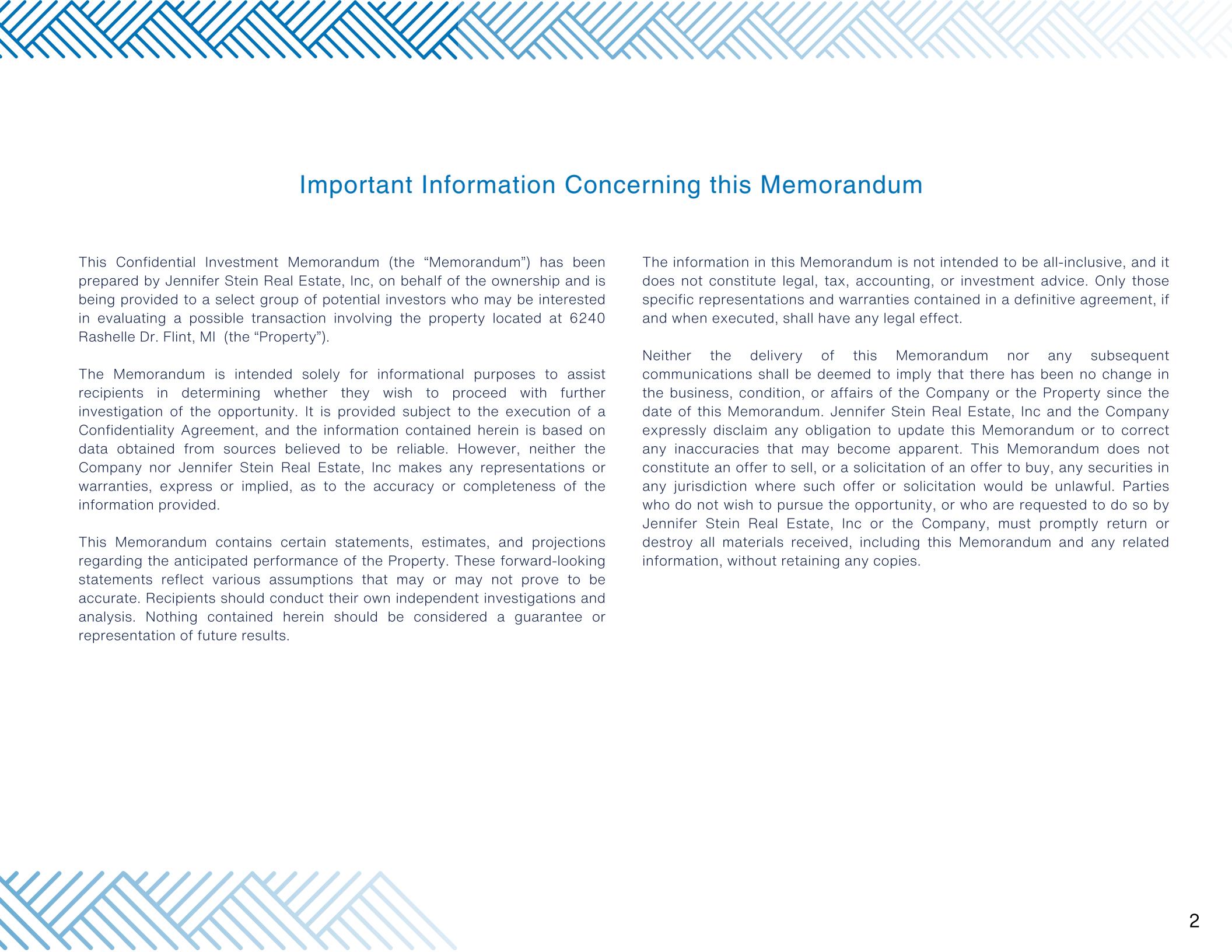


# 6240 RASHELLE DR. FLINT, MICHIGAN

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.

The information in this Memorandum is not intended to be all-inclusive, and it does not constitute legal, tax, accounting, or investment advice. Only those specific representations and warranties contained in a definitive agreement, if and when executed, shall have any legal effect.

Neither the delivery of this Memorandum nor any subsequent communications shall be deemed to imply that there has been no change in the business, condition, or affairs of the Company or the Property since the date of this Memorandum. Jennifer Stein Real Estate, Inc and the Company expressly disclaim any obligation to update this Memorandum or to correct any inaccuracies that may become apparent. This Memorandum does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in any jurisdiction where such offer or solicitation would be unlawful. Parties who do not wish to pursue the opportunity, or who are requested to do so by Jennifer Stein Real Estate, Inc or the Company, must promptly return or destroy all materials received, including this Memorandum and any related information, without retaining any copies.

