

HOSPITAL LEASED AMBULATORY SURGERY CENTER

2089 SOUTHRIDGE DR. TUPELO, MS



NORTH MISSISSIPPI
HEALTH SERVICES



ZEUSTRA

CONFIDENTIAL OFFERING MEMORANDUM



Important Information Concerning this Memorandum

This Confidential Investment Memorandum (the “Memorandum”) has been prepared by Zeustra, LLC (“Zeustra”) on behalf of the ownership and is being provided to a select group of potential investors who may be interested in evaluating a possible transaction involving the property located at 2089 Southridge Dr. Tupelo MS (the “Property”).

The Memorandum is intended solely for informational purposes to assist recipients in determining whether they wish to proceed with further investigation of the opportunity. It is provided subject to the execution of a Confidentiality Agreement, and the information contained herein is based on data obtained from sources believed to be reliable. However, neither the Company nor Zeustra makes any representations or warranties, express or implied, as to the accuracy or completeness of the information provided.

This Memorandum contains certain statements, estimates, and projections regarding the anticipated performance of the Property. These forward-looking statements reflect various assumptions that may or may not prove to be accurate. Recipients should conduct their own independent investigations and analysis. Nothing contained herein should be considered a guarantee or representation of future results.

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TABLE OF CONTENTS

I. Executive Summary

I. Overview

II. Investment Highlights

III. Tenant Overview

IV. Key Considerations

II. Demographic and Market Overview

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11,031 SF

Gross Leasable Area

100%

Occupancy

\$249,408

Net Operating Income



EXECUTIVE SUMMARY

EXECUTIVE SUMMARY



OVERVIEW

Zeustra, LLC is pleased to present the exclusive opportunity to acquire 2089 Southridge Drive, a single-tenant, hospital-leased ambulatory surgery center (ASC) located in Tupelo, Mississippi. The property is leased on an absolute triple-net (NNN) basis directly to North Mississippi Medical Center–Tupelo, the region’s dominant healthcare provider.

The lease includes a recently executed extension commencing November 1, 2025 and running through October 31, 2030, providing investors with five years of secure, contractual cash flow. The lease features 3.5% annual rent increases, offering built-in NOI growth and an effective hedge against inflation.

The property offers investors true passive income supported by AA-rated hospital credit, contractual rent growth, and mission-critical medical use. Located approximately 1.2 miles from the main hospital campus, the ASC allows the health system to efficiently migrate surgical volume to a lower-cost, outpatient setting while maintaining clinical integration and referral continuity.

Few hospital-leased assets offer this combination of AA-rated credit, absolute NNN structure, ASC tenancy, and fixed 3.5% annual rent growth, positioning 2089 Southridge Drive as a highly defensive, institutional-quality medical investment.

Property Information

Total SF	11,031
Tenancy	Single
Total Net Operating Income (Year 1)	\$249,408
Lease Structure	Triple-Net
WALT	5 Years
Year Built	2009



PROPERTY OVERVIEW

MEDICAL CORRIDOR



RENT ROLL



**NORTH MISSISSIPPI
HEALTH SERVICES**

Tenant	Size (SF)	Renewal Start	Exp Date	Annual Rent	Rent PSF	Lease Type	Annual Increases
North Mississippi Health Services	11,031	11/1/2025	10/31/30	\$249,408	\$22.60	NNN	3.5%

Net Operating Income	\$249,408.00
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EXECUTIVE SUMMARY

INVESTMENT HIGHLIGHTS



Long-Term, Credit-Backed Income:

- Single-tenant, hospital-leased ambulatory surgery center (ASC) producing \$249,408 in Net Operating Income.
- Leased on an absolute NNN basis, providing true passive income with no landlord responsibilities.
- Lease extension in place through October 31, 2030, securing five years of contractual cash flow.
- Tenant is North Mississippi Medical Center–Tupelo, the region's dominant healthcare provider.



Prime Location and Market Strength

- Located in Tupelo, Mississippi, a regional hub with a population of nearly 38,000 and a strong local economy.
- Tupelo serves as the headquarters and primary service area of North Mississippi Medical Center–Tupelo, the largest non-metropolitan hospital in the United States and a key employer with approximately 7,200 employees.
- The property is located approximately 1.2 miles from the main hospital campus, supporting convenient access for outpatient referral flows and clinical integration.
- Tupelo's economy is diversified across healthcare, manufacturing, retail, and financial services, with North Mississippi Medical Center playing a central role in regional employment.



Operational and Financial Security

- Leased to North Mississippi Health Services, a leading regional healthcare system serving 24 counties across North Mississippi and Northwest Alabama through an integrated hospital and clinic network.
- Hospital system credit is AA (Stable Outlook) per Fitch, underscoring strong financial profile and investment-grade tenancy.
- 3.5% annual rent escalations provide contractual growth that supports cash-flow durability and inflation protection throughout the remaining term.
- Facility operates as a hospital-operated ambulatory surgery center, reinforcing mission-critical use, outpatient surgical relevance, and long-term tenant retention.



PHOTOS





TENANT OVERVIEW

TENANT OVERVIEW



NORTH MISSISSIPPI HEALTH SYSTEM - TUPELO UROLOGY GROUP

North Mississippi Health Services is a leading regional healthcare system serving 24 counties in North Mississippi and Northwest Alabama through an integrated platform of 8 hospitals and 70+ primary and specialty care clinics. The system's flagship facility, North Mississippi Medical Center–Tupelo, is a 640-bed regional referral center that serves 730,000+ people across 24 counties in North Mississippi, Northwest Alabama, and portions of Tennessee. Fitch has affirmed the health system's Issuer Default Rating at 'AA' with a Stable Outlook, supporting investment-grade credit quality.

