



HIDDEN FOREST ESTATES

6602 Holder Inman Road Extension
Randleman, North Carolina 27317

RESTRICTED APPRAISAL REPORT

Date of Report: November 15, 2022

Colliers File #: CMH221493

PREPARED FOR
Brian Spear
Sunrise Communities
410 South Aurora Avenue
Clearwater, FL 33765

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES



8800 Lyra Drive, Suite 650
Columbus, OH 43240 USA
MAIN+1 614 436 9800
FAX +1 614 436 9700
WEB www.colliers.com/valuationadvisory

November 15, 2022

Brian Spear
Sunrise Communities
410 South Aurora Avenue
Clearwater, FL 33765

RE: Hidden Forest Estates
6602 Holder Inman Road Extension
Randleman, North Carolina 27317

Colliers File #: CMH221493

Mr. Spear:

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 Communities and Colliers International Valuation & Advisory Services.

The date of this report is November 15, 2022. 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	November 11, 2022	\$5,570,000
Prospective Value Upon Stabilization	Fee Simple	May 11, 2028	\$10,810,000

The subject is a Manufactured Housing Community (All Ages) totaling 198 homesites located on a 58.12-acre site at 6602 Holder Inman Road Extension in Randleman, North Carolina. The improvements were built in 1990, 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 29.3%, which is below the stabilized occupancy level estimate of 95% that was developed in this appraisal.

Stabilized or market occupancy is estimated at 95%. We have projected a lease up of 2 spaces per month whereby physical stabilization will occur in May 2028.

Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property has not transferred during the past three years of the effective date of value stated in this report. The subject property is reportedly under contract to sell for \$5,000,000 between SIP Hidden Forest, LLC (Grantor) and Brian Spear - Sunrise Communities (Grantee). It had been listed for sale in early 2022 with an offer at \$5.25MM that was declined by the seller. We were not provided with a purchase contract but assume there are no atypical terms or conditions. This appears to be an arm's-length transaction. There are some items of deferred maintenance including upgrades needed to the waste water treatment plant, paving, landscaping, etc. The costs to cure have been deducted from each approach to value herein. Overall, in light of all the information presented our conclusion is reasonable in comparison with the contracted sales price.

No on site inspection was performed, and we relied on public and private sources including maps, aerial depictions and previous marketing materials to gather data related to the current condition of the property.

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 report is intended to conform to the Financial Institutions Reform and Recovery and Enforcement Act (FIRREA) standards.

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

We specifically assume that the amount set aside for capital repairs to the waste water treatment plant is sufficient for operation at full capacity. If it is not, we reserve the right to alter our final value conclusion herein.

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**




Nancy Caniff
Senior Valuation Specialist
Certified General Real Estate Appraiser
State of North Carolina License #A8479
+1 904 316 2124
nancy.caniff@colliers.com




Bruce Nell, MAI, AI-GRS, MRICS
Executive Managing Director | Advisory Services
Certified General Real Estate Appraiser
State of North Carolina License #A7941
+1 614 437 4687
bruce.nell@colliers.com

LETTER OF TRANSMITTAL

INTRODUCTION	1
Executive Summary	1
Aerial Photograph	3
Identification of Appraisal Assignment	4
Scope of Work	7

DESCRIPTIONS & EXHIBITS	9
Regional Map	9
Regional Analysis	10
Local Area Map	16
Local Area Analysis	17
Site Description	27
Plat Map	29
Zoning Map	30
Flood Map	31
Assessment & Taxation	34
Zoning Analysis	36
Market Analysis	38
Highest & Best Use	61

VALUATION	62
Valuation Methods	62
Income Approach	64
Rent Comparable Summation Table	64
Rent Comparable Location Map	66
Rent Data Sheets	67
Rent Adjustment Grid	67
Income & Expense Analysis	68
Subject Operating Historicals	70
Vacancy & Credit Loss	71
Expense Comparable Table	71
Conclusion of Operating Expenses	72
Investment Market Analysis	74
As-Is Direct Capitalization	79
Effective Gross Income Multiplier Method	80
Reconciliation of Income Approach Values	81
Sales Comparison Approach	82
Sales Summation Table	83
Sales Location Map	84
Sales Data Sheets	85
Sales Comparison Approach Conclusion	86
Reconciliation of Value Conclusions	88

CERTIFICATION

ASSUMPTIONS & LIMITING CONDITIONS

ADDENDA

Professional Service Agreement

P&L Statements

Rent Roll

Data Sheets

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

GENERAL INFORMATION

Property Name	Hidden Forest Estates
Property Type	Manufactured Housing Community - All Ages
Address	6602 Holder Inman Road Extension
City	Randleman
State	North Carolina
Zip Code	27317
County	Randolph
Core Based Statistical Area (CBSA)	Greensboro-High Point, NC
Market	Greensboro
Census Region	South
Census Subregion	South Atlantic
Longitude	-79.820756
Latitude	35.891395
Number Of Parcels	1
Assessor Parcel	7758-60-9498
Total Taxable Value	\$1,250,890
Census Tract Number	0313.05

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	58.12	2,531,707
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	58.12	2,531,707
Topography	Level at street grade	
Shape	Irregular	
Access	Average	
Exposure	Average	
Appeal	Average	
Current Zoning	Residential Mixed District (RM)	
Flood Zone	Zone X (Unshaded)	
Seismic Zone	Medium Risk	

IMPROVEMENT INFORMATION

Number Of Homesites	198
Development Density	3.4 Units/Acre (198 Units / 58.12 Acres)
Total Number Of Common Area Buildings	0
Year Built	1990
Property Class	C
Quality	Average
Condition	Average
Marketability	Average
Parking Type	Homesite
Number Of Parking Spaces	396
Parking Spaces/Homesite	2.0
Project Amenities	There are no common area amenities.

HIGHEST & BEST USE

As Vacant	Development of a manufactured housing community as market conditions warrant
As Improved	Continued use as a manufactured housing community

EXPOSURE TIME & MARKETING PERIOD

Exposure Time	Six Months or Less
Marketing Period	Six Months or Less

VALUATION SUMMARY

Current Occupancy	29.3%
Stabilized Occupancy	94.5%
Estimated Lease-Up Period	88 Months
Current Average Rent/Homesite	\$321/Homesite
Concluded Average Rent/Homesite	\$437/Homesite
Potential Gross Income (PGI)	\$1,038,312
Vacancy & Credit Loss	5.5%
Effective Gross Income (EGI)	\$981,205
Total Expenses	\$460,681
Net Operating Income (NOI)	\$520,524
Capitalization Rate (OAR)	7.00%

VALUATION SUMMARY

VALUATION INDICES	MARKET VALUE AS-IS	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	FEE SIMPLE	FEE SIMPLE
DATE OF VALUE	NOVEMBER 11, 2022	MAY 11, 2028

INCOME CAPITALIZATION APPROACH

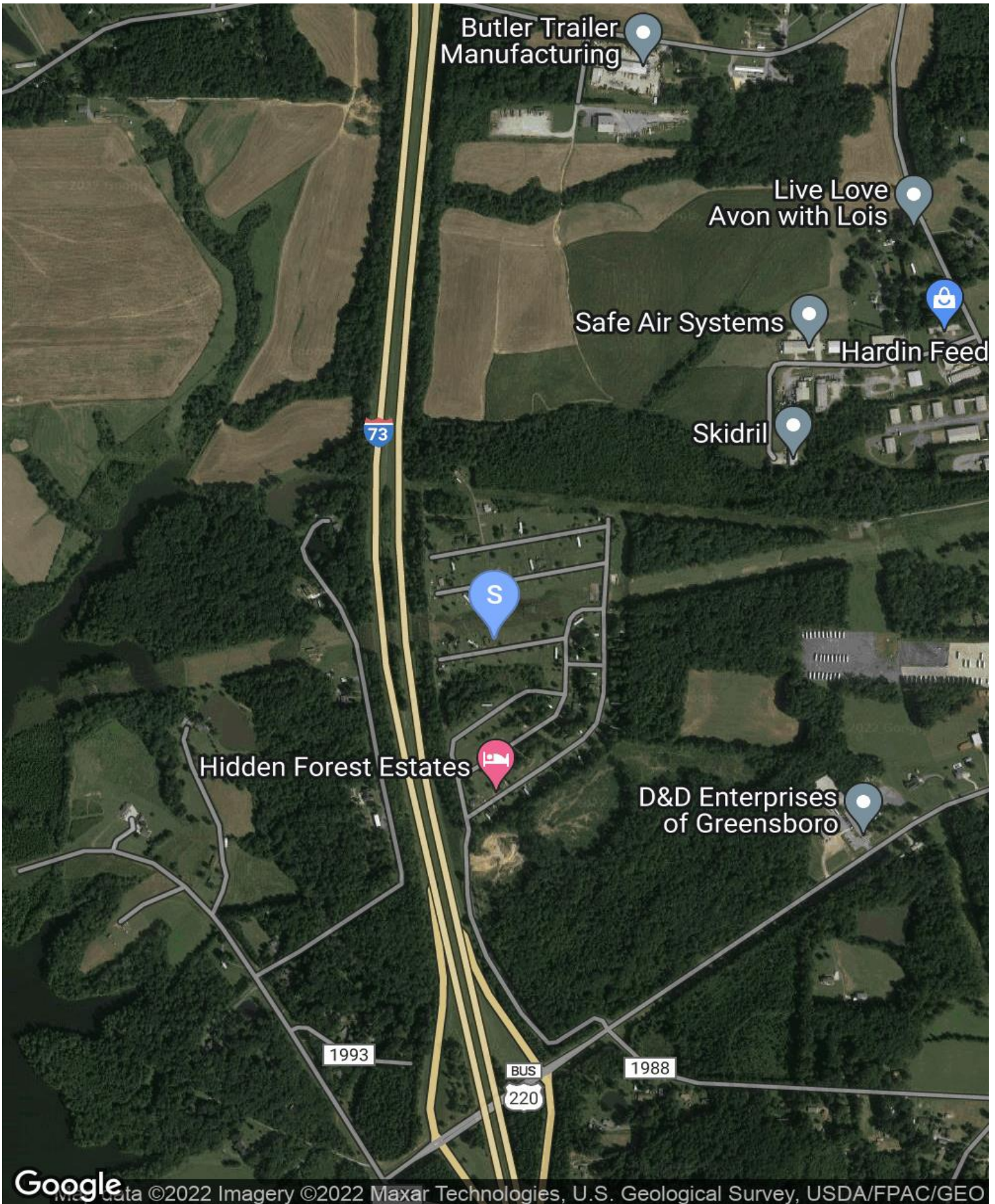
Direct Capitalization	\$5,570,000	\$10,810,000
Direct Capitalization \$/Homesite	\$28,131/Homesite	\$54,596/Homesite
Net Operating Income	-	\$520,524
NOI \$/Homesite	-	\$2,629/Homesite
Capitalization Rate	-	5.50%
Effective Gross Income Multiplier	\$5,550,000	\$10,790,000
EGIM \$/Homesite	\$28,030/Homesite	\$54,495/Homesite
INCOME CONCLUSION	\$5,570,000	\$10,810,000
Income Conclusion \$/Homesite	\$28,131/Homesite	\$54,596/Homesite

SALES COMPARISON APPROACH

SALES CONCLUSION	\$5,650,000	\$10,890,000
Sales Conclusion \$/Homesite	\$28,535/Homesite	\$55,000/Homesite

FINAL VALUE CONCLUSION

FINAL VALUE	\$5,570,000	\$10,810,000
Final \$/Homesite	\$28,131/Homesite	\$54,596/Homesite



Google Imagery Data ©2022 Imagery ©2022 Maxar Technologies, U.S. Geological Survey, USDA/FPAC/GEO

PROPERTY IDENTIFICATION

The subject is a Manufactured Housing Community (All Ages) property totaling 198 homesites. It is located on a 58.12-acre site at 6602 Holder Inman Road Extension in Randleman, Randolph County, North Carolina. The assessor's parcel number is: 7758-60-9498.

The legal description of the subject property is as follows:

BEGINNING at a new iron rod located on the eastern right of way line of S.R. 1988 and the northern line of H.B. Hayes; thence from said beginning point along the eastern right of way line of S.R. 1988 North 11 degrees 57 minutes 52 seconds West 54.42 feet to a right of way marker in the eastern right of way line of U.S. Hwy #220 Bypass; thence continuing along the eastern right of way line of U. S. Hwy #220 Bypass the following courses and distances: North 11 degrees 55 minutes 55 seconds West 923.13 feet to a right of way marker, North 04 degrees 35 minutes 54 seconds West 985.52 feet to a right of way marker, North 00 degrees 02 minutes 44 seconds East 854.37 feet to a right of way marker; thence leaving U.S. Hwy #220 Bypass with the B.J. Lewis line North 89 degrees 47 minutes 53 seconds East 346.06 feet to an existing iron pipe; thence continuing with the Lewis line South 00 degrees 25 minutes 24 seconds West 451.82 feet to an existing iron pipe; thence continuing with the Lewis line South 88 degrees 07 minutes 32 seconds East 1013.18 feet to an existing iron pipe; thence with the Lewis line in part and the B.J. Lawrence line in part South 02 degrees 23 minutes 32 seconds West 1637.05 feet to a new iron rod; thence with the H.B. Hayes line South 56 degrees 12 minutes 05 seconds West 1211.27 feet to a new iron rod, the point of Beginning, containing 61.137 acres.

The above description is according to a survey and plat entitled "Survey for Hidden Forest Estates", dated January 27, 1997 and prepared by Surveying Services.

TOGETHER WITH all right, title and interest in a Drainage Line Easement, said easement being recorded in Book 1366, Page 368, in the Randolph County Registry, the centerline of said easement being more particularly described by survey and plat entitled "Sewer Discharge Line Easement Hidden Forest Estates", dated February 17, 1997 and prepared by Surveying Services, and as further described as follows: BEGINNING at a point in the eastern right of way line of U.S. Hwy #220 Bypass, said beginning point being located South 00 degrees 02 minutes 44 seconds West 89.26 feet from the southwest corner of B.J. Lewis and the northwest corner of the property described above; thence from said beginning point the following courses and distances: North 70 degrees 11 minutes 02 seconds West 72.85 feet, South 64 degrees 12 minutes 09 seconds West 362.63 feet, South 87 degrees 48 minutes 18 seconds West 40.92 feet, South 27 degrees 47 minutes 57 seconds West 81.25 feet, South 74 degrees 16 minutes 15 seconds West 310.77 feet, South 82 degrees 01 minute 19 seconds West 55.96 feet, South 74 degrees 11 minutes 20 seconds West 100.55 feet, South 59 degrees 51 minutes 04 seconds West 96.86 feet, South 38 degrees 00 minutes 31 seconds West 49.42 feet, South 18 degrees 45 minutes 49 seconds West 42.12 feet, South 03 degrees 24 minutes 08 seconds West 25.44 feet and North 88 degrees 00 minutes 12 seconds West 2.08 feet to a point on the western line of Tract #1 & Northern portion of Tract #3 Herschel Needham Hockett & Marie L. Hockett Property as shown by plat recorded in Plat Book 26, Page 10, in the Randolph County Registry.

CLIENT IDENTIFICATION

The client of this specific assignment is Sunrise Communities.

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 report is for internal decision making. The report is not intended for any other use.

INTENDED USERS

Sunrise Communities 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	November 15, 2022
Valuation Date – As-Is	November 11, 2022
Valuation Date – Prospective Upon Stabilization	May 11, 2028

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 title is currently recorded in the name of SIP Hidden Forest, LLC, who acquired title to the property on September 30, 2010 as land for \$2,000,000, as recorded in Book RE2201, Page 1507 of the Randolph County Deed Records.

Three-Year Sales History

Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property has not transferred during the past three years of the effective date of value stated in this report.

Subject Sale Status

The subject property is reportedly under contract to sell for \$5,000,000 between SIP Hidden Forest, LLC (Grantor) and Brian Spear - Sunrise Communities (Grantee). It had been listed for sale in early 2022 with an offer at \$5.25MM that was declined by the seller. We were not provided with a purchase contract but assume there are no atypical terms or conditions. This appears to be an arm's-length transaction. There are some items of deferred maintenance including upgrades needed to the waste water treatment plant, paving, landscaping, etc. The costs to cure have been deducted from each approach to value herein. Overall, in light of all the information presented our conclusion is reasonable in comparison with the contracted sales price.

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 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.¹

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.²

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.³

¹ Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472

² The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

³ The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022

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 Greensboro 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 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 & EGIM) 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

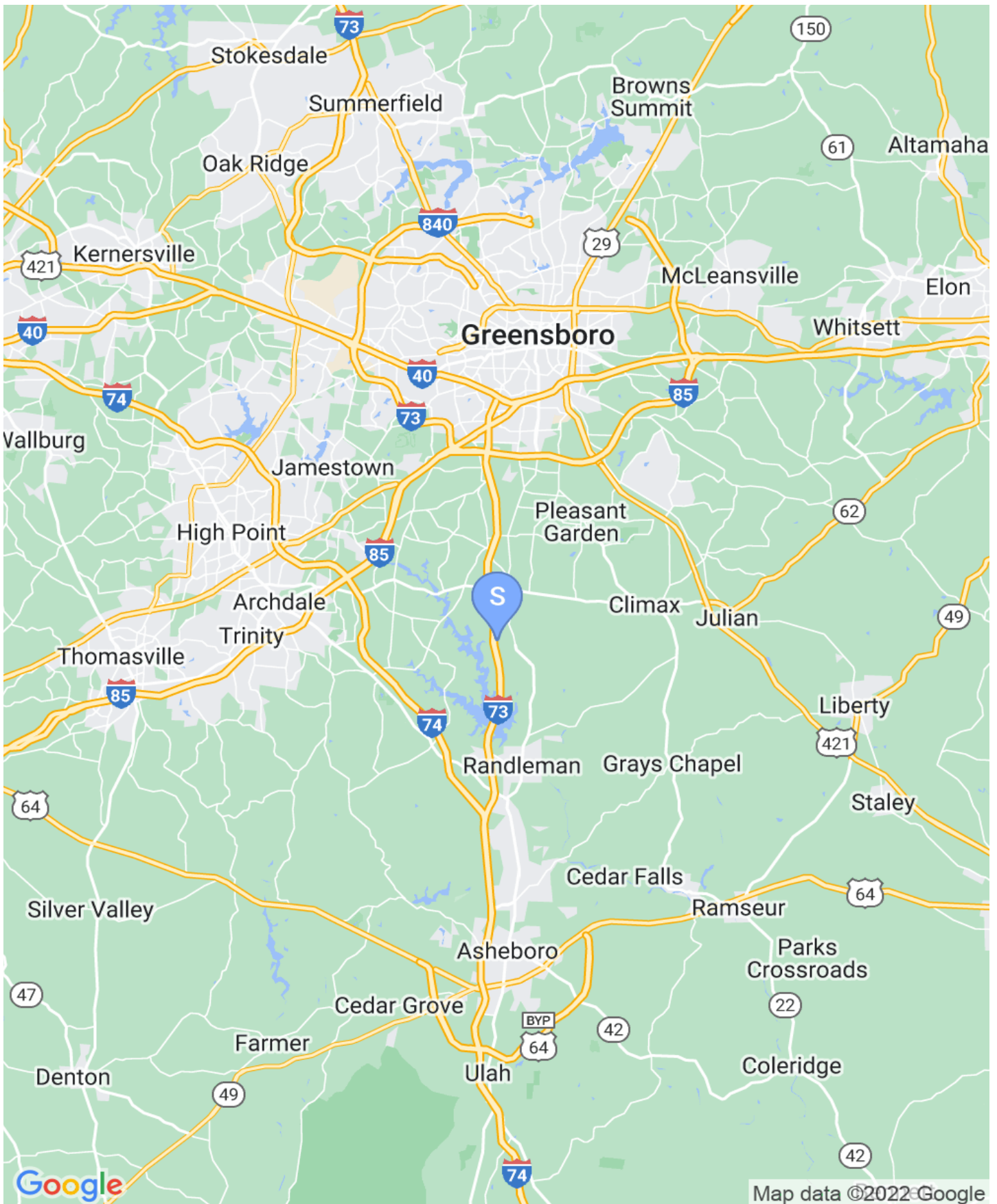
ITEM	SOURCE
Tax Information	Randolph County Tax Assessor
Zoning Information	Randolph County Zoning Code
Site Size Information	Randolph County Tax Assessor
Building Size Information	Randolph County Tax Assessor
New Construction	City of Randleman / Randolph County
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	Substitute Trustee's Deed from Randolph County Register of Deeds
Other Property Data	Randolph 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.

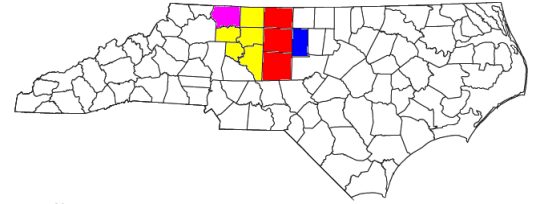
SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Nancy Caniff	No	-	-
Bruce Nell, MAI, AI-GRS, MRICS	No	-	-

No on site inspection was performed, and we relied on public and private sources including maps, aerial depictions and previous marketing materials to gather data related to the current condition of the property.



INTRODUCTION

The Greensboro-High Point, NC Metropolitan Statistical Area is in northern North Carolina. According to the 2020 census, the population was 776,566. The MSA is comprised of three counties: Guilford, Randolph, and Rockingham. The region is known as the Piedmont Triad, after its three largest cities: Greensboro, Winston-Salem, and High Point. The metropolitan area is served by Interstates 40, 73, 74, and 85, and U.S. Routes 29, 64, 70, 158, and 421. Air transportation is provided by Piedmont Triad International Airport, approximately 12 miles northwest of Greensboro.



The region's economy has historically been tied to textiles, furniture, and tobacco; however, new growth industries are rapidly emerging. These industries include distribution, logistics, biotechnology, healthcare, and transportation-related manufacturing. Tobacco remains a prominent crop in the Triad's rural areas. Many tobacco companies, like Lorillard Tobacco Company of Greensboro, and Reynolds American, based in Winston-Salem, call the Piedmont Triad home. Numerous furniture manufacturers are also headquartered in the Triad area, specifically in the cities of High Point, Thomasville, and Lexington. Technologically oriented businesses are a main force in the regional economy. The region is home to the Piedmont Triad Research Park, a highly interactive, master-planned innovation community developed to support life sciences, information technology and research and development. The University of North Carolina at Greensboro, the largest institution of higher learning in the region, and North Carolina A&T State University have joined forces to establish the Gateway University Research Park, a technology-based entity which will focus its efforts on a host of biological, life, and environmental science research projects. LabCorp, one of the largest clinical laboratories in the world, has its corporate headquarters and several of its testing facilities in nearby Burlington.

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 Greensboro-High Point metropolitan area had a 2021 total population of 781,608 and experienced an annual growth rate of 0.7%, which was lower than the North Carolina annual growth rate of 1.1%. The metropolitan area accounted for 7.3% of the total North Carolina population (10,705,557). Within the metropolitan area the population density was 387 people per square mile compared to the lower North Carolina population density of 217 people per square mile and the lower United States population density of 92 people per square mile.

POPULATION			
YEAR	US	NC	CBSA
2010 Total Population	308,745,538	9,535,483	723,801
2021 Total Population	331,582,303	10,705,557	781,608
2026 Total Population	342,006,764	11,228,221	807,720
2010 - 2021 CAGR	0.7%	1.1%	0.7%
2021 - 2026 CAGR	0.6%	1.0%	0.7%

Source: Pitney Bowes/Gadberry Group - GroundView®

POPULATION DENSITY			
YEAR	US	NC	CBSA
2021 Per Square Mile	92	217	387
2026 Per Square Mile	95	227	400

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2021 median age for the metropolitan area was 39.24, which was 1.61% older than the United States median age of 38.61 for 2021. The median age in the metropolitan area is anticipated to grow by 0.46% annually, increasing the median age to 40.15 by 2026.

MEDIAN AGE			
YEAR	US	NC	CBSA
2021	38.61	39.19	39.24
2026	39.39	40.00	40.15
CAGR	0.40%	0.41%	0.46%

Source: Pitney Bowes/Gadberry Group - GroundView®

Education

There are 13 colleges and universities in the region, with nine technical and community colleges serving approximately 60,000 students. The University of North Carolina at Greensboro (UNCG) is a public liberal arts and research university and is a constituent institution of the University of North Carolina System. UNCG has an annual enrollment of approximately 20,100 students, and an endowment of \$251.8 million. The North Carolina Agricultural and Technical State University is a public, coeducational, research university in Greensboro. It is also a constituent institution of the University of North Carolina and one of the oldest public universities in the United States. The institution has an annual enrollment of approximately 11,800 students, and an endowment of \$55.2 million.

Household Trends

The 2021 number of households in the metropolitan area was 314,670. The number of households in the metropolitan area is projected to grow by 0.7% annually, increasing the number of households to 326,123 by 2026. The 2021 average household size for the metropolitan area was 2.41, which was 6.17% smaller than the United States average household size of 2.57 for 2021. The average household size in the metropolitan area is anticipated to decrease by 0.11% annually, reducing the average household size to 2.4 by 2026.

NUMBER OF HOUSEHOLDS			
YEAR	US	NC	CBSA
2021	125,920,087	4,232,601	314,670
2026	130,248,641	4,458,287	326,123
CAGR	0.7%	1.0%	0.7%

Source: Pitney Bowes/Gadberry Group - GroundView®

AVERAGE HOUSEHOLD SIZE			
YEAR	US	NC	CBSA
2021	2.57	2.46	2.41
2026	2.56	2.45	2.40
CAGR	(0.04%)	(0.07%)	(0.11%)

Source: Pitney Bowes/Gadberry Group - GroundView®

The Greensboro-High Point metropolitan area had 36.32% renter occupied units, compared to the lower 33.78% in North Carolina and the lower 35.17% in the United States.

HOUSING UNITS			
	US	NC	CBSA
Owner Occupied	64.83%	66.22%	63.68%
Renter Occupied	35.17%	33.78%	36.32%

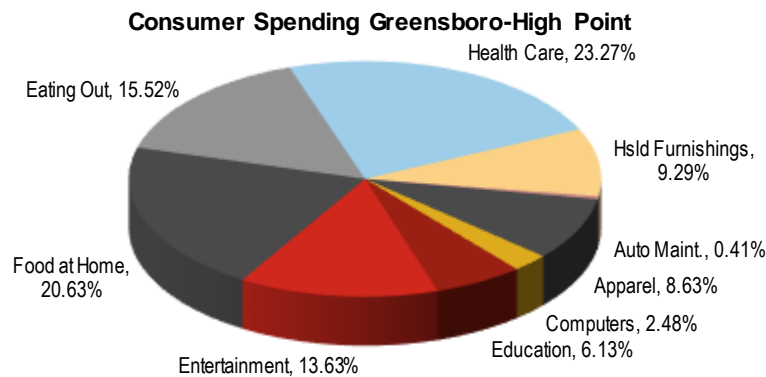
Source: Pitney Bowes/Gadberry Group - GroundView®

The 2021 median household income for the metropolitan area was \$52,744, which was 20.5% lower than the United States median household income of \$66,358. The median household income for the metropolitan area is projected to grow by 3.8% annually, increasing the median household income to \$63,636 by 2026.

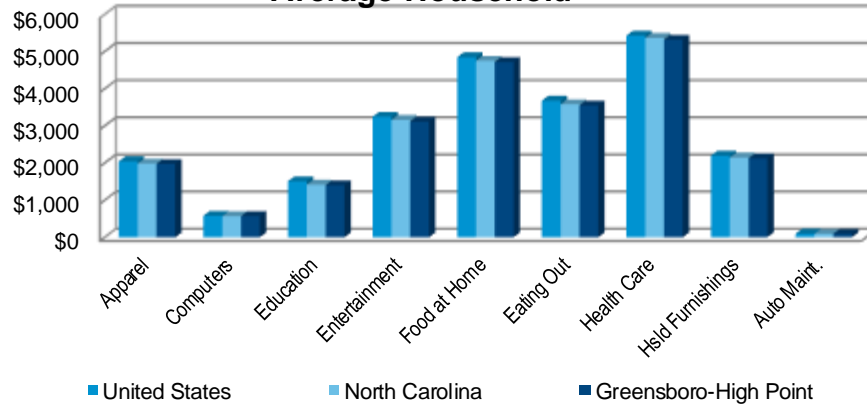
As is often the case when the median household income levels are lower than the national average, the cost of living index is also lower. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the Greensboro-High Point, NC MSA's cost of living is 95.7 compared 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	NC	CBSA
2021	\$66,358	\$57,771	\$52,744
2026	\$80,318	\$70,333	\$63,636
CAGR	3.9%	4.0%	3.8%

Source: Pitney Bowes/Gadberry Group - GroundView®



Consumer Spending Comparison Average Household



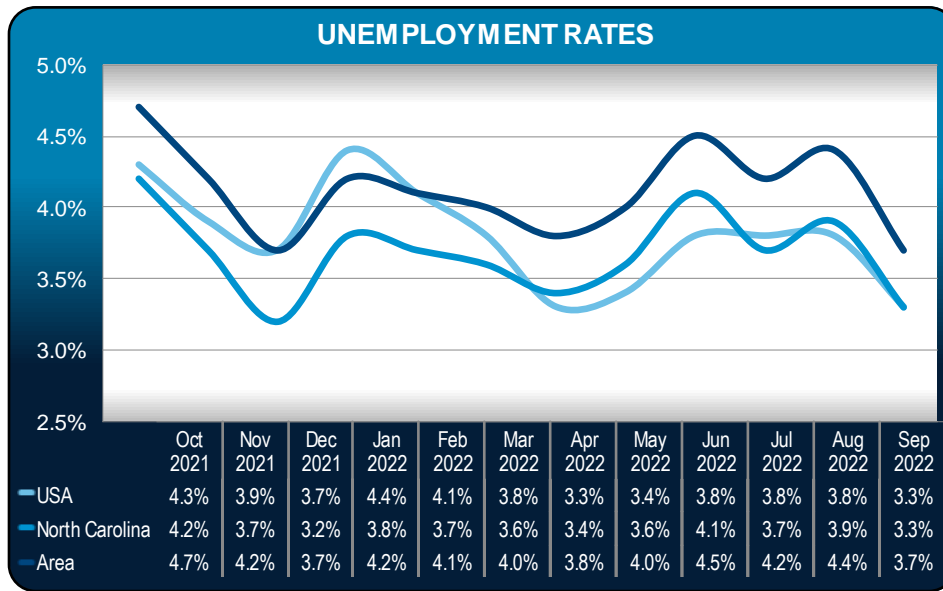
EMPLOYMENT

Total employment has increased annually over the past decade in the state of North Carolina by 1.1% and increased annually by 0.2% in the area. From 2020 to 2021 unemployment decreased in North Carolina by 2.3% and decreased by 2.6% in the area. In the state of North Carolina unemployment has decreased over the previous month by 0.6% and decreased by 0.7% in the area.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2012 - 2021

Year	TOTAL EMPLOYMENT				UNEMPLOYMENT RATE		
	North Carolina		Greensboro-High Point, NC Metropolitan Statistical Area		United States*	North Carolina	Greensboro-High Point, NC Metropolitan Statistical Area
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2012	4,271,383	2.2%	332,284	1.4%	8.1%	9.5%	10.1%
2013	4,336,379	1.5%	335,806	1.1%	7.4%	7.8%	8.2%
2014	4,410,647	1.7%	337,717	0.6%	6.2%	6.1%	6.5%
2015	4,493,882	1.9%	342,366	1.4%	5.3%	5.7%	5.9%
2016	4,598,456	2.3%	345,994	1.1%	4.9%	5.1%	5.2%
2017	4,646,212	1.0%	345,575	(0.1%)	4.4%	4.5%	4.7%
2018	4,719,018	1.6%	347,811	0.6%	3.9%	4.0%	4.2%
2019	4,808,270	1.9%	351,227	1.0%	3.7%	3.8%	4.0%
2020	4,505,462	(6.3%)	324,913	(7.5%)	8.1%	7.1%	8.0%
2021	4,721,198	4.8%	337,598	3.9%	5.3%	4.8%	5.4%
CAGR	1.1%	-	0.2%	-	-	-	-

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



The preceding chart depicts unemployment trends in the region, North Carolina and the U.S. Overall levels of unemployment in the region experienced minor fluctuations throughout the past three months. By the end of September 2022, unemployment in the region was 0.4% higher than North Carolina’s and the national average.

TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
Randolph County School System	2,066	Education
Technimark	1,500	Manufacturing
Klaussner Furniture Industries	1,202	Manufacturing
Randolph Health	1,000	Healthcare/Social Assistance
Hughes Furniture Industries	834	Manufacturing
NC Zoological Park and Society	750	Arts/Entertainment/Recreation
Randolph County	734	Public Administration
Asheboro City School District	637	Education
Dart Container	446	Manufacturing
Energizer Battery	405	Manufacturing

Source: <https://www.randolphcountync.gov>

The preceding chart depicts the top employers in Randolph County. Principal employers are spread throughout diverse sectors, including education and manufacturing. Randolph County School System is the largest employer. The school district serves 15,093 students and superintendents 32 schools. Technimark, a designer and manufacturer of plastic products, is the second largest employer. Klaussner Furniture Industries, a furniture manufacturer, is the third largest employer. Technimark and Klaussner Furniture Industries have their headquarters in Asheboro.

AIRPORT STATISTICS

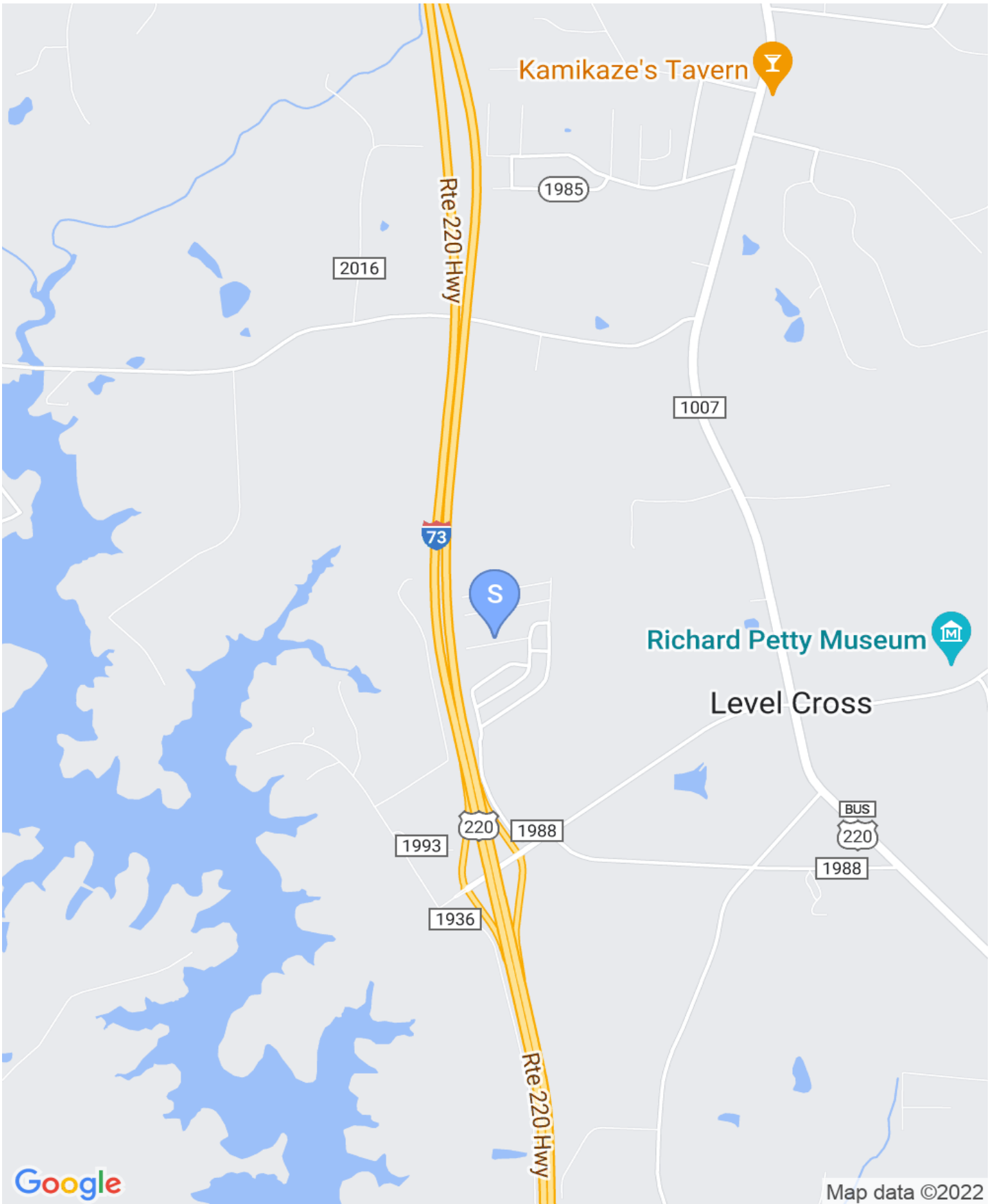
The following chart summarizes the local airport statistics.

