

# SINGLE TENANT NNN LEASED AMBULATORY SURGERY CENTER

Class A | 21,236 Sq. Ft. | 2831 Lone Oak Rd. Paducah, KY



Ambulatory Surgery Center



**ZEUSTRA**

CONFIDENTIAL INVESTMENT MEMORANDUM



## Important Information Concerning this Memorandum

This Confidential Investment Memorandum (the “Memorandum”) has been prepared by Zeustra, LLC (“Zeustra”) on behalf of the ownership of KSA Enterprises Inc. (the “Company”) 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 2831 Lone Oak Rd. Paducah, KY (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.

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. Zeustra 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 Zeustra or the Company, must promptly return or destroy all materials received, including this Memorandum and any related information, without retaining any copies.

# TABLE OF CONTENTS

## I. Executive Summary

I. Overview

II. Investment Highlights

III. Key Considerations

IV. Tenant Overviews

## II. Demographic and Market Overview

Any questions or requests for additional information should be addressed to ZEUSTRA, LLC, to the attention of the following individuals.

## EXCLUSIVE ADVISORS

### **ERIK GAINOR**

*President*

717.503.6785

Erik.Gainor@zeustra.com

### **RYAN LUPO**

*Senior Vice President*

732.856.4349

Ryan.Lupo@zeustra.com

### **RICHARD CEFALU**

*Associate*

732.484.2888

Richard.Cefalu@zeustra.com





# EXECUTIVE SUMMARY

# EXECUTIVE SUMMARY



## OVERVIEW

**Zeustra, LLC (“Zeustra”)** is pleased to present the exclusive opportunity to acquire **2831 Lone Oak Road, Paducah, Kentucky**—a purpose-built ±21,236 SF ambulatory surgery center (“ASC”). The offering is structured with a new **15-year NNN lease featuring 2.5% annual escalations**.

The property’s ASC designation benefits from **Kentucky’s Certificate of Need (CON) regulatory framework**, which restricts new ASC development and creates meaningful barriers to entry. This regulatory advantage is further reinforced by the **tenants long-standing operating history at the site, dating back to 1992**.

The center includes **six operating rooms and one treatment room** and performs a range of highly specialized procedures including **interventional pain treatments, intrathecal pump placements, and spinal cord stimulator procedures**. These procedures represent one of the fastest growing segments within outpatient medicine. All procedures performed by **Pain Management Centers of America (“PMCOA”) physicians in the Paducah market are conducted at this facility**, while the ASC structure also allows additional surgeons to utilize the center.

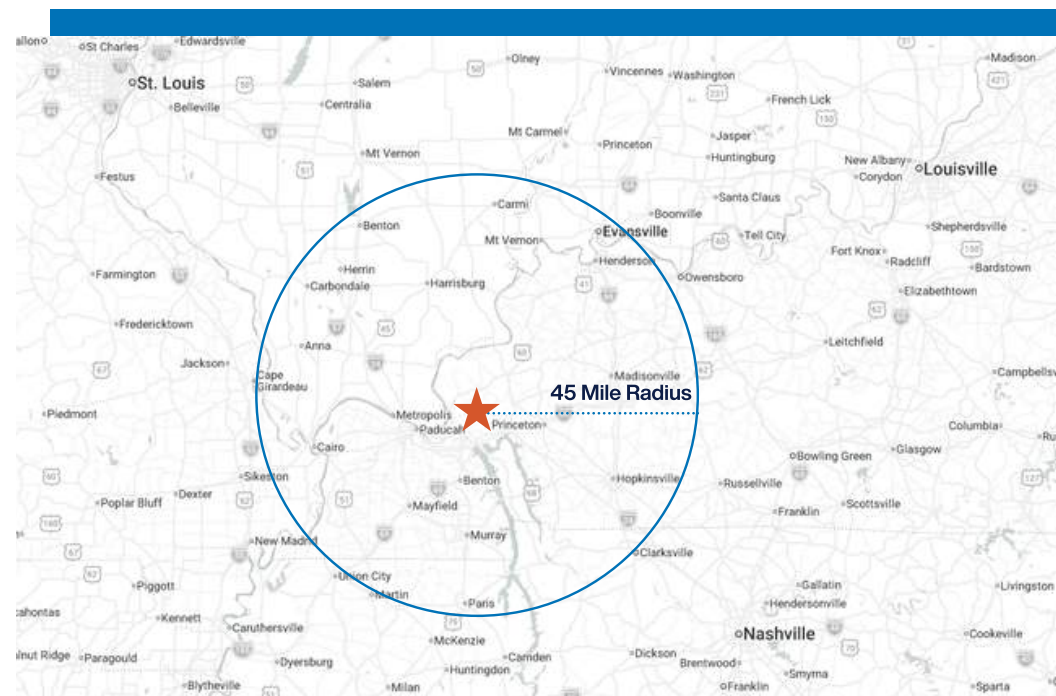
**Located directly adjacent to PMCOA’s main Paducah campus**, the surgery center benefits from an integrated clinical ecosystem and a strong internal referral relationship that drives consistent procedural volume. Its placement along Lone Oak Road positions the asset within **immediate proximity** to the region’s dominant healthcare anchors, including **Mercy Health—Lourdes Hospital and Baptist Health Paducah**. This co-location strategy reinforces physician alignment, patient convenience, and referral continuity, supporting durable occupancy and long-term demand for interventional pain and outpatient surgical services.

