

OFFERING MEMORANDUM



MOB | Single Tenant NNN | Surgery Center |  | 5668 Okemos Road, Okemos, MI

CALL FOR OFFERS | Tuesday, July 14th | 12 P.M.



NAI Mid-Michigan

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PREPARED BY:

JEROME ABOOD

Managing Broker / Principal
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EACH PARTY SHALL CONDUCT ITS OWN INDEPENDENT INVESTIGATION AND DUE DILIGENCE. Any party contemplating or under contract or in escrow for a transaction is urged to verify all information and to conduct their own inspections and investigations including through appropriate third party independent professionals selected by such party. All financial data should be verified by the party including by obtaining and reading applicable documents and reports and consulting appropriate independent professionals. NAI Mid-Michigan makes no warranties and/or representations regarding the veracity, completeness, or relevance of any financial data or assumptions.

NAI Mid-Michigan does not serve as a financial advisor to any party regarding any proposed transaction. All data and assumptions regarding financial performance, including that used for financial modeling purposes, may differ from actual data or performance. Any estimates of market rents and/or projected rents that may be provided to a party do not necessarily mean that rents can be established at or increased to that level. Parties must evaluate any applicable contractual and governmental limitations as well as market conditions, vacancy factors and other issues in order to determine rents from or for the property.

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 NAI Mid-Michigan in compliance with all applicable fair housing and equal opportunity laws.

Investment Overview

Address	5668 Okemos Rd
City, State, ZIP	Okemos, MI 48864
Rentable SF	8,400
Year Built	2002/2017
Land (Acres)	1.24
Lease Type	NNN
Annual Increases	3.00%
Lease Commencement	05-01-2026
Lease Expiration	04-30-2031
Renewal Options	Two five-year renewal options (FMV via Exhibit C of the Lease)
Price	Call for Offers
Data Room	Available with executed Confidentiality Agreement

Property Highlights

- Key Feature: The center benefits from a State of Michigan issued and fully approved Certificate of Need (CON).
- Full 2017, renovation to the studs, purpose-built for surgical use: new interior structure, mechanical, electrical, and life-safety systems built to current ASC standards.
- Strategically located along Okemos Rd, a primary north-south corridor serving the Okemos / Haslett trade area
- Beneficially located near Michigan State University, a major regional economic and healthcare demand driver
- Proximity to major healthcare infrastructure including hospitals, medical offices, and specialty care providers
- Regulatory barriers to entry that support long-term operational stability
- Strong Sales and profit track record for tenants operation as a surgery center

This offering features an 8,400 SF freestanding medical facility constructed in 2002 and remodeled in 2017, positioned on a 1.24-acre parcel. The property is secured by a triple-net (NNN) lease structure, providing minimal landlord responsibilities as the tenant covers utilities, taxes, insurance, and common area maintenance. Income stability is reinforced by contractual 3.00% annual rent increases, delivering predictable cash flow growth and inflation protection. The lease extends through April 30, 2031, with two additional five-year renewal options at Fair Market Value, offering long-term income continuity and potential upside.

➤ **Tenant**

Special-purpose JV LLC; no Tenet corporate guaranty.

➤ **Two Five-Year Options at Fair Market Value.**

Fair Market Value provides mark-to-market upside at each reset.
Renewal is highly likely — the CON-protected facility generates \$6.45M+ in facility EBITDA against \$252K base rent, roughly 26x rent coverage.

➤ **Certificate of Need (CON)**

The CON produces regulatory barriers to entry that support long-term operational stability

➤ **Stable & Growing Income**

Contractual 3.00% annual rent increases provide predictable cash flow growth and built-in inflation protection.

➤ **Modern Freestanding Facility**

An 8,400 SF freestanding medical property constructed in 2000, and completely remodeled in 2017 for current surgery center.

➤ **Low-Management NNN Lease**

Structured as a triple-net (NNN) lease with the Tenant responsible for utilities, taxes, insurance, and CAM, minimizing landlord obligations.

➤ **Secure Remaining Lease Term**

Lease commitment through April 30, 2031, providing long-term income stability.

