

6240 RASHELLE DR. FLINT, MICHIGAN

PREMIER SURGERY CENTER & MEDICAL OFFICE



CONFIDENTIAL OFFERING MEMORANDUM



Important Information Concerning this Memorandum

This Confidential Investment Memorandum (the “Memorandum”) has been prepared by Jennifer Stein Real Estate, Inc, 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 6240 Rashelle Dr. Flint, MI (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 Jennifer Stein Real Estate, Inc 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. Key Considerations

IV. Tenant Overview

II. Demographic and Market Overview

Any questions or requests for additional information should be addressed to Jennifer Stein Real Estate, Inc, to the attention of the following individuals.

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EXECUTIVE SUMMARY

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OVERVIEW

Jennifer Stein Real Estate, Inc. is proud to present the exclusive opportunity to acquire 6240 Rashelle Drive, a 31,780-square-foot, purpose-built medical facility **anchored by Blue Cloud Pediatric Surgery Centers, the nation's largest operator of pediatric dental ambulatory surgery centers**. The property is located in Flint, Michigan, serving Genesee County and the surrounding region, with access to major hospital systems, specialty physician practices, and sustained outpatient procedure demand. At an offering basis of **approximately \$220 per square foot**, the asset is positioned **significantly below national averages** for comparable ASC-anchored medical properties, providing attractive downside protection and long-term value support.

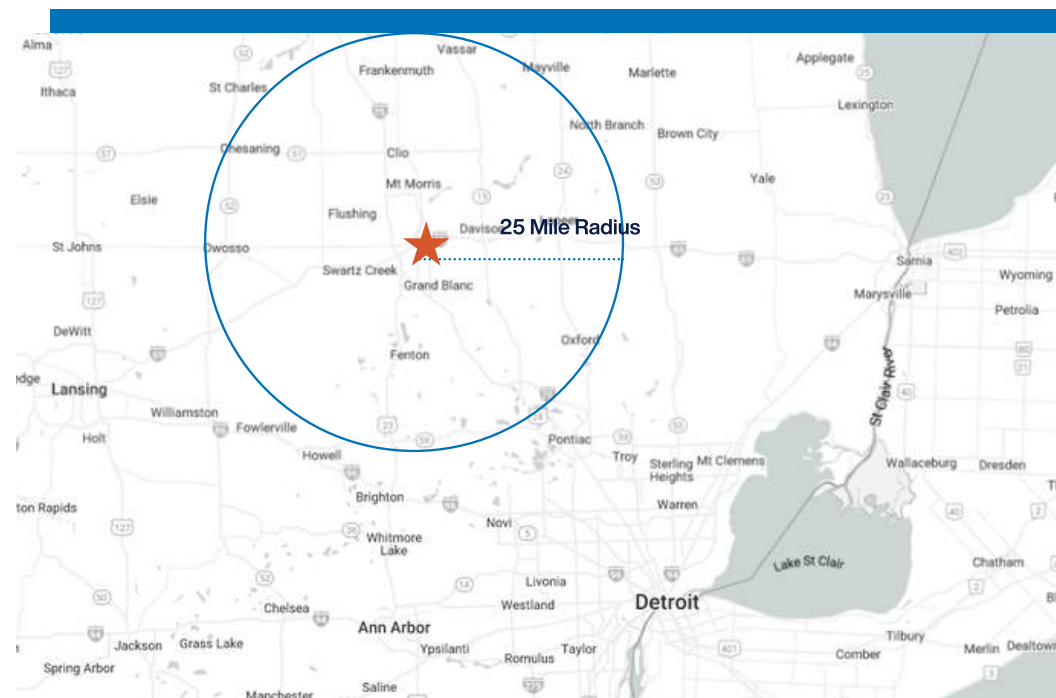
Blue Cloud has recently attracted significant institutional backing, with **Great Hill Partners acquiring a majority stake in 2025**. Great Hill manages approximately \$19 billion in assets, signaling strong conviction in the long-term scalability and consolidation potential of the pediatric dental ASC sector.