With specialized ASC infrastructure, embedded referral strength, regulatory supply constraints, and a long-term NNN lease profile, **2831 Lone Oak Road represents a high-barrier-to-entry healthcare real estate investment offering durable income, contractual growth, and strategic alignment with a regionally established operator**.

The asset has also benefited from meaningful capital investment. **In 2016, the tenant invested approximately \$1,600,000** into a comprehensive facility renovation, which included a full building refurbishment, a new waiting room, the addition of three operating rooms, and 12 patient rooms.

### Property Information

<b>Total SF</b>	21,236 +/-
<b>Property Occupancy</b>	100%
<b>Total Net Operating Income (Year 1)</b>	\$637,080
<b>Annual Rent Increases</b>	2.5%
<b>Lease Structure</b>	Triple-Net
<b>Lease Term</b>	15 Years
<b>Number of OR’s</b>	6
<b>Year Renovated</b>	2016
<b>Year Built</b>	1992



# RENT ROLL



Tenant	Size (SF)	Lease Start	Exp Date	Rent Per Sq. Ft.	Annual Rent	Rent Increase	Renewal Options
Ambulatory Surgery Center, LLC	21,236	Upon COE	6/1/2041	\$30.00	\$637,080	2.5%	4 (5) Year

<b>Net Operating Income</b>	<b>\$637,080.00</b>
-----------------------------	---------------------