Tupelo Urology Group operates as a hospital-affiliated ambulatory surgery center (ASC) at 2089 Southridge Drive, Tupelo, MS 38801, serving as an off-campus surgical and outpatient extension of the North Mississippi Health Services platform. The ASC provides comprehensive urologic surgical and clinical services, supporting the system's broader strategy to migrate appropriate procedures from inpatient settings to lower-cost, outpatient environments. The facility is staffed by a seven provider urology team fully integrated into the NMHS care network.

At the subject property, the tenancy benefits from (i) institutional, hospital system credit, (ii) mission-critical outpatient use tied directly to the region's dominant provider, and (iii) contractual cash-flow growth via 3.5% annual rent escalations. The result is a high-quality ASC tenancy profile with strong operating alignment to a scaled health system and durable demand drivers anchored by the flagship hospital's regional referral footprint.





DEMOGRAPHIC & MARKET OVERVIEW

KEY CONSIDERATIONS

LOCATION AND MARKET HIGHLIGHTS

2089 Southridge Drive is located in Tupelo, Mississippi, the primary population and healthcare hub for North Mississippi. The city's population is approximately 37,775 (2024 estimate), providing a stable local demand base while also serving as a regional draw for surrounding rural counties.

The asset is directly supported by the presence of North Mississippi Medical Center–Tupelo, a 640-bed regional referral center that serves 730,000+ people across 24 counties in North Mississippi, Northwest Alabama, and portions of Tennessee. As the flagship hospital and headquarters (“hub”) of the broader North Mississippi Health Services system, NMMC–Tupelo anchors healthcare employment and specialty access for the region.

The property benefits from proximity to this dominant healthcare anchor (approximately 1.2 miles from the main hospital campus) and is positioned to support the continued shift toward outpatient, office-based care delivery, where hospital systems increasingly expand services beyond the main campus for convenience, throughput, and patient access. NMMC–Tupelo's scale and regional referral footprint support durable outpatient utilization and long-term relevance for affiliated specialty locations.

More broadly, North Mississippi Health Services operates a scaled care network across the region (including eight hospitals and 70+ clinics / 120+ locations), reinforcing market depth and system integration that supports sustained demand for hospital-aligned outpatient services in the Tupelo area.



LOCATION & ECONOMIC OVERVIEW

The Tupelo market benefits from favorable healthcare demand fundamentals driven by demographic composition and regional access dynamics. Northeast Mississippi exhibits an above-average senior population, supporting elevated utilization of urology and other age-correlated outpatient specialties. This demographic profile underpins consistent visit volumes and long-term demand for physician-led medical services.

The regional economy supports a balanced payer mix, combining employer-sponsored insurance from manufacturing and distribution employment with Medicare and Medicaid coverage typical of regional hub markets. This mix provides reimbursement stability across economic cycles and supports predictable outpatient utilization patterns.

Tupelo's role as a centralized service center for surrounding rural communities creates natural patient inflow, as residents travel into the city for specialty and diagnostic care not available in smaller markets. This dynamic reinforces the importance of well-located outpatient facilities that allow health systems to deliver care efficiently outside the inpatient setting.

From an infrastructure standpoint, Tupelo offers strong regional accessibility, supported by U.S. Highway 45, U.S. Highway 78, and regional air service through Tupelo Regional Airport. These transportation links reduce patient travel friction and enhance the practicality of off-campus outpatient care delivery.

Collectively, the combination of demographic tailwinds, regional draw, stable payer composition, and accessibility supports durable outpatient demand and reinforces the long-term relevance of hospital-operated specialty facilities within the Tupelo market.





Combined Regional Population:

- Tupelo Micropolitan Statistical Area: 132,699
- Lee County: 83,012
- City of Tupelo: 37,775
- ZIP Code 38801 (Subject Area): 29,795

Median Household Incomes:

- Lee County: \$67,863
- City of Tupelo: \$66,257
- ZIP Code 38801 (Subject Area): \$63,447

Key Regional Drivers – Tupelo, MS:

- Regional healthcare hub anchored by North Mississippi Health Services with AA (Stable Outlook) credit per Fitch
- Nearby advanced manufacturing base led by Toyota Motor Manufacturing Mississippi (Blue Springs) with ~2,400 employees and \$1.3B current investment
- Regional accessibility supported by Tupelo Regional Airport with direct connectivity to Nashville and Dallas
- Stable local consumer/retail activity, including \$1.76B in 2022 retail sales and \$46,804 retail sales per capita (city-level)

Why It Matters:

Tupelo combines a scaled regional demand base with diversified employment drivers and strong transportation connectivity—supporting consistent utilization of outpatient and same-day surgical care. This market profile is especially supportive for a hospital-operated ambulatory surgery center (ASC) leased on an absolute NNN basis, where durability is driven by system integration, patient access, and operational relevance. The result is a defensive healthcare real estate investment supported by investment-grade health system credit and a stable regional economic foundation.

painting by
CHARLIE
BUCKLEY

LARGEST LOCAL EMPLOYERS



COMPANY

INDUSTRY

North Mississippi Health Services

Healthcare

North Mississippi Medical Center

Healthcare

Toyota Motor Manufacturing Mississippi

Automotive Manufacturing

Ashley Furniture Industries

Furniture Manufacturing

Itawamba Community College

Higher Education

BancorpSouth

Financial Services

Renasant Bank

Financial Services

Hunter Douglas

Building Products Manufacturing

FXI

Advanced Materials Manufacturing

General Atomics

Aerospace / Defense Manufacturing