



INVESTMENT OPPORTUNITY

3251 N. Rock Rd, Derby, KS 67037

REFINANCE AFTER THREE YEARS / HOLD LONG-TERM



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CONTACT

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Address 3251 N. Rock Rd.
Derby, KS 67037

Acquisition Date 10/15/2024

Purchase Price \$47,700,000

CAP Rate 10.00%

NOI \$4,770,000

Total SF 87,025 SF

Land 10.932 Acres

Tenancy Single NNN

Lease Term 20 Years



EXECUTIVE SUMMARY

HJH Investments is pleased to present the Rock Regional Hospital at 3251 N. Rock Rd. in Derby, Kansas, a submarket of Wichita. Located on 10.932 acres, the 87,025-square-foot property is part of a larger mixed-use development located within the rapidly growing Rock Road retail corridor. The development is in a well-traveled, highly visible location and benefits from convenient access and close proximity to K-15 Expressway and Rock Road, both major north/south traffic corridors with 63rd Street serving as the east/west connector.

The development of Rock Regional Hospital was driven by the need for a regional acute care hospital serving the southern half of Sedgwick County, all of Sumner County, and residential communities south of Wichita. Rock Regional Hospital features 24 medical/surgical beds, seven intensive care unit beds, four operating rooms, two procedure rooms, two heart catheterization labs, and six emergency department rooms.

Property Highlights

- Well-designed and modern Class A facility
- Strategically located
- Staffed, fully equipped, and operational
- Poised for explosive growth

HOLDING STRATEGY

HJH Investments intends to hold this property as a long-term, cash-generating asset. We plan to refinance the property at the end of Year 3, at which time investors will receive their original investment funds back, plus additional disposition proceeds, if any. After the property has been refinanced, investors will receive cash flow based on their respective ownership percentages, which will remain the same as before the refinance.

As always, we will continuously monitor various factors such as the local economy, lease rates, population changes, traffic patterns, and overall economic conditions. We will consider these factors when determining the best time to divest of the property to maximize the financial interests of our shareholders. To show investors their potential Before Tax Internal Rate of Return, we have arbitrarily chosen seven years as a sample holding period; the actual holding period may be shorter or longer.



INITIAL THREE-YEAR HOLD PERIOD

PROJECTED INVESTOR RETURNS



3 YEARS
HOLDING PERIOD
BEFORE REFINANCE

YEAR 1 INVESTOR CASH FLOW	YEAR 2 INVESTOR CASH FLOW	YEAR 3 INVESTOR CASH FLOW	\$2.65M		INVESTORS' TOTAL YEAR 1 CASH FLOW	
10.00%	10.00%	10.00%				
Effective Gross Income					\$4,770,000	
Operating Expenses					\$0	
Net Operating Income					\$4,770,000	
Annual Debt Service					\$2,318,043	
Property Asset Management Fees					\$95,400	
Net Cash Flow					\$2,356,557	
Constant Cash Flow Adjustment ¹					\$293,443	
Investors' Estimated Total Annual Cash Flow					\$2,650,000	10.00%
Syndication Team's Estimated Annual Cash Flow After Preferred Return					\$0	
Total Estimated Annual Cash Flow Distribution					\$2,650,000	

(1) These are funds allocated from the Operating Reserves to ensure that the investors get a full 10% Preferred Return. Note that this number decreases in subsequent years due to annual rent increases; specifically, it will be \$176,578 and \$56,792 in Years 2 and 3, respectively.

REQUIRED INVESTOR FUNDS



3 YEARS
HOLDING PERIOD
BEFORE REFINANCE



10.00%

CAP RATE



\$47.7M

PURCHASE PRICE



\$26.5M

REQUIRED INVESTOR FUNDS

Purchase Price (10.00% CAP)	\$47,700,000
Original Loan Proceeds (51.4% LTV, 8.25%, 25-Yr Amort, 5-Yr Term)	\$24,500,000
Down Payment (48.6%)	\$23,200,000
Loan Fees ¹	\$490,000
Closing Costs ²	\$995,642
Acquisition Fee ³	\$500,000
Guarantor Fee	\$238,500
Operating Reserves	\$1,075,858
Total Funds Needed	\$26,500,000

(1) Includes the following: Mortgage Broker Fee of \$245,000. Loan Origination Charges of \$245,000.

(2) Includes costs of third-party inspections, title, survey and appraisal. Also includes fees paid to HJH Inc. at closing to compensate employees and consultants who provide R&D services.

(3) Paid to HJH Inc. at closing to cover the costs of due diligence activities such as travel and the reviewing of financials, leases and capital expenditures. Also includes legal costs.

**YEAR 4****\$171,115****INVESTORS' TOTAL
YEAR 4 CASH FLOW**

Effective Gross Income	\$5,136,768	
Operating Expenses	\$0	
Net Operating Income	\$5,136,768	
Annual Debt Service	\$4,691,802	
Property Asset Management Fees	\$102,735	
Net Cash Flow	\$342,231	
Investors' Estimated Total Annual Cash Flow	\$171,115	0.68%
Syndication Team's Estimated Annual Cash Flow After Preferred Return	\$171,115	
Total Estimated Annual Cash Flow Distribution	\$342,231	



6.50%

CAP RATE



\$79M

APPRAISED VALUE



\$3.01M

FUNDS FOR DISTRIBUTION

USE OF REFINANCE FUNDS IN YEAR 4

Appraised Value (6.50% CAP)	\$79,027,204
Refinance Loan Proceeds (70% LTV, 7.00%, 25-Yr Amort, 5-Yr Term)	\$55,319,043
Less Payback of Original Loan	\$23,493,654
Less Investor Payback of Original Investment	\$26,500,000
Less Refinance Loan Fees ¹	\$1,659,571
Less Refinance Closing Costs ²	\$395,136
Less Refinance Transaction Fee ³	\$100,000
Less Refinance Guarantor Fee ⁴	\$156,636
Additional Funds Left for Distribution	\$3,014,045

(1) Includes the following: Mortgage Broker Fee of \$553,190. Loan Origination Charges of \$1,106,381.

(2) Includes costs of third-party inspections, title, survey and appraisal.

(3) Paid to HJH Inc. at closing to cover the costs of due diligence activities such as travel and the reviewing of financials, leases and capital expenditures. Also includes legal costs.

(4) This is the additional fee paid to the Guarantor to assume the risk of the larger loan payment. It is 0.5% of the difference in the value of the real estate at refinance (\$79,027,204) versus acquisition (\$47,700,000).

ANNUAL RETURN ON INVESTMENT & CASH ON CASH RETURNS

FOR SAMPLE 7 YEAR HOLD

INVESTOR ANNUAL RETURN ON INVESTMENT & CASH ON CASH RETURNS	WHILE FUNDS ARE INVESTED			AFTER FUNDS ARE RETURNED			
	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7
Preferred Return (10.00%) ¹	\$2,650,000	\$2,650,000	\$2,650,000	\$0	\$0	\$0	\$0
Quarterly Upside	\$0	\$0	\$0	\$171,115	\$234,041	\$298,539	\$364,650
Loan Paydown ²	\$154,139	\$167,347	\$181,687	\$423,139	\$453,728	\$486,528	\$521,699
Annual Return ³	\$2,804,139	\$2,817,347	\$2,831,687	\$594,254	\$687,769	\$785,067	\$886,349
Return on Investment ⁴	10.58%	10.63%	10.69%				
Investor Cash-on-Cash ⁵	10.00%	10.00%	10.00%				

(1) Preferred Returns are only paid during the first three years. After refinancing at the end of Year 3 (when the Investor's original funds are returned), the only returns generated are for Quarterly Upside.

(2) Terms for the Original Loan Paydown for the first three years: 8.25% interest rate, 51.4% LTV, 25-year amortization, 10-year term. The estimated terms for the Refinance Loan Paydown in years four through seven are 7.00% interest rate, 70% LTV, 25-year amortization, and 5-year term.

(3) Annual Return is the sum of Preferred Return, Quarterly Upside, and Loan Paydown.

(4) Return on Investment is the Annual Return divided by the amount of investment.

(5) Investor Cash-on-Cash is the sum of Preferred Return and Quarterly Upside divided by the amount of investment. Note that the Investor Cash-on-Cash percentage is not given after the refinance at the end of year 3 because, technically, it is infinite since the Investor no longer has any funds invested but is still reaping the benefit of Quarterly Upside and Primary Loan Paydown.

BEFORE TAX INTERNAL RATE OF RETURN (BTIRR)

FOR SAMPLE 7 YEAR HOLD

6.50% CAP RATE

Investor Cashflows	Investment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Investor Acquisition Funds	\$26,500,000							
Preferred Return Plus Upside Cashflow		\$2,650,000	\$2,650,000	\$2,650,000	\$171,115	\$234,041	\$298,539	\$364,650
Return of Investor Acquisition Funds				\$26,500,000				\$0
Investors' Disposition Proceeds ¹				\$1,507,023				\$15,130,628
Total Cashflows	\$26,500,000	\$2,650,000	\$2,650,000	\$30,657,023	\$171,115	\$234,041	\$298,539	\$15,495,278
				BTIRR: 11.69%				BTIRR: 19.86%

Deal-Level Cashflows	Investment	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Acquisition Funding	\$26,500,000							
Annual Cashflows		\$2,650,000	\$2,650,000	\$2,650,000	\$342,231	\$468,082	\$597,079	\$729,301
Return of Investor Acquisition Funds				\$26,500,000				\$0
Net Distribution Proceeds ²				\$3,014,045				\$30,261,256
Total Cashflows	\$26,500,000	\$2,650,000	\$2,650,000	\$32,164,045	\$342,231	\$468,082	\$597,079	\$30,990,556
				BTIRR: 13.33%				BTIRR: 25.91%

(1) Assumes refinance at the end of year 3 at a 6.5 CAP with a new 7% loan with a 25-year amortization, 70% LTV, and a 5-year term. Investors receive their original investment funds back at the time of refinance, plus additional disposition proceeds. The property is then held for four additional years, during which investors receive cash flow based on a percentage of ownership, which does not change after refinancing. At the end of year seven, the property is sold at a 6.5 CAP, with a 1% disposition fee and 6% in cost of sales with distribution of any residual operating reserves.

(2) Same assumptions as in (1) except at the deal level.

RENT ROLL

At closing, the tenant will deposit \$5M in pre-paid rent into an escrow account. These funds will be used to pay rent for the first year, after which the tenant will begin making lease payments from operational cashflow. Also at the end of Year 1, the tenant will deposit six months worth of lease payments (approximately \$2.5M) as a security deposit. This security deposit will be maintained until the end of the lease.

Building	SF	Usage	Lease Type	Tenant Since	Current Lease Start	Current Lease End	Current Annual Rent	RentBumps
Rock Regional Hospital 3251 N. Rock Road Derby, KS 67037	87,025	100.00%	Absolute NNN	2019	10/15/2024	10/31/2044	\$4,770,000	2.5% Annually

Rent Bumps		Annual Rent
Current	10/15/2024	\$4,770,000
Year 2	11/1/2025	\$4,889,250
Year 3	11/1/2026	\$5,011,481
Year 4	11/1/2027	\$5,136,768
Year 5	11/1/2028	\$5,265,187
Year 6	11/1/2029	\$5,396,817
Year 7	11/1/2030	\$5,531,738
Year 8	11/1/2031	\$5,670,031
Year 9	11/1/2032	\$5,811,782
Year 10	11/1/2033	\$5,957,076
Year 11	11/1/2034	\$6,106,003
Year 12	11/1/2035	\$6,258,653
Year 13	11/1/2036	\$6,415,120
Year 14	11/1/2037	\$6,575,498
Year 15	11/1/2038	\$6,739,885
Year 16	11/1/2039	\$6,908,382
Year 17	11/1/2040	\$7,081,092
Year 18	11/1/2041	\$7,258,119
Year 19	11/1/2042	\$7,439,572
Year 20	11/1/2043	\$7,625,561



PRE-PAID RENT

\$5M AT CLOSING FOR YEAR 1



RENT BUMPS

2.5% ANNUALLY



LEASE TERM

20 -YEAR INITIAL TERM



LEASE TYPE

ABSOLUTE NNN

WHAT DOES THE SYNDICATION TEAM DO?

The short answer: everything, so you don't have to.

Working with a syndication team allows investors to have a stake in commercial real estate properties yet be completely hands-off, with an expert team to handle all the complexities.

The HJH Investments team finds the opportunity, thoroughly vets the property, secures a lender, signs on the debt and manages the closing transaction. Upon ownership, HJH Investments will then manage the property, process investor distributions, and market the asset when the time comes to sell.

SYNDICATION TEAM COMPENSATION

WHILE FUNDS ARE INVESTED (YEAR 1 - YEAR 3)

None; all Cashflow from Operations goes to investors' Preferred Return

\$0

AFTER REFINANCE (YEAR 4+)

50% of Cashflow from Operations

\$171,115

(Year 4 Annual Estimate)

AT DISPOSITION

50% of the Net Sales Proceeds

TBD

THE STORY

Rock Regional Hospital - Derby, KS



Rock Regional Hospital opened in 2019 through a collaboration between ownership and investors from Colorado and Texas. The owner, inexperienced in medical facility management, assumed control yet encountered critical errors in contract negotiations. In a bid to rectify the situation, an additional partnership was formed with Ascension, which initially held a 40% ownership stake with the intention of acquiring 51% by December 2021.

The owner dismissed the original hospital leadership team, and with Ascension's help, brought in new management to oversee operations. This transition coincided with the onset of the global pandemic in March 2020, presenting unforeseen challenges. The hospital struggled to secure federal pandemic relief or government grants (and would later realize in early 2022 that the hospital did not receive full COVID funding).

In early 2021, Tim Hand, a seasoned hospital investor and turnaround specialist, stepped in with a successful track record that included the opening and subsequent sale of Kearney Regional Medical Center in Nebraska, which sold for a multiple of the value of the real estate itself. Tim deployed his expertise to bring in yet another new leadership team while he and his partners also infused \$1M into the hospital, spurring a four-month restructuring period. Throughout the following 18 months, Tim and associates injected approximately \$14M of debt and equity into the hospital, resulting in Tim's group holding an 80% ownership stake, with Ascension and two private funds comprising the remaining 20%.

