

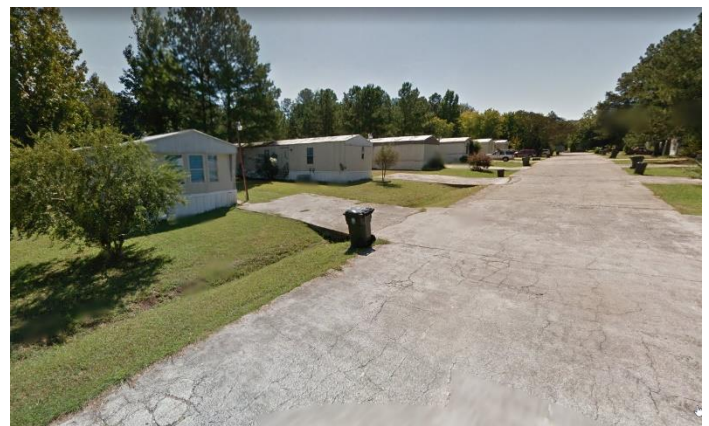
## DUTCH GARDENS MHP

101, 117 and 147 Bollen Drive  
Rome, Georgia 30165

### RESTRICTED APPRAISAL REPORT

Date of Report: December 30, 2020

Colliers File #: CMH200839



PREPARED FOR  
Kevin Bupp  
Sunrise Capital Investors  
200 9th Avenue North  
Safety Harbor, FL, 34695

PREPARED BY  
**COLLIERS INTERNATIONAL**  
VALUATION & ADVISORY SERVICES

# LETTER OF TRANSMITTAL

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December 30, 2020

Kevin Bupp  
**Sunrise Capital Investors**  
200 9th Avenue North  
Safety Harbor, FL, 34695

**RE: Dutch Gardens MHP**  
101, 117 and 147 Bollen Drive  
Rome, Georgia 30165

Colliers File #: CMH200839

Mr. Bupp:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report satisfies the scope of work and requirements agreed upon by Sunrise Capital Investors and Colliers International Valuation & Advisory Services.

The date of this report is December 30, 2020. At the request of the client, this appraisal is presented in a Restricted Appraisal Report format as defined by *USPAP* Standards Rule 2-2(b). Our appraisal format provides a summary description of the appraisal process, subject and market data and valuation analyses.

The purpose of this appraisal is to develop opinions of the As-Is Market Value and Prospective Value Upon Stabilization of the subject property's fee simple interest. The following table conveys the final opinions of market value of the subject property that are developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Market Value As-Is	Fee Simple	December 17, 2020	\$2,630,000
Prospective Value Upon Stabilization	Fee Simple	December 17, 2023	\$2,910,000

The subject is a Manufactured Housing Community (All Age) totaling 76 homesites located on a 10.99-acre site at 101, 117 and 147 Bollen Drive in Rome, Georgia. The improvements were built in 1950, are in average condition and have a remaining economic life of 30 years based on our estimate. There are no common area amenities.

The subject property has a current occupancy level of 85.5%, which is below the stabilized occupancy level estimate of 92% that was developed in this appraisal.

The subject property previously sold for \$2,250,000 in November 2020. Based on discussions with the current owner and a review of public records and private data services, the prior sale appears to have been an arm's-length transaction and was not impacted by any concessions. This was an off market transaction whereby the buyer approached the seller directly. The contract price was based on actual occupancy and rents in place although the buyer had plans to increase rents, pass through water/sewer and stabilize the asset after purchase. Based on the foregoing, the final value conclusion is within 15% of the purchase price and considers the upside via improving occupancy and the increase in rents and water/sewer pass through. Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property is not under a current agreement of sale or option and is not currently offered for sale on the open market.

The manufactured housing industry does not have a standard rating classification. Some in the industry reference a "star" rating system. This rating classification became defunct with the passage of the National Manufactured Housing Construction and Safety Standards Act, commonly known as the HUD Code. This act went into effect on June 15, 1976. Throughout this report, for comparison purposes, we utilize a classification system typical of most real estate asset classes. Class A properties are the highest quality properties, Class B are average/moderate quality properties, and Class C are lower quality properties. The subject is a Class C manufactured housing community (MHC).

The analyses, opinions and conclusions communicated within this appraisal report were developed based upon the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.

The COVID-19 virus (aka coronavirus) is a serious illness and pandemic that has affected the world and more specifically the United States. The effects thus far include volatility in the stock and capital markets. The impact to demand and ultimately values for real estate is also developing, although there is a wide range of viewpoints with very little consensus on the potential impact. The range of views from market participants suggests the risk premium is widening and we should analyze implications to both near-term and longer-term valuation assumptions. Real estate as an investment type historically takes a longer period of time to be impacted in comparison to alternative investment types, such as stocks and bonds. CIVAS professionals have consulted with market participants in preparation of this assignment to understand and best address how the subject property may be impacted.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assignment specific-assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinions of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as their use might have affected the assignment results.

### **EXTRAORDINARY ASSUMPTIONS**

A physical inspection was not made of the subject property. We assume that the property is in a similar condition as what can be observed via drone footage, made available by the owner, and we reserve the right to alter our value conclusion if found otherwise.

**HYPOTHETICAL CONDITIONS**

No Hypothetical Conditions were made for this assignment.

**RELIANCE LANGUAGE**

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers International Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by Colliers International Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers International Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers International Valuation & Advisory Services, by a party satisfactory to Colliers International Valuation & Advisory Services. Colliers International Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers International Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

**COLLIERS INTERNATIONAL  
VALUATION & ADVISORY SERVICES**

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**LETTER OF TRANSMITTAL**

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**CERTIFICATION****ASSUMPTIONS & LIMITING CONDITIONS**

**GENERAL INFORMATION**

Property Name	Dutch Gardens MHP
Property Type	Manufactured Housing Community - All Age
Address	101, 117 and 147 Bollen Drive
City	Rome
State	Georgia
Zip Code	30165
County	Floyd
Core Based Statistical Area (CBSA)	Rome, GA
Market	Atlanta
Census Region	South
Census Subregion	South Atlantic
Longitude	-85.210479
Latitude	34.258322
Number Of Parcels	3
Assessor Parcels	I13M048, I14X158, I14X159
Total Taxable Value	\$59,489
Census Tract Number	14.00

**SITE INFORMATION**

Land Area	Acres	Square Feet
Usable	10.99	478,724
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
<b>Total</b>	<b>10.99</b>	<b>478,724</b>
Topography	Level at street grade	
Shape	Irregular	
Access	Average	
Exposure	Average	
Appeal	Average	
Current Zoning	Multifamily Residential District and Suburban Residential District (M-R and S-R)	
Flood Zone	Zone X (Unshaded)	
Seismic Zone	Moderate Risk	

**IMPROVEMENT INFORMATION**

Number Of Homesites	76
Development Density	6.9 Units/Acre (76 Units / 10.99 Acres)
Total Number Of Common Area Buildings	0
Year Built	1950
Property Class	C
Quality	Average
Condition	Average
Marketability	Average
Parking Type	Driveway
Number Of Parking Spaces	152
Parking Spaces/Homesite	2.0
Project Amenities	There are no common area amenities.

**HIGHEST & BEST USE**

<b>As Vacant</b>	Development of a manufactured housing community as market conditions warrant
<b>As Improved</b>	Continued use as a manufactured housing community

**EXPOSURE TIME & MARKETING PERIOD**

<b>Exposure Time</b>	Six Months or Less
<b>Marketing Period</b>	Six Months or Less

**VALUATION SUMMARY**

<b>Current Occupancy</b>	85.5%
<b>Stabilized Occupancy</b>	92.0%
<b>Estimated Lease-Up Period</b>	16 Months
<b>Current Average Rent/Homesite</b>	\$325/Homesite
<b>Concluded Average Rent/Homesite</b>	\$325/Homesite
<b>Potential Gross Income (PGI)</b>	\$331,400
<b>Vacancy &amp; Credit Loss</b>	8.0%
<b>Effective Gross Income (EGI)</b>	\$307,688
<b>Total Expenses</b>	\$123,347
<b>Net Operating Income (NOI)</b>	\$184,341
<b>Capitalization Rate (OAR)</b>	6.50%

**VALUATION SUMMARY**

<b>VALUATION INDICES</b>	<b>MARKET VALUE AS-IS</b>	<b>PROSPECTIVE VALUE UPON STABILIZATION</b>
<b>INTEREST APPRAISED</b>	FEE SIMPLE	FEE SIMPLE
<b>DATE OF VALUE</b>	DECEMBER 17, 2020	DECEMBER 17, 2023

**INCOME CAPITALIZATION APPROACH**

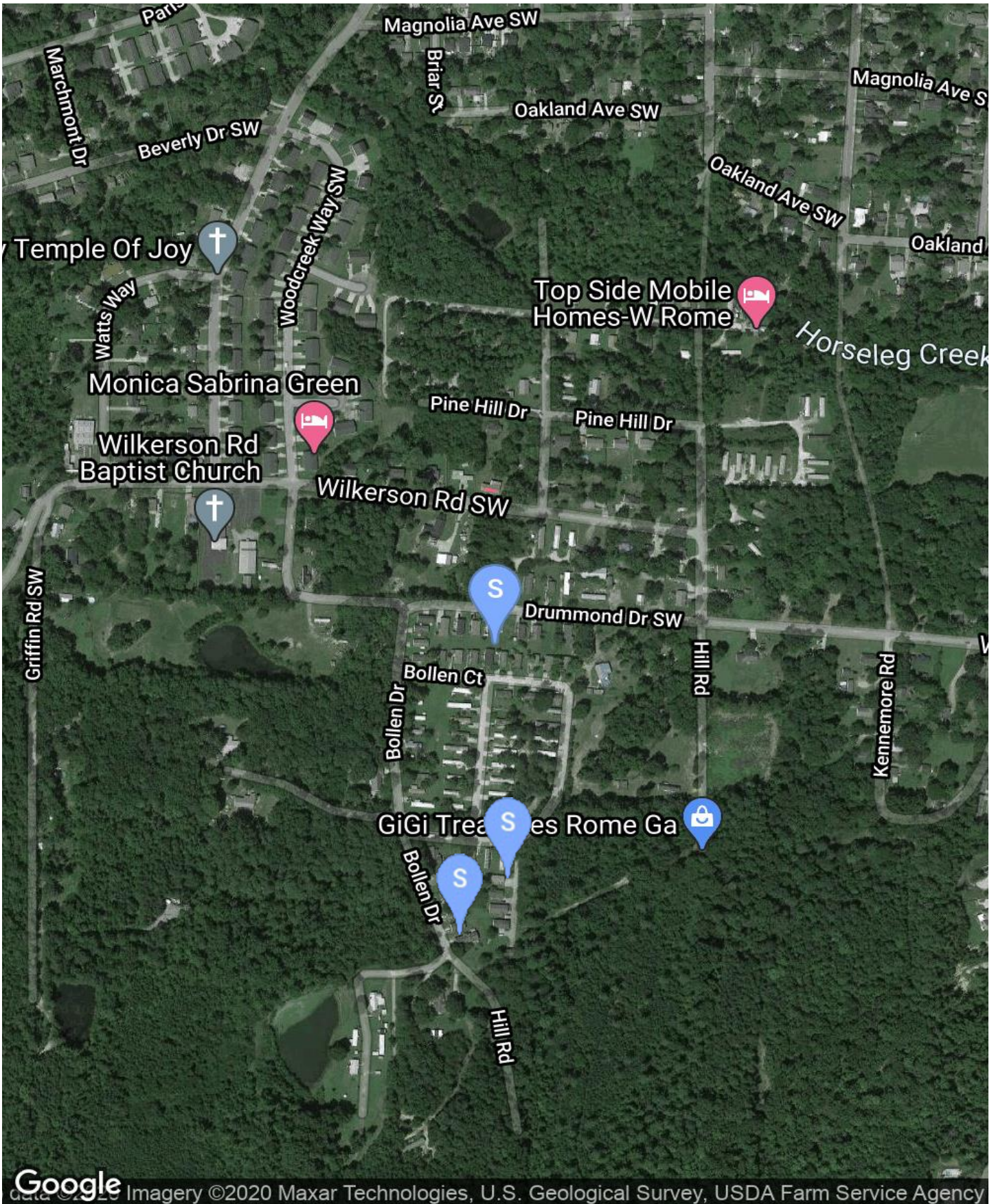
<b>Direct Capitalization</b>	<b>\$2,630,000</b>	<b>\$2,910,000</b>
Direct Capitalization \$/Homesite	\$34,605/Homesite	\$38,289/Homesite
Net Operating Income	\$184,341	\$184,341
NOI \$/Homesite	\$2,426/Homesite	\$2,426/Homesite
Capitalization Rate	7.25%	7.25%
<b>INCOME CONCLUSION</b>	<b>\$2,630,000</b>	<b>\$2,910,000</b>
Income Conclusion \$/Homesite	\$34,605/Homesite	\$38,289/Homesite

**SALES COMPARISON APPROACH**

<b>SALES CONCLUSION</b>	<b>\$2,680,000</b>	<b>\$2,960,000</b>
Sales Conclusion \$/Homesite	\$35,263/Homesite	\$38,947/Homesite

**FINAL VALUE CONCLUSION**

<b>FINAL VALUE</b>	<b>\$2,630,000</b>	<b>\$2,910,000</b>
Final \$/Homesite	\$34,605/Homesite	\$38,289/Homesite



Google Imagery ©2020 Maxar Technologies, U.S. Geological Survey, USDA Farm Service Agency



## PROPERTY IDENTIFICATION

The subject is a Manufactured Housing Community (All Age) property totaling 76 homesites. It is located on a 10.99-acre site at 101, 117 and 147 Bollen Drive in Rome, Floyd County, Georgia. The assessor's parcel numbers are: I13M048, I14X158, I14X159.

The legal description of the subject property is as follows:

### Parcel I13M048:

LT61-76&99-114 ALTO HTS PB2-190

### Parcel I14X158:

PT77-85&86A ALTO HEIGHTS SB PB2-190

### Parcel I14X159:

PTS81-84 ALTO HGHTS PB2-190

## CLIENT IDENTIFICATION

The client of this specific assignment is Sunrise Capital Investors.

## PURPOSE

The purpose of this appraisal is to develop opinions of the As-Is Market Value and Prospective Value Upon Stabilization of the subject property's fee simple interest.

## INTENDED USE

The intended use of this appraisal is for use in internal decision making. The report is not intended for any other use.

## INTENDED USERS

Sunrise Capital Investors is the only intended user of this report. Use of this report by third parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

## ASSIGNMENT DATES

Date of Report	December 30, 2020
Valuation Date – As-Is	December 17, 2020
Valuation Date – Prospective Upon Stabilization	December 17, 2023

## PERSONAL INTANGIBLE PROPERTY

The community owned homes (if any) are legally considered personal property and are not considered in this appraisal.

No personal property or intangible items are included in this valuation. Removable fixtures in the clubhouse (if any) such as the kitchen appliances and hot water heaters are considered to be real estate fixtures that are essential to the use and operation of the community.

## PROPERTY AND SALES HISTORY

### Current Owner

The subject was recently purchased for \$2,250,000 and has not yet been recorded. A contract nor details were provided though the sale was assumed to be arms-length.

### Three-Year Sales History

The subject property previously sold for \$2,250,000 in November 2020. Based on discussions with the current owner and a review of public records and private data services, the prior sale appears to have been an arm's-length transaction and was not impacted by any concessions. This was an off market transaction whereby the buyer approached the seller directly. The contract price was based on actual occupancy and rents in place although the buyer had plans to increase rents, pass through water/sewer and stabilize the asset after purchase. Based on the foregoing, the final value conclusion is within 15% of the purchase price and considers the upside via improving occupancy and the increase in rents and water/sewer pass through.

### Subject Sale Status

Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property is not under a current agreement of sale or option and is not currently offered for sale on the open market.

## DEFINITIONS

This section summarizes the definitions of value, property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are located in the Valuation Glossary section of the Addenda.

### DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the following definition of value is applicable:

#### Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming that the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States dollars or in terms of financial arrangements comparable thereto; and
5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.<sup>1</sup>

### PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

#### Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat.<sup>2</sup>

### VALUE SCENARIOS

#### As-Is Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.<sup>3</sup>

<sup>1</sup> Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

<sup>2</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

**Prospective Value**

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy.<sup>4</sup>

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<sup>3</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

<sup>4</sup> The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

## INTRODUCTION

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

- › The appraisers analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- › The appraisers confirmed and analyzed legal and physical features of the subject property including sizes of the site and improvements, flood plain data, seismic zone, zoning, easements and encumbrances, access and exposure of the site, and construction materials and condition of the improvements. This process also included estimating the remaining economic life of the improvements, analysis of the subject's site coverage and parking ratios compared to market standards, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.
- › The appraisers completed a manufactured housing market analysis that included national and market overviews. The Atlanta market overview analyzed supply/demand conditions using vacancy, absorption, supply change and rent change statistics. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- › The appraisers conducted a Highest and Best Use analysis, determining the highest and best use of the subject property As-Vacant and As-Improved. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion, and continued use "as-is."
- › The appraisers confirmed and analyzed financial features of the subject property including limited historical and budgeted income/expense data, rent roll, and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject property.
- › Selection of the valuation methods was based on the identifications required in USPAP relating to the intended use, intended users, definition and date of value, relevant property characteristics and assignment conditions. As a result, this appraisal developed the Income (Direct Capitalization) and Sales Comparison approaches to value. The resulting value indicators were reconciled within the Analysis of Value Conclusions section. The appraisal develops opinions of the As-Is Market Value and Prospective Value Upon Stabilization of the subject property's fee simple interest. The reasoning for including or excluding traditional approaches to value is developed within the Valuation Methodology section.
- › Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are summarized within this document.
- › We understand the Competency Rule of USPAP and the authors of this report meet the standards.
- › No one provided significant real property appraisal assistance to appraisers signing this certification.

## SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

### SOURCES OF INFORMATION

ITEM	SOURCE
Tax Information	Floyd County Tax Assessor
Zoning Information	Floyd County Zoning Code
Site Size Information	Floyd County Tax Assessor
Building Size Information	Floyd County Tax Assessor
New Construction	City of Rome / Floyd County
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	Floyd County Property Records
Other Property Data	Floyd County Property Records
Rent Roll	Owner
Income/Expense Statements	Owner

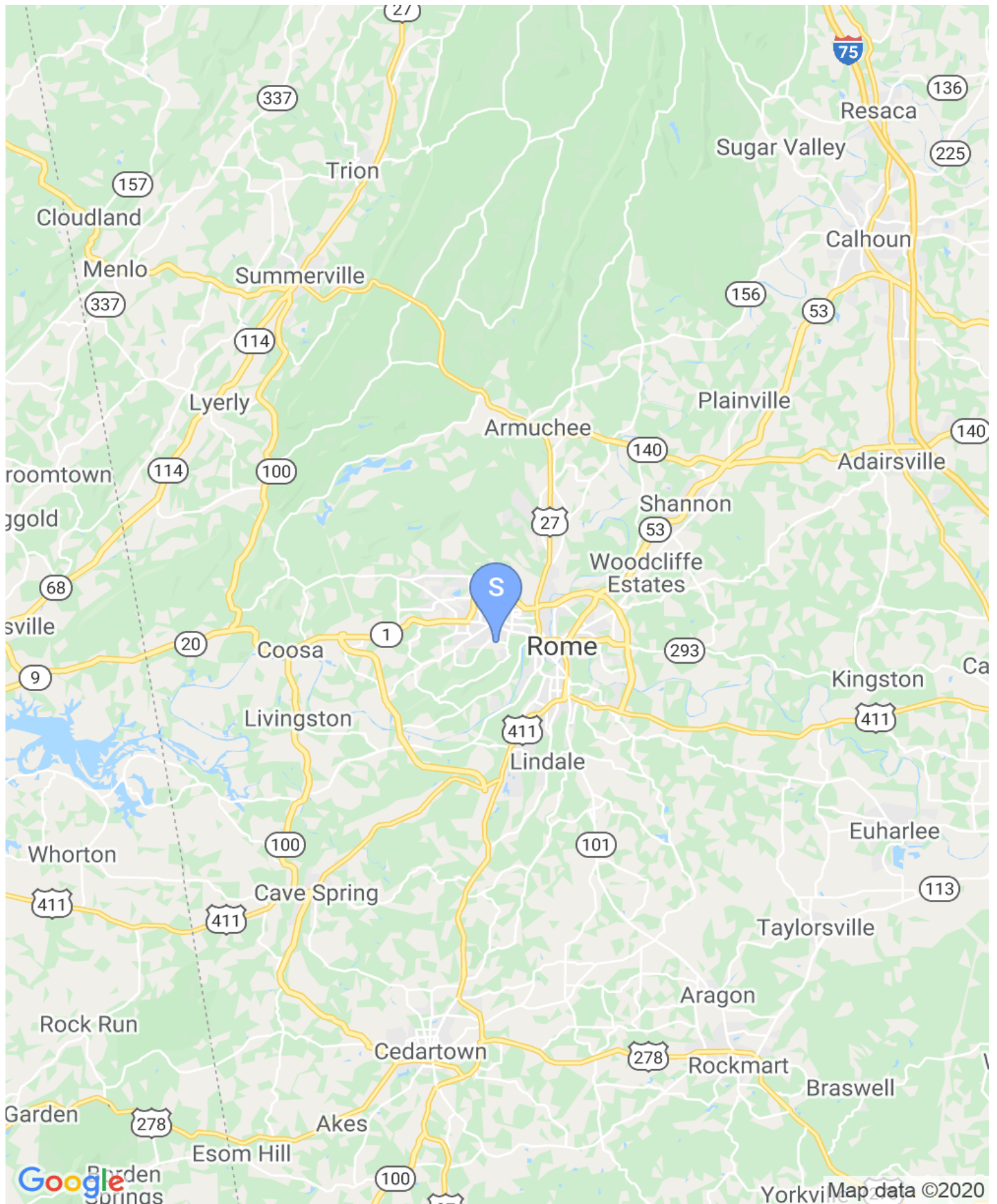
### SUBJECT PROPERTY INSPECTION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

#### SUBJECT PROPERTY INSPECTION

APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Nancy Caniff	No	-	-
Bruce Nell, MAI, AI-GRS, MRICS	No	-	-

The appraiser did not make a personal inspection of the subject property, rather drone footage provided by the owner was reviewed.



## INTRODUCTION

The Rome, GA Metropolitan Statistical Area is in northwest Georgia, and is comprised of Floyd County. As of the 2010 census, the MSA had a population of 96,317. The principal city is Rome. Floyd County is bordered by the counties of Walker to the north, Bartow to the east, Polk to the south, and Cherokee in Alabama, to the west. The area is served by U.S. Routes 27 and 411 and State Routes 1, 20, and 53. Air transportation is provided by Hartsfield-Jackson International Airport in Atlanta, approximately 65 miles south of Rome.



The Rome, GA MSA has a diversified economic base with strong influences in manufacturing, healthcare, technology, and tourism. The city of Rome is well known for a sophisticated medical infrastructure with facilities such as Floyd Medical Center, Redmond Regional Medical Center and the Harbin Clinic. Companies headquartered in the area include Brugg Cable and Telecom, Suzuki Manufacturing of America, Neaton Rome, the North American headquarters of Pirelli Tire, and State Mutual Insurance Company.

## DEMOGRAPHIC ANALYSIS

The following is a demographic study of the region sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

### Population

According to Pitney Bowes/Gadberry Group - GroundView®, a Geographic Information System (GIS) Company, the Rome metropolitan area had a 2020 total population of 98,753 and experienced an annual growth rate of 0.3%, which was lower than the Georgia annual growth rate of 1.0%. The metropolitan area accounted for 0.9% of the total Georgia population (10,720,000). Within the metropolitan area the population density was 190 people per square mile compared to the lower Georgia population density of 182 people per square mile and the lower United States population density of 92 people per square mile.