# EXECUTIVE SUMMARY



# EXECUTIVE SUMMARY

MERCY HEALTH - LOURDES HOSPITAL



# EXECUTIVE SUMMARY



# EXECUTIVE SUMMARY



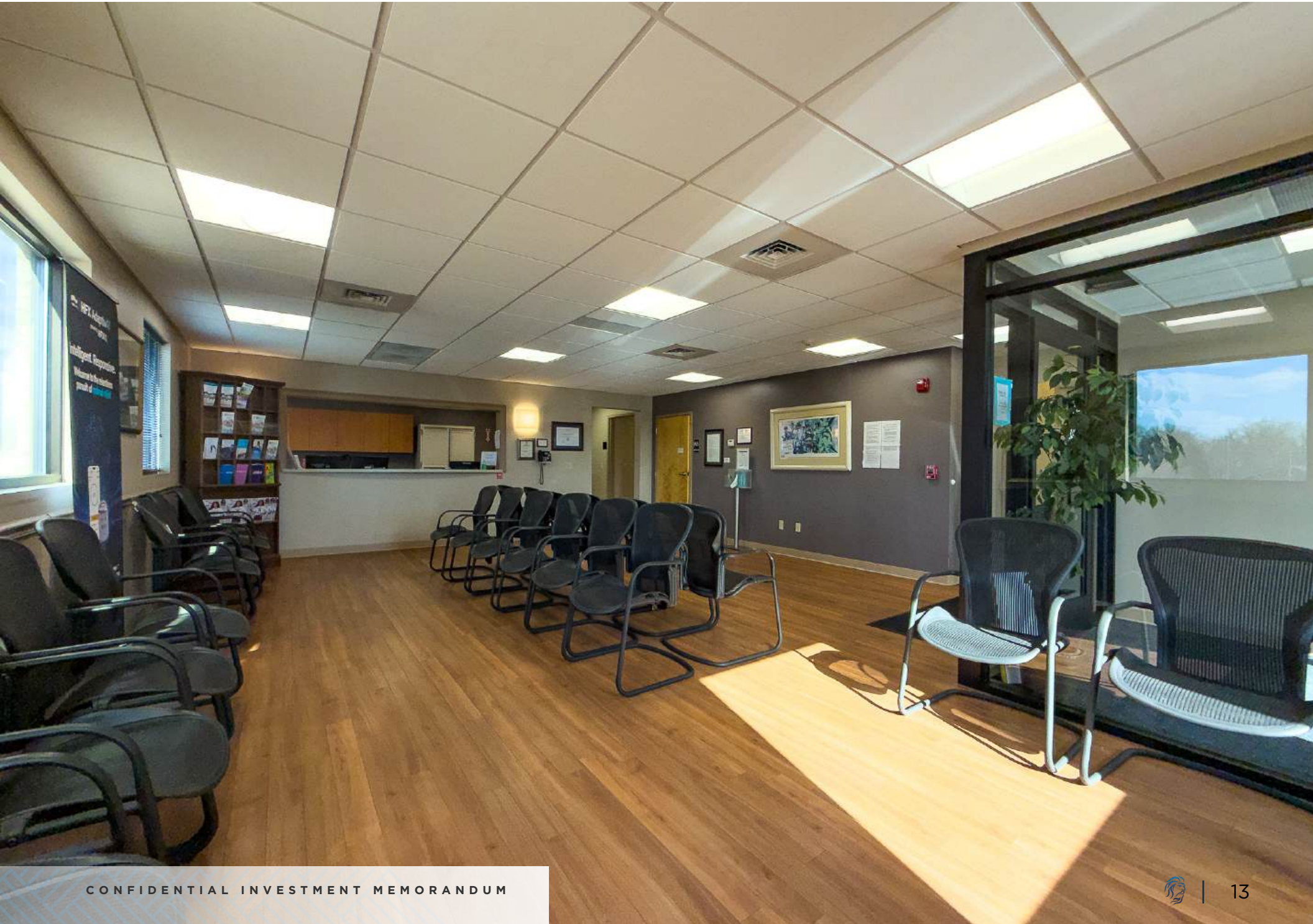
# EXECUTIVE SUMMARY



# EXECUTIVE SUMMARY



# EXECUTIVE SUMMARY



## INVESTMENT HIGHLIGHTS



### Long-Term, Stable Income:

- ±21,236 square-foot ambulatory surgery center located at 2831 Lone Oak Road, Paducah, KY, purpose-built to support interventional pain and outpatient surgical procedures.
- Long-standing tenant operating history dating back to 1992.
- In 2016, the tenant invested approximately \$1,600,000 in a comprehensive facility renovation, which included a full building refurbishment, a new waiting room, three additional operating rooms, and 12 patient rooms.
- New 15-year NNN lease featuring 2.5% annual rent escalations, providing predictable income growth and minimal landlord responsibilities.
- The facility operates with multiple physicians performing procedures, supporting durable patient volume and reducing reliance on a single provider.
- Located adjacent to PMCOA's primary Paducah clinic campus, creating a clinic-to-ASC referral pipeline that supports consistent procedural throughput.



### Prime Location and Market Strength

- Approximately 0.5 miles from Mercy Health – Lourdes Hospital (359 licensed beds).
- Minutes from Baptist Health Paducah (373 beds; ~200,000 patients annually from four states).
- Located directly adjacent to PMCOA's primary Paducah clinic campus, creating an integrated referral ecosystem.
- Paducah functions as the regional healthcare hub for Western Kentucky, Southern Illinois, Southeast Missouri, and Northwest Tennessee, supporting a multi-state patient draw.
- Kentucky's Certificate of Need (CON) framework for ASCs limits new supply and creates structural barriers to entry.
- Multi-specialty infrastructure supports a broader surgical platform, including orthopedic surgery, ophthalmology, plastic surgery, and OB/GYN.