Under Tim's leadership, the hospital underwent a comprehensive restructuring, and existing contracts from the previous management were renegotiated, leading to a substantial \$4M reduction in overhead costs. Tim also recruited a new CEO and fortified the management team. As part of the Strengthening People and Revitalizing Kansas (SPARK) Act, the hospital secured \$5M in COVID-19 relief dollars, with \$104,000 pending, along with approximately \$3.1M in Employee Retention Credit (ERC) funds. Pending legislation is expected to provide around \$16M from the CARES ACT, compensating for pandemic-related financial losses.

In 2023, discussions were initiated with HJH Investments for the acquisition of the hospital's real estate. This move aims to leverage their expertise in real estate ownership and allow Tim's team to transform the hospital into a profitable venture, which is predicted to occur by the summer of 2025.

Notably, Rock Regional Hospital stands out as a modern facility in contrast to neighboring hospitals constrained by outdated infrastructure. The local hospital market is valued at approximately \$10.5B, indicating significant growth potential with the new management and potential new landlord.

Upon acquisition, current ownership has designated \$5M for the initial 12 months of lease payments with an additional six months of lease payments to be placed as a deposit by the tenant at the end of the first 12 months. Despite the 2017 appraisal valuing the property at roughly \$57M, the current replacement cost far exceeds this figure, indicating a higher current appraised value.



HJH INVESTMENTS

AT HJH, OUR MISSION IS TO *protect and then grow investor capital*

HJH Investments is a leading commercial real estate syndication company headquartered in Wichita, Kansas, with offices in Michigan.

The firm's mission is to protect and *then* grow investor capital by providing investors with risk-mitigated investment properties that deliver dependable results and maximize returns over time.

HJH specializes in sourcing and acquiring credit tenant, net leased retail, industrial, office, and medical office acquisitions primarily within the midwest, southeast, and southern regions of the United States. Since 2014, HJH has acquired 100 properties and has amassed a portfolio in excess of \$621 Million.



\$621M+

TOTAL VALUE
ACQUIRED

100

TOTAL PROPERTIES
ACQUIRED

20

PROPERTIES ACQUIRED IN
PREVIOUS 24 MONTHS

4.2M+

SQUARE FEET UNDER
MANAGEMENT

628+

TOTAL NUMBER OF
TENANTS



Cory Harkleroad
FOUNDER & CEO OF HJH INVESTMENTS

Cory founded HJH Investments in 2014. He has a broker's license in the state of Kansas and has been a licensed real estate broker since 1997. He spent the first 12 years of his career predominantly in residential real estate with the occasional commercial real estate opportunity. In 2009, Cory shifted his focus to commercial real estate full-time and began sourcing his own deals, which served as a springboard for his venture into commercial real estate syndication.

Today, Cory is recognized as a multi-award-winning leader in the commercial real estate community. He has a passion for sharing his wisdom, mentoring young real estate professionals, and building community within the industry. In 2022, he founded the Wichita Area Real Estate Exchange in which he facilitates bi-Monthly marketing sessions at HJH headquarters. He is an active member of the Kansas CCIM chapter, National Council of Real Estate Exchangors, and a regular attendee of the Society of Exchange Counselors marketing conferences.

An avid supporter of several nonprofits, Cory serves on the board of directors for UJUMP, a youth-focused charitable organization that works to foster growth through empowerment opportunities.

HJH INVESTMENTS

At HJH Investments, we pride ourselves on offering a superior investment experience that starts by carefully curating a synergistic team of experts. We employ a highly professional and reliable team with decades of real estate and investment experience who are passionate about protecting investor capital, first and foremost. Each team member is committed to providing unparalleled service, excellent communication, and transparency.



Karin Meier
Chief Operating Officer



Jennifer Phister
Corporate Controller



Dianna Downey
Transaction Manager



Teanna Liess
General Counsel



Ashley Ruckman
Director of Marketing



John Post
Property Research Analyst



John Potochnik
Financial Analyst



Camryn Bearden
Executive Coordinator

TENANT OVERVIEW

Rock Regional Hospital - Derby, KS



TIM HAND

Hospital Turnaround Specialist

Tim Hand has worked as a principal in healthcare development projects for over 25 years, including hospitals, free-standing cardiac catheterization labs, ambulatory surgery centers, and medical office buildings. Through his consulting firm MDM+, Tim has amassed a diverse portfolio of projects within the healthcare sector. Notable projects include:

Three Crosses Regional Hospital - Las Cruces, NM (Ongoing)

Tim currently serves as a consultant for Three Crosses Regional Hospital in Las Cruces, New Mexico. The hospital gained licensure from the State of New Mexico in October 2020 and Medicare accreditation in December. Tim's involvement includes representation on the Hospital's governing board, overseeing financing, and raising owner equity.

Kearney Regional Medical Center - Kearney, NE (2014-2017)

Tim spearheaded the development of Kearney Regional Medical Center in Kearney, Nebraska, a 60,000-square-foot general acute care hospital that opened its doors in 2014. Subsequently, in 2016-17, MDM led a 73,000-square-foot expansion. The hospital initially opened for approximately 50 local physicians, underwent significant growth, and was eventually sold to the Bryan Hospital system based in Lincoln, Nebraska.

California Heart and Surgical Hospital - Redlands, CA (2008)

Tim played a pivotal role in the development of California Heart and Surgical Hospital. With 6 operating rooms and 28 beds, this general acute care facility, complete with cath labs and post-anesthesia beds, was successfully sold to the Loma Linda Medical Center in 2008.

Salina Surgical Hospital - Salina, KS (1995)

This facility, consisting of 4 operating rooms and 16 beds, was developed by MDM principals. Thriving with over 8,000 surgeries annually, an MDM principal remains on the hospital's Board of Managers, ensuring its continued success.

Manhattan Surgical Hospital - Manhattan, KS (2001)

Under Tim's guidance, Manhattan Surgical Hospital was established in Manhattan, Kansas in 2001. Featuring 6 operating rooms, 13 beds, 3 endoscopy suites, and 5 pain management treatment rooms, the hospital has been a testament to the sustained commitment of MDM in the healthcare sector.

Diversification Beyond Healthcare

Beyond healthcare, Tim has ventured into diverse domains, including assisted living residences, real estate and franchise acquisitions. He is a retired Lieutenant Colonel from the United States Marine Corps. Tim attended the Universidad de Costa Rica in 1984 and graduated with a B.A. from the University of Kansas in 1985. He has been married to Marie Hand for 35 years and is the father of 7 children.

TENANT OVERVIEW

Rock Regional Hospital - Derby, KS



BEN QUINTON

Chief Executive Officer, Rock Regional Hospital

Ben Quinton is a highly accomplished healthcare executive with over two decades of strategic leadership in the healthcare industry. Principal of Heartland Medical Consulting, LLC, Ben is currently holding the position of Interim President and CEO at Rock Regional Hospital in Derby, KS, driving a comprehensive financial turnaround and restructuring initiative. Notably, he secured \$10.3M in grants, renegotiated vendor contracts that resulted in \$650K annualized savings within three months, achieved \$3.7M (13%) overall cost savings over prior year (YTD), established a new partnership with a prominent cardiology group to drive interventional cath lab and cardiac volumes forward, and fostered a significant increase in surgical, ED, ICU, and outpatient volumes.

In his previous role as Chief Executive Officer at William Newton Memorial Hospital, Ben achieved remarkable milestones, doubling net patient revenues and saving the hospital \$1.5M in annual supply costs (20% savings) and an additional \$900K by employing ER physicians versus contracting with an ER group. His strategic leadership also played a pivotal role in forming partnerships with interventional cardiology and orthopedic surgery groups, resulting in substantial growth and increased patient care revenues.

Ben also served as the Chief Executive Officer of Lander Regional Hospital, Evanston Regional Hospital, and Rooks County Health Center, consistently achieving optimal outcomes, recruiting physicians, and overseeing the development of new medical facilities.

His commitment to the healthcare community extends to his involvement in various boards and committees, including his role as Board Chairman of the KASH Health Cooperative and participation in the Governance Committee of the Kansas Hospital Association. Ben is an active member of the American College of Healthcare Executives, the Medical Group Management Association, Rotary International, and the Studer Group.

Ben and his wife Cathleen have been residents of Derby for the past eleven years and have a family of seven children, three of whom still live at home. He holds a Master's Degree in Healthcare Administration (MHA) from the University of Missouri-Columbia and a Bachelor's Degree (BS) from Brigham Young University.

TENANT OVERVIEW

Rock Regional Hospital - Derby, KS



Established in 2019, Rock Regional Hospital is dedicated to serving Derby and neighboring communities. The hospital offers an extensive range of medical services with 24 medical/surgical beds, seven intensive care unit beds, four operating rooms, two procedure rooms, two heart catheterization labs, and six emergency department rooms, encompassing emergency care, surgery, intensive care, and laboratory services. In 2020, the hospital achieved The Joint Commission's Gold Seal of Approval® for Comprehensive Laboratory and Point-of-Care Testing Accreditation, underscoring its consistent adherence to performance standards and exemplifying its dedication to delivering safe and quality patient care.