POPULATION			
YEAR	US	GA	CBSA
2010 Total Population	308,745,538	9,687,653	96,317
2020 Total Population	330,412,290	10,720,000	98,753
2025 Total Population	341,167,877	11,227,578	100,015
2010 - 2020 CAGR	0.7%	1.0%	0.3%
2020 - 2025 CAGR	0.6%	0.9%	0.3%

Source: Pitney Bowes/Gadberry Group - GroundView®

## POPULATION DENSITY

YEAR	US	GA	CBSA
2020 Per Square Mile	92	182	190
2025 Per Square Mile	95	191	193

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2020 median age for the metropolitan area was 38.15, which was 0.24% younger than the United States median age of 38.24 for 2020. The median age in the metropolitan area is anticipated to grow by 0.48% annually, increasing the median age to 39.07 by 2025.

## MEDIAN AGE

YEAR	US	GA	CBSA
2020	38.24	36.91	38.15
2025	38.97	37.73	39.07
CAGR	0.38%	0.44%	0.48%

Source: Pitney Bowes/Gadberry Group - GroundView®

## Household Trends

The 2020 number of households in the metropolitan area was 36,757. The number of households in the metropolitan area is projected to grow by 0.2% annually, increasing the number of households to 37,113 by 2025. The 2020 average household size for the metropolitan area was 2.59, which was 0.09% larger than the United States average household size of 2.58 for 2020. The average household size in the metropolitan area is anticipated to grow by 0.08% annually, raising the average household size to 2.60 by 2025.

## NUMBER OF HOUSEHOLDS

YEAR	US	GA	CBSA
2020	124,774,359	3,930,468	36,757
2025	128,904,424	4,100,093	37,113
CAGR	0.7%	0.8%	0.2%

Source: Pitney Bowes/Gadberry Group - GroundView®

## AVERAGE HOUSEHOLD SIZE

YEAR	US	GA	CBSA
2020	2.58	2.66	2.59
2025	2.58	2.67	2.60
CAGR	0.00%	0.10%	0.08%

Source: Pitney Bowes/Gadberry Group - GroundView®

The Rome metropolitan area had 37.09% renter occupied units, compared to the lower 34.26% in Georgia and the lower 34.78% in the United States.

## HOUSING UNITS

	US	GA	CBSA
Owner Occupied	65.22%	65.74%	62.91%
Renter Occupied	34.78%	34.26%	37.09%

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2020 median household income for the metropolitan area was \$48,677, which was 22.5% lower than the United States median household income of \$62,847. The median household income for the metropolitan area is projected to grow by 3.8% annually, increasing the median household income to \$58,749 by 2025.

As is often the case when the median household income levels are lower than the national average, the cost of living index is also lower. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the Rome, GA MSA's cost of living is 95.7 compared to the national average

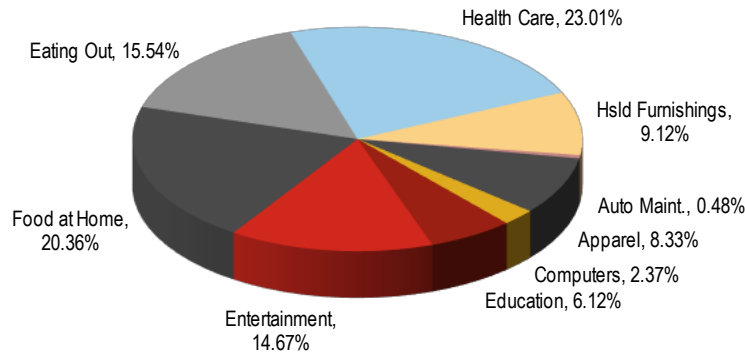


score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

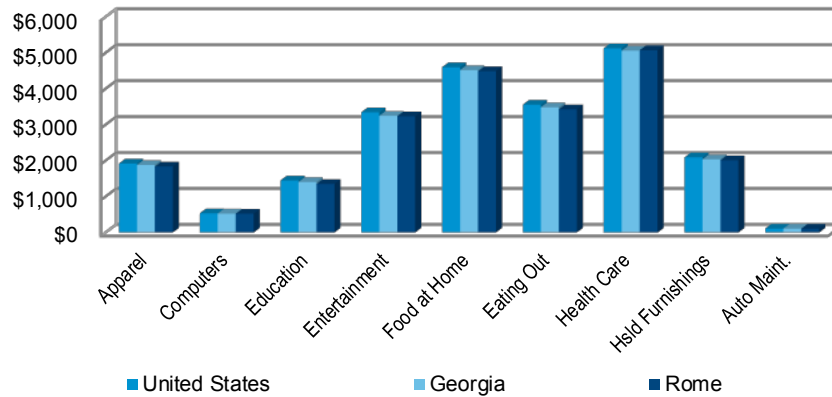
MEDIAN HOUSEHOLD INCOME			
YEAR	US	GA	CBSA
2020	\$62,847	\$58,191	\$48,677
2025	\$75,115	\$70,361	\$58,749
CAGR	3.6%	3.9%	3.8%

Source: Pitney Bowes/Gadberry Group - GroundView®

**Consumer Spending Rome**



**Consumer Spending Comparison Average Household**



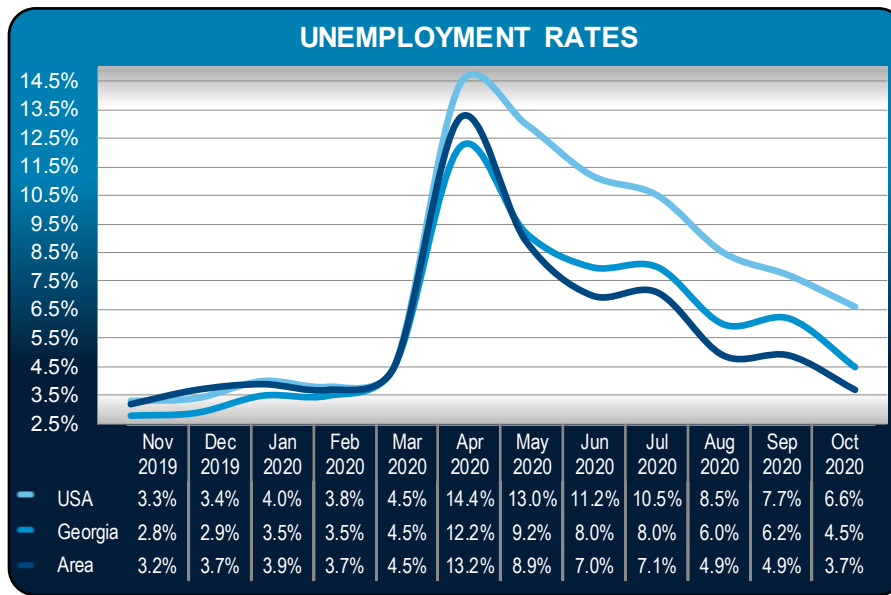
**EMPLOYMENT**

Total employment has increased annually over the past decade in the state of Georgia by 1.8% and increased annually by 0.7% in the area. From 2018 to 2019 unemployment decreased in Georgia and in the area by 0.5%. In the state of Georgia unemployment has decreased over the previous month by 1.7% and decreased by 1.2% in the area.

**EMPLOYMENT & UNEMPLOYMENT STATISTICS 2010 - 2019**

Year	TOTAL EMPLOYMENT				UNEMPLOYMENT RATE		
	Georgia		Rome, GA Metropolitan Statistical Area		United States*	Georgia	Rome, GA Metropolitan Statistical Area
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2010	4,202,052	(2.5%)	39,750	(10.3%)	9.6%	10.5%	11.8%
2011	4,263,305	1.5%	39,440	(0.8%)	8.9%	10.2%	12.1%
2012	4,348,083	2.0%	39,913	1.2%	8.1%	9.2%	10.9%
2013	4,366,374	0.4%	39,614	(0.7%)	7.4%	8.2%	9.5%
2014	4,403,433	0.8%	39,753	0.4%	6.2%	7.1%	7.9%
2015	4,482,922	1.8%	39,935	0.5%	5.3%	6.0%	6.7%
2016	4,649,755	3.7%	40,822	2.2%	4.9%	5.4%	6.0%
2017	4,812,097	3.5%	41,842	2.5%	4.4%	4.7%	5.2%
2018	4,880,038	1.4%	42,261	1.0%	3.9%	3.9%	4.3%
2019	4,935,310	1.1%	42,455	0.5%	3.7%	3.4%	3.8%
<b>CAGR</b>	<b>1.8%</b>	<b>-</b>	<b>0.7%</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Source: U.S. Bureau of Labor Statistics \*Unadjusted Non-Seasonal Rate



The preceding chart depicts unemployment trends in the region, Georgia and the U.S. Overall levels of unemployment in the region experienced major fluctuations throughout the past months. By the end of October 2020, unemployment in the region was 0.8% lower than Georgia’s and 2.9% lower than the national average.

## TOP EMPLOYERS

EMPLOYER NAME	EMPLOYEES	INDUSTRY
Floyd Medical Center	2,718	Healthcare/Social Assistance
Floyd County School District	1,626	Education
Harbin Clinic	1,250	Healthcare/Social Assistance
Redmond Regional Medical Center	1,200	Healthcare/Social Assistance
Floyd County Government	1,162	Public Administration
Lowe's RDC	900	Transportation/Warehousing
Rome City School District	819	Education
Rome City	614	Public Administration
Berry College	588	Education
Kellogg's	552	Manufacturing

Source: <http://www.rome.ga.com>

The preceding chart depicts the top employers in Floyd County. Principal employers are spread throughout diverse sectors, including healthcare/social assistance and education. Floyd Medical Center, a regional healthcare network, serving Northwest Georgia and Northeast Alabama, is the largest employer with 2,718 medical and administrative staff. Floyd County School District is the second largest employer with 1,626 employees. The school district serves approximately 10,100 students and supervises 18 schools in the county. Harbin Clinic, with a medical and administrative staff of 1,250, is the third largest employer. With 140 doctors specializing in 35 different medical specialties, the Harbin Clinic is the largest privately owned multispecialty medical clinic in Georgia.

## AIRPORT STATISTICS

The following chart summarizes the local airport statistics.

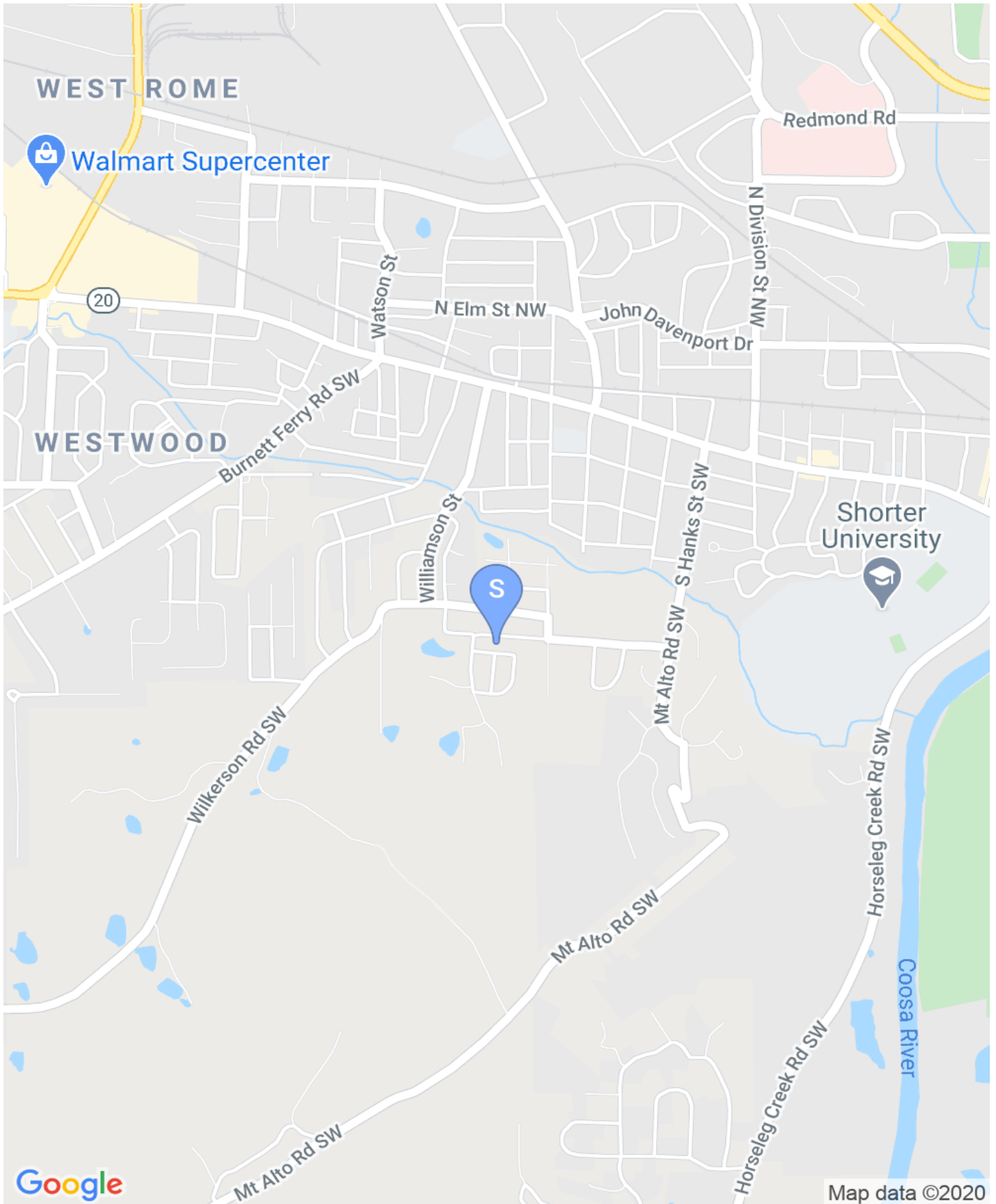
## HARTSFIELD - JACKSON ATLANTA INTERNATIONAL AIRPORT (ATL)

YEAR	ENPLANED PASSENGERS	% CHG
2009	42,280,868	-
2010	43,130,585	2.0%
2011	44,414,121	3.0%
2012	45,798,928	3.1%
2013	45,308,407	(1.1%)
2014	46,604,273	2.9%
2015	49,340,732	5.9%
2016	50,501,858	2.4%
2017	50,251,964	(0.5%)
2018	51,865,797	3.2%
2019	53,505,795	3.2%

Source: U.S. Department of Transportation

## SUMMARY

The Rome metropolitan area has a diversified economy well supported by the manufacturing, technology and healthcare sectors. Rome has a strong medical industry, considered a key contributor for the local employment base. The region is home to the headquarters of large firms from different sectors. The condition and appeal of the market area is good.



## INTRODUCTION

In this section of the report, we provide details about the local area and describe the influences that bear on the real estate market as well as the subject property. A map of the local area is presented on the prior page. Below are insights into the local area based on fieldwork, interviews, demographic data and experience working in this market.

## LOCAL AREA PROFILE

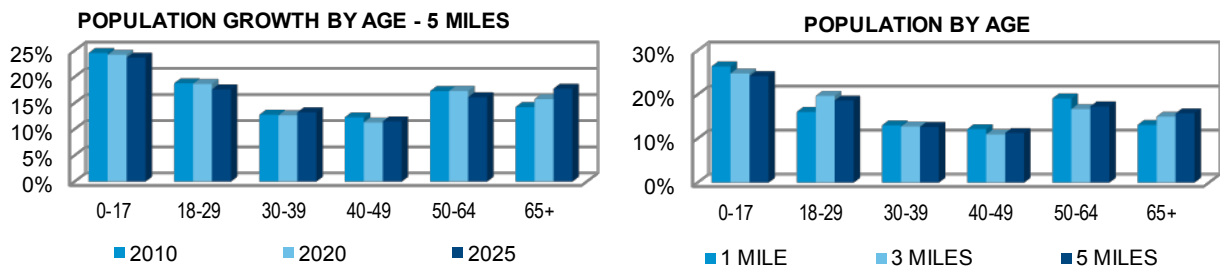
The subject property is in Rome, Georgia, the seat of Floyd County. According to the 2010 census, the population was 36,303. The city is at the confluence of the Etowah and the Oostanaula rivers, approximately 65 miles northwest of Atlanta. It is bordered by Armuchee to the north, Woodcliffe Estates to the east, Lindale to the south, and Coosa to the west. Highways serving the area include U.S. Routes 27 and 411, and State Routes 1, and 101. Air transportation is provided by Richard B. Russell Airport, a county-owned public use airport approximately six miles north of Rome's central business district.

## DEMOGRAPHIC PROFILE

Below is a demographic study of the area, sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
<b>POPULATION</b>				<b>AVERAGE HOUSEHOLD INCOME</b>			
2000 Population	4,052	30,931	52,031	2020	\$67,743	\$64,113	\$65,032
2010 Population	4,022	32,327	54,617	2025	\$84,760	\$79,139	\$80,030
2020 Population	4,035	33,228	56,100	Change 2020-2025	25.12%	23.44%	23.06%
2025 Population	4,062	33,605	56,784	<b>MEDIAN HOUSEHOLD INCOME</b>			
Change 2000-2010	(0.74%)	4.51%	4.97%	2020	\$42,556	\$40,863	\$43,633
Change 2010-2020	0.32%	2.79%	2.72%	2025	\$48,384	\$48,852	\$52,045
Change 2020-2025	0.67%	1.13%	1.22%	Change 2020-2025	13.70%	19.55%	19.28%
<b>POPULATION 65+</b>				<b>PER CAPITA INCOME</b>			
2010 Population	434	4,232	7,783	2020	\$23,410	\$24,399	\$25,579
2020 Population	530	4,986	8,845	2025	\$29,203	\$29,994	\$31,343
2025 Population	623	5,661	10,083	Change 2020-2025	24.75%	22.93%	22.54%
Change 2010-2020	22.12%	17.82%	13.65%	<b>2020 HOUSEHOLDS BY INCOME</b>			
Change 2020-2025	17.55%	13.54%	14.00%	<\$15,000	5.8%	17.2%	15.7%
<b>NUMBER OF HOUSEHOLDS</b>				\$15,000-\$24,999	13.6%	13.1%	13.2%
2000 Households	1,295	11,412	19,601	\$25,000-\$34,999	23.0%	13.4%	12.5%
2010 Households	1,310	11,515	20,290	\$35,000-\$49,999	18.2%	14.2%	14.1%
2020 Households	1,327	11,804	20,762	\$50,000-\$74,999	13.9%	16.5%	17.8%
2025 Households	1,332	11,912	20,962	\$75,000-\$99,999	8.1%	8.1%	8.7%
Change 2000-2010	1.16%	0.90%	3.52%	\$100,000-\$149,999	9.4%	9.9%	10.3%
Change 2010-2020	1.30%	2.51%	2.33%	\$150,000-\$199,999	3.0%	3.1%	3.8%
Change 2020-2025	0.38%	0.91%	0.96%	\$200,000 or greater	5.1%	4.4%	4.0%
<b>HOUSING UNITS (2020)</b>				<b>MEDIAN HOME VALUE</b>			
Owner Occupied	716	5,785	11,087	AVERAGE HOME VALUE	\$141,167	\$132,065	\$133,145
Renter Occupied	609	6,026	9,658	<b>HOUSING UNITS BY UNITS IN STRUCTURE</b>			
<b>HOUSING UNITS BY YEAR BUILT</b>				1, detached	972	8,074	14,831
Built 2010 or later	15	173	369	1, attached	49	339	432
Built 2000 to 2009	102	1,233	2,248	2	185	891	1,397
Built 1990 to 1999	181	1,393	2,705	3 or 4	13	466	718
Built 1980 to 1989	67	1,117	2,331	5 to 9	30	515	786
Built 1970 to 1979	143	1,939	3,042	10 to 19	16	412	746
Built 1960 to 1969	190	1,845	2,951	20 to 49	4	101	289
Built 1950 to 1959	257	1,715	3,036	50 or more	2	612	811
Built 1940 to 1949	111	997	1,645	Mobile home	51	384	716
Built 1939 or earlier	260	1,391	2,434	Boat, RV, van, etc.	3	16	19

Source: Pitney Bowes/Gadberry Group - GroundView®



**Transportation Routes**

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES			
HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
U.S. Route 27	north-south	Local Highway	This is within three miles of the subject property.
U.S. Route 411	north-south	Local Highway	This is within three miles of the subject property.
State Route 1	east-west	Local Highway	This is within two miles of the subject property.
State Route 53	northeast-southwest	Local Highway	This is within four miles of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Bollen Drive	north-south	Secondary Arterial	The subject property fronts this street.

Public transportation is not available near the subject property.

### Economic Factors

Rome is considered a regional hub in the healthcare and education industries. The city is well known for its medical facilities, which include the Floyd Medical Center, the Redmond Regional Medical Center and the Harbin Clinic. Partnering with these facilities for physician development and medical education is the Northwest Georgia Clinical Campus of The Medical College of Georgia, which is part of Georgia Health Sciences University. In the education sector, institutions in the city include Berry College, Shorter University, Georgia Northwestern Technical College, and Georgia Highlands College. Other major sectors in the local economy are manufacturing, technology and tourism. The high-technology industry is emerging as an economic engine, with a fiber optic network based downtown and a growing technology program at the Floyd County College and Career Academy. National companies that are part of Rome's technology industry include Brugg Cable and Telecom. The city is home to Suzuki Manufacturing of America and the North American headquarters of Pirelli Tire.

### Community Services

Community services and facilities are readily available in the surrounding area. These include public services such as fire stations, hospitals, police stations, and schools (all ages). The subject property is located in the Rome City School District. GreatSchools.org is an on-line tool that rates every school on a scale of one to ten based on test scores. They also track parents rating of the school on a one to five scale. The following chart details the ratings of schools nearest to the subject.

SCHOOL DISTRICTS						
SCHOOL DISTRICT	NUMBER OF SCHOOLS					TOTAL
	ELEMENTARY	MIDDLE	HIGH	PUBLIC	CHARTER	
Rome City School District	7	1	1	9	0	9

HIGH SCHOOLS							
HIGH SCHOOLS	GREATSCHOOLS RATING	PARENT RATING	SCHOOL TYPE	GRADES SERVED	DISTANCE FROM SBJ.	CITY LOCATION	TOTAL ENROLLMENT
Rome High School	6	4	public	9-12	4.07 miles	Rome	1,865
Coosa High School	5	4	public	9-12	5.35 miles	Rome	722
Pepperell High School	6	5	public	9-12	5.51 miles	Lindale	872
Armuchee High School	8	4	public	9-12	6.46 miles	Rome	552
Model High School	6	4	public	9-12	7.45 miles	Rome	707
Georgia School For The Deaf	-	5	public	PK-12	13.57 miles	Cave Spring	78

Source: GreatSchools.org

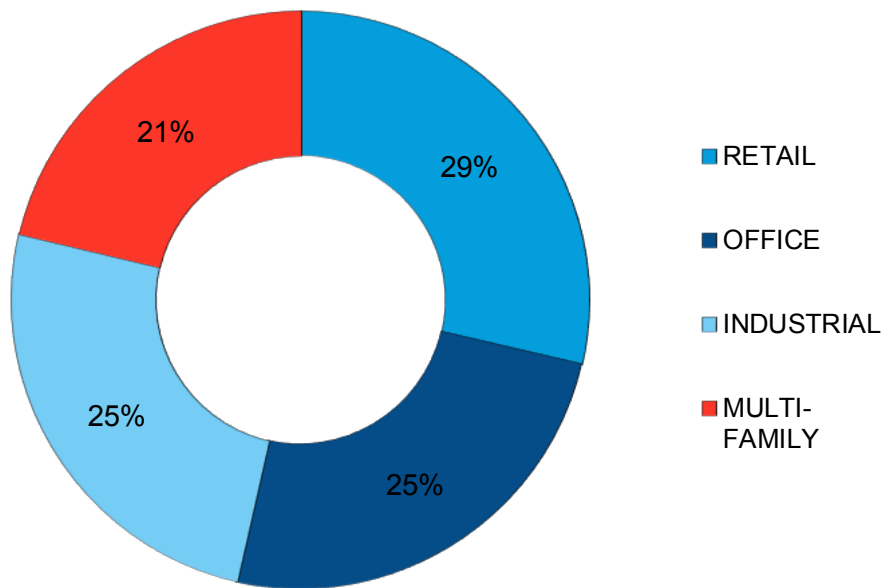
**IMMEDIATE AREA PROFILE**

This section discusses uses and development trends in the immediate area that directly impact the performance and appeal of the subject property.