RALEIGH-DURHAM INTERNATIONAL AIRPORT (RDU)		
YEAR	ENPLANED PASSENGERS	% CHG
2011	4,462,508	-
2012	4,490,374	0.6%
2013	4,482,016	(0.2%)
2014	4,673,869	4.3%
2015	4,954,717	6.0%
2016	5,401,714	9.0%
2017	5,692,659	5.4%
2018	6,258,101	9.9%
2019	6,919,429	10.6%
2020	2,337,496	(66.2%)
2021	4,311,049	84.4%

Source: U.S. Department of Transportation

SUMMARY

The Greensboro-High Point MSA's economy, historically based on textiles, tobacco and furniture manufacturing, has achieved significant diversification with other sectors such as distribution, logistics, biotechnology, healthcare, and transportation-related manufacturing. Due to its central location in the state, the MSA is considered a main distribution, industrial, and transportation hub. Collectively, these characteristics should continue to generate demand for housing in the immediate area.



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 Randleman, North Carolina, within Randolph County. According to the 2020 census, the population was 4,595. The city is in the northern portion of the county, approximately nine miles north of Asheboro and 20 miles south of Greensboro. Interstate 73 and U.S. Route 220 intersect the city. Air transportation is provided.

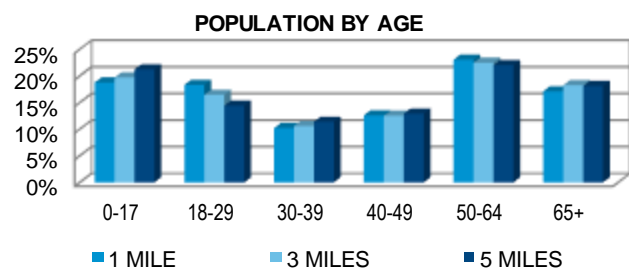
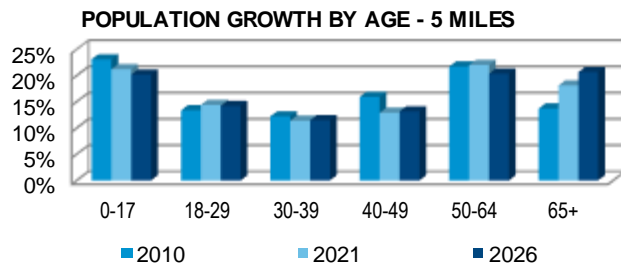
DEMOGRAPHIC PROFILE

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
POPULATION				AVERAGE HOUSEHOLD INCOME			
2000 Population	470	5,520	16,138	2021	\$54,344	\$57,473	\$67,393
2010 Population	451	5,551	17,153	2026	\$58,539	\$68,243	\$81,310
2021 Population	420	5,419	17,270	Change 2021-2026	7.72%	18.74%	20.65%
2026 Population	416	5,417	17,403	MEDIAN HOUSEHOLD INCOME			
Change 2000-2010	(4.04%)	0.56%	6.29%	2021	\$52,499	\$46,566	\$52,947
Change 2010-2021	(6.87%)	(2.38%)	0.68%	2026	\$60,591	\$60,761	\$64,543
Change 2021-2026	(0.95%)	(0.04%)	0.77%	Change 2021-2026	15.41%	30.49%	21.90%
POPULATION 65+				PER CAPITA INCOME			
2010 Population	51	735	2,351	2021	\$22,129	\$23,374	\$27,515
2021 Population	72	989	3,126	2026	\$24,104	\$28,031	\$33,505
2026 Population	83	1,135	3,594	Change 2021-2026	8.93%	19.92%	21.77%
Change 2010-2021	41.18%	34.56%	32.96%	2021 HOUSEHOLDS BY INCOME			
Change 2021-2026	15.28%	14.76%	14.97%	<\$15,000	11.6%	12.4%	11.2%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	3.4%	11.8%	11.4%
2000 Households	151	2,093	6,300	\$25,000-\$34,999	17.7%	12.9%	9.4%
2010 Households	147	2,150	6,864	\$35,000-\$49,999	15.0%	15.3%	15.4%
2021 Households	147	2,186	7,086	\$50,000-\$74,999	29.3%	21.6%	20.9%
2026 Households	147	2,207	7,205	\$75,000-\$99,999	15.6%	13.1%	12.3%
Change 2000-2010	(2.65%)	2.72%	8.95%	\$100,000-\$149,999	6.1%	10.4%	13.4%
Change 2010-2021	0.00%	1.67%	3.23%	\$150,000-\$199,999	0.0%	2.0%	4.0%
Change 2021-2026	0.00%	0.96%	1.68%	\$200,000 or greater	0.0%	0.6%	2.1%
HOUSING UNITS (2021)				MEDIAN HOME VALUE			
Owner Occupied	104	1,588	5,396	AVERAGE HOME VALUE	\$138,393	\$121,777	\$133,638
Renter Occupied	55	594	1,694	HOUSING UNITS BY UNITS IN STRUCTURE			
HOUSING UNITS BY YEAR BUILT				1, detached	81	1,175	4,610
Built 2010 or later	2	91	295	1, attached	0	16	77
Built 2000 to 2009	32	354	1,323	2	7	72	125
Built 1990 to 1999	48	630	1,802	3 or 4	0	7	87
Built 1980 to 1989	7	278	956	5 to 9	0	0	101
Built 1970 to 1979	43	528	1,227	10 to 19	0	0	25
Built 1960 to 1969	7	145	566	20 to 49	3	18	39
Built 1950 to 1959	5	81	414	50 or more	0	0	8
Built 1940 to 1949	0	15	148	Mobile home	68	894	2,019
Built 1939 or earlier	4	64	355	Boat, RV, van, etc.	0	0	0

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
Interstate 73	north-south	Interstate Highway	This is within one mile of the subject property.
Interstate 74	east-west	Interstate Highway	This is within eight miles of the subject property.
Interstate 85	north-south	Interstate Highway	This is within 10 miles of the subject property.
U.S. Route 421	north-south	Local Highway	This is within 10 miles of the subject property.
State Route 62	northeast-southwest	Local Highway	This is within 10 miles of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
Holder Inman Road	north-south	Secondary Arterial	The subject property fronts this street.

Public Transportation is not available near the subject property.

Economic Factors

Randleman is an outlying commuter city of Greensboro metropolitan area. The economic environment is impacted by the greater economy of the region. The local economy relies on manufacturing, healthcare, retail services and small office properties. The city has a commercial corridor on Interstate 73 and U.S. Route 220, with restaurants, big-box stores, grocery stores, and locally owned businesses.

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).

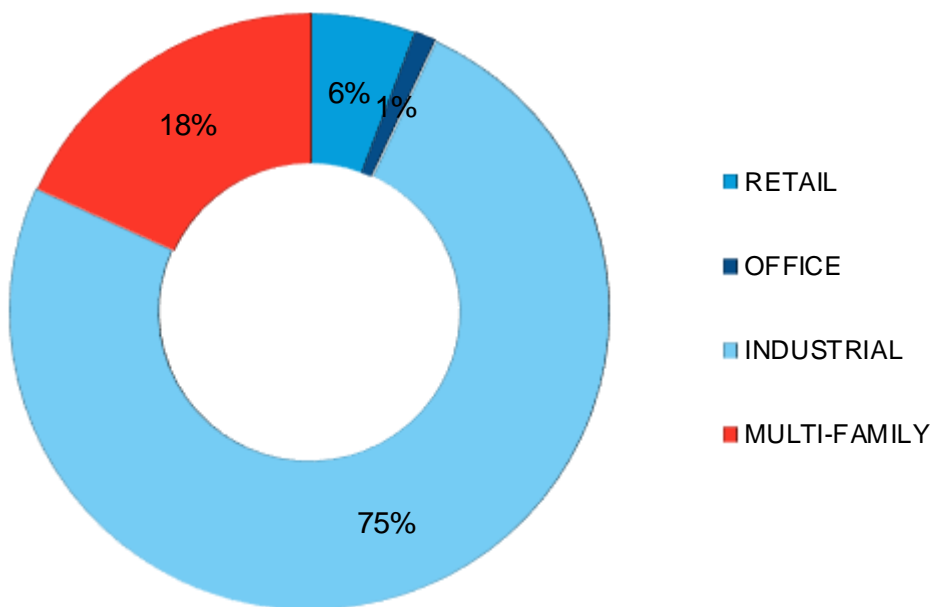
IMMEDIATE AREA PROFILE

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 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.

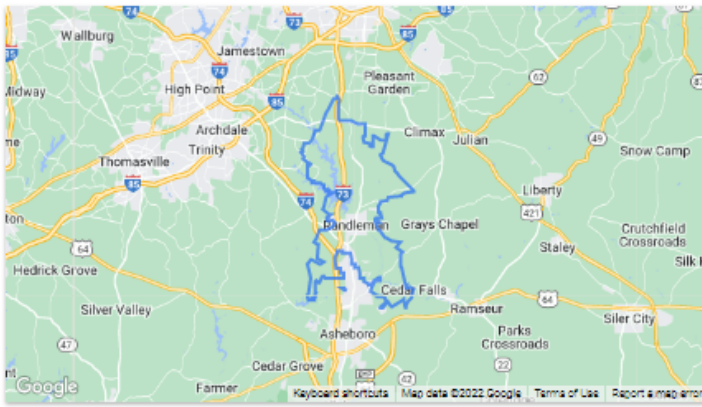
COMMERCIAL AREA COMPOSITION



©CoStar

Residential Development

Residential users in the immediate area are primarily single-family residential. According to Zillow.com, the subjects average single family home price is \$225,608, which is up % since last year.



Randleman Key Takeaways

Typical Home Values: \$225,608

1-year Value Change: +20.0%

(Data through September 30, 2022)

Market Overview

📈 -- 1-year Market Forecast

-- Median sale to list ratio

-- Percent of sales over list price

-- Percent of sales under list price

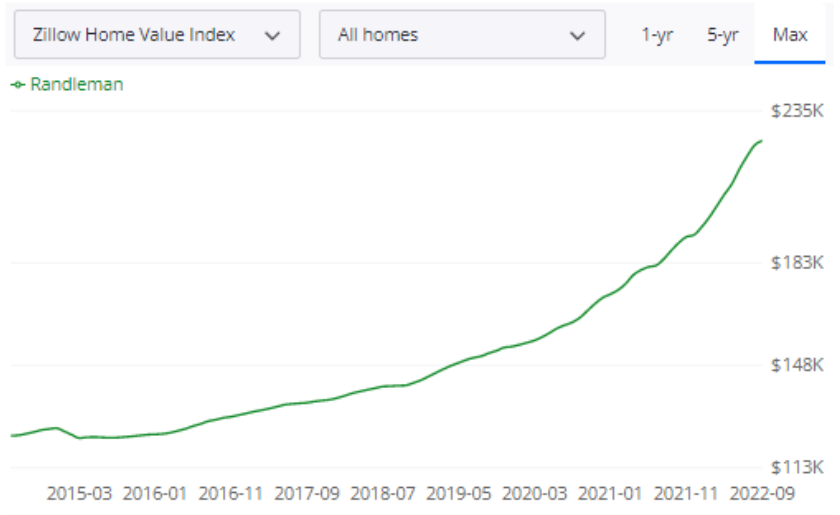
-- Median days to pending

(Metric availability is based on market coverage and data)



How does this data help me?

Zillow's metrics aim to inform and support the decision-making process with relevant market data by measuring monthly market changes across various geographies and housing types.



Neighborhoods in Randleman

Name	Median ZHVI	Name	Median ZHVI	Name	Median ZHVI
Forest Oaks	\$370,254	Lindley Park	\$287,775	Bellemeade	--
Glenwood	\$135,535	Downtown	\$247,976	Scott Park	\$86,798
College Hill	\$239,048	Sunset Hills	--	Aycock	\$233,548

Multi-Family Development

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

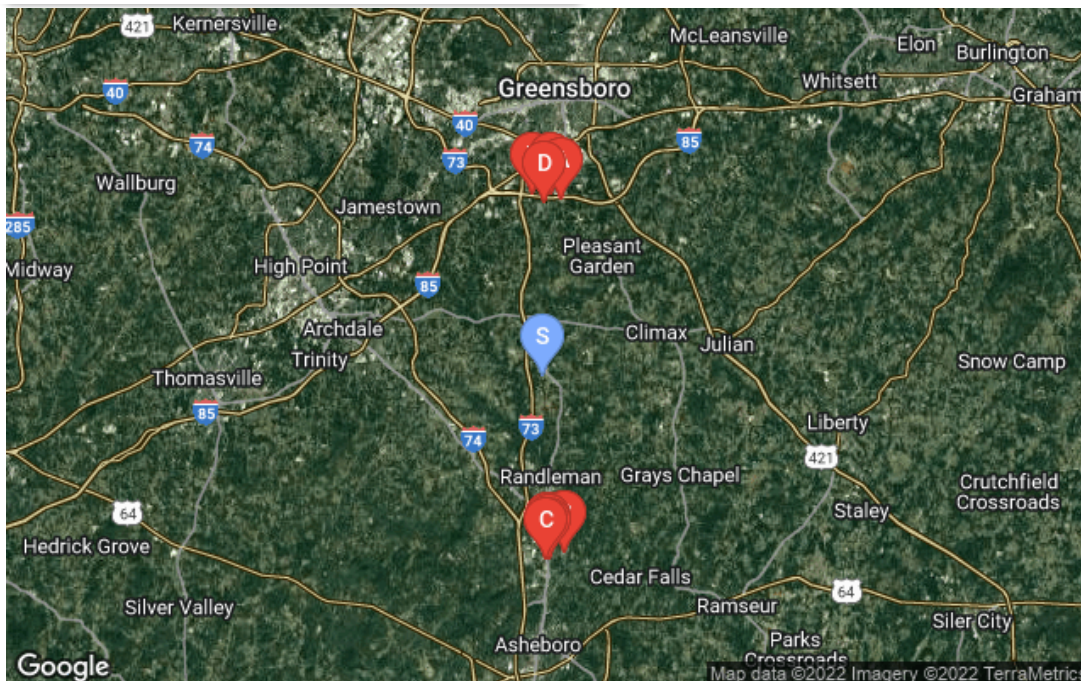
MULTI-FAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
A	1	150,000	2017
B	9	1,279,939	1993
C	18	1,072,949	1979
TOTAL	28	2,502,888	1985

Source: CoStar

The largest three multi-family properties are at 201 Sandbar Circle, 801 Hub Morris Road and 2207 North Fayetteville Street 16A with an NRA of 630,000 SF, 310,500 SF and 216,448 SF that were built in 2016, 1999 and 1997, respectively. The closest large multi-family property in proximity to the subject is at 4452 Old Randleman Road with an NRA of 150,000 SF that was built in 2017. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the nine largest multi-family properties in the immediate area from CoStar.

LARGEST MULTI-FAMILY PROPERTIES						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
Woodland Heights of Greensboro	8.1 Miles	A	B	630,000	3	2016
North Meadows Manufactured Home Community	8.0 Miles	B	C	310,500	1	1999
Summers Run Apartments	8.3 Miles	C	C	216,448	2	1997
Summer Ridge	7.9 Miles	D	A	150,000	2	2017
Matthew Grande	8.3 Miles	E	B	142,240	2	2003
Rehobeth Pointe Apartments	8.3 Miles	F	B	126,369	3	2010
Forest Ridge	8.0 Miles	G	C	119,680	2	1987
Elmsley Trail	8.3 Miles	H	B	114,417	3	2020
Madison Heights	8.1 Miles	I	B	78,031	3	2005

Source: CoStar



Retail Development

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

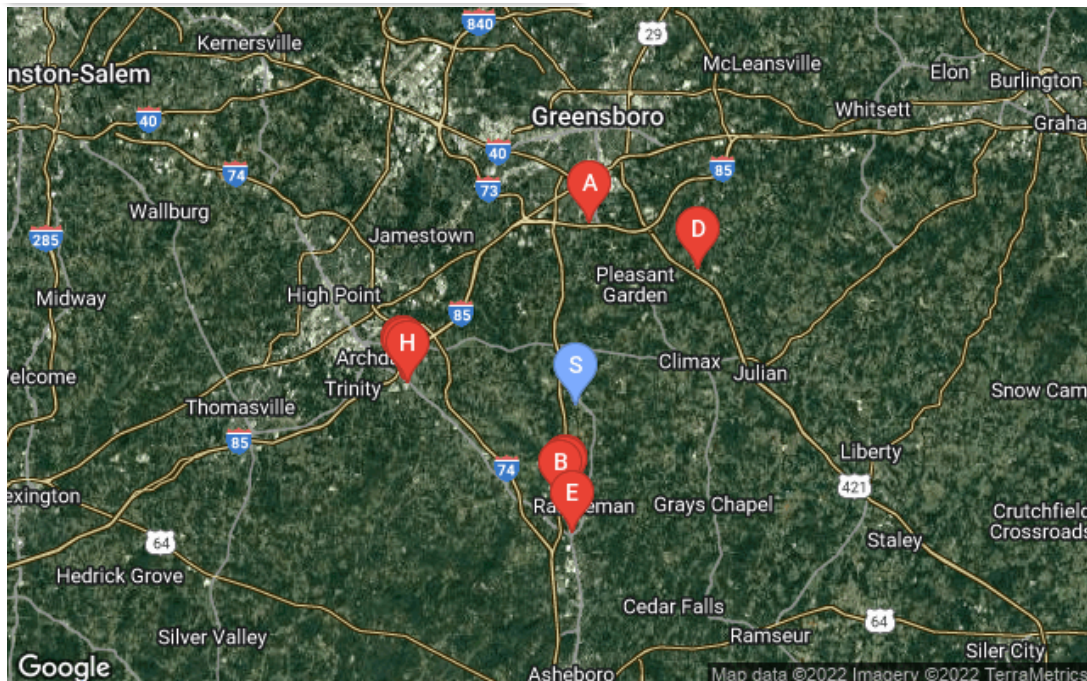
RETAIL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
General Retail	152	792,068	1975	100.0	\$25.75
TOTAL	152	792,068	1975	100.0	\$25.75

Source: CoStar

The largest three retail properties are at 121 West Elmsley Drive, 1021 High Point Street and 630-658 West Academy Street with an NRA of 203,618 SF, 151,000 SF and 55,700 SF that were built in 2006, 1998 and 1986, respectively. The closest large retail property in proximity to the subject is at 638-654 West Academy Street with an NRA of 45,000 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 nine largest retail properties in the immediate area from CoStar.

LARGEST SHOPPING CENTERS							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Shops At Elmsley Square	8.3 Miles	A	Community Center	203,618	100.0	2006	N/Av
Deep River Crossing	4.4 Miles	B	Community Center	151,000	100.0	1998	N/Av
Randleman Plaza	4.2 Miles	C	General Retail	55,700	100.0	1986	N/Av
Forest Oaks Shopping Center	8.3 Miles	D	Neighborhood Center	54,680	7.9	1977	N/Av
Pointe South Village	5.7 Miles	E	Neighborhood Center	53,804	97.8	1991	\$12.00
Low es Foods Center	7.8 Miles	F	Neighborhood Center	46,053	100.0	1986	N/Av
Randleman Plaza	4.2 Miles	G	Neighborhood Center	45,000	100.0	1986	N/Av
Walmart Supercenter	7.7 Miles	H	General Retail	42,621	100.0	-	N/Av
Tarheel Plaza	7.9 Miles	I	Neighborhood Center	34,519	100.0	1990	N/Av

Source: CoStar



Office Development

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

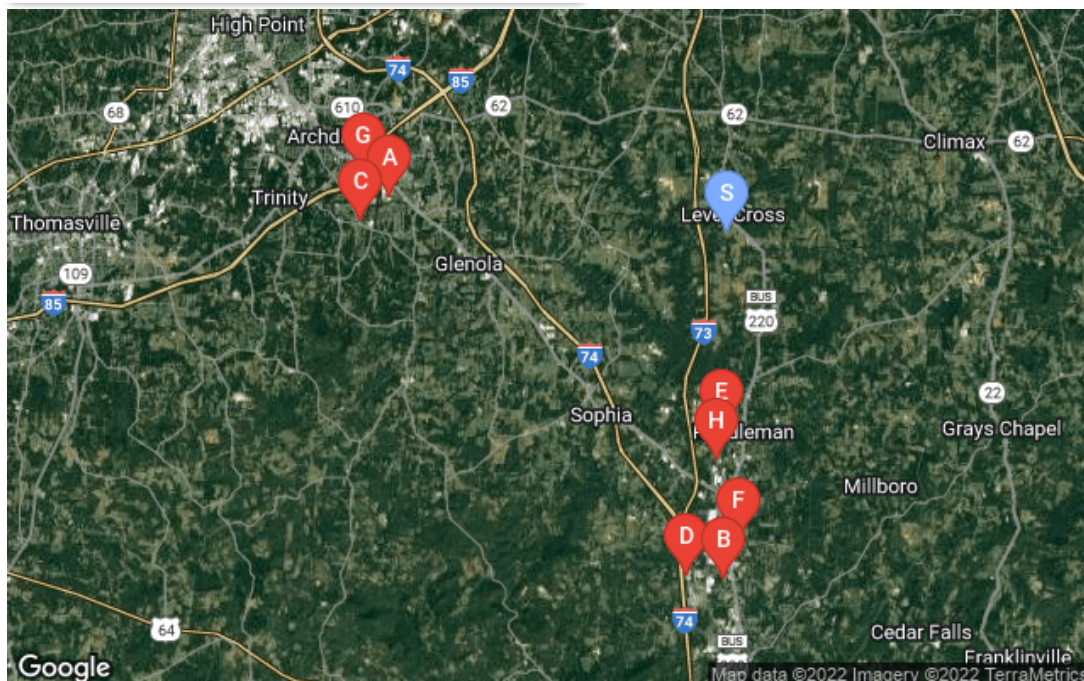
OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
B	9	30,657	1975	100.0	-
C	31	129,253	1979	100.0	-
TOTAL	40	159,910	1978	100.0	\$0.00

Source: CoStar

The largest three office properties are at 3901 Cheyenne Drive, 209 Art Bryan Drive and 4913 Archdale Road with an NRA of 26,224 SF, 12,070 SF and 8,126 SF that were built in 1988, 1998 and 1968, respectively. The closest large office property in proximity to the subject is at 100-106 South Stout Street with an NRA of 6,233 SF that was built in 1998. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the eight 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	7.7 Miles	A	C	26,224	100.0	1988	N/Av
Office Building	7.9 Miles	B	C	12,070	100.0	1998	N/Av
Office Building	8.3 Miles	C	B	8,126	100.0	1968	N/Av
Mapco Office	7.8 Miles	D	C	6,600	100.0	1996	N/Av
Office Building	4.5 Miles	E	C	6,233	100.0	1998	N/Av
Office Building	7.0 Miles	F	C	5,400	100.0	1974	N/Av
Office Building	8.3 Miles	G	C	5,386	100.0	1990	N/Av
Office Building	5.1 Miles	H	C	5,000	100.0	2000	N/Av

Source: CoStar



Industrial Development

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

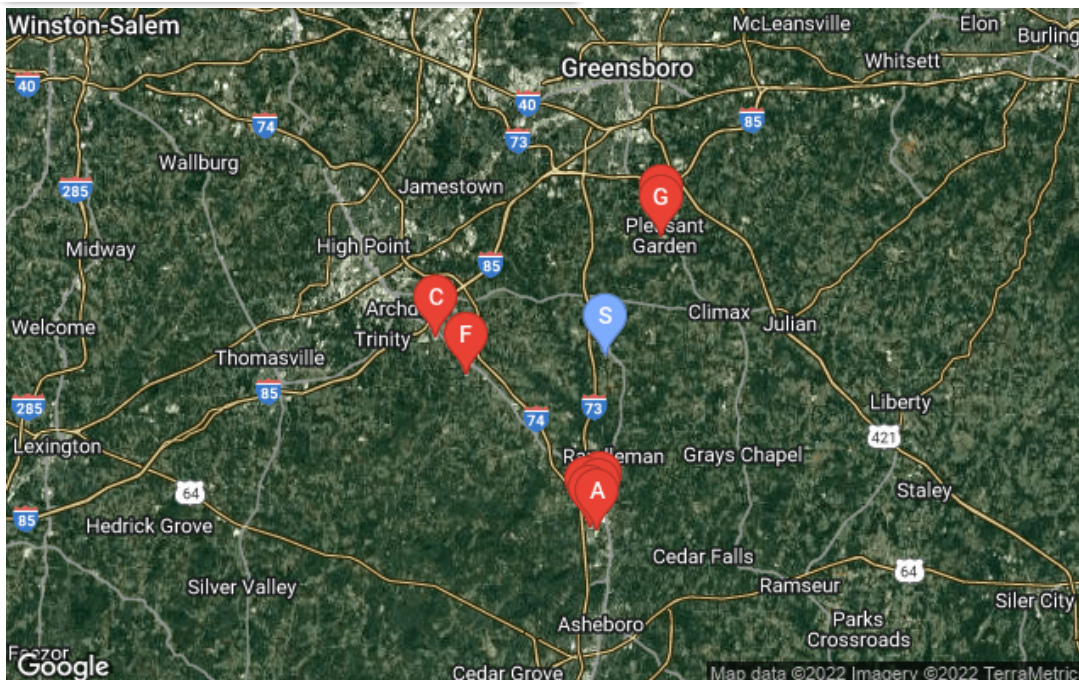
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	238	10,219,008	1985	99.7	\$4.67
Flex	5	66,258	1981	100.0	-
TOTAL	243	10,285,266	1985	99.7	\$4.67

Source: CoStar

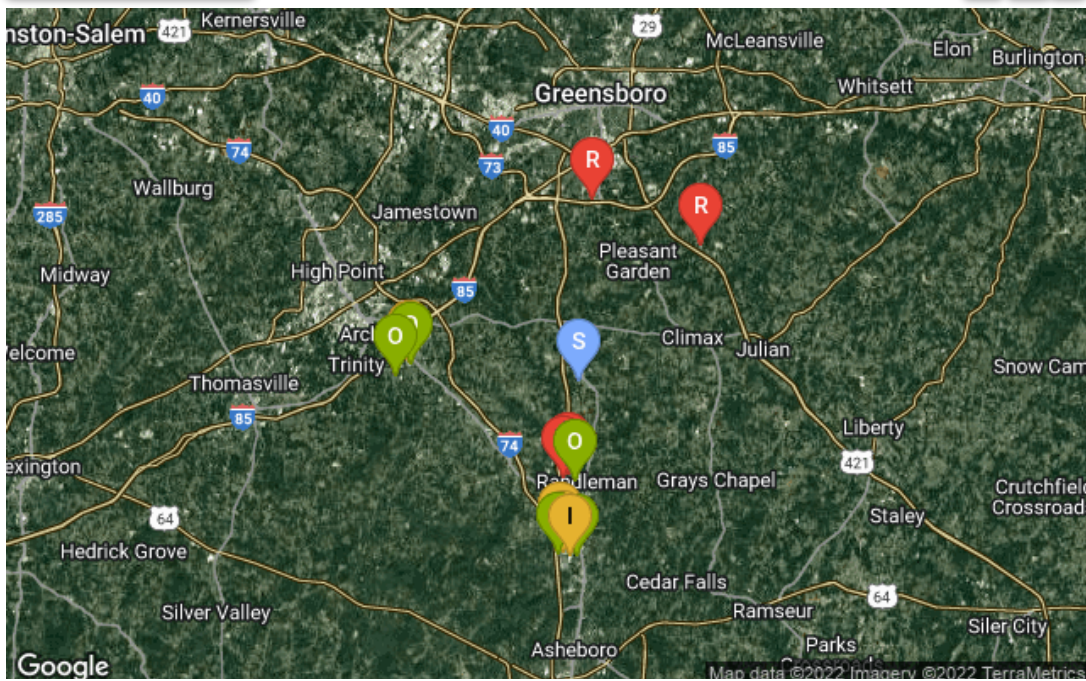
The largest three industrial properties are at 419 Art Bryan Drive, 890 Pineview Road and 3803 Comanche Road with an NRA of 548,720 SF, 306,000 SF and 290,000 SF that were built in 1967, 1983 and 2000, respectively. The closest large industrial property in proximity to the subject is at 1212 Thrower Road with an NRA of 205,501 SF that was built in 1960. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the nine 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	7.9 Miles	A	Industrial	548,720	100.0	1967	N/Av
Industrial Building	7.4 Miles	B	Industrial	306,000	100.0	1983	N/Av
Future Foams Bldg	7.7 Miles	C	Industrial	290,000	100.0	2000	N/Av
Industrial Building	7.8 Miles	D	Industrial	263,298	100.0	1995	N/Av
Industrial Building	6.4 Miles	E	Industrial	238,243	100.0	1947	N/Av
Industrial Building	6.3 Miles	F	Industrial	211,850	100.0	1981	N/Av
Industrial Building	6.0 Miles	G	Industrial	205,501	87.8	1960	\$2.00
Central Piedmont Industrial Park	7.1 Miles	H	Industrial	204,000	100.0	1984	N/Av
Malt-O-Meal	7.4 Miles	I	Industrial	200,000	100.0	2009	N/Av

Source: CoStar



The following map shows the subject property and the five 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** - Farm
- › **South** - Vacant land
- › **East** - Vacant land
- › **West** - Interstate 73, Hockett Trail, 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. Randleman has a strategic location near notable economic hubs, with convenient connections to well-traveled transportation networks. The region's economic development has a direct influence on the city's employment base. Randleman has a stable economy supported by ongoing residential development and the retail sector.

General Description The subject site consists of 1 parcel. As noted below, the subject site has 2,531,707 SF (58.12 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 Parcel 7758-60-9498

Number Of Parcels 1

Land Area	Acres	Square Feet
Primary Parcel	58.12	2,531,707
Excess Land	0.00	0
<u>Surplus Land</u>	<u>0.00</u>	<u>0</u>
Total Land Area	58.12	2,531,707

Shape Irregular - See Plat Map For Exact Shape

Topography Level at street grade

Zoning Residential Mixed District (RM)

Drainage Assumed Adequate

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

Street Improvements	Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Street Lights	Center Lane	Gutters
Holder Inman Road Extension	Secondary Street	two-way	two-lane	minor arterial			✓		

Frontage The subject has approximately 630 feet of frontage on Holder Inman Road Extension.

Accessibility **Average** - The subject is located within one mile of Interstate 73. Access to the subject is offered through three full-access driveways on Holder Inman Road Extension.

Exposure **Average** - The subject has adequate exposure on a minor arterial.

Seismic The subject is in a medium risk zone.

Flood Zone The subject property is located in Zone X (Unshaded). This is referenced by Community Number 370195, Panel Number 37151C7758K, dated January 02, 2008. 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.)

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.

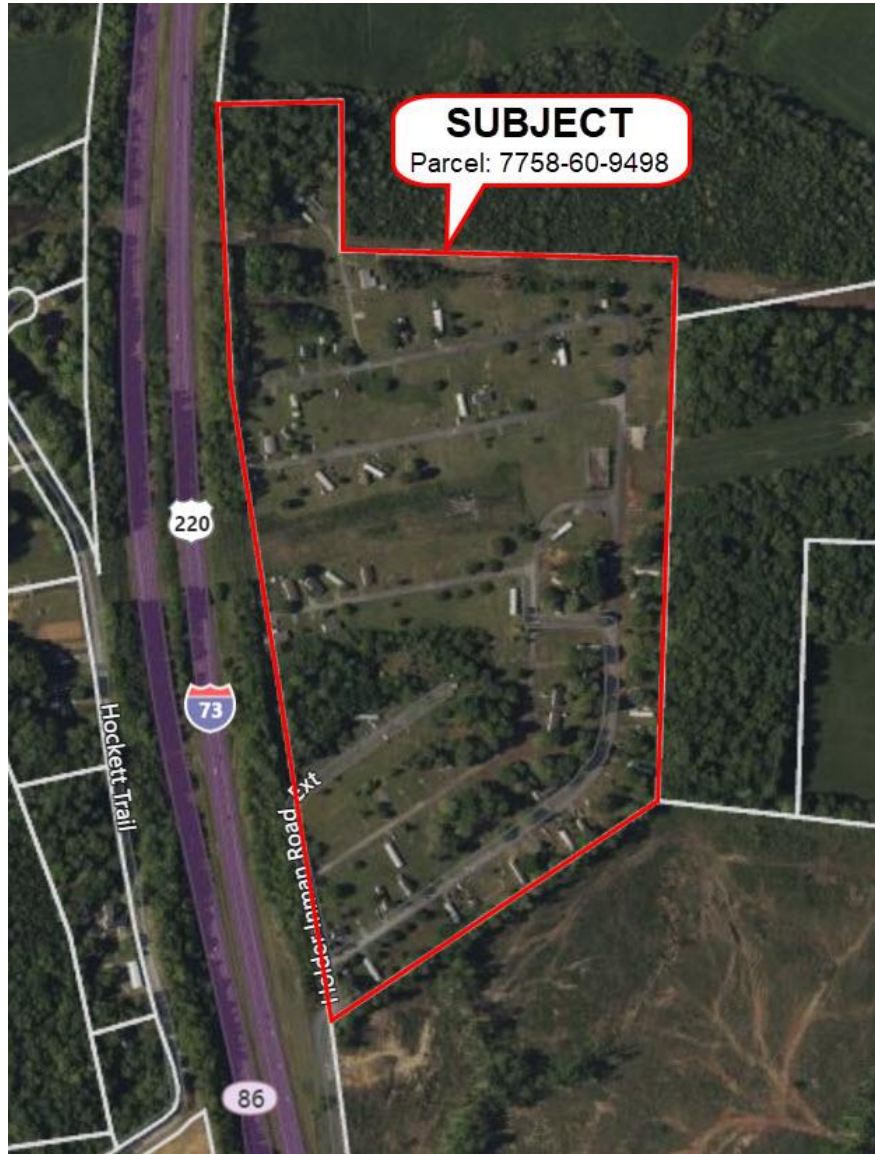
Hazardous Waste

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.