HOSPITAL FEATURES



24 PRIVATE
PATIENT SUITES



7 ICU
SUITES



4 OPERATING
ROOMS



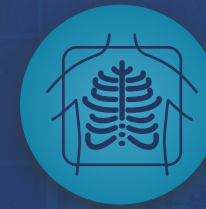
2 CATH
LABS



12-BED
PACU



6-BED
EMERGENCY
ROOM



ADVANCED
IMAGING
SERVICES



2 ENDOSCOPY
SUITES

Rock
Regional
Hospital

TENANT OVERVIEW

Rock Regional Hospital - Derby, KS

KEY SERVICES

SURGICAL

EMERGENCY

LABORATORY

INTENSIVE
CARE

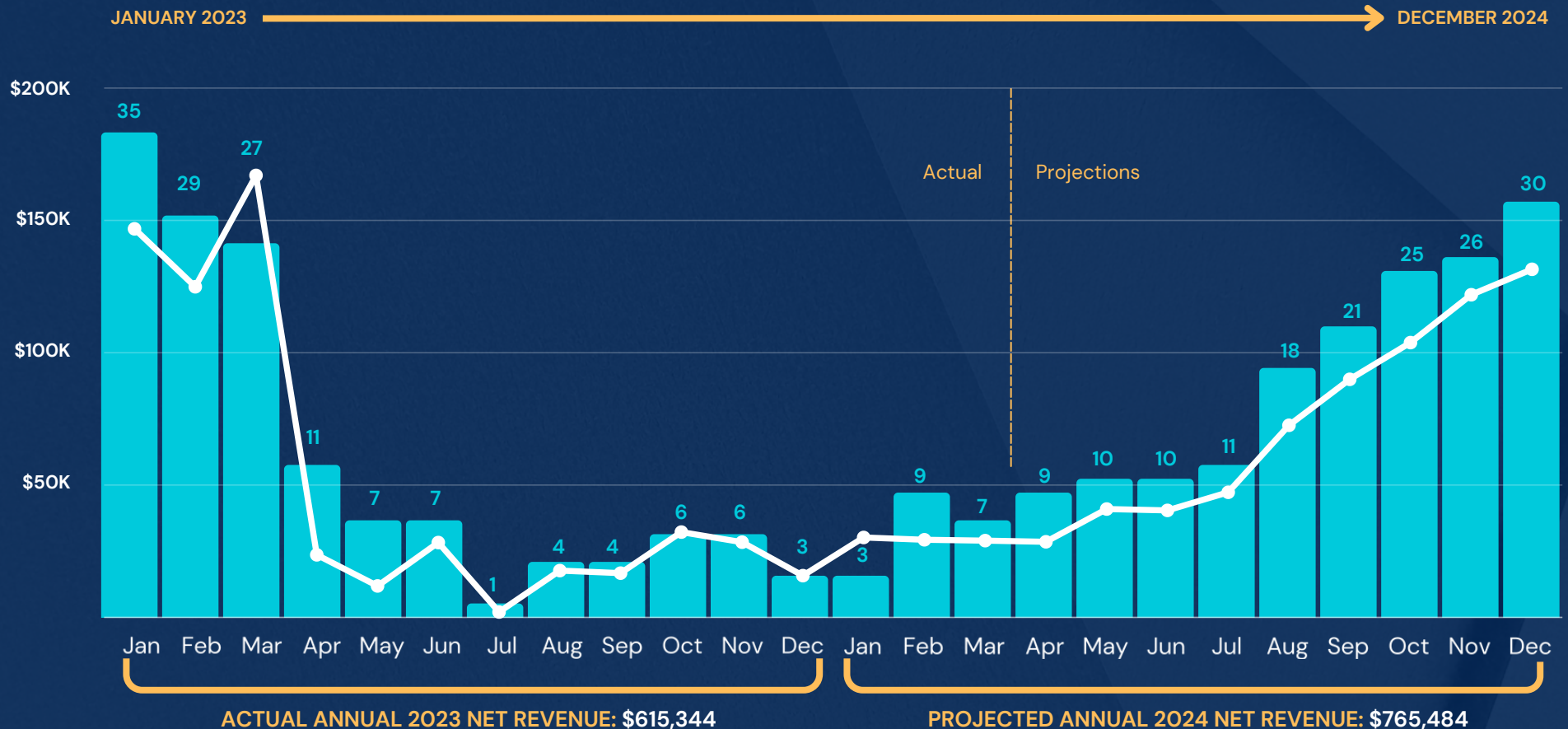
EMERGENCY

IMAGING



Cardiac Cath Lab Monthly Visits/Revenue

● Net Revenue ● Visits

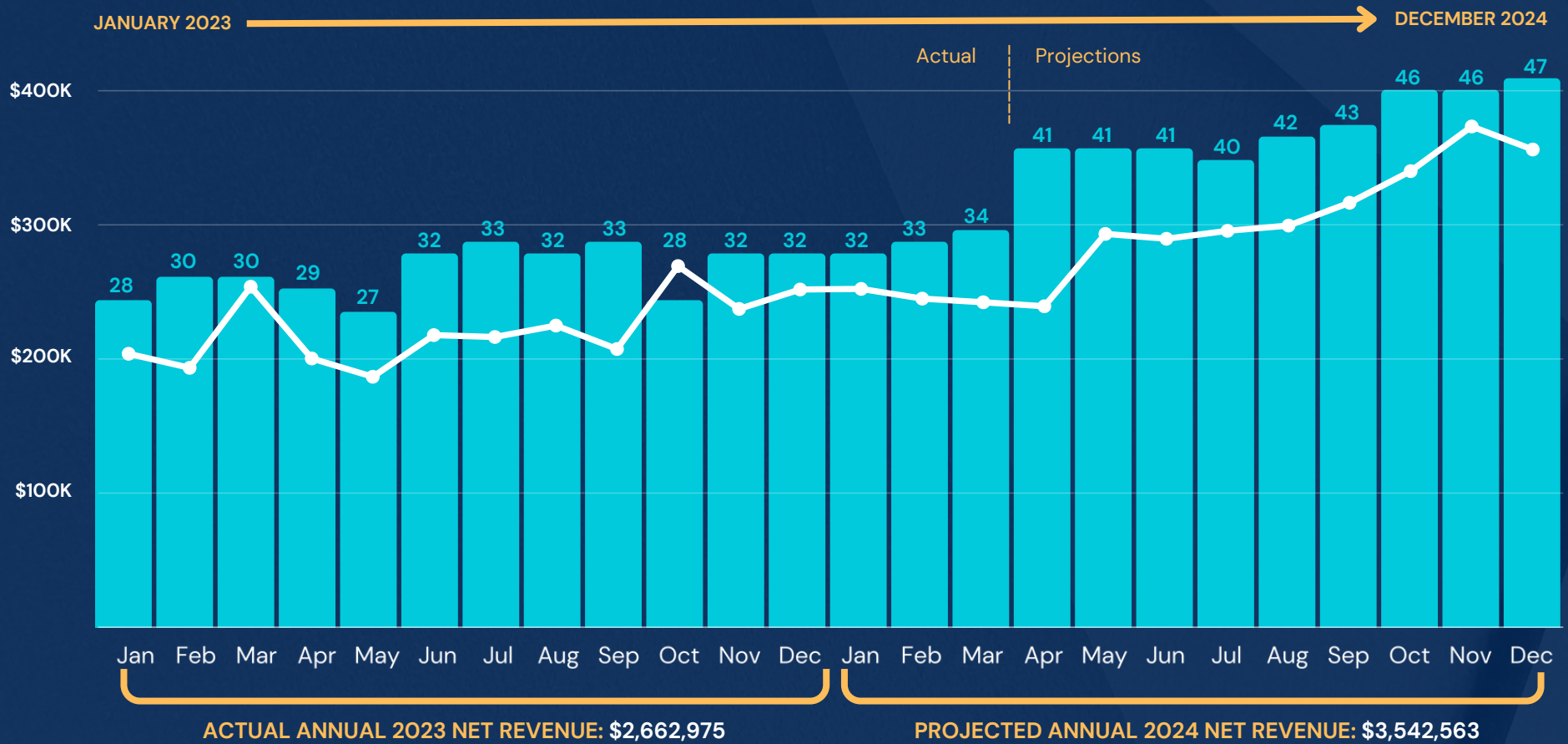


Revenue Drivers

- Recent affiliation with Heartland Cardiology, the largest cardiac provider in the area
- Dr. Wassim Shaheen, a preeminent Interventional Cardiologist, is the new Director
- Two additional Heartland doctors' offices are within one mile of RRH; they will drive cath procedures at RRH
- Beginning in August 2024, three Heartland doctors under contract will provide 24x7 on-call cardiology coverage for ER and Inpatient departments
- Beginning in August 2024, Heartland and RRH will have a joint cardiology clinic located at the Heartland office in Derby
- Two current Cath Labs can handle up to eight procedures each per day
- All growth of other cardiac procedures (e.g. cardioversions) can be accommodated in various rooms in the Surgery Department
- Prior to losing the previous Cath Lab Director in 1Q23, revenue was robust and should recover quickly

Emergency Department Visits/Day

● Net Revenue ● Visits



Revenue Drivers

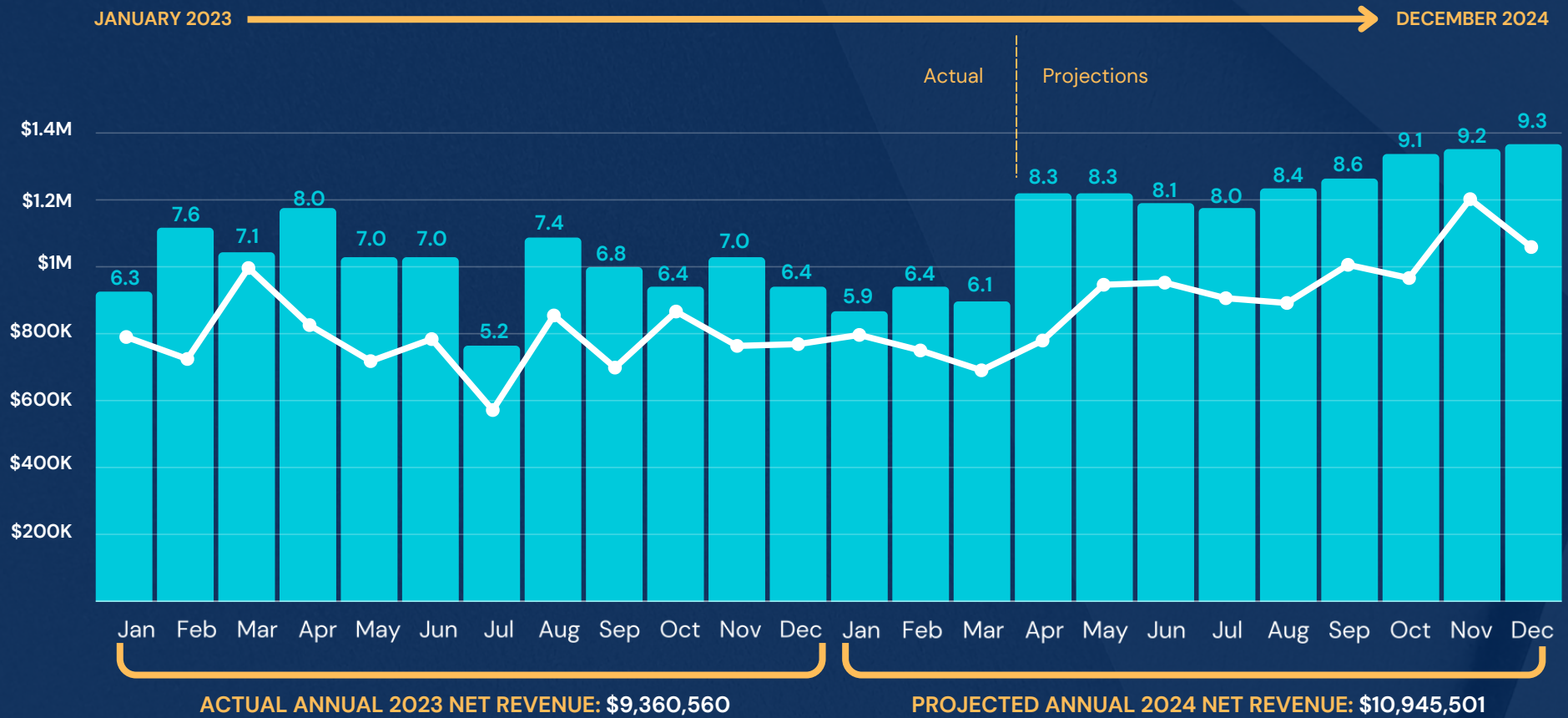
- Outstanding Median Door-to-Doctor wait time of four minutes (August 2023)
- Emergency Medical Service (EMS) delivered patients: 9.46% (large upside potential)
- In 75th percentile for overall Emergency Department patient satisfaction*
- Staffed 24x7 with actual Physicians, not Physician Assistants or Nurse Practitioners
- Recently certified as a Stroke Stabilization Hospital in Kansas
- Plan to reach out to Emergency Medical Service companies and nursing homes in the area
- Plan targeted marketing initiatives, including adding Current Wait Time to the website
- Currently at 35% capacity with existing rooms, personnel, and equipment

* Per 3Q2023 PressGaney Patient Experience Metrics comparing RRH to 3,400 peer hospitals nationwide.



Surgery Surgeries/Day

● Net Revenue ● Surgeries



Revenue Drivers

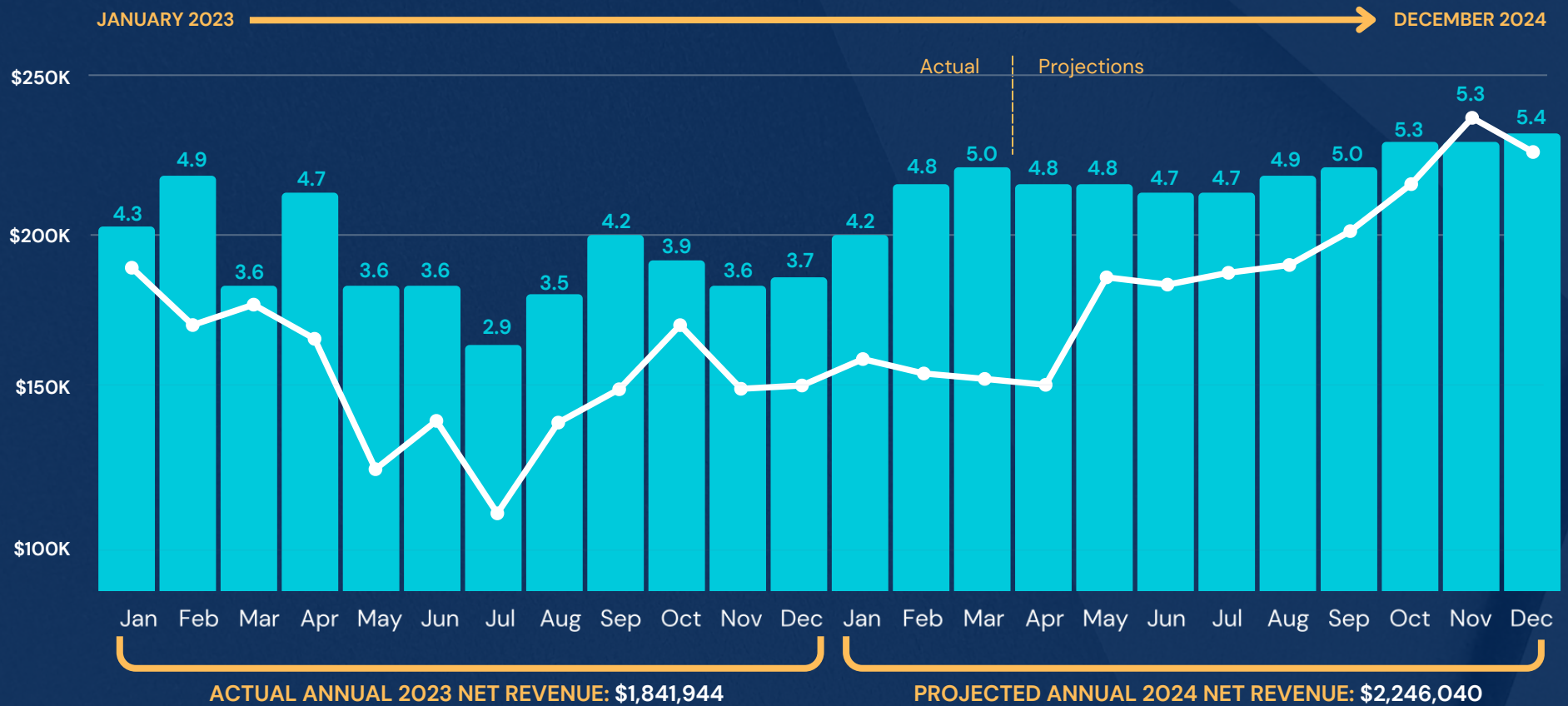
- In 84th percentile for overall Surgery and Cath Lab patient satisfaction*
- Actively recruiting new surgeons
- Expanding urological and gynecological procedures; adding Ear, Nose, and Throat (ENT)
- Surgeons did cost/revenue analysis for all procedures; now emphasizing the most profitable surgeries
- Actively reaching out to local doctors to do their surgeries at RRH
- Recently added clinical trial studies to enhance revenue stream

* Per 3Q2023 PressGaney Patient Experience Metrics comparing RRH to 3,400 peer hospitals nationwide.



