

To: Michigan Health Specialists Owners
From: Andrew Sullivan
Date: 12/20/2024
Re: Michigan Health Specialists – 2024 Review & 2025 Forecast

Dear Investors,

We are pleased to present Michigan Health Specialists' annual report update. This comprehensive report provides a detailed overview of the past year’s accomplishments and key insights into the financial outlook and strategic priorities for 2025.

Ownership Overview: The property at this location is jointly owned by multiple tenants-in-common (TIC) entities, including Flint Medical Investors, LLC; Suaza, LLC; Chymiak Flint, LLC; Evirock Hill, LLC; and Shark Fin Associates, LLC. For this communication, all distributions are calculated at the property level. The specific amount allocated to your TIC entity will be determined based on its percentage ownership in the property.

TIC Owner	Percent Ownership
Flint Medical Investors	51.44%
Suaza	20.00%
Chymiak Flint	10.86%
Evirock Hill	9.80%
Shark Fin Assoc	7.90%

Tenant Overview:

Please find below a summarized table of our tenant information:

Tenant Name	Square Footage	Lease Start	Lease End	Current Rental Rate (\$ psf)	Current Monthly Total Rental Payment	Current Monthly CAM Payment	Monthly Additional Payment
Hurley Medical Center - Center	10,960	6/3/2022	6/30/2032	\$18.36	\$16,768.00	\$6,222.00	N/A
Physician Coverage Services - Center	16,812	6/3/2022	6/30/2032	\$25.22	\$35,330.90	\$10,440.00	N/A
Hurley Medical Center - Dort	3,997	6/3/2022	6/30/2032	\$18.36	\$6,114.90	\$5,217.00	N/A
Physician Coverage Services, P.C. - Dort	5,715	6/3/2022	6/30/2032	\$25.22	\$12,010.24	\$8,144.00	N/A
Physician Coverage Services, P.C. - Longway	11,537	6/3/2022	6/30/2034	\$25.22	\$24,245.35	\$11,962.00	N/A

Cash Balance:

As of the report date, we hold a cash balance of \$376,237. This represents an increase from the previous year's balance of \$217,895. The primary driver of the increase is continuing to fund the building improvements reserve through operations, along with a larger real estate tax escrow in 2024.

Debt Overview:

The table below presents an overview of the current debt structure of the portfolio:

Balance as of Report Date	Original Loan Amount	Loan Expiration	Interest Rate	Amortization	Lender
10,081,435	10,500,000	6/5/2029	4.45%	30 years	American National Bank

Monthly and Annual Distributions Overview:

We distributed \$459,373 for the full year of 2024. For 2025, we have budgeted an annual distribution of \$482,000, reflecting a 4.93% increase over the prior year. The table below summarizes the monthly and yearly distributions for 2024 and 2025:

Year	Monthly Distribution	Annual Distribution
2024	\$38,281.08	\$459,373
2025	\$40,166.67	\$482,000

Equity and Distribution Overview:

The table below provides a summary of our equity position relative to distributions made since inception, illustrating the cash-on-cash return as a percentage:

Original Equity Raise	Distributions Since Inception	Cash on Cash Return (%)
\$6,080,000	\$1,107,640	18.22%

In conclusion, the property's financial performance reinforces our confidence in a prosperous 2025. Consistent distributions, substantial loan principal reductions, and a proactive management strategy underpin this confidence. We remain steadfast in our commitment to earning and preserving your trust as we guide Michigan Health Specialists toward continued growth and success in 2025.

We sincerely appreciate your unwavering confidence in our stewardship of Michigan Health Specialists. Your support has been instrumental in our achievements, and we look forward to building on this success together in the year ahead.

Sincerely,



Andrew Sullivan
Director of Asset Management
Crown MedRealty Partners

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