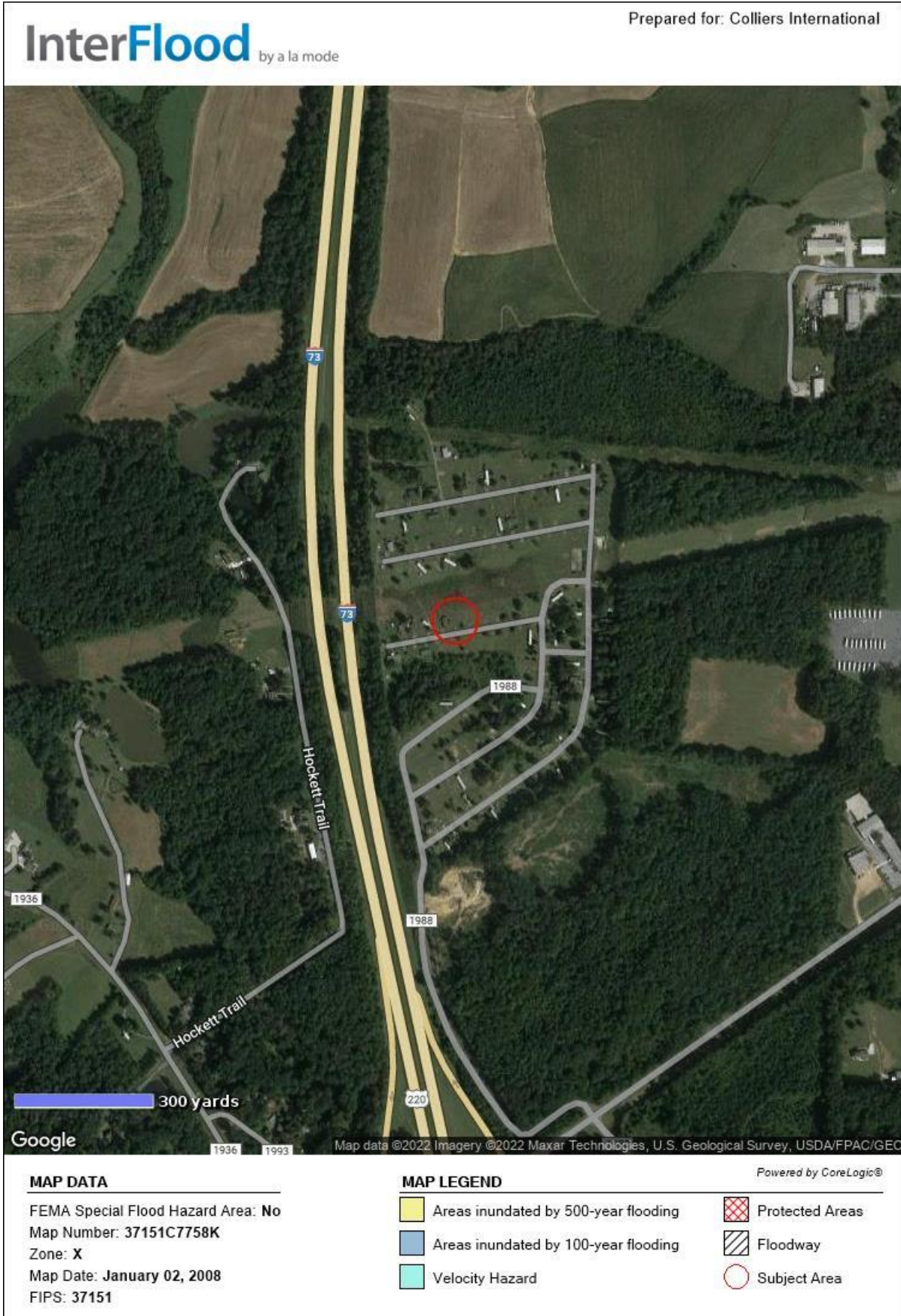
PARCEL MAP



ZONING MAP



FLOOD MAP



Introduction	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.												
Property Type	Manufactured Housing Community - All Ages												
Number of Homesites	198												
Number Of Common Area Buildings	0												
Year Built	1990												
Age/Life Analysis													
Actual Age	32 Years												
Effective Age	25 Years												
Economic Life	55 Years												
Remaining Life	30 Years - Assuming regular maintenance and periodic capital improvements												
Quality	Average												
Condition	Average												
Appeal	Average												
Marketability	Average												
Density	3.4 Sites/Acre (198 Sites / 58.12 Acres)												
Parking Total	396												
Homesite Parking Spaces	396 - Concrete												
Parking Spaces/Homesite	2.0												
Parking Comment	Parking is adequate and is consistent with the other communities in the market												
Homesite Mix	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>198</td> <td>100.0%</td> </tr> <tr> <td>TOTAL</td> <td>198</td> <td>100%</td> </tr> </tbody> </table>	HOMESITE MIX			HOMESITE TYPES	NO. HOMESITES	% OF TOTAL	Standard	198	100.0%	TOTAL	198	100%
HOMESITE MIX													
HOMESITE TYPES	NO. HOMESITES	% OF TOTAL											
Standard	198	100.0%											
TOTAL	198	100%											
Common Area Buildings	There are no common area buildings at the subject property.												
Project Amenities	There are no common area amenities.												
Site Improvements	Concrete streets and streetlights												
Landscaping	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.												

Deferred Maintenance

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, there is deferred maintenance. The costs to cure these maintenance items are summarized below.

DEFERRED MAINTENANCE					
ITEM	SOURCE	TYPE	#	COST/TYPE	EST. COST TO CURE
WWTP/Well Upgrades	Buyer	WWTP	1	Standard	\$100,000
Paving & Parking Pads	Buyer	Roads	1	Standard	\$500,000
Trees/Landscaping	Buyer	Landscaping	1	Standard	\$50,000
Site Cleanup	Buyer	Site work	1	Standard	\$100,000
TOTAL COSTS					\$750,000
Developer's Profit @	10%				\$75,000
TOTAL DEFERRED MAINTENANCE COSTS (ROUNDED)					\$830,000

Rounded to nearest \$10,000

Hazardous Materials

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.

ADA Compliance

This analysis assumes that the subject complies with all ADA requirements. Please refer to the Assumptions and Limiting Conditions section regarding this issue.

Conclusion

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 the Randolph County. The assessed value and property tax for the current year are summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2022			Tax Rate	0.7827%	
Tax Rate Area	Randolph County			Taxes Current	Yes	
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
7758-60-9498	\$863,150	\$387,740	\$1,250,890	\$0	\$1,250,890	\$9,791
Totals	\$863,150	\$387,740	\$1,250,890	\$0	\$1,250,890	\$9,791
Total/Homesite	\$4,359	\$1,958	\$6,318	\$0	\$6,318	\$49

Source: Randolph County Assessment & Taxation

SUBJECT PROPERTY ANALYSIS

The total taxable value for the subject property is \$1,250,890 or \$6,318/Homesite. There are no exemptions in place. Total taxes for the property are \$9,791 or \$49/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 Randolph County is assessed at 100% of market value. Real property is reassessed every six years. The next scheduled reassessment date is January 1, 2025. In addition to scheduled reassessments, properties in Randolph County are reassessed upon conversion, renovation or demolition.

According to the staff representative at the Randolph County tax department, 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	COMP 4	LOW	HIGH	AVG
Property Name	Hidden Forest Estates	Franklin Village NC LLC	North Meadows Manufactured	Richland Village	Oak Meadows Manufactured Housing Community			
Address	6602 Holder Inman Road Extension	2307 North Fayetteville Street	801 Hub Morris Road	2518 Old Humble Mill Road	1942 Cedar Road #4			
City, State	Randleman, NC	Asheboro, NC	Randleman, NC	Asheboro, NC	Asheboro, NC			
APN	7758-60-9498	7753-94-8156	7763-45-8540	7679-35-0119	7762-39-8125, 7762-49-0249, 7762-49-5747			
Year Built	1990	1989	1999	1975	1990			
Homesites	198	292	207	55	45			
Taxable \$	\$1,250,890	\$6,182,550	\$3,650,890	\$2,310,550	\$734,300			
Taxable \$/Site	\$6,318	\$21,173	\$17,637	\$42,010	\$16,318			
Total Taxes	\$9,791	\$83,256	\$47,378	\$29,984	\$10,591	\$10,591	\$83,256	\$42,802
Taxes Per Site	\$49	\$285	\$229	\$545	\$235	\$229	\$545	\$324

The comparable properties reflect taxes ranging from \$229 to \$545/Homesite with an average of \$324/Homesite. The taxes for the subject property are below this range as the subject is operating below stabilized levels.

CONCLUSION

The subject property is assessed below comparable properties. Real property is reassessed every six years and the next scheduled reassessment date is January 1, 2025.

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:

ZONING SUMMARY	
Municipality Governing Zoning	Randolph County Planning & Zoning Department
Current Zoning	Residential Mixed District (RM)
Permitted Uses	Uses including but not limited to: agricultural uses, playgrounds, athletic fields facilities, cemeteries, community centers, golf courses, mobile homes, multi-family residences, duplexes, and churches.
Prohibited Uses	Uses similar in nature, but not limited to: chemical manufacturing facilities, drugstores, gift shops, public libraries, mini-warehouses, and dental laboratories.
Current Use	Manufactured Housing Community
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely

ZONING REQUIREMENTS	
Conforming Use	The existing improvements represent a legal conforming use permitted via a special use permit within this zone
Minimum Lot Size With A Minimum Of 100 Ft Of State Road Frontage For Single Unit (SF)	40,000
Minimum Lot Size With A Minimum Of 100 Ft Of State Road Frontage For Single Unit And Water Quality Critical Area (SF)	80,000
Minimum Size Area With Less Than 100 Ft Of State Road Frontage (Acres)	5
Minimum Lot Width (Feet)	100
Minimum Yard Setbacks (Homesites)	
Front From Any Road Right-Of-Way (Feet)	35
Rear From Property Line (Feet)	30
Corner Side From Any Road Right-Of-Way (Feet)	35
Side From Any Side Property Line (Feet)	10
Subject Density (Homesites/Acre)	3.4

SUBJECT PARKING REQUIREMENT			
Homesite Type	Homesites	Required Spaces/Site	Required Spaces
	198	2.00	396
Required Parking Spaces			396
Parking Spaces Provided			396

Source: Randolph 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 is permitted via a conditional use permit specific to the

subject development. The current use is permitted for ongoing use, but is subject for review upon proposed major renovation and/or full redevelopment of the site. Based on information from Randolph County Planning & Zoning Department, the subject could be rebuilt if destroyed, as long as the foundation is still intact and construction commences within 12 months. After that timeframe all new construction would 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.

DEFINITIONS

As with all real estate, the manufactured housing industry has its own language. Market participants (buyers, sellers, lenders, and third parties such as brokers, inspectors, and appraisers) and community residents (those that live in manufactured housing communities) often use phrases such as Mobile Home Park or manufactured housing community, and mobile home or manufactured house interchangeably. The following provides definitions for key phrases and concepts in the industry.

Factory Built

A factory-built home is built off site under a controlled environment, and then located to the site. Some minimal finish may (and probably will) be required on-site.

Mobile Home

By definition, a mobile home is a factory-built housing unit built prior to June 15, 1976, before the Housing and Urban Development (HUD) code came into effect. Under this code, all homes are now built according to Federal Manufactured Home Construction and Safety Standards.

Manufactured Home

A manufactured home is a factory-built housing unit built to meet or exceed the HUD code that came into effect June 15, 1976. A manufactured home has (or should have unless it was removed) a metal tag certifying that it was built in compliance with the HUD Code affixed to the outside of the home.

Modular Home

A modular home is a factory built home built after June 15, 1976, that is built in accordance with local (city, county, and/or state) building code requirements. Usually, a modular home is built to BOCA, UBC, or SEBC requirements. Theoretically, a factory-built home could be built to both the HUD Code and another code—the home would be considered a manufactured home because it meets the HUD Code.

Manufactured Housing Community (MHC)

A manufactured housing community is a residential community within which manufactured homes are sited. A MHC is sometimes called a mobile home park or a trailer park—these phrases are left over from the 1950s-1970s—current industry nomenclature prefers the phrase manufactured housing community. Typically, a MHC is also a land lease community where the residents own their home and pay rent (usually monthly) for their site.

Single Section

A factory-built home that is delivered to the home site in one section is considered a single-sectional. This phrase is preferred to singlewide which is non-specific. Single section homes are typically 18 feet or less in width and 90 feet or less in length.

Multi-section

A factory-built home that is delivered to the home site in more than one section is considered a multi-sectional. This phrase is preferred to doublewide which is non-specific. Multi-section homes are twenty feet or more in width and are 90 feet or less in length.



SINGLE SECTION



MULTI-SECTION

INTRODUCTION

The manufactured housing industry is unique in that it is a combination of individual home ownership and home site rental. The portion of the industry most relevant to the appraisal of the subject properties is the home site rental, as the interest typically appraised is the interest held by the community owner. The other portion (home ownership) is also relevant because the rental of the site is dependent on a potential tenant's ability to place a home on it. So, while the value of the homes is not directly considered in the analysis, the ability of potential tenants to place homes on the sites is considered in the analysis. An in-depth discussion of manufactured housing construction, sales, ownership and financing is presented below.

Manufactured Housing History

The evolution of the manufactured housing community (MHC) began in the 1920s, when the first camping trailer was built in Michigan. Camping trailers adapted to other uses such as short term, transportable housing.

The need for short term housing, on-base housing during World War II resulted in the creation of house trailers. House trailers were the next generation of camping trailers. Post-World War II, the need for short term, off-base housing emerged, due in part to large construction projects (dams, highways, pipelines, energy facilities) in undeveloped areas. House trailers were ideal for this type of housing. Post construction, the trailers could move to the next location. The trailers were expanded, refined, and improved, and became mobile homes in the 1960s. Mobile home parks were developments in which mobile homes were placed.

The phrase manufactured home came into being in the mid-1970s with the passage and enactment of the National Manufactured Housing Construction and Safety Standards Act, commonly known as the HUD Code. This act, and these standards, went into effect on June 15, 1976. The Act required that factory-built homes be built in accordance with the HUD Code. (Factory built homes built after this date, constructed in accordance with a code other than the HUD Code, are known as modular homes.) Due to enactment of these standards, there has not been a *mobile home* built in the United States since June 15, 1976. Finally, on October 8, 1990, Congress enacted Public Law 96-399, officially changing the phrase "mobile home" to "manufactured home".

Improvements in the public perception of manufactured housing makes manufactured homes more attractive to people who otherwise would not have considered it. Along with stricter building codes, the manufactured housing industry has been successful in banishing false concepts regarding construction of manufactured housing. Historically, manufactured homes had the reputation of being unsafe, as they were thought to be more prone to fire and wind than conventional housing. However, studies have shown that site-built homes are more likely to experience a fire.

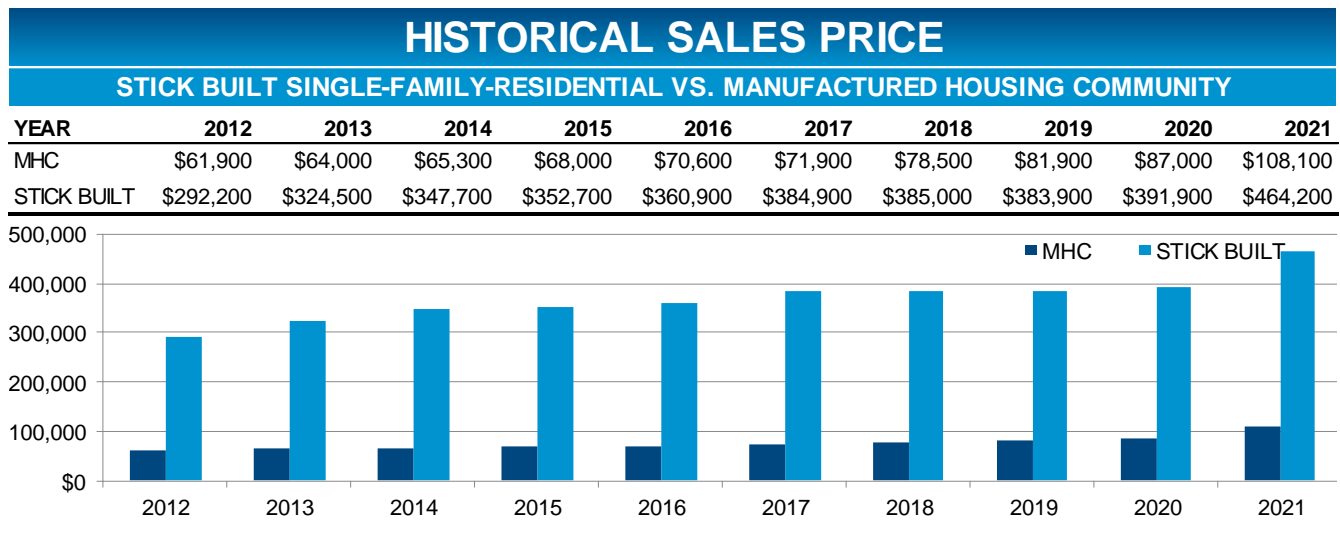
Regarding the “wind factor,” most homes are built to withstand winds of up to 70 miles per hour. Tornadoes usually have winds ranging from 112 to 200 miles per hour. Neither site-built homes nor manufactured homes are designed to withstand these excessive winds. Manufactured homes have also had the perception of being a depreciating asset once purchased, much like a vehicle. Although age is a factor, the condition of the home is the most significant factor.

KEY FACTORS

Location is the primary factor in the resale of a manufactured home. A permanently sited, well-maintained manufactured home may appreciate in value at the same rate as the surrounding neighborhood. A study conducted by Foremost Insurance Company indicated that manufactured homes built since 1973 have appreciated on a nationwide basis.

Another study conducted by the University of Georgia, indicated the average life expectancy of a manufactured home is 55 years. In addition to better construction techniques and a higher quality product, manufactured homes have also increased in size, ranging from 700 to 2,400 square feet with up to five bedrooms.

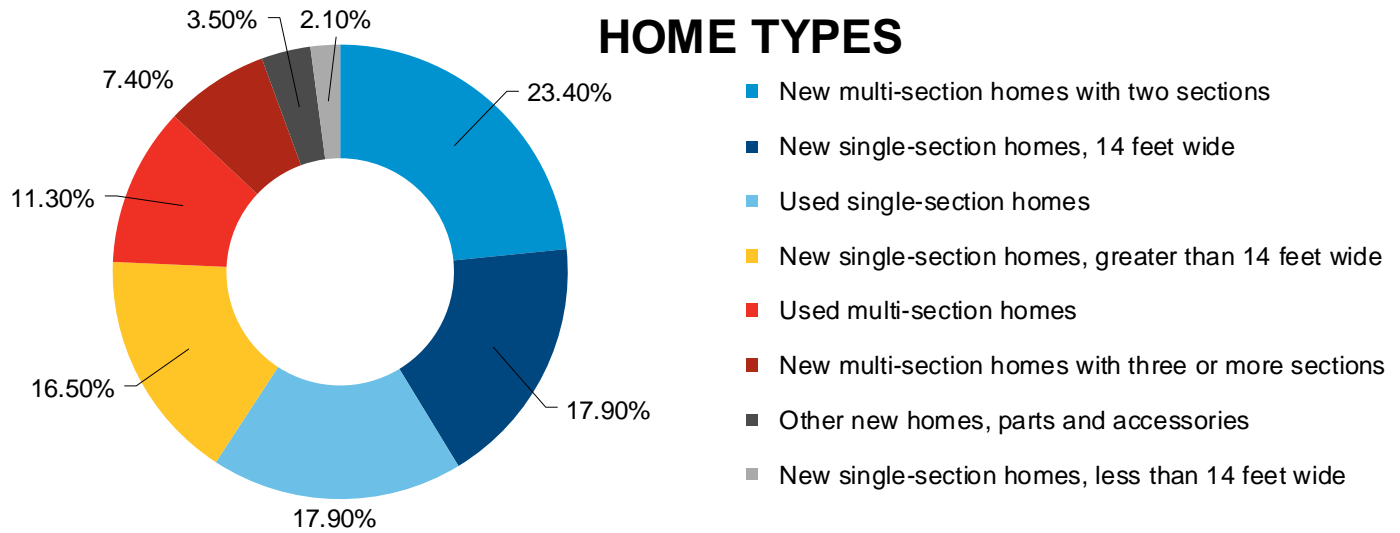
The construction and design of manufactured housing has greatly improved and has proven more cost effective than conventional site-built housing. Factory built homes typically cost 33% to 50% of comparable site-built houses. This lower cost is attributed to factors involved in the actual construction of manufactured housing, such as no weather delays, volume savings resulting from bulk purchases of materials, quality control at each step of construction, and assembly line construction. This difference in costs is attractive to first time homebuyers. The following chart details the cost of a manufactured home versus a single-family residential home:



Source: U.S. Commerce Department's Census Bureau via U.S. Department of Housing and Urban Development

MARKET SEGMENTS

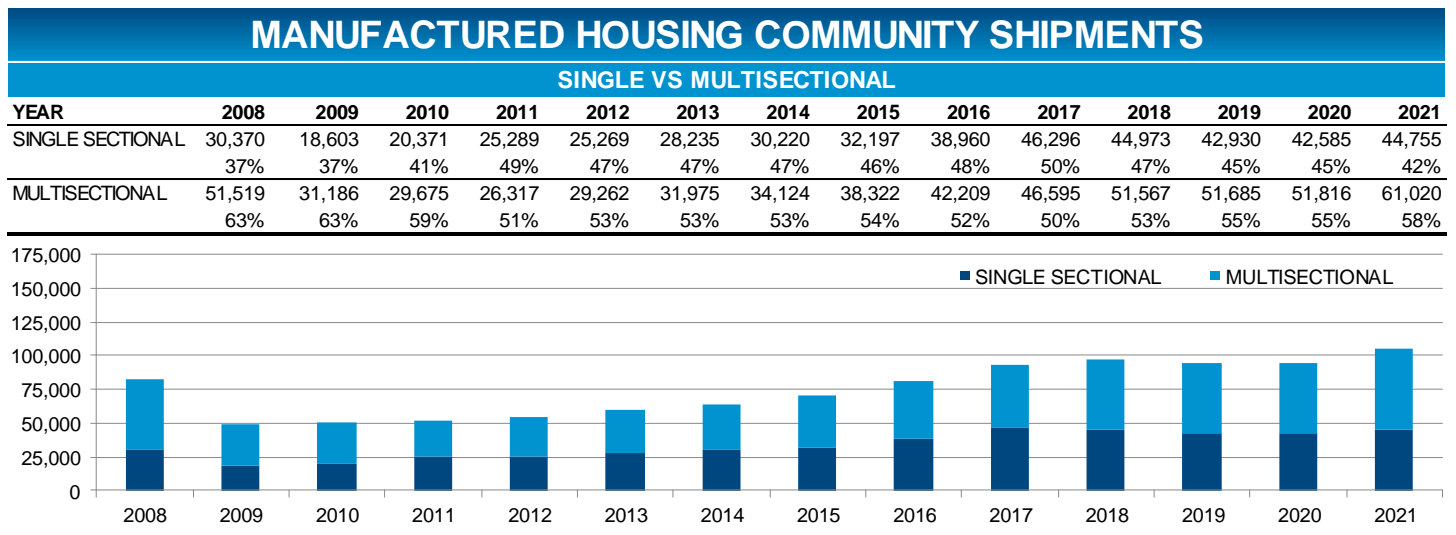
The following chart details the percentages for home sales according to type of home sold.



The largest product segment is new multi-section homes with two sections, which accounts for approximately 23.4% of revenue. Total new homes account for 67.3% of industry revenue. Used homes, which account for 29.3% of industry revenue, are obtained through trade-ins or repossessed homes purchased from or sold on a consignment basis for consumer finance companies. Multi-section homes account for approximately 78% of industry revenue compared with 61.2% in 1998. Higher demand for multi-section homes has been driven by a greater acceptance of manufactured homes as a variable housing alternative by higher-income buyers.

NEW HOME MIX

The following chart shows the distribution between single and multi-section homes in new home shipments over the past decade. The trend is toward a balance between single and multi-section homes.



Source: U.S. Commerce Department's Census Bureau via U.S. Department of Housing and Urban Development

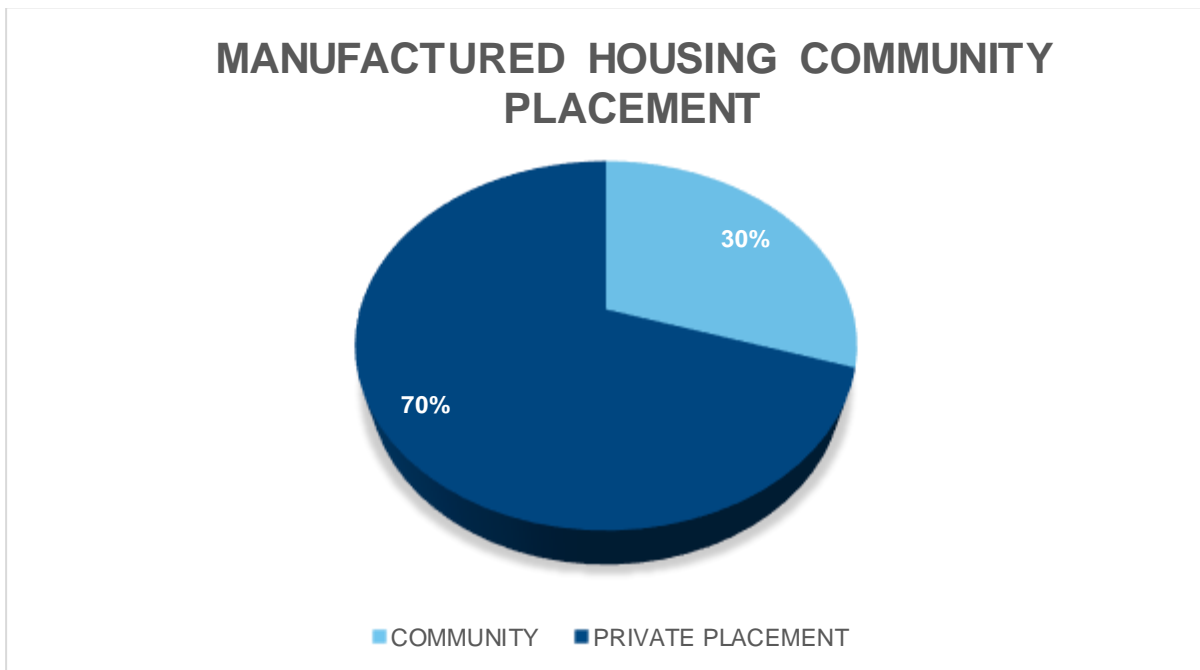
**MANUFACTURED HOUSING COMMUNITY OWNERSHIP
(ALSO KNOWN AS LAND LEASE COMMUNITIES)**

Investors

Historically, the typical manufactured home community investor was a small partnership or individuals. However, as the communities have improved in design and image, as well as proven to be low risk investments, REITs, pension funds or national investment groups have begun including them in their portfolios.

Barriers To Entry

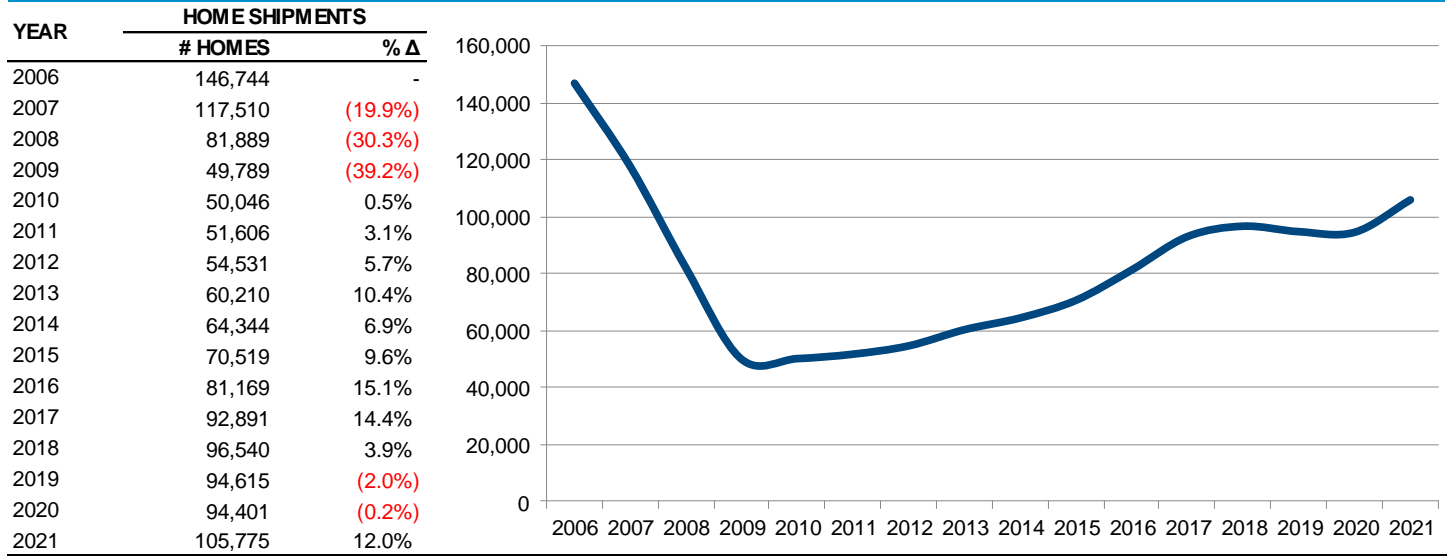
Generally, barriers to entry are considered to be significant across the US. It may be costly to purchase suitable land to begin operations. This varies between regions and is generally dependent on existing populations, infrastructure, facilities, transport, and development. Zoning is the biggest barrier to new construction. This is generally due to a negative public perception of these facilities. Additionally, it may take several years to achieve high occupancy rates, which can hinder revenue growth.



MANUFACTURED HOME SHIPMENTS

Manufactured home shipments steadily increased from 1991 to 1998, according to the Manufactured Housing Institute (MHI). The peak of the market was 1998 when nearly 373,000 new units were delivered to the market. This growth trend was primarily fueled by a combination of economics and demographics. The following chart shows trends in the shipment of homes over the past eight years.

MANUFACTURED HOME SHIPMENTS



Source: U.S. Commerce Department's Census Bureau via Institute for Building Technology & Safety

During 2006, industry revenue continued to rise as interest rates increased and demand for low-cost housing grew. The inventory of unsold site-built homes reached a historically high peak in the second half of 2006. This continued to quell demand for manufactured housing.

In 2007, the large supply of available, moderately priced, site-built homes continued to suppress revenue growth in the industry. Average Monthly Manufactured Housing Shipments per year are estimated to have declined by 18.5% in 2007. This trend of declining shipments continued through 2009 before trending back upward through 2017, when it reached pre-recessions levels. Shipment trends appear to have generally leveled out over the past three years.

CLASSIFICATIONS/QUALITY RATINGS

Types of Communities

The first distinction that can be made between communities is between lifestyle and affordable housing. Lifestyle communities typically have newer, higher quality homes and community amenities. Affordable housing communities have a higher percentage of older used homes and few if any amenities. Ultimately most manufactured housing communities are “affordable” housing. However, these communities are geared toward lower income families than the typical single-family community. Investors in manufactured housing typically specialize in one type of community and there are distinct investment philosophies that are tied to each type.

The next distinction that can be made is between all age and senior or age restricted (55+) communities. The all-age community is the largest segment representing ±60% of the market. Operators of these sites provide leases for vacant lots within an established manufactured home community for all ages. These leases are usually on a month-by-month basis or for an entire year. Families and first-time homebuyers are large users of these manufactured home sites. This is due to these facilities providing a more affordable means of home ownership, an increase in popularity of manufactured home sites for families and as holiday homes. All-age communities are typically a mix of affordable and lifestyle.

The age restricted or 55+ communities generally provide more facilities and services for occupants, who tend to stay for longer periods of time than the family and first home buyers segments. This segment has increased in popularity for retirees. These communities are primarily lifestyle communities.

Rating System

A star rating system is a common system with an origin in the Woodall Rating Guide. The guide ceased to be published in the early 1970s and most of the highest rated communities in existence today were constructed since 1980, at least a decade after the guide ceased publication. There is no standard rating system. Many have their own rating criteria that they reference.

In this appraisal we utilize an alphabetic classification system. The highest classified buildings are Class A. Quality but slightly inferior assets are Class B. Class C buildings are the oldest buildings, lowest quality, and often have no amenities. These are still functional assets in fair to average condition. Assets that are not functional and in poor condition are not classified. This system reflects industry standards and can be translated to both industry vernacular and standards used in other related real estate industries, most notably apartment complexes. The following chart shows our classification overview.

MANUFACTURED HOUSING COMMUNITIES RATING GUIDE				
CATEGORY	CLASS A	CLASS B	CLASS C	UNRATABLE
Density	Low (4-7 sites/acre)	Medium (10 sites/acre or less)	High (15 sites/acre or less)	High (15+ sites per acre)
Age	Built Since 1980	Built Since 1970	Built Prior to 1980	Built Prior to 1980
Amenities	Resort Style	Standard to None (if high enough quality)	Few to none	None
Quality/Layout	Subdivision Quality	High Quality grid or curvilinear layout	Medium to Low Quality/Typical Grid Layout	Grid Layout
Roads	Asphalt or Concrete	Asphalt or Concrete	Mostly Asphalt or Concrete (Some Gravel & Dirt)	All Gravel & Dirt
Utilities	Public Utilities	Usually Public Utilities	Mix of Public and Private	Mix of Public and Private
Parking	2 Off-Street per Site	1 to 2 Off Street per Site	Mix of Off Street and On Road	On Road Parking Only
Homes (Quality)	Excellent	Good to Excellent	Average to Good	Fair
Homes (Age)	Built After 1980	Majority Built after 1980	Built after 1976	Built before 1976
Homes (Mix)	Mostly Multi-Section	Single and Multisection	Primarily Single Sectional	Primarily Single Sectional
COMPARISON TO STAR RATING				
Star Rating (Non-Woodall)	Five Star	Three to Four Star	Two to Three Star	One Star or Unratable
Star Rating (Woodall)	N/A	N/A	N/A	N/A

DEMAND FACTORS

Demographics

For each of the two types of communities previously detailed there are differing demographic bases. All-Age communities typically serve low-income earners and first time home owners. Senior (55+) communities serve low to high middle income retirees. There are also some higher income retirees who see manufactured housing as an option to maintain multiple residences.

Location aspects desired by residents in All-Age communities include proximity to employment, shopping, and major traffic arteries. Affordable housing community residents are employed primarily in industrial parks and retail centers rather than in offices. For those with children, school districts play a major role in choice of location. Manufactured housing can offer an entry point to a high-quality school district for an affordable monthly payment.

Location aspects for Senior (55+) communities are different. Important to these residents are community amenities, climate, proximity to family, along with medical and retail support services. For some these homes are an affordable second home.

Another factor is the ease of relocation. For people who work in jobs that require regular geographic relocation, manufactured home sites provide an affordable and easy way to move between states as required for employment or personal reasons.

The Economy

Manufactured housing follows shifts in the economy as does other forms of residential real estate, but it often works at counter cycles.

Several factors have combined to increase the demand for manufactured housing communities over the last few years, specifically, the declining homeownership and household formation rates. Since the collapse of the housing bubble, both people and banks have become more averse to financial risk, especially for mortgages. Homeownership became harder to obtain and coupled with the sharp increase in foreclosures, many renters were back in the market for manufactured housing communities. Job losses, decreased incomes, reduced asset values and other financial hits that occurred as a result of the Great Recession forced others to downsize as well. Another wave of former homeowners may be entering the rental market soon as a recent Inspector General report indicates that nearly half of the mortgages modified in 2009 under the Home Affordable Modification Program (HAMP) are in default again.