**Predominant Land Uses**

Significant development in the immediate area consists of office, retail and industrial uses along major arterials that are interspersed with multi-family complexes and single-family residential development removed from arterials. The local area has a mix of commercial uses nearby and the composition is shown in the following graph.

**COMMERCIAL AREA COMPOSITION**



©CoStar



**Residential Development**

Residential users in the immediate area are primarily single-family residential.

**Multi-Family Development**

The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

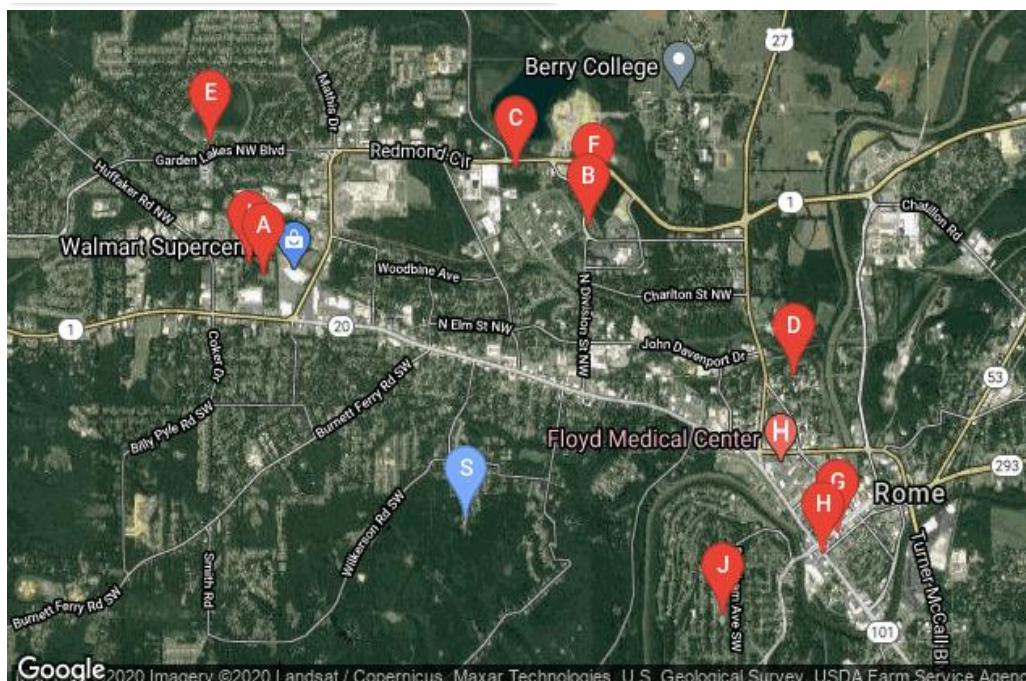
MULTI-FAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
A	1	100,000	-
B	8	484,935	1989
C	12	728,038	1957
<b>TOTAL</b>	<b>21</b>	<b>1,312,973</b>	<b>1970</b>

Source: CoStar

The largest three multi-family properties are at 22 Northwest Tamassee Lane, 600 Redmond Road Northwest and 1349 Redmond Circle Northwest with an NRA of 218,842 SF, 181,994 SF and 154,490 SF that were built in 1971, 1971 and 1967, respectively. The closest large multi-family property in proximity to the subject is at 302-332 Hardy Avenue Southwest with an NRA of 48,655 SF that was built in 2017. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest multi-family properties in the immediate area from CoStar.

LARGEST MULTI-FAMILY PROPERTIES						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
Three Rivers Garden Apartments	1.9 Miles	A	C	218,842	2	1971
Multi-family Building	1.8 Miles	B	B	181,994	2	1971
Multi-family Building	2.0 Miles	C	C	154,490	2	1967
Multi-family Building	2.2 Miles	D	C	150,759	3	1997
Multi-family Building	2.7 Miles	E	B	120,000	0	1971
Multi-family Building	2.0 Miles	F	A	100,000	3	-
McCall Place Apartments	2.3 Miles	G	B	80,000	3	2017
Greystone Apartments	2.2 Miles	H	C	66,180	7	1934
Multi-family Building	2.0 Miles	I	C	52,756	2	2009
Multi-family Building	1.7 Miles	J	B	48,655	2	2017

Source: CoStar



**Retail Development**

The following chart shows a summary of retail data by type in the immediate area from CoStar.

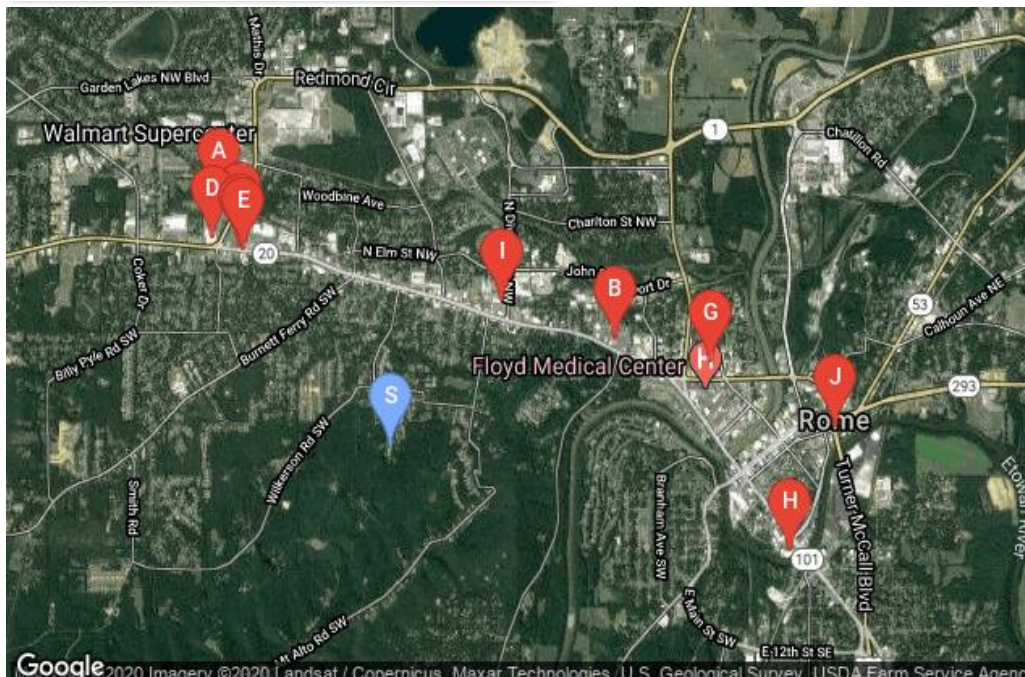
RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
General Retail	225	1,765,026	1957	98.6	\$11.87
<b>TOTAL</b>	<b>225</b>	<b>1,765,026</b>	<b>1957</b>	<b>98.6</b>	<b>\$11.87</b>

Source: CoStar

The largest three retail properties are at 2510 Redmond Circle Northwest, 144-246 Shorter Avenue Southwest and 2501-2519 Redmond Circle Northwest with an NRA of 229,892 SF, 136,357 SF and 122,920 SF that were built in 1993, 2003 and 1968, respectively. The closest large retail property in proximity to the subject is at 610 Shorter Avenue with an NRA of 60,634 SF that was built in 1986. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Retail Building	1.8 Miles	A	General Retail	229,892	100.0	1993	N/Av
Retail Building	1.5 Miles	B	Neighborhood Center	136,357	98.0	2003	\$18.00
Retail Building	1.5 Miles	C	Neighborhood Center	122,920	100.0	1968	N/Av
Retail Building	1.6 Miles	D	General Retail	117,016	100.0	1994	N/Av
Retail Building	1.4 Miles	E	Neighborhood Center	103,408	100.0	1983	N/Av
West Towne Square	1.5 Miles	F	Neighborhood Center	84,828	100.0	1983	N/Av
Retail Building	2.0 Miles	G	Neighborhood Center	74,987	95.3	2013	\$24.00
Retail Building	2.5 Miles	H	Neighborhood Center	69,642	100.0	1959	N/Av
Retail Building	1.1 Miles	I	Neighborhood Center	60,634	97.3	1986	\$8.20
Village Plaza	2.7 Miles	J	General Retail	60,000	100.0	1962	N/Av

Source: CoStar



**Office Development**

The following chart shows a summary of office data by class in the immediate area from CoStar.

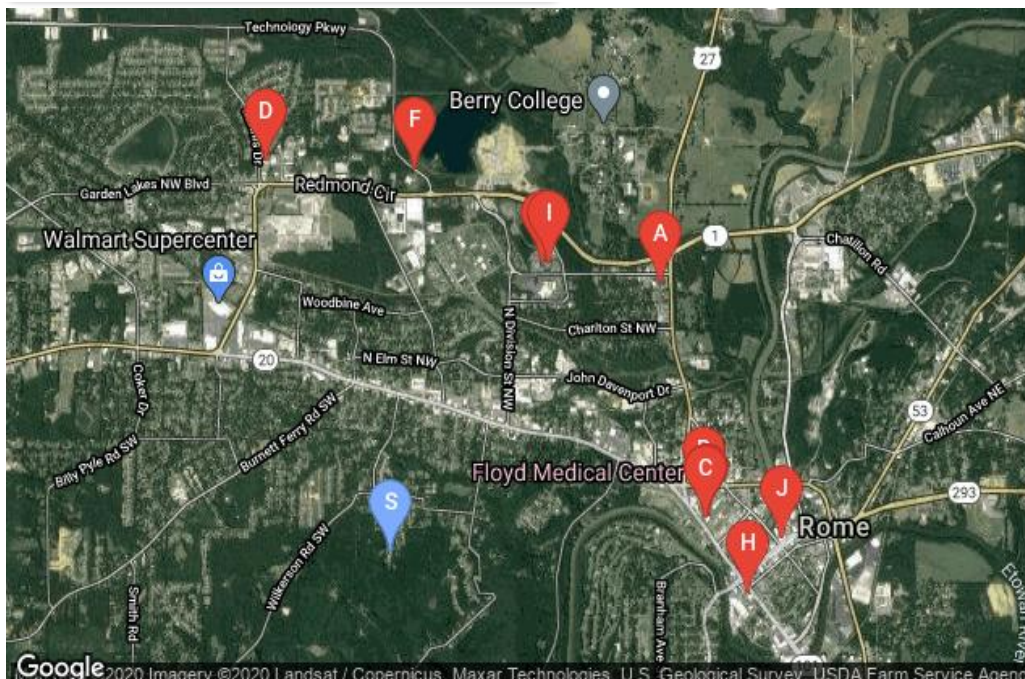
OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
A	1	75,054	2007	100.0	-
B	47	919,214	1975	97.1	\$7.68
C	112	541,235	1963	96.1	\$10.00
<b>TOTAL</b>	<b>160</b>	<b>1,535,503</b>	<b>1967</b>	<b>96.4</b>	<b>\$9.31</b>

Source: CoStar

The largest three office properties are at 1825 Martha Berry Boulevard, 304 Turner McCall Boulevard Southwest and 330 Turner McCall Boulevard Southwest with an NRA of 122,111 SF, 109,823 SF and 84,265 SF that were built in 1969, 1987 and 2005, respectively. The closest large office property in proximity to the subject is at 550 Redmond Road with an NRA of 75,054 SF that was built in 2007. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS							
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Office Building	2.3 Miles	A	B	122,111	100.0	1969	N/Av
Office Building	1.9 Miles	B	B	109,823	100.0	1987	N/Av
Floyd Medical Center	2.7 Miles	C	B	84,265	80.4	2005	N/Av
Office Building	2.4 Miles	D	B	76,781	100.0	-	N/Av
Harbin Clinic Specialty Center	1.9 Miles	E	A	75,054	100.0	2007	N/Av
Office Building	2.2 Miles	F	B	75,000	100.0	-	N/Av
Office Building	1.9 Miles	G	B	55,195	100.0	2011	N/Av
Office Building	2.2 Miles	H	B	52,263	100.0	1952	N/Av
Harbin Clinic Heart Center MOB	1.9 Miles	I	B	47,438	100.0	1994	N/Av
Office Building	2.4 Miles	J	B	35,426	81.3	1969	\$12.50

Source: CoStar



**Industrial Development**

The following chart shows a summary of industrial data by type in the immediate area from CoStar.

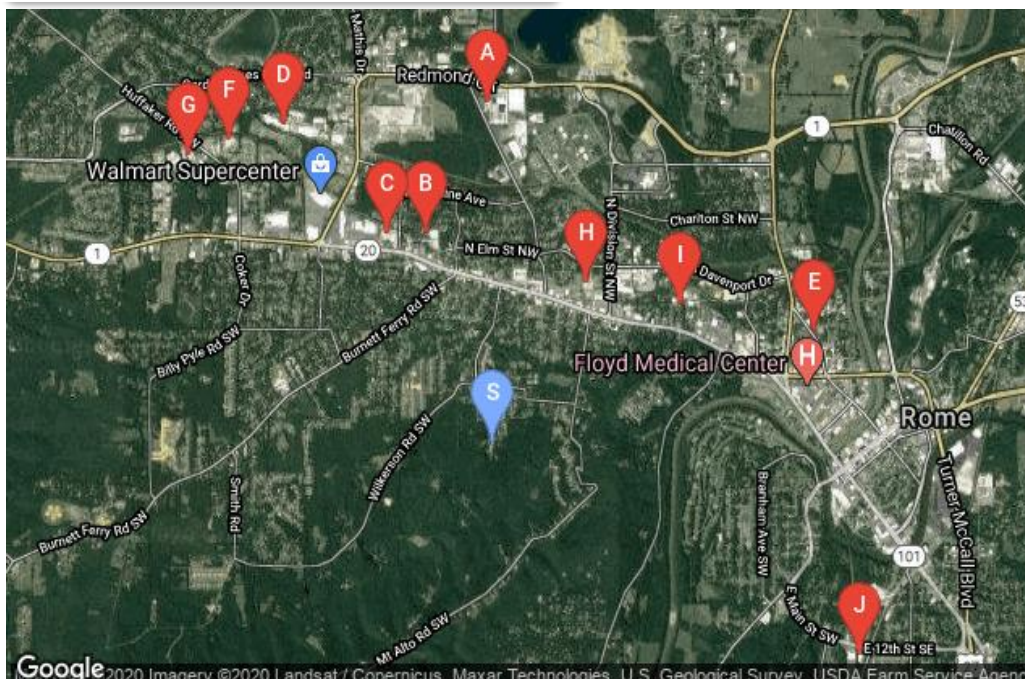
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	35	1,105,269	1971	97.1	-
Flex	20	447,991	1969	100.0	-
<b>TOTAL</b>	<b>55</b>	<b>1,553,260</b>	<b>1970</b>	<b>98.2</b>	<b>\$0.00</b>

Source: CoStar

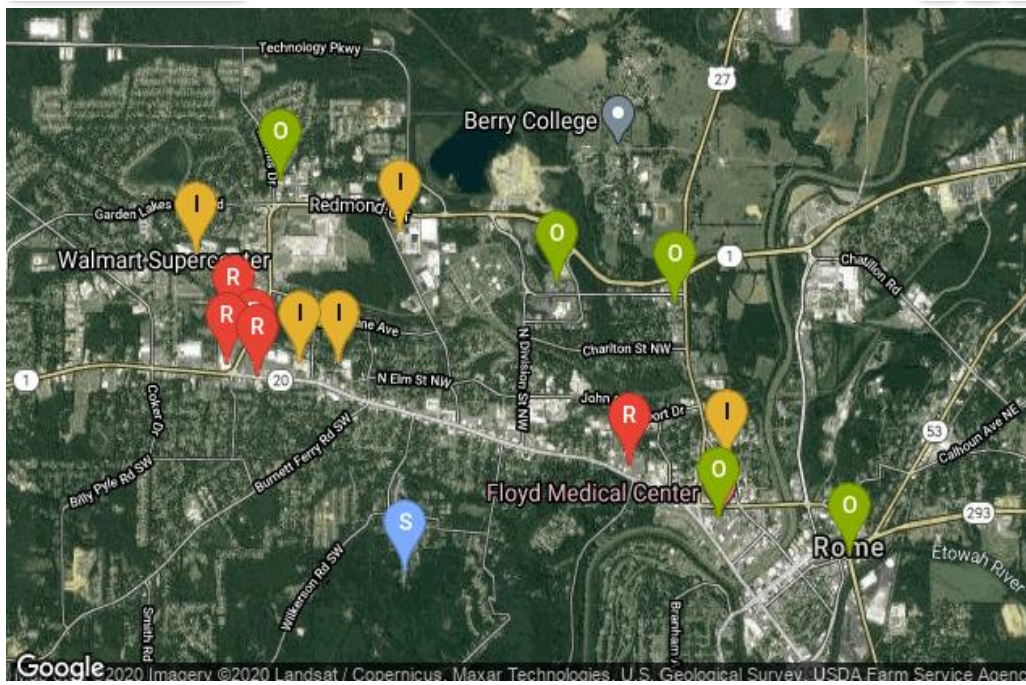
The largest three industrial properties are at 438 Lavender Drive Northwest, 21 Kirton Street and 15 Old Airport Road Northwest with an NRA of 261,194 SF, 218,000 SF and 140,000 SF that were built in 1964, 1969 and 1971, respectively. The closest large industrial property in proximity to the subject is at 617 Excelsior Street with an NRA of 46,210 SF that was built in 1960. All of the properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Industrial Building	2.0 Miles	A	Flex	261,194	100.0	1964	N/Av
Industrial Building	1.3 Miles	B	Industrial	218,000	100.0	1969	N/Av
Industrial Building	1.4 Miles	C	Industrial	140,000	100.0	1971	N/Av
Industrial Building	2.2 Miles	D	Industrial	118,198	100.0	1974	N/Av
Industrial Building	2.1 Miles	E	Industrial	95,000	100.0	1940	N/Av
Industrial Building	2.4 Miles	F	Industrial	65,975	100.0	1980	N/Av
Industrial Building	2.5 Miles	G	Industrial	53,000	100.0	1973	N/Av
Industrial Building	1.1 Miles	H	Industrial	46,210	100.0	1960	N/Av
Industrial Building	1.4 Miles	I	Industrial	43,449	100.0	1960	N/Av
Industrial Building	2.5 Miles	J	Industrial	41,000	100.0	1947	N/Av

Source: CoStar



The following map shows the subject property and the largest retail, office, and industrial properties in the immediate area from CoStar.



## SUBJECT PROPERTY ANALYSIS

The following discussion draws context and analysis on how the subject property is influenced by the local and immediate areas.

### Subject Property Analysis

The uses adjacent to the property are noted below:

- › **North** - Drummond Drive Southwest, Manufactured Housing Community: 129 Drummond Drive Southwest, Single-Family Residential Neighborhood
- › **South** - Hill Road, Single-Family Residential Neighborhood
- › **East** - Single-Family Residential Neighborhood, Vacant Land
- › **West** - Bollen Drive, Single-Family Residential Neighborhood, Vacant Land

### Subject Conclusion

Trends in the local and immediate areas, adjacent uses and the property's specific location features indicate an overall typical external influence for the subject, which is concluded to have a good position in context of competing properties. Rome is home to large clusters in healthcare, education, manufacturing and technology, serving as the backbone for the city's economy. Its business-driven environment and strategic location will continue to attract business expansion. The condition and appeal of the market area is good.

**General Description** The subject site consists of 3 parcels. As noted below, the subject site has 478,724 SF (10.99 AC) of land area. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements. Going forward, our valuation analyses will utilize the usable site area. The following discussion summarizes the subject site size and characteristics.

**Assessor Parcels** See Multiple Parcel Chart For Breakdown

**Number Of Parcels** 3

Land Area	Acres	Square Feet
Primary Parcel	10.99	478,724
Excess Land	0.00	0
<u>Surplus Land</u>	<u>0.00</u>	<u>0</u>
<b>Total Land Area</b>	<b>10.99</b>	<b>478,724</b>

**Shape** See Multiple Parcel Chart For Breakdown

**Topography** Level at street grade

**Zoning** Multifamily Residential District and Suburban Residential District (M-R and S-R)

**Drainage** Assumed Adequate

**Utilities** All available to the site, including public water and sewer

Street Improvements	Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetlights	Center Lane	Gutters
Bollen Drive	Secondary Street	two-way	two-lane	minor arterial					
Drummond Drive Southwest	Secondary Street	two-way	two-lane	minor arterial					
Hill Road	Secondary Street	two-way	two-lane	minor arterial					

**Frontage** The subject has approximately 1,065 feet of frontage on Bollen Drive.

**Accessibility** **Average** - The subject is located within two miles of State Route 1, within three miles of U.S. Route 27 and within three miles of U.S. Route 411. Access to the subject is offered two full-access driveways on Bollen Drive.

**Exposure** **Average** - The subject has adequate exposure at a signalized corner location on three minor arterials.

**Seismic** The subject is in a moderate risk zone.

**Flood Zone** Zone X (Unshaded). This is referenced by Community Number 130079, Panel Number 131115C0189E, dated September 25, 2009. Zone X (unshaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood

insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)

**MULTIPLE PARCEL SITE DESCRIPTION GRID**

PARCEL	USABLE		TOTAL		SHAPE	ACCESS	EXPOSURE	FLOOD PLAIN
	SF	AC	SF	AC				
I13M048	392,040	9.00	392,040	9.00	Irregular	Average	Average	Zone X (Unshaded)
I14X158	25,700	0.59	25,700	0.59	Irregular	Average	Average	Zone X (Unshaded)
I14X159	60,984	1.40	60,984	1.40	Irregular	Average	Average	Zone X (Unshaded)
<b>TOTAL</b>	<b>478,724</b>	<b>10.99</b>	<b>478,724</b>	<b>10.99</b>				

**Easements**

A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

**Soils**

A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.

**Hazardous Waste**

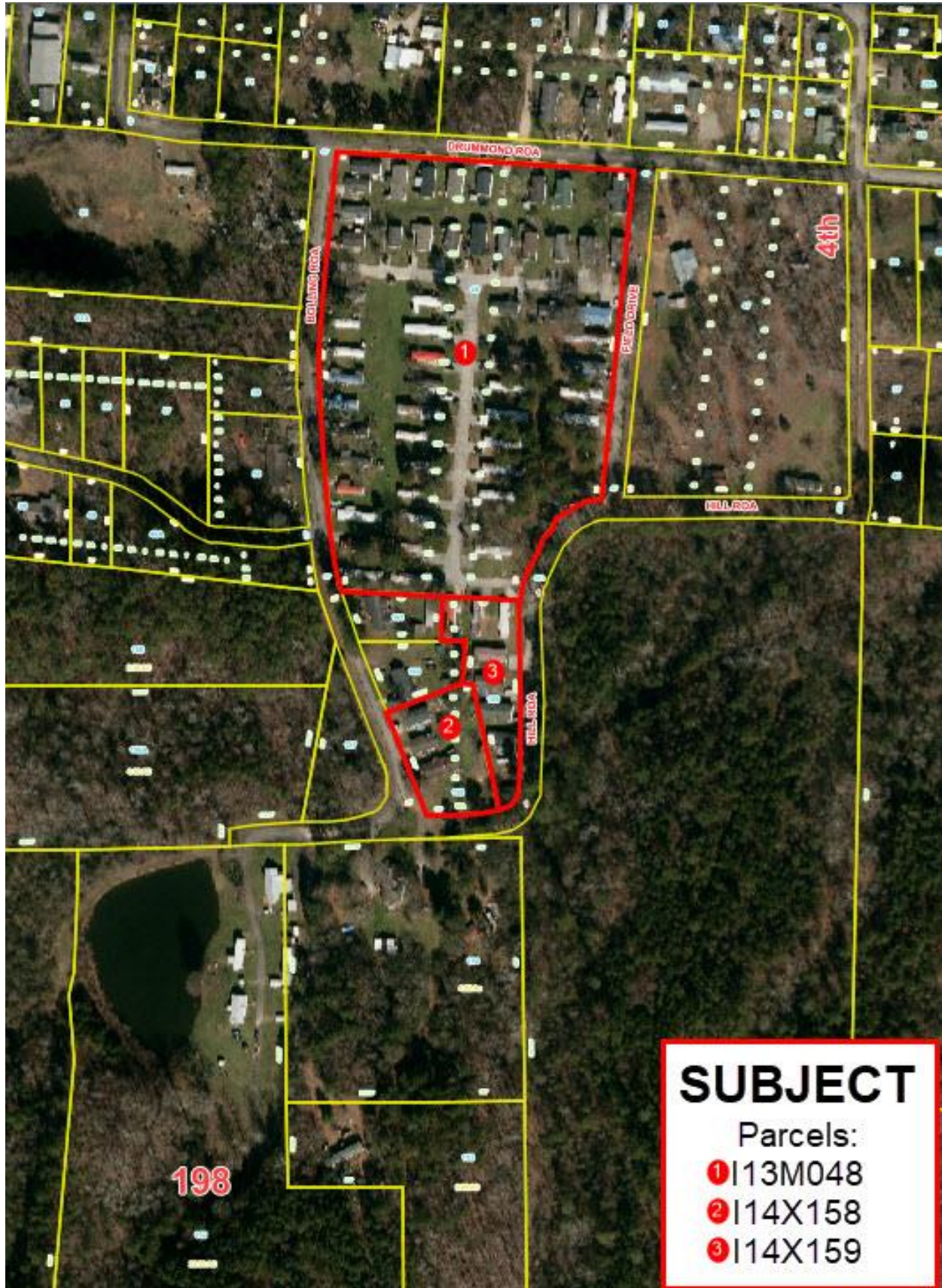
We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.