Inpatient Services Admissions/Day

● Net Revenue ● Visits



Revenue Drivers

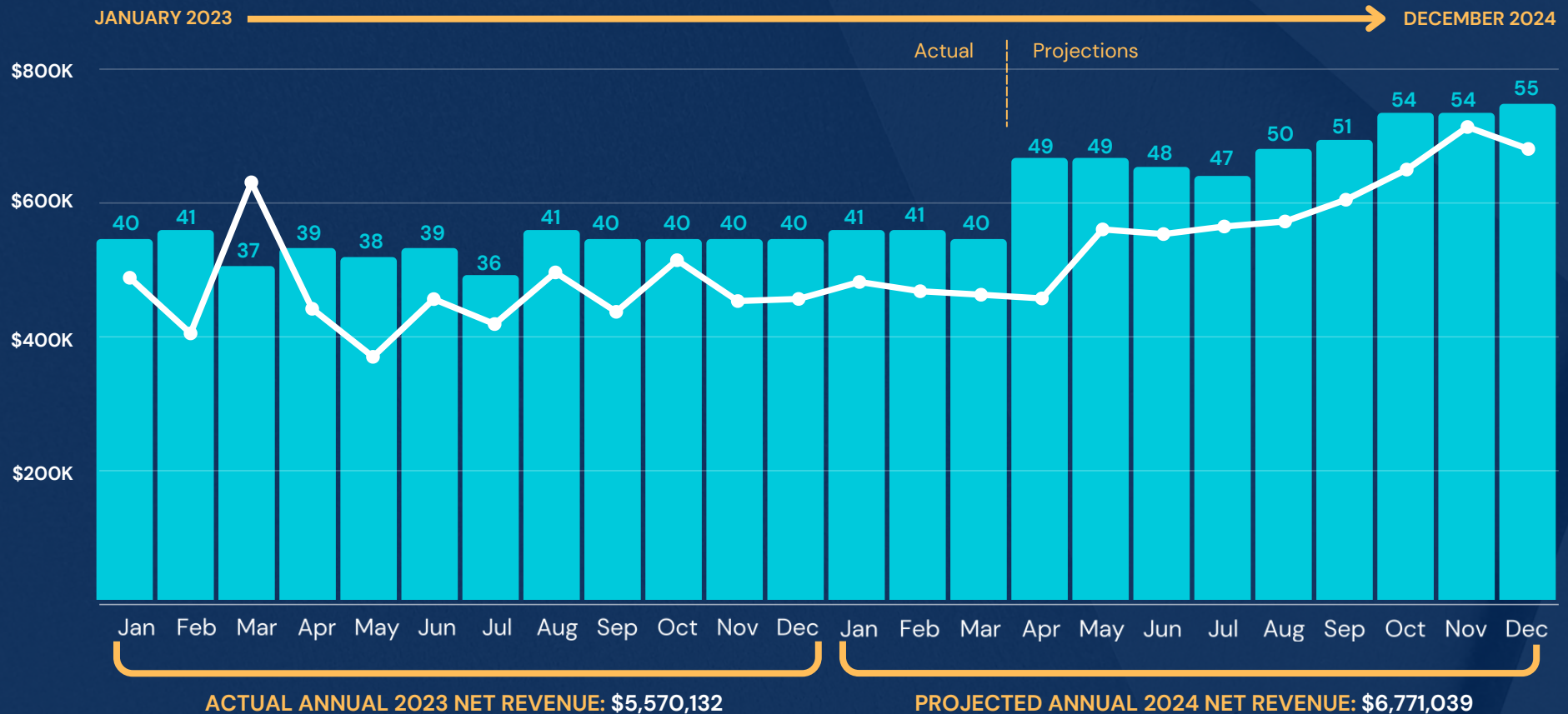
- In 68th percentile for overall Inpatient Services satisfaction*
- Historically, growth in Cardiac Lab services increases Revenue from Ancillary Services (i.e. radiology, pharmacy, lab, etc.) by an additional 10% to 15%
- Contract with large Wichita hospital (Via Christi St. Joseph) to take Inpatient overflow
- Plan to establish similar relationship with the Veterans Administration hospital in Wichita
- Currently running at only 50% capacity with 24 Medical/Surgical (Med/Surg) beds
- Have direct hospital admissions via Board Certified Hospitalists physicians
- Unlike some of the larger hospitals in the area, RRH nurses are not unionized
- Outstanding Patient-to-Nurse ratios: Intensive Care: 2 to 1, Routine Care: 6 to 1

* Per 3Q2023 PressGaney Patient Experience Metrics comparing RRH to 3,400 peer hospitals nationwide.



Radiology Procedures/Day

● Net Revenue ● Procedures



Revenue Drivers

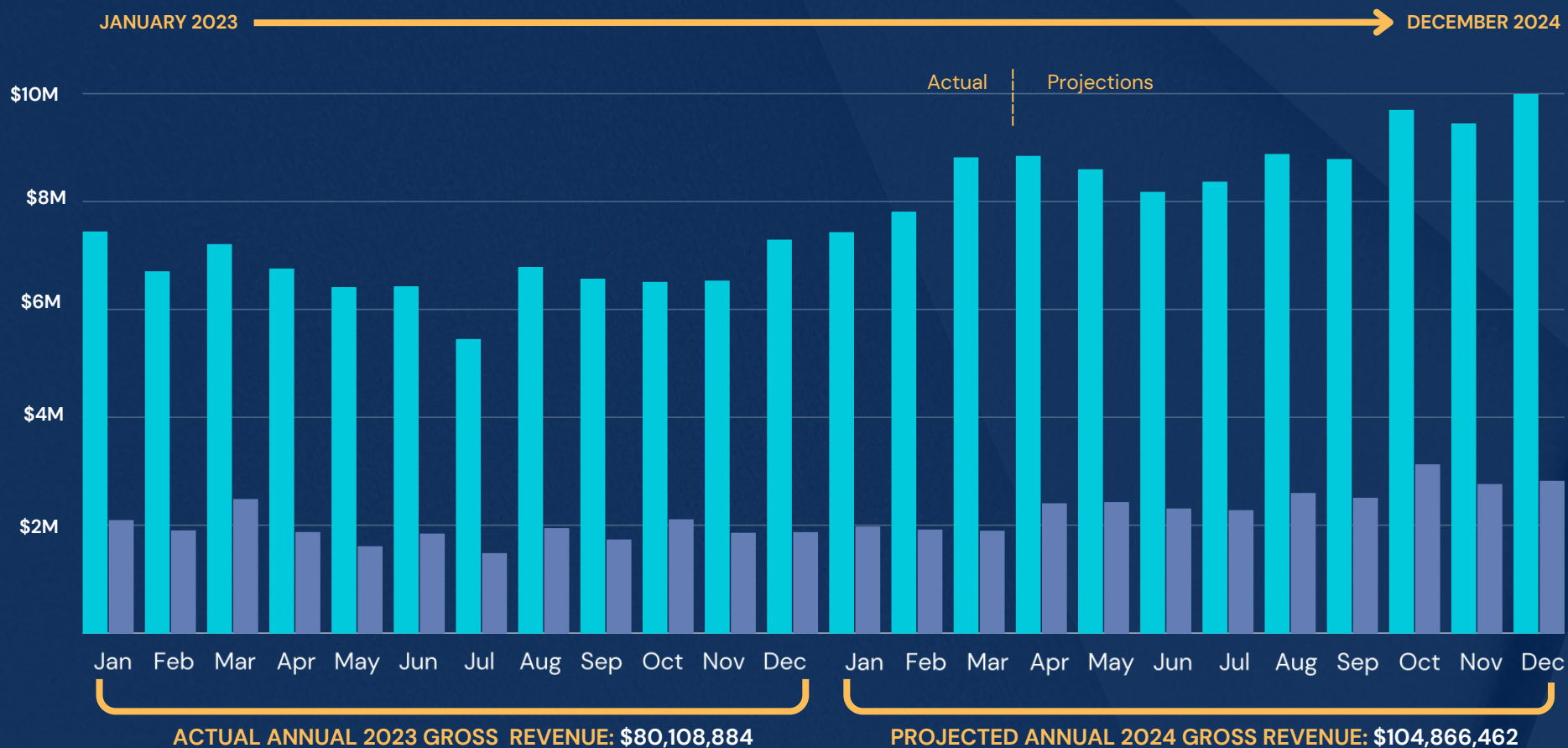
- In 86th percentile for overall Radiology patient satisfaction*
- Growth in Cath Lab Procedures, Emergency Room Visits, and Surgeries will drive growth in Radiology revenues by an estimated 25-40% in the next two years
- Hospital has the only Magnetic Resonance Imaging (MRI) technology in its prime service area of Derby
- Plan to add a Cardiac Scoring Module to the hospital's CT scanner to drive additional cardiology revenue

* Per 3Q2023 PressGaney Patient Experience Metrics comparing RRH to 3,400 peer hospitals nationwide.



Overall Hospital Finance Monthly Revenue

● Gross Revenue ● Net Revenue*



Revenue Drivers

- Stabilize senior management at the department level and higher
- Aggressively seek federal COVID funding to build operating reserves
- Leverage a well-connected CEO to recruit physicians and their patients to the hospital
- In early 2024, made substantial increases in billing rates in many of the departments to make them more competitive with other providers. However, net revenue only increased modestly due to fixed reimbursements from payors like Medicare, Medicaid, and others
- Emphasize higher-margin services such as the Cath Lab and Surgery Department; incrementally grow existing services as opposed to adding completely new ones
- In general, reduce overall expenses with fewer outside contracts for services and supplies (reduced expenses by \$6M in 2023)
- Specifically, reduce contract labor, especially for nurses
- Use targeted metrics to measure and improve services
- Dramatically increase marketing efforts, especially targeting the large growth areas

*Net Revenue represents the revenue after Medicare, Medicaid, and commercial insurers have made their adjustments. For RRH, this is about a 75% - 78% deduction from gross revenue, which is consistent with hospitals that have similar size and patient mix.





SOURCES OF NON-OPERATING REVENUE

Rock Regional Hospital - Derby, KS

The Rock Regional Hospital (RRH) has been very creative in their efforts to supplement Operating Revenue with other sources of revenue to keep the hospital financially viable. Below are some of the additional sources of non-operating revenue, which are also reflected in the Cash Flow Analysis chart to follow.

SPARK STATE GRANT

- RRH applied for and received a **\$5M grant** from the Kansas Department of Aging and Disability Services (KSDADS) as a part of the Strengthening People and Revitalizing Kansas (SPARK) Act. The grant was approved in May 2023 and the hospital has already received **\$4,896,000**, with the final **\$104,000** anticipated at the end of April/early May 2024. This money is being used to expand healthcare services for Derby and the surrounding communities.

EMPLOYEE RETENTION TAX CREDIT (ERTC)

- RRH anticipates receipt of a **\$3.1M ERTC** from the federal government within the next three to six months and has congressman Ron Estes's office helping to expedite payment. This program is designed to reimburse companies that retained employees during the COVID-19 pandemic.

ADDITIONAL INVESTOR CAPITAL

- RRH was funded, in part, by a group of investors. These investors added approximately **\$2.5M** in additional funding through December of 2023. The hospital management team believes that no further capital infusions of this type will be required after 2023.

FIRST 12 MONTHS PREPAID RENT

- RRH will receive **\$5M** in cash at closing from the Seller of the hospital. This money will be escrowed and under control of the new owner and will be used to make the monthly lease payments of \$397,500 for the first 12 months. This will give the hospital extra runway to increase net revenue before they must begin paying their monthly lease obligation beginning in year two of the lease. Also, the hospital will fund a security deposit of six months of base rent at the beginning of the second year of the lease which will provide additional lender protection.



CORONAVIRUS AID, RELIEF, AND ECONOMIC SECURITY (CARES) ACT GRANT

OTHER SOURCES OF CASH FLOW RELIEF

SOURCES OF NON-OPERATING REVENUE *Rock Regional Hospital - Derby, KS*

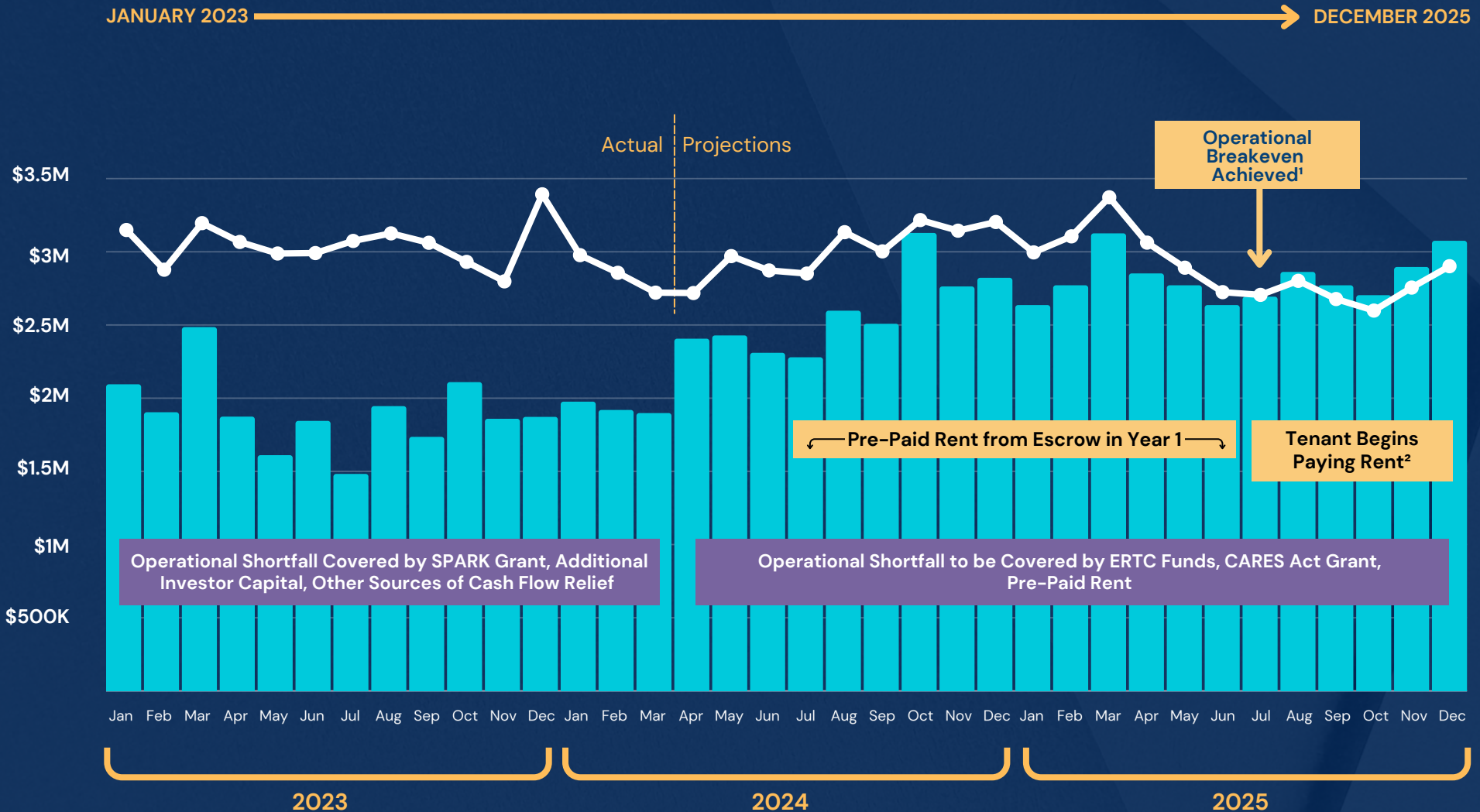
RRH received a very modest amount of COVID-19 relief money during the early days of the pandemic. This was because the hospital opened in 2019 and consequently did not have a long enough operating history to demonstrate the overall negative impact on revenue. Language has been drafted and is included in budget bills before Congress to retroactively provide grants to hospitals such as RRH which were greatly impacted by the pandemic without its fair share of relief. The hospital expects to receive approximately **\$16M** within the next six to 12 months.