### Operational and Financial Security

- Healthy rent coverage ratio, providing confidence in ongoing lease performance and payment stability.
- ASC proximity to clinic model drives internal referrals and procedural consistency.
- Facility has demonstrated expansion capability over time, growing from one original operating room to six approved operating rooms through multiple successful CON approvals.
- Established regional operator with multi-state footprint and structured clinical operations.
- Purpose-built ASC infrastructure embedded within Paducah's two dominant hospital systems.
- Institutional-grade lease structure supporting reliable income growth and long-term asset stability.

# KEY CONSIDERATIONS

## OCCUPIED BY REGIONAL LEADERS IN SURGERY

Paducah Ambulatory Surgery Center is a purpose-built outpatient surgical facility located within Paducah's primary medical corridor. The center supports interventional pain and spine procedures in a high-efficiency outpatient setting designed to meet growing demand for lower-cost surgical alternatives to hospital-based care. The site functions as an ambulatory surgery center and is well connected to Pain Management Centers of America's Paducah practice, a nationally recognized interventional pain platform.

The facility has a long-established operating history dating back to 1992, when it opened with a single operating room. Since then, the center has expanded its capabilities and secured approvals for additional operating rooms over time, resulting in today's six-OR configuration.

Paducah Ambulatory Surgery Center benefits from an established referral network across Western Kentucky's multi-county trade area. The surgical facility is located directly adjacent to Pain Management Centers of America's primary clinic campus, allowing seamless transition from diagnosis and patient evaluation to interventional procedures. This integrated care pathway strengthens referral retention, enhances patient convenience, and supports sustainable long-term occupancy.

## EXPERIENCED CLINICAL AND OPERATIONS TEAM

The Paducah team operates within a structured, physician-led platform focused on:

- Delivering interventional pain procedures in a controlled outpatient environment
- Maintaining streamlined patient scheduling and perioperative protocols
- Supporting compliance with regulatory standards applicable to ASC facilities
- Sustaining operational efficiency through integrated clinic and surgical coordination

With specialized surgical buildout, established physician participation, and proximity to Mercy Health – Lourdes Hospital and Baptist Health Paducah, the center is embedded within Paducah's core healthcare infrastructure.



4,300

Ambulatory Visits & Surgeries



4

Employed Physicians



65+

Total Medical Associates



# KEY CONSIDERATIONS

## LOCATION AND MARKET HIGHLIGHTS

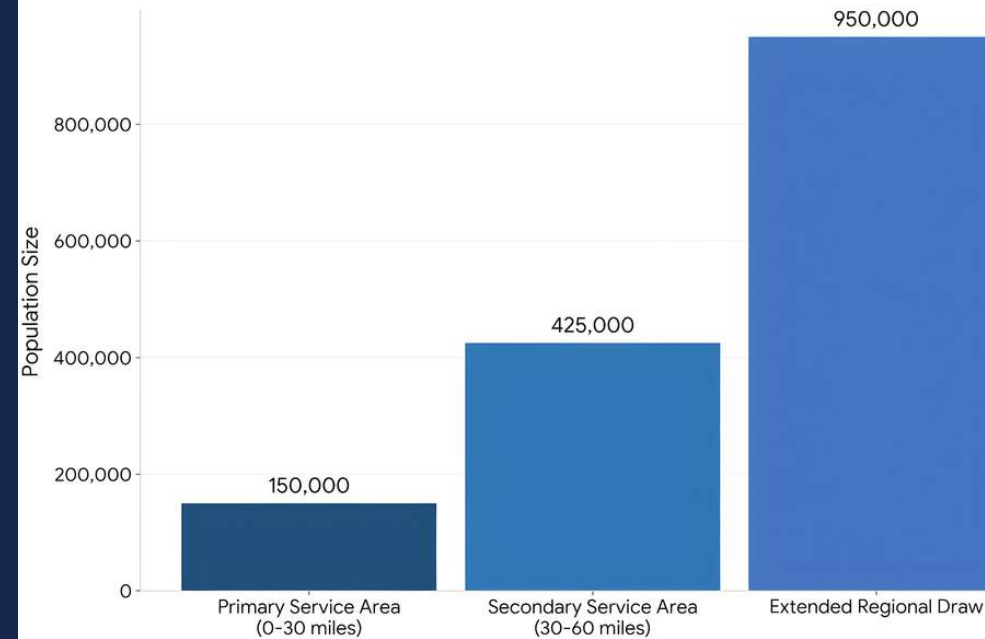
2831 Lone Oak Road is strategically positioned in Paducah, Kentucky, the commercial and healthcare center of McCracken County (2024 est. population ~67,550).