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

## EXCLUSIVE ADVISORS

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An aerial photograph of a modern medical facility, likely a hospital or medical center, situated in a suburban area. The building features a large, curved white section with a glass-enclosed entrance and a smaller tan section with a sign that reads "ENDOSCOPY AND SURGERY CENTER". A large, mostly empty parking lot is in front of the building, with a few cars parked. The facility is surrounded by a mix of green lawns and autumn-colored trees. The overall image has a blue-toned overlay.

# EXECUTIVE SUMMARY

# EXECUTIVE SUMMARY



## 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, a rapidly expanding national ambulatory surgery platform. 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. This institutional-grade asset provides investors with durable cash flow secured by long term NNN leases, minimal landlord obligations, and exposure to one of the most resilient segments of healthcare real estate.

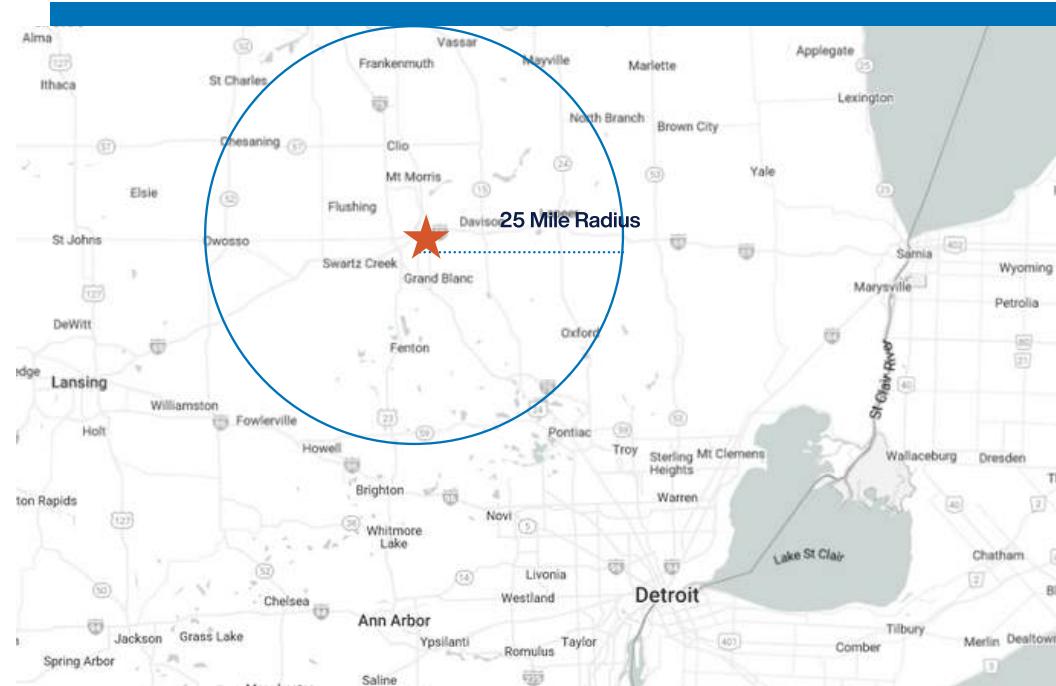
The first floor is solely occupied by Blue Cloud Pediatric Surgery Centers, which operates the on-site ambulatory surgery center. The ASC features multiple procedure rooms, dedicated pre- and post-operative recovery areas, and clinical infrastructure constructed to modern surgical center standards. In 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.

### Property Information

<b>Total SF</b>	31,780
<b>Property Occupancy</b>	84%
<b>Total Net Operating Income (Year 1)</b>	\$657,600
<b>Annual Rent Increases</b>	2%
<b>Lease Structure</b>	Triple-Net
<b>Weighted Average Lease Term</b>	7.17 Years
<b>Year Built</b>	2005

In addition to the anchor tenancy, the property is leased to a complementary mix of established physician practices, further diversifying income while maintaining a healthcare-only tenant profile. The rent roll is 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.