**Conclusion**

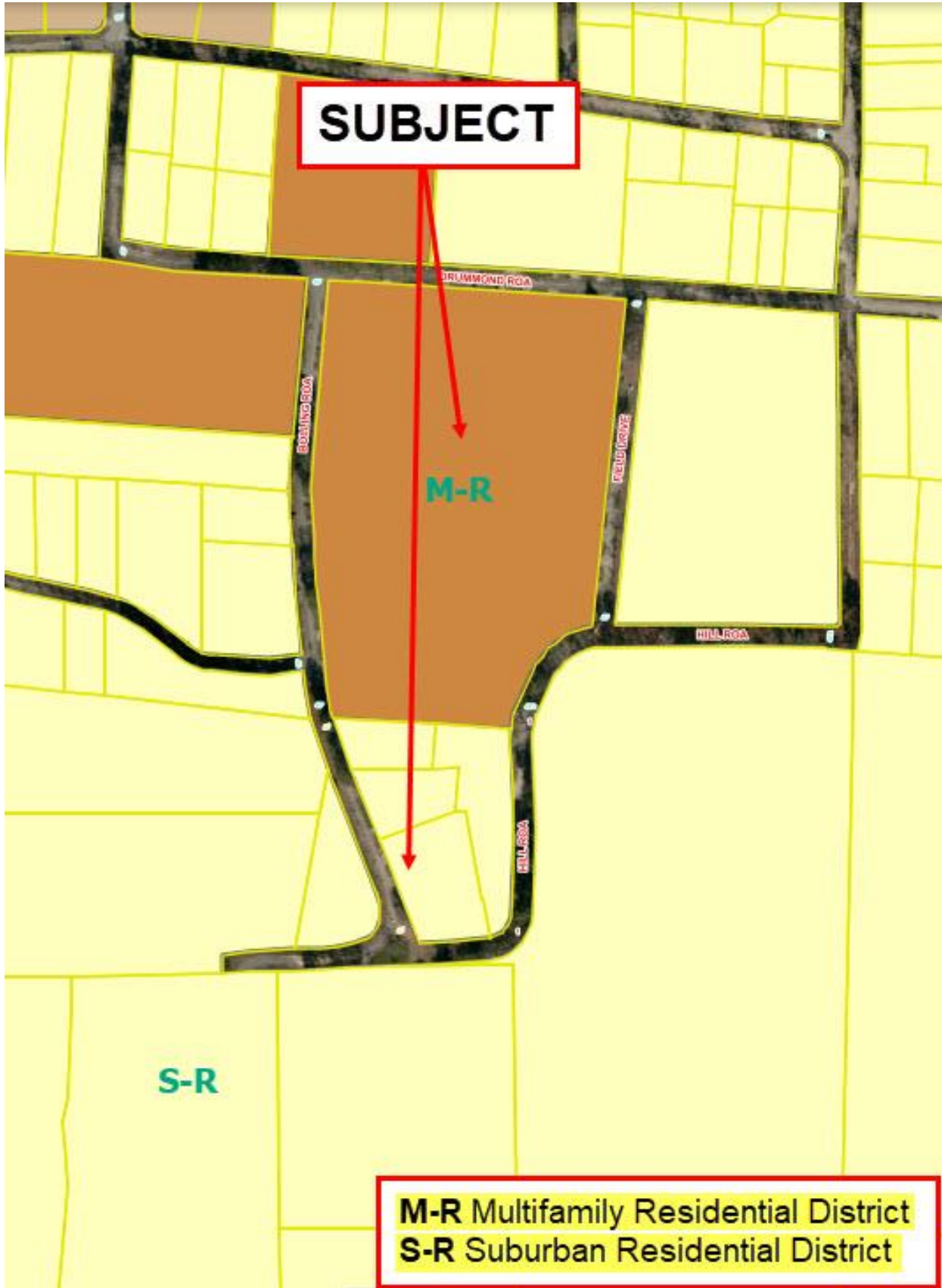
Overall, the subject site is considered an average residential site in terms of its location, exposure, and access to employment, education and shopping centers. All of these characteristics provide supporting uses for the subject site making it desirable for multifamily development. Overall there are no known factors that would limit the site's development according to its highest and best use.



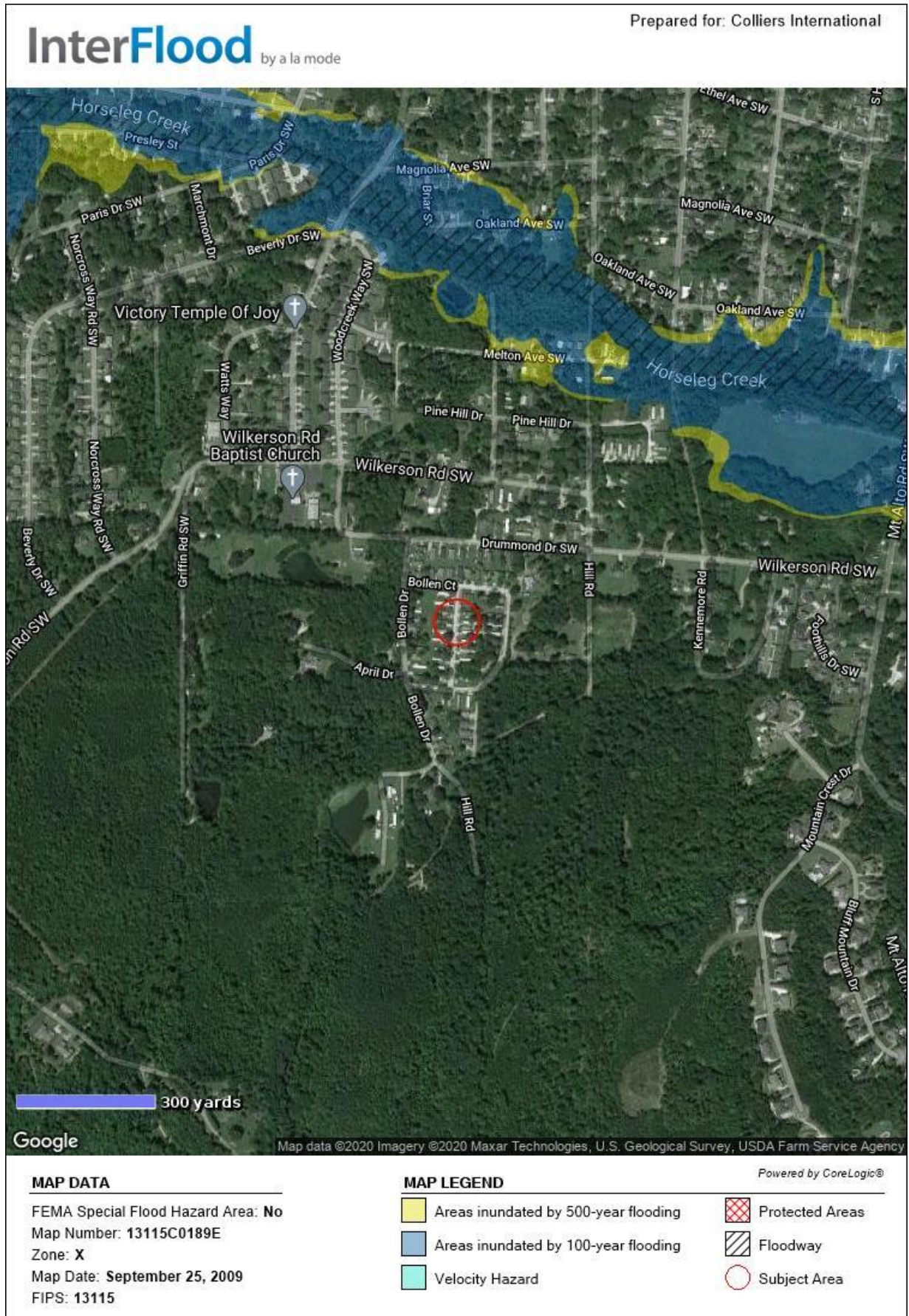
PARCEL MAP



ZONING MAP



FLOOD MAP



<b>Introduction</b>	The information presented below is a basic description of the existing improvements. This information is used in the valuation of the property. Reliance has been placed upon information provided by sources deemed dependable for this analysis. It is assumed that there are no hidden defects, and that all structural components are functional and operational, unless otherwise noted. If questions arise regarding the integrity of the improvements or their operational components, it may be necessary to consult additional professional resources.												
<b>Property Type</b>	Manufactured Housing Community - All Age												
<b>Number of Homesites</b>	76												
<b>Number Of Common Area Buildings</b>	0												
<b>Year Built</b>	1950												
<b>Age/Life Analysis</b>													
Actual Age	70 Years												
Effective Age	25 Years												
Economic Life	55 Years												
Remaining Life	30 Years - Assuming regular maintenance and periodic capital improvements												
<b>Quality</b>	Average												
<b>Condition</b>	Average												
<b>Appeal</b>	Average												
<b>Marketability</b>	Average												
<b>Density</b>	6.9 Sites/Acre (76 Sites / 10.99 Acres)												
<b>Parking Total</b>	152												
Homesite Parking Spaces	152 - Concrete												
On Street Parking Spaces	-												
Visitor Parking Spaces	-												
Parking Spaces/Homesite	2.0												
Parking Comment	Parking is adequate and is consistent with the other communities in the market												
<b>Homesite Mix</b>	The chart below details the homesite mix at the subject property.												
	<table border="1"> <thead> <tr> <th colspan="3">HOMESITE MIX</th> </tr> <tr> <th>HOMESITE TYPES</th> <th>NO. HOMESITES</th> <th>% OF TOTAL</th> </tr> </thead> <tbody> <tr> <td>Standard</td> <td>76</td> <td>100.0%</td> </tr> <tr> <td><b>TOTAL</b></td> <td><b>76</b></td> <td><b>100%</b></td> </tr> </tbody> </table>	HOMESITE MIX			HOMESITE TYPES	NO. HOMESITES	% OF TOTAL	Standard	76	100.0%	<b>TOTAL</b>	<b>76</b>	<b>100%</b>
HOMESITE MIX													
HOMESITE TYPES	NO. HOMESITES	% OF TOTAL											
Standard	76	100.0%											
<b>TOTAL</b>	<b>76</b>	<b>100%</b>											
<b>Common Area Buildings</b>	There are no common area buildings.												
<b>Site Improvements</b>	Asphalt streets and streetlights												
<b>Landscaping</b>	The subject has a typical amount of landscaping. There are mature plantings surrounding the property. Plantings throughout the property include trees, flowers, mowed lawn, shrubs and hedges.												

<b>Deferred Maintenance</b>	Deferred maintenance is measured as the cost of repairing or restoring the item to new or reasonably new condition. Based on our interview with the property manager and the onsite inspection by the field appraiser, no observable deferred maintenance exists.
<b>Hazardous Materials</b>	This appraisal assumes that the improvements are constructed free of all hazardous waste and toxic materials, including (but not limited to) asbestos. Please refer to the Assumptions and Limiting Conditions section regarding this issue.
<b>ADA Compliance</b>	This analysis assumes that the subject complies with all ADA requirements. Please refer to the Assumptions and Limiting Conditions section regarding this issue.
<b>Conclusion</b>	The subject improvements are a Class C manufactured housing community in average condition for their age and for the surrounding neighborhood.

## INTRODUCTION

Assessment of real property is established by an assessor that is an appointed or elected official charged with determining the value of each property. The assessment is used to determine the necessary rate of taxation required to support the municipal budget. A property tax is a levy on the value of property that the owner is required to pay to the municipality in which it is situated. Multiple jurisdictions may tax the same property.

The subject property is located within Floyd County. The assessed value and property tax for the current year are summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2020			Millage Rate	30.436000%	
District	002			Taxes Current	Yes	
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
I13M048	\$99,188	\$0	\$99,188	\$0	\$39,675	\$1,208
I14X158	\$14,744	\$0	\$14,744	\$0	\$5,898	\$180
I14X159	\$34,790	\$0	\$34,790	\$0	\$13,916	\$424
<b>Totals</b>	<b>\$148,722</b>	<b>\$0</b>	<b>\$148,722</b>	<b>\$0</b>	<b>\$59,489</b>	<b>\$1,811</b>
<b>Total/Homesite</b>	<b>\$1,957</b>	<b>\$0</b>	<b>\$1,957</b>	<b>\$0</b>	<b>\$783</b>	<b>\$24</b>

Source: Floyd County Assessment & Taxation

## SUBJECT PROPERTY ANALYSIS

The total taxable value for the subject property is \$59,489 or \$783/Homesite. There are no exemptions in place. Total taxes for the property are \$1,811 or \$24/Homesite.

As part of the scope of work, we researched assessment and tax information related to the subject property. The following are key factors related to local assessment and taxation policy. Real property in Floyd County is assessed at 40% of market value. Real property is reassessed annually. The next scheduled reassessment date is January 1, 2021. In addition to scheduled reassessments, properties in Floyd County are reassessed upon sale, conversion, renovation or demolition.

According to the staff representative at the Floyd County tax commissioner's office, real estate taxes for the subject property are current as of the date of this report.

## TAX COMPARABLES

To determine if the assessment and taxes on the subject property are reasonable, we considered historical information, as well as information from similar properties in the market. They are illustrated in the table below.

TAX COMPARABLES							
	SUBJECT	COMP 1	COMP 2	COMP 3	LOW	HIGH	AVG
Property Name	Dutch Gardens MHP	Pine Village Park	Top Side	Darlington			
Address	101, 117 and 147 Bollen Drive	2531 Shorter Avenue	1 Melton Avenue Southw est	126 Mchenry Drive Southw est # 10			
City, State	Rome, GA	Rome, GA	Rome, GA	Rome, GA			
APN	I13M048, I14X158, I14X159	H13Y142	Multiple APNs	I15W210			
Homesites	76	104	40	60			
<b>Taxable \$</b>	\$59,489	\$157,783	\$60,144	\$83,916			
<b>Taxable \$/Site</b>	\$783	\$1,517	\$1,504	\$1,399			
<b>Total Taxes</b>	\$1,811	\$4,802	\$1,941	\$2,554	\$1,941	\$4,802	\$3,099
<b>Taxes Per Site</b>	\$24	\$46	\$49	\$43	\$43	\$49	\$46

The comparable properties reflect taxes ranging from \$43 to \$49/Homesite with an average of \$46/Homesite. The taxes for the subject property are below this range.

## CONCLUSION

The sale will likely trigger a new assessment based on the purchase price. The purchase price appears to be at market and the risk of reassessment exceeding the purchase price is very low. The following table estimates the stabilized tax expense by emulating the process that the Floyd County uses to assess changed properties then applying the millage rate.

APPLICABILITY OF CURRENT TAX LIABILITY	
As-Is Market Value	\$2,250,000
x Adjustment for County RMV	40%
= Estimated Assessed Value	\$900,000
x Current Millage Rate (\$1,000)	3.044
<b>= Stabilized Taxes Estimate</b>	<b>\$2,739</b>
<b>= Stabilized Tax Estimate</b>	<b>\$2,739</b>
<b>Stabilized Taxes/Homesite</b>	<b>\$36</b>

**INTRODUCTION**

Zoning requirements typically establish permitted and prohibited uses, building height, lot coverage, setbacks, parking and other factors that control the size and location of improvements on a site. The zoning characteristics for the subject property are summarized below:

**Multifamily Residential District (M-R)**

<b>ZONING SUMMARY</b>	
<b>Municipality Governing Zoning</b>	Floyd County Planning & Zoning Department
<b>Current Zoning</b>	Multifamily Residential District (M-R)
<b>Permitted Uses</b>	Manufactured home parks, townhomes or three-family dwellings, convalescent homes, group residences, nursing homes for sixteen or more persons, personal care homes from five up to fifteen persons, small animal veterinary facilities, commercial recreational facilities, churches or places of worship, and civic clubs, including veterans' clubs or other social organizations.
<b>Prohibited Uses</b>	Any other use not listed above
<b>Current Use</b>	Manufactured Housing Community
<b>Is Current Use Legally Permitted?</b>	Yes
<b>Zoning Change</b>	Not Likely

<b>ZONING REQUIREMENTS</b>	
<b>Conforming Use</b>	The existing improvements represent a pre-existing non-conforming use within this zone
<b>Minimum Lot Area Per Individual Manufactured Home (SF)</b>	5,000
<b>Minimum Lot Width Per Individual Manufactured Home (Feet)</b>	40
<b>Minimum Yard Setbacks (Homesites)</b>	
Front From Any Major Street (Feet)	40
Front From All Other Streets (Feet)	40
From Any Exterior Property Line (Feet)	40
Rear (Feet)	40
Side (Feet)	40
<b>Subject Density (Homesites/Acre)</b>	6.9
<b>Maximum Density (Homesites/Acre)</b>	6
<b>Maximum Building Height (Feet)</b>	45

<b>SUBJECT PARKING REQUIREMENT</b>			
<b>Homesite Type</b>	<b>Homesites</b>	<b>Required Spaces/Site</b>	<b>Required Spaces</b>
Spaces Per Dwelling Unit	76	2.00	152
<b>Required Parking Spaces</b>			<b>152</b>
<b>Parking Spaces Provided</b>			<b>152</b>

Source: Floyd County Planning & Zoning Department



**Suburban Residential District (S-R)**

<b>ZONING SUMMARY</b>	
<b>Municipality Governing Zoning</b>	Floyd County Planning & Zoning Department
<b>Current Zoning</b>	Suburban Residential District (S-R)
<b>Permitted Uses</b>	Riding stables, mobile homes or manufactured homes on individual lots, manufactured home subdivision dwellings, individual or family personal care homes, up to four persons; small animal veterinary facilities, pet grooming, training, boarding & breeding kennels; and carnivals, fairgrounds, rodeo establishments, horse shows, shooting & special events of community interest.
<b>Prohibited Uses</b>	Any other use not listed above
<b>Current Use</b>	Manufactured Housing Community
<b>Is Current Use Legally Permitted?</b>	Yes
<b>Zoning Change</b>	Not Likely

<b>ZONING REQUIREMENTS</b>	
<b>Conforming Use</b>	The existing improvements represent a pre-existing non-conforming use within this zone
<b>Minimum Lot Size (SF)</b>	7,200
<b>Minimum Lot Width Fronting Any Major Street (Feet)</b>	150
<b>Minimum Lot Width Fronting Any Other Street (Feet)</b>	60
<b>Minimum Yard Setbacks (Homesites)</b>	
Front From Any Major Street (Feet)	40
Front From All Other Streets (Feet)	25
Rear (Feet)	25
Side (Feet)	7
<b>Subject Density (Homesites/Acre)</b>	6.6
<b>Maximum Building Height (Feet)</b>	45

Source: Floyd County Planning & Zoning Department

**ZONING CONCLUSIONS**

Based on the interpretation of the zoning ordinance, the subject property is an outright permitted use that could be rebuilt if unintentionally destroyed. The subject’s use predates the current zoning of the site and is considered a pre-existing non-conforming use. The subject could be rebuilt if destroyed, as long as the damage does not exceed 50 percent of its replacement cost at the time of the destruction. There is no timeframe for reconstruction. If the damage exceeds 50 percent of its replacement cost, the new construction will need to conform to the current zoning.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. Please note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

## SUBJECT'S MARKET AREA

This section of the report provides an overview of market trends that influence demand for manufactured home communities in the subject's market area and surrounding areas. The major factors requiring consideration are the supply and demand conditions that influence multi-family development. The following paragraphs discuss existing supply and potential inventory. Demand will also be analyzed by examining vacancy, rent levels, and absorption rates.

### JLT & Associates Data

The supplemental rents come from a survey conducted by JLT & Associates. JLT & Associates performs an annual survey of the Atlanta manufactured housing market. The survey includes 36 communities, with a total of 10,646 homesites. The chart below details the composition of the market.

ATLANTA MARKET			
	AVG COMMUNITY SIZE	COMMUNITIES	HOMESITES
All Age	296	36	10,646
Age Restricted (55+)	-	0	0
<b>TOTAL</b>	<b>296</b>	<b>36</b>	<b>10,646</b>

## SUPPLY

### Existing Supply

The communities included in the vacancy survey range in size from 60 sites to 300 sites. The following chart presents manufactured home community developments that are considered to compete with the subject.

VACANCY SURVEY AS OF DECEMBER 2020				
PROJECT	YEAR BUILT	HOMESITES	VACANT HOMESITES	VACANCY
Dutch Gardens MHP	1950	76	11	14.5%
Swan Lake MHC	1986	300	15	5.0%
Darlington Village	1978	60	0	0.0%
Logan's Crossing MHC	1987	135	0	0.0%
Evergreen Village	1975	67	1	1.5%
Ansley Park of Cartersville	1982	130	17	13.1%
<b>TOTAL/AVG</b>	<b>1976</b>	<b>768</b>	<b>44</b>	<b>5.7%</b>

Source: Colliers International Valuation & Advisory Services

### Proposed & Potential Supply

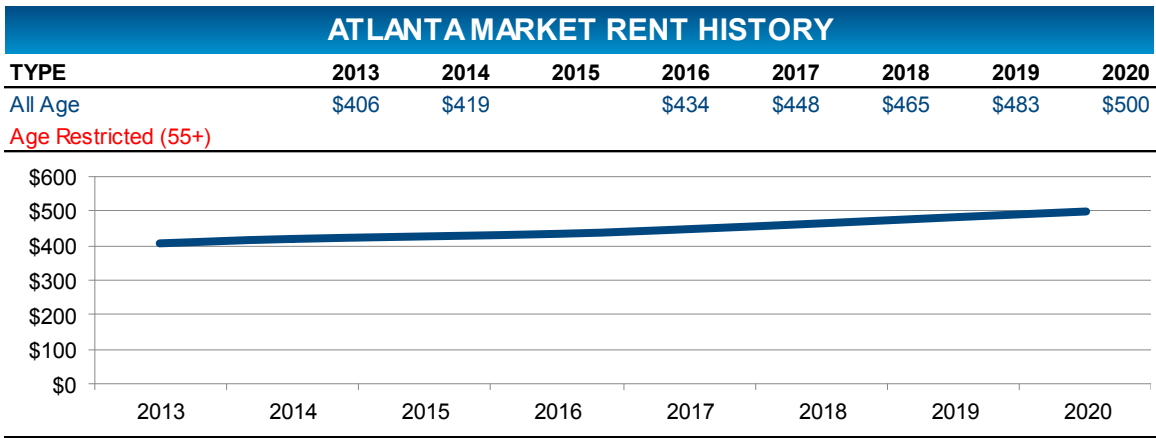
According to the City of Rome Planning Department, there are no manufactured home communities planned or proposed in the immediate market area. No additional communities are anticipated in the subject's general area due to zoning restrictions, land costs, and difficulty in obtaining construction financing.

### Governmental Considerations

Local governmental jurisdictions have historically viewed manufactured home communities as less desirable land uses. However, as communities are being encouraged to provide affordable housing options to receive certain funding from State and Federal sources, their need for manufactured home communities to be maintained and located in their jurisdictions has increased.