Rent Schedule

RENT INCREASE DATE	MONTHLY RENT	ANNUAL RENT	RENT PSF
5/1/2026	\$21,000.00	\$252,000.00	\$30.00
5/1/2027	\$21,630.00	\$259,560.00	\$30.90
5/1/2028	\$22,278.90	\$267,346.80	\$31.83
5/1/2029	\$22,947.27	\$275,367.20	\$32.78
5/1/2030	\$23,635.68	\$283,628.22	\$33.77

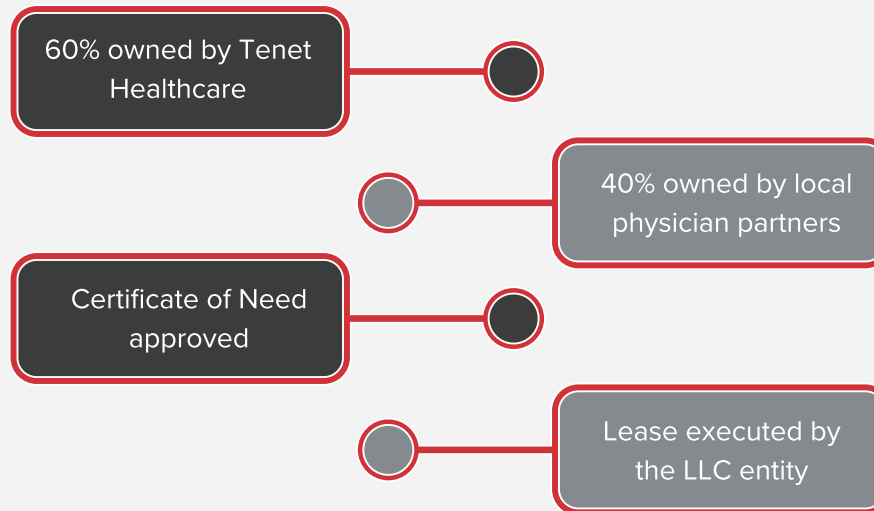


➤ RED CEDAR SURGERY CENTER | OKEMOS (LANSING–EAST LANSING MSA), MICHIGAN



Red Cedar Surgery Center operates under a physician–hospital joint venture structure through a limited liability company (LLC). The ownership composition consists of 60% Tenet Healthcare and 40% local physician partners. The facility benefits from an approved Certificate of Need (CON), providing regulatory barriers to entry that support long-term operational stability. The lease is executed by the LLC entity.

This ownership model is typical within the ambulatory surgery center (ASC) sector. Tenet Healthcare contributes operational infrastructure, management expertise, compliance oversight, and payer contracting leverage, while physician partners maintain an equity stake that encourages referral alignment and procedural volume retention. Such alignment generally enhances tenant “stickiness” and reduces relocation risk.



OWNERSHIP PROFILE

This is a physician–hospital joint venture model. It’s extremely common in ambulatory surgery centers (ASCs). Tenet, through its ambulatory platform (historically branded as United Surgical Partners International), partners with physicians who maintain an equity stake and referral alignment.

What that means strategically:

- Tenet provides operational infrastructure, management systems, payer contracting leverage, compliance, and balance sheet depth.
- Physicians provide procedural volume and local market alignment.
- The CON creates regulatory protection.

Physicians are financially incentivized to send cases to the surgery center and Tenet is incentivized to optimize throughout and margins. This is a vertically integrated care delivery model.

STRENGTHS

- 26x Rent Coverage
- \$6.45M facility EBITDA (tenant-reported) ÷ \$252K rent — under 4% of EBITDA
- Majority ownership by a national operator
- Physician equity alignment (reduces relocation risk)
- ASC model generally high-margin relative to hospitals

A Tenet-affiliated ASC with CON approval is generally regarded as a desirable medical real estate tenancy due to operational alignment and regulatory barriers.