# 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		16%				

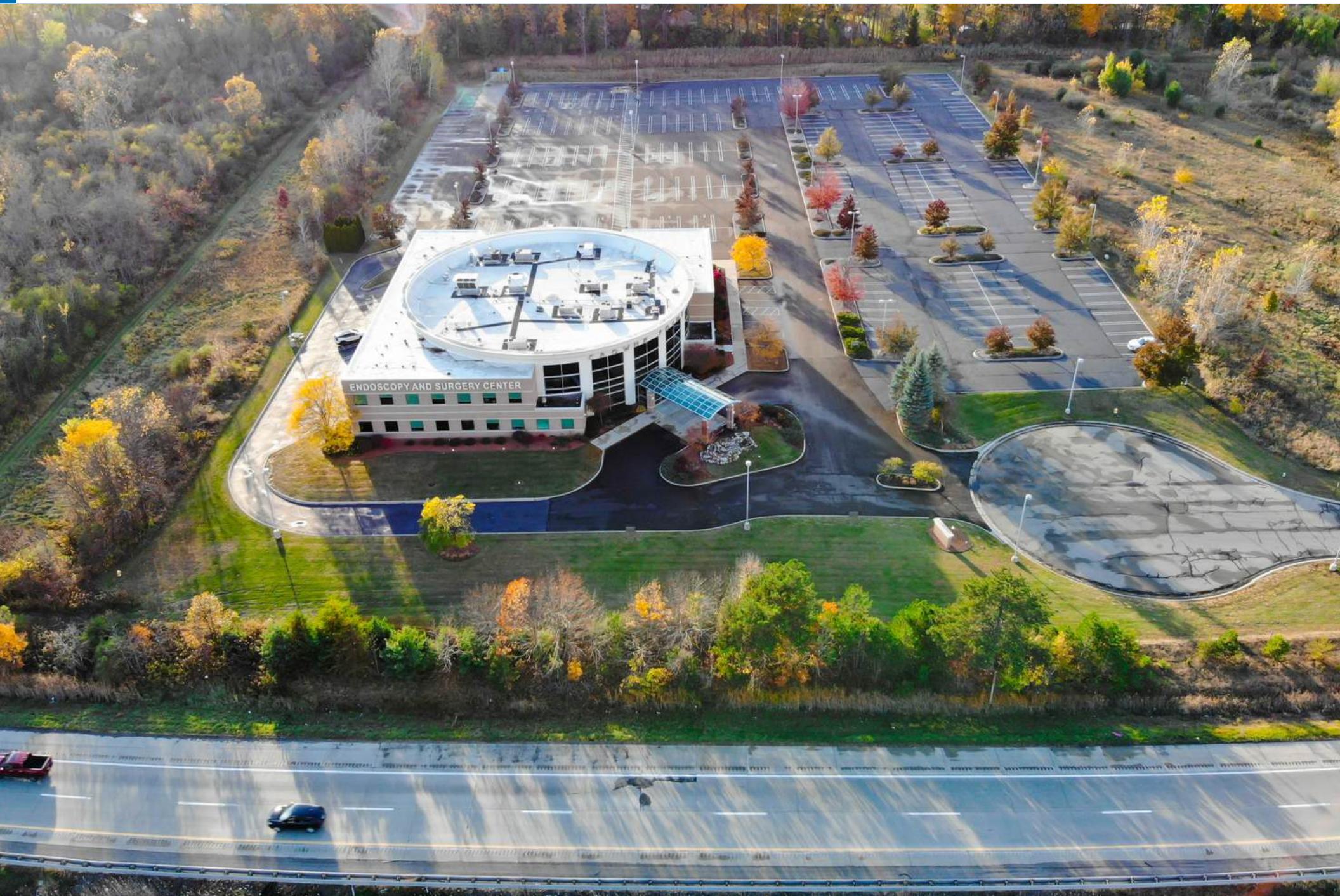
<b>Net Operating Income</b>	<b>\$657,600</b>
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# PHOTOS