The first floor is **occupied by Blue Cloud, which contributes approximately 77% of the property's rental income** under a long-term lease with ~9 years remaining. In 2024, Blue Cloud assumed long-term operations of the Center as part of a strategic regional expansion initiative, underscoring the facility's mission-critical importance, referral stability, and sustained case volume demand. The remaining 23% of the rent roll is comprised of a long standing private practice further enhancing the overall credit profile of the asset. Leases are NNN with annual escalations, and in-place rents remain below current market levels, offering meaningful upside.

Positioned in a densely populated and medically active region serving Genesee County and the surrounding markets, 6240 Rashelle Drive benefits from proximity to leading hospital systems, strong physician referral networks, and sustained outpatient demand. The combination of long-term ASC tenancy, institutional-quality construction, limited competitive supply, and defensive healthcare fundamentals positions the asset as a core-plus medical investment offering long-term income stability, downside protection, and meaningful value preservation.

Property Information

| | |
|-------------------------------------|------------|
| Total SF | 31,780 |
| Property Occupancy | 84% |
| Total Net Operating Income (Year 1) | \$646,972 |
| Annual Rent Increases | 2% |
| Lease Structure | Triple-Net |
| Weighted Average Lease Term | 7 Years |
| Year Built | 2005 |



RENT ROLL



| Tenant | Size (SF) | Lease Start | Exp Date | Rent Per Sq. Ft. | Annual Rent | Rent Increase | Lease Type |
|---|-----------|-------------|-----------|------------------|--------------|---------------|------------|
| Blue Cloud Pediatric Surgery Centers, LLC | 14,456 | 2/1/2025 | 1/31/2035 | \$34.64 | \$500,820.00 | 2% | NNN |
| Blue Cloud Pediatric Surgery Centers, LLC | 2,627 | 2/1/2025 | 1/31/2035 | \$16.31 | \$42,842.00 | 2% | NNN |
| Dilip M. Desai, M.D., P.L.L.C. | 3,665 | 1/1/2025 | 1/1/2030 | \$16.28 | \$59,649.00 | 2% | NNN |
| Dilip M. Desai, M.D., P.L.L.C. | 6,032 | 1/1/2025 | 1/1/2030 | \$15.92 | \$96,000.00 | 2% | NNN |
| Shell space (Vacant) | 5,000 | | | | | | |

| | |
|-----------------------------|------------------|
| Net Operating Income | \$646,972 |
|-----------------------------|------------------|



PHOTOS







PHOTOS













PHOTOS



PHOTOS



EXECUTIVE SUMMARY





EXECUTIVE SUMMARY



INVESTMENT HIGHLIGHTS



Exceptional Lease Duration & Cash Flow Stability

- ASC-anchored medical asset with Blue Cloud Pediatric Surgery Centers as the primary tenant
- High Yield and cost basis of \$220/SF, significantly below the national average for comparable ASC-anchored medical assets.
- Approximately 9 years of remaining lease term on the anchor



Purpose-Built Surgical & Medical Platform

- 31,780 SF, Class A, purpose-built medical office building
- Below market rents
- High barriers to entry and limited replacement supply for ASC-anchored facilities
- Well positioned to meet continued outpatient procedure growth



Credit ASC Anchor with Long-Term Commitment

- Anchored by Blue Cloud Pediatric Surgery Centers, the largest pediatric ASC platform in the country
- Facility serves as a regional outpatient surgery hub serving a broad and established patient base
- Long-term occupancy reinforces income durability and value preservation



Diversified, Healthcare-Only Tenant Mix

- Complementary mix of ASC and gastroenterology physician practices
- In-place rents are below current market levels,
- Medical tenants exhibit high renewal likelihood due to relocation costs and patient continuity
- Embedded NOI growth without reliance on aggressive assumptions



