

December 1, 2020

**Summit Healthcare REIT, Inc.
Recommends Rejection of
CMG Partners, LLC and its affiliates Mini-Tender Offer**

Dear Summit Healthcare Stockholder:

Recently you may have received correspondence from CMG Partners, LLC and its affiliates, CMG Income Fund II, LLC, CMG Liquidity Fund, LLC and Blue River Capital, LLC (jointly, "CMG"), relating to an unsolicited mini-tender offer to purchase your shares of Summit Healthcare REIT, Inc. ("we" or "Summit").

We understand that CMG is offering to purchase up to 500,000 of Summit's shares for \$0.60 per share in cash. **We believe that CMG's offer price is less than the current and potential long-term value of Summit's shares and recommend against selling shares at those prices.**

To reject CMG's offer, simply ignore it. You do not need to respond.

CMG's offer price is substantially below our most recent estimated valuation (as of December 31, 2019) of \$2.82 per share.* In arriving at our recommendation against selling your shares to CMG, we considered the historical performance of the real estate market and of our portfolio, along with our outlook with respect to executing and achieving our investment objectives in a manner that is accretive to stockholder value. Based on that review, we believe that CMG is attempting to opportunistically acquire your shares in order to make a profit and, as a result, deprive you of the opportunity to recover past loss of value and realize longer term appreciation in value of your shares.

Please be aware that Summit is not in any way affiliated with CMG. CMG made a similar unsolicited mini-tender offer for Summit's shares in November 2017 and again in April 2019, and CMG has a history of making such unsolicited mini-tender offers for shares of other public companies. We urge you to consult your financial advisor and exercise caution with respect to this and other mini-tender offers. Mini-tender offers are designed to seek less than 5% of a company's outstanding shares, thereby avoiding the filing, disclosure and procedural requirements adopted by the Securities and Exchange Commission ("SEC") for the protection of investors. The SEC has cautioned investors about offers of this nature, noting that some "bidders make mini-tender offers at below-market prices, hoping that they will catch investors off guard." Additional information about mini-tender offers is available on the SEC's website at www.sec.gov/reportspubs/investor-publications/investorpubsminitendhtm.html.

We have filed a Form 8-K with the SEC in response to CMG's offer, which is available for free on our website at www.summithealthcarereit.com. If you have any questions related to CMG's offer, please contact your financial advisor or Summit's Investor Relations at 800.978.8136. You are also welcome to contact Summit's Senior Vice President, Chris Kavanagh, directly at 949.535.1988 or by email at ckavanagh@summithealthcarereit.com.

Sincerely,