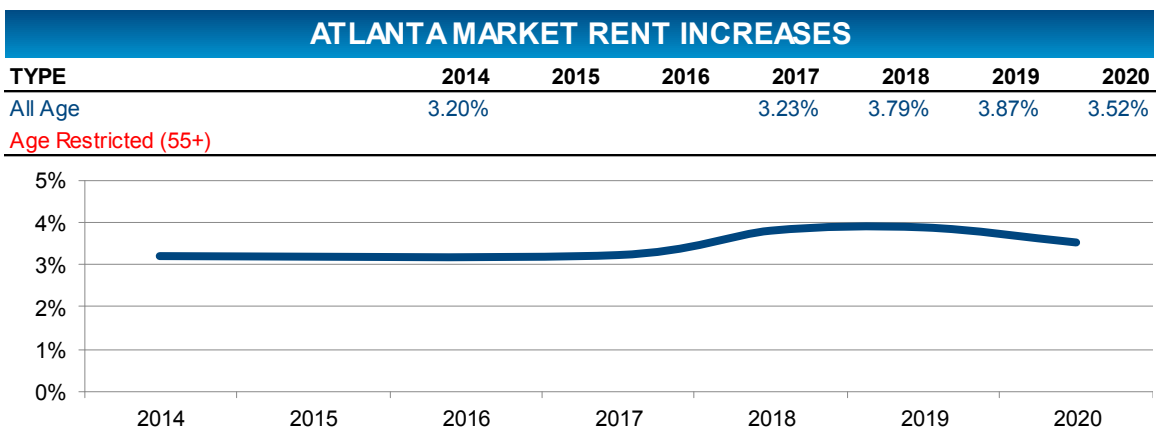
### Rent Levels

The chart below details the JLT & Associates average rental data for the past several years.



Source: JLT & Associates Survey

The chart below details the JLT& Associates rental increase history.



Source: JLT & Associates Survey

**Affordability**

Manufactured housing communities often provide affordable housing option, thereby creating a sustained demand for this housing type. In order to determine the affordability of owning a manufactured home in the subject property (leasing a homesite), several housing options are analyzed below. They include owning a manufactured home at the subject property, purchasing a single-family home or renting an apartment. These various housing options are evaluated to estimate the subject property’s competitive ‘position’ in the housing market. The following table illustrates the housing comparison.

<b>AFFORDABILITY ANALYSIS</b>				
COMPARISON/HOUSING TYPE	MH IN SUBJECT PROPERTY	GLE-FAMILY HOME	APARTMENTS	
Bedroom/Bath Count	2/1 - 3/2 BR/BA	2/1 - 4/2 BR/BA	2 BR	
Purchase Price	\$20,000	\$150,000 - \$250,000	-	
Down Payment or Deposit	\$1,000	\$30,000 - \$50,000	One Months Rent	
Amount Financed	\$19,000	\$120,000 - \$200,000	-	
Rate	8.00%	5.75% - 5.75%	-	
Term (Years)	20	30 - 30	-	
Monthly Mortgage Payment	\$159	\$700 - \$1,167	-	
Taxes	\$8	\$188 - \$313	-	
Insurance	\$25	\$60 - \$60	-	
Site Rent	\$325	-	-	
<b>TOTAL MONTHLY PAYMENT*</b>	<b>\$517</b>	<b>\$948 - \$1,540</b>	<b>\$800 - \$1,150</b>	

\* Excludes maintenance and utilities.

**Manufactured Homes in the Subject Property**

The costs for purchasing a manufactured home in the subject property include the costs of the home (down payment, monthly mortgage payments), taxes, insurance, and the monthly homesite rent. The purchase price utilized is based upon the typical price of homes recently listed/sold at the subject property. The homes that are located in the community would typically include seller or bank financing. Seller financing typically has higher rates with shorter terms than traditional bank financing. The taxes and insurance estimates are made based on typical rates. These costs are added to the current average site rent at the subject property. The indicated monthly expense is displayed in the table above.

**Conclusion**

Renting an apartment is considered to be the least similar to purchasing a manufactured home in the subject property. Many of the amenities are often inferior; in addition, apartments have common walls and no yards. Renting a manufactured home site at the subject property is considered to be most similar to purchasing a single-family home; however, the monthly cost for a manufactured home is much lower than the cost of purchasing a single-family home in the area. Overall, the monthly housing costs discussed above demonstrate the affordability of purchasing a manufactured home.

**DEMAND**

The projects listed in the supply section (including the subject) indicate 5.7% adjusted vacancy in the subject's market area at the current time. According to the majority of managers who participated in our market survey, occupancy is typically above 95%. Overall vacancy rates have historically remained stable, in spite of changing economic conditions over the past few years. This is in part due to a stable resident base. Generally, when a resident wants to move out of the community, the manufactured home is sold in place with nominal rent loss or vacancy occurring in the community. In addition, the resident sometimes has a significant financial commitment in site improvements. The historically low vacancy rates for established communities continue to stimulate investment demand.

**SUBJECT MARKETABILITY**

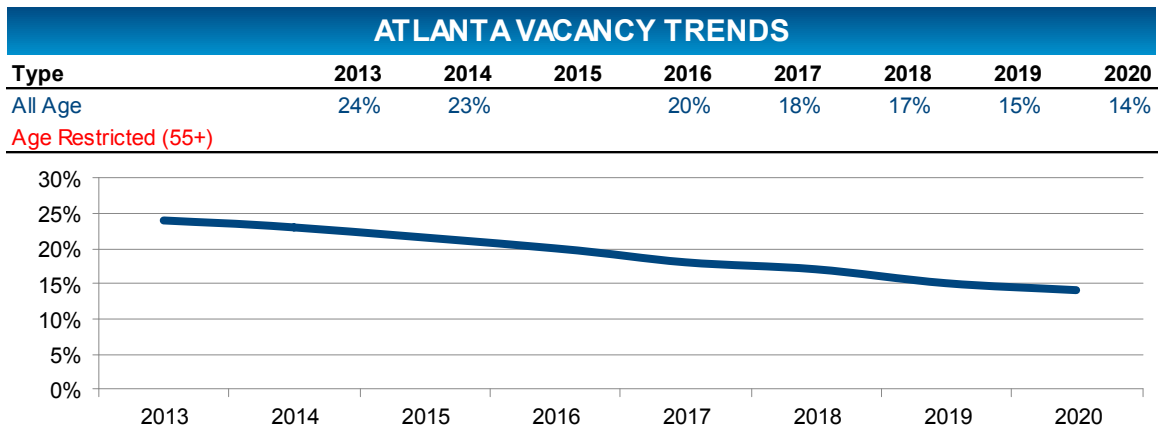
The subject is an average quality park in average condition, appears to have been regularly well-maintained over the years, and has above average appeal compared to the typical market supply. The subject's stable, quality income stream further enhances the subject's marketability. Overall, the subject has average to good marketability. The subject would likely attract a regional or national investor experienced in manufactured housing community ownership.

**TRANSACTION TRENDS****Most Probable Buyer Profile/Activity**

In the open market, the subject property type would command most interest from regional and local buyers that are actively pursuing similar small investment properties. There is currently steady buyer demand for substitute properties of the subject based on the volume of sale transactions and reports by buyers, sellers and other market participants during confirmation of market transactions. The most probable buyer is a regional and local investor.

**General Vacancy Conclusion**

The chart below details historic vacancy trends in the subject’s market based on the JLT & Associates survey.



Source: JLT & Associates Survey

As summarized in the table below this market analysis relied on various published data sources and field research for assessing how supply/demand conditions influence the long-term vacancy estimate of the subject property.

MARKET VACANCY ANALYSIS & CONCLUSION			
MARKET DATA	MIN	MAX	AVERAGE
CIVAS Comparable Survey	0.0%	14.5%	5.7%
JLT	0.0%	42.0%	14.0%
SUBJECT ANALYSIS			Current
Subject History			14.5%
VACANCY RATE CONCLUSIONS			<b>6.0%</b>

Based on the subject's size, location and appeal, the competitive set analyses and JLT report warrant primary consideration. The JLT analysis indicated a vacancy rate of 14.0%. As of the effective date of this appraisal, the subject property has a current vacancy rate of 14.5%. Based on our analysis of supply/demand trends and considering the subject's actual performance, a general vacancy rate of 6.0% is concluded.

**BROKER / MARKET PARTICIPANT INTERVIEWS**

SALES PERSPECTIVE INTERVIEW	
Name	Chris Nortley
Company	MHRE, Inc.
Location	National
Survey Date	4Q 2020
Survey Property Profile	Manufactured Housing Community
SALES PERSPECTIVE INTERVIEW	
Name	Chris Clay
Company	Colliers International
Location	Southeast
Survey Date	4Q 2020
Survey Property Profile	Manufactured Housing Community

In the open market, the subject property type would command most interest from regional and local buyers that are actively pursuing similar small investment properties. There is currently steady buyer demand for substitute properties of the subject based on the volume of sale transactions and reports by buyers, sellers and other

market participants during confirmation of market transactions. The most probable buyer is a regional and local investor.

### EXPOSURE TIME & MARKETING PERIOD

Exposure time is defined as "The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market" (The Dictionary of Real Estate Appraisal, Appraisal Institute, 2015). Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established based the recent history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

The following information was taken into consideration to develop estimates of exposure time and marketing period for the subject property:

EXPOSURE TIME & MARKETING PERIOD				
SOURCE	QUARTER	RANGE		AVG
<b>PriceWaterhouse Coopers</b>				
National Apartment Market	3Q 20	1.0 to	12.0	5.3
<b>AVERAGE</b>		<b>1.0 to</b>	<b>12.0</b>	<b>5.3</b>

#### Exposure Time Conclusion

Considering these factors, a reasonable estimate of exposure time for the subject property is six months or less.

#### Marketing Period Conclusion

A time period of six months or less is supported for the subject's marketing period.

## INTRODUCTION

The highest and best use of an improved property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive. This section develops the highest and best use of the subject property As-Vacant and As-Improved.

## AS-VACANT ANALYSIS

### Legal Factors

The legal factors that possibly influence the highest and best use of the subject site are discussed in this section. Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
<b>Municipality Governing Zoning</b>	Floyd County Planning & Zoning Department
<b>Current Zoning</b>	Multifamily Residential District (M-R)
<b>Permitted Uses</b>	Manufactured home parks, townhomes or three-family dwellings, convalescent homes, group residences, nursing homes for sixteen or more persons, personal care homes from five up to fifteen persons, small animal veterinary facilities, commercial recreational facilities, churches or places of worship, and civic clubs, including veterans' clubs or other social organizations.
<b>Prohibited Uses</b>	Any other use not listed above
<b>Current Use</b>	Manufactured Housing Community
<b>Is Current Use Legally Permitted?</b>	Yes
<b>Zoning Change</b>	Not Likely

The potential use that meets the requirements of the legal permissibility test is a manufactured housing community.

### Physical & Locational Factors

Regarding physical characteristics, the subject site is irregular in shape and has level topography with average access and average exposure. The uses adjacent to the property are noted below:

- › **North** - Drummond Drive Southwest, Manufactured Housing Community: 129 Drummond Drive Southwest, Single-Family Residential Neighborhood
- › **South** - Hill Road, Single-Family Residential Neighborhood
- › **East** - Single-Family Residential Neighborhood, Vacant Land
- › **West** - Bollen Drive, Single-Family Residential Neighborhood, Vacant Land

Given the subject's location and surrounding uses, physical and locational features best support development of a manufactured housing community as market conditions warrant for the site's highest and best use as-vacant.

### Feasibility Factors

The financial feasibility of those uses that meet the legal and physical tests discussed is analyzed further in this section. Supply and demand conditions affect the financial feasibility of possible uses. Indicators of feasibility, which typically indicate favorable or non-favorable supply and demand conditions, include construction

financing and proposed projects. Financial feasibility factors generally support immediate development of the subject site.

### **As-Vacant Conclusion**

Based on the previous discussion, the subject's highest and best use as-vacant is concluded to be development of a manufactured housing community as market conditions warrant.

### **AS-IMPROVED ANALYSIS**

#### **Legal Factors**

The subject's Manufactured Housing Community (All Age) use (as-improved) is a pre-existing non-conforming use by the M-R and S-R zoning. The legal factors influencing the highest and best use of the property support the subject's use as-improved.

#### **As-Improved Conclusion**

Legal, physical, and market considerations have been analyzed to evaluate the highest and best use of the property. This analysis is presented to evaluate the type of use that will generate the greatest level of future benefits possible from the property. Based on the previous discussion, the highest and best use of the subject property as-improved is concluded to be continued use as a manufactured housing community.



## INTRODUCTION

The following presentation of the appraisal process deals directly with the valuation of the subject property. The following paragraphs describe the standard approaches to value that were considered for this analysis.

## INCOME APPROACH

The Income Approach is based on the premise that properties are purchased for their income producing potential. It considers both the annual return on the invested principal and the return of the invested principal. This valuation technique entails careful consideration of contract rents currently in place, projected market rents, other income sources, vacancy allowances, and projected expenses associated with the efficient operation and management of the property. The relationship of these income estimates to property value, either as a single stream or a series of projected streams, is the essence of the income approach. The three fundamental methods of this valuation technique include Direct Capitalization, Discounted Cash Flow and Effective Gross Income Multiplier.

- **Direct Capitalization**

This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

- **Discounted Cash Flow (DCF)**

The DCF analysis models a property's performance over a buyer's investment horizon from the date of acquisition through the projected sale of the property at the end of the holding period. Net cash flows from property operations and the reversion are discounted at a rate reflective of the property's economic and physical risk profile.

- **Effective Gross Income Multiplier**

Also known as the EGIM, this method is appropriate within the Income Approach because it is recognized that purchasers are concerned with the income-producing ability of the property. The EGIM is derived by dividing the effective gross annual income of each comparable into the sales price. The EGIM has the advantages of simplicity and easy calculation. It is based on the premise that rents and sales prices move in the same direction and, essentially, in the same proportion as do net income and sales prices. The EGIM is typically used without adjustments. The final selection of an effective income multiplier is based upon the applicability of each comparable and a range is established.

Development of the Income Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique is developed. The subject is an investment property; therefore, the Income Approach represents the decision making process of knowledgeable buyers and sellers of this property type. The Direct Capitalization method is used in this analysis. Neither the Discounted Cash Flow analysis, nor the EGIM method contribute substantially to estimating value beyond the direct capitalization method and is not used in this analysis.

## SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the principle of substitution, which asserts that no one would pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments in order to bracket the subject property on an appropriate unit value comparison. The sales comparison approach is applicable when sufficient data on recent market transactions is available. Alternatively, this approach may offer limited reliability because many properties have unique characteristics that cannot be accounted for in the adjustment process.

Development of the Sales Comparison Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique to be developed. Sufficient sales data is available to provide a credible value estimate by the Sales Comparison Approach. Based on this reasoning, the Sales Comparison Approach is presented within this appraisal.

### **LAND VALUATION**

Development land in the subject marketplace is most often valued utilizing the Sales Comparison Approach. Development of the subject site value is not a specific scope requirement of this assignment. Characteristics specific to the subject property do not warrant that a site value is developed. Therefore, this appraisal does not provide valuation of the subject site.

### **COST APPROACH**

The Cost Approach is a set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised. For investment properties, this valuation technique is most often relied upon as a test of financial feasibility for proposed construction.

Development of the Cost Approach is not a specific scope requirement of this assignment. Characteristics specific to the subject property do not warrant that this valuation technique is developed. The Cost Approach has limited applicability due to the age of the improvements and lack of market based data to support an estimate of accrued depreciation. Based on the preceding information, the Cost Approach will not be presented.

### **RECONCILIATION OF VALUE CONCLUSIONS**

The Income (Direct Capitalization) and Sales Comparison approaches are used to value the subject property, which will be reconciled into the final opinions of market value in the Analysis of Value Conclusions section.

## INTRODUCTION

As previously discussed within the Valuation Methods section, the Direct Capitalization method is used in this analysis, and Discounted Cash Flow analysis is not developed.

### Subject Income History

There are a total of 76 manufactured home sites at the subject with a current occupancy of 85.5%. The average rent of \$325/site. The chart below details the rent history at the subject property.

SUBJECT LEASING INFORMATION									
HOMESITE TYPE	HOMESITE SUMMARY			HOMESITE PERCENT OF TOTAL	% OCC- UPIED	ASKING RENT		ACTUAL RENT	
	OCC	VAC	TOT			PER SITE AVERAGE	TOTAL \$/MO	PER SITE AVERAGE	TOTAL \$/MO
	Standard	65	11	76	100.0%	86%	\$325	\$24,700	\$325
<b>TOTAL/AVG</b>	<b>65</b>	<b>11</b>	<b>76</b>	<b>100%</b>	<b>85.5%</b>	<b>\$325</b>	<b>\$24,700</b>	<b>\$325</b>	<b>\$24,700</b>

**The current utility structure reflects water/sewer included in the rent. The owner will begin passing through this charge in March 2021 so that is reflected herein.**

### Subject Utility Structure

- › **Water** - Not included in the rent - the landlord is billed and then is reimbursed by the tenant
- › **Sewer** - Not included in the rent - the landlord is billed and then is reimbursed by the tenant
- › **Garbage** - Not included in the rent - the landlord is billed and then is reimbursed by the tenant
- › **Gas** - Not included in the rent - directly billed from utility company
- › **Electricity** - Not included in the rent - directly billed from utility company
- › **Cable** - Not included in the rent - directly billed from utility company

## ANALYSIS OF RENT COMPARABLES

### Unit of Comparison

The analysis is conducted on a rent per month basis, reflecting market behavior. This unit of comparison is predominantly used in this market.

### Selection of Comparables

A complete search of the area was conducted in order to find the most comparable communities in terms of age, appeal, condition, number of homesites, and amenities. The rent comparables are located in the subject's local area. The subject is in average condition with average appeal for the market area considering its vintage. Overall, the comparables selected in this analysis are similar properties to the subject property.

### Concessions

None of the comparables were offering concessions at the time of survey. Please see the data sheets for full details.

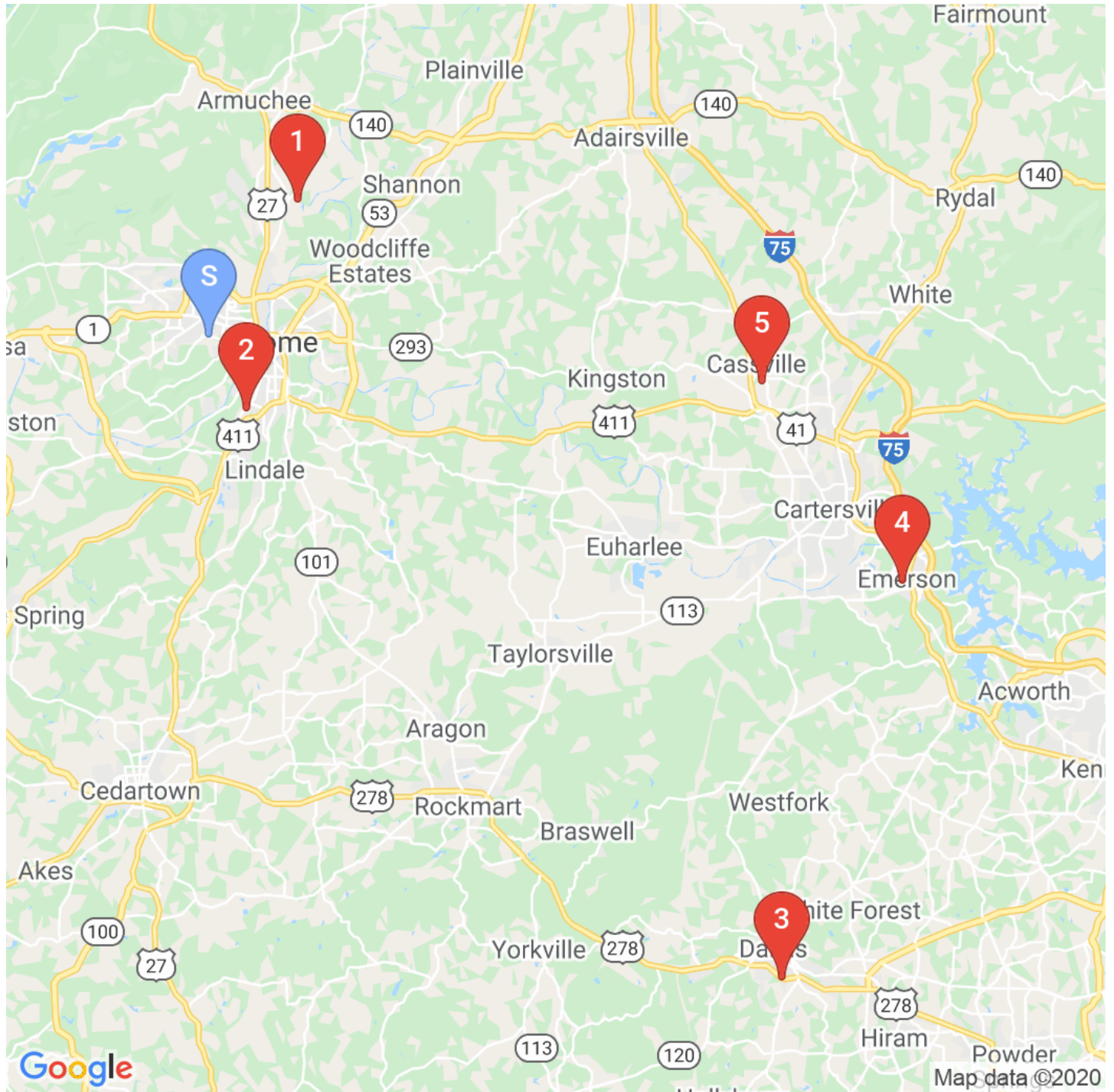
### Presentation

The following presentation summarizes the comparables most similar to the subject property. A Rent Comparable Summation Table, Rent Comparable Location Map, Data Sheets, and analysis of the rent comparables is presented on the following pages.

**RENT SUMMATION TABLE**

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
<b>Name</b>	Dutch Gardens MHP	Sw an Lake MHC	Darlington Village	Logan's Crossing MHC	Evergreen Village	Ansley Park of Cartersville
<b>Address</b>	101, 117 and 147 Bollen Drive	20 Harbour Rd NE	126 Mchenry Dr SW # 10	150 McPherson Parkway	724 Highway 293	263 Mac Johnson Road Northwest
<b>City</b>	Rome	Rome	Rome	Dallas	Emerson	Cartersville
<b>State</b>	GA	GA	GA	GA	GA	GA
<b>Zip</b>	30165	30165	30161	30157	30137	30121
PHYSICAL INFORMATION						
<b>Resident Type</b>	All Age	All Age	All Age	All Age	All Age	All Age
<b>Property Class</b>	C	C	C	C	C	C
<b>Homesites</b>	76	300	60	135	67	130
<b>Types</b>	Standard	Standard	Standard	Standard	Standard	Standard
<b>Year Built</b>	1950	1986	1978	1987	1975	1982
<b>Location</b>	Average	Average/Good	Average	Average	Average	Average
<b>Appeal</b>	Average	Average/Good	Average	Average	Average	Average
<b>Quality</b>	Average	Average/Good	Average	Average/Good	Average	Average
<b>Condition</b>	Average	Average/Good	Average	Average	Average	Average
RENT INFORMATION						
<b>Occupancy</b>	85.5%	95.0%	100.0%	NA	99.0%	87.0%
<b>\$/Homesite Avg</b>	\$325	\$400	\$290	\$400	\$433	\$433

RENT COMPARABLE LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC %	\$/SITE AVG
SUBJECT	-	Dutch Gardens MHP	101, 117 and 147 Bollen Drive, Rome, GA	85.5%	\$325
No. 1	6.1 Miles	Swan Lake MHC	20 Harbour Rd NE, Rome, GA	95.0%	\$400
No. 2	3.1 Miles	Darlington Village	126 Mchenry Dr SW # 10, Rome, GA	100.0%	\$290
No. 3	32.4 Miles	Logan's Crossing MHC	150 McPhearson Parkway, Dallas, GA	100.0%	\$400
No. 4	27.6 Miles	Evergreen Village	724 Highway 293, Emerson, GA	99.0%	\$433
No. 5	20.8 Miles	Ansley Park of Cartersville	263 Mac Johnson Road Northwest, Cartersville, GA	87.0%	\$433

## COMPARABLE 1

### LOCATION INFORMATION

Name Sw an Lake MHC  
 Address 20 Harbour Rd NE  
 City, State, Zip Code Rome, GA, 30165

### PHYSICAL INFORMATION

Project Design Manufactured Housing  
 Number of Units 300  
 Year Built 1986  
 Resident Type All Age  
 Location Average/Good  
 Quality Average/Good  
 Condition Average/Good  
 Appeal Average/Good

Amenities



## SWAN LAKE MHC

### OCCUPANCY

Vacant Units 15  
 Occupancy Rate 95%

### UTILITIES

	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Sewer		✓
Garbage		✓
Gas		✓
Cable/Satellite		✓

### CONFIRMATION

Name Manager  
 Source Sw an Lake MHC  
 Date 12/13/2020  
 Phone Number Confidential

### REMARKS

This All Ages MHC is located on the north side of Rome near Richard B. Russell airport. The property manager confirmed a current occupancy rate of 95%.