# PHOTOS



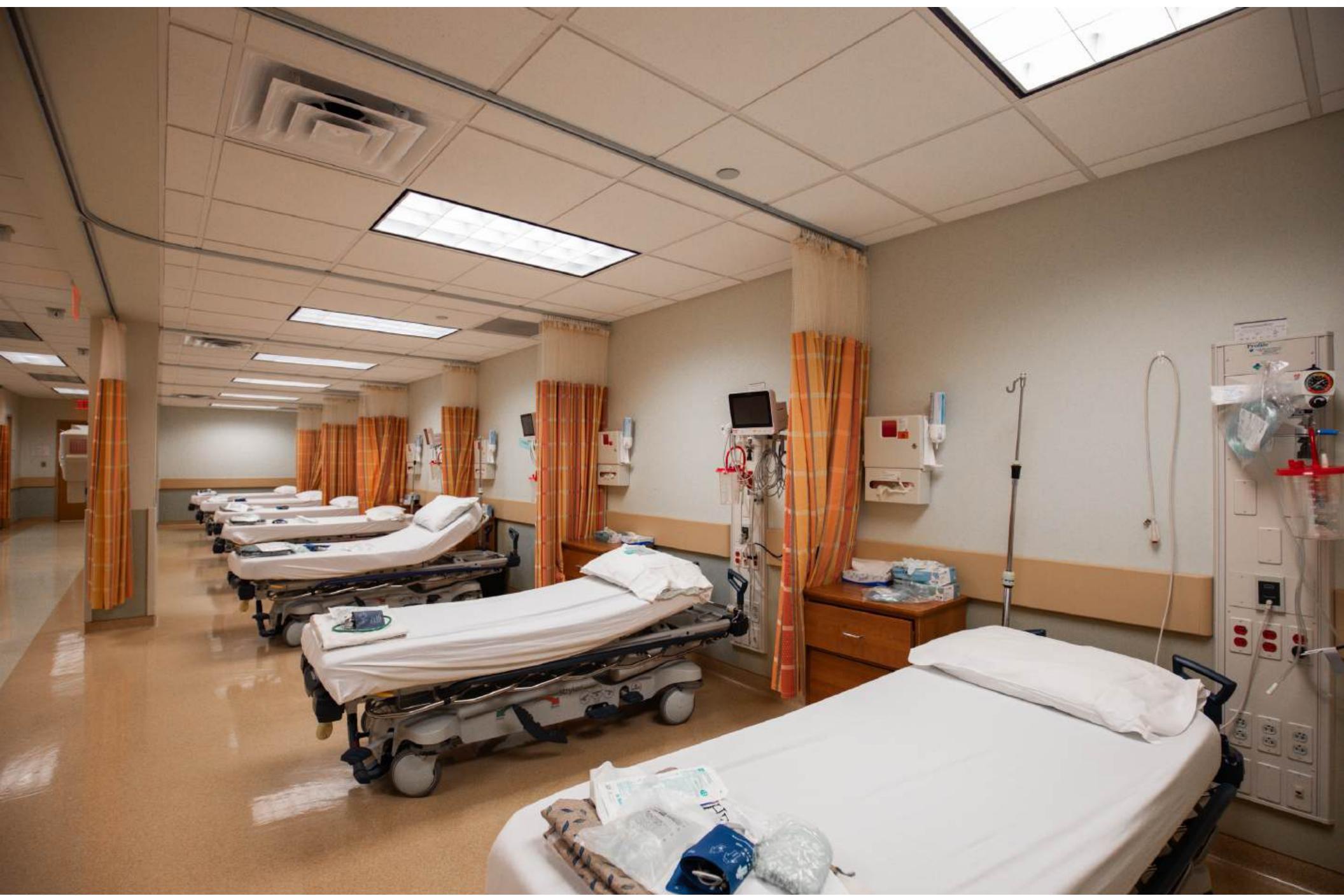
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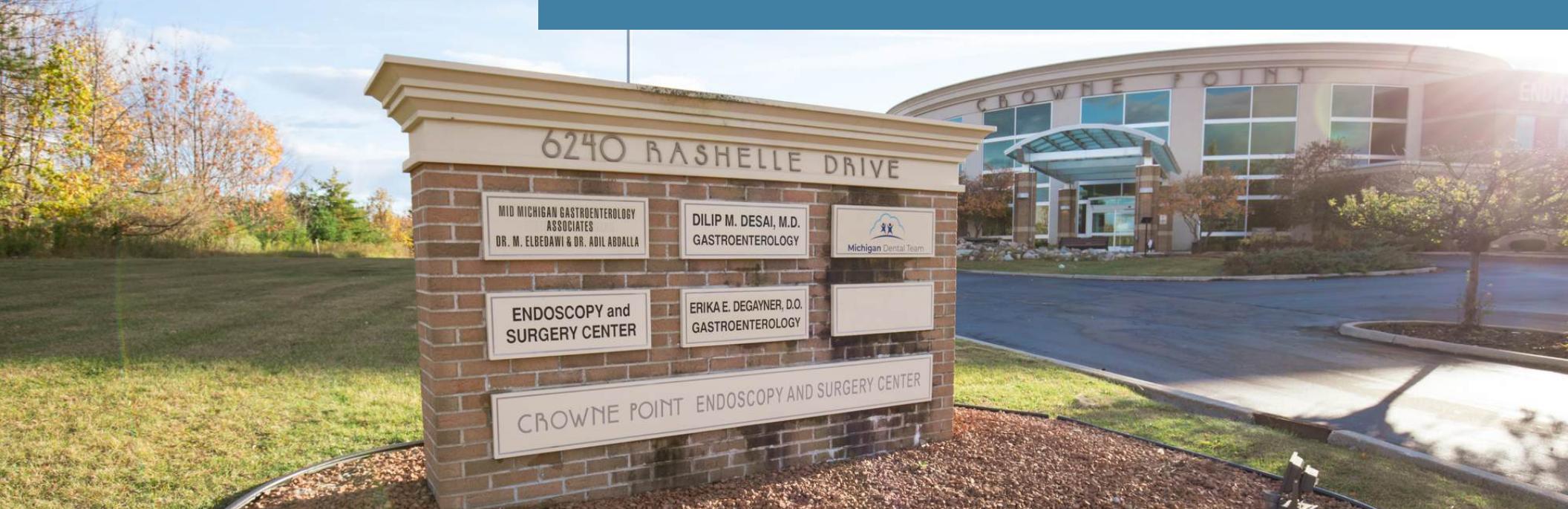