Current Language of the bill: The Committee understands HRSA assured acute care hospitals that opened in 2019 and 2020 and impacted financially by the COVID pandemic, that although they were eligible for no or very little Provider Relief Funding in phases 1, 2, or 3, their concerns would be addressed in phase 4. In addition, the Committee notes legacy hospitals eligible for PRF payment in phases 1, 2, and 3 received up to 88 percent of lost annual revenues, while phase 4 provided to new acute care hospitals resulted in between 0.5 percent and 1 percent of their annual financial losses, far less than many of these hospitals anticipated based on prior expectations. The Committee strongly encourages HRSA to prioritize remaining funds for payments to these acute care hospitals, particularly those that are not owned by other hospitals or are part of hospital systems and operated emergency rooms at any time during the COVID Public Health Emergency.

RRH has employed other traditional means of managing cash flow. For instance, it has renegotiated contracts with its suppliers to reduce payments and has deferred payments on some of its Accounts Payable obligations. This has allowed the hospital to maintain a stable level of high-quality staffing as it works through its cash flow issues. Beginning in 2024, as Net Operating Revenue increases and some of the other grants listed above come to fruition, these methods will no longer be needed.

Revenue/Expense Breakeven Analysis

● Expenses ● Net Operating Revenue



1. Breakeven will largely be dependent on achieving a minimum of 60 cardiac procedures per month and eight surgeries per day on average
 2. Tenant will also deposit six months of rent in Escrow account at this time to mitigate risk to lender



THE BACKUP PLAN

Based on Tim Hand's track record (see pages six and seven), we firmly believe Tim and his team will achieve success at Rock Regional Hospital.

Our priority is first and foremost to protect investor capital. In the event we feel Rock Regional Hospital is not achieving the necessary operational outcomes, we have established contingencies with another reputable operator with whom we have been doing business with.

About Progressive Health Group

Progressive Health Group, led by CEO and founder Quentin Whitwell, was established in 2019 with a focus on delivering hospital management solutions to strengthen healthcare institutions against operational hurdles. The organization is committed to enhancing efficiency through cutting-edge technology and strategic resource allocation. Their methodology aims for operational excellence, improved patient satisfaction, and enhanced overall performance.

About Quentin Whitwell

Quentin Whitwell, a licensed attorney and entrepreneur in Mississippi and the District of Columbia, is an experienced operator and healthcare entrepreneur. As CEO and Founder of Progressive Health Group, Quentin has been a trailblazer in supporting rural healthcare across the US. The Centers for Medicare and Medicaid Services view him as a subject matter expert on the topic of healthcare provision in rural areas, and he has deployed the country's first two Rural Emergency Hospitals, with more underway.

In addition to his extensive healthcare experience in management and day-to-day operations, Quentin has litigated in court and advocated in the halls of State Capitols and the U.S. Congress on numerous issues facing providers and operators. Quentin spent many years in service in Jackson, Mississippi as a Jackson City Councilman and a founding member of the Parham Bridges Tennis Foundation before moving back to his hometown of Oxford, Mississippi.



CURRENT PHG FACILITIES

- **Progressive Health of Marks** - Marks, MS
- **Progressive Health of Batesville** - Batesville, MS
- **Progressive Health of Grand Prairie** - Grand Prairie, TX
- **Progressive Health of Helena** - Helena, AR
- **Progressive Health of Houston** - Houston, MS
- **Alliance Healthcare Systems** - Holly Springs, MS
- **Irwin County Hospital** - Ocilla, GA
- **Thomasville Regional Medical Center** - Thomasville, AL
- **Jefferson County Hospital** - Fayette, MS
- **Tunica Healthcare Authority** - Tunica, MS

Tenant Overview
INTERIOR PHOTOS



Tenant Overview
INTERIOR PHOTOS



Tenant Overview
INTERIOR PHOTOS



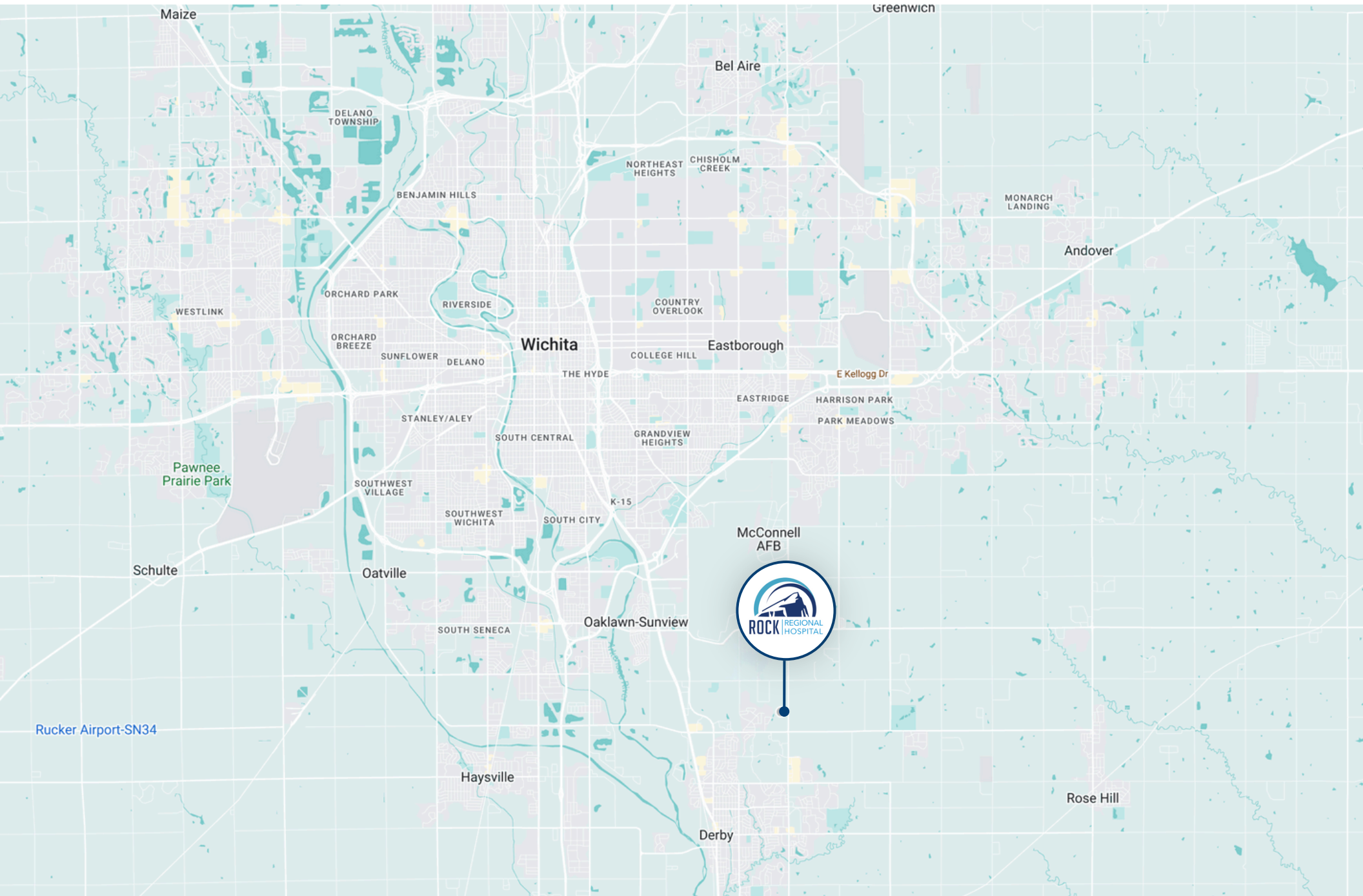
Tenant Overview
EXTERIOR PHOTOS



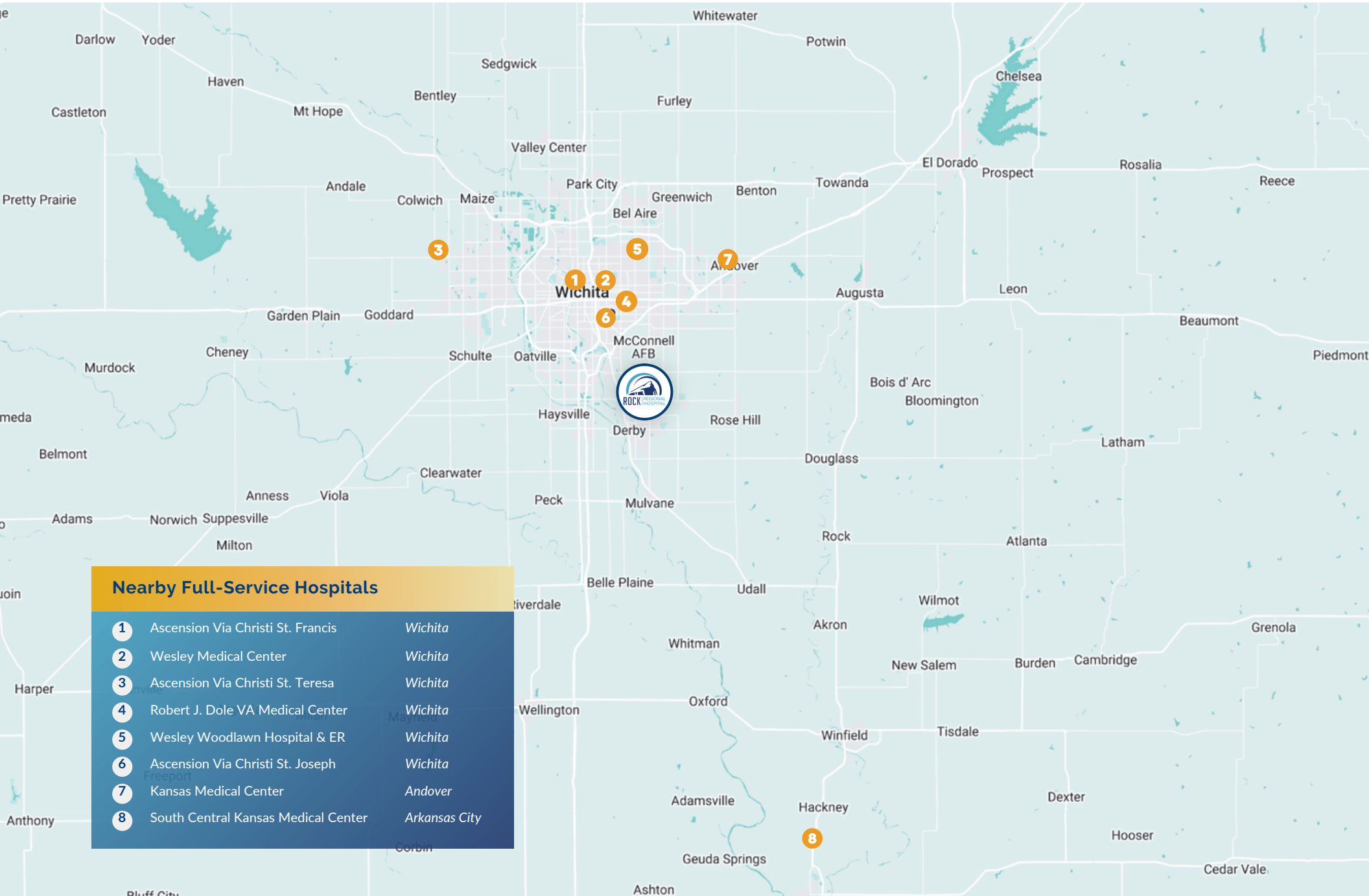
SURROUNDING BUSINESSES AND DEMOGRAPHICS



Market Overview
LOCAL MAP

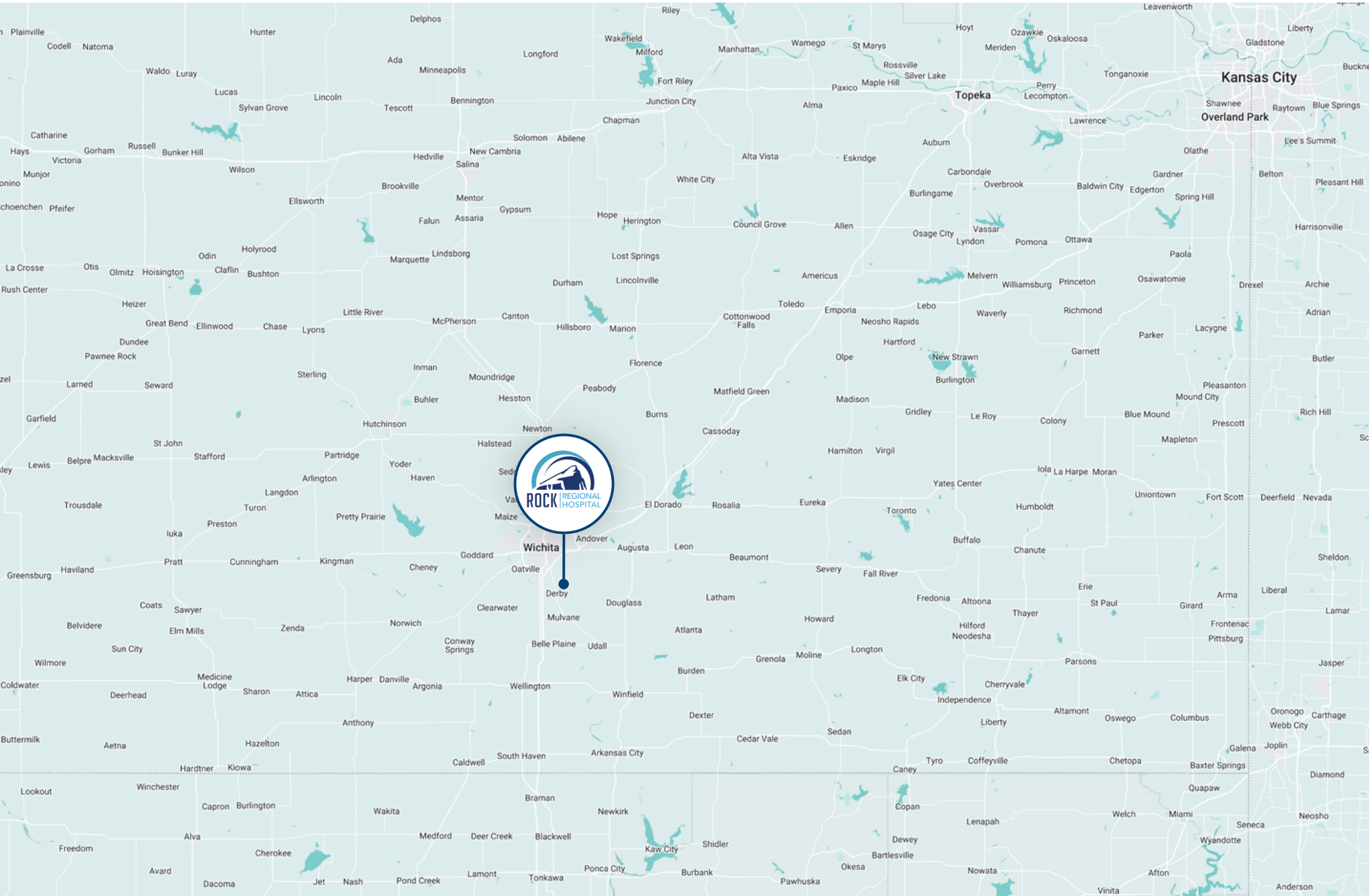


FULL-SERVICE HOSPITALS IN THE WICHITA AREA



Nearby Full-Service Hospitals		
1	Ascension Via Christi St. Francis	Wichita
2	Wesley Medical Center	Wichita
3	Ascension Via Christi St. Teresa	Wichita
4	Robert J. Dole VA Medical Center	Wichita
5	Wesley Woodlawn Hospital & ER	Wichita
6	Ascension Via Christi St. Joseph	Wichita
7	Kansas Medical Center	Andover
8	South Central Kansas Medical Center	Arkansas City

Market Overview
REGIONAL MAP



Market Overview
WICHITA & DERBY, KANSAS

Wichita is located in south-central Kansas on the Arkansas River. It serves as the county seat of Sedgwick County and is the main city of the Wichita metropolitan statistical area, which includes Sedgwick, Butler, Harvey, Kingman, and Sumner counties.