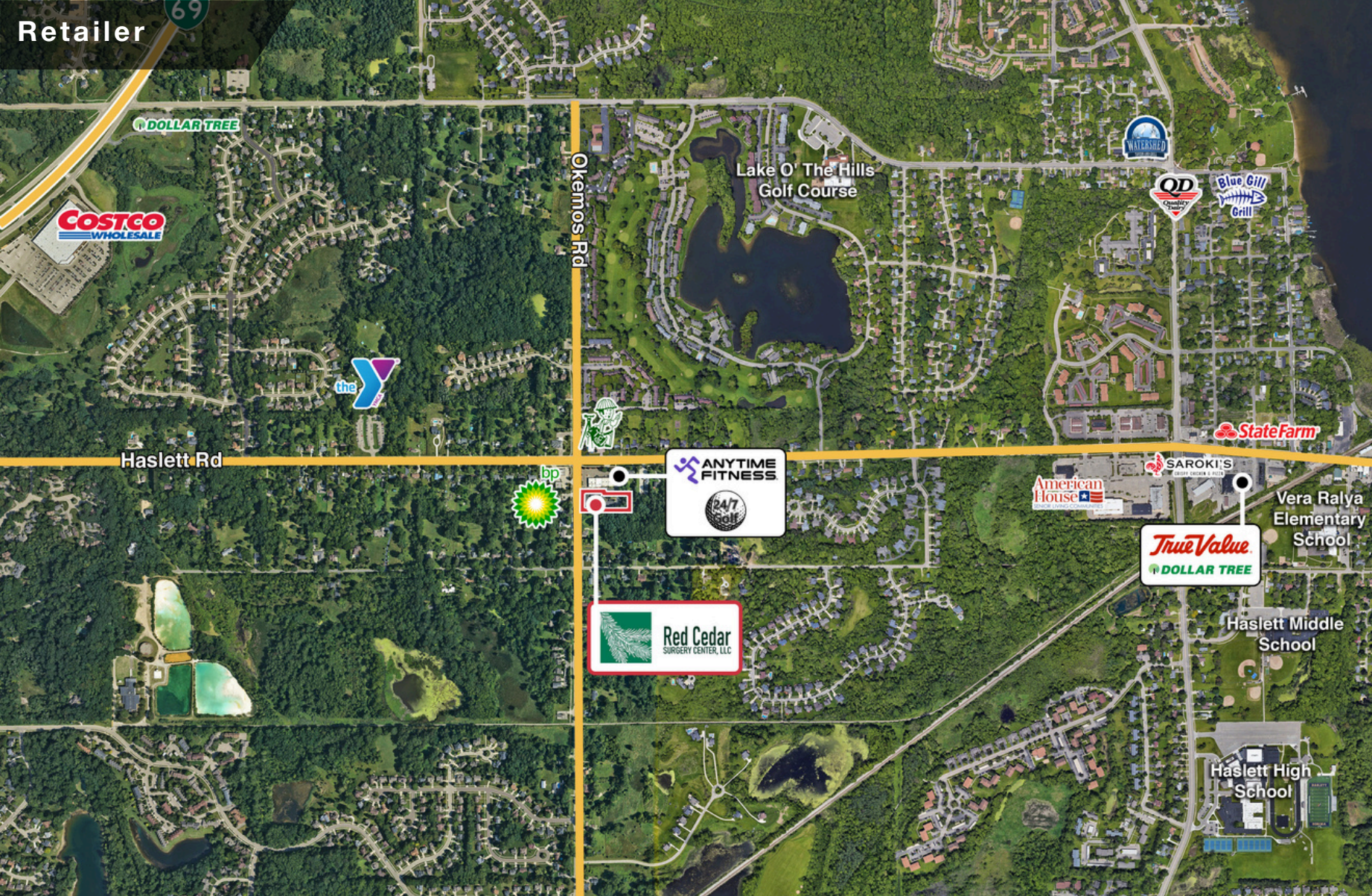
TENANT PROFILE

The lease is signed by the LLC, not by Tenet corporate. The legal tenant credit is the special-purpose LLC. However, 60% ownership by Tenet is not cosmetic. It matters — especially operationally.

Tenet is a large, established healthcare system with billions in revenue and strong ASC positioning.

Tenet Healthcare Corporation	
Headquarters	Dallas, TX
Locations	450+ healthcare facilities
Employees	~98,000 employees (2024)
Revenue	~\$21.3 Billion (2025)