Homeownership rates have steadily declined from a historical high of 69.2% in 4Q 2004 to a low of 63.7% in 4Q 2016. Since then, homeownership rates have inched back upward to 65.8% in 4Q 2020. For each one percentage point decline in homeownership, there is a shift of approximately 1.1 million households to the rental market. Interest rates remain at all-time lows, resulting in a surge in single-family sales as fence-sitters move in to the market. Single-family home prices rose 13.0% from last year as builders are unable to put homes up fast enough to keep up with residential demand.

COMPETITION

There are two types of competition for a manufactured housing community. The first is the most obvious; a community must directly compete with other manufactured housing communities in the market for residents. The second is the indirect competition the properties have from single family homes and from apartments:

Direct

There are several factors that influence a customer's decision to lease a site within a particular manufactured home community, including

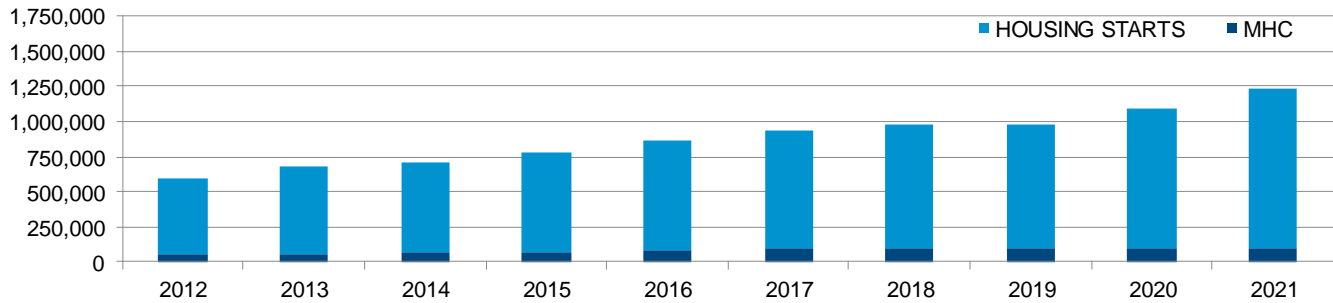
- › **Homes** - As with single family residential residents want the quality of the homes in their community to be as good if not better than their own. The quality of manufactured homes has improved significantly in recent years. So, communities with a higher percentage of newer homes are more attractive.
- › **Amenities** - Most manufactured home communities offer a wide range of community facilities, such as swimming pools, clubhouses, cable television services, golf courses and others. Particularly for retirees or those who intend to utilize the facilities provided, the quality and condition of amenities can be very important.
- › **Quality** - Factors that go into the quality of a community include the streets, homes, lighting, amenities, and parking. These all contribute to the overall “feel” of the community. The previous discussion on lifestyle versus affordable housing bears repeating here. Lifestyle communities tend to be higher quality communities. However, simply because a community is an affordable housing option does not necessarily mean it is a low-quality community. A well-located affordable housing community may well be better maintained and have a higher occupancy than a competing lifestyle community.
- › **Management/Reputation** - If a manufactured home community, or the operating company, has a poor reputation for quality of facilities, resident noise, or lack of service, this can result in lost revenues and residents. Well maintained, friendly, and clean communities are more likely to be preferable to potential and existing residents. The impact of management is hard to overlook. A competent manager, with experience in selling and financing homes or with renting in a primarily rental home community, is invaluable. They can be the difference between maintaining or increasing occupancy and losing residents. Likewise, the ability of a management company to provide homes for sales and financing is equally important. This is one reason for recent consolidation that has taken place in the industry. Smaller owner/operators are increasingly having difficulty in this area.
- › **Costs** - Costs include the purchase and finance of a home, rents, and utilities. This again has been an issue for smaller owner/operators. A community located in an area with high utility costs may have to offer much lower rent to attract residents from the lower utility cost areas in the market.
- › **Location** - For people looking to live within a particular region, or close to family, relatives or friends, the location of a manufactured home community may be the most important consideration. For an established manufactured home community with a high occupancy rate, a lack of good quality lots in a good position can deter new residents. Similarly, if a site is located near an undesirable feature, such as electricity towers or a freeway, this may be difficult to lease out.

Indirect

Manufactured housing sits somewhere between apartments and single family residential on the spectrum of home ownership. Residents typically own their own home but rent the land. In retirement areas and in many lifestyle communities the relationship to other components of the residential market more closely resembles single family residential. However, for affordable housing communities and for communities with a high percentage of community owned rental homes the relationship more closely resembles apartments. The following chart details the percentages of new housing starts to manufactured housing shipments:

HOUSING STARTS VS. SHIPMENTS

YEAR	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
MHC	54,881	60,228	64,331	70,544	81,136	92,902	96,555	94,615	94,390	105,772
HOUSING STARTS	535,000	618,000	648,000	715,000	782,000	849,000	876,000	888,000	991,000	1,123,000
TOTAL	589,881	678,228	712,331	785,544	863,136	941,902	972,555	982,615	1,085,390	1,228,772
MHC (% of Total)	9%	9%	9%	9%	9%	10%	10%	10%	9%	9%



Source: U.S. Commerce Department's Census Bureau via U.S. Department of Housing and Urban Development

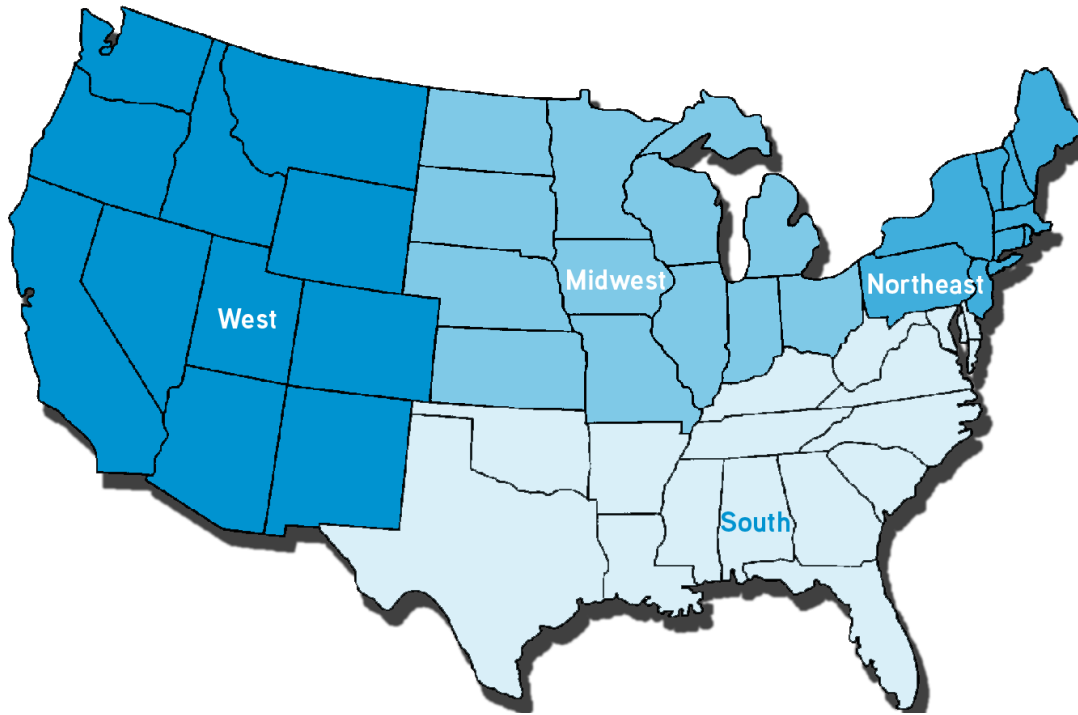
You can see the relationship between manufactured housing demonstrates the relationship overall between single family residential and manufactured housing. During the height off the housing bubble the number of shipments decreased significantly relative to new housing starts. This was also a period of declining occupancy in many communities. The crash of single-family markets resulted in an increase (relative to new housing starts) in the percentage of shipments to housing starts. Below are some factors that impact potential residents decision-making regarding living in manufactured housing communities.

- › **The total price of a manufactured home and lot rent.** The purchase of a manufactured home and rent of a community lot is generally considerably more affordable than a traditional home and land package. For this reason, manufactured home communities are popular with the over 55 years of age group, first home buyers, families, and low-income groups. Community owners generally try to get the cost of the home and the lot rent to equal less than the average rent of a comparable 2 to 3 bedroom apartment in the property's area.
- › **The level of interest rates and mortgage defaults.** During periods of low mortgage interest rates, demand for manufactured home sites decreases as people feel they can afford a traditional home and land, apartment or condominium. However, as interest rates increase, mortgage defaults can result in stronger demand for more affordable alternatives.
- › **Attractiveness of manufactured homes.** Newer homes are more comparable to single family or site-built homes.
- › **The social status of living in a manufactured home community.** The lower costs are often offset by a perceived lower level of social status. This has been reduced somewhat by improvements in the public perception of manufactured homes. In the past, manufactured home communities had a negative image of poor, unkempt housing, with dilapidated cars parked in the yards, creating an eyesore for neighboring property owners. Fortunately, for the manufactured home industry, the "trailer park" image is giving way to a newer concept; well designed and groomed communities which closely resemble conventional subdivisions.

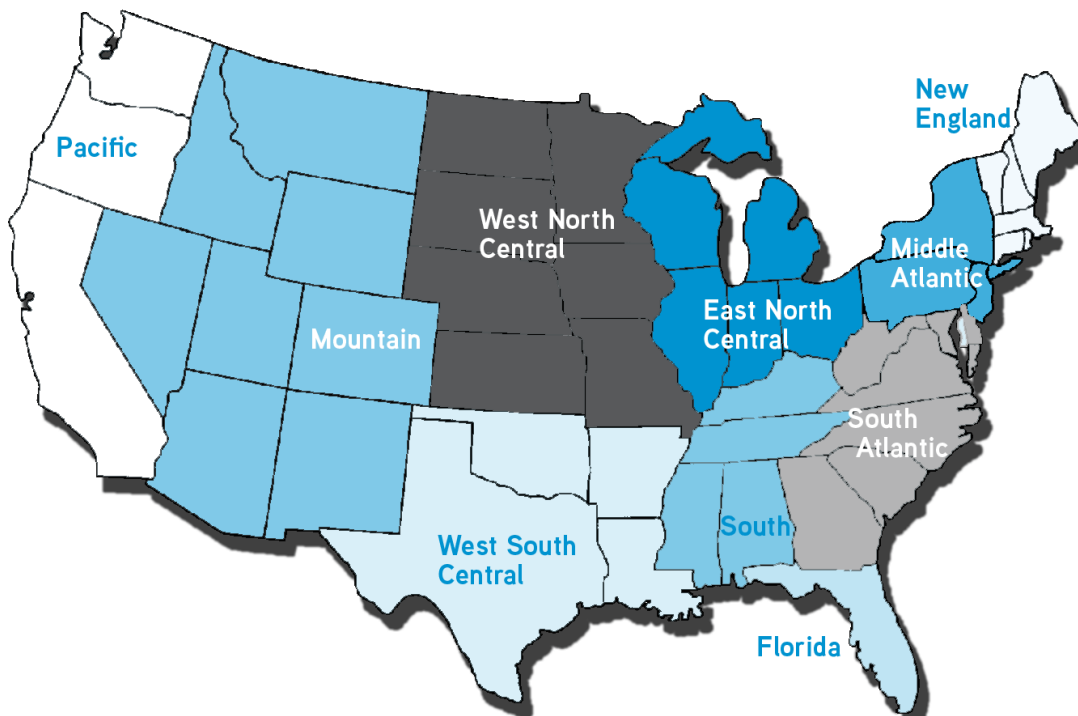
REGIONAL ANALYSIS

National MHC data was available from state governments, manufactured housing industry groups, and the federal government. The Census Bureau identifies four major regions in the country which are further subdivided into nine “sub”-regions. For the purpose of analysis an additional “sub”-region is added. Florida is a unique enough state that it is separated from the “South Atlantic” sub-region and analyzed separately. The following maps show the delineation of the regions and sub regions.

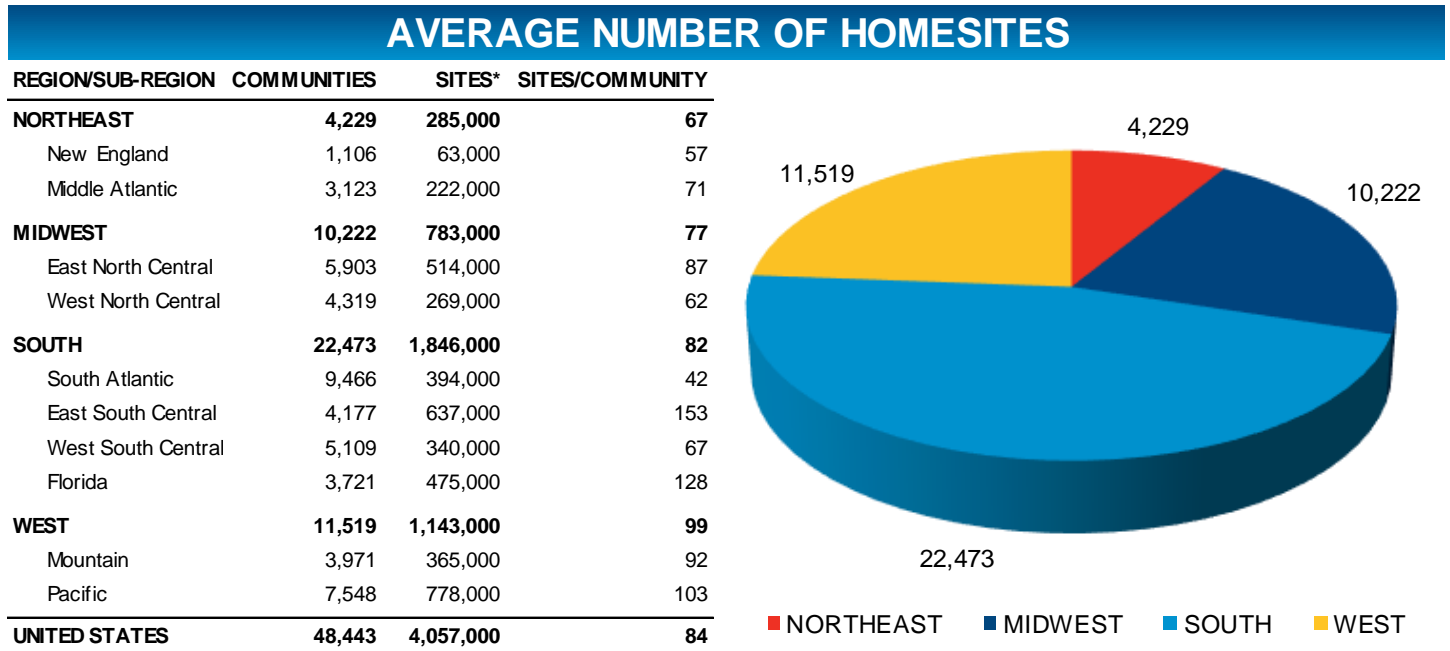
Regions



Sub-Regions



The following chart shows the different regions and sub-regions and identifies the number of communities and homesites in each area.



*Estimate based on national JLT reports

The northeast is the smallest region and the South is the largest. The Pacific sub-region is the largest sub-region, while the New England sub-region is the smallest. The East South Central has the largest communities (on average) with Florida having the second largest. The South Atlantic has the smallest communities with an average of 42 sites per property. The following paragraphs examine each region separately.

Northeast

New York and Pennsylvania have the most communities with just under 1,500 homesites each. New Jersey, Massachusetts, and Connecticut have the largest communities with average community sizes of 151, 146, and 124 respectively.

Midwest

Michigan has the most homesites in the Midwest with nearly 200,000 homesites. This is mostly the result of larger properties. Michigan communities have most homesites per community in the Midwest, with an average of 155 homesites per community. Ohio has the most communities but with much fewer sites per community at 68.

South

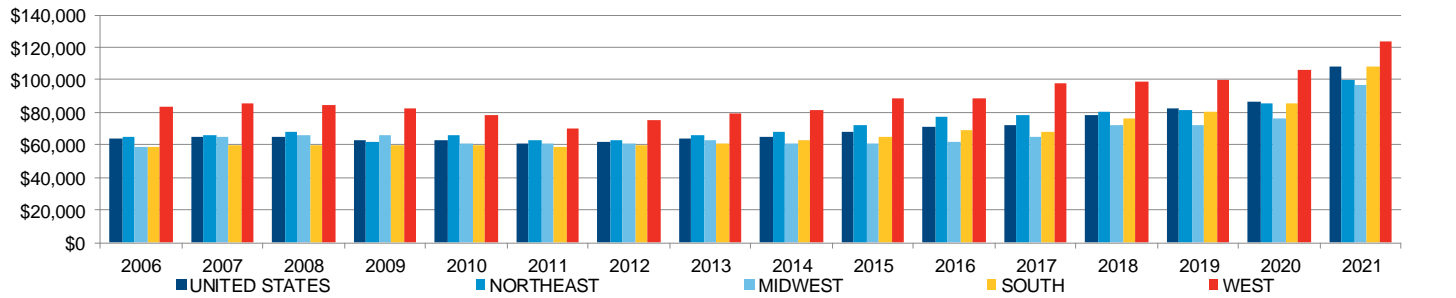
Florida has more homesites than any other state by a significant margin with over 400,000 homesites. North Carolina has ±4,100 communities but they have an average size of just 30 homesites per community.

West

California has the most homesites of any state in the country and consequently in the west as well. It has over 560,000 sites in nearly 4,000 communities. The average number of homesites in California’s communities is 151. Other states with many communities include Arizona (±1,000), Colorado (±1,100), Oregon, (±1,400), and Washington (±2,100).

The following chart shows the average home price by region in the United States. The Western region has the highest priced homes with the Pacific sub-region having the highest cost of living overall.

AVERAGE SALES PRICE OF NEW MANUFACTURED HOMES BY REGION & SIZE OF HOME															
UNITED STATES				NORTHEAST			MIDWEST			SOUTH			WEST		
YEAR	TOTAL	SINGLE	DOUBLE	TOTAL	SINGLE	DOUBLE	TOTAL	SINGLE	DOUBLE	TOTAL	SINGLE	DOUBLE	TOTAL	SINGLE	DOUBLE
2006	\$64,300	\$36,100	\$71,300	\$65,300	\$40,500	\$73,100	\$59,100	\$35,900	\$67,400	\$58,900	\$35,400	\$68,700	\$83,400	\$41,200	\$79,600
2007	\$65,400	\$37,300	\$74,200	\$66,100	\$43,300	\$75,200	\$64,900	\$39,200	\$72,700	\$59,900	\$36,100	\$71,100	\$85,500	\$41,300	\$84,800
2008	\$64,700	\$38,000	\$75,800	\$68,400	\$46,100	\$77,700	\$65,700	\$39,400	\$74,500	\$59,600	\$36,900	\$72,700	\$84,900	\$42,700	\$87,100
2009	\$63,100	\$39,600	\$74,500	\$61,400	\$44,200	\$69,300	\$66,200	\$41,100	\$75,700	\$59,400	\$38,700	\$72,800	\$82,100	\$44,500	\$83,300
2010	\$62,800	\$39,500	\$74,500	\$65,700	\$44,000	\$76,900	\$60,600	\$41,400	\$74,500	\$60,100	\$38,600	\$72,700	\$78,600	\$42,100	\$82,000
2011	\$60,500	\$40,600	\$73,900	\$62,700	\$41,600	\$75,800	\$60,800	\$42,800	\$76,500	\$58,400	\$40,000	\$71,900	\$70,600	\$41,800	\$80,200
2012	\$62,200	\$41,100	\$75,700	\$63,400	\$41,300	\$76,400	\$60,900	\$43,300	\$77,300	\$60,100	\$40,700	\$73,600	\$75,300	\$41,500	\$84,200
2013	\$64,000	\$42,200	\$78,600	\$66,500	\$44,300	\$79,600	\$62,900	\$43,300	\$80,000	\$61,200	\$41,700	\$76,500	\$79,100	\$44,600	\$86,600
2014	\$65,358	\$45,050	\$82,058	\$68,258	\$47,483	\$84,900	\$61,100	\$46,425	\$80,742	\$63,000	\$44,175	\$79,617	\$81,017	\$48,308	\$91,050
2015	\$68,058	\$45,550	\$86,700	\$72,533	\$50,125	\$91,158	\$60,708	\$46,433	\$83,808	\$65,133	\$44,575	\$82,642	\$88,800	\$47,108	\$102,158
2016	\$70,658	\$46,850	\$89,458	\$76,900	\$48,925	\$99,508	\$61,700	\$46,383	\$86,417	\$68,625	\$45,667	\$86,392	\$88,225	\$55,058	\$100,242
2017	\$71,983	\$48,283	\$92,808	\$78,608	\$52,442	\$97,775	\$65,108	\$47,733	\$87,142	\$68,300	\$47,883	\$88,592	\$97,900	\$50,658	\$111,333
2018	\$78,600	\$52,592	\$99,542	\$80,008	\$53,567	\$101,492	\$72,308	\$53,658	\$96,933	\$75,875	\$51,692	\$96,717	\$99,133	\$57,900	\$111,958
2019	\$82,033	\$53,158	\$104,042	\$80,975	\$54,017	\$106,317	\$72,100	\$53,883	\$98,567	\$80,725	\$52,833	\$102,167	\$99,600	\$52,617	\$113,258
2020	\$87,000	\$57,300	\$108,500	\$85,200	\$57,900	\$108,000	\$76,700	\$57,000	\$104,900	\$85,800	\$56,800	\$106,900	\$106,000	\$61,800	\$118,300
2021	\$108,100	\$72,600	\$132,000	\$100,300	\$71,600	\$123,400	\$96,400	\$71,500	\$129,200	\$108,100	\$73,100	\$131,600	\$123,700	\$72,200	\$138,900



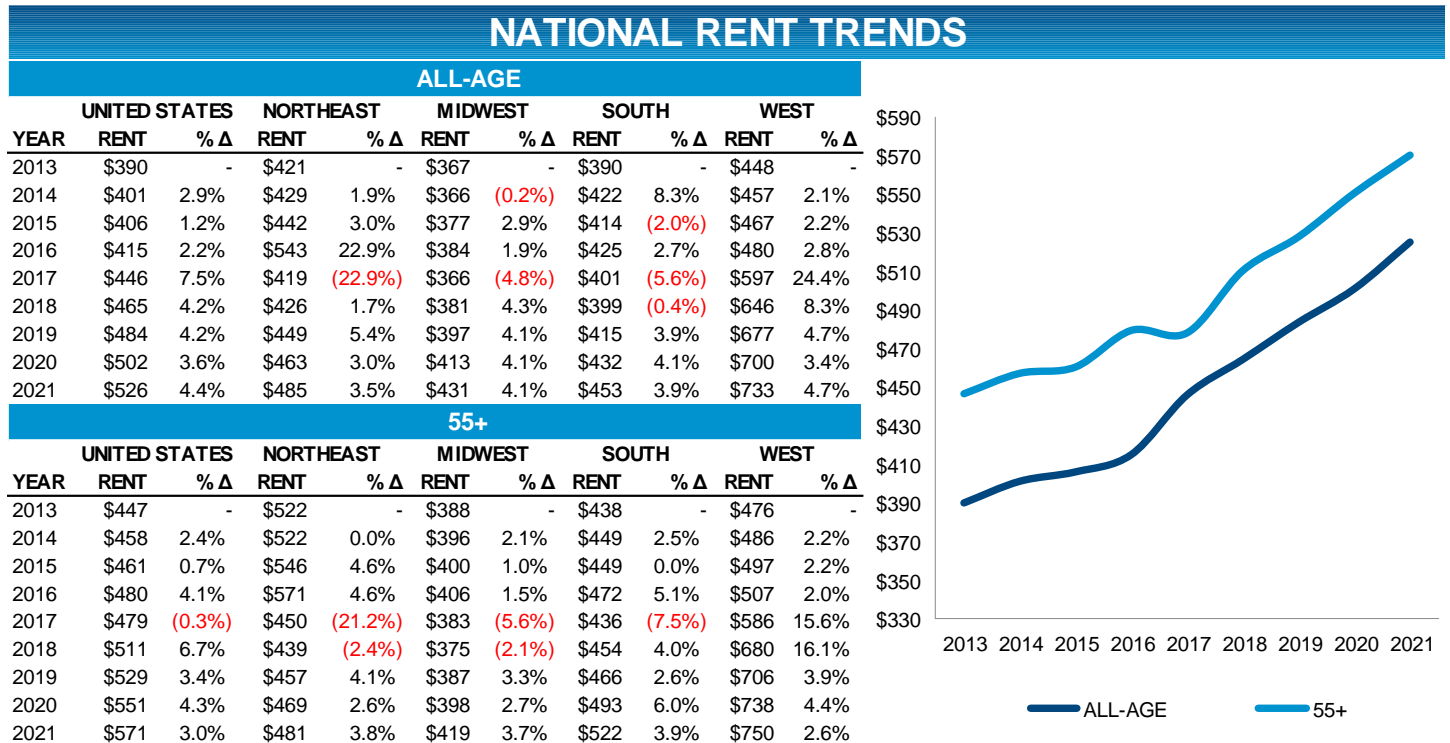
Source: U.S. Commerce Department's Census Bureau via U.S. Department of Housing and Urban Development

NATIONAL RENT & OCCUPANCY TRENDS

JLT & Associates performs an annual survey of seventy-one major markets throughout the United States and includes 751 “55+” communities with 197,936 homesites and 1,285 “All Ages” communities with 362,936 homesites. These surveys include rent and occupancy trends.

Rent Trends

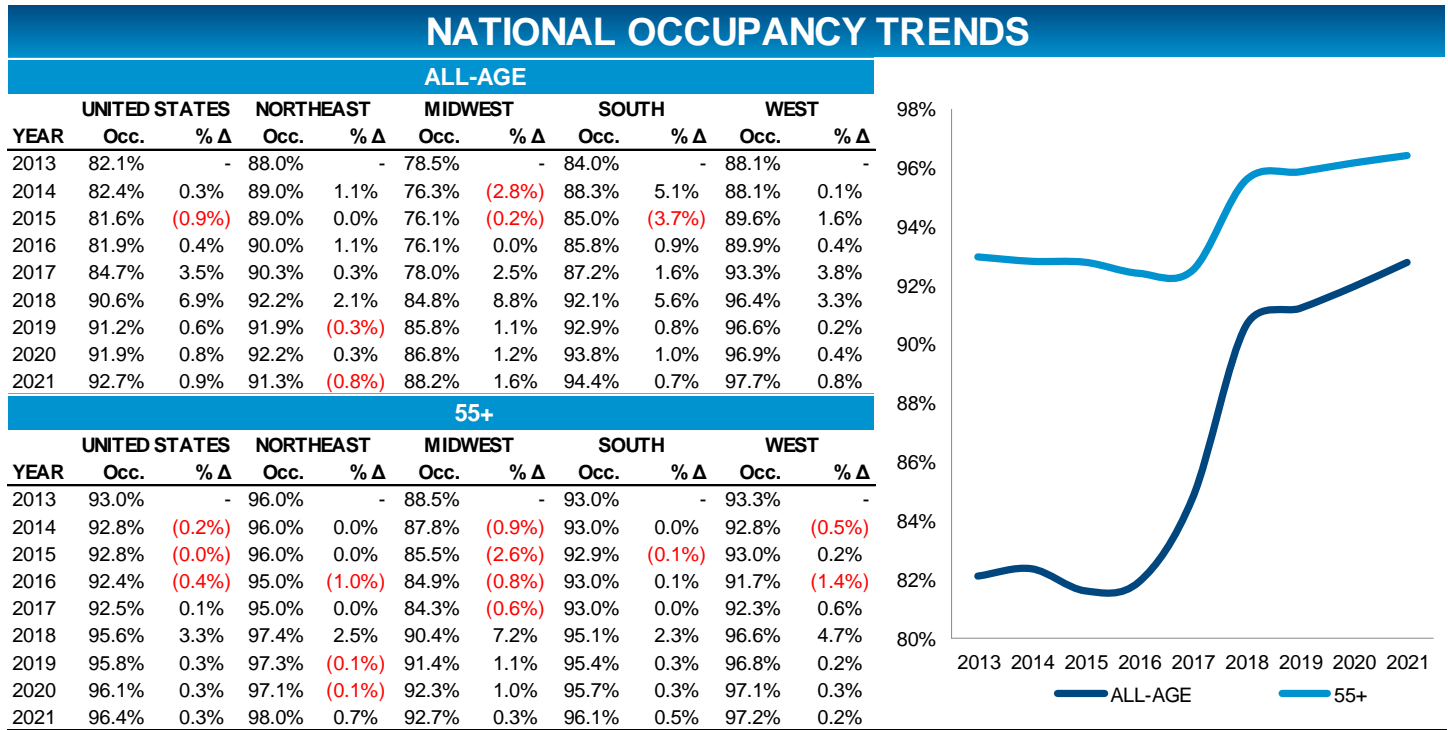
The following chart details rent trends in the different regions and nationally. The rents are also categorized by all-age versus age-restricted (55+) communities. Generally speaking age-restricted communities command higher rents. Rents have been increasing steadily over the past several years.



Source: JLT & Associates

Occupancy Trends

The following chart details occupancy trends over the past couple of years both regionally and nationally. The rents are also categorized by all-age versus age-restricted (55+) communities. Generally speaking age-restricted communities are better occupied.



Source: JLT & Associates

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 Greensboro manufactured housing market. The survey includes 12 communities, with a total of 2,953 homesites. The chart below details the composition of the market.

GREENSBORO MARKET			
	AVG COMMUNITY SIZE	COMMUNITIES	HOMESITES
All Age	246	12	2,953
TOTAL	246	12	2,953

SUPPLY

Existing Supply

The majority of existing supply in the subject's immediate neighborhood has been constructed in the 1970s and earlier. The market vacancy survey includes manufactured home communities within five miles of the subject. The communities included in the vacancy survey range in size from 198 sites to 308 sites. The following chart presents manufactured home community developments that are considered to compete with the subject.

VACANCY SURVEY AS OF NOVEMBER 2022				
PROJECT	YEAR BUILT	HOMESITES	VACANT HOMESITES	VACANCY
Hidden Forest Estates	1990	198	140	70.7%
North Meadows Manufactured	1988	207	4	1.9%
Franklin Village NC LLC	1989	293	21	7.2%
Village Park	1972	242	5	2.1%
Cedar Creek	1984	235	0	0.0%
Woodlake	1972	308	9	2.9%
McConnell Crossing	1971	301	6	2.0%
TOTAL/AVG	1981	1,586	45	2.8%

Source: Colliers International Valuation & Advisory Services *Excludes Subject

Proposed & Potential Supply

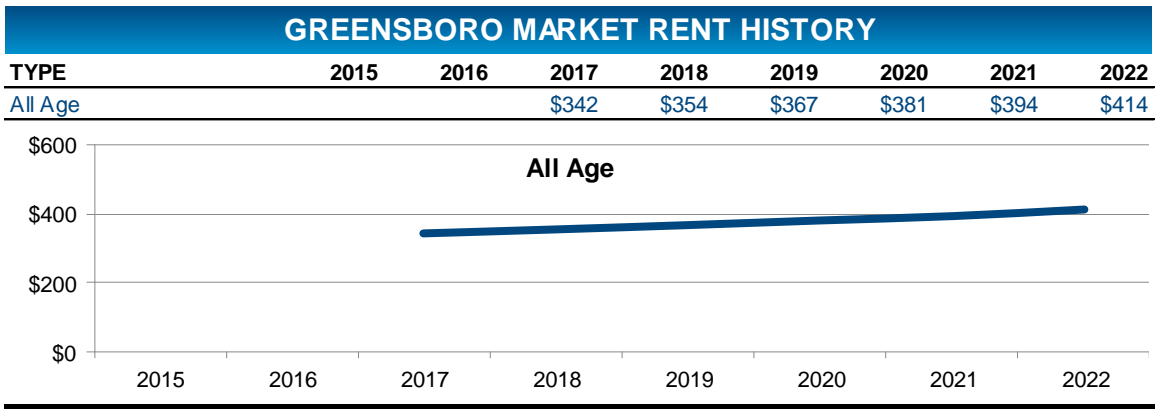
According to the City of Randleman Planning Department, there are no manufactured home communities planned or proposed in the immediate market area. No additional communities are anticipated in the subject's general area due to zoning restrictions, land costs, and difficulty in obtaining construction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

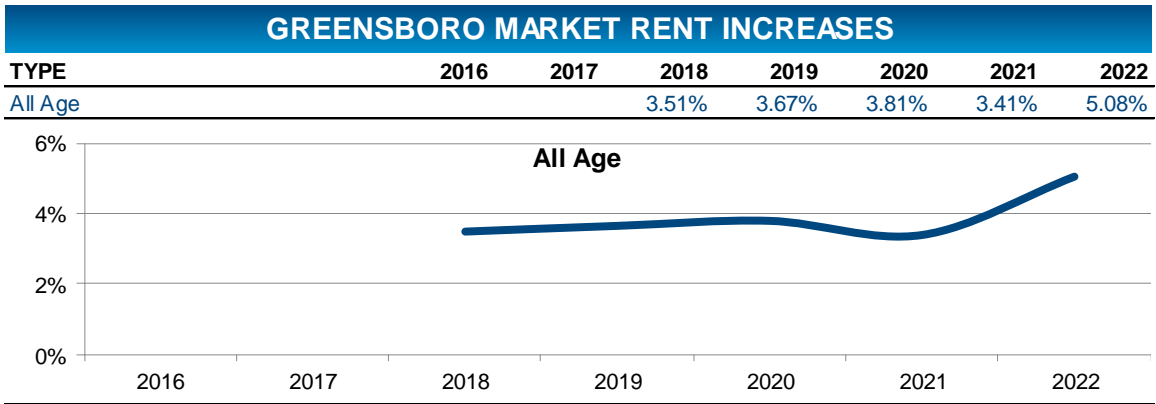
Rent Levels

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

Property managers in the subject’s market area indicate that rents have increased annually over the past few years. Typical rent increases are based on CPI. According to our recent survey, no concessions are currently offered in the market and have been historically rare throughout the area. Overall, rent levels are anticipated to increase at modest rates for the next few years.

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.

AFFORDABILITY ANALYSIS				
COMPARISON/HOUSING TYPE	MH IN SUBJECT PROPERTY	SINGLE-FAMILY HOME		APARTMENTS
Bedroom/Bath Count	2/1 - 3/2 BR/BA	2/1 - 4/2 BR/BA		2 BR
Purchase Price	\$30,000	\$194,941	- \$225,341	-
Down Payment or Deposit	\$1,500	\$38,988	- \$45,068	One Months Rent
Amount Financed	\$28,500	\$155,953	- \$180,273	-
Rate	8.00%	6.50%	- 6.50%	-
Term (Years)	20	30	- 30	-
Monthly Mortgage Payment	\$238	\$986	- \$1,139	-
Taxes	\$20	\$127	- \$147	-
Insurance	\$25	\$60	- \$60	-
Site Rent	\$437	-	-	-
TOTAL MONTHLY PAYMENT*	\$720	\$1,173	- \$1,346	\$750 - \$800

* 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.

Apartment

The asking rents at apartment complexes within or near the subject's neighborhood and surrounding areas were researched for this analysis. The city has a good mix of one, two and three bedroom units. The total cost of renting sites at the subject property is below the range of rents at apartment complexes in the subject's immediate area. Therefore, in comparison to renting an apartment the subject's rents are considered reasonable.