### UNIT MIX

DESCRIPTION	SITES	LOW	HIGH	AVG RENT
Standard	300			\$400

## COMPARABLE 2

### LOCATION INFORMATION

Name                      Darlington Village  
 Address                 126 Mchenry Dr SW # 10  
 City, State, Zip Code   Rome, GA, 30161

### PHYSICAL INFORMATION

Project Design           Manufactured Housing  
 Number of Units        60  
 Year Built               1978  
 Resident Type          All Age  
 Location                Average  
 Quality                 Average  
 Condition               Average  
 Appeal                  Average



### DARLINGTON VILLAGE

#### OCCUPANCY / ABSORPTION

Vacant Units            0  
 Occupancy Rate        100%

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
Electricity		✓
Water		✓
Sewer		✓
Garbage		✓
Gas		✓
Cable/Satellite		✓

#### CONFIRMATION

Name                      Manager  
 Source                   Darlington Village  
 Date                      12/15/2020  
 Phone Number            Confidential

#### REMARKS

No utilities are included in the rent and are typically about \$135/month.

#### UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
Standard	60	\$290	\$290	\$290

## COMPARABLE 3

### LOCATION INFORMATION

Name	Logan's Crossing MHC
Address	150 McPhearson Parkway
City, State, Zip Code	Dallas, GA, 30157
MSA	Athens-Clarke County, GA

### PHYSICAL INFORMATION

Project Design	Manufactured Housing
Number of Units	135
Year Built	1987
Resident Type	All Age
Location	Average
Quality	Average/Good
Condition	Average
Appeal	Average

Amenities



### LOGAN'S CROSSING MHC

#### OCCUPANCY / ABSORPTION

Vacant Units	0
Occupancy Rate	100%

UTILITIES	<u>INCL. IN RENT</u>	<u>NOT INCL. IN RENT</u>
-----------	----------------------	--------------------------

Electricity		✓
Water		✓
Sewer		✓
Garbage		✓
Gas		✓
Cable/Satellite		✓

#### CONFIRMATION

Name	Manager
Source	Logan's Crossing MHC
Date	12/13/2020
Phone Number	Confidential

#### REMARKS

The community is located approx. 26-miles northwest of Atlanta and features 135 homesites. The property manager could not confirm the current occupancy rate, but did note that water/trash/sewer was a flat fee of \$44.

#### UNIT MIX

<u>DESCRIPTION</u>	<u>UNITS</u>	<u>LOW</u>	<u>HIGH</u>	<u>AVG RENT</u>
Standard	135			\$400



## COMPARABLE 4

### LOCATION INFORMATION

Name	Evergreen Village
Address	724 Highway 293
City, State, Zip Code	Emerson, GA, 30137
MSA	Atlanta-Sandy Springs-Alpharetta, GA

### PHYSICAL INFORMATION

Project Design	Manufactured Housing
Number of Units	67
Year Built	1975
Resident Type	All Age
Location	Average
Quality	Average
Condition	Average
Appeal	Average

Amenities



### EVERGREEN VILLAGE

#### OCCUPANCY / ABSORPTION

Vacant Units	1
Occupancy Rate	99%

#### UTILITIES

	<u>INCL. IN RENT</u>	<u>NOT INCL. IN RENT</u>
Electricity		✓
Water		✓
Sewer		✓
Garbage		✓
Gas		✓
Cable/Satellite		✓

#### CONFIRMATION

Name	Manager
Source	Evergreen Village
Date	12/13/2020
Phone Number	Confidential

#### REMARKS

The community is located in southern Emerson, approx. 0.5 miles west of Interstate 75. The property manager confirmed an occupancy rate of 99% and noted that water/sewer/trash was a flat fee of \$48.

#### UNIT MIX

<u>DESCRIPTION</u>	<u>UNITS</u>	<u>LOW</u>	<u>HIGH</u>	<u>AVG RENT</u>
Standard	67			\$433

**COMPARABLE 5**

**LOCATION INFORMATION**

Name	Ansley Park of Cartersville
Address	263 Mac Johnson Road Northwest
City, State, Zip Code	Cartersville, GA, 30121
MSA	Atlanta, GA MSA

**PHYSICAL INFORMATION**

Project Design	Manufactured Housing
Number of Units	130
Year Built	1982
Resident Type	All Age
Location	Average
Quality	Average
Condition	Average
Appeal	Average

Amenities                      Asphalt Streets, Parking Driveway



**ANSLEY PARK OF CARTERSVILLE**

**OCCUPANCY / ABSORPTION**

Vacant Units	17
Occupancy Rate	87%

**UTILITIES                      INCL. IN RENT                      NOT INCL. IN RENT**

Electricity		✓
Water		✓
Sewer		✓
Garbage	✓	
Gas		✓
Cable/Satellite		✓

**CONFIRMATION**

Name	Manager
Source	Ansley Park
Date	12/16/2020
Phone Number	Confidential

**REMARKS**

Ansley Park of Cartersville is located on the west side of Mac Johnson Road W.  
Trash is included in the rent.

**UNIT MIX**

<u>DESCRIPTION</u>	<u>UNITS</u>	<u>LOW</u>	<u>HIGH</u>	<u>AVG RENT</u>
Multi-Section	130	\$416	\$450	\$433

**DISCUSSION OF RENTAL ADJUSTMENTS**

Adjustments for differences between the subject property and the comparables can be made quantitatively or qualitatively. Adjustments for some differences can be derived from the market and are addressed below. Other items for which dollar adjustments are more difficult to derive are addressed in the Qualitative Adjustments paragraph.

**RENT COMPARABLE ADJUSTMENT GRID**

The following tables adjust the comparables to the subject property quantitatively.

<b>RENT COMPARABLE ADJUSTMENT SUMMARY</b>								
	<b>NO.</b>	<b>EFF. RENT</b>	<b>ADJUSTMENTS</b>				<b>TOTAL</b>	<b>ADJUSTED</b>
<b>COMPARABLE 1</b>	<b>HOMESITES</b>	<b>\$/HOMESITE</b>	<b>PHYSICAL</b>	<b>PROJECT</b>	<b>PARKING</b>	<b>UTILITES</b>	<b>ADJ</b>	<b>\$/HOMESITE</b>
Standard	300	\$400	(\$30)	\$0	\$0	\$0	(\$30)	\$370
<b>COMPARABLE 2</b>								
Standard	60	\$290	\$0	\$0	\$0	\$0	\$0	\$290
<b>COMPARABLE 3</b>								
Standard	135	\$400	\$0	\$0	\$0	\$0	\$0	\$400
<b>COMPARABLE 4</b>								
Standard	67	\$433	\$0	\$0	\$0	\$0	\$0	\$433
<b>COMPARABLE 5</b>								
Multi-Section	130	\$433	\$0	\$0	\$0	(\$15)	(\$15)	\$418

**MARKET RENT ANALYSIS**

The following tables summarize the various indicators of market rent, and provide the market rent analysis and conclusions for the subject property.

<b>STANDARD HOMESITE CONCLUSION</b>				
COMP	HOMESITE TYPE	RENT/MONTH	ADJUSTED RENT/MONTH	NET
		\$/HOMESITE	\$/HOMESITE	ADJUSTMENT %
2	Standard	\$290	\$290	0.0%
1	Standard	\$400	\$370	-8.1%
3	Standard	\$400	\$400	0.0%
5	Multi-Section	\$433	\$418	-3.6%
4	Standard	\$433	\$433	0.0%
<b>LOW</b>		\$290	\$290	-8.1%
<b>HIGH</b>		\$433	\$433	0.0%
<b>AVERAGE</b>		\$391	\$382	-2.3%
<b>MEDIAN</b>		\$400	\$400	0.0%

**SUBJECT ANALYSIS & CONCLUSIONS**

HOME SITES	HOMESITE TYPE	ASKING RENT	ACTUAL RENT	CONCLUDED RENT
		\$/HOMESITE	\$/HOMESITE	\$/HOMESITE
76	Standard	\$325	\$325	\$325

The rent comparables unadjusted rent per month ranges from \$290 to \$433 with an average rent of \$391. The rent comparables adjusted rent per month ranges from \$290 to \$433 with an average rent of \$382. There are 76 subject units for this unit type. The comparables presented bracket the subject's rents though the subject is at the low end of the range and there is upside potential. The owner anticipates passing through water/sewer in lieu of a rent increase in 2021, which appears to be supported by the overall rents and the comparables.

**POTENTIAL RENTAL INCOME**

The gross rental income equals the total gross income based the rent conclusions presented previously and is summarized in the following table.

<b>POTENTIAL GROSS INCOME</b>											
HOMESITE TYPE	HOME-SITES	ASKING RENT			ACTUAL RENT			CONCLUDED MARKET RENT			CONTRACT V. MARKET
		\$/SITE (MO.)	MONTH	ANNUAL	\$/SITE (MO.)	MONTH	ANNUAL	\$/SITE (MO.)	MONTH	ANNUAL	
Standard	76	\$325	\$24,700	\$296,400	\$325	\$24,700	\$296,400	\$325	\$24,700	\$296,400	100.0%
<b>TOTAL</b>	<b>76</b>	<b>\$325</b>	<b>\$24,700</b>	<b>\$296,400</b>	<b>\$325</b>	<b>\$24,700</b>	<b>\$296,400</b>	<b>\$325</b>	<b>\$24,700</b>	<b>\$296,400</b>	<b>100.0%</b>

**INCOME & EXPENSE ANALYSIS**

The preceding section addressed potential risks associated with the cash flow of the subject property. Having addressed potential risks, it is appropriate to analyze historical revenues and operating expenses. Operating expenses include those items necessary to maintain the subject property and generate income at the forecasted level.. The following section provides supporting information and discusses the individual expense conclusions for the subject property.

## SUBJECT OPERATING HISTORICALS

YEAR	YTD 2020		BUDGET 2021		COLLIERS FORECAST	
	TOTAL	\$/SITE	TOTAL	\$/SITE	TOTAL	\$/SITE
<b>INCOME ITEMS</b>						
Potential Rental Income	\$249,600	\$3,284	\$263,575	\$3,468	\$296,400	\$3,900
<b>TOTAL RENTAL INCOME</b>	<b>\$249,600</b>	<b>\$3,284</b>	<b>\$263,575</b>	<b>\$3,468</b>	<b>\$296,400</b>	<b>\$3,900</b>
<b>OTHER INCOME</b>						
Other Income	\$2,496	\$33	\$2,636	\$35	\$2,500	\$33
Utility Income	\$11,520	\$152	\$32,565	\$428	\$32,500	\$428
<b>TOTAL OTHER INCOME</b>	<b>\$14,016</b>	<b>\$184</b>	<b>\$35,201</b>	<b>\$463</b>	<b>\$35,000</b>	<b>\$461</b>
<b>POTENTIAL GROSS INCOME (PGI)</b>	<b>\$263,616</b>	<b>\$3,469</b>	<b>\$298,776</b>	<b>\$3,931</b>	<b>\$331,400</b>	<b>\$4,361</b>
Vacancy	\$0	-	\$0	-	(\$17,784)	(\$234)
Credit Loss	(\$6,240)	(\$82)	(\$6,589)	(\$87)	(\$5,928)	(\$78)
<b>EFFECTIVE GROSS INCOME (EGI)</b>	<b>\$257,376</b>	<b>\$3,387</b>	<b>\$292,186</b>	<b>\$3,845</b>	<b>\$307,688</b>	<b>\$4,049</b>
<b>EXPENSE ITEMS</b>						
Real Estate Taxes	(\$5,000)	(\$66)	(\$10,000)	(\$132)	(\$2,739)	(\$36)
Property Insurance	(\$3,840)	(\$51)	(\$4,055)	(\$53)	(\$4,180)	(\$55)
Utilities	(\$52,020)	(\$684)	(\$54,815)	(\$721)	(\$54,720)	(\$720)
Repairs & Maintenance	(\$18,350)	(\$241)	(\$18,350)	(\$241)	(\$18,240)	(\$240)
Off-Site Management	(\$17,135)	(\$225)	(\$19,420)	(\$256)	(\$12,308)	(\$162)
On-Site Management	(\$14,112)	(\$186)	(\$14,230)	(\$187)	(\$13,680)	(\$180)
General & Administrative	(\$14,412)	(\$190)	(\$14,617)	(\$192)	(\$14,440)	(\$190)
Reserves	\$0	-	\$0	-	(\$3,040)	(\$40)
<b>TOTAL EXPENSES</b>	<b>(\$124,869)</b>	<b>(\$1,643)</b>	<b>(\$135,487)</b>	<b>(\$1,783)</b>	<b>(\$123,347)</b>	<b>(\$1,623)</b>
<b>NET OPERATING INCOME (NOI)</b>	<b>\$132,507</b>	<b>\$1,744</b>	<b>\$156,699</b>	<b>\$2,062</b>	<b>\$184,341</b>	<b>\$2,426</b>

## OTHER INCOME

In the following section, we analyzed and made conclusions for the other income items of the subject property.

## OTHER INCOME ANALYSIS &amp; CONCLUSIONS

OTHER INCOME				ANALYSIS
YEAR	SUBJECT			The concluded amount is all inclusive of income associated with other income. The conclusion is based on the budget 2021 pro forma income.
	TOTAL	\$/HOMESITE	%EGI	
YTD 2020	\$2,496	\$33	1.0%	
BUDGET 2021	\$2,636	\$35	0.9%	
<b>CONCLUSION</b>	<b>\$2,500</b>	<b>\$33</b>	<b>0.8%</b>	

UTILITY INCOME				ANALYSIS
YEAR	SUBJECT			The concluded amount is all inclusive of income associated with utility income. The trash is currently passed through and in March 2021, the water and sewer will also be passed through. The conclusion is based on the budget 2021 pro forma income.
	TOTAL	\$/HOMESITE	%EGI	
YTD 2020	\$11,520	\$152	4.5%	
BUDGET 2021	\$32,565	\$428	11.1%	
<b>CONCLUSION</b>	<b>\$32,500</b>	<b>\$428</b>	<b>10.6%</b>	

## EXPENSE COMPARABLES

COMPARABLE	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	LOW	HIGH	AVG
City	Cartersville	Athens	Athens	Augusta	Stockbridge	-	-	-
Expense Year	T12 2020	T12 2020	T12 2020	T12 2019	T3 2020	2019	2020	-
Actual/Budget	Actual	Actual	Actual	Actual	Actual	-	-	-
Homesites	182	83	169	103	139	83	182	135
<b>EGI (\$/HOMESITE)</b>	<b>\$4,885</b>	<b>\$3,483</b>	<b>\$3,321</b>	<b>\$1,825</b>	<b>\$2,606</b>	<b>\$1,825</b>	<b>\$4,885</b>	<b>\$3,224</b>
EXPENSE ITEMS	\$/HOMESITE	\$/HOMESITE	\$/HOMESITE	\$/HOMESITE	\$/HOMESITE	LOW	HIGH	AVG
Real Estate Taxes	\$249	\$143	\$222	\$61	\$166	\$61	\$249	\$168
Property Insurance	\$81	\$75	\$147	\$32	\$65	\$32	\$147	\$80
Utilities	\$709	\$545	\$974	\$512	\$445	\$445	\$974	\$637
Repairs & Maintenance	\$188	\$135	\$147	\$145	\$286	\$135	\$286	\$180
Off-Site Management	\$33	\$163	\$182	\$81	\$104	\$33	\$182	\$113
%EGI	0.7%	4.7%	5.5%	4.4%	4.0%	0.7%	5.5%	3.9%
On-Site Management	\$212	\$275	\$698	\$128	\$329	\$128	\$698	\$328
General & Administrative	\$48	\$130	\$214	\$40	\$279	\$40	\$279	\$142
Reserves	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40
<b>TOTAL EXPENSES (\$/HOMESITE)</b>	<b>\$1,560</b>	<b>\$1,506</b>	<b>\$2,624</b>	<b>\$1,039</b>	<b>\$1,714</b>	<b>\$1,039</b>	<b>\$2,624</b>	<b>\$1,689</b>

Reserves for replacements are not typical cash expenditures, but rather the annualized cost of major expense in the future. Typical expenses range from \$20 - \$60/site. The comparables did not include an allocation for reserves; therefore, for this analysis, an amount of \$40/site is utilized for comparison purposes.

## Conclusion of Operating Expenses

In the following section we discuss the individual expense conclusions for the subject property.

### EXPENSE CONCLUSIONS

EXPENSE	%EGI	\$/UNIT	TOTAL	COMMENT
Real Estate Taxes	0.9%	\$36	\$2,739	The concluded amount is based on the estimated taxes.
Property Insurance	1.4%	\$55	\$4,180	Based on the Budget 2021 historical expense
Utilities	17.8%	\$720	\$54,720	Based on the Budget 2021 historical expense
Repairs & Maintenance	5.9%	\$240	\$18,240	Based on the Budget 2021 historical expense
Off-Site Management	4.0%	\$162	\$12,308	Based on the Budget 2021 historical expense
On-Site Management	4.4%	\$180	\$13,680	Based on the Budget 2021 historical expense
General & Administrative	4.7%	\$190	\$14,440	Based on the Budget 2021 historical expense
Reserves	1.0%	\$40	\$3,040	Based on the expense comparable information
<b>TOTAL EXPENSES</b>	<b>40.1%</b>	<b>\$1,623</b>	<b>\$123,347</b>	The total concluded expenses for the subject fall within the ranges of the sales and expense comparables.

## INVESTMENT MARKET ANALYSIS

### Development of Capitalization Rate

The going-in capitalization rate, also known as overall rate (OAR), can be determined using several sources and methods. In developing our opinion of OAR, the following techniques were used:

- › Comparable Sales (Sales Comparison Approach)
- › Investor Surveys
- › Band of Investment Technique

### Comparable Sales

The following table presents a summary of the comparable sales used ahead in the Sales Comparison Approach, and the capitalization rates from each of those sales. Secondary Sales Comparables were included for additional cap rate support.

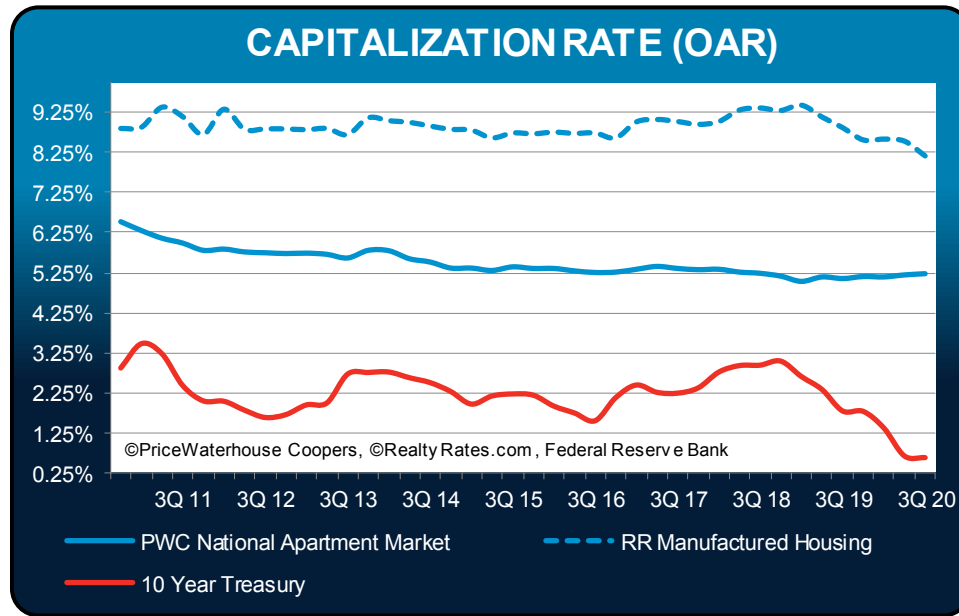
CAPITALIZATION RATE COMPARABLES (OAR)													
NAME	CITY	ST	SALE DATE	YR BLT	CLASS	OCC	HOMESITES	\$/HOMESITE	SALE PRICE	NOI	NOI/HOMESITE	CAP RATE	
1	Oak Meadows MHC	Asheboro	NC	October 30, 2020	1990	C	100.0%	60	\$34,583	\$2,075,000	\$148,527	\$2,475	7.16%
2	Southern Villa MHC	Montgomery	AL	July 31, 2020	1975	C	94.0%	140	\$36,786	\$5,150,000	\$347,379	\$2,481	6.75%
3	Green Oaks Manor	Belleview	FL	July 25, 2020	1950	B	82.5%	40	\$34,375	\$1,375,000	\$91,381	\$2,285	6.65%
4	Sunset Village MHP	Eustis	FL	January 22, 2020	1975	C	98.0%	36	\$40,972	\$1,475,000	\$100,882	\$2,802	6.84%
5	Two in Oaks MHC	Hanahan	SC	November 5, 2019	1970	C	93.0%	89	\$58,989	\$5,250,000	\$304,190	\$3,418	5.79%
ADDITIONAL COMPS													
7	Crestmore MHC	Morristown	TN	November 19, 2019	1970	B	97.0%	162	\$25,960	\$4,205,560	\$256,522	\$1,583	5.59%
8	Heritage MHC	Williamsburg	VA	April 14, 2020	NA	B	100.0%	73	\$69,342	\$5,062,000	\$300,683	\$4,119	5.94%
9	Gibson MH Estates	Williamsburg	VA	April 13, 2020	1963	C	100.0%	52	\$62,346	\$3,242,000	\$203,922	\$3,922	6.29%
<b>LOW</b>			November 2019	1950			36	\$25,960	\$1,375,000	\$91,381	\$1,583	<b>5.59%</b>	
<b>HIGH</b>			October 2020	1990			162	\$69,342	\$5,250,000	\$347,379	\$4,119	<b>7.16%</b>	
<b>AVERAGE</b>			April 2020	1970			82	\$45,419	\$3,479,320	\$219,186	\$2,886	<b>6.38%</b>	
<b>MEDIAN</b>			April 2020									<b>6.47%</b>	
<b>INDICATED CAPITALIZATION RATE (OAR)</b>												<b>6.50%</b>	

Capitalization rates range from 5.59% to 7.16% and average 6.38%. The subject's concluded NOI/unit is below the average of the comparables at \$2,886/Site. Overall, the subject has an average risk profile with upside potential. In light of these factors; a rate toward the middle of the range is considered reasonable.

**Investor Surveys**

The potential investor pool for the subject asset includes national, regional and local investors. While all of these groups place emphasis on local cap rates, regional and national investors would also strongly consider national cap rate trends from investor surveys due to the potential to invest in other regions that are offering competitive rates of return.

The following graph provides a historical illustration of capitalization rate statistics as surveyed by investors that we considered to be relevant to the subject property.



Capitalization rates have stayed relatively stable over the last few years. There was a peak in capitalization rates in the years of 2009 and 2010. PwC Apartment rate data is primarily based on Class A and higher quality Class B properties. As such, the capitalization rate data indicated would be expected to be lower than what would be appropriate for the subject

The following table provides the most recent survey results from investors and our independent market participant interview.