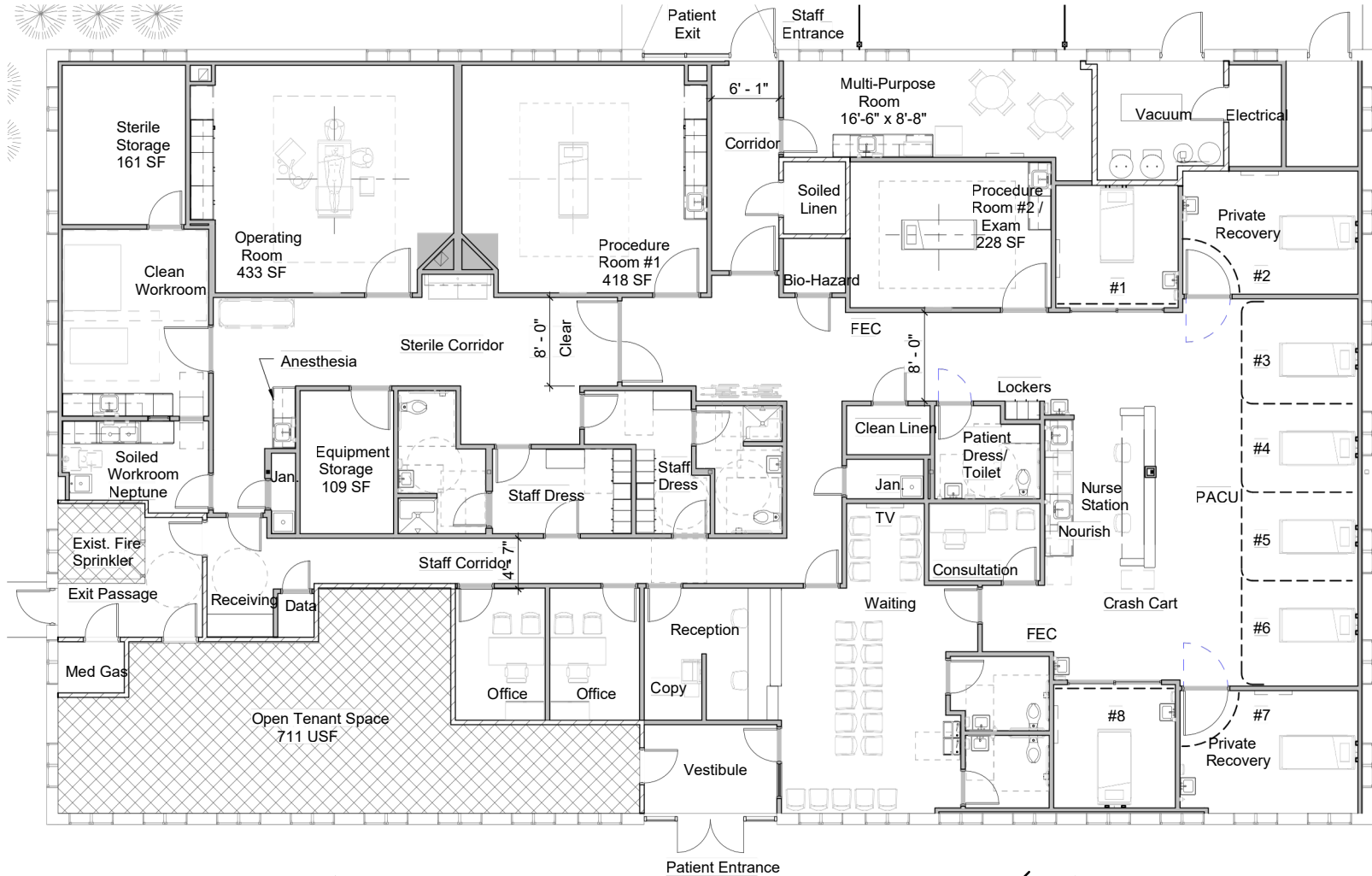


EXTERIOR PHOTOS





FLOOR PLAN



Preliminary Floor Plan
20 August 2015



7,245 USF
0 2' 4' 8'



Red Cedar Surgery Center - Lansing, MI
SurgCenter Development

Okemos, Michigan

Okemos is a well-established suburban community located in Ingham County within the greater Lansing metropolitan area of central Michigan. Bordered by East Lansing and just minutes from Michigan State University, Okemos offers convenient access to major transportation corridors including Okemos Road, Interstate 96, and US-127, connecting residents and businesses throughout the region. Okemos is located mostly within Meridian Charter Township, with a small portion extending south into Alaiedon Township and east into Williamstown Township. Okemos has a 2026 population of 26,457.

The local economy is anchored by a diverse mix of education, healthcare, professional services, and retail. Proximity to Michigan State University drives a strong employment base in research, technology, and administration, while nearby healthcare systems and outpatient facilities contribute to ongoing job growth. Residential stability, favorable demographics, and an educated workforce support sustained consumer demand for services and real estate.

Okemos and its surroundings provide a range of attractions for both residents and visitors. Just minutes away, Michigan State University offers cultural events, sporting venues, and performing arts. Outdoor enthusiasts enjoy parks and recreation spaces such as the Okemos Chippewa Park and trails along the Red Cedar River. Nearby downtown East Lansing features dining, shopping, and entertainment, making the area a vibrant place to live, work, and explore.