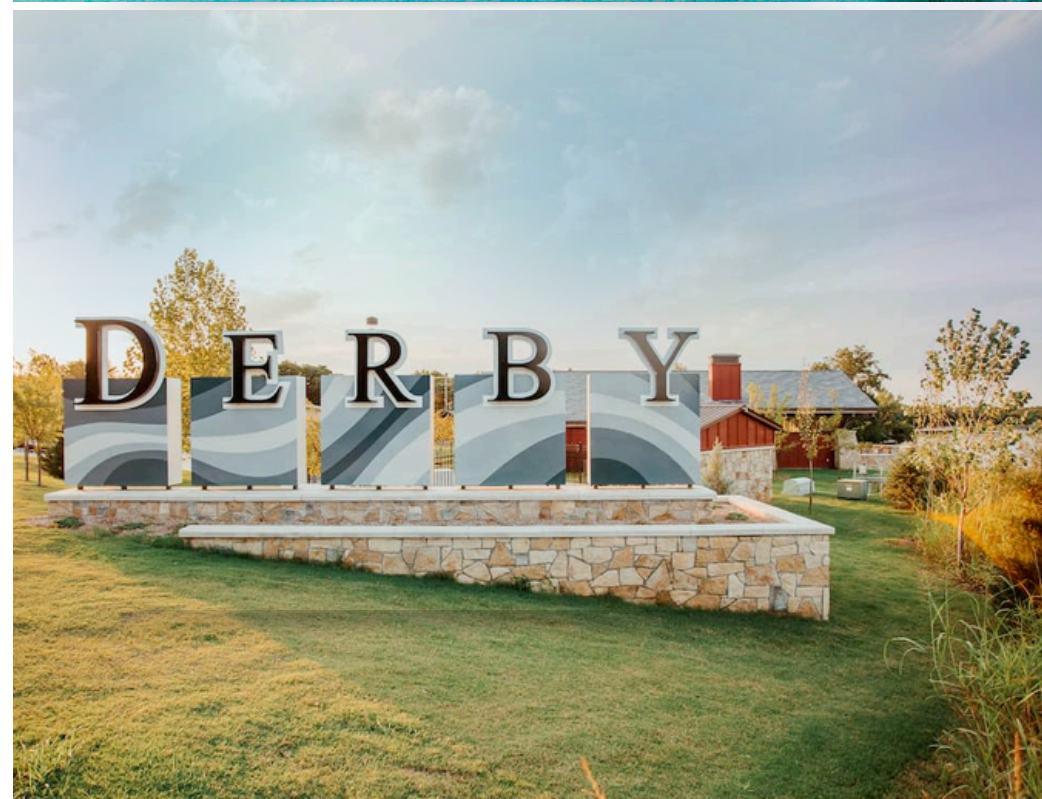
With a population of 400,000, Wichita ranks in the top 50 largest cities in the United States and the largest in Kansas. A regional center of business, education, healthcare, and entertainment, more than 1.1 million people live within 100 miles of Wichita. The Greater Wichita Region contains a population of over 790,000 and is expected to grow to over 870,000 by 2035.

The Greater Wichita Region is home to some of the world's most recognizable brands, including Cargill Protein and Koch Industries, the two largest privately held companies in the U.S. The area also hosts two of the top general aviation manufacturers – Bombardier Learjet and Textron Aviation, and Spirit AeroSystems, the world's largest independent producer of commercial aircraft structures and the largest employer in the region. Spirit's offices and manufacturing facility are just two miles from Rock Regional Hospital, with many of its employees residing in Derby.

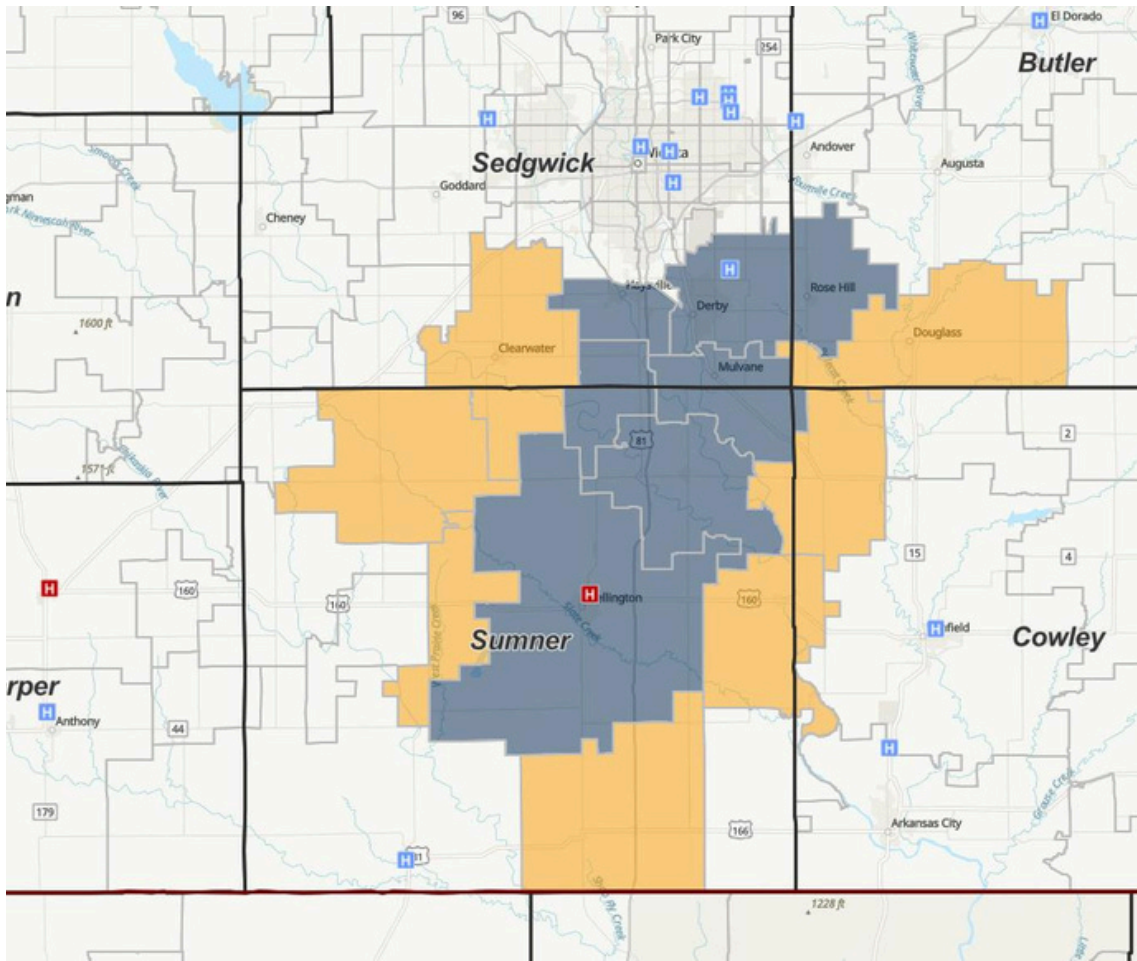
Derby is a rapidly growing and affluent submarket of Wichita. The city is currently listed as the 16th largest city in Kansas with a population of 25,625. Situated 11.1 miles outside of Wichita, the city is a significant draw to surrounding towns such as Haysville, Rose Hill, and Mulvane. Popular attractions include Rock River Rapids Waterpark, Derby Marketplace, and the newly renovated Derby Recreation Center.