Single Family

The costs for purchasing a single-family home includes the price of the home (down payment and monthly mortgage payment), real estate taxes, and insurance. The purchase price is based upon the current average price of single-family homes in the subject's area (based on Census Data). The finance rates are based upon current financing options for single-family homes. The taxes are based upon information provided by the county. The insurance for these homes is based on typical insurance rate for single-family rates in the subject area. The total monthly expense is presented in the table above. The total cost of renting a site at the subject property is below the total cost of owning a home in the subject's immediate area. Therefore, in comparison to home ownership the subject's rents are considered reasonable.

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 2.8% 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 98%. 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 local or regional or national investor experienced in manufactured housing community ownership.

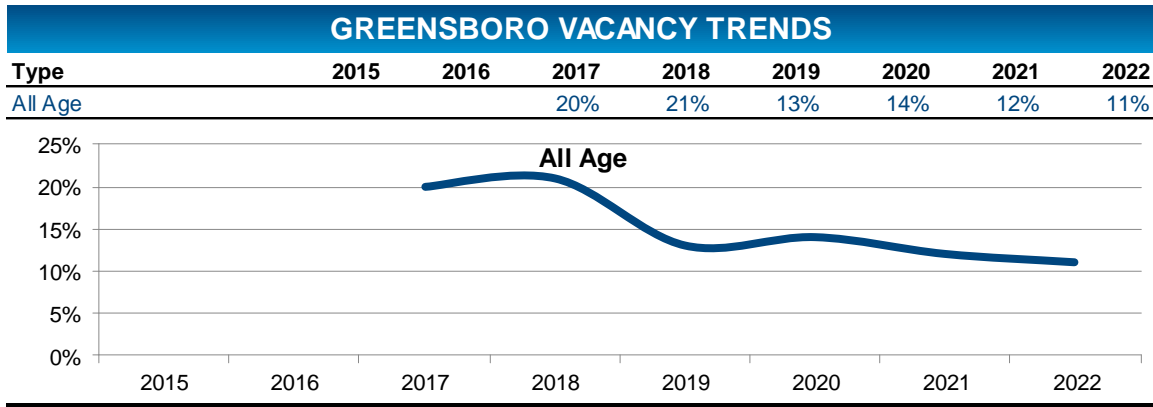
TRANSACTION TRENDS

Most Probable Buyer Profile/Activity

In the open market, the subject property type would command most interest from national and regional 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 national and regional 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%	70.7%	2.8%
JLT			11.0%
SUBJECT ANALYSIS			Current
Subject History			70.7%
VACANCY RATE CONCLUSIONS			5.0%

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 11.0%. As of the effective date of this appraisal, the subject property has a current vacancy rate of 70.7%. Based on our analysis of supply/demand trends and considering the subject’s actual performance, a general vacancy rate of 5.0% is concluded.

Absorption

The subject is operating below stabilized occupancy and we have concluded to a lease-up based on similar leasing in the market.

The chart below details absorption in the market and our conclusion.

ABSORPTION			
COMMUNITY	LOCATION	UNITS	ABSORPTION
North Meadows MHC	North Carolina	12	1.00/Month
Cross Creek Mobile Estates	North Carolina	20	1.67/Month
Silver Maples Community	North Carolina	9	0.75/Month
Valley Woods ME	North Carolina	10	0.83/Month
Autumn Forest 2019-2020	North Carolina	22	1.83/Month
Franklin Village 2019-2020	North Carolina	32	2.67/Month
Woodlake 2019-2020	North Carolina	27	2.25/Month
North Meadows MHC 2018-2019	North Carolina	40	3.33/Month
Woodlake 2018-2019	North Carolina	27	2.25/Month
Deerhurst 2018-2019	North Carolina	18	1.50/Month
AVERAGE			1.81/Month
MEDIAN			1.75/Month
The comparables ranged from 0.75 to 3.33/month. The prospective buyer has other assets in the area with lease up at 40 sites per annum (North Meadows), which provides good support for continued demand. Overall, the subject will have homes placed, which will allow faster absorption of the vacant spaces and the rent comparables have a vacancy rate less than 5%. Therefore, we concluded to 2 spaces/month.			
CONCLUSION			2.00/Month

BROKER / MARKET PARTICIPANT INTERVIEWS

Interviews with brokers and other market participants were conducted to put previously discussed trends and data into better context of what is really occurring in the marketplace.

SALES PERSPECTIVE INTERVIEW	
Name	William Walker
Company	MH Pro Group, LLC
Location	National
Survey Date	4Q 22
Survey Property Profile	Manufactured Housing Community

According to William Walker, sale transactions have been strong over the past six months for the subject property type, with most activity being seen from regional buyers. The market participant reported that quality investment opportunities are currently in greatest demand. This property type is considered to have somewhat limited availability, with few listings offered within the marketplace. Based on these factors, conditions favor sellers in regard to negotiating sale terms. Marketing periods are ranging from 0 to 9 months, with an average approximately 4 months. Currently capitalization rates for stabilized assets range from 4.50% to 5.75%, with an average of 5.13%.

SALES PERSPECTIVE INTERVIEW

Name	Andrew Shih and Todd Fletcher
Company	New mark Knight Frank
Location	National
Survey Date	4Q 22
Survey Property Profile	Manufactured Housing Community

According to Andrew Shih and Todd Fletcher, sale transactions have been steady over the past six months for the subject property type, with most activity being seen from regional buyers. The market participant reported that standard investment opportunities are currently in greatest demand. This property type is considered to have somewhat limited availability, with few listings offered within the marketplace. Based on these factors, conditions favor sellers in regard to negotiating sale terms. Marketing periods are ranging from 0 to 6 months, with an average approximately 3 months. Currently capitalization rates for stabilized assets range from 4.50% to 5.50%, with an average of 5.00%.

SUMMARY OF MARKET ANALYSIS

The subject's and market's consistently high, stable occupancy rates, lack of new supply, and overall affordability of manufactured home sites will continue to enhance the value of the subject. The current market vacancy rate indicates good demand for existing manufactured home sites. No major changes in supply and demand are anticipated in the market area.

The subject is an average quality community 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. In the open market, the subject property type would command most interest from national and regional 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 national and regional investor.

EXPOSURE TIME & MARKETING PERIOD

Exposure time is defined as "An opinion, based on supporting market data, of the 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." (The Dictionary of Real Estate Appraisal, Appraisal Institute, 2022). 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 on 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
PriceWaterhouse Coopers				
National Apartment Market	3Q 22	1.0 to	12.0	4.3
Southeast Region Apartment	3Q 22	1.0 to	6.0	3.4
Market Participant	4Q 22	0.0 to	9.0	4.0
AVERAGE		0.7 to	9.0	3.9

The availability of acquisition financing factors into exposure time. In recent quarters, financing has been available for well-positioned commercial real estate, particularly for stabilized assets within core MSAs and owner/user deals. For second tier or marginal properties, financing has been available but subject to more stringent requirements. Based on a review of the local capital market, we conclude that adequate financing options would have been available to consummate a sale of the property on the date of value.

Exposure Time Conclusion

Exposure time for the subject property is six months or less.

Marketing Period Conclusion

Marketing 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

The zoning characteristics for the subject property are summarized below:

ZONING SUMMARY	
Municipality Governing Zoning	Randolph County Planning & Zoning Department
Current Zoning	Residential Mixed District (RM)
Permitted Uses	Uses including but not limited to: agricultural uses, playgrounds, athletic fields facilities, cemeteries, community centers, golf courses, mobile homes, multi-family residences, duplexes, and churches.
Prohibited Uses	Uses similar in nature, but not limited to: chemical manufacturing facilities, drugstores, gift shops, public libraries, mini-warehouses, and dental laboratories.
Current Use	Manufactured Housing Community
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely

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

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

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 & EGIM) 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, Direct Capitalization and EGIM analysis are used in this appraisal, and the Discounted Cash Flow method is not developed.

Subject Income History

There are a total of 198 manufactured home sites at the subject with a current occupancy of 29.3%. The rents range from \$310/site to \$330/site per month with an average rent of \$321/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	58	140	198	100.0%	29%	\$403	\$79,794	\$321	\$63,540
TOTAL/AVG	58	140	198	100%	29.3%	\$403	\$79,794	\$321	\$63,540

Subject Utility Structure

- › **Water** - Included in the rent
- › **Sewer** - Included in the rent
- › **Garbage** - Included in the rent
- › **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

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.

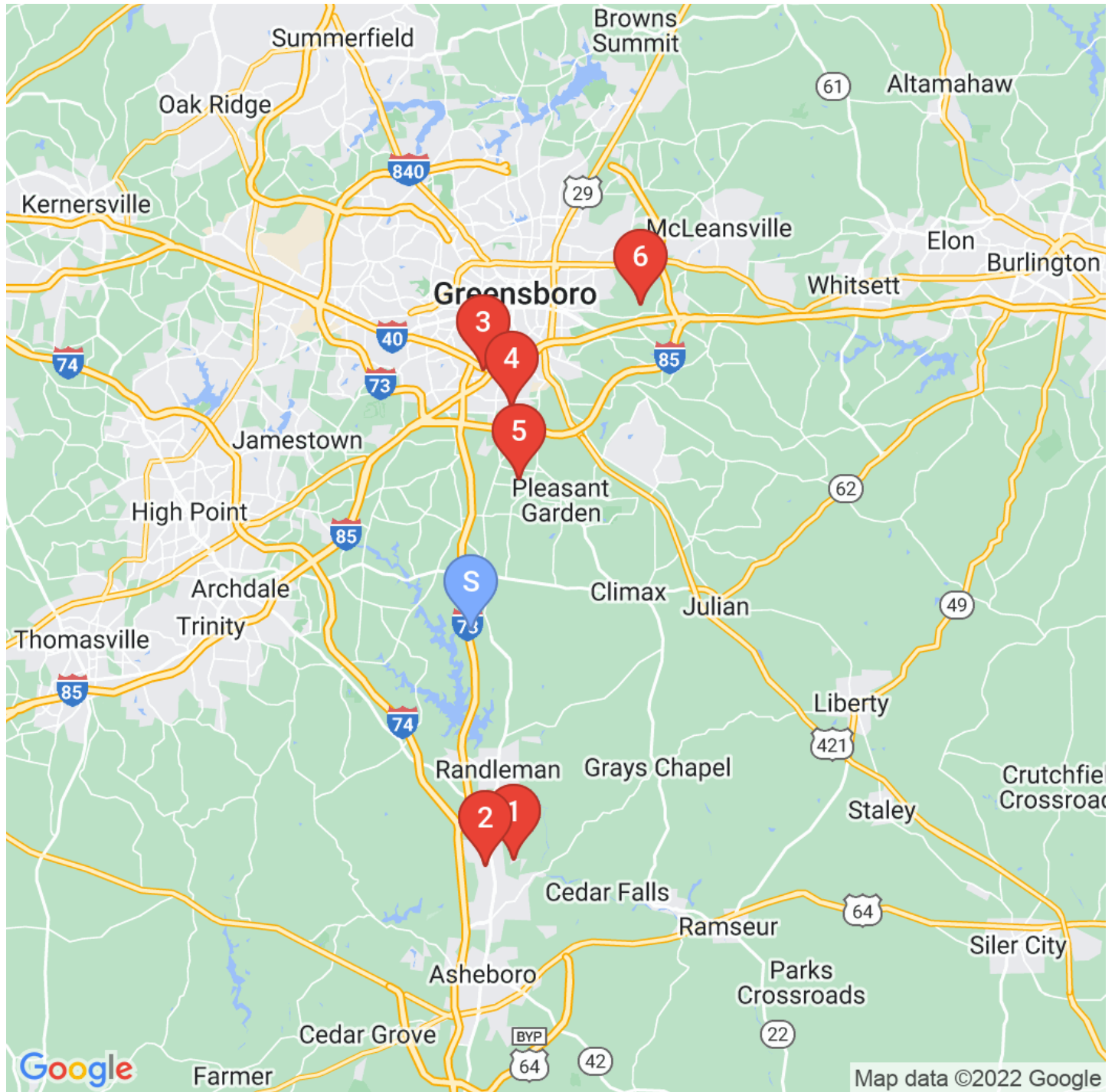
Presentation

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	COMPARABLE 6
Name	Hidden Forest Estates	North Meadow s Manufactured	Franklin Village NC LLC	Village Park	Cedar Creek	Woodlake	McConnell Crossing
Address	6602 Holder Inman Road Extension	801 Hub Morris Rd	2307 N Fayetteville St	724 Creek Ridge Rd	3607 S Elm Eugene	5418 Country Club Rd	3529 MConnell Road
City	Randleman	Randleman	Asheboro	Greensboro	Greensboro	Greensboro	Greensboro
State	NC	NC	NC	NC	NC	NC	NC
Zip	27317	27317	27203	27406	27406	27406	27405
PHYSICAL INFORMATION							
Resident Type	All Ages	All Age	All Age	All Age	All Age	All Age	All Age
Property Class	C	C	C	C	C	C	C
Homesites	198	207	293	242	235	308	301
Year Built	1990	1988	1989	1972	1984	1972	1971
Location	Average	Average	Average	Average	Average	Average	Average
Appeal	Average	Good	Good	Average	Average	Average	Average
Quality	Average	Good	Good	Average	Average	Average	Average
Condition	Average	Good	Good	Average	Average	Average	Average
RENT INFORMATION							
Occupancy	29.3%	98.0%	93.0%	98.0%	100.0%	97.0%	98.0%
\$/Homesite Avg	\$321	\$300	\$392	\$559	\$360	\$530	\$539

RENT COMPARABLE LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC %	\$/SITE AVG
SUBJECT	-	Hidden Forest Estates	6602 Holder Inman Road Extension, Randleman, NC	29.3%	\$321
No. 1	8.7 Miles	North Meadow s Manufactur	801 Hub Morris Rd, Randleman, NC	98.0%	\$300
No. 2	8.8 Miles	Franklin Village NC LLC	2307 N Fayetteville St, Asheboro, NC	93.0%	\$392
No. 3	9.6 Miles	Village Park	724 Creek Ridge Rd, Greensboro, NC	98.0%	\$559
No. 4	8.4 Miles	Cedar Creek	3607 S Elm Eugene, Greensboro, NC	100.0%	\$360
No. 5	5.9 Miles	Woodlake	5418 Country Club Rd, Greensboro, NC	97.0%	\$530
No. 6	13.5 Miles	McConnell Crossing	3529 MCConnell Road, Greensboro, NC	98.0%	\$539

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.

Adjustments

The subject property and the comparables vary to some degree in terms of physical characteristics, project amenities, parking, and utilities. The following grid illustrates the quantitative adjustments applied to the comparables (when necessary) in order to make the comparables similar to the subject in terms of these features.

RENT COMPARABLE ADJUSTMENT TABLE														
	\$ ADJ.	SUBJECT	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6						
PHYSICAL PROJECT FEATURES														
Location	-	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average	Average
Appeal	-	Average	Good	Good	Good	Average	Average	Average	Average	Average	Average	Average	Average	Average
Condition	-	Average	Good	Good	Good	Average	Average	Average	Average	Average	Average	Average	Average	Average
Physical Subtotal Adjustment			\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PROJECT AMENITIES														
Clubhouse	\$5	0	1	(\$5)	0	\$0	1	(\$5)	1	(\$5)	1	(\$5)	1	(\$5)
Pool	\$5	0	1	(\$5)	1	(\$5)	1	(\$5)	1	(\$5)	1	(\$5)	1	(\$5)
Project Amenities Subtotal Adjustment			(\$10)	(\$5)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)	(\$10)
UTILITIES INCLUDED IN RENT														
Water	\$43	Yes	No	\$43	No	\$43	No	\$43	No	\$43	No	\$43	No	\$43
Sewer	\$43	Yes	No	\$43	No	\$43	No	\$43	No	\$43	No	\$43	No	\$43
Garbage	\$16	Yes	Yes	\$0	No	\$16	Yes	\$0	Yes	\$0	No	\$16	Yes	\$0
Utilities Subtotal Adjustment			\$86	\$102	\$86	\$86	\$86	\$86	\$86	\$86	\$102	\$86	\$86	\$86
TOTAL ADJUSTMENTS			\$76	\$97	\$76	\$76	\$76	\$76	\$76	\$76	\$92	\$76	\$76	\$76

RENT COMPARABLE ADJUSTMENT GRID

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

RENT COMPARABLE ADJUSTMENT SUMMARY								
	NO.	EFF. RENT	ADJUSTMENTS				TOTAL	ADJUSTED
COMPARABLE 1	HOMESITES	\$/HOMESITE	PHYSICAL	PROJECT	PARKING	UTILITES	ADJ	\$/HOMESITE
Standard	207	\$300	\$0	(\$10)	\$0	\$86	\$76	\$376
COMPARABLE 2								
Standard	293	\$392	\$0	(\$5)	\$0	\$102	\$97	\$489
COMPARABLE 3								
Standard	242	\$559	\$0	(\$10)	\$0	\$86	\$76	\$635
COMPARABLE 4								
Standard	235	\$360	\$0	(\$10)	\$0	\$86	\$76	\$436
COMPARABLE 5								
Multi-Section	38	\$530	\$0	(\$10)	\$0	\$102	\$92	\$622
COMPARABLE 6								
Standard	301	\$539	\$0	(\$10)	\$0	\$86	\$76	\$615

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.

STANDARD HOMESITE CONCLUSION				
COMP	HOMESITE TYPE	RENT/MONTH	ADJUSTED RENT/MONTH	NET
		\$/HOMESITE	\$/HOMESITE	ADJUSTMENT %
1	Standard	\$300	\$376	20.2%
4	Standard	\$360	\$436	17.4%
2	Standard	\$392	\$489	19.8%
6	Standard	\$539	\$615	12.4%
5	Multi-Section	\$530	\$622	14.8%
3	Standard	\$559	\$635	12.0%
LOW		\$300	\$376	12.0%
HIGH		\$559	\$635	20.2%
AVERAGE		\$447	\$529	16.1%
MEDIAN		\$461	\$552	16.1%
SUBJECT ANALYSIS & CONCLUSIONS				
HOME SITES	HOMESITE TYPE	ASKING RENT \$/HOMESITE	ACTUAL RENT \$/HOMESITE	CONCLUDED RENT \$/HOMESITE
198	Standard	\$403	\$321	\$437

The rent comparables unadjusted rent per month ranges from \$300 to \$559 with an average rent of \$447. The rent comparables adjusted rent per month ranges from \$376 to \$635 with an average rent of \$529. There are 198 subject units for this unit type. The comparables presented bracket the subject's rents. The buyer has a planned rent increase for the 36 existing tenant owned homes to \$450/site/month beginning in month 9. Meanwhile, new sites will increase to \$495/site/month and sites with a new home will lease for \$625/site/month. The total site/home rent is projected to be \$1,250/month. Therefore, it is reasonable to apply a portion of the total rent as site rent although this figure appears to be somewhat higher than the comparables now, it will likely be in range once the homes are purchased, placed and leased over the next couple years. We concluded to the average of the projected rent, which is supported by 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.

POTENTIAL GROSS INCOME											
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	198	\$403	\$79,794	\$957,528	\$321	\$63,540	\$762,480	\$437	\$86,526	\$1,038,312	73.4%
TOTAL	198	\$403	\$79,794	\$957,528	\$321	\$63,540	\$762,480	\$437	\$86,526	\$1,038,312	73.4%

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. Expenses associated with debt financing, depreciation, or other accounting items are disregarded. Expenses are estimated based on one or more of the following sources: (1) historical or projected operation of the subject; (2) comparable expense properties; (3) published operating sources; or (4) individual suppliers. The

expense comparables reflect varying accounting methods with respect to individual line items and reserves for replacement expenses. On a line-item basis, due to the variances in accounting and classification, their applicability is diminished. The following section provides supporting information and discusses the individual expense conclusions for the subject property.

SUBJECT OPERATING HISTORICALS

YEAR	Year 1 Budget		BUDGET 2027		STABILIZED	
	TOTAL	\$/SITE	TOTAL	\$/SITE	TOTAL	\$/SITE
INCOME ITEMS						
Potential Rental Income	\$961,380	\$4,855	\$1,633,260	\$8,249	\$1,391,438	\$7,027
TOTAL RENTAL INCOME	\$961,380	\$4,855	\$1,633,260	\$8,249	\$1,391,438	\$7,027
POTENTIAL GROSS INCOME (PGI)	\$961,380	\$4,855	\$1,633,260	\$8,249	\$1,391,438	\$7,027
Vacancy	(\$566,750)	(\$2,862)	(\$136,800)	(\$691)	(\$69,572)	(\$351)
Credit Loss	(\$7,893)	(\$40)	(\$29,929)	(\$151)	(\$6,957)	(\$35)
EFFECTIVE GROSS INCOME (EGI)	\$386,737	\$1,953	\$1,466,531	\$7,407	\$1,314,909	\$6,641
EXPENSE ITEMS						
Real Estate Taxes	(\$35,000)	(\$177)	(\$39,393)	(\$199)	(\$15,890)	(\$80)
Property Insurance	(\$9,900)	(\$50)	(\$11,143)	(\$56)	(\$13,241)	(\$67)
Utilities	(\$70,034)	(\$354)	(\$244,187)	(\$1,233)	(\$291,509)	(\$1,472)
Repairs & Maintenance	(\$70,000)	(\$354)	(\$78,786)	(\$398)	(\$41,375)	(\$209)
Off-Site Management	(\$19,337)	(\$98)	(\$73,327)	(\$370)	(\$52,596)	(\$266)
On-Site Management	(\$75,000)	(\$379)	(\$84,413)	(\$426)	(\$100,480)	(\$507)
General & Administrative	(\$14,801)	(\$75)	(\$29,488)	(\$149)	(\$35,464)	(\$179)
Reserves	\$0	-	\$0	-	(\$7,920)	(\$40)
TOTAL EXPENSES	(\$294,072)	(\$1,485)	(\$560,736)	(\$2,832)	(\$558,475)	(\$2,821)
NET OPERATING INCOME (NOI)	\$92,665	\$468	\$905,795	\$4,575	\$756,434	\$3,820

Vacancy and Credit Loss

This category was discussed in depth in the market analysis section of this report. Please reference that discussion for a full analysis. Our conclusions follow:

INCOME LOSS	
Vacancy Rate Conclusion	5.0%
Credit Loss Conclusion	0.5%
TOTAL	5.5%

Effective Gross Income (EGI) Conclusion

Effective gross income equals the potential gross income less vacancy and credit loss, and is stated as follows:

EFFECTIVE GROSS INCOME (EGI)					
YEAR	TOTAL	\$/HOMESITE	%EGI	Δ CHG	ANALYSIS
Year 1 Budget	\$386,737	\$1,953	100.0%	-	The concluded EGI represents the stabilized rent and occupancy for the subject and is deemed reasonable.
BUDGET 2027	\$1,466,531	\$7,407	100.0%	279.2%	

Analysis of Operating Expenses

Expenses are estimated based on one or more of the following sources: (1) historical or projected operation of the subject; (2) comparable expense properties; (3) published operating sources; or (4) individual suppliers. The expense comparables reflect varying accounting methods with respect to individual line items and reserves for replacement expenses. On a line-item basis, due to the variances in accounting and classification, their applicability is diminished. The following section provides supporting information and discusses the individual expense conclusions for the subject property. The operating expenses for the subject property were presented previously. The following chart summarizes comparable expenses.

EXPENSE COMPARABLES

COMPARABLE	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	LOW	HIGH	AVG
City	Concord	Statesville	Concord	Trinity	Asheboro	-	-	-
Expense Year	T12 Feb 2022	2021	2021	Ann2022	Ann2022	2021	2022	-
Actual/Budget	Actual	Budget	Actual	Actual	Actual	-	-	-
Homesites	89	51	160	55	83	51	160	88
Building Class	C	C	C	C	C	-	-	-
Rental Income	\$4,865	\$0	\$5,290	\$4,821	\$2,313	\$0	\$5,290	\$3,458
Miscellaneous Income	\$308	\$0	\$509	\$0	\$31	\$0	\$509	\$170
Miscellaneous Income % EGI	6.0%	0.0%	8.8%	0.0%	1.3%	0.0%	8.8%	3.2%
EGI (\$/HOMESITE)	\$5,174	\$2,625	\$5,799	\$4,821	\$2,343	\$2,343	\$5,799	\$4,152
EXPENSE ITEMS	\$/HOMESITE	\$/HOMESITE	\$/HOMESITE	\$/HOMESITE	\$/HOMESITE	LOW	HIGH	AVG
Real Estate Taxes	\$24	\$94	\$87	\$54	\$120	\$24	\$120	\$76
Property Insurance	\$33	\$26	\$91	\$42	\$22	\$22	\$91	\$43
Utilities	\$394	\$189	\$837	\$193	\$243	\$189	\$837	\$371
Repairs & Maintenance	\$112	\$294	\$47	\$52	\$412	\$47	\$412	\$183
Off-Site Management	\$211	\$105	\$292	\$45	\$155	\$45	\$292	\$162
%EGI	4.1%	4.0%	5.0%	0.9%	6.6%	0.9%	6.6%	4.1%
On-Site Management	\$402	\$162	\$366	\$237	-	\$162	\$402	\$292
General & Administrative	\$326	\$59	\$69	\$85	\$67	\$59	\$326	\$121
Reserves	\$40	\$40	\$40	\$40	\$40	\$40	\$40	\$40
TOTAL EXPENSES (\$/HOMESITE)	\$1,542	\$969	\$1,829	\$748	\$1,059	\$748	\$1,829	\$1,229

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 ANALYSIS & CONCLUSIONS

REAL ESTATE TAXES				ANALYSIS		
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
Year 1 Budget	\$35,000	\$177	9.1%	1	\$24	0.5%
BUDGET 2027	\$39,393	\$199	2.7%	2	\$94	3.6%
DCF YR 1	\$9,791	\$49	1.0%	3	\$87	1.5%
STABILIZED	\$15,890	\$80	1.2%	4	\$54	1.1%
				5	\$120	5.1%
CONCLUSION	\$9,791	\$49	1.0%	AVG	\$76	2.4%
PROPERTY INSURANCE				ANALYSIS		
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
Year 1 Budget	\$9,900	\$50	2.6%	1	\$33	0.6%
BUDGET 2027	\$11,143	\$56	0.8%	2	\$26	1.0%
DCF YR 1	\$11,088	\$56	1.1%	3	\$91	1.6%
STABILIZED	\$13,241	\$67	1.0%	4	\$42	0.9%
				5	\$22	0.9%
CONCLUSION	\$11,088	\$56	1.1%	AVG	\$43	1.0%
UTILITIES				ANALYSIS		
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
Year 1 Budget	\$70,034	\$354	18.1%	1	\$394	7.6%
BUDGET 2027	\$244,187	\$1,233	16.7%	2	\$189	7.2%
DCF YR 1	\$244,134	\$1,233	24.9%	3	\$837	14.4%
STABILIZED	\$291,509	\$1,472	22.2%	4	\$193	4.0%
				5	\$243	10.4%
CONCLUSION	\$244,134	\$1,233	24.9%	AVG	\$371	8.7%

The conclusion is based The concluded taxes are based on the current taxes of the subject. Please refer to the Assessments and Taxes section for additional details.

This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, and equipment. The conclusion is based within the historical expense.

Utilities include gas, electricity, water, sewer, and trash removal. The conclusion is based within the historical expense.

REPAIRS & MAINTENANCE						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
Year 1 Budget	\$70,000	\$354	18.1%	1	\$112	2.2%
BUDGET 2027	\$78,786	\$398	5.4%	2	\$294	11.2%
DCF YR 1	\$34,650	\$175	3.5%	3	\$47	0.8%
STABILIZED	\$41,375	\$209	3.1%	4	\$52	1.1%
				5	\$412	17.6%
CONCLUSION	\$34,650	\$175	3.5%	AVG	\$183	6.6%

ANALYSIS
This expense covers the cost of all other routine maintenance and repairs. The conclusion is based on the expense comparable information.

OFF-SITE MANAGEMENT						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
Year 1 Budget	\$19,337	\$98	5.0%	1	\$211	4.1%
BUDGET 2027	\$73,327	\$370	5.0%	2	\$105	4.0%
DCF YR 1	\$39,248	\$198	4.0%	3	\$292	5.0%
STABILIZED	\$52,596	\$266	4.0%	4	\$45	0.9%
				5	\$155	6.6%
CONCLUSION	\$39,248	\$198	4.0%	AVG	\$162	4.1%

ANALYSIS
This expense reflects the professional management service for the subject. Typically this category is based on 2.5% to 6.0% of EGI. Larger, stable assets tend to fall toward the middle to low-end of this range. The conclusion is based on the expense comparable information.

ON-SITE MANAGEMENT						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
Year 1 Budget	\$75,000	\$379	19.4%	1	\$402	7.8%
BUDGET 2027	\$84,413	\$426	5.8%	2	\$162	6.2%
DCF YR 1	\$84,150	\$425	8.6%	3	\$366	6.3%
STABILIZED	\$100,480	\$507	7.6%	4	\$237	4.9%
				5	-	0.0%
CONCLUSION	\$84,150	\$425	8.6%	AVG	\$292	5.0%

ANALYSIS
This expense includes wages, salaries, and free rent for the on-site management. The conclusion is based within the historical expense.

GENERAL & ADMINISTRATIVE						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
Year 1 Budget	\$14,801	\$75	3.8%	1	\$326	6.3%
BUDGET 2027	\$29,488	\$149	2.0%	2	\$59	2.2%
DCF YR 1	\$29,700	\$150	3.0%	3	\$69	1.2%
STABILIZED	\$35,464	\$179	2.7%	4	\$85	1.8%
				5	\$67	2.9%
CONCLUSION	\$29,700	\$150	3.0%	AVG	\$121	2.9%

ANALYSIS
This expense includes office supplies, accounting, legal fees, other professional fees, and all other administrative costs. The conclusion is based on the historical expenses and the expense comparable information.

RESERVES						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/HOMESITE	%EGI	COMP	\$/HOMESITE	%EGI
Year 1 Budget	\$0		0.0%	1	\$40	0.8%
BUDGET 2027	\$0		0.0%	2	\$40	1.5%
DCF YR 1	\$7,920	\$40	0.8%	3	\$40	0.7%
STABILIZED	\$7,920	\$40	0.6%	4	\$40	0.8%
				5	\$40	1.7%
CONCLUSION	\$7,920	\$40	0.8%	AVG	\$40	1.1%

ANALYSIS
Reserves for replacements are not typical cash expenditures, but rather the annualized cost of major expense in the future. Based on a review of PCAs and Offering Memorandums reserves typically range from \$30 to \$60/Site. The expense conclusion considers the subject's age and condition. The conclusion is based on the expense comparable information.

TOTAL EXPENSES	LOW	HIGH
SUBJECT HISTORICAL \$/HOMESITE	\$1,485	\$2,832
EXPENSE COMPARABLES \$/HOMESITE	\$748	\$1,829
SALE COMPARABLE \$/HOMESITE	\$1,223	\$3,023
SUBJECT HISTORICAL %EGI	38.2%	76.0%
EXPENSE COMPARABLES %EGI	15.5%	45.2%
SALE COMPARABLES %EGI	32.0%	56.8%
TOTAL EXPENSES \$/HOMESITE	\$2,327	
TOTAL EXPENSES %EGI	47.0%	
TOTAL EXPENSES	\$460,681	

CONCLUSION
The subject's expenses are above the range of the expense comparables on a per homesite basis. They are within the range of the sales comparables on a per homesite basis. Finally, the subject's expenses on a percent of EGI basis are within the range of the expense comparables. Overall, the subject's expenses appear supported and would be achievable by an experienced MHC investor.

Net Operating Income (NOI) Conclusion

Net Operating Income is equal to the effective gross income less the estimated expenses, and is stated as follows:

NET OPERATING INCOME (NOI)					
YEAR	TOTAL	\$/HOMESITE	%EGI	Δ CHG	ANALYSIS
Year 1 Budget	\$92,665	\$468	24.0%	-	The concluded NOI is achievable by an experienced MHC operator/investor and is deemed reasonable.
BUDGET 2027	\$905,795	\$4,575	61.8%	877.5%	

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

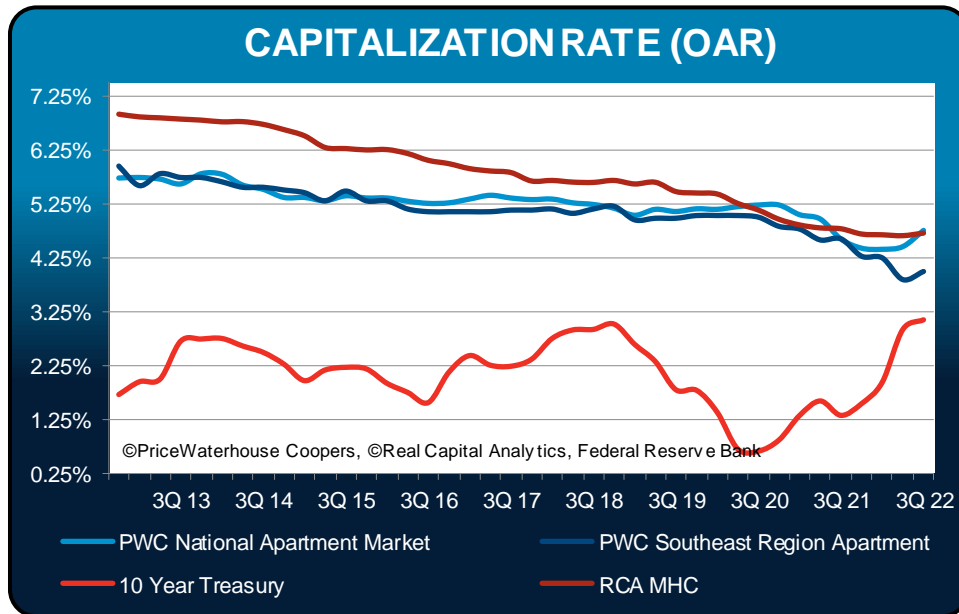
The following table presents a summary of the comparable sales used ahead in the Sales Comparison Approach, and the capitalization rates from each of those sales.