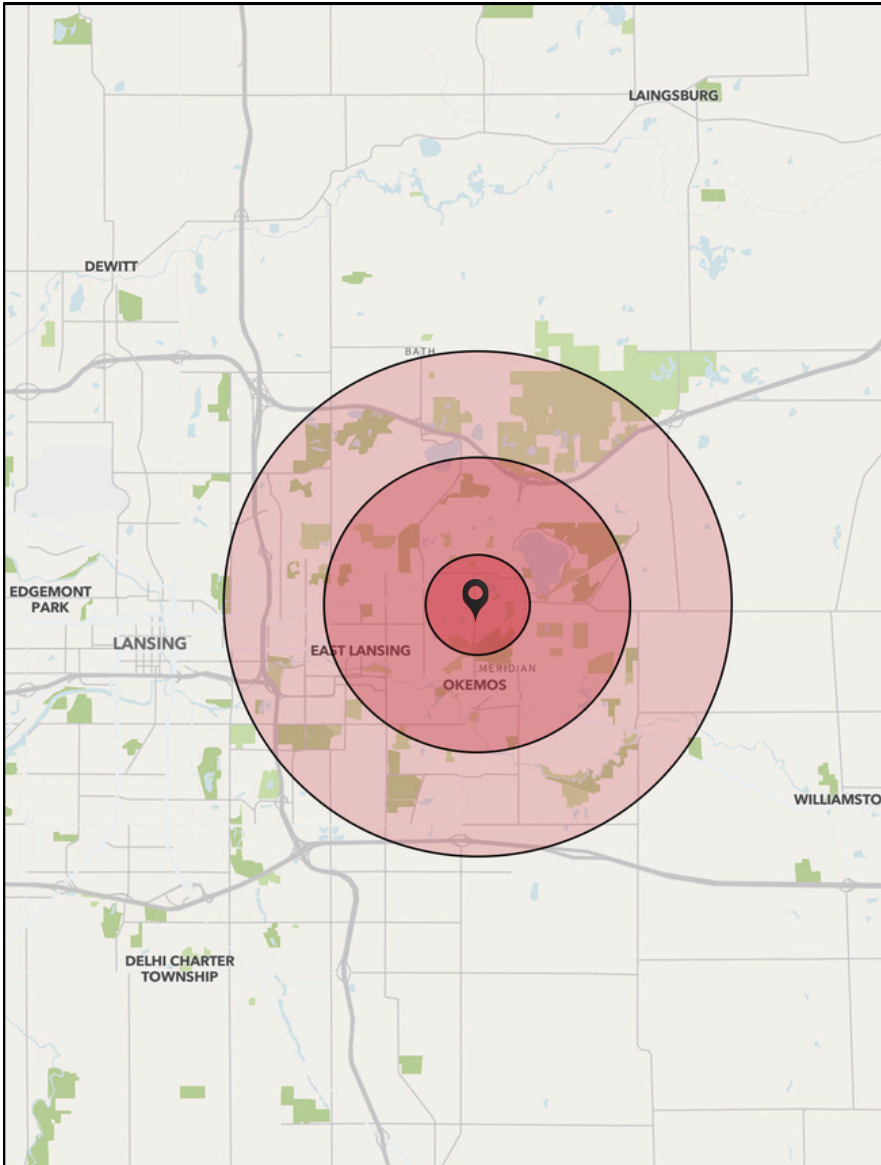


The Red Cedar River



Michigan State University

5668 Okemos Road | Okemos, MI 48840, USA



	1 Mile	3 Mile	5 Mile
Total Population	4,762	54,707	110,898
Average Age	46.70	33.60	33.80
Total Households	2,549	21,529	42,682
Average HH Income	\$106,974	\$101,386	\$106,155



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JEROME ABOOD

Background & Experience

With over 35 years of experience in real estate, Jerome blends deep industry knowledge with a passion that began on the golf course. As a competitive golfer in his youth, he forged early connections with top developers—an experience that inspired him to earn his real estate license at just 18. Jerome holds a Bachelor's degree in Business and Finance from Michigan State University and a Juris Doctor from Cooley Law School. While pursuing his education, he began investing in student housing near MSU, eventually expanding into commercial real estate and development. His portfolio includes build-to-suit projects for national retailers, as well as multifamily developments, retail centers, and vacant land acquisitions. Jerome's hands-on experience as both investor and advisor gives him a unique perspective on every deal, ensuring his clients benefit from well-rounded, strategic guidance.

Professional Associations & Designations

- CCIM: Certified Commercial Investment Member
- MAR: Michigan Association of REALTORS®
- NAR: National Association of REALTORS®
- CBOR: Commercial Board of REALTORS®



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