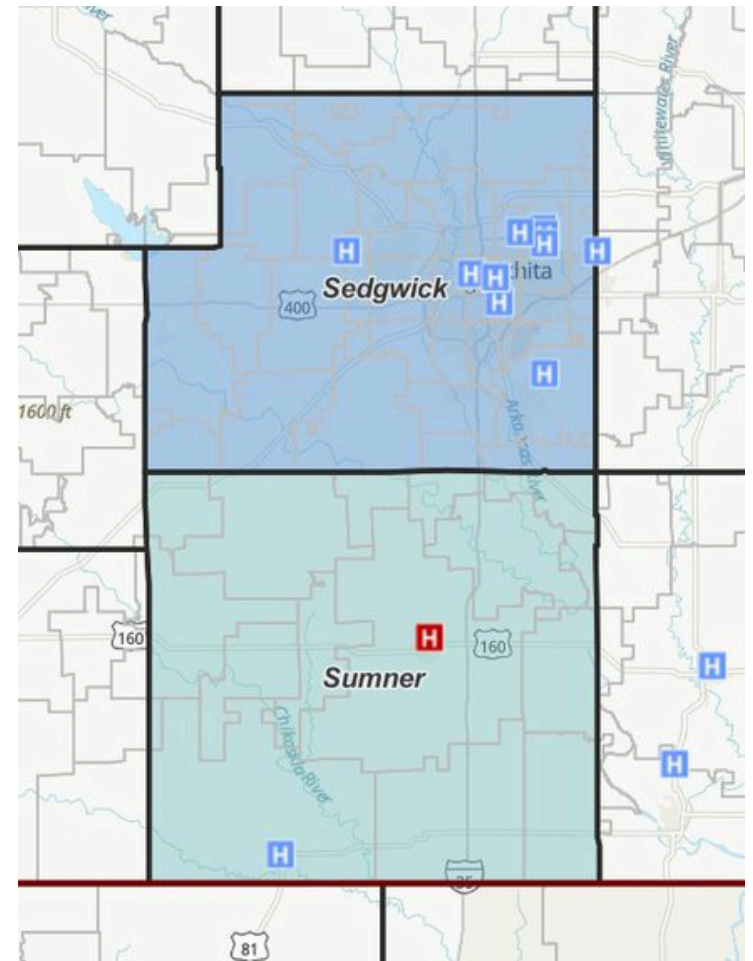
Downtown Wichita



ZIP CODE BASED SERVICE AREA



COUNTY BASED SERVICE AREA



PRIMARY SERVICE AREA
 SECONDARY SERVICE AREA

SERVICE AREA DEMOGRAPHICS

PRIMARY SERVICE AREA



72,186
CURRENT
POPULATION



PSA: +0.2%
5-YR POPULATION
GROWTH

SECONDARY SERVICE AREA

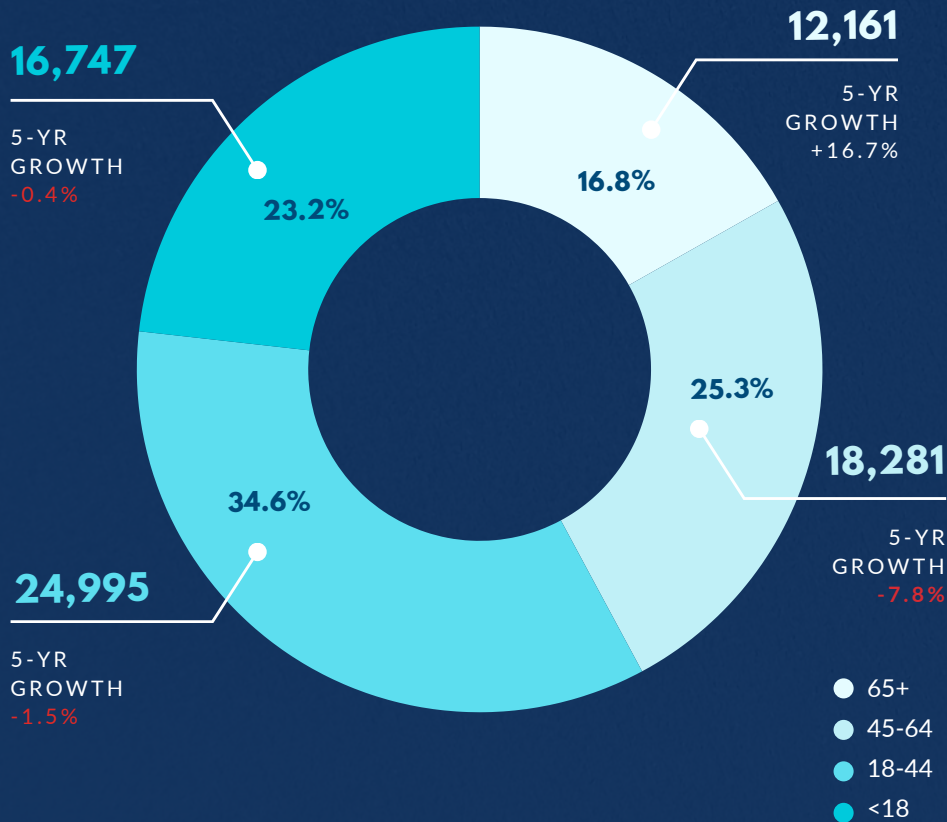


14,028
CURRENT
POPULATION

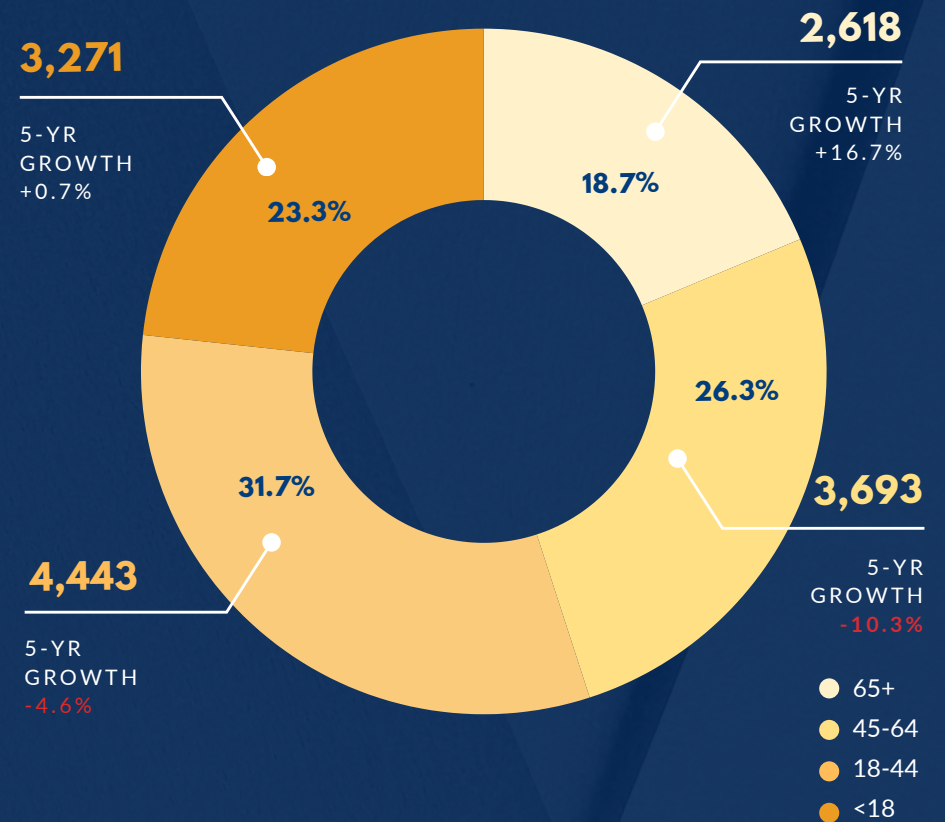


SSA: -1.0%
5-YR POPULATION
GROWTH

PSA POPULATION BY AGE GROUP



SSA POPULATION BY AGE GROUP



<i>Address</i>	<i>SF</i>	<i>Value</i>	<i>Acquired</i>	<i>Type</i>	<i>Major Tenants</i>
Lakeside Plaza 250 N Rock Road, Wichita KS 67206	25,899	\$2,084,750	7/2/24	Office	Great Plains Health, Milton Industries, Healing Elements & Core Counseling
Progressive Health of Batesville/Panola Medical Center 303 Medical Center Dr., Batesville, MS 38606	113,645	\$26,153,846	12/21/23	Medical	Progressive Health of Batesville/ Panola Medical Center
Beef-A-Roo 1810 S Main, Joplin, MO 64804	3,193	\$3,360,714	8/24/23	Retail/Restaurant	Beef-A-Roo
Beef-A-Roo 812 S Rangeline Rd., Joplin, MO 64801	3,445	\$3,360,714	8/24/23	Retail/Restaurant	Beef-A-Roo
Total Point Urgent Care 1171 SW Green Oaks Blvd, Arlington, TX 76017	5,242	\$6,835,714	5/25/23	Medical	Total Point Urgent Care
Ridgeview Centre 39525 W 13 Mile Rd, Novi, MI 48377	22,000	\$4,329,871	4/25/23	Office/Mixed Use	KIP, Nagle Paving Company
Beef-A-Roo 3224 N. Belt Hwy, St. Joseph, MO 64506	2,639	\$4,270,000	3/9/23	Retail/Restaurant	Beef-A-Roo
Beef-A-Roo 3111 Hwy 7, Blue Springs, MO 64015	3,456	\$3,824,074	2/6/23	Retail/Restaurant	Beef-A-Roo
Total Point Urgent Care 1301 Paluxy Rd, Granbury, TX 76048	8,276	\$9,646,154	1/31/23	Medical	Total Point Urgent Care
Total Point Urgent Care 2443 Wheatland Rd, Dallas, TX 75237	5,000	\$6,336,000	12/16/22	Medical	Total Point Urgent Care
Beef-A-Roo 1021 W Belt Line Rd, DeSoto, TX 75115	3,040	\$4,356,000	11/19/22	Retail/Restaurant	Beef-A-Roo
Total Point Urgent Care 7748 Denton Hwy, Watauga, TX 76148	7,585	\$8,580,000	11/16/22	Medical	Total Point Urgent Care
Beef-A-Roo 621 Markey Pkwy, Belton, MO 64102	4,162	\$4,356,000	11/15/22	Retail/Restaurant	Beef-A-Roo
Beef-A-Roo Lot C8 Cross Creek Blvd, Branson, MO 65616	New Construction	\$3,696,000	11/1/22	Retail/Restaurant	Beef-A-Roo
Beef-A-Roo 1501 W Hebron Parkway, Carrollton, TX 75010	3,118	\$4,620,000	10/27/22	Retail/Restaurant	Beef-A-Roo
Beef-A-Roo 18410 Business 13 Hwy, Branson West, MO 65737	New Construction	\$3,936,000	10/27/22	Retail/Restaurant	Beef-A-Roo

<i>Address</i>	<i>SF</i>	<i>Value</i>	<i>Acquired</i>	<i>Type</i>	<i>Major Tenants</i>
Beef-A-Roo 3312 Chestnut Expressway, Springfield, MO 65802	4,078	\$3,960,000	10/21/22	Retail/Restaurant	Beef-A-Roo
Beef-A-Roo 1111 N Highway 62, Harrison, AR 72601	2,534	\$3,960,000	10/21/22	Retail/Restaurant	Beef-A-Roo
Beef-A-Roo 9500 W. 135th Street, Overland Park, KS 66221	4,084	\$4,365,000	9/29/22	Retail/Restaurant	Beef-A-Roo
Hap's Pizza 52238 N. State Road 933, South Bend, IN 46637	900	\$1,078,846	6/26/22	Retail/Restaurant	Hap's Pizza
Poppy's Donuts 1421 E. 38th Street, Marion, IN 46953	1,295	\$825,000	6/26/22	Retail/Restaurant	Poppy's Donuts
Beef-A-Roo 1360 W. State Road 32, Lebanon, IN 46052	3,698	\$2,284,615	6/26/22	Retail/Restaurant	Beef-A-Roo
Beef-A-Roo 1411 W. Kearney Street, Springfield, MO 65503	3,093	\$3,269,538	6/22/22	Retail/Restaurant	Beef-A-Roo
Progressive Health of Grand Prairie 2709 Hospital Boulevard, Grand Prairie, TX 75051	260,201	\$52,307,692	6/13/22	Medical	Progressive Health of Grand Prairie
Busch Office Building 6161 Busch Boulevard, Columbus, OH 43229	82,428	\$5,402,686	5/19/22	Office	CRN Healthcare, Custard Insurance Adjusters, Advanced Technology Education, Queencoco Driving School
Total Point Emergency Center 8200 N MacArthur Boulevard, Irving, TX 75063	10,200	\$10,017,857	5/19/22	Medical	Total Point Emergency Center
Edison Lakes Office Building II 4101 Edison Lakes Parkway, Mishawaka, IN 46545	41,008	\$7,682,387	5/4/22	Office	Raymond James, Indiana Tech, Wells Fargo
Total Point Urgent Care 1116 EN 10th Street, Abilene, TX 79601	2,920	\$3,036,000	4/27/22	Medical	Total Point Urgent Care
Total Point Urgent Care 125 South Pioneer Drive, Abilene, TX 79605	2,550	\$3,036,000	4/27/22	Medical	Total Point Urgent Care
The Meadows Shopping Center 2800 Poplar Street, Terre Haute, IN 47803	168,196	\$6,483,575	4/20/22	Retail	Ace Hardware, Dollar General, First Financial Bank, MCL Restaurant & Bakery

Address	SF	Value	Acquired	Type	Major Tenants
Continuum Global Solutions 2828 Enterprise Dr, Anderson, IN 46013	45,166	\$5,072,575	4/8/22	Office	Continuum Global Solutions
Chevron Office Building 1126 Jacson Avenue, Pascagoula, MS 39567	27,350	\$3,580,300	3/31/22	Office	Chevron
Edison Lakes Office Building III 4215 Edison Lakes Pkwy, Mishawaka, IN 46545	38,300	\$6,400,000	12/17/21	Office	Sorenson Communication, Raymond James, Indiana Tech, Wells Fargo, Northwestern Mutual, Digi International
Houston ER Portfolio (5 Locations) Conroe, TX; Cypress, TX; Houston, TX; Missouri City, TX; Spring, TX	34,587	\$36,826,571	12/16/21	Medical	Total Point Emergency Room
Park Place Medical Offices 3510-3665 Park Pl W; 435, 515, 520, 527 Park Pl Cir; 425 Park Pl Ct. Mishawaka, IN 46545	59,195	\$6,495,925	12/3/21	Medical/Office	Franciscan Alliance, Hilltop Partners, Stonegate Therapy, United Surgeons, Ameriprise Financial, Charles Schwabb
Grand Industrial Building 1302 N Grand Street, Hutchinson, KS 67501	14,110	\$800,000	9/23/21	Industrial	Re-tenanting
Marketplace Shopping Center 4201 S Noland Road, Independence, MO 64055	253,055	\$24,840,875	6/9/21	Retail	Price Chopper, Big Lots, FedEx, Petco, Crossroads Hospice, Phoenix Home Care, One Main Financial
Hibbing Marketplace 4100 9th Ave. West, Hibbing, MN 55746	16,583	\$2,499,963	5/20/21	Retail	Caribou Coffee & Erbert and Gerbert's Sandwich Shop
Heritage I Medical Office/Office Building 6612 E 75th St, Indianapolis, IN 46250	87,165	\$9,945,138	4/20/21	Medical/Office	Ascension St. Vincent, ChiroOne, Maxim Healthcare Services, Veteran's Care Bridge
Jacobs Engineering 2244 Bay Area Blvd., Houston, TX 77058	139,904	\$25,114,325	12/31/20	Office	Jacobs Engineering
One & Two Brittany Place 2024 & 1938 N. Woodlawn Blvd., Wichita, KS 67208	116,993	\$8,723,875	12/31/20	Office	InfoSync, Marriott International, Centene Corporation
Millennium Place East & West 25111-25249 Country Club Blvd., North Olmsted, OH 44070	139,677	\$13,017,238	12/31/20	Office	Moen, Federal Aviation Administration, MJH Life Sciences
Walgreens & Dollar Tree 13550 W Nine Mile Road, Oak Park, MI 48237	29,802	\$8,101,700	11/10/20	Retail	Walgreens & Dollar Tree
I-20 Industrial Park 1460 I-20 Service Road N, Odessa, TX 79763	26,998	\$4,499,733	8/12/20	Industrial	ChampionX
Kings Island Office Park 5300 Kings Island Drive, Mason, OH 45040	159,421	\$11,659,775	7/14/20	Office	Fidelity Investments, GatesAir, ACT

<i>Address</i>	<i>SF</i>	<i>Value</i>	<i>Acquired</i>	<i>Type</i>	<i>Major Tenants</i>
Burlington Commons 3200 E. Agency Street, Burlington, IA 52601	106,008	\$14,371,950	6/23/20	Retail	Starbucks, Dick's Sporting Goods, Jo-Ann Fabrics, Pet Supplies Plus
Cypress Business Center 3020 N. Cypress Drive, Wichita, KS 67226	45,573	\$7,231,363	02/28/20	Office	KAMMCO, KS State Bank, Bankers Life
Prestwick Pointe 5250 E. US Highway 36, Avon, IN 46123	48,454	\$5,000,000	12/20/19	Office	ProScan Imaging, Whiskey Bent Bar & Grill, Edward Jones, Heartland Dental
East Gate Business & Technology Center 3120 16th Street, Bedford, IN 47421	385,474	\$31,994,462	12/11/19	Industrial	SAIC, AECOM
Academy Sports + Outdoors 510 East Markey Parkway, Belton, MO 64012	58,472	\$6,395,375	12/06/19	Retail	Academy Sports
PetroChoice (3 Locations) Superior, WI; Negaunee, MI; Chisholm, MN	73,000	\$2,878,750	10/30/19	Industrial	PetroChoice
Beacon Center Office Park 529-651 Beacon Parkway, Birmingham, AL 35209	111,545	\$9,305,612	09/19/19	Office	Global Team Staffing, Pitts & Associates, Cardinal Roofing
State Office Portfolio Ashland, KY 41100	60,089	\$4,782,025	08/22/19	Office	State of Kentucky, Comprehensive Health Management, CBD Product Store
South Point Shopping Center 1209 S. Main Street Sikeston, MO 63801	49,173	\$5,349,547	07/14/19	Retail	Harbor Freight, Hibbett Sporting Goods, Advance America, U.S. Armed Forces
Spring Plaza 449 U.S. Highway 76, Ellijay, GA 30540	166,000	\$6,383,150	02/28/19	Mixed	DaVita Dialysis, GA Juvenile Justice, 1st Storage Solutions
Academy Sports 270 Shirley Drive, Cape Girardeau, MO 63701	71,640	\$8,658,893	02/14/19	Retail	Academy Sports
Chesterfield Village Square 51382 Gratiot Ave, Chesterfield, MI 48051	155,958	\$18,091,725	12/31/18	Retail	Panera, Staples, Buffalo Wild Wings, Harbor Freight, Sally Beauty, Applebee's
Three Crosswoods 200 E. Campus View Blvd, Columbus, OH 43235	123,091	\$13,394,893	08/20/18	Office	Facility Source, Data Recognition Corp, Gallant Ventures, Maxim Healthcare
Bear Creek Crossings 2160-2180 Anderson Rd, Petoskey, MI 49770	45,857	\$8,500,000	08/10/18	Retail	Buffalo Wild Wings, AT&T, Anytime Fitness, Maurices
Hedstrom Plastics 1850 S. Baney Road, Ashland, OH 44805	253,626	\$10,990,150	07/03/18	Industrial	Hedstrom Plastics, Hedstrom Injection, Bendon Publishing
Old National Bank 128 W. Ohio St, Rockville, IN 47872	21,610	\$1,996,162	03/29/18	Bank	Old National Bank