The subject ASC benefits from Paducah's role as a regional referral market. Baptist Health Paducah identifies itself as a regional medical and referral center, serving ~200,000 patients annually from four states, and operates a 373-bed hospital—key indicators of the area's established healthcare draw.

Importantly, the surgery center maintains a close clinical relationship with Pain Management Centers of America's Paducah practice. PMCOA has its Pain Management Center at 67 Lakeview Dr and the Ambulatory Surgery Center at 2831 Lone Oak Road is just steps away. This "clinic-to-ASC" structure supports a built-in referral relationship from PMCOA's outpatient evaluation and follow-up services into procedures performed at the surgery center.

Kentucky maintains a Certificate of Need (CON) program administered under KRS 216B and related administrative regulations, which constrains new facility capacity and adds a regulatory barrier that support long-term viability for existing outpatient infrastructure.

Regional Healthcare Catchment Area





# DEMOGRAPHIC & MARKET OVERVIEW

# LOCATION & ECONOMIC OVERVIEW

**Paducah, Kentucky**, serves as the primary commercial and healthcare hub for the Jackson Purchase region of Western Kentucky, drawing patients from Southern Illinois, Southeast Missouri, and Northwest Tennessee. As the county seat of McCracken County (population ~67,500) and the largest city in the immediate region (population ~26,700), Paducah functions as the centralized service market for a broad multi-state trade area.

Healthcare is a primary economic driver in Paducah's regional market. **Mercy Health – Lourdes Hospital**, located **approximately 0.5 miles from 2831 Lone Oak Road** along the same Lone Oak medical corridor, is a full-service acute care facility with approximately **359 licensed beds**. Its immediate proximity to the subject property reinforces referral integration, physician connectivity, and long-term outpatient demand.

In addition, **Baptist Health Paducah**, a **373-bed regional medical and referral center**, serves approximately **200,000 patients annually across a four-state area**, further anchoring Paducah as the dominant healthcare hub for Western Kentucky and neighboring states. With both major hospital systems situated within minutes of the site, 2831 Lone Oak Road is embedded within the region's most established medical corridor—supporting durable surgical volume, strong specialist alignment, and sustained demand for ambulatory surgery services.

Connectivity is a core advantage. Paducah is served by **Interstate 24**, providing direct east-west access across Kentucky and into Illinois and Tennessee, while U.S. Routes 60 and 45 further integrate the city into the surrounding regional economy. **Barkley Regional Airport** offers commercial air service, supporting business travel and physician recruitment.

The local economy is supported by a diversified base of employers across manufacturing, logistics, education, healthcare, and government. Major employers in McCracken County include **UACJ Automotive/Whitehall Industries, West Kentucky Community & Technical College, McCracken County government, H.B. Fuller, and National Maintenance & Repair**, reflecting a balanced economic profile with both industrial and service-sector strength.



# LARGEST LOCAL EMPLOYERS



## COMPANY

## INDUSTRY

Baptist Health Paducah

Healthcare

Mercy Health – Lourdes (Paducah)

Healthcare

Ingram Barge Company

Inland marine transportation / logistics

Murray State University

Higher education

Marquette Transportation

Marine transportation / logistics

Pilgrim's Pride

Meat processing

McCracken County Public Schools

K–12 education

Pella Windows & Doors

Manufacturing

Walmart

Retail / distribution

James Marine

Marine services / shipbuilding & repair