CAPITALIZATION RATE COMPARABLES (OAR)											
NAME	CITY	ST	SALE DATE	CLASS	OCC	HOMESITES	\$/HOMESITE	SALE PRICE	NOI	NOI/HOMESITE	CAP RATE
1 Auman Acres	High Point	NC	October 19, 2022	C	95.0%	78	\$55,128	\$4,300,000	\$238,007	\$3,051	5.54%
2 Pine Ridge MHP	Eden	NC	October 18, 2022	C	100.0%	39	\$46,154	\$1,800,000	\$101,496	\$2,602	5.64%
3 Trinity MHC	Trinity	NC	July 6, 2022	C	100.0%	55	\$39,726	\$2,184,922	\$141,933	\$2,581	6.50%
4 Carolina Estates MHP	Greenville	SC	June 22, 2022	C	99.0%	95	\$64,211	\$6,100,000	\$337,889	\$3,557	5.54%
5 Waterway View	North Myrtle Beach	SC	April 4, 2022	C	98.4%	191	\$57,592	\$11,000,000	\$438,833	\$2,298	3.99%
6 Gateway Creek	Gaffney	SC	March 2, 2022	C	86.0%	175	\$43,657	\$7,640,000	\$315,544	\$1,803	4.13%
ADDITIONAL COMPS											
Low Country Estates	Walterboro	SC	June 20, 2022	C	52.0%	67	\$23,894	\$1,600,888	\$109,341	\$1,632	6.83%
Country Estates	Cameron	NC	June 5, 2022	C	75.0%	67	\$30,597	\$2,050,000	\$201,720	\$3,011	9.84%
Pine MHC	Summersville	WV	April 15, 2022	C	92.0%	37	\$22,090	\$817,325	\$77,401	\$2,092	9.47%
Frontier	Summersville	WV	April 15, 2022	C	95.0%	40	\$22,703	\$908,139	\$84,820	\$2,121	9.34%
Hardin County MHC	Radcliff	KY	January 3, 2022	C	56.1%	57	\$14,912	\$850,000	\$84,660	\$1,485	9.96%
LOW			January 2022		52.0%	37	\$14,912	\$817,325	\$77,401	\$1,485	3.99%
HIGH			October 2022		100.0%	191	\$64,211	\$11,000,000	\$438,833	\$3,557	9.96%
AVERAGE			May 2022		86.2%	82	\$38,242	\$3,568,298	\$193,786	\$2,385	6.98%
SUBJECT	Randleman	NC			29%	198			\$520,524	\$2,629	
INDICATED CAPITALIZATION RATE (OAR)											7.00%

Capitalization rates range from 3.99% to 9.96% and average 6.98%. The subject's concluded NOI/site of \$2,629 is near the average of the comparables at \$2,385/site. Overall, the subject has an average risk profile. For several years, % returns on equity have decreased to historic lows. Coupled with historically low interest rates, cap rates have also been at historic lows. This is evidenced by the downward trend seen in the capitalization rate. Recent market instability has resulted increasing interest rates. An increase in capitalization rates should logically follow. The reason we haven't seen this is due to the significant equity investment into manufactured housing. These market factors have had more of a neutralizing effect on capitalization rate than an upward trend. It should be noted that, rather than dramatic increases in capitalization rates, we have noted most investors taking a wait and see approach, resulting in a decrease in the number of transactions. This has resulted in fewer comparable sales representative of current market conditions. As such these market factors are an indicator that for a typical property with no upside a rate toward the middle of the range would be supported. In light of these factors, a rate toward the middle of the range is considered reasonable.

Investor Surveys

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.



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
PriceWaterhouse Coopers				
National Apartment Market	3Q 22	3.00%	to 8.00%	4.75%
Southeast Region Apartment	3Q 22	3.00%	to 4.50%	4.00%
Real Capital Analytics				
MHC	3Q 22			4.69%
10 Year Treasury	3Q 22	-	-	3.11%
Market Participant Interview				
William Walker	4Q 22	4.50%	to 5.75%	5.13%
Andrew Shih and Todd Fletcher	4Q 22	4.50%	to 5.50%	5.00%
AVERAGE		3.75%	to 5.94%	4.71%

Market Participants

Market participants were interviewed. Their opinions and comments are summarized in the chart below:

MARKET PARTICIPANT INTERVIEWS - CAPITALIZATION RATES (OAR)

NAME	COMPANY	DATE	AVERAGE
William Walker	MH Pro Group, LLC	4Q 22	5.13%
Andrew Shih and Todd Fletcher	New mark Knight Frank	4Q 22	5.00%

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	6.50%
Loan-to-Value (LTV) Ratio	70%
Mortgage Constant	7.58%

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	70%	x	7.58%	=	5.309%
Equity Component	30%	x	5.00%	=	1.500%
Indicated Capitalization Rate					6.809%
INDICATED CAPITALIZATION RATE					6.81%

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		3.99% to 6.50%	5.22%	
Investor Surveys	3Q 22	3.75% to 5.94%	4.71%	
William Walker	4Q 22	4.50% to 5.75%	5.13%	
Andrew Shih and Todd Fletcher	4Q 22	4.50% to 5.50%	5.00%	
Band of Investment Technique			6.81%	
AVERAGE		4.19% to 5.92%	5.54%	
CAPITALIZATION CONCLUSION				5.50%
CAPITALIZATION CONCLUSION (STABILIZED YEAR)				7.00%

Lease-Up Costs

The buyers have indicated a desire to improve the subject's occupancy. It's possible they will be successful in achieving some level of fill; however based on the specifics of the subject and market data we're projecting a stabilized vacancy at the current level. Any achievable lease up would have a significant impact on the cash flows presented. For purposes of this analysis; an absorption of 6 home sites per quarter is estimated.

Regarding lease-up costs, the subject property has a current occupancy level of 29.3%, which is below our stabilized occupancy level estimate of 95%. 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 70.7% 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 \$6,000/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 projected lease-up, a 15.0% profit component is also included.

LEASE-UP ANALYSIS					
TOTAL HOMESITES		198	HOMESITES OCCUPIED		58
ABSORPTION RATE HOMESITES/QUARTER		6	PGI/HOMESITES/QUARTER		\$1,757
STABILIZED OCCUPANCY (187 HOMESITES)		94.5%	DISCOUNT RATE		8.00%
QUARTER	HOMESITES ABSORBED	HOMESITES REMAINING	HOMESITES OCCUPIED	RENT LOSS (PER QUARTER)	PRESENT VALUE OF RENT LOSS
1	6	123	64	\$216,095	\$211,857
2	6	117	70	\$205,553	\$197,571
3	6	111	76	\$195,012	\$183,764
4	6	105	82	\$184,471	\$170,423
5	6	99	88	\$173,930	\$157,534
6	6	93	94	\$163,389	\$145,084
7	6	87	100	\$152,847	\$133,063
8	6	81	106	\$142,306	\$121,457
9	6	75	112	\$131,765	\$110,255
10	6	69	118	\$121,224	\$99,446
11	6	63	124	\$110,683	\$89,018
12	6	57	130	\$100,141	\$78,961
13	6	51	136	\$89,600	\$69,264
14	6	45	142	\$79,059	\$59,917
15	6	39	148	\$68,518	\$50,910
16	6	33	154	\$57,977	\$42,233
17	6	27	160	\$47,435	\$33,877
18	6	21	166	\$36,894	\$25,832
19	6	15	172	\$26,353	\$18,090
20	6	9	178	\$15,812	\$10,641
21	6	3	184	\$5,271	\$3,477
22	3	0	187	\$0	\$0
TOTAL LOST RENTAL INCOME					\$2,012,672
Marketing @ \$6,000/Homesite					\$774,000
Profit @ 15.0% Stabilized Value of \$10,810,000					\$1,621,500
TOTAL LOST INCOME					\$4,410,000

Rounded to nearest \$10,000

Capital Expenditures

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, there is deferred maintenance. The costs to cure these maintenance items are summarized below.

DEFERRED MAINTENANCE					
ITEM	SOURCE	TYPE	#	COST/TYPE	EST. COST TO CURE
WWTP/Well Upgrades	Buyer	WWTP	1	Standard	\$100,000
Paving & Parking Pads	Buyer	Roads	1	Standard	\$500,000
Trees/Landscaping	Buyer	Landscaping	1	Standard	\$50,000
Site Cleanup	Buyer	Site work	1	Standard	\$100,000
TOTAL COSTS					\$750,000
Developer's Profit @ 10%					\$75,000
TOTAL DEFERRED MAINTENANCE COSTS (ROUNDED)					\$830,000

Rounded to nearest \$10,000

AS-IS 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 following table summarizes our opinion of market value via direct capitalization for the subject property's As-Is Value as of November 11, 2022.

DIRECT CAPITALIZATION SUMMATION TABLE (YEAR 1)				
HOMESITE TYPE		HOMESITES	\$/HOMESITE	TOTAL
Standard		198	\$5,244	\$1,038,312
TOTAL		198	\$5,244	\$1,038,312
INCOME ITEMS	%PGI	%EGI	\$/HOMESITE	TOTAL
Potential Rental Income			\$5,244	\$1,038,312
TOTAL RENTAL INCOME			\$5,244	\$1,038,312
POTENTIAL GROSS INCOME (PGI)			\$5,244	\$1,038,312
INCOME LOSS				
Vacancy	(5.0%)		(\$262)	(\$51,916)
Credit Loss	(0.5%)		(\$26)	(\$5,192)
TOTAL INCOME LOSS	(5.5%)		(\$288)	(\$57,107)
EFFECTIVE GROSS INCOME (EGI)			\$4,956	\$981,205
EXPENSE ITEMS				
Real Estate Taxes	(0.9%)	(1.0%)	(\$49)	(\$9,791)
Property Insurance	(1.1%)	(1.1%)	(\$56)	(\$11,088)
Utilities	(23.5%)	(24.9%)	(\$1,233)	(\$244,134)
Repairs & Maintenance	(3.3%)	(3.5%)	(\$175)	(\$34,650)
Off-Site Management	(3.8%)	(4.0%)	(\$198)	(\$39,248)
On-Site Management	(8.1%)	(8.6%)	(\$425)	(\$84,150)
General & Administrative	(2.9%)	(3.0%)	(\$150)	(\$29,700)
Reserves	(0.8%)	(0.8%)	(\$40)	(\$7,920)
TOTAL EXPENSES	(44.4%)	(47.0%)	(\$2,327)	(\$460,681)
NET OPERATING INCOME (NOI)			\$2,629	\$520,524
Capitalization Rate				5.50%
Capitalized Value				\$9,464,071
PROSPECTIVE VALUE UPON STABILIZATION			\$47,778	\$9,460,000
Lease- Up Costs				
Rent Loss	(193.8%)	(205.1%)		(\$2,012,672)
Marketing	(74.5%)	(78.9%)		(\$774,000)
Total Lease-Up Costs	(268.4%)	(284.0%)		(\$2,786,672)
Entrepreneurial Profit	(156.2%)	(165.3%)		(\$1,621,500)
TOTAL LEASE-UP COSTS	(424.6%)	(449.3%)		(\$4,408,172)
INDICATED VALUE			\$25,505	\$5,050,000
Capital Improvements	(79.9%)	(84.6%)		(\$830,000)
AS-IS MARKET VALUE			\$21,313	\$4,220,000

Rounded to nearest \$10,000

EFFECTIVE GROSS INCOME MULTIPLIER METHOD

The effective gross income multiplier (EGIM), as indicated by the comparable sales, will be applied to the effective gross income for the subject property in order to determine an estimate of value. The multiplier is also used as an indicator of value and takes into consideration the proportion of expense to every dollar of effective gross income. It is derived by dividing the sale price by the effective gross income. Typically, effective gross income multipliers, which are derived and applied before considering expenses, are used without adjustments. However, to avoid an inaccurate conclusion of value, those comparables with similar expense ratios (% of effective gross income) are typically emphasized. The following table summarizes each comparable sale's expense ratio and EGIM indicator:

EGIM ANALYSIS				
SALE	TOTAL EXPENSE	EXPENSES/HOMESITE	EXPENSE % (EGI)	EGIM
2	\$47,712	\$1,223	32%	12.1
3	\$67,789	\$1,233	32%	10.4
4	\$187,047	\$1,969	36%	11.6
1	\$175,144	\$2,245	42%	10.4
Subject	\$460,681	\$2,327	47%	-
6	\$414,056	\$2,366	57%	10.5
5	\$577,303	\$3,023	57%	10.8
LOW	\$47,712	\$1,223	32%	10.4
HIGH	\$577,303	\$3,023	57%	12.1
AVERAGE	\$244,842	\$2,010	43%	11.0
MEDIAN	\$181,096	\$2,107	39%	10.6

The comparables generally indicate the expected trend of increasing expense ratios with decreasing EGI Multipliers. Based on the subject's expense ratio, which falls within the comparables and is close to the median and average of the comparables, a multiplier towards the middle of the range is considered most appropriate for the subject. Therefore, a multiplier of 11.0 is concluded. The concluded EGIM, the EGIM value calculation, and the indicated value based on the EGIM Method are displayed in the following table.

EGIM INDICATED VALUE				
CONCLUDED EGIM	X	CONCLUDED EGI	=	VALUE
11.0	X	\$981,205	=	\$10,790,000
Lease- Up Costs				
Rent Loss				(\$2,012,672)
Marketing				(\$774,000)
Total Lease-Up Costs				(\$2,786,672)
Entrepreneurial Profit				(\$1,621,500)
TOTAL LEASE-UP COSTS				(\$4,408,172)
INDICATED VALUE				\$6,380,000
Capital Improvements				(\$830,000)
AS-IS MARKET VALUE				\$5,550,000

Rounded to nearest \$10,000

RECONCILIATION OF INCOME APPROACH VALUES

The following table summarizes the opinions for market value that were developed by the Direct Capitalization, and Effective Gross Income Multiplier methods of the income approach. Of the approaches, the Direct Capitalization mirrors the sentiment of participants in this asset class. Therefore, the reconciled values below place primary emphasis on the Direct Capitalization method.

VALUATION INDICES	MARKET VALUE AS-IS	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	FEE SIMPLE	FEE SIMPLE
DATE OF VALUE	NOVEMBER 11, 2022	MAY 11, 2028
INCOME CAPITALIZATION APPROACH		
Direct Capitalization	\$5,570,000	\$10,810,000
Direct Capitalization \$/Homesite	\$28,131/Homesite	\$54,596/Homesite
Net Operating Income	-	\$520,524
NOI \$/Homesite	-	\$2,629/Homesite
Capitalization Rate	-	5.50%
Effective Gross Income Multiplier	\$5,550,000	\$10,790,000
EGIM \$/Homesite	\$28,030/Homesite	\$54,495/Homesite
INCOME CONCLUSION	\$5,570,000	\$10,810,000
Income Conclusion \$/Homesite	\$28,131/Homesite	\$54,596/Homesite

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

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. Regional influences do not impact MHCs near the same degree as other property types (i.e. apartments). In addition, there are far fewer sales of MHCs than other property types (i.e. apartments), resulting in a much smaller dataset from which to choose, which decreases the validity of this approach. The buyer profile for this property was stated as a local or regional buyer. Due to the size of the property, NOI/space, and the comparatively small number of MHC sales, it is appropriate to utilize sales that are the most similar in size (number of spaces), occupancy, and overall rent levels. Overall, the sales selected represent the best comparables available for this analysis. We have given the Sales Comparison approach secondary consideration since the subject is projected to stabilize in Year 7.

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	November 2022	(As-Is)	5%
----------------	---------------	---------	----

The analysis applies an upward market conditions adjustment of 5% 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.

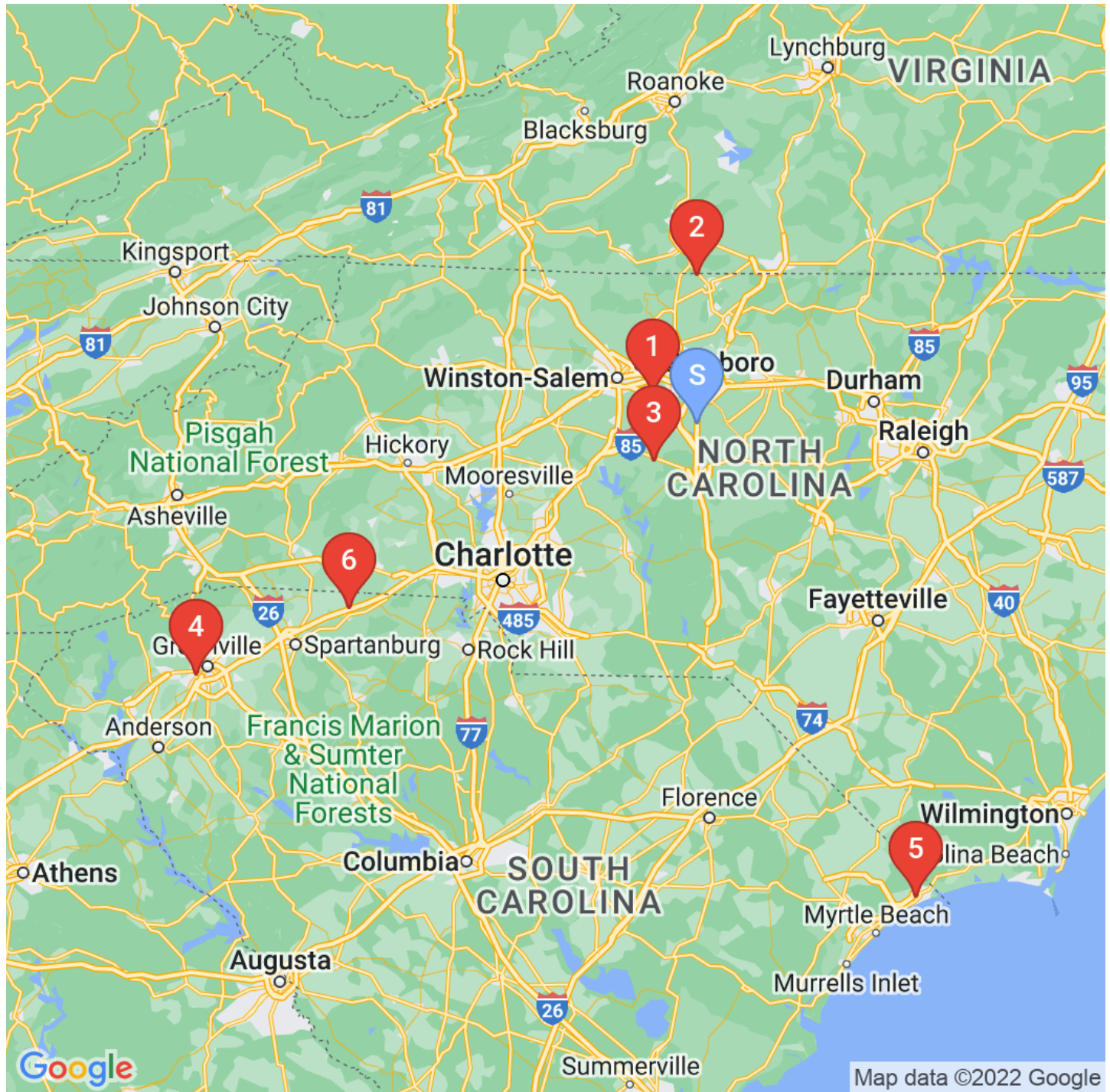
PRESENTATION

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	COMPARABLE 6
Name	Hidden Forest Estates	Auman Acres	Pine Ridge MHP	Trinity MHC	Carolina Estates MHP	Waterway View	Gateway Creek
Address	6602 Holder Inman Road Extension	3910 N Main St	138 Joyce Ct	964 Loflin Hill Road	2745 Anderson Rd	1423 Circle Drive North	129 Providence Creek Rd
City	Randleman	High Point	Eden	Trinity	Greenville	North Myrtle Beach	Gaffney
State	NC	NC	NC	NC	SC	SC	SC
Zip	27317	27265	27288	27370	29611	29582	29341
County	Randolph	Forsyth	Rockingham	Randolph	Greenville	Horry	Cherokee
PHYSICAL INFORMATION							
Project Design	All Ages	Manufactured Housing	Manufactured Housing	Manufactured Housing	Manufactured Housing	Manufactured Housing	Manufactured Housing
Class	C	C	C	C	C	C	C
Homesites	198	78	39	55	95	191	175
Density	3.4	5.4	1.9	1.1	5.8	5.8	2.6
Land Area (AC)	58.1	14.4	20.0	50.0	16.3	32.9	68.4
Land Area (SF)	2,531,707	628,135	871,200	2,177,564	710,028	1,430,946	2,978,633
Year Built	1990	1968	1990	1980	1980	1945	1970
Parking/Homesite	2.0	2.026	2	2	2	1.969	2
Parking Total	396	158	78	110	190	376	350
Location	Average	Average	Average	Average	Average	Average	Average
Quality	Average	Average	Average	Average	Average	Average	Average
Condition	Average	Average	Average	Average	Average	Average	Average
Appeal	Average	Average	Average	Average	Average	Average	Average
SALE INFORMATION							
Date		10/19/2022	10/18/2022	7/6/2022	6/22/2022	4/4/2022	3/2/2022
Status		In Contract	Recorded	Recorded	Recorded	Recorded	Recorded
Parcel Number		6882-86-	178024	6782-91-2858	248000200601	35000000098	-
Recording Number		-	-	2823/1551	-	4535001524	145 / 916
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple
Transaction Price		\$4,300,000	\$1,800,000	\$2,380,252	\$6,100,000	\$11,000,000	\$7,640,000
Transaction \$/Homesite		\$55,128	\$46,154	\$43,277	\$64,211	\$57,592	\$43,657
Recorded Date		10/21/2022	10/18/2022	9/15/2022	6/22/2022	4/4/2022	3/2/2022
Recorded Price		-	-	-	\$6,100,000	\$7,750,000	\$7,640,000
Analysis Price		\$4,300,000	\$1,800,000	\$2,184,922	\$6,100,000	\$11,000,000	\$7,640,000
Expenses % EGI		42%	32%	32%	36%	57%	57%
NOI/Unit	\$2,629	\$3,051	\$2,602	\$2,581	\$3,557	\$2,298	\$1,803
Occupancy	29.3%	95.0%	100.0%	100.0%	99.0%	98.4%	86.0%
Capitalization Rate		5.54%	5.64%	6.50%	5.54%	3.99%	4.13%
EGIM		10.41	12.06	10.42	11.62	10.83	10.47

SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC.	SALE DATE	OAR	\$/SITE
SUBJECT	-	Hidden Forest Estates	6602 Holder Inman Road Extension, Randl	29.3%	-	-	-
No. 1	15.6 Miles	Auman Acres	3910 N Main St, High Point, NC	95.0%	10/19/2022	5.54%	\$55,128
No. 2	44.1 Miles	Pine Ridge MHP	138 Joyce Ct, Eden, NC	100.0%	10/18/2022	5.64%	\$46,154
No. 3	16.8 Miles	Trinity MHC	964 Loflin Hill Road, Trinity, NC	100.0%	7/6/2022	6.50%	\$39,726
No. 4	165.8 Miles	Carolina Estates MHP	2745 Anderson Rd, Greenville, SC	99.0%	6/22/2022	5.54%	\$64,211
No. 5	156.2 Miles	Waterway View	1423 Circle Drive North, North Myrtle Beac	98.4%	4/4/2022	3.99%	\$57,592
No. 6	116.5 Miles	Gateway Creek	129 Providence Creek Rd, Gaffney, SC	86.0%	3/2/2022	4.13%	\$43,657

IMPROVED SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Address	6602 Holder Inman Road Extension	3910 N Main St	138 Joyce Ct	964 Loflin Hill Road	2745 Anderson Rd	1423 Circle Drive North	129 Providence Creek Rd
City, State	Randleman, NC	High Point, NC	Eden, NC	Trinity, NC	Greenville, SC	North Myrtle Beach, SC	Gaffney, SC
Units	198	78	39	55	95	191	175
Density	3.4	5.4	1.9	1.1	5.8	5.8	2.6
Land Area (AC)	58.1	14.4	20.0	50.0	16.3	32.9	68.4
Land Area (SF)	2,531,707	628,135	871,200	2,177,564	710,028	1,430,946	2,978,633
Year Built	1990	1968	1990	1980	1980	1945	1970
Location	Average	Average	Average	Average	Average	Average	Average
Quality	Average	Average	Average	Average	Average	Average	Average
Condition	Average	Average	Average	Average	Average	Average	Average
Appeal	Average	Average	Average	Average	Average	Average	Average
SALE INFORMATION							
Date		10/19/2022	10/18/2022	7/6/2022	6/22/2022	4/4/2022	3/2/2022
Status		In Contract	Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Fee Simple
Occupancy	29.3%	95.0%	100.0%	100.0%	99.0%	98.4%	86.0%
Capitalization Rate		5.5%	5.6%	6.5%	5.5%	4.0%	4.1%
NOI/Homesite		\$3,051	\$2,602	\$2,581	\$3,557	\$2,298	\$1,803
Transaction Price		\$4,300,000	\$1,800,000	\$2,380,252	\$6,100,000	\$11,000,000	\$7,640,000
Recorded Date		10/21/2022	10/18/2022	9/15/2022	6/22/2022	4/4/2022	3/2/2022
Recorded Price		-	-	-	\$6,100,000	\$7,750,000	\$7,640,000
Analysis Price		\$4,300,000	\$1,800,000	\$2,184,922	\$6,100,000	\$11,000,000	\$7,640,000
\$/Homesite		\$55,128	\$46,154	\$39,726	\$64,211	\$57,592	\$43,657
TRANSACTIONAL ADJUSTMENTS							
Property Rights		0%	0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%	0%
Market Conditions¹		0%	0%	2%	2%	3%	3%
Subtotal Transactional Adj Price		\$55,128	\$46,154	\$40,520	\$65,495	\$59,319	\$44,967
PROPERTY ADJUSTMENTS							
Location		0%	0%	0%	0%	0%	0%
Quality		0%	0%	0%	0%	0%	0%
Condition		0%	0%	0%	0%	0%	0%
Age		0%	0%	0%	0%	0%	0%
Number Of Homesites		0%	0%	0%	0%	0%	0%
Density		0%	0%	0%	0%	0%	0%
Amenities		0%	0%	0%	0%	0%	0%
Economic/Occupancy		0%	0%	0%	0%	0%	10%
Subtotal Property Adjustment		0%	0%	0%	0%	0%	10%
TOTAL ADJUSTED \$/HOMESITE		\$55,128	\$46,154	\$40,520	\$65,495	\$59,319	\$49,464
STATISTICS		UNADJUSTED	ADJUSTED				
LOW		\$39,726	\$40,520				
HIGH		\$64,211	\$65,495				
MEDIAN		\$50,641	\$52,296				
AVERAGE		\$51,078	\$52,680				

¹ Market Conditions Adjustment - 5%

Date of Value (for adjustment calculations): 11/11/22

SALES COMPARABLE ANALYSIS

Introduction

The comparable sales indicate an adjusted value range from \$40,520 to \$65,495/Homesite, with a median of \$52,296/Homesite and an average of \$52,680/Homesite. The range of total gross adjustment applied to the comparables was from 0% to 13%, with an average gross adjustment across all comparables of 3%. The level of total adjustment applied to the comparables is considered minimal, an indication that the dataset is applicable to the subject and increases the credibility of the analysis. The adjustment process for each comparable sale is discussed in the following paragraphs.

Discussion of Adjustments

Comparable 1 (\$55,128/Homesite as adjusted) did not require any transaction adjustments.

Comparable 2 (\$46,154/Homesite as adjusted) did not require any transaction adjustments.

Comparable 3 (\$40,520/Homesite as adjusted) required a total upward transaction adjustment of 2%. This property sold during a time when the market for manufactured housing communities was weaker and this sale is adjusted upward.

Comparable 4 (\$65,495/Homesite as adjusted) required a total upward transaction adjustment of 2%. This property sold during a time when the market for manufactured housing communities was weaker and this sale is adjusted upward.

Comparable 5 (\$59,319/Homesite as adjusted) required a total upward transaction adjustment of 3%. This property sold during a time when the market for manufactured housing communities was weaker and this sale is adjusted upward.

Comparable 6 (\$49,464/Homesite as adjusted) required a total upward transaction adjustment of 3%. This property sold during a time when the market for manufactured housing communities was weaker and this sale is adjusted upward. This property has inferior economic/occupancy compared to the subject property and is adjusted upward.

SALES COMPARISON APPROACH CONCLUSION

The comparable sales indicate an adjusted value range from \$40,520 to \$65,495/Homesite, with a median of \$52,296/Homesite and an average of \$52,680/Homesite. Based on the results of the preceding analysis, Comparable 1 (\$55,128/Homesite adjusted) and Comparable 2 (\$46,154/Homesite adjusted) are 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	GROSS	WEIGHT
	PRICE	TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL	ADJ %	ADJ %	GIVEN
1	\$55,128	0%	\$55,128	0%	\$55,128	0%	0%	PRIMARY
2	\$46,154	0%	\$46,154	0%	\$46,154	0%	0%	PRIMARY
3	\$39,726	2%	\$40,520	0%	\$40,520	2%	2%	SECONDARY
4	\$64,211	2%	\$65,495	0%	\$65,495	2%	2%	SECONDARY
5	\$57,592	3%	\$59,319	0%	\$59,319	3%	3%	SECONDARY
6	\$43,657	3%	\$44,967	10%	\$49,464	13%	13%	SECONDARY
LOW	\$40,520						AVERAGE	\$52,680
HIGH	\$65,495						MEDIAN	\$52,296
		SUBJECT HOMESITES		\$/HOMESITE CONCLUSION				VALUE
PROSPECTIVE VALUE UPON STABILIZATION		198	x	\$55,000	=	\$10,890,000		
Lease- Up Costs							From Lease-Up Analysis	
Rent Loss							(\$2,012,672)	
Marketing							(\$774,000)	
Total Lease-Up Costs							(\$2,786,672)	
Entrepreneurial Profit							(\$1,621,500)	
TOTAL LEASE-UP COSTS							(\$4,408,172)	
ADJUSTED INDICATED VALUE					\$32,727	\$6,480,000		
Capital Improvements							(\$830,000)	
AS-IS MARKET VALUE					\$28,535	\$5,650,000		

¹Cumulative ²Additive

Rounded to nearest \$10,000

The subject property is reportedly under contract to sell for \$5,000,000 between SIP Hidden Forest, LLC (Grantor) and Brian Spear - Sunrise Communities (Grantee). It had been listed for sale in early 2022 with an offer at \$5.25MM that was declined by the seller. We were not provided with a purchase contract but assume there are no atypical terms or conditions. This appears to be an arm's-length transaction. There are some items of deferred maintenance including upgrades needed to the waste water treatment plant, paving, landscaping, etc. The costs to cure have been deducted from each approach to value herein. Overall, in light of all the information presented our conclusion is reasonable in comparison with the contracted sales price.

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 national and regional 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 national and regional 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 influence 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	NOVEMBER 11, 2022	MAY 11, 2028
Sales Comparison Approach	\$5,650,000	\$10,890,000
Income Approach	\$5,570,000	\$10,810,000
FINAL VALUE CONCLUSION	\$5,570,000	\$10,810,000
\$/Homesite	\$28,131/Homesite	\$54,596/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 or Practicing Affiliates) of the Appraisal Institute.

Nancy A. Caniff



November 15, 2022

Nancy Caniff

Date

Senior Valuation Specialist

Certified General Real Estate Appraiser

State of North Carolina License #A8479

+1 904 316 2124

nancy.caniff@colliers.com

Bruce Nell



November 15, 2022

Bruce Nell, MAI, AI-GRS, MRICS

Date

Executive Managing Director | Advisory Services

Certified General Real Estate Appraiser

State of North Carolina License #A7941

+1 614 437 4687

bruce.nell@colliers.com

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.

Professional Service Agreement

P&L Statements

Rent Roll

Data Sheets

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

RENT COMPARABLES DATA SHEETS

COMPARABLE 1

LOCATION INFORMATION

Name	North Meadows Manufactured
Address	801 Hub Morris Rd
City, State, Zip Code	Randleman, NC, 27317
MSA	Greensboro--Winston-Salem--High Point, NC

PHYSICAL INFORMATION

Project Design	Manufactured Housing
Number of Units	207
Year Built	1988
Resident Type	All Age
Location	Average
Quality	Good
Condition	Good
Appeal	Good
Street Construction	Asphalt

Amenities Basketball, Playground, Tennis Court, Fishing, Clubhouse (1) and Pool (1)



NORTH MEADOWS MANUFACTURED

OCCUPANCY

Vacant Units	4
Occupancy Rate	98%

CONFIRMATION

Name	Manager
Source	North Meadows Manufactured
Date	Confidential
Phone Number	Confidential

UTILITIES	INCL. IN RENT	NOT INCL. IN RENT
------------------	----------------------	--------------------------

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

UNIT MIX

<u>DESCRIPTION</u>	<u>SITES</u>	<u>LOW</u>	<u>HIGH</u>	<u>AVG RENT</u>
Standard	207	\$300	\$300	\$300

REMARKS

This property is located on the east side of Hub Morris Road, about two miles southeast the I-73/SR 1712 interchange, four miles north of downtown Asheboro, roughly 20 miles south of the Greensboro CBD, and 70 miles northeast of the Charlotte CBD. Market rent includes trash removal services and lawn maintenance. Last market rent increase was \$15 in Jan 2022.

COMPARABLE 2

LOCATION INFORMATION

Name Franklin Village NC LLC
 Address 2307 N Fayetteville St
 City, State, Zip Code Asheboro, NC, 27203
 MSA Greensboro--Winston-Salem--High Point, NC

PHYSICAL INFORMATION

Project Design Manufactured Housing
 Number of Units 293
 Year Built 1989
 Resident Type All Age
 Location Average
 Quality Good
 Condition Good
 Appeal Good
 Street Construction Asphalt



FRANKLIN VILLAGE NC LLC

OCCUPANCY / ABSORPTION

Vacant Units 21
 Occupancy Rate 93%

CONFIRMATION

Name Manager
 Source Franklin Village NC LLC
 Date 10/18/2022
 Phone Number Confidential

Amenities Basketball, Playground and Pool (1)

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

REMARKS

This property is located on the west side of US 20, locally known as North Fayetteville Street, just over a mile from the I-73/SR 1712 interchange, four miles north of downtown Asheboro, roughly 20 miles south of the Greensboro CBD, and 70 miles northeast of the Charlotte CBD. This community offers RV storage. Market rent includes no utilities. Last market rent increase was \$25 in Jan 2022. The community has 35 rental homes with \$575-\$775 market rent.

UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
Standard	293	\$392	\$392	\$392

COMPARABLE 3

LOCATION INFORMATION

Name Village Park
 Address 724 Creek Ridge Rd
 City, State, Zip Code Greensboro, NC, 27406
 MSA Greensboro--Winston-Salem--High Point, NC

PHYSICAL INFORMATION

Project Design Manufactured Housing
 Number of Units 242
 Year Built 1972
 Resident Type All Age
 Location Average
 Quality Average
 Condition Average
 Appeal Average
 Street Construction Asphalt



VILLAGE PARK

OCCUPANCY / ABSORPTION

Vacant Units 5
 Occupancy Rate 98%

CONFIRMATION

Name Manager
 Source Village Park
 Date 11/1/2022
 Phone Number Confidential

Amenities Playground, Game room, Clubhouse (1) and Pool (1)

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

REMARKS

Year Built: Expanded in 1982 This property is located on the north side of Creed Ridge Road, between I-73 and I-85B. This community is 3 miles south of the Greensboro CBD. Market rent includes trash removal services. Market rent reflects an increase of \$34 anticipated in Jan 2023. The community has 104 rental homes with \$750-\$1299 market rent. 1 unusable site was not included in total homesites.

UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
Standard	242	\$559	\$559	\$559

COMPARABLE 4

LOCATION INFORMATION

Name Cedar Creek
 Address 3607 S Elm Eugene
 City, State, Zip Code Greensboro, NC, 27406
 MSA Greensboro--Winston-Salem--High Point, NC

PHYSICAL INFORMATION

Project Design Manufactured Housing
 Number of Units 235
 Year Built 1984
 Resident Type All Age
 Location Average
 Quality Average
 Condition Average
 Appeal Average
 Street Construction Asphalt



CEDAR CREEK

OCCUPANCY / ABSORPTION

Vacant Units 0
 Occupancy Rate 100%

CONFIRMATION

Name Manager
 Source Cedar Creek
 Date 10/18/2022
 Phone Number Confidential

Amenities Clubhouse (1) and Pool (1)

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

REMARKS

This property is located on the east side of South Elm Eugene Street, between East Vandalia Road and I-85. This location is 4 miles south of the Greensboro CBD. Market rent includes trash removal services. Last market increase was \$50 in Feb 2022. A playground is anticipated to be added in the next year.

UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
Standard	235	\$360	\$360	\$360

COMPARABLE 5

LOCATION INFORMATION

Name Woodlake
 Address 5418 Country Club Rd
 City, State, Zip Code Greensboro, NC, 27406
 MSA Greensboro--Winston-Salem--High Point, NC

PHYSICAL INFORMATION

Project Design Manufactured Housing
 Number of Units 308
 Year Built 1972
 Resident Type All Age
 Location Average
 Quality Average
 Condition Average
 Appeal Average
 Street Construction Asphalt



WOODLAKE

OCCUPANCY / ABSORPTION

Vacant Units 9
 Occupancy Rate 97%

CONFIRMATION

Name Manager
 Source Woodlake
 Date 10/18/2022
 Phone Number Confidential

Amenities Basketball, Playground, Clubhouse (1) and Pool (1)

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

REMARKS

This property is located on the north side of East Sheraton Park Rd, between SR 1007 & Davis Mill Rd. This location is 7 miles south of the Greensboro CBD. Market rent includes lawn maintenance. Last market rent increase was \$29 in Jan 2022. The community has 161 rental homes with \$764-\$1300 market rent.

UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
Multi-Section	38	\$530	\$530	\$530
Single Section	270	\$530	\$530	\$530

COMPARABLE 6

LOCATION INFORMATION

Name McConnell Crossing
 Address 3529 McConnell Road
 City, State, Zip Code Greensboro, NC, 27405
 MSA Greensboro-High Point, NC

PHYSICAL INFORMATION

Project Design Manufactured Housing
 Number of Units 301
 Year Built 1971
 Resident Type All Age
 Location Average
 Quality Average
 Condition Average
 Appeal Average
 Street Construction Asphalt



MCCONNELL CROSSING

OCCUPANCY / ABSORPTION

Vacant Units 6
 Occupancy Rate 98%

CONFIRMATION

Name Manager
 Source McConnell Crossing
 Date 10/28/2022
 Phone Number Confidential

Amenities Basketball, Playground, Tennis Court,
 Volleyball, Clubhouse (1) and Pool (1)

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

REMARKS

This community is located less than 1 mile north of I-40 and 1 mile west of I-840. The community is 4.5 miles east of downtown Greensboro. Market rent includes trash removal services and lawn maintenance. Market rent reflects a \$38 increase anticipated in Jan 2023. The community has 98 rental homes with \$756-\$1299 market rent.

UNIT MIX

DESCRIPTION	UNITS	LOW	HIGH	AVG RENT
Standard	301	\$539	\$539	\$539

SALES COMPARABLES DATA SHEETS

COMPARABLE 1

LOCATION INFORMATION

Name	Auman Acres
Address	3910 N Main St
City, State, Zip Code	High Point, NC, 27265
County	Forsyth
MSA	Greensboro-High Point, NC
APN	6882-86-5873.000

SALE INFORMATION

Seller	AUMAN LAND LLC
Transaction Date	10/19/2022
Transaction Status	In Contract
Transaction Price	\$4,300,000
Recorded Date	10/21/2022
Rights Transferred	Fee Simple
Financing	Conventional
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Manufactured Housing
Homesites	78
Year Built	1968
Quality / Condition	Average / Average
Appeal	Average
Site Size	14.4 Acres (628,135 SF)
Street Construction	Asphalt
Total Parking Spaces	158
Spaces Per Homesite	2.026

Amenities	None
-----------	------

UNIT MIX

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Standard	77
Single Family Residence	1



AUMAN ACRES

OPERATING INCOME

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$5,257	\$410,040
Other Income	\$355	\$27,713
Gross Income	\$5,612	\$437,753
Vacancy @ 0.0%	(\$315)	(\$24,602)
Effective Gross Income	\$5,297	\$413,151
Expenses	(\$2,245)	(\$175,144)
Net Operating Income	\$3,051	\$238,007
Occupancy at Sale		95.0%
Expense % of PGI/ EGI	40%	42%

ANALYSIS INFORMATION

Price/Homesite	\$55,128.21
Adjusted Price/Homesite	\$55,128.21
Capitalization Rate	5.54%
PGIM/ EGIM	9.82 10.41

CONFIRMATION

Name	William Walker
Company	MH Pro Group
Source	Seller's Broker
Date / Phone Number	10/17/2022 +1 864 630 4018

REMARKS

Auman Acres is a 77-pad manufactured housing and RV community located in High Point, NC. Space mix in the community is currently split roughly 50/50 with MH & long term RV tenants. The community is currently serviced by public water which is master metered and paid for by the community, and a wastewater treatment plant (sand filtration system) in excellent condition. The cap rate is 5.54% based on Year 1 proforma figures inclusive of a small rent increase and includes off site management fees and reserves for replacements. Closing is scheduled for December 2022.

COMPARABLE 2

LOCATION INFORMATION

Name	Pine Ridge MHP
Address	138 Joyce Ct
City, State, Zip Code	Eden, NC, 27288
County	Rockingham
MSA	Greensboro-High Point, NC
APN	178024

SALE INFORMATION

Seller	PINE RIDGE MOBILE HOME EST LLC
Transaction Date	10/18/2022
Transaction Status	Recorded
Transaction Price	\$1,800,000
Recorded Date	10/18/2022
Analysis Price	\$1,800,000
Rights Transferred	Fee Simple
Down Payment	\$486,000
Financing	Conventional
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Manufactured Housing
Homesites	39
Year Built	1990
Quality / Condition	Average / Average
Appeal	Average
Site Size	20.0 Acres (871,200 SF)
Street Construction	Asphalt
Homesite Parking	Gravel
Total Parking Spaces	78
Spaces Per Homesite	2

Amenities None

UNIT MIX

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Single Section	39



PINE RIDGE MHP

OPERATING INCOME

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$3,600	\$140,400
Other Income	\$442	\$17,232
Gross Income	\$4,042	\$157,632
Vacancy @ 0.0%	(\$216)	(\$8,424)
Effective Gross Income	\$3,826	\$149,208
Expenses	(\$1,223)	(\$47,712)
Net Operating Income	\$2,602	\$101,496
Occupancy at Sale		100.0%
Expense % of PGI / EGI	30%	32%

ANALYSIS INFORMATION

Price/Homesite	\$46,153.85
Adjusted Price/Homesite	\$46,153.85
Capitalization Rate	5.64%
PGIM / EGIM	11.42 12.06

CONFIRMATION

Name	William Walker
Company	MH Pro Group
Source	Seller's Broker
Date / Phone Number	10/19/2022 +1 864 630 4018

REMARKS

Pine Ridge Estates, is a 39-pad manufactured housing community located in Eden, North Carolina. There is 1 remaining park owned mobile home. Utilities in the park are serviced by private septic tanks (1:1) and public water which is billed back to the tenants. The sold price was \$1.8MM with a 5.64% cap rate based on actual NOI inclusive of off-site management fees and reserves for replacements.

COMPARABLE 3

LOCATION INFORMATION

Name	Trinity MHC
Address	964 Loflin Hill Road
City, State, Zip Code	Trinity, NC, 27370
County	Randolph
MSA	Greensboro-High Point, NC
APN	6782-91-2858

SALE INFORMATION

Buyer	Timberview MHP, LLC
Seller	Timber View LLC
Transaction Date	07/6/2022
Transaction Status	Recorded
Transaction Price	\$2,380,252
Recorded Date	09/15/2022
Analysis Price	\$2,184,922
Recording Number	2823/1551
Rights Transferred	Fee Simple
Down Payment	\$714,076
Financing	Conventional
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Manufactured Housing
Homesites	55
Year Built	1980
Quality / Condition	Average / Average
Appeal	Average
Site Size	50.0 Acres (2,177,564 SF)
Zoning	RM
Street Construction	Asphalt
Homesite Parking	Asphalt
Total Parking Spaces	110
Spaces Per Homesite	2
Amenities	None

UNIT MIX

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Standard	55



TRINITY MHC

OPERATING INCOME

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$3,972	\$218,460
Other Income	\$0	\$0
Gross Income	\$3,972	\$218,460
Vacancy @ 0.0%	(\$159)	(\$8,738)
Effective Gross Income	\$3,813	\$209,722
Expenses	(\$1,233)	(\$67,789)
Net Operating Income	\$2,581	\$141,933
Occupancy at Sale		100.0%
Expense % of PGI / EGI	31%	32%

ANALYSIS INFORMATION

Price/Homesite	\$39,725.85
Adjusted Price/Homesite	\$40,520.37
Capitalization Rate	6.50%
PGIM / EGIM	10.00 10.42

CONFIRMATION

Name	Nancy A Caniff
Company	Colliers International VAS
Source	Appraiser
Date / Phone Number	07/13/2022 +1 904 316 2124

REMARKS

This asset sold for \$2,380,252 with a closing date in September 2022. The contract provided to the appraiser contains no atypical terms or conditions. There are no reported seller concessions. This appears to be an arms-length transaction. The buyer reported that the NADA value of the 22 Community Owned Homes was estimated at \$195,330, which was separately allocated in the purchase agreement. The rents in place at the time of sale were lagging behind the market. The buyer intends to implement an immediate rent increase of \$50/site/month subsequent to the sale, followed by an additional \$25/site/month increase in year 3. The initial increase will bring rents up to about 87% of market in year 1. The remaining sites will need to be increased over time. Therefore, there is long-term upside potential, which was a factor in the overall consideration.

COMPARABLE 4

LOCATION INFORMATION

Name	Carolina Estates MHP
Address	2745 Anderson Rd
City, State, Zip Code	Greenville, SC, 29611
County	Greenville
APN	248000200601

SALE INFORMATION

Buyer	Nelson Partners, LLC
Seller	Charles Wyatt
Transaction Date	06/22/2022
Transaction Status	Recorded
Transaction Price	\$6,100,000
Recorded Date	06/22/2022
Recorded Price	\$6,100,000
Analysis Price	\$6,100,000
Rights Transferred	Leased Fee
Financing	Conventional
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Manufactured Housing
Homesites	95
Year Built	1980
Quality / Condition	Average / Average
Appeal	Average
Site Size	16.3 Acres (710,028 SF)
Zoning	R-MA
Street Construction	Asphalt
Homesite Parking	Asphalt
Total Parking Spaces	190
Spaces Per Homesite	2

Amenities None

UNIT MIX

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Standard	95



CAROLINA ESTATES MHP

OPERATING INCOME

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$5,462	\$518,880
Other Income	\$337	\$32,000
Gross Income	\$5,799	\$550,880
Vacancy @ 0.0%	(\$273)	(\$25,944)
Effective Gross Income	\$5,526	\$524,936
Expenses	(\$1,969)	(\$187,047)
Net Operating Income	\$3,557	\$337,889
Occupancy at Sale		99.0%
Expense % of PGI / EGI	34%	36%

ANALYSIS INFORMATION

Price/Homesite	\$64,210.53
Adjusted Price/Homesite	\$65,494.74
Capitalization Rate	5.54%
PGIM / EGIM	11.07 11.62

CONFIRMATION

Name	Confidential
Company	Confidential
Source	Closing Statement
Date / Phone Number	07/11/2022 Confidential

REMARKS

Located along the south east side of Anderson Road on the west side of Greenville.

COMPARABLE 5

LOCATION INFORMATION

Name	Waterway View
Address	1423 Circle Drive North
City, State, Zip Code	North Myrtle Beach, SC, 29582
County	Horry
MSA	Myrtle Beach-Conway-North Myrtle Beach, SC-
APN	35000000098 35015010007 35015020033

SALE INFORMATION

Buyer	Waterway View EAT, LLC
Seller	Dent Family Lp
Transaction Date	04/4/2022
Transaction Status	Recorded
Transaction Price	\$11,000,000
Recorded Date	04/4/2022
Recorded Price	\$7,750,000
Analysis Price	\$11,000,000
Recording Number	4535001524
Rights Transferred	Fee Simple
Financing	Conventional
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Manufactured Housing
Homesites	191
Year Built	1945
Quality / Condition	Average / Average
Appeal	Average
Site Size	32.9 Acres (1,430,946 SF)
Zoning	R3
Street Construction	Asphalt
Homesite Parking	Asphalt
Total Parking Spaces	376
Spaces Per Homesite	1.969
Amenities	None

UNIT MIX

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Standard	191



WATERWAY VIEW

OPERATING INCOME

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$5,453	\$1,041,600
Other Income	\$85	\$16,200
Gross Income	\$5,538	\$1,057,800
Vacancy @ 0.0%	(\$218)	(\$41,664)
Effective Gross Income	\$5,320	\$1,016,136
Expenses	(\$3,023)	(\$577,303)
Net Operating Income	\$2,298	\$438,833
Occupancy at Sale		98.4%
Expense % of PGI / EGI	55%	57%

ANALYSIS INFORMATION

Price/Homesite	\$57,591.62
Adjusted Price/Homesite	\$59,319.37
Capitalization Rate	3.99%
PGIM / EGIM	10.40 10.83

CONFIRMATION

Name	Nancy A Caniff
Company	Colliers International VAS
Source	Appraiser
Date / Phone Number	02/28/2022 +1 904 316 2124

REMARKS

This all-ages asset was listed for sale at \$11,250,000 and closed for \$11MM in April 2022. The cap rate of 5.25% was based on proforma income inclusive of a rent increase subsequent to closing since rents appeared to be below market at the time of the sale.

COMPARABLE 6

LOCATION INFORMATION

Name	Gateway Creek
Address	129 Providence Creek Rd
City, State, Zip Code	Gaffney, SC, 29341
County	Cherokee
MSA	Greenville-Anderson, SC

SALE INFORMATION

Buyer	BoaVida Group
Seller	Oak Wood Properties
Transaction Date	03/2/2022
Transaction Status	Recorded
Transaction Price	\$7,640,000
Recorded Date	03/2/2022
Recorded Price	\$7,640,000
Analysis Price	\$7,640,000
Recording Number	145 / 916
Rights Transferred	Fee Simple
Financing	Conventional
Conditions of Sale	Arms-Length

PHYSICAL INFORMATION

Project Type	Manufactured Housing
Homesites	175
Year Built	1970
Quality / Condition	Average / Average
Appeal	Average
Site Size	68.4 Acres (2,978,633 SF)
Street Construction	Asphalt
Total Parking Spaces	350
Spaces Per Homesite	2

Amenities None

UNIT MIX

<u>DESCRIPTION</u>	<u>NO. HOMESITES</u>
Standard	175



GATEWAY CREEK

OPERATING INCOME

	<u>PER HOMESITE</u>	<u>TOTAL</u>
Rent Income	\$4,200	\$735,000
Other Income	\$557	\$97,500
Gross Income	\$4,757	\$832,500
Vacancy @ 14.0%	(\$588)	(\$102,900)
Effective Gross Income	\$4,169	\$729,600
Expenses	(\$2,366)	(\$414,056)
Net Operating Income	\$1,803	\$315,544
Occupancy at Sale		86.0%
Expense % of PGI / EGI	50%	57%

ANALYSIS INFORMATION

Price/Homesite	\$43,657.14
Adjusted Price/Homesite	\$49,463.54
Capitalization Rate	4.13%
PGIM / EGIM	9.18 10.47

CONFIRMATION

Name	Nancy A Caniff
Company	Colliers International VAS
Source	Appraisal Document
Date / Phone Number	02/23/2022 +1 904 316 2124

REMARKS

This asset is part of a larger 6 property portfolio that sold for a combined purchase price of \$13.3MM. This sale was not marketed and represents an off-market transaction where the buyer approached the seller directly. The cap rate of 4.13% was based on the recorded purchase price and an estimate of the income based on rents in place at the time of sale along with a reconstructed operating statement based in part on the historical figures, excluding any home income and expenses.

Professional Service Agreement



8800 Lyra Drive, Suite 650 Columbus, OH 43240

MAIN +1 614 436 9800

FAX +1 614 436 9700

WEB www.colliers.com/valuationadvisory

November 1, 2022

Nancy A. Caniff
Senior Valuation Specialist
Direct +904.316.2124
nancy.caniff@colliers.com

Brian Spear
Sunrise Communities
410 S Aurora Ave,
Clearwater, FL 33765
Phone: 727-244-1460
mysunrisecommunity.com
brian.spear@mysunrisecommunity.com

RE: Appraisal of Park Estates MHP and Hidden Forest MHP

Dear Mr. Spear:

Thank you for considering Colliers International Valuation & Advisory Services, LLC for the assignment identified in the below stated Professional Service Agreement. Please sign one copy of the agreement and return it to me, thereby indicating your authorization for us to proceed with this assignment and your acceptance of the attached Terms and Conditions.

PROFESSIONAL SERVICE AGREEMENT **("Agreement")**

Project	Park Estates and Hidden Forest MHP ("Property")
Location	Park Estates MHP (& Self-Storage), 600 Hastings Ave, St Paul Park, MN 55071 Hidden Forest MHP, 6602 Holder Inman Road Ext, Randleman, NC 27317
Parties	Colliers International Valuation & Advisory Services, LLC ("CIVAS") and Sunrise Communities (herein at times referred to as "Client")
Intended User	The appraisal will be prepared for Sunrise Communities. Intended users include the Client. No other users are intended.
Intended Use	The report to be performed under this Agreement ("Appraisal") is intended only for use in Internal Decision Making. The report is not intended for any other use.
Purpose	Market Value
Type of Appraisal	CIVAS will produce a Restricted Report in which the appraiser's analysis and conclusions will be stated within this document.
Rights Appraised	Fee Simple, Leased Fee
Date of Value	Date of inspection (or other date defined by appraiser)

Professional Service Agreement

Continued

Scope of Work	<p>CIVAS and/or its designated affiliate will provide the Appraisal in accordance with USPAP, FIRREA, and the Code of Ethics and Certifications Standards of the Appraisal Institute and State Licensing Laws. CIVAS will research relevant market data and perform analysis to the extent necessary to produce credible appraisal results.</p> <p>Based on our discussions with the Client, the Client has requested the following valuation scenarios:</p> <ul style="list-style-type: none">› As Is <p>CIVAS anticipates developing the following valuation approaches:</p> <ul style="list-style-type: none">› Sales Comparison Approach› Income Capitalization Approach (including Direct Capitalization) <p>No observation of the subject property will be performed.</p> <p>Please note if it's a requirement per the client's underwriting guidelines to analyze and report all approaches to value, this will be performed although some approaches may be limited in application.</p> <p>The scope of work will be included in the Appraisal. A copy of the Assumptions and Limiting Conditions, which appear in the Appraisal, is available upon request.</p>
Delivery	<p>Draft Appraisal: Delivered 11/9/2022</p> <p>Final Appraisal: Delivered three (3) days after completion of client review and authorization to deliver final report(s).</p>
Professional Fee	\$4,500 each
Expenses	Fees include all associated expenses.
No. of Reports	<p>One (1) Electronic Draft Appraisal and One (1) Electronic Final Appraisal.</p> <p>No printed copies will be delivered to the client.</p>
Retainer	<p>We will proceed with the assignment upon execution of the contract but will require payment prior to release of the draft report.</p> <p><u>To Pay By Check:</u> Please remit all payments to Colliers International Valuation & Advisory Services 26791 Network Place Chicago, IL 60673-1267 **Please include the property name or address on the memo line**</p> <p><u>Wire Instructions:</u> JP Morgan Chase Bank, NA Chicago, IL 70-2322/719 Account Name: Colliers International Valuation & Advisory Services, LLC Account No. 899559074 ABA No. 021000021 ACH Payment Transit Routing Number: 071000013 Swift code for International Wires ONLY: CHASUS33 **Please include the property name or address in addenda/memo payment information**</p> <p>Please send notification to CIVASAccounting@colliers.com when payment has been sent.</p>
Payment Terms	<p>CIVAS will invoice Client for the Appraisal in its entirety at the delivery of the draft appraisal.</p> <p>Final payment is due and payable within five (5) business days upon delivery of the electronic copy of the Final Appraisal or within thirty (30) days of your receipt of our Draft Appraisal, whichever is sooner. If a Draft Appraisal is requested, the fee is considered earned upon delivery of our Draft Appraisal.</p>
Acceptance Date	These specifications are subject to modification if this Agreement is not accepted within three (3) business days from the date of this letter.

Professional Service Agreement

Continued

Terms and Conditions

The attached Terms and Conditions and Specific Property Data Request are deemed a part of this Agreement as though set forth in full herein. The following is a list of information needed to begin and complete our analysis. The Client signing this Agreement or the party sending the specific property data certifies that all the information provided is accurate and complete as of the date of this request, and that any updates, revisions or additional relevant information that comes into control or possession of the Client prior to the date on which the Appraisal is delivered shall be provided to CIVAS immediately. Please forward with the Agreement or as soon as possible.

- › Survey with Legal Description & Site Size
- › Title Report
- › Wetland Delineation Map (if applicable)
- › Engineering studies, soil tests or environmental assessments
- › Ground lease (if applicable)
- › Existing Building or Improvement Plans
- › Individual Floor or Unit Plans
- › Current County Property Tax Bill
- › Details on any Sale, Contract, or listing of the property in the past 3 years
- › Construction Cost/Budget (within past 3 years)
- › Detailed list of personal property items
- › Property Condition Report
- › Details regarding the historical and future replacement schedule (i.e., carpets, appliances, cabinetry, laundry facilities, HVAC, etc.)
- › Capital improvements history (2 years) & budget
- › Three year & YTD Income & Expenses
- › Current Budget
- › Detailed occupancy report for the past 3 years and YTD
- › Detailed current certified rent roll indicating any vacant units and in-place rents
- › Details regarding any pending changes to the rent roll including any negotiated side deals to delay or forgive rent payments
- › Aged Accounts/Delinquency Report
- › Details regarding any concessions currently being offered for new and existing tenants
- › Marketing plan and/or local competitive study, if available
- › Copy of recent Appraisals or Market Studies
- › Name and telephone number of property contact for physical inspection and additional information needed during the appraisal process
- › Property Contact _____

In addition to the items requested above, please forward any additional materials you would consider relevant in the analysis of the subject property.

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 the stated Intended Use. CIVAS 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 CIVAS 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 CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS, by a party satisfactory to CIVAS. CIVAS hereby expressly grants to client the right to copy the Appraisal and distribute it to employees of client and to your accountants/auditors in its entirety (but not component parts) without the need to provide CIVAS with an Indemnification Agreement and/or Non-Reliance letter.

The Appraisal requires CIVAS to submit a Summation of the Appraisal Findings in the form of a Letter of Transmittal along with the Summary of Salient Facts and Special/Limiting Conditions applicable to the Appraisal. This will be completed in conjunction with the Appraisal at the above stated fee.

If you have questions regarding the enclosed, please feel free to contact me. CIVAS appreciates this opportunity to be of service to you on this assignment and looks forward to serving you. If you have additional questions, please contact us.

I, **Brian Spear/Sunrise Communities** agree to the above stated terms and authorize Colliers International Valuation & Advisory Services, LLC to prepare the above referenced appraisal.



Date: 11/01/2022

Brian Spear
Sunrise Communities

Respectfully,

Colliers International Valuation & Advisory Services, LLC

Nancy A. Caniff
Senior Valuation Specialist
Direct +904.316.2124
Nancy.caniff@colliers.com

Terms and Conditions

"T&C"

- 1) The Appraisal will be subject to Colliers International Valuation & Advisory Services, LLC's ("CIVAS") Assumptions and Limiting Conditions that are incorporated into each appraisal, and any Extraordinary Assumptions and Hypothetical Conditions that may be incorporated into each appraisal.
- 2) Any capitalized, non-defined words shall have the same meaning as defined in the Agreement to which these T&Cs are attached.
- 3) Client is defined as the party signing the Agreement and shall be responsible for payment of the fees stipulated in the Agreement. Payment of the fee for the Appraisal is not contingent on the appraised value(s) or the outcome of the report(s). Additional fees will be charged on an hourly basis for any work that may exceed the scope of this proposal, including performing additional valuation scenarios, additional research, and conference calls, meetings, deposition preparation, deposition, trial testimony or travel that may exceed the time allotted by CIVAS for an assignment of this nature. If CIVAS is requested to cease working on the Appraisal for any reason prior to the completion of the appraisal(s), CIVAS will be entitled to bill the Client for the time spent to date at CIVAS' hourly rates for the personnel involved. The Client will be billed a minimum \$500 or at a rate of \$250 per hour for associate time, \$300 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. If the Client delays completion of the assignment beyond ninety (90) days, the fee may be renegotiated. This may result in the total fee exceeding the original agreed fee agreed upon cost.
- 4) Client agrees to pay all fees and expenses, including attorney's fees, incurred by CIVAS in connection with the collection or attempted collection of the fees and expenses. In the event Client fails to make payments when due and payable, the amount due shall bear interest at 1.5% per month or the maximum rate permitted in the state in which the CIVAS office executing the Agreement is located, whichever is lesser.
- 5) The fee is due upon delivery of the final report or within thirty (30) days of your receipt of the draft report, whichever is sooner. If a draft is requested, the fee is considered earned upon delivery of our draft report.
- 6) In the event that either party commences any legal action relating to the provisions of the Agreement, including collection, the prevailing party shall be entitled to its actual attorneys' fees and costs. The Agreement shall be governed by and construed in accordance with the laws of the state where the CIVAS office executing the Agreement is located. The venue of any action arising out of the Agreement shall be the county where the CIVAS office executing the Agreement is located. Client will have up to thirty (30) days from receipt of the Draft Appraisal to review and communicate its review to CIVAS. CIVAS reserves the right to bill Client for additional appraisal efforts that may arise from the Client not responding within with this time period.
- 7) CIVAS does not make any representation or warranty, express or implied, as to the accuracy or completeness of the information or the state of affairs of the Property furnished to CIVAS by Client. In the event that any such information is inaccurate, misleading or incomplete, CIVAS shall have no responsibility or liability for any matters relating thereto (whether to the Client or to any third party).
- 8) CIVAS shall have no responsibility for legal matters, questions of survey or title, soil or subsoil conditions, engineering, or other similar technical matters. The Appraisal will not constitute a survey of the Property analyzed.
- 9) Client shall provide CIVAS with such materials with respect to the Appraisal as requested by CIVAS and which are in the possession or under the control of Client. Client shall provide CIVAS with sufficient access to the Property to be analyzed and hereby grants permission for entry, unless discussed in advance to the contrary.
- 10) The data gathered in the course of the Appraisal (except data furnished by Client) and the Appraisal prepared pursuant to the Agreement are, and will remain, the property of CIVAS. With respect to data provided by Client, such data shall be confidential, and CIVAS shall not disclose any information identified as confidential furnished to CIVAS. Notwithstanding the foregoing, CIVAS is authorized by Client to disclose all or any portion of the Appraisal and the related data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable CIVAS to comply with the Bylaws and Regulations of such Institute as now or hereafter in effect.
- 11) Unless specifically noted, CIVAS does not assume any duty to analyze or examine the Property or adjacent property for the possible presence of toxic and/or hazardous substances or materials (including but not exclusive to asbestos, PCB transformers, or other toxic, hazardous, or contaminated substances and/or underground storage tanks (hazardous material), or the cost of encapsulation or removal thereof) and accepts no liability regarding the issue. If such materials exist, CIVAS defers to the expertise of professionals specifically trained in analyzing the cost to remediate, which will not be a part of the appraisal fee proposal. The Appraisal will contain a comprehensive disclaimer to this effect.
- 12) CIVAS understands that there is no major or significant deferred maintenance in the Property which would require the expertise of a professional cost estimator or contractor. If such repairs are needed, the estimates are to be prepared by others, and are not a part of the fee contemplated in the Agreement.
- 13) Client acknowledges that CIVAS is being retained hereunder as an independent contractor to perform the services described herein and nothing in the Agreement shall be deemed to create any other relationship between Client and CIVAS. The Agreement shall be deemed concluded and the services hereunder completed upon delivery to Client of the Appraisal discussed herein.
- 14) Client agrees that its only remedy for losses or damages relating to the Agreement shall be limited to the amount of the appraisal fee paid by the Client and in no circumstances shall CIVAS be liable for any losses or damages in excess of this amount. Should the Client, or any other entitled party, make a claim against CIVAS, its directors, officers, employees and other affiliates and shareholders, relating to this engagement or the appraisal(s), the maximum damages recoverable from CIVAS, its directors, officers, employees and other affiliates and shareholders, shall be the amount of funds actually collected by CIVAS under the Agreement, and no claim shall be made for any consequential or punitive damages.

Professional Service Agreement

Continued

- 15) If CIVAS or any of its employees receives a subpoena or other judicial notification to produce documents or provide testimony involving the Appraisal in connection with a lawsuit or related proceeding, CIVAS will notify the Client of receipt of the subpoena or notification. However, if CIVAS is not part of the lawsuit or proceedings, Client agrees to compensate CIVAS for the professional time required and to reimburse CIVAS for the expenses incurred in responding to any such subpoena or judicial notification, including any attorneys' fees, as they are incurred. CIVAS is to be compensated at the prevailing hourly rates of the personnel responding to the subpoena or command for testimony.
- 16) If expert witness testimony is required in connection with the Appraisal, the following hourly rates will apply. The Client will be billed at the rate of \$250 per hour for associate time, \$350 per hour for valuation services director, \$400 per hour for managing director, and \$450 per hour for executive managing director. The hourly billings pertain to court preparation, waiting and travel time, document review and preparation (excludes appraisal report) and all meetings related to court testimony.
- 17) Client shall indemnify and hold CIVAS, its parent, subsidiaries, affiliates, its officers, directors, employees and agents ("CIVAS Indemnities"), fully harmless against all losses, damages, claims, and expenses of any kind whatsoever (including costs and reasonable attorneys' fees), sustained or incurred by a third party as a result of the negligence or intentional acts or omissions of Client (including any failure to perform any duty imposed by law), any misrepresentation, distortion or if Client fails to provide complete and accurate information to CIVAS, for which recovery is sought against the CIVAS Indemnities; however, such obligation to defend and indemnify shall not apply to the extent caused by the negligent act or willful misconduct of CIVAS. Client shall indemnify and hold CIVAS Indemnities harmless from any claims, expenses, judgments or other items or costs arising as a result of the Client's failure or the failure of any of the Client's agents to provide a complete copy of the Appraisal to any third party. LIMITATION OF LIABILITY. EXCEPT FOR THE INDEMNIFICATION PROVISION ABOVE, ANYTHING IN THE AGREEMENT TO THE CONTRARY NOTWITHSTANDING, UNDER NO CIRCUMSTANCES WHATSOEVER SHALL EITHER PARTY BE LIABLE TO THE OTHER FOR ANY SPECIAL, CONSEQUENTIAL, PUNITIVE, OR INCIDENTAL DAMAGES OF ANY KIND WHATSOEVER.
- 18) CIVAS agrees to maintain Professional Liability Insurance in the amount of \$1,000,000 and General Liability insurance in the amount of \$2,000,000, as well as Workers Compensation per local regulatory requirements. CIVAS will endeavor to provide Client with written notice regarding any cancellation of any such insurance. CIVAS will provide Client with certificates of insurance naming Client as an additional insured on the General Liability policy upon request.
- 19) The Appraisal and the name Colliers International Valuation & Advisory Services may not be used in any marketing or investment material or offering memoranda without CIVAS' prior written consent. CIVAS, its employees and appraisers have no liability to any recipients of any prepared material and disclaim all liability to any party other than the Client.
- 20) Unless CIVAS consents in writing, the Appraisal cannot be used by any party or for any purpose other than the Client for the purposes specified in the Agreement. Should the Client provide a copy of this Appraisal to any person or entity not authorized by CIVAS in writing, Client hereby agrees to hold CIVAS, its directors, officers, employees and other affiliates and shareholders, harmless from all damages, expenses, claims and costs, including any attorney's fees. The Client acknowledges that any opinions and conclusions expressed by the professionals of CIVAS pursuant to the Agreement are made as employees and not as individuals. CIVAS' responsibility is limited to the Client, and the use of the Appraisal or related product by third parties shall be solely at the risk of the Client and/or third parties.
- 21) The use of this appraisal shall be used only for the purpose as set forth in the Intended Use section of the Agreement. In the event that the client wishes to use this report or portions of this report for any other purpose such as, to become part of or be referenced in, any offering or other material intended for the review of others, or to be submitted to others, will be at the Client's sole and absolute discretion and, if given, will be on condition that CIVAS will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to CIVAS and the Client, by a party satisfactory to CIVAS and the Client. CIVAS does consent to Client submission of the complete Appraisal to rating agencies, loan participants or your accountants/auditors without the need to provide us with an Indemnification Agreement and/or Non-Reliance letter.