CAPITALIZATION RATE SURVEYS (OAR)				
SOURCE	QUARTER	RANGE		AVG
<b>PriceWaterhouse Coopers</b>				
National Apartment Market	3Q 20	3.50%	to 8.00%	5.22%
<b>RealtyRates.com</b>				
Manufactured Housing	3Q 20	4.12%	to 12.80%	8.19%
<b>10 Year Treasury</b>	3Q 20	-	-	0.65%
<b>Market Participant Interview</b>				
Chris Nortley	4Q 2020	5.50%	to 7.00%	6.25%
Chris Clay	4Q 2020	5.00%	to 7.00%	6.00%
<b>AVERAGE</b>		<b>4.53%</b>	<b>to 8.70%</b>	<b>6.42%</b>

**Band of Investment Technique**

Because most properties are purchased with debt and equity capital, the overall capitalization rate must satisfy the market return requirements of both investment positions. Lenders must anticipate receiving a competitive interest rate commensurate with the perceived risk of the investment or they will not make funds available. Lenders also require that the principal amount of the loan be repaid through amortization payments. Similarly,



equity investors must anticipate receiving a competitive equity cash return commensurate with the perceived risk or they will invest their funds elsewhere.

To analyze the capitalization rate from a financial position, the Band of Investment Technique is used. Available financing information indicates the following terms:

BAND OF INVESTMENT ASSUMPTIONS	
Loan Amortization Period	30 Years
Interest Rate	4.25%
Loan-to-Value (LTV) Ratio	75%
Mortgage Constant	5.90%

Equity dividend rates vary depending upon motivations of buyers and financing terms. The previous terms and an appropriate equity dividend rate are used in the Band of Investments calculations, which are presented on the following chart.

BAND OF INVESTMENT CALCULATION					
Mortgage Component	75%	x	5.90%	=	4.427%
Equity Component	25%	x	6.25%	=	1.563%
Indicated Capitalization Rate					5.990%
<b>INDICATED CAPITALIZATION RATE</b>					<b>5.99%</b>

### Capitalization Rate Conclusion

Taking all factors into consideration, the following table summarizes the various capitalization rate indicators and provides the final capitalization rate conclusion.

CAPITALIZATION RATE CONCLUSION (OAR)			
SOURCE	QUARTER	RANGE	AVG
Comparable Sales		5.79% to 7.16%	6.64%
Investor Surveys	3Q 20	4.53% to 8.70%	6.42%
Band of Investment Technique			5.99%
<b>AVERAGE</b>		5.16% to 7.93%	6.35%
<b>CAPITALIZATION CONCLUSION</b>			<b>6.50%</b>

### Lease-Up Costs

LEASE-UP COSTS										
YEAR ENDING	YEAR 1 NOV-21	YEAR 2 NOV-22	YEAR 3 NOV-23	YEAR 4 NOV-24	YEAR 5 NOV-25	YEAR 6 NOV-26	YEAR 7 NOV-27	YEAR 8 NOV-28	YEAR 9 NOV-29	YEAR 10 NOV-30
Rent Loss	(\$6,541)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Marketing	(\$40,000)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Lease-Up Costs	(\$232,800)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

### Lease-Up Costs

For purposes of this analysis; an absorption of 1.5 home sites per quarter is estimated.

Regarding lease-up costs, the subject property has a current occupancy level of 85.5%, which is below our stabilized occupancy level estimate of 92%. As such, lease-up costs associated with the subject achieving stabilization are warranted in arriving at the As-Is Market Value.

The following shows the absorption costs for the subject, based on the rental conclusions of this report and current 14.5% vacancy rate.

- First, the loss of rental income during the lease-up period is deducted.
- Secondly, it is estimated that the subject will need to spend approximately \$8,000/homesite leased and is labeled as "Marketing." This could come in many forms: rent concessions, covering the costs of

moving homes into the community, discounts on purchasing a home from the community, etc. Typically, these costs run between \$6,000 and \$15,000/homesite.

- Additionally, a deduction is made to account for entrepreneurial profit is deducted. Profit tends to run from 10% to 30%. The low end of this range is typically for properties with limited capital expenditure or lease-up costs. The high end of this range is typically for properties requiring more investment in capital improvements or lease-up costs. Given the subject's short projected lease-up, a 8.0% profit component is also included.

<b>LEASE-UP ANALYSIS</b>					
<b>TOTAL HOMESITES</b>	<b>76</b>	<b>HOMESITES OCCUPIED</b>	<b>65</b>		
<b>ABSORPTION RATE HOMESITES/QUARTER</b>	<b>1.5</b>	<b>PGI/HOMESITES/QUARTER</b>	<b>\$1,090</b>		
<b>STABILIZED OCCUPANCY (70 HOMESITES)</b>	<b>92.0%</b>	<b>DISCOUNT RATE</b>	<b>3.25%</b>		
<b>QUARTER</b>	<b>HOMESITES ABSORBED</b>	<b>HOMESITES REMAINING</b>	<b>HOMESITES OCCUPIED</b>	<b>RENT LOSS (PER QUARTER)</b>	<b>PRESENT VALUE OF RENT LOSS</b>
1	2	4	67	\$3,815	\$3,785
2	2	2	68	\$2,180	\$2,145
3	2	1	70	\$545	\$532
4	1	0	70	\$0	\$0
<b>TOTAL LOST RENTAL INCOME</b>					<b>\$6,462</b>
<b>Marketing @ \$8,000/Homesite</b>					<b>\$40,000</b>
<b>Profit @ 8.0% Stabilized Value of \$2,910,000</b>					<b>\$232,800</b>
<b>TOTAL LOST INCOME</b>					<b>\$280,000</b>

Rounded to nearest \$10,000

**STABILIZED DIRECT CAPITALIZATION**

This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

The subject property is expected to attain stabilized occupancy in year 3. The following table summarizes our opinion of market value for the subject property via Direct Capitalization including the Prospective Value Upon Stabilization (Capitalized Value) in year 3 as of December 17, 2023.

<b>DIRECT CAPITALIZATION SUMMATION TABLE (YEAR 3)</b>				
<b>INCOME ITEMS</b>	<b>%PGI</b>	<b>%EGI</b>	<b>\$/HOMESITE</b>	<b>TOTAL</b>
Potential Rental Income			\$4,173	\$317,148
<b>TOTAL RENTAL INCOME</b>			<b>\$4,173</b>	<b>\$317,148</b>
<b>OTHER INCOME</b>				
Other Income			\$34.89	\$2,652
Utility Income			\$453.67	\$34,479
<b>TOTAL OTHER INCOME</b>			<b>\$488.57</b>	<b>\$37,131</b>
<b>POTENTIAL GROSS INCOME (PGI)</b>			<b>\$4,662</b>	<b>\$354,279</b>
<b>INCOME LOSS</b>				
Vacancy	(4.5%)		(\$209)	(\$15,857)
Credit Loss	(1.8%)		(\$83)	(\$6,343)
<b>TOTAL INCOME LOSS</b>	<b>(6.3%)</b>		<b>(\$292)</b>	<b>(\$22,200)</b>
<b>EFFECTIVE GROSS INCOME (EGI)</b>	<b>93.7%</b>		<b>\$4,369</b>	<b>\$332,079</b>
Real Estate Taxes	(0.8%)	(0.9%)	(\$38)	(\$2,906)
Property Insurance	(1.3%)	(1.3%)	(\$58)	(\$4,434)
Utilities	(16.4%)	(17.5%)	(\$764)	(\$58,053)
Repairs & Maintenance	(5.5%)	(5.8%)	(\$255)	(\$19,351)
Off-Site Management	(3.7%)	(4.0%)	(\$175)	(\$13,283)
On-Site Management	(4.1%)	(4.4%)	(\$191)	(\$14,513)
General & Administrative	(4.3%)	(4.6%)	(\$202)	(\$15,319)
Reserves	(4.3%)	(4.6%)	(\$200)	(\$15,200)
<b>TOTAL EXPENSES</b>	<b>(40.4%)</b>	<b>(43.1%)</b>	<b>(\$1,882)</b>	<b>(\$143,059)</b>
<b>NET OPERATING INCOME (NOI)</b>	<b>53.4%</b>	<b>56.9%</b>	<b>\$2,487</b>	<b>\$189,019</b>
Capitalization Rate				6.50%
Capitalized Value				\$2,907,992
<b>PROSPECTIVE VALUE UPON STABILIZATION</b>			<b>\$38,289</b>	<b>\$2,910,000</b>
<b>Lease- Up Costs</b>				
Rent Loss	(1.8%)	(1.9%)		(\$6,462)
Marketing	(11.3%)	(12.0%)		(\$40,000)
Total Lease-Up Costs	(13.1%)	(14.0%)		(\$46,462)
Entrepreneurial Profit	(65.7%)	(70.1%)		(\$232,800)
<b>TOTAL LEASE-UP COSTS</b>	<b>(78.8%)</b>	<b>(84.1%)</b>		<b>(\$279,262)</b>
<b>AS-IS MARKET VALUE</b>			<b>\$34,605</b>	<b>\$2,630,000</b>

## INTRODUCTION

The Sales Comparison Approach is based on the principle of substitution, which asserts that a buyer would not pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments to bracket the subject property within an appropriate unit value comparison.

## UNIT OF COMPARISON

The most relevant unit of comparison is the price per homesite. This indicator best reflects the analysis used by buyers and sellers in this market for improved properties with similar design and utility.

## COMPARABLE SELECTION

We completed a thorough search for similar improved sales in terms of property type, location, physical characteristics, and date of sale. In selecting comparables, emphasis was placed on confirming recent improved sales of properties that match the highest and best use, and buyer/seller profile of the subject property. Overall, the sales selected represent the best comparables available for this analysis.

## ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

### Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transactional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest sales were adjusted accordingly.
Financing Terms	The subject property was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales.
Expenditures After Purchase	Adjustments were applied if physical conditions warranted expenditures on the part of the buyer to bring the comparable up to functional standards. Most often this adjustment accounts for costs associated with deferred maintenance.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

### MARKET CONDITIONS ADJUSTMENT

Per Year As Of	December 2020	(As-Is)	3%
----------------	---------------	---------	----

The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable sale date up through the effective valuation date.

### Property Adjustments

Quantitative percentage adjustments are also made for location and physical characteristics such as size, age, site and parking ratios, access, exposure, quality and condition, as well as other applicable elements of

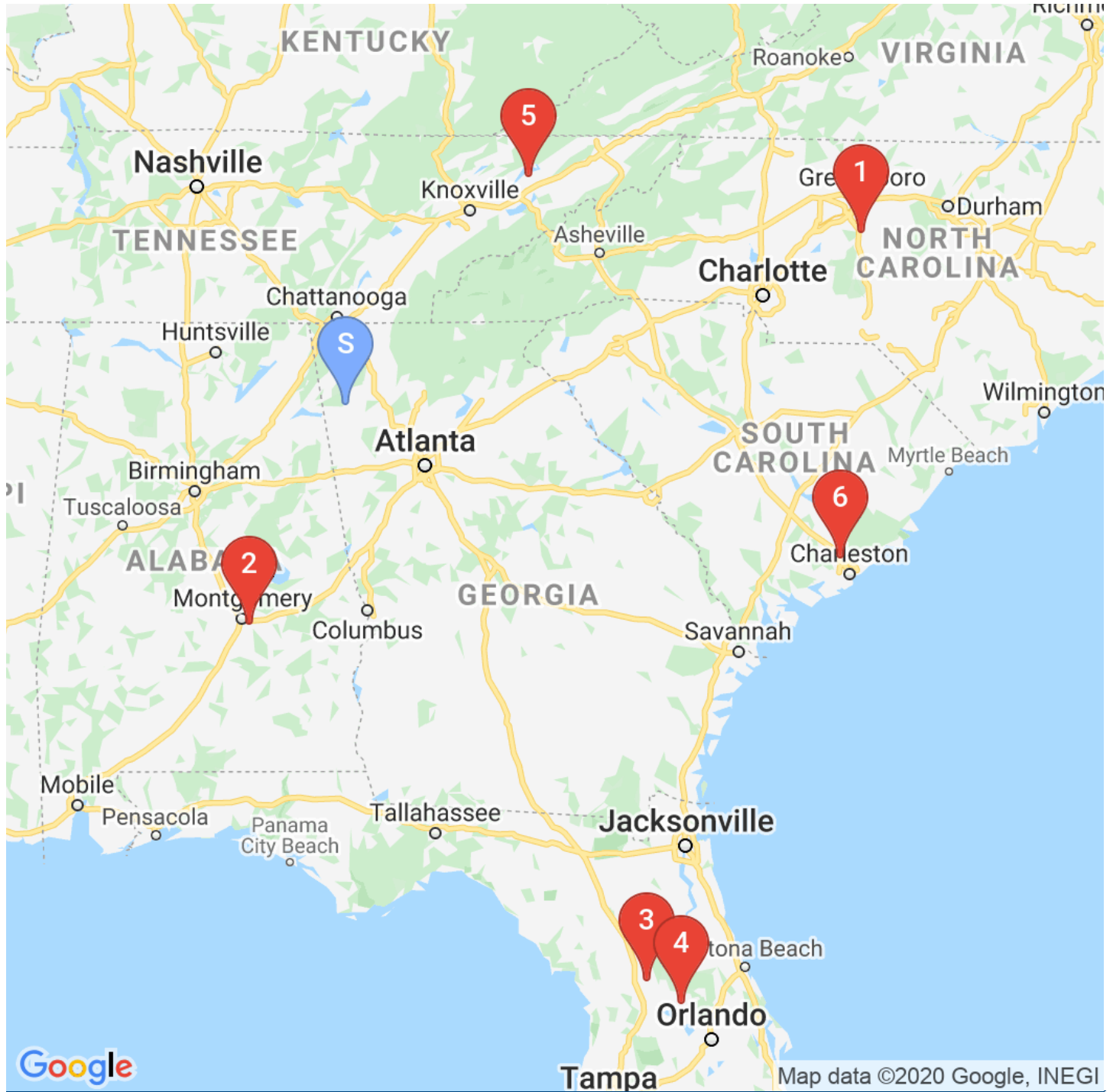
comparison. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject property.

## PRESENTATION

The following Sales Summation Table, Location Map and data sheets summarize the improved sales data. Following these items, the comparable sales are adjusted for applicable elements of comparison and the opinion of value by the Sales Comparison Approach is concluded.

IMPROVED SALES SUMMATION TABLE						
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
<b>Name</b>	Dutch Gardens MHP	Oak Meadows MHC	Southern Villa MHC	Green Oaks Manor	Sunset Village MHP	Tw in Oaks MHC
<b>Address</b>	101, 117 and 147 Bollen Drive	1942 Cedar Road #4	5700 Bell Road	6407 Southeast 108th Street	2 Melody Circle	5917 Loftis Road, 5912 & 5918 Sellers Road
<b>City</b>	Rome	Asheboro	Montgomery	Bellevue	Eustis	Hanahan
<b>State</b>	GA	NC	AL	FL	FL	SC
<b>Zip</b>	30165	27203	36116	34420	32726	29410
<b>County</b>	Floyd	Randolph	Montgomery	Marion	Lake	Berkeley
PHYSICAL INFORMATION						
<b>Project Design</b>	All Age	Manufactured Housing	Manufactured Housing	Manufactured Housing	Manufactured Housing	Manufactured Housing
<b>Class</b>	C	C	C	B	C	C
<b>Homesites</b>	76	60	140	40	36	89
<b>Location</b>	Average	Fair/Average	Average	Average	Average	Good
<b>Quality</b>	Average	Average	Average	Average	Average	Average
<b>Condition</b>	Average	Average	Average	Average/Good	Average	Average/Good
<b>Appeal</b>	Average	Average	Average/Good	Average	Average	Average/Good
SALE INFORMATION						
<b>Date</b>		10/30/2020	7/31/2020	7/25/2020	1/22/2020	11/5/2019
<b>Status</b>		Recorded	Recorded	Recorded	Recorded	Recorded
<b>Rights Transferred</b>		Fee Simple	Leased Fee	Fee Simple	Fee Simple	Fee Simple
<b>Transaction Price</b>		\$2,075,000	\$5,150,000	\$1,375,000	\$1,475,000	\$5,250,000
<b>Transaction \$/Homesite</b>		\$34,583	\$36,786	\$34,375	\$40,972	\$58,989
<b>Analysis Price</b>		\$2,075,000	\$5,150,000	\$1,375,000	\$1,475,000	\$5,250,000
<b>Expenses % PGI</b>		34%	-	42%	35%	-
<b>Expenses % EGI</b>		36%	-	44%	37%	-
<b>NOI/Unit</b>	\$2,426	\$2,475	\$2,481	\$2,285	\$2,802	\$3,418
<b>Occupancy</b>	85.5%	100.0%	94.0%	82.5%	98.0%	93.0%
<b>Capitalization Rate</b>		7.16%	6.75%	6.65%	6.84%	5.79%
<b>PGIM</b>		8.46	-	8.07	8.78	-
<b>EGIM</b>		8.90	-	8.47	9.24	10.52

SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC.	SALE DATE	OAR	\$/SITE
SUBJECT	-	Dutch Gardens MHP	101, 117 and 147 Bollen Drive, Rome, GA	85.5%	-	-	-
No. 1	323.3 Miles	Oak Meadows MHC	1942 Cedar Road #4, Asheboro, NC	100.0%	10/30/2020	7.16%	\$34,583
No. 2	146.5 Miles	Southern Villa MHC	5700 Bell Road, Montgomery, AL	94.0%	7/31/2020	6.75%	\$36,786
No. 3	404.2 Miles	Green Oaks Manor	6407 Southeast 108th Street, Belleview, FL	82.5%	7/25/2020	6.65%	\$34,375
No. 4	427.2 Miles	Sunset Village MHP	2 Melody Circle, Eustis, FL	98.0%	1/22/2020	6.84%	\$40,972
No. 5	174.6 Miles	Twin Oaks MHC	5917 Loftis Road, 5912 & 5918 Sellers Ro	93.0%	11/5/2019	5.79%	\$58,989
	313.5 Miles						

**COMPARABLE 1**

**LOCATION INFORMATION**

Name	Oak Meadow s MHC
Address	1942 Cedar Road #4
City, State, Zip Code	Asheboro, NC, 27203
County	Randolph

**SALE INFORMATION**

Buyer	ROC USA
Seller	Oak Meadow s MHP LLC
Transaction Date	10/30/2020
Transaction Status	Recorded
Transaction Price	\$2,075,000
Analysis Price	\$2,075,000
Recording Number	20108739
Rights Transferred	Fee Simple
Down Payment	\$5,000
Financing	Conventional
Conditions of Sale	Arms-Length



**PHYSICAL INFORMATION**

Project Type	Manufactured Housing
Homesites	60
Year Built	1990
Quality / Condition	Average / Average
Appeal	Average
Topography	Flat

**UNIT MIX**

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Standard	60

**OAK MEADOWS MHC**

**OPERATING INCOME**

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$4,080	\$244,800
Other Income	\$8	\$500
Gross Income	\$4,088	\$245,300
Vacancy @ 0.0%	(\$204)	(\$12,240)
Effective Gross Income	\$3,884	\$233,060
Expenses	(\$1,409)	(\$84,533)
Net Operating Income	\$2,475	\$148,527
Occupancy at Sale		100.0%
Expense % of PGI / EGI	34%	36%

**ANALYSIS INFORMATION**

Price/Homesite	\$34,583.33
Adjusted Price/Homesite	\$38,041.66
Capitalization Rate	7.16%
PGIM / EGIM	8.46 8.90

**CONFIRMATION**

Name	Confidential
Company	Confidential
Source	Purchase Contract
Date / Phone Number	09/9/2020 Confidential

**REMARKS**

This asset sold for \$2,075,000. The contract provided to the appraiser contains no atypical terms or conditions. There are no reported seller concessions. This appears to be an arm's-length transaction. This property previously sold for \$1,100,000 on May 22, 2018. Despite our efforts, we were not provided with any details surrounding this transaction although the buyer did confirm that this was not a distressed sale.

**COMPARABLE 2**

**LOCATION INFORMATION**

Name	Southern Villa MHC
Address	5700 Bell Road
City, State, Zip Code	Montgomery, AL, 36116
County	Montgomery
MSA	Montgomery, AL MSA

**SALE INFORMATION**

Transaction Date	07/31/2020
Transaction Status	In Contract
Transaction Price	\$5,150,000
Analysis Price	\$5,150,000
Rights Transferred	Leased Fee
Conditions of Sale	Arms-Length

**PHYSICAL INFORMATION**

Project Type	Manufactured Housing
Homesites	140
Year Built	1975
Quality / Condition	Average / Average
Appeal	Average/Good
Site Size	17.0 Acres (740,520 SF)

Amenities	Parking Driveway, Asphalt Streets, Street Lights
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**UNIT MIX**

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Standard	140



**SOUTHERN VILLA MHC**

**OPERATING INCOME**

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$0	\$0
Other Income	\$0	\$0
Gross Income	\$0	\$0
Vacancy @ 0.0%	\$0	\$0
Effective Gross Income	\$0	\$0
Expenses	\$0	\$0
Net Operating Income	\$2,481	\$347,379
Occupancy at Sale		94.0%
Expense % of PGI / EGI	-	-

**ANALYSIS INFORMATION**

Price/Homesite	\$36,785.71
Adjusted Price/Homesite	\$37,153.57
Capitalization Rate	6.75%
PGIM / EGIM	-

**CONFIRMATION**

Name	Confidential
Company	Confidential
Source	Appraisal Document
Date / Phone Number	11/23/2020 Confidential

**REMARKS**

Southern Villa is located on the south east side of the Montgomery area. Appraiser files confirmed that Southern Villa in Montgomery, AL is currently under contract for \$5,150,000. The cap rate of 6.75% was placed off the pro forma budget.



**COMPARABLE 3**

**LOCATION INFORMATION**

Name	Green Oaks Manor
Address	6407 Southeast 108th Street
City, State, Zip Code	Belleview , FL, 34420
County	Marion
MSA	Ocala, FL
APN	3794-005-001

**SALE INFORMATION**

Transaction Date	07/25/2020
Transaction Status	In Contract
Transaction Price	\$1,375,000
Analysis Price	\$1,375,000
Rights Transferred	Fee Simple
Financing	Conventional
Conditions of Sale	Arms-Length

**PHYSICAL INFORMATION**

Project Type	Manufactured Housing
Homesites	40
Year Built	1950
Quality / Condition	Average / Average/Good
Appeal	Average
Site Size	5.8 Acres (253,084 SF)
Zoning	RMH
Topography	Flat

Amenities	Shuffleboard
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**UNIT MIX**

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Standard	40



**GREEN OAKS MANOR**

**OPERATING INCOME**

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$4,043	\$161,700
Other Income	\$218	\$8,702
Gross Income	\$4,260	\$170,402
Vacancy @ 0.0%	(\$202)	(\$8,085)
Effective Gross Income	\$4,058	\$162,317
Expenses	(\$1,773)	(\$70,936)
Net Operating Income	\$2,285	\$91,381
Occupancy at Sale		82.5%
Expense % of PGI / EGI	42%	44%

**ANALYSIS INFORMATION**

Price/Homesite	\$34,375.00
Adjusted Price/Homesite	\$36,454.69
Capitalization Rate	6.65%
PGIM / EGIM	8.07 8.47

**CONFIRMATION**

Name	Confidential
Company	Confidential
Source	Appraiser
Date / Phone Number	09/3/2020 Confidential

**REMARKS**

This MHC is located within one mile of U.S. Route 441 and within one mile of State Route 35 in Belleview. This was an unsolicited sale of a 40-site MHC in Belleview. The proforma figures include an increase in tax burden and subsequent pass through, off site management and reserves for replacements. The buyer intends to increase rents over the next two years by 32% to bring them up to market and lease up the remaining vacancies. This sale was assumed to be arm-length.