Strategic Market With Strong Healthcare Fundamentals

- Located in a stable, well-established commercial area serving Genesee County and surrounding markets
- Proximity to major healthcare systems, specialty practices, and physician referral networks
- Strong outpatient demand driven by aging demographics and continued shift from inpatient care
- Limited availability of comparable Class A, ASC-anchored medical product in the region

KEY CONSIDERATIONS

OCCUPIED BY A NATIONAL PEDIATRIC SURGERY OPERATOR

Blue Cloud Pediatric Surgery Centers is the largest exclusively pediatric-focused ambulatory surgery platform in the United States, operating 30+ centers nationwide. Blue Clouds specialists to deliver high-quality pediatric procedural care in a safe, efficient outpatient environment designed specifically for children.

The company's model focuses on patient-centered surgical care supported by highly trained clinical teams, board-certified anesthesiologists, and specialty surgeons who perform high-volume outpatient procedures with a strong focus on safety, quality outcomes, and streamlined care pathways. Blue Cloud's presence reflects a growing national trend toward shifting appropriate pediatric surgical procedures from inpatient hospital settings to lower-cost, patient-friendly ambulatory environments.

As a core location within Blue Cloud's expanding Midwest regional network, 6240 Rashelle Drive plays a strategic role in expanding specialty access, optimizing care delivery, and supporting referral relationships across Genesee County and surrounding communities. The long-term commitment demonstrated by the recently executed 10-year triple-net lease underscores the facility's operational importance and anticipated procedure volume stability.

INSTITUTIONAL CREDIT - GREAT HILL PARTNERS

In 2025, Blue Cloud became part of Great Hill Partners, a leading private equity firm with approximately \$19 billion of assets under management and a strong track record of scaling healthcare platforms. That sponsorship provides institutional financial backing, strategic oversight, and capital support for continued growth.

The Blue Cloud lease is further supported by a full, unconditional corporate guaranty for the first five years of the term. The combination of (1) a national pediatric surgery platform, (2) a mission-critical regional facility, and (3) private-equity backing from a leading healthcare sponsor creates a high-confidence lease profile and supports predictable, durable NOI performance for the asset.



32

Accredited Facilities



60,000

Patients treated each year



150

Total Clinicians



KEY CONSIDERATIONS

LOCATION AND MARKET HIGHLIGHTS

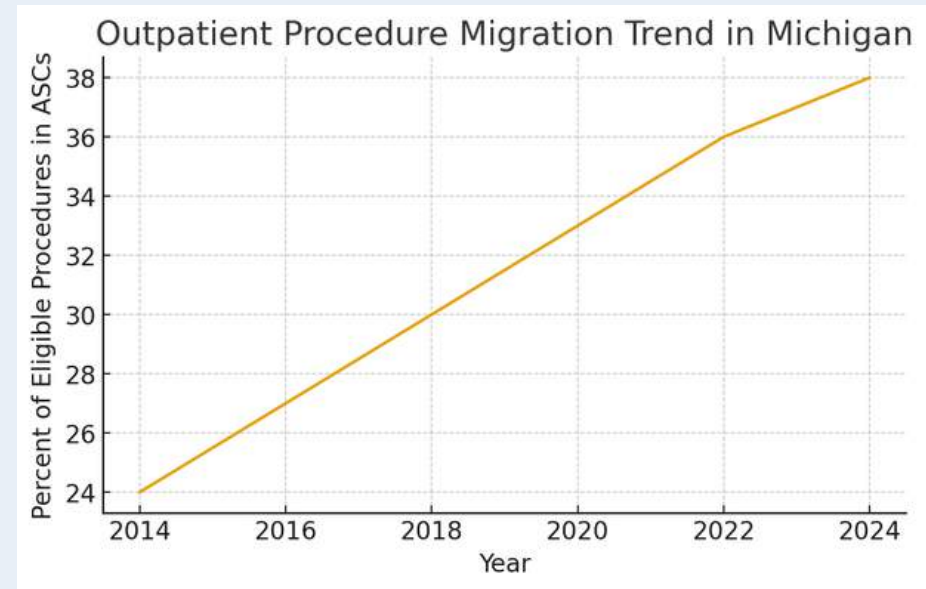
6240 Rashelle Drive is strategically positioned within Flint, Michigan, one of the primary outpatient medical service nodes for Genesee County and the greater Mid-Michigan region. The property is located near by multiple hospital systems, specialty physician groups, and referral-generating primary care networks, creating a dense and durable ecosystem of patient flow. Its location benefits from direct access to I-69, I-75, and US-23, enabling a broad geographic catchment across Northeast and Central Michigan.