# PHOTOS



# 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
- Approximately 9 years of remaining lease term on the anchor
- Below market rents
- Significant tenant investment in specialized build-outs and infrastructure



### Purpose-Built Surgical & Medical Platform

- 31,780 SF, Class A, purpose-built medical office building
- 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 Cloud's specialists 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 2022, Blue Cloud became part of Great Hill Partners, a leading healthcare and technology private equity firm with over \$8 billion in assets under management and a proven track record scaling national healthcare delivery platforms.

Great Hill's sponsorship provides institutional financial backing, strategic operating oversight, and growth-oriented capital availability — key factors that reinforce tenant creditworthiness and long-term lease reliability for real estate investors.

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

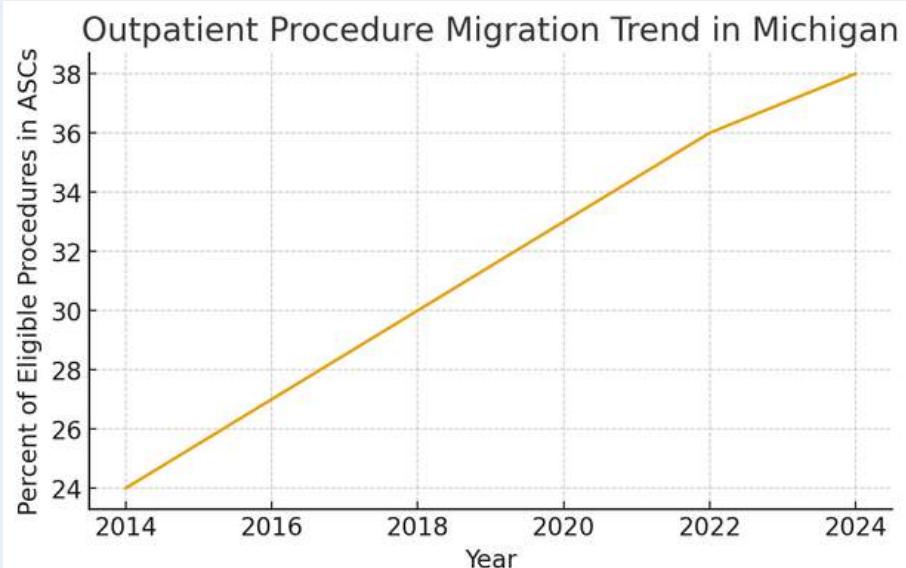
6240 Rashelle Drive is strategically positioned within Flint, Michigan, one of the primary outpatient medical service nodes for Genesee County and the greater Mid-Michigan region. The property is located near by multiple hospital systems, specialty physician groups, and referral-generating primary care 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