Hidden Forest MHP

Pro Forma

								CLOSING	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTAL
OPERATIONS														
Rent Roll														
Total Sites								198	199	198	198	198	198	
TOH - Existing								37	37	37	37	37	37	
TOH - Added (POH previously)								0	9	11	11	11	11	
RTO - Added (POH Previously)								0	0	0	0	0	0	
POH - Existing								21	4	0	0	0	0	
POH - New Homes								0	38	125	130	130	130	
RV								0	0	0	0	0	0	
Vacant Sites								140	111	25	20	20	20	
Occupied Sites								48	71	166	178	178	178	
TOH - Existing								37	37	37	37	37	37	
TOH - Added (POH previously)								0	9	11	11	11	11	
RTO - Added (POH Previously)								0	0	0	0	0	0	
POH - Existing								11	2	0	0	0	0	
POH - New Homes								0	23	118	130	130	130	
RV								0	0	0	0	0	0	
% Occupancy								24.2%	35.7%	83.8%	89.9%	89.9%	89.9%	
% POH's (% Total Sites)								5.6%	12.6%	59.6%	65.7%	65.7%	65.7%	
% RV's (% Total Sites)								0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Avg. Site Rent									\$398	\$495	\$546	\$576	\$606	
Avg. Home Rent									\$603	\$632	\$665	\$685	\$705	
	<u>Current</u>	<u>New</u>	<u>Month</u>	<u>Bumped</u>	<u>Month</u>	<u>%YoY</u>	<u>Start Month</u>							
TOH (Existing)	\$310	\$450	9	\$450	21	\$30	21	\$357	\$460	\$510	\$540	\$570		
TOH (New)	\$450	\$495	1	\$495	21	\$30	21	\$495	\$505	\$555	\$585	\$615		
New Home Site Ren	\$550	\$625	1	\$625	21	\$30	21	\$625	\$635	\$685	\$715	\$745		
RTO Rent	\$0	\$0	0	\$0	0	\$0	21	\$0	\$0	\$0	\$0	\$0		
Home Rent (Existing)	\$350	\$350	1	\$350	21	\$20	21	\$350	\$357	\$390	\$410	\$430		
Home Rent (New)	\$645	\$625	1	\$625	21	\$20	21	\$625	\$632	\$665	\$685	\$705		
RV	\$0	\$0	0	\$0	0	\$30	21	\$0	\$10	\$60	\$90	\$120		
MH Income								T-12						
Gross Potential Site Rent									\$961,380	\$1,361,400	\$1,490,700	\$1,561,980	\$1,633,260	\$7,008,720
Vacancy Allowance									(566,750)	(193,650)	(122,400)	(129,600)	(136,800)	(1,149,200)
Concessions / Collection Loss	2.0% of Rent								(7,893)	(23,355)	(27,366)	(28,648)	(29,929)	(117,190)
Effective Rental Income									\$386,737	\$1,144,395	\$1,340,934	\$1,403,732	\$1,466,531	\$5,742,330
Economic Occupancy (% of GPRI)									40.2%	84.1%	90.0%	89.9%	89.8%	
Water/Sewer Recapture	0.0% of Expense								\$0	\$0	\$0	\$0	\$0	\$0
Trash Income	\$0 /Site/Mon								0	0	0	0	0	0
Late Fees	0.0% \$0 /Site/Mon								0	0	0	0	0	0

Other Income	0.0%	\$0 /Site/Mon		0	0	0	0	0	0
Total Other Income			\$0	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income			\$0	\$386,737	\$1,144,395	\$1,340,934	\$1,403,732	\$1,466,531	\$5,742,330
<i>YoY % Growth</i>				195.9%	17.2%	4.7%	4.5%		
Expenses	3.0%	%YoY Inflation							
Payroll & Related	\$75,000	/Year		(\$75,000)	(\$77,250)	(\$79,568)	(\$81,955)	(\$84,413)	(\$398,185)
General & Administrative	1.5%	% EGI		(5,801)	(17,166)	(20,114)	(21,056)	(21,998)	(86,135)
Tenant Background Checks	\$50	/Move-in		(3,500)	(3,858)	(1,300)	(1,300)	(1,300)	(11,258)
Marketing	\$0	/Year		0	0	0	0	0	0
Mowing & Landscaping	\$30,000	/Year		(30,000)	(30,900)	(31,827)	(32,782)	(33,765)	(159,274)
Repairs & Maintenance	\$202	/Site/Year		(40,000)	(41,200)	(42,436)	(43,709)	(45,020)	(212,365)
Management Fees	5.0%	of EGI		(19,337)	(57,220)	(67,047)	(70,187)	(73,327)	(287,116)
Software	\$3,000	/Year		(3,000)	(3,090)	(3,183)	(3,278)	(3,377)	(15,927)
Telephone & Internet	\$2,500	/Year		(2,500)	(2,575)	(2,652)	(2,732)	(2,814)	(13,273)
Insurance	\$50	/Site/Year		(9,900)	(10,197)	(10,503)	(10,818)	(11,143)	(52,560)
Trash Service	\$0 /occ/mon	\$20 /Occ Site/Mon		(17,120)	(40,912)	(45,322)	(46,681)	(48,082)	(198,116)
Water & Sewer	\$0 /occ/mon	\$38,400 /Year		(45,414)	(64,750)	(92,318)	(131,624)	(187,664)	(521,771)
Electric & Other Services		\$7,500 /Year		(7,500)	(7,725)	(7,957)	(8,195)	(8,441)	(39,819)
Real Estate Taxes		\$35,000 /Year		(35,000)	(36,050)	(37,132)	(38,245)	(39,393)	(185,820)
Other Taxes		\$0 /Year		0	0	0	0	0	0
Total Operating Expenses			\$0	(\$294,072)	(\$392,893)	(\$441,357)	(\$492,562)	(\$560,736)	(\$2,181,621)
<i>Expense Ratio (Including Utilities)</i>	0.0%			76.0%	34.3%	32.9%	35.1%	38.2%	
<i>Expense Ratio (Excluding Utilities)</i>	0.0%			64.3%	28.7%	26.0%	25.7%	25.4%	
Net Operating Income			\$0	\$92,665	\$751,502	\$899,577	\$911,170	\$905,795	\$3,560,709

Home Income & Expenses										
POH Rental Income					\$182,700	\$891,650	\$1,037,400	\$1,068,600	\$1,099,800	\$4,280,150
RTO Income					0	0	0	0	0	0
Move-In Fees		\$1,000	/Move-in		70,000	60,000	0	0	0	130,000
Management Fees			5.0% of EGI		(9,135)	(44,583)	(51,870)	(53,430)	(54,990)	(214,008)
Leasing Commissions		\$1,000	/Move-in		(70,000)	(61,800)	0	0	0	(131,800)
Home Insurance		\$500	/POH/Year		(20,500)	(64,375)	(68,959)	(71,027)	(73,158)	(298,019)
Home R&M		20.0%	\$2,000 /POH Turned		(10,067)	(48,410)	(55,167)	(56,822)	(58,526)	(228,992)
Home Taxes & Fees	\$0 /home		\$300 /POH/Year		(12,300)	(38,625)	(41,375)	(42,616)	(43,895)	(178,811)
RTO Vacancy Expenses	0	0.0%	\$0 /RTO/Year		0	0	0	0	0	0
RTO Turnover Expenses			\$2,000 /POH Turned		0	0	0	0	0	0
Net Home Income				\$0	\$130,698	\$693,858	\$820,030	\$844,705	\$869,231	\$3,358,521
Net Operating Income (Including Homes)				\$0	\$223,363	\$1,445,360	\$1,719,606	\$1,755,875	\$1,775,025	\$6,919,230

Acquisition, Capex & Disposition

Acquisition		Financed								
Purchase Price (RE)				(\$6,000,000)	\$0	\$0	\$0	\$0	\$0	(\$6,000,000)
Purchase Price (POHs)	1			0	0	0	0	0	0	0
Closing Costs	1	1.00%	of PP	(60,000)	0	0	0	0	0	(60,000)
Due Diligence Costs	1	\$40,000	Pre-Closing	(40,000)	0	0	0	0	0	(40,000)
Broker/Consulting Fees	1	\$0		0	0	0	0	0	0	0
Total Acquisition Costs				(\$6,100,000)	\$0	\$0	\$0	\$0	\$0	(\$6,100,000)

Capex		Loan	Amount	Start	Duration					
Paving & Parking Pads	1		\$500,000	1	6	(\$500,000)	\$0	\$0	\$0	(\$500,000)
Gen. Cleanup	1		\$100,000	1	6	(100,000)	0	0	0	(100,000)
Tree Work	1		\$50,000	1	6	(50,000)	0	0	0	(50,000)
WWTP/Well Upgrades	1		\$100,000	1	6	(100,000)	0	0	0	(100,000)
Roads & Parking Pads	1		\$0	1	6	0	0	0	0	0
Water & Sewer Lines	1		\$0	1	6	0	0	0	0	0
Electric	1		\$0	1	6	0	0	0	0	0
Soft Costs	1		\$0	0	0	0	0	0	0	0
Home Rehab	1		\$3,000 / home			0	0	0	0	0
Home Demo	1		\$4,000 / home			(40,000)	0	0	0	(40,000)
Home Eviction & Demo	1		\$3,000 / home			0	0	0	0	0
Home Set Costs	1		\$18,000 / home			(1,620,000)	(720,000)	0	0	(2,340,000)
Site Infrastructure Costs	0	Ready Sites	\$0 / home			0	0	0	0	0
Home Purchases						(5,416,200)	(2,407,200)	0	0	(7,823,400)
Contingency	1		\$250,000	7.99%	of Cost	(192,492)	(57,508)	0	0	(250,000)
Project Management Fee	1		\$125,000	1	12	(125,000)	0	0	0	(125,000)
Total Capital Expenditures						(\$8,143,692)	(\$3,184,708)	\$0	\$0	(\$11,328,400)

Total Acquisition & Capex Costs						(\$6,100,000)	(\$8,143,692)	(\$3,184,708)	\$0	\$0	(\$17,428,400)
--	--	--	--	--	--	----------------------	----------------------	----------------------	------------	------------	-----------------------

Cumulative Acquisition & Capex Costs (Excluding New Homes)

Disposition		Sale Mon	Exit Cap	Blended Cap						
Gross Sale Proceeds (RE)	T-3	60	6.50%	6.45%	\$0	\$0	\$0	\$0	\$13,540,709	\$13,540,709
New Home Sale Proceeds		\$52,329	/ New Home Sold		0	0	0	0	6,802,771	6,802,771
Existing Home Sale Proceeds					11,000	0	0	0	0	11,000
RTO Remaining Contract Value		0.00%			0	0	0	0	0	0
Closing Costs		0.50%	of GSP		(55)	0	0	0	(101,717)	(101,772)
Broker Commissions		1.50%	of GSP		(165)	0	0	0	(305,152)	(305,317)
Net Sale Proceeds					\$10,780	\$0	\$0	\$0	\$19,936,610	\$19,947,390

Acquisition Fee					\$0	\$0	\$0	\$0	\$0	\$0	
JV Fee					0	0	0	0	0	0	
Disposition Fee		0.00%	of GSP		0	0	0	0	0	0	
Unlevered Cash Flow		11.64%	1.56x IRR/MOIC		(\$6,100,000)	(\$7,909,549)	(\$1,739,348)	\$1,719,606	\$1,755,875	\$21,711,636	\$9,438,220
<i>Capital Outlay</i>			<i>16,818,394 Peak Equity</i>		<i>(14,009,549)</i>	<i>(16,818,394)</i>	<i>(15,604,408)</i>	<i>(13,881,274)</i>	<i>(12,123,082)</i>	<i>0</i>	

Leverage

Senior Loan										
Loan Costs		\$0			\$0	\$0	\$0	\$0	\$0	\$0
Origination Fees		\$0	of Loan		0	0	0	0	0	0
Interest Reserve Beg.	1	\$0	Reserve		\$0	\$0	\$0	\$0	\$0	\$0

Interest Reserve Used		0	0	0	0	0	0
Interest Reserve End		0	0	0	0	0	0
Beginning Balance	<i>LTC</i>	<i>Debt</i>	<i>Equity</i>				
Additions	70.00%	\$6,723,500	\$2,881,500	3,218,500	2,727,492	777,508	0
Interest	6.50% I/Y			0	(290,225)	(420,923)	(419,940)
Principal Payment	240 Amort.		12 I/O	0	0	(180,620)	(181,603)
Principal Paydowns				0	0	0	0
Ending Balance				\$3,218,500	\$2,437,267	\$175,965	(\$601,543)
<i>Debt Service Coverage Ratio (excl. Home Income)</i>					0.32x	1.25x	1.50x
<i>Debt Service Coverage Ratio (incl. Home Income)</i>					0.45x	1.11x	1.29x
							1.51x
							1.34x
New Home Loans							
Beginning Balance							
Loan Proceeds / Additions		0	5,416,200	2,407,200	0	0	0
Interest		0	(121,144)	(484,360)	(503,596)	(487,897)	(471,100)
Principal Payment		0	(84,149)	(215,503)	(224,261)	(239,960)	(256,757)
Principal Paydowns		0	0	0	0	0	(6,802,771)
Ending Balance		\$0	\$5,210,907	\$1,707,338	(\$727,857)	(\$727,857)	(\$7,530,627)
Total Loan Proceeds		\$3,218,500	\$8,143,692	\$3,184,708	\$0	\$0	\$0
Total Loan Fees/Costs		0	0	0	0	0	0
Interest Reserve		0	0	0	0	0	0
Interest Payments		0	(411,369)	(905,283)	(923,536)	(895,675)	(865,901)
Principal Payments		0	(84,149)	(396,123)	(405,864)	(433,725)	(463,499)
Principal Paydowns		0	0	0	0	0	(12,763,540)
Levered Cash Flow		(\$2,881,500)	(\$261,375)	\$143,954	\$390,206	\$426,475	\$7,618,696
<i>Equity Outlay</i>		<i>(3,142,875)</i>	<i>(3,182,151)</i>	<i>(2,965,215)</i>	<i>(2,571,481)</i>	<i>(2,142,689)</i>	<i>0</i>

Hidden Forest MHP

Overview

Asset Description	
Property Name:	Hidden Forest MHP
Address:	6602 Holder Inman Road Ext, Randleman, NC
County:	Randolph County
Gross Acres:	58.12
Total Sites:	198
Water:	Private Well
Sewer:	Waste Water Treatment Plant
Electric:	Direct Billed
Trash:	Paid by Park Owner

Return Summary			
<i>Return Metrics</i>	<i>Unlevered</i>	<i>Levered</i>	
Equity Invested	(\$16,818,394)	(\$2,881,500)	
Distributions	26,256,614	8,468,607	
Nominal Profit	\$9,438,220	\$5,587,107	
IRR	11.64%	25.20%	
MOIC	1.56x	2.84x	
Deal Fees			
Acquisition Fee	0.00% of PP		
JV Fee	\$0 Total		
Asset Management Fee	0.00% of Equity		
Property Mgmt Profit Share	0.00% of Profit		
Disposition Fee	0.00% of GSP		

Cash Flow Summary							
<i>Rent Roll</i>	<i>Closing</i>	<i>Year 1</i>	<i>Year 2</i>	<i>Year 3</i>	<i>Year 4</i>	<i>Year 5</i>	<i>Total</i>
Total Sites	198	199	198	198	198	198	198
Occupied Sites	48	71	166	178	178	178	178
% Physical Occupancy	24.2%	35.7%	83.8%	89.9%	89.9%	89.9%	
Avg. Site Rent	\$0	\$398	\$495	\$546	\$576	\$606	
Avg. Home Rent	\$0	\$1,001	\$1,127	\$1,211	\$1,261	\$1,311	
Income							
Effective Gross Rental Income	\$386,737	\$1,144,395	\$1,340,934	\$1,403,732	\$1,466,531	\$5,742,330	
Other Income	0	0	0	0	0	0	
Effective Gross Income	\$386,737	\$1,144,395	\$1,340,934	\$1,403,732	\$1,466,531	\$5,742,330	
% Economic Occupancy	40%	84%	90%	90%	90%	90%	

Acquisition & Disposition		
	<i>Total</i>	<i>\$ / Site</i>
Purchase Price (Real Estate)	(\$6,000,000)	(\$30,303)
Purchase Price (POHs)	0	0
Closing Costs	(60,000)	(303)
Due Diligence	(40,000)	(202)
Broker/Assignment Fees	0	0
Acquisition Fee	0	0
JV Fee	0	0
Total Acquisition Costs	(\$6,100,000)	(\$30,808)

Sources & Uses			
<i>Sources</i>	<i>% Total</i>	<i>Total</i>	<i>\$ / Site</i>
Bank Loan	70%	\$6,723,500	\$33,957
Equity (Lender Required)	30%	2,881,500	14,553
Total Sources (Lender Required)	100%	\$9,605,000	\$48,510
Working Capital		150,000	758
Total Sources (Including WC)		\$9,755,000	\$49,268

	<i>Total</i>	<i>\$ / Site</i>
Sale Month / Exit Cap Rate	60	6.50%
Gross Sale Proceeds	20,354,480	\$102,800
Sale Costs	0.50% (101,772)	(514)
Commission	1.50% (305,317)	(1,542)
Dispo Fee	0.00%	0
Net Sale Proceeds	\$19,947,390	\$100,744

<i>Uses</i>	<i>Total</i>	<i>\$ / Site</i>
Purchase Price (RE)	\$6,000,000	\$30,303
Purchase Price (POHs)	0	0
Closing Costs	60,000	303
Due Diligence	40,000	202
Broker/Consulting Fees	0	0
Acquisition Fee	0	0
JV Fee	0	0
Project Mgmt. Fee	125,000	631
Paving	500,000	2,525
Gen. Cleanup	100,000	505
Tree Work	50,000	253
WWTP/Well Upgrades	100,000	505
Roads & Parking Pads	0	0
Water & Sewer Lines	0	0
Electric	0	0
Soft Costs	0	0
Home Rehab	0	0
Home Demo	40,000	202
Home Eviction & Demo	0	0
Home Set Costs	2,340,000	11,818
Site Improvement Costs	0	0
Contingency	250,000	1,263
Interest Reserve	0	0
Financing Costs	0	0
Loan Origination Fees	0	0
Total Uses	\$9,605,000	\$48,510
Working Capital	150,000	758
Total Uses (Including WC)	\$9,755,000	\$49,268

Debt Assumptions		
Senior Loan		
Loan-to-Cost	70.00%	
Loan Amount	\$6,723,500	
Interest Rate	6.50%	
Amortization (Months)	240	
Interest Only Period (Months)	12	
Financing Costs (\$ / % Loan)	\$0	0.00%
Origination Fee (\$ / % Loan)	\$0	0.00%
Interest Reserve (Months / \$ Reserve)	0	\$0

Home Loans		
Loan-to-Cost (% Total Home Cost)	100.00%	
Interest Rate	7.00%	
Amortization (Months)	240	
IO Period (Months)	0	
Payment Delay (Months)	0	

Net Operating Income (Excl. Home Income)	\$92,665	\$751,502	\$899,577	\$911,170	\$905,795	\$3,560,709
Home Income	130,698	693,858	820,030	844,705	869,231	3,358,521
NOI (Incl. Home Income)	\$223,363	\$1,445,360	\$1,719,606	\$1,755,875	\$1,775,025	\$6,919,230
Loaded Cap Rate (PP+Capex)	1.3%	8.3%	9.9%	10.1%	10.2%	
Acquisition, Capex, Disposition & AM Fees						
Acquisition Costs	(\$6,100,000)	\$0	\$0	\$0	\$0	(\$6,100,000)
Capital Expenditures	0	(8,143,692)	(3,184,708)	0	0	(11,328,400)
Net Sale Proceeds	0	10,780	0	0	0	19,936,610
Unlevered Cash Flows	(\$6,100,000)	(\$7,909,549)	(\$1,739,348)	\$1,719,606	\$1,755,875	\$21,711,636
Leverage						
Acquisition Loan						
Acq. Loan Proceeds	\$3,218,500	\$2,727,492	\$777,508	\$0	\$0	\$0
Loan Fees/Costs	0	0	0	0	0	0
Interest Payments	0	(290,225)	(420,923)	(419,940)	(407,778)	(394,801)
Principal Payments	0	0	(180,620)	(181,603)	(193,765)	(206,742)
Principal Paydowns	0	0	0	0	0	(5,960,770)
Net Loan Inflow (Outflow)	\$3,218,500	\$2,437,267	\$175,965	(\$601,543)	(\$601,543)	(\$6,562,313)
Home Loans						
Home Loan Proceeds	\$0	\$5,416,200	\$2,407,200	\$0	\$0	\$0
Interest Payments	0	(121,144)	(484,360)	(503,596)	(487,897)	(471,100)
Principal Payments	0	(84,149)	(215,503)	(224,261)	(239,960)	(256,757)
Principal Paydowns	0	0	0	0	0	(6,802,771)

		HIDDEN FOREST																Journal # 5		F					
		OCTOBER 2022 RENT ROLL																							
Inventory Sold Homes	UNIT #	Vacant	Site #	Sec Dep	M/I Date	Name	Journal	Previous Balance	Current Charges	Current Payments	Delinq. PMTs	Late, NSF & Court Charges	Late, NSF & Court PMTs	Misc Charges	Misc Pmts	Sec Dep Charge	Sec Dep Pmts	Home Sales Charges	Home Sales Pymts	Prior Month NSF	Prior Month NSF payment	Credits	NSF	Total Balance Due	
	43		1144			VACANT																			
	44		1145			VACANT																			
	45		1146		9/22	Todd	4	(186)	310	176														(52)	
	46		1147			VACANT																			
	47		1148	675	3/21	PH/Barker/Whitlow	4	0	675	675		15	15											0	
	48		1149			VACANT																			
	49		1150	150	12/15	PH/Kindley	2	0	650	650														0	
	50		1151			VACANT																			
	51		1152			VACANT																			
	52		1153	950.00	8/22	PH/Puckett	2	0	950	950														0	
	53		1154		7/99	Holmes/Cronin/C06/PD08		10,000	0															10,000	
	54		1155		10/09	Blankenship	4	0	330	330		15	15											0	
	55		1156			VACANT																			
	56		1157			VACANT																			
	57		1158	135	3/93	Henderson	2	0	310	310														0	
	58		1159			VACANT																			
	59		1160			VACANT																			
	60		1161	140	10/94	Moreland	2	0	310	310														0	
	61		1162			VACANT																			
	62		1163		7/14	PH/Poole	4	0	600	600		15	15											0	
	63		1164			VACANT																			
	64		1165			VACANT																			
	65		1166			VACANT																			
	66		1167			VACANT																			
	67		1168			VACANT																			
	68		1169			VACANT																			
	69		1170			VACANT																			
	70		1171			VACANT																			
	71		1172	725	5/21	PH/Baldwin/Hooker	5	0	725	725		15	15											0	
	72		1173			VACANT																			
	73		1174			VACANT																			
	74		1175			VACANT																			
	75		1176			VACANT																			
	76		1177			VACANT																			
	77		1178			VACANT																			
	78		1179		7/09	Dunn		0	330			15												345	
	79		1180		6/20	PH/Flores/Elvington	2	(2)	700	700														(2)	
	80		1181			VACANT																			
	81		1182			VACANT																			
	82		1183			VACANT																			
	83		1184			VACANT																			
	84		1185			VACANT																			
	85		1186			VACANT																			
	86		1187	125	4/90	Covington	1	(45)	310	310														(45)	

		HIDDEN FOREST																Journal # 5		F				
		OCTOBER 2022 RENT ROLL																						
Inventory Sold Homes	UNIT #	Vacant	Site #	Sec Dep	M/I Date	Name	Journal	Previous Balance	Current Charges	Current Payments	Delinq. PMTs	Late, NSF & Court Charges	Late, NSF & Court PMTs	Misc Charges	Misc Pmts	Sec Dep Charge	Sec Dep Pmts	Home Sales Charges	Home Sales Pymts	Prior Month NSF	Prior Month NSF payment	Credits	NSF	Total Balance Due
	87		1188		9/09	Tincher/MHMNC	1,2	580	330		550	15												375
	88		1189			VACANT																		
	89		1190			VACANT																		
	90		1191			VACANT																		
	91		1192			VACANT																		
	92		1193	135	1/93	Lopez/DePaz	2	0	310	310														0
	93		1194			VACANT																		
	94		1195		12/20	PH/Goss/Smith	1,2	960	675		640	15	15											995
	95		1196			VACANT																		
	96		1197			VACANT																		
	97		1198			VACANT																		
	98		1199			VACANT																		
	99		1200			VACANT																		
	100		1201			VACANT																		
	101		1202			VACANT																		
	102		1203			VACANT																		
	103		1204			VACANT																		
	104		1205			VACANT																		
	105		1206		7/22	Jenkins/Wood	2	21	310	310	21													0
	106		1207			VACANT																		
	107		1208			VACANT																		
	108		1209		3/06	Olguin/Ramirez/MHMNC	4	0	310	310		15	15											0
	109		1210		2/22	Smith	1	0	330	330														0
	110		1211			VACANT																		
	111		1212			VACANT																		
	112		1213			VACANT																		
	113		1214			Park Owned Home/No Title																		
	114		1215			Park Owned Home/DW 3BR																		
	115		1216			VACANT																		
	116		1217			VACANT																		
	117		1218			VACANT																		
	118		1219			VACANT																		
	119		1220			VACANT																		
	120		1221			VACANT																		
	121		1222		11/09	Hurley/CO515/PD0615		10,000	0															10,000
	122		1223		10/22	PH/Robbins	4	0	700	310		15	15											390
	123		1224			VACANT																		
	124		1225		8/21	Park Owned Home/DW 3BR																		
	125		1226			VACANT																		
	126		1227			VACANT																		
	127		1228			VACANT																		
	128		1229	275	7/05	Sorenson	1	0	310	310														0
	129		1230			VACANT																		
	130		1231			VACANT																		

		HIDDEN FOREST															Journal # 5		F						
		OCTOBER 2022 RENT ROLL																							
Inventory	Sold Homes	UNIT #	Vacant	Site #	Sec Dep	M/I Date	Name	Journal	Previous Balance	Current Charges	Current Payments	Delinq. PMTs	Late, NSF & Court Charges	Late, NSF & Court PMTs	Misc Charges	Misc Pmts	Sec Dep Charge	Sec Dep Pmts	Home Sales Charges	Home Sales Pymts	Prior Month NSF	Prior Month NSF payment	Credits	NSF	Total Balance Due
		131		1232		5/00	Wardlaw/C03/PD0512		10,000	0															10,000
		132		1233			VACANT																		
		133		1234			VACANT																		
		134		1235			VACANT																		
		135		1236			VACANT																		
		136		1237		8/06	Loper/MHMNC/CO0319	5	6,014	330		485	15	15											5,859
		137		1238		4/19	Watts	2	0	330	330														0
		138		1239			VACANT																		
		139		1240			VACANT																		
		140		1241	750	11/22	PH/Hitchens			0							750	750							0
		141		1242		11/09	Shaw/CO10		975	310			141						CO 10/18						1,426
		142		1243			VACANT																		
		143		1244		5/20	PH/Miller/Callicutt	1	1,543	675		1,125	15												1,108
		144		1245			VACANT																		
		145		1246			VACANT																		
		146		1247			VACANT																		
		147		1248			VACANT																		
		148		1249			VACANT																		
		149		1250			VACANT																		
		150		1251		3/11	Park Owned Home/DW 3BR																		
		151		1252	750	11/21	PH/Arrington	1,2,3	995	750	750	995	465	450									15		0
		152		1253		8/06	Jackson/MHMNC	1	(30)	330	300														0
		153		1254		4/10	Cartrette	2	0	330	330														0
		154		1255			VACANT																		
		155		1256	165	10/94	Ray/Hirt	1	0	330	330														0
		156		1256A			VACANT																		
		157		1256B			VACANT																		
		158		1257			VACANT																		
		159		1258			VACANT																		
		160		1259		2/09	Ingles/MHMNC/CO422		41097	330			15												41442
		161		1260			VACANT																		
		162		1261			VACANT																		
		163		1262			VACANT																		
		164		1263			VACANT																		
		165		1264			VACANT																		
		166		1265			VACANT																		
		167		1266			VACANT																		
		168		1267		7/22	Park Owned Home/SW 3BR																		
		169		1268			VACANT																		
		170		1269			VACANT																		
		171		1270			VACANT																		
		172		1271	165	12/96	Pitts/Stephens	1	0	310	310														0
		173		1272		1/01	Mata/CO6/PD08		10,000	0															10,000
		174		1273			Vacant																		

HIDDEN FOREST																		Journal # 5		F					
OCTOBER 2022 RENT ROLL																									
Inventory Sold Homes	UNIT #	Vacant	Site #	Sec Dep	M/I Date	Name	Journal	Previous Balance	Current Charges	Current Payments	Delinq. PMTs	Late, NSF & Court Charges	Late, NSF & Court PMTs	Misc Charges	Misc Pmts	Sec Dep Charge	Sec Dep Pmts	Home Sales Charges	Home Sales Pymts	Prior Month NSF	Prior Month NSF payment	Credits	NSF	Total Balance Due	
	175		1274	175	6/16	Poole/Silas/ABH1116		10,000	0															10,000	
	176		1275			VACANT																			
	177		1276			VACANT																			
	178		1277			VACANT																			
	179		1278			VACANT																			
	180		1279		7/22	Bryson		(2,550)	310															(2,240)	
	181		1280			VACANT																			
	182		1281			VACANT																			
	183		1282			VACANT																			
	184		1283			VACANT																			
	185		1284			VACANT																			
	186		1285			VACANT																			
	187		1286			VACANT																			
	188		1287			VACANT																			
	189		1288			VACANT																			
	190		1289		1/22	Hale	1	0	310	310														0	
	191		1290			VACANT																			
	192		1291			VACANT																			
	193		1292			VACANT																			
	194		1293			VACANT																			
	195		1294			VACANT																			
	196		1295			VACANT																			
	197		1296			VACANT																			
	198		1297			VACANT																			
						Other:																			
						EXCESS COURT PETTY CASH																			
						GRAND TOTAL		103501.14	19550	13163.86	3,943.14	861	630	0.00	0.00	750	750	0	0	0	0	4,980	0	101,195.14	
						Total Security Deposits		\$8,740.00																	
						Total Current & Delinquent		-17107																	
						Total Journal Deposits		18487.00																	
									Amount	Cumulative Total	Deposit Date	Initials	Date												
						Paid - Yellow		Journal #1	4490.00	4490.00	10/4/22														
						ABH Park Homes - Blue		Journal #2	6466.00	10956.00	10/11/22														
						ABH - Orange		Journal #3	2562.00	13518.00	10/17/22														
						Court - Pink		Journal #4	3226.00	16744.00	10/20/22														
						Small Bal Due - Green		Journal #5	1743.00	18487.00	10/26/22														
						Vac Lots - Gray		Journal #6																	
								Journal #7																	
								Journal #8																	
								Journal #9																	

Valuation Glossary 2022

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

The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022 (Dictionary).

Uniform Standards of Professional Appraisal Practice, 2020-2022 Edition (USPAP).

The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th 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. *(15th Edition)*

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. *(Dictionary)*

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 sale price of a property that is equivalent to what a cash buyer would pay. *(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)*

Contract Rent

The actual rental income specified in a lease. *(15th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal 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. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. 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 rights being appraised. *(Dictionary)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw involving 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 the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the 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. *(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.
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. *(15th Edition)*

Economic Life

The period over which improvements to real estate 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 total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th 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 or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project. *(Dictionary)*

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur received for his or her contribution to a past project to compensate for his or her time, effort, knowledge, 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 use. 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 lessor and may reflect superior management, 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. *(15th 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

An opinion, based on supporting market data, of the 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. *(USPAP)*

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)*

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 either temporary or permanent. There are two forms of external obsolescence: economic and locational. *(Dictionary)*

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 or interpreted differently by court precedent. *(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)

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)*

Gross Living Area (GLA)

Total area of finished, above-grade residential space 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 the 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. *(15th Edition)*

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy involving 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)*

Interim Use

The use contemplated by the market participants that the subject real estate can be put to while waiting for certain subsequent factors to occur. *(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)*

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 Estate

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)*

Legal Nonconforming Use

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

Liquidation Value

The most probable price that a specified interest in 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)*

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, or the competitive market area may be distinguished from the general market area. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. *(Dictionary)*

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 (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(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 Net 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 lease, triple net lease, or fully net lease*. *(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). *(15th 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)*

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. *(15th 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 similar to 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

In the application of the sales comparison and income capitalization approaches, a numerical (dollar or percentage) adjustment to the sale price, rent, or expense amount of a comparable property to account for the effect on value of a difference between each comparable property and the subject property. *(Dictionary)*

Rentable Area

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

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)*

Replacement Cost for Insurance Purposes

The estimated cost, 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)*

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 or similar 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.

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. *(15th Edition)*

Sum of the Retail Values

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. An appraisal has an effective date, but summing the sales prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*. *(Dictionary)*

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)*

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 nonpayment 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)*



Senior Valuation Specialist
Valuation & Advisory Services

nancy.caniff@colliers.com
Direct: +1 904 316 2124
colliers.com

4830 West Kennedy Boulevard
Suite 300
Tampa, FL 33609
United States

Nancy A. Caniff

Area of Expertise

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.

Affiliations or Memberships

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

Education or Qualifications

Methodist University, Bachelor of Science, Business Administration

State Certifications

Florida

Georgia

North Carolina

South Carolina

STATE OF GEORGIA REAL ESTATE APPRAISERS BOARD

NANCY ANN CANIFF
330330

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A
CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY
Chairperson

JEFF A. LAWSON
Vice Chairperson

JEANMARIE HOLMES
KEITH STONE
WILLIAM A. MURRAY

1441157650375125

NANCY ANN CANIFF

330330
Status ACTIVE

END OF RENEWAL
10/31/2021

CERTIFIED GENERAL REAL PROPERTY
APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY
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

1441157650375125

NANCY ANN CANIFF

330330
Status ACTIVE

END OF RENEWAL
10/31/2021

CERTIFIED GENERAL REAL PROPERTY
APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY
REQUIRED EDUCATION IN A TIMELY MANNER.

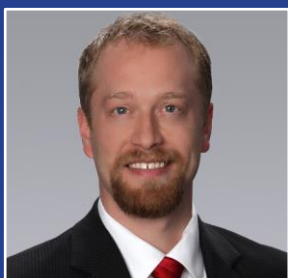
State of Georgia
Real Estate Commission
Suite 1000 - International Tower
229 Peachtree Street, N.E.
Atlanta, GA 30303-1605



LYNN DEMPSEY
Real Estate Commissioner

1441157650375125

CANIFF, NANCY ANN
85330 FALLEN LEAF DRIVE
FERNANDINA BEACH, FL 32034



Bruce Nell, MAI, AI-GRS, MRICS

Executive Managing Director
National Practices
Valuation & Advisory Services

bruce.nell@colliers.com
Direct: +1 614 437 4687
Fax: +1 614 436 9700
colliers.com

8800 Lyra Drive, Suite 650
Columbus, OH 43240
United States

Area of Expertise

Bruce Nell, MAI, AI-GRS, MRICS, serves as Executive Managing Director | National Practices for Colliers Valuation & Advisory Services (CIVAS) as well as manages the Ohio | Tennessee Valley and MidAtlantic regions. As EMD of Practice Groups, Bruce oversees the development and operations of all valuation and advisory services practice groups at CVAS.

As EMD of the Ohio | Tennessee Valley and Mid-Atlantic regions, he leads a dynamic team focused on the valuation and advisory services of all commercial real estate. The regional team includes 50+ staff members located across offices in Michigan, Pennsylvania, Ohio, Kentucky, West Virginia, Tennessee, Maryland, Virginia & DC.

Bruce has extensive personal experience in commercial real estate valuation, having completed assignments in all 50 states, Washington D.C, Puerto Rico, Mexico & Canada. Projects range from CBD high-rise buildings, regional shopping malls, large industrial parks, and multifamily residential developments. Over his career, he's been involved in well over \$500 billion in real estate valuation and advisory. He has also facilitated client needs in Central & South America, Europe, Oceania, and Asia.

Affiliations or Memberships

- MRICS Member, Royal Institution of Chartered Surveyors
- Masters in Commercial Property - MICP
- Member of the Appraisal Institute
- AI-GRS Member Designation - General Review Specialist
- Member: Mortgage Bankers Association
- Member: Manufactured Housing Institute
- Member: National Communities Council
- Member: Urban Land Institute (ULI)
- Member: Western Manufactured Housing Communities Association (WMA)

Education or Qualifications

The Ohio State University,
Columbus, Ohio

Mount Vernon Nazarene
University, Columbus, Ohio

State Certifications

- | | |
|---------------|----------------|
| Alabama | Nebraska |
| Arizona | Nevada |
| California | New Jersey |
| Colorado | New York |
| Delaware | North Carolina |
| Florida | North Dakota |
| Georgia | Ohio |
| Illinois | Oklahoma |
| Indiana | Pennsylvania |
| Iowa | South Carolina |
| Kansas | Tennessee |
| Kentucky | Texas |
| Maryland | Utah |
| Massachusetts | Virginia |
| Michigan | Washington DC |
| Minnesota | West Virginia |
| Missouri | Wisconsin |

STATE OF GEORGIA REAL ESTATE APPRAISERS BOARD

BRUCE ERIC NELL
351194

IS AUTHORIZED TO TRANSACT BUSINESS IN GEORGIA AS A
CERTIFIED GENERAL REAL PROPERTY APPRAISER

THE PRIVILEGE AND RESPONSIBILITIES OF THIS APPRAISER CLASSIFICATION SHALL CONTINUE IN EFFECT AS LONG AS THE APPRAISER PAYS REQUIRED APPRAISER FEES AND COMPLIES WITH ALL OTHER REQUIREMENTS OF THE OFFICIAL CODE OF GEORGIA ANNOTATED, CHAPTER 43-39-A. THE APPRAISER IS SOLELY RESPONSIBLE FOR THE PAYMENT OF ALL FEES ON A TIMELY BASIS.

D. SCOTT MURPHY
Chairperson

JEFF A. LAWSON
Vice Chairperson

JEANMARIE HOLMES
KEITH STONE
WILLIAM A. MURRAY

1503465422401727

BRUCE ERIC NELL

351194
Status ACTIVE

END OF RENEWAL
08/31/2023

CERTIFIED GENERAL REAL PROPERTY
APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY
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

1503465422401727

BRUCE ERIC NELL

351194
Status ACTIVE

END OF RENEWAL
08/31/2023

CERTIFIED GENERAL REAL PROPERTY
APPRAISER

THIS LICENSE EXPIRES IF YOU FAIL TO PAY
RENEWAL FEES OR IF YOU FAIL TO COMPLETE ANY
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

1503465422401727

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

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
 Easements
 Life Science

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' 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.

This document has been prepared by Colliers for advertising and general information only. Colliers makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. Any interested party should undertake their own inquiries as to the accuracy of the information. Colliers excludes unequivocally all inferred or implied terms, conditions and warranties arising out of this document and excludes all liability for loss and damages arising there from. This publication is the copyrighted property of Colliers and /or its licensor(s). © 2022. All rights reserved. This communication is not intended to cause or induce