.56
NNN PSF	\$ 5.61





Just east of Chandler and south of Mesa, Gilbert has surged from just an agricultural community on the outskirts of metro Phoenix into the place to be. It's easy to see why – ask a local what their favorite attraction is and they'll happily share a handful.

Step into the past at the Gilbert Historical Museum, which was originally built in 1913 to serve as Gilbert Elementary School. Nine exhibits share the town's history, within history itself – the museum is listed in the National Register of Historic Places. History and modern mesh well in Gilbert's Heritage District – nearly century-old buildings have been revitalized and transformed into a mecca for entertainment. A 1935 grocery store is now Liberty Market, just a stone's throw from other popular eateries including Postino East and Joe's Real BBQ.

For all its urban offerings, Gilbert is also a paradise for the outdoors – both within Earth's atmosphere and out of it. Stargaze at the Gilbert Rotary Centennial Observatory, where a telescope makes it easy to see the moon, Jupiter, Venus, Mars, and the rings of Saturn.

Closer to the ground, the Riparian Preserve at a collection of man-made, recycled-water lakes provides valuable environments for migrating birds. Hundreds of species have been spotted here.

Little ones will adore Freestone Park, which offers a lake, baseball fields, basketball courts, playgrounds, a miniature train, a skate park, a carousel, a mini Ferris wheel, and waterless wave runners. Come to think of it, everyone will adore Freestone Park – and Gilbert!



MOST PROSPEROUS CITY IN THE COUNTRY
ECONOMIC INNOVATION GROUP (EIG), 2020



BEST PLACE TO LIVE, WORK AND PLAY
MONEY.COM, 2020-21

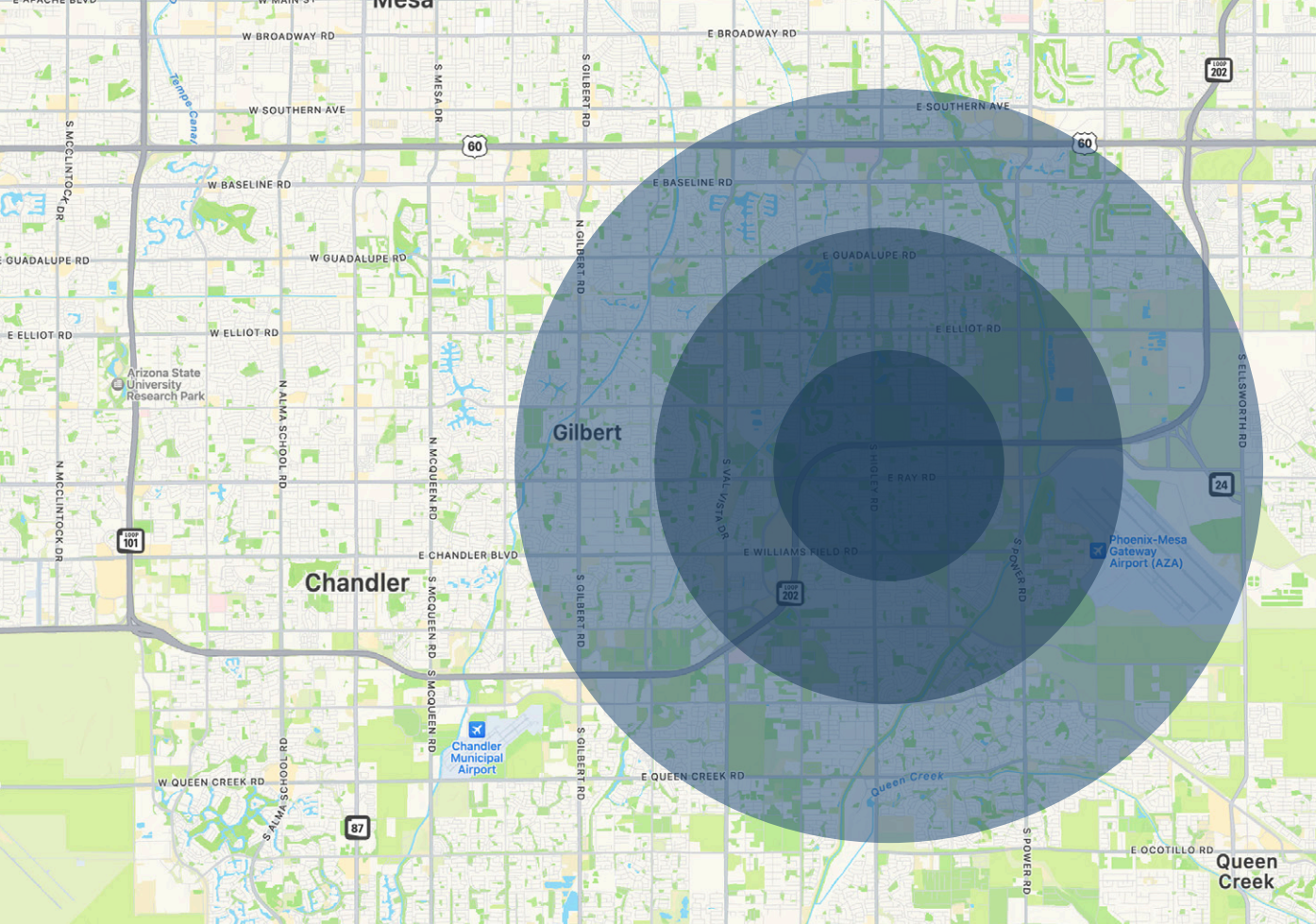


BEST PLACE TO BUY A HOME
WALLETHUB, 2020



BEST COMMUNITY ECONOMY STARTING TO RECOVER FROM PANDEMIC
WALLETHUB, 2020

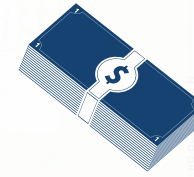




DEMOGRAPHIC HIGHLIGHTS



333,148
5 Mile Radius



\$119,271
3 Mile Radius



32.2
3 Mile Radius

2021 SUMMARY (SOURCE: ESRI)	ONE MILE	THREE MILE	FIVE MILE
DAYTIME POPULATION	19,928	133,769	333,148
RESIDENTIAL POPULATION	18,032	109,289	260,578
AVERAGE HOUSEHOLD SIZE	2.91	3.07	2.97
AVERAGE HOUSEHOLD INCOME	\$112,845	\$119,271	\$114,938
MEDIAN AGE	33.0	32.2	33.9



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Legal questions should be discussed by the party with an attorney. Tax questions should be discussed by the party with a certified public accountant or tax attorney. Title questions should be discussed by the party with a title officer or attorney. Questions regarding the condition of the property and whether the property complies with applicable governmental requirements should be discussed by the party with appropriate engineers, architects, contractors, other consultants and governmental agencies. All properties and services are marketed by ORION Investment Real Estate in compliance with all applicable fair housing and equal opportunity laws.

Disclaimer



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