The surrounding market reflects the ongoing shift toward ambulatory surgical care, driven by payer reimbursement incentives, reduced total cost of care, and family preference for efficient, non-hospital outpatient environments. As procedures continue migrating away from hospital operating rooms into ASC settings, facilities like 6240 Rashelle Drive are positioned to capture increasing market share within high-volume pediatric and specialty surgical categories.

Flint serves as a regional medical access center, drawing patients not only from Genesee County, but also from Lapeer, Shiawassee, Saginaw, Tuscola, and Oakland Counties, expanding the effective patient population and reinforcing consistent referral pathways. The local payer environment includes a diverse mix of commercial insurance, Medicare, and Medicaid, supporting a broad and resilient demand profile for pediatric and outpatient specialty services.

Outpatient Procedure Migration Trend

38% of eligible procedures are now performed in Michigan ASCs





DEMOGRAPHIC & MARKET OVERVIEW

LOCATION & ECONOMIC OVERVIEW

Genesee County represents one of Michigan's most stable and procedure-dependent outpatient care markets, with sustained demand driven by a large pediatric population, strong chronic care prevalence, and a payer mix that supports predictable reimbursement. The region maintains a balanced insurance distribution across commercial payors, Medicare, and Medicaid, minimizing exposure to single-payer reliance and supporting consistent case volume for ambulatory surgery and diagnostic services.

Flint and the broader Mid-Michigan region are also characterized by high specialty care utilization rates, particularly in pediatrics, dental surgery, ENT, orthopedics, GI, and pain management, where national procedure migration trends continue to favor ASC environments over hospital operating rooms. Michigan has been among the top-adopting states for ASC procedural migration, with outpatient surgeries increasing more than 15% over the past five years across key specialties as hospital systems shift toward cost-efficient care delivery models.

The property's location along I-75, I-69, and US-23 positions 6240 Rashelle Drive as a regional access point for patients traveling from both urban and rural communities, including Genesee, Lapeer, Shiawassee, Saginaw, Tuscola, and Oakland Counties. This multi-county catchment significantly expands the effective patient base beyond Flint proper and has historically supported reliable case throughput and repeat referral patterns from primary care, pediatricians, and specialty physician networks.

Outpatient surgery centers in Flint benefit from reduced patient travel burden, shorter scheduling windows, lower out-of-pocket exposure, and the continuity of familiar physician relationships, all of which continue to drive patient preference away from larger hospital systems. These market dynamics reinforce Flint's role as a central hub for community-based surgical care, particularly in specialties where access and convenience materially influence provider referrals and patient choice.



LARGEST LOCAL EMPLOYERS



COMPANY

INDUSTRY

General Motors – Flint Assembly

Automotive Manufacturing

McLaren Health Care

Healthcare

Hurley Medical Center

Healthcare

Henry Ford Health

Healthcare

Genesee Intermediate School District

K-12 Education Services

University of Michigan

Higher Education

Mott Community College

Engineering & Consulting

Genesee County Government

County Government

Kettering University

Engineering & Applied Sciences

Diplomat Specialty Pharmacy

Specialty Pharmaceuticals