**COMPARABLE 4**

**LOCATION INFORMATION**

Name Sunset Village MHP  
 Address 2 Melody Circle  
 City, State, Zip Code Eustis, FL, 32726  
 County Lake

**SALE INFORMATION**

Buyer Avanti Holdings, Inc.  
 Seller JLH Real Estate Investment Group, LLC  
 Transaction Date 01/22/2020  
 Transaction Status Recorded  
 Transaction Price \$1,475,000  
 Analysis Price \$1,475,000  
 Recording Number NYR  
 Rights Transferred Fee Simple  
 Financing Conventional  
 Conditions of Sale Arms-Length

**PHYSICAL INFORMATION**

Project Type Manufactured Housing  
 Homesites 36  
 Year Built 1975  
 Quality / Condition Average / Average  
 Appeal Average  
 Site Size 3.0 Acres (132,422 SF)  
 Zoning MHRV  
 Topography Level



**SUNSET VILLAGE MHP**

**OPERATING INCOME**

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$4,667	\$168,020
Other Income	\$0	\$0
Gross Income	\$4,667	\$168,020
Vacancy @ 0.0%	(\$231)	(\$8,316)
Effective Gross Income	\$4,436	\$159,704
Expenses	(\$1,634)	(\$58,822)
Net Operating Income	\$2,802	\$100,882
Occupancy at Sale		98.0%
Expense % of PGI / EGI	35%	37%

**ANALYSIS INFORMATION**

Price/Homesite	\$40,972.22
Adjusted Price/Homesite	\$42,201.39
Capitalization Rate	6.84%
PGIM / EGIM	8.78 9.24

**CONFIRMATION**

Name Confidential  
 Company Confidential  
 Source Purchase Contract  
 Date / Phone Number 02/21/2020 Confidential

**UNIT MIX**

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Standard	36

**REMARKS**

The cap rate of 6.84% is based on actual income and expenses in place along with an increase in tax burden based on reassessment and also includes a management fee and reserves for replacements.

**COMPARABLE 5**

**LOCATION INFORMATION**

Name	Tw in Oaks MHC
Address	5917 Loftis Road, 5912 & 5918 Sellers Road
City, State, Zip Code	Hanahan, SC, 29410
County	Berkeley
APN	265-15-02-058, 265-15-02-080

**SALE INFORMATION**

Buyer	Elias Weiner
Seller	Eagle Properties, LLC
Transaction Date	11/5/2019
Transaction Status	Recorded
Transaction Price	\$5,250,000
Analysis Price	\$5,250,000
Rights Transferred	Fee Simple
Financing	Conventional
Conditions of Sale	Arms-Length

**PHYSICAL INFORMATION**

Project Type	Manufactured Housing
Homesites	89
Year Built	1970
Quality / Condition	Average / Average/Good
Appeal	Average/Good
Site Size	12.1 Acres (527,947 SF)
Topography	Flat



**TWIN OAKS MHC**

**OPERATING INCOME**

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$0	\$0
Other Income	\$0	\$0
Gross Income	\$0	\$0
Vacancy @ 0.0%	\$0	\$0
Effective Gross Income	\$0	\$0
Expenses	(\$2,191)	(\$195,024)
Net Operating Income	\$3,418	\$304,190
Occupancy at Sale		93.0%
Expense % of PGI / EGI	-	-

**ANALYSIS INFORMATION**

Price/Homesite	\$58,988.76
Adjusted Price/Homesite	\$45,568.82
Capitalization Rate	5.79%
PGIM / EGIM	-

**CONFIRMATION**

Name	Confidential
Company	Confidential
Source	Buyer
Date / Phone Number	12/13/2019 Confidential

**UNIT MIX**

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Standard	89

**REMARKS**

This asset sold along with another asset in the same market for a combined purchase price of \$5,250,000. There are a total of 103 sites for an indicated \$50,970/site. The cap rate was based on NOI inclusive of actual taxes, an off-site management fee and reserves for replacements.

## IMPROVED SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
<b>Address</b>	101, 117 and 147 Bollen Drive	1942 Cedar Road #4	5700 Bell Road	6407 Southeast 108th Street	2 Melody Circle	5917 Loftis Road, 5912 & 5918 Sellers Road
<b>City, State</b>	Rome, GA	Asheboro, NC	Montgomery, AL	Bellevue, FL	Eustis, FL	Hanahan, SC
<b>Units</b>	76	60	140	40	36	89
<b>Location</b>	Average	Fair/Average	Average	Average	Average	Good
<b>Quality</b>	Average	Average	Average	Average	Average	Average
<b>Condition</b>	Average	Average	Average	Average/Good	Average	Average/Good
<b>Appeal</b>	Average	Average	Average/Good	Average	Average	Average/Good

## SALE INFORMATION

<b>Date</b>		10/30/2020	7/31/2020	7/25/2020	1/22/2020	11/5/2019
<b>Status</b>		Recorded	Recorded	Recorded	Recorded	Recorded
<b>Rights Transferred</b>		Fee Simple	Leased Fee	Fee Simple	Fee Simple	Fee Simple
<b>Occupancy</b>	85.5%	100.0%	94.0%	82.5%	98.0%	93.0%
<b>Capitalization Rate</b>		7.2%	6.8%	6.7%	6.8%	5.8%
<b>NOI/Homesite</b>		\$2,475	\$2,481	\$2,285	\$2,802	\$3,418
<b>Transaction Price</b>		\$2,075,000	\$5,150,000	\$1,375,000	\$1,475,000	\$5,250,000
<b>Analysis Price</b>		\$2,075,000	\$5,150,000	\$1,375,000	\$1,475,000	\$5,250,000
<b>\$/Homesite</b>		\$34,583	\$36,786	\$34,375	\$40,972	\$58,989

## TRANSACTIONAL ADJUSTMENTS

<b>Property Rights</b>		0%	0%	0%	0%	0%
<b>Financing</b>		0%	0%	0%	0%	0%
<b>Conditions of Sale</b>		0%	0%	0%	0%	0%
<b>Expenditures After the Sale</b>		0%	0%	0%	0%	0%
<b>Market Conditions<sup>1</sup></b>		0%	1%	1%	3%	3%
<b>Subtotal Transactional Adj Price</b>		\$34,583	\$37,154	\$34,719	\$42,201	\$60,758

## PROPERTY ADJUSTMENTS

<b>Location</b>		10%	0%	0%	0%	-20%
<b>Quality</b>		0%	0%	0%	0%	0%
<b>Condition</b>		0%	0%	-5%	0%	-5%
<b>Age</b>		0%	0%	0%	0%	0%
<b>Number Of Homesites</b>		0%	0%	0%	0%	0%
<b>Density</b>		0%	0%	0%	0%	0%
<b>Amenities</b>		0%	0%	0%	0%	0%
<b>Economic/Occupancy</b>		0%	0%	10%	0%	0%
<b>Subtotal Property Adjustment</b>		10%	0%	5%	0%	-25%
<b>TOTAL ADJUSTED \$/HOMESITE</b>		\$38,042	\$37,154	\$36,455	\$42,201	\$45,569

<b>STATISTICS</b>	<b>UNADJUSTED</b>	<b>ADJUSTED</b>
<b>LOW</b>	\$34,375	\$36,455
<b>HIGH</b>	\$58,989	\$45,569
<b>MEDIAN</b>	\$36,786	\$38,042
<b>AVERAGE</b>	\$41,141	\$39,884

<sup>1</sup> Market Conditions Adjustment - 3%

Date of Value (for adjustment calculations): 12/17/20

## SALES COMPARISON APPROACH CONCLUSION

The comparable sales indicate an adjusted value range from \$36,455 to \$45,569/Homesite, with a median of \$38,042/Homesite and an average of \$39,884/Homesite. Based on the results of the preceding analysis, Comparable 2 (\$37,154/Homesite adjusted) is given primary consideration for the subject's opinion of value.

The following table summarizes the analysis of the comparables, reports the reconciled price per Homesite value conclusion, and presents the concluded value of the subject property.

SALES COMPARISON APPROACH CONCLUSION (\$/HOMESITE)								
COMP	ANALYSIS	ADJUSTMENT			NET ADJ %	GROSS ADJ %	WEIGHT GIVEN	
	PRICE	TRANSACTIONAL <sup>1</sup>	ADJUSTED	PROPERTY <sup>2</sup>				
1	\$34,583	0%	\$34,583	10%	<b>\$38,042</b>	10%	10%	SECONDARY
2	\$36,786	1%	\$37,154	0%	<b>\$37,154</b>	1%	1%	PRIMARY
3	\$34,375	1%	\$34,719	5%	<b>\$36,455</b>	6%	16%	SECONDARY
4	\$40,972	3%	\$42,201	0%	<b>\$42,201</b>	3%	3%	SECONDARY
5	\$58,989	3%	\$60,758	-25%	<b>\$45,569</b>	-23%	28%	MINIMAL
<b>LOW</b>	<b>\$36,455</b>						<b>AVERAGE</b>	<b>\$39,884</b>
<b>HIGH</b>	<b>\$45,569</b>						<b>MEDIAN</b>	<b>\$38,042</b>
			<b>SUBJECT HOMESITES</b>	<b>\$/HOMESITE CONCLUSION</b>			<b>VALUE</b>	
<b>PROSPECTIVE VALUE UPON STABILIZATION</b>			<b>76</b>	<b>x</b>	<b>\$39,000</b>	<b>=</b>	<b>\$2,960,000</b>	
<b>Lease- Up Costs</b>						<b>From Lease-Up Analysis</b>		
	Rent Loss							<b>(\$6,462)</b>
	Marketing							<b>(\$40,000)</b>
	<b>Total Lease-Up Costs</b>							<b>(\$46,462)</b>
	Entrepreneurial Profit							<b>(\$232,800)</b>
	<b>TOTAL LEASE-UP COSTS</b>							<b>(\$279,262)</b>
<b>AS-IS MARKET VALUE</b>					<b>\$35,263</b>			<b>\$2,680,000</b>

<sup>1</sup>Cumulative <sup>2</sup>Additive

Rounded to nearest \$10,000

## INTRODUCTION

The Reconciliation of Value Conclusions is the final step in the appraisal process and involves the weighing of the individual valuation techniques in relationship to their substantiation by market data, and the reliability and applicability of each valuation technique to the subject property. Understanding the profiles of potential buyers and their typical reliance on each approach to value strongly influences the weighting process.

As previously discussed, the **Cost Approach** was not presented in this analysis. The exclusion of the Cost Approach does not diminish the credibility of the value conclusion.

The price per unit method has been presented in the **Sales Comparison Approach**. There have been a few recent MHC sales of properties similar to the subject in the market area in the current market conditions, which decreases the validity of this approach. Recognizing the shifting market conditions, investors would typically give secondary weight to the Sales Comparison Approach in determining value. Therefore, supporting weight is given to the Sales Comparison Approach in this analysis.

The **Income Approach** to value is generally considered to be the best and most accurate measure of the value of income-producing properties. In this analysis, the Direct Capitalization and Effective Gross Income Multiplier methods were developed and reconciled into a final Income Approach value. The value estimate by this approach best reflects the analysis that knowledgeable buyers and sellers carry out in their decision-making processes regarding this type of property. Sufficient market data was available to reliably estimate gross income, vacancy, expenses and capitalization rate for the subject property. The Income Approach is given primary emphasis in the analysis.

In the open market, the subject property type would command most interest from regional and local buyers that are actively pursuing similar small investment properties. There is currently steady buyer demand for substitute properties of the subject based on the volume of sale transactions and reports by buyers, sellers and other market participants during confirmation of market transactions. The most probable buyer is a regional and local investor.

## PRESENTATION OF VALUE CONCLUSIONS

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The following table summarizes our final opinions of the As-Is Market Value and Prospective Value Upon Stabilization of the subject property's fee simple interest.

ANALYSIS OF VALUE CONCLUSIONS		
VALUATION INDICES	MARKET VALUE AS-IS	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	FEE SIMPLE	FEE SIMPLE
DATE OF VALUE	DECEMBER 17, 2020	DECEMBER 17, 2023
Sales Comparison Approach	\$2,680,000	\$2,960,000
Income Approach	\$2,630,000	\$2,910,000
<b>FINAL VALUE CONCLUSION</b>	<b>\$2,630,000</b>	<b>\$2,910,000</b>
\$/Homesite	\$34,605/Homesite	\$38,289/Homesite
Exposure Time	Six Months or Less	
Marketing Period	Six Months or Less	

We certify that, to the best of our knowledge and belief:

- › The statements of fact contained in this report are true and correct.
- › The reported analyses, opinions, and conclusions of the signers are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- › The signers of this report have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- › Nancy Caniff has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Bruce Nell, MAI, AI-GRS, MRICS has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- › The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- › The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- › The compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- › The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- › Nancy Caniff did not inspect the property that is the subject of this report. Bruce Nell, MAI, AI-GRS, MRICS did not inspect the property that is the subject of this report.
- › No one provided significant real property appraisal assistance to appraisers signing this certification.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report Bruce Nell, MAI, AI-GRS, MRICS completed the continuing education program for Designated Members of the Appraisal Institute. As of the date of this report Nancy Caniff has completed the Standards and Ethics Education Requirement for Candidates of the Appraisal Institute.



December 30, 2020

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Date



December 30, 2020

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Date



This appraisal is subject to the following assumptions and limiting conditions:

- › The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- › We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- › The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- › Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- › The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- › Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- › This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- › The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- › The statements of value and all conclusions shall apply as of the dates shown herein.
- › There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.
- › Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.
- › This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.
- › The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- › The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- › The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in

value, property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- › The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- › An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- › A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- › This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

# Valuation Glossary

Valuation & Advisory Services



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Unless specified otherwise, these definitions were extracted from the following sources or publications:

*The Dictionary of Real Estate Appraisal*, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015 (*Dictionary*).

*Uniform Standards of Professional Appraisal Practice*, 2018-2019 Edition (USPAP).

*The Appraisal of Real Estate*, Fourteenth Edition, Appraisal Institute, Chicago, Illinois, 2013 (*14<sup>th</sup> Edition*).

### Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. (*Dictionary*)

### Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. (*14<sup>th</sup> Edition*)

### Aggregate of Retail Values (ARV)

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called *sum of the retail values*. (*Dictionary*)

### Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. (*Dictionary*)

### As-Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (*Dictionary*)

### Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. (*14<sup>th</sup> Edition*)

### Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. (*Dictionary*)

### Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. (*Dictionary*)

### Cash-Equivalent Price

The price of a property with nonmarket financing expressed as the price that would have been paid in an all-cash sale. (*Dictionary*)

### Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. (*Dictionary*)

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## Contract Rent

The actual rental income specified in a lease. *(14th Edition)*

## Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. *(14th Edition)*

## Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

## Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR)*. *(Dictionary)*

## Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

## Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. *(Dictionary)*

## Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called *hard costs*. *(Dictionary)*

## Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

## Discount Rate

A rate of return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for *yield rate*. *(Dictionary)*

## Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.

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8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

### Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(14<sup>th</sup> Edition)*

### Economic Life

The period over which improvements to real property contribute to property value. *(Dictionary)*

### Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

### Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

### Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

### Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

### Effective Rent

The rental rate net of financial concessions such as periods of free rent during the lease term and above or below-market tenant improvements (TIs). *(14<sup>th</sup> Edition)*

### Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

### Entrepreneurial Incentive

The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often called *developer's profit*) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement. *(Dictionary)*

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## Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

## Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. *(Dictionary)*

## Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(14<sup>th</sup> Edition)*

## Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

## Exposure Time

The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; Comment: Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. *(Dictionary)*

## External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be temporary or permanent. *(Dictionary)*

## Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. (USPAP)

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### Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. (*Dictionary*)

### Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. (*USPAP*)

### Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. (*Dictionary*)

### Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. (*Dictionary*)

### Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. (*Dictionary*)

### Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. (*Dictionary*)

### Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. (*Dictionary*)

### Going-concern

An established and operating business having an indefinite future life. (*Dictionary*)

### Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*. (*Dictionary*)

### Gross Building Area (GBA)

Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. (*Dictionary*)

### Gross Leasable Area (GLA) - Commercial

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. (*Dictionary*)

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## Gross Living Area (GLA) - Residential

Total area of finished, above-grade residential area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) (*Dictionary*)

## Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for that asset when formulating the price that it would be willing to bid (IVS). (*Dictionary*)

## Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (*USPAP*)

## Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. (*14th Edition*)

## Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. (*Dictionary*)

## Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. (*Dictionary*)

## Insurable Replacement Cost

The cost estimate, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). (*Dictionary*)



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### Interim Use

The temporary use to which a site or improved property is put until a different use becomes maximally productive. *(Dictionary)*

### Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. *(Dictionary)*

### Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.

9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

### Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

### Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

### Legally Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; also known as a *grandfathered use*. *(Dictionary)*

### Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas. *(Dictionary)*

### Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). *(14th Edition)*

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## Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. (*Dictionary*)

## Market Value (Interagency Guidelines)

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. buyer and seller are typically motivated;
2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

*(Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)*

## Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. (*Dictionary*)

## Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. (*Dictionary*)

## Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). (*14th Edition*)

## Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. (*Dictionary*)

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### Off-site Costs

Costs incurred in the development of a project, excluding on-site costs such as grading and construction of the building and other improvements; also called *common costs* or *off-site improvement costs*. (*Dictionary*)

### On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. (*Dictionary*)

### Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. (*14<sup>th</sup> Edition*)

### Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. (*Dictionary*)

### Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. (*Dictionary*)

### Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (*Dictionary*)

### Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. (*Dictionary*)

### Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. (*Dictionary*)

### Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. (*Dictionary*)

### Qualitative Adjustment

An indication that one property is superior, inferior, or the same as another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. (*Dictionary*)

### Quantitative Adjustment

A numerical (dollar or percentage) adjustment to the indicated value of the comparable property to account for the effect of a difference between two properties on value. (*Dictionary*)

### Rentable Area

The amount of space on which the rent is based; calculated according to local practice. (*Dictionary*)

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## Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. (*Dictionary*)

## Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. (*Dictionary*)

## Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." (*Dictionary*)

## Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. (*Dictionary*)

## Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. (*USPAP*)

## Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

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## Shopping Center Types (cont.)

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. (14<sup>th</sup> Edition)

## Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. (Dictionary)

## Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. (Dictionary)

## Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. (Dictionary)

## Triple Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN*, *triple net lease*, or *fully net lease*. (Dictionary)

## Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. (Dictionary)

## Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. (Dictionary)

## Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and non-payment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss*. (Dictionary)

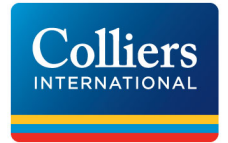
## Yield Capitalization

A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. (Dictionary)



# Nancy A. Caniff

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Nancy Caniff joined Colliers International Valuation & Advisory Services in 2012 and has over 10 years of appraisal experience. She currently provides valuation and advisory services throughout the Southeastern United States.

Since the beginning of her career, she has focused on various housing developments including specialty properties such as beachfront condominiums as well as subdivisions. Later in her career, special focus was given to Manufactured Housing Community (MHC) assets and she is currently a member of the company's MHC Valuation Group. Experience in this asset type includes the valuation of MHCs, RV Parks, and Park Owned Homes.

She also has experience with student housing, LIHTC, Section 8, and HUD properties. Other property types appraised include mixed use centers, branch banks, office, industrial, single tenant net leased retail, restaurants and vacant land. She has ongoing appraisal experience with a current license in Florida, Georgia, South and North Carolina.

Mrs. Caniff is a General Candidate for Designation pursuing MAI designated membership in the Appraisal Institute.

## PROFESSIONAL AFFILIATIONS AND ACCREDITATIONS

Appraisal Institute, Candidate for Designation

## APPRAISAL INSTITUTE COURSES

Basic Income Capitalization  
Advanced Sales Comparison & Cost Approach  
Highest & Best Use and Market Analysis  
Business Practices and Ethics  
Florida Law Update  
15-Hour and 7-Hour National USPAP  
Report Writing & Valuation Analysis  
Analyzing Operating Expenses

## OTHER RELATED COURSES

Declining Markets and Sales Concessions  
Foreclosure Basics  
Real Estate Finance, Value, and Investment Performance

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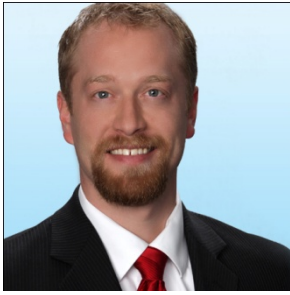
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# Bruce Nell, MAI, MRICS, MICP



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## BUSINESS EXPERIENCE

Bruce Nell serves as the Executive Managing Director of Colliers International's Columbus, Ohio office which provides valuation and advisory services throughout the Ohio Valley Region. He has extensive experience in commercial real estate, having completed assignments in all 50 states, Washington D.C. and Canada. Projects have ranged from CBD trophy high-rise office buildings, Manhattan residential buildings, regional shopping malls, industrial facilities and numerous multifamily residential developments. He has facilitated client valuation needs in Puerto Rico, Mexico, Costa Rica, Portugal and New Zealand. He also serves as the National Practice Leader of the company's Manufactured Housing Community (MHC) Valuation Group. Bruce has been nationally recognized for work with manufactured home communities and RV resorts. He has been a frequent speaker on MHC valuation for the Manufactured Housing Institute, as well as several state and regional associations.

Principal, Crown Appraisal Group, Chicago, IL - Commercial real estate valuation.

Vice President, Resource Marketing Consultants, Columbus, OH - Held numerous insurance and security licenses, including Series 6, & 7.

## PROFESSIONAL MEMBERSHIPS & ACCREDITATIONS

MRICS Member, Royal Institution of Chartered Surveyors

Masters in Commercial Property - MICP

Member of the Appraisal Institute

Member: Mortgage Bankers Association

Member: Manufactured Housing Institute

Member: National Communities Council

Member: Urban Land Institute (ULI)

Member: ULI Manufactured Housing Community Council

Member: International Council of Shopping Centers

Member: Western Manufactured Housing Communities Association (WMA)

## APPRAISAL INSTITUTE COURSES

Appraisal Principles AI Course 110

Appraisal Procedures AI Course 120

Basic Income Capitalization AI Course 310

General Applications AI Course 320

Standards of Professional Practice AI Course 410

Business Practices and Ethics AI Course 420

Advanced Income Capitalization AI Course 510

Highest & Best Use and Market Analysis AI Course 520

Advanced Sales Comparison and Cost AI Course 530

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REQUIRED EDUCATION IN A TIMELY MANNER.

State of Georgia  
Real Estate Commission  
Suite 1000 - International Tower  
229 Peachtree Street, N.E.  
Atlanta, GA 30303-1605



LYNN DEMPSEY  
Real Estate Commissioner

1503465422401725

BRUCE ERIC NELL

# 351194  
Status ACTIVE

END OF RENEWAL  
08/31/2021

CERTIFIED GENERAL REAL PROPERTY  
APPRAISER

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NELL, BRUCE ERIC  
8800 LYRA DRIVE  
SUITE 650  
COLUMBUS, OH 43240



# Colliers International

## Valuation & Advisory Services

### Services Offered

Single Asset Valuation  
Portfolio Valuation  
Institutional Asset Valuation  
Loan Pool Valuation  
Appraisal Review  
Appraisal Management  
Lease and Cost Analysis  
Insurance Valuation  
Arbitration & Consulting  
Feasibility Studies  
Investment Analysis  
Highest and Best Use Studies  
Tax Appeals  
Litigation Support  
Segregated-Cost Analysis

### Experience That Counts

Office  
Industrial  
Retail  
Multifamily  
Mixed-Use Properties  
Senior Housing  
Land  
Self-Storage  
Manufactured Housing  
Agriculture  
Net Lease  
Hospitality  
Health Care  
Subdivisions  
Embassies & Consulates  
GSA Properties  
Special Use Properties  
Telecommunications

Real estate valuations play a pivotal role in today's business climate. An accurate and well supported opinion of property value can mean the difference between reaching a critical goal—securing a loan, closing a sale, reporting to investors, choosing the best asset—or failing to achieve it altogether.

Colliers Valuation & Advisory Services' reports are designed to deliver insight into a property's fundamentals, its competition and the overall market dynamics affecting value. A solid valuation report can be a strategic asset for investors, lenders and owners, provided that it addresses both a property's unique characteristics and the most current market conditions.

Commitment to high-end client service, coupled with Colliers International's unparalleled market intelligence and resources, differentiates us as the firm of choice in the real estate industry.

### PROFESSIONALS

Our professionals share a commitment to deliver the highest level of service and consistent results. We go the extra mile for our clients, whether this means meeting a tight deadline or working with a complex and challenging property.

### TECHNOLOGY

Our unmatched report creation technology speeds appraisals through the pipeline. This secure, centralized production system generates a wide range of reports and high volume portfolio orders without delays.

### INFORMATION

Today's business climate places valuation in a more pivotal position than ever before. All our appraisals are evaluated and approved by an experienced review team to ensure our clients receive concise and timely appraisals. With clear, prompt reporting and a comprehensive, big picture approach, Colliers International's Valuation and Advisory reports give our clients the information they need to make better business decisions.

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