<i>Address</i>	<i>SF</i>	<i>Value</i>	<i>Acquired</i>	<i>Type</i>	<i>Major Tenants</i>
Market Square 2200 Elmwood Avenue, Lafayette, IN 47904	159,244	\$10,004,225	12/28/17	Retail	Lafayette Bank & Trust, Indiana BMV, RAC
FedEx Ground Facility 3400 Zell Miller Pkwy, Statesboro, GA 30458	21,122	\$2,842,146	12/07/17	Industrial	FedEx Ground
West Side Commons 3899 Highway 73, Hibbing, MN 55746	19,714	\$2,870,574	11/21/17	Retail	Dollar Tree, Fresenius, Trendz Hair Salon
Vanguard Center 23800 W. 10 Mile Rd, Southfield, MI 48033	126,000	\$9,456,875	09/27/17	Office	Level 3 Communications, Assoc. Community Services
Jesse James Plaza 501-559 S. Reynolds Rdm Toledo, OH 43615	35,850	\$3,596,325	06/27/17	Retail	Jesse James Plaza: Safelite Autoglass
New Towne Square 236 New Towne Square, Toledo, OH 43612	13,600	\$1,280,250	06/06/17	Retail	Dollar General, Vaporworld
Burnett Plaza 508 S. Burnett Road, Springfield, OH 45505	86,335	\$4,554,812	04/13/17	Retail	Rent-a-Center, Key Bank, Adecco, Family Dollar, Ace Hardware, AutoZone
Three Crowne Point 3 Crowne Point, Sharonville, OH 45241	73,987	\$12,500,000	12/29/16	Office	Acosta, Prudential
Family Dollar South Beloit, IL 61080 & Lansing, IL 60438	22,445	\$1,880,000	12/16/16	Retail	Family Dollars (2)
Comerica Bank 27100 Lahser Rd, Southfield, MI 48034	9,600	\$3,381,815	09/06/16	Bank	Comerica Bank
Talladega Plaza 210 Haynes St., Talladega, AL 35160	37,981	\$2,509,100	05/31/16	Retail	Goody's, CATO
Middlebrook Pike 5210-20 S. Middlebrook Pike, Knoxville, TN 37921	36,700	\$3,262,000	05/26/16	Industrial	Trane, Southern Fastening, B/S/H
Dollar General 199 Highway15, South Louisville, MS 39339	22,664	\$1,775,000	05/16/16	Retail	Dollar General
Meridian Parkway 4222-4248 Meridian Pkwy, Aurora, IL 60504	45,869	\$5,350,000	04/26/16	Office	Dyson
AT&T Plaza 2900 N Ridge, Ashtabula, OH 44044	16,820	\$2,500,000	02/18/16	Retail	AT&T, Regis

CURRENT NON-DEVELOPMENT PORTFOLIO PERFORMANCE

THROUGH Q124								PRO-FORMA CASH-ON-CASH		ACTUAL CASH-ON-CASH		Current Status
City	ST	Type	Major Tenants	Full Qtrs. Held	Acquired	CAP	Capital Raise	Pref. Return	Total Cashflow	Pref. Return	Total Cashflow	
Novi	MI	Mixed	KIP America Nagle Paving Company	3	Apr-2023	10.10%	\$1,250,000	8.00%	9.11%	8.00%	9.11%	Stable and cash flowing.
Columbus	OH	Office	CRN Healthcare Next Step Recovery Center Summit Springs Wellness	7	May-2022	8.90%	\$1,800,000	10.00%	10.00%	10.00%	10.00%	Remodel and lease up progressing.
Terre Haute	IN	Retail	ACE Hardware MCL Restaurant Dollar General	7	Apr-2022	11.10%	\$2,000,000	8.00%	11.27%	4.57%	5.51%	Massive tax increase will affect future returns.
Anderson	IN	Office	Continuum Wireless	7	Apr-2022	10.68%	\$1,500,000	8.00%	11.52%	8.00%	11.56%	Stable and cash flowing.
Pascagoula	MS	Office	Chevron	8	Mar-2022	9.88%	\$1,100,000	8.00%	10.53%	8.00%	9.73%	Stable and cash flowing.
Independence	MO	Retail	Price Chopper Big Lots FedEx	11	Jun-2021	9.65%	\$6,900,000	8.00%	10.89%	8.00%	10.87%	Stable and cash flowing.
Hibbing	MN	Retail	Range Spine Center Erbert & Gerberts Caribou Coffee	11	May-2021	10.00%	\$735,000	8.00%	10.97%	8.00%	11.15%	Stable and cash flowing.
Indianapolis	IN	Office	St. Vincent Health Gainwell Technologies	11	Apr-2021	9.25%	\$3,390,000	8.00%	10.89%	6.18%	7.40%	New vacancy.
Wichita	KS	Office	InfoSync	12	Dec-2020	9.96%	\$2,085,000	8.00%	10.53%	4.67%	5.76%	New leases. Expected 95% occupancy by end of Q2.
North Olmsted	OH	Office	Moen, Inc.	12	Dec-2020	9.42%	\$3,790,000	8.00%	10.79%	6.22%	7.38%	Stable and cash flowing.
Houston	TX	Office	Jacobs Engineering	13	Dec-2020	10.06%	\$7,400,000	8.00%	10.95%	8.00%	11.05%	Stable and cash flowing.
Odessa	TX	Industrial	Apergy Artificial Lift	14	Aug-2020	13.96%	\$3,350,000	8.00%	9.92%	8.00%	9.72%	Stable and cash flowing.

CURRENT NON-DEVELOPMENT PORTFOLIO PERFORMANCE

THROUGH Q124								PRO-FORMA CASH-ON-CASH		ACTUAL CASH-ON-CASH		Current Status
City	ST	Type	Major Tenants	Full Qtrs. Held	Acquired	CAP	Capital Raise	Pref. Return	Total Cashflow	Pref. Return	Total Cashflow	
Mason	OH	Office	GatesAir TransWorld Systems Inc Fidelity Real Estate	14	Jul-2020	9.98%	\$3,175,000	8.00%	11.51%	8.00%	12.35%	Stable and cash flowing.
Burlington	IA	Retail	Dick's Sporting Goods Starbucks Dominos	15	Jun-2020	9.69%	\$2,175,000	8.00%	9.87%	8.00%	9.99%	Stable and cash flowing.
Wichita	KS	Office	Freddy's Lodging IQ KAMMCO	16	Feb-2020	9.73%	\$2,250,000	8.00%	8.00%	2.67%	2.67%	100% occupied with rent commencement in May 2024.
Avon	IN	Mixed Use	Whiskey Bent Bar & Grill Home Health Care Solutions ProScan Imaging	17	Dec-2019	9.95%	\$1,475,000	8.00%	10.92%	8.00%	13.60%	Stable and cash flowing.
Bedford	IN	Industrial	SAIC	17	Dec-2019	9.79%	\$8,440,000	8.00%	11.27%	8.00%	10.68%	Stable and cash flowing.
Way North	WI MI MN	Industrial	Petrochoice	17	Oct-2019	10.14%	\$875,000	8.00%	11.08%	8.00%	11.20%	Stable and cash flowing.
Birmingham	AL	Office	Kay Logistics Group AL Dept. of Mental Health	18	Sep-2019	10.06%	\$2,680,000	8.00%	10.75%	8.00%	10.41%	Stable and cash flowing.
Ashland	KY	Office	State of Kentucky	18	Aug-2019	10.06%	\$3,379,092	8.00%	10.75%	8.00%	10.73%	Stable and cash flowing.
Sikeston	MO	Retail	Harbor Freight Hibbett Sports CATO	18	Jul-2019	10.60%	\$1,375,000	8.00%	12.13%	8.00%	11.58%	New vacancy.
Ellijay	GA	Mixed Use	1st Storage Solutions Drillers Services	20	Feb-2019	10.46%	\$2,020,000	8.00%	10.61%	6.27%	6.75%	Continued volatility in leasing. Planned storage unit expansion.
Chesterfield	MI	Retail	Dunham's Sports Harbor Freight Panera	21	Dec-2018	9.43%	\$4,750,000	8.00%	10.48%	6.73%	7.24%	Stable and cash flowing.
Columbus	OH	Office	Facility Source Gallant Ventures UnitedLex Corporation	22	Aug-2018	9.57%	\$3,000,000	8.00%	11.10%	6.55%	8.75%	New vacancy.

CURRENT NON-DEVELOPMENT PORTFOLIO PERFORMANCE

THROUGH Q124								PRO-FORMA CASH-ON-CASH		ACTUAL CASH-ON-CASH		Current Status
City	ST	Type	Major Tenants	Full Qtrs. Held	Acquired	CAP	Capital Raise	Pref. Return	Total Cashflow	Pref. Return	Total Cashflow	
Petoskey	MI	Retail	Anytime Fitness Maurices AT&T	22	Aug-2018	9.97%	\$2,435,000	8.00%	10.79%	6.42%	7.68%	New leases in negotiation.
Ashland	OH	Industrial	Hedstrom Plastics Pepperidge Farm Bendon Publishing	22	Jul-2018	9.45%	\$3,100,000	8.00%	10.33%	8.00%	11.05%	Stable and cash flowing.
Lafayette	IN	Retail	Food Finders Dollar General	25	Dec-2017	10.31%	\$2,775,000	8.00%	11.09%	8.00%	10.23%	Stable and cash-flowing.
Hibbing	MN	Retail	Dollar Tree Northern Oral & Maxillofacial Fresenius Kidney Care	25	Nov-2017	9.75%	\$740,000	8.00%	10.89%	8.00%	9.43%	Stable and cash-flowing.
Southfield	MI	Office	Crossover Church Walk the Line to SCI Recovery	26	Sep-2017	14.95%	\$2,000,000	8.00%	13.38%	1.74%	2.48%	Now cash flow positive.
Toledo	OH	Retail	Safelite Armed Forces Career Ctr	27	Jun-2017	10.10%	\$1,275,000	8.00%	11.76%	4.74%	5.45%	Vacancy at New Town Square.
Springfield	OH	Retail	ACE Hardware Family Dollar Autzone	27	Apr-2017	10.20%	\$1,105,000	8.00%	11.29%	3.36%	4.20%	Now cash flow positive.
Sharonville	OH	Office	Prudential	29	Dec-2016	9.48%	\$3,450,000	8.00%	10.26%	4.41%	6.08%	New leasing activity.
Talladega	AL	Retail	Variety Stores DBA Roses	31	Jun-2016	9.37%	\$660,000	None	8.24%	None	3.99%	New vacancy.
Aurora	IL	Office	Autism Spectrum Therapies VH Dance Center	31	Apr-2016	9.59%	\$1,650,000	8.00%	11.37%	4.65%	5.98%	Continued vacancy. Recent uptick in leasing activity.
Ashtabula	OH	Retail	AT&T Mobility FirstCash Cramer Physical Therapy	32	Feb-2016	9.32%	\$600,000	8.00%	11.25%	6.87%	7.37%	New broker hired to fill vacancy.
Noel	MO	Retail	Vacant (former Dollar General)	32	Feb-2016	10.06%	\$128,898	8.00%	11.00%	4.00%	5.63%	Vacant.
							Averages	8.03%	10.78%	6.89%	8.83%	

PERFORMANCE OF NON-DEVELOPMENT DIVESTED PROPERTIES

THROUGH Q124

City	ST	Type	Major Tenants	Acquisition Date	Purchase Price	CAP	Mos. Held	Disposition Date	Sale Price	CAP	PRO FORMA CASH-ON-CASH		ACTUAL CASH-ON-CASH		Annualized BTIRR
											Pref. Return	Total Cashflow	Pref. Return	Total Cashflow	
Southfield	MI	Bank	Comerica Bank	Sep-2016	\$2,133,000	9.00%	7	Mar-2017	\$2,777,500	6.70%	6.00%	8.22%	6.00%	8.42%	51.42%
Wichita	KS	Office	Orkin	Sep-2016	\$425,000	8.55%	4	Jan-2017	\$603,635	6.02%	6.00%	7.08%	6.00%	6.24%	170.82%
Lansing/ S. Beloit	IL	Retail	Family Dollars	Dec-2016	\$1,504,001	9.37%	7	Jul-2017	\$1,780,000	7.92%	8.00%	11.61%	8.00%	9.21%	19.86%
Cape Girardeau	MO	Retail	Academy Sports	Feb-2019	\$6,773,690	9.59%	10	Dec-2019	\$8,600,000	7.55%	8.00%	10.84%	8.00%	10.47%	39.01%
Belton	MO	Retail	Academy Sports	Dec-2019	\$5,194,758	9.85%	13	Dec-2020	\$6,600,000	7.75%	8.00%	11.72%	8.00%	9.67%	32.75%
Statesboro	GA	Industrial	FedEx Ground	Dec-2017	\$2,265,000	9.41%	51	Mar-2022	\$4,650,000	7.10%	8.00%	11.09%	8.00%	11.48%	29.00%
Rockville*	IN	Bank	Old National Bank	Mar-2018	\$1,586,930	10.00%	42	Oct-2021	*\$1,586,930	N/A	8.00%	10.93%	8.00%	8.60%	10.64%
Knoxville	TN	Industrial Flex	Trane United Refrigeration	May-2016	\$3,262,000	9.71%	78	Dec-2022	\$5,300,000	6.47%	8.00%	11.33%	8.00%	9.94%	16.37%
Oak Park	MI	Retail	Walgreens Dollar Tree	Nov-2020	\$6,300,000	10.29%	24	Jan-2023	\$8,500,000	7.63%	8.00%	10.93%	8.00%	10.43%	17.83%
											Average (weighted based on acquisition price)				30.39%

*HJH still owns this property. Rockville capital was returned to investors on 10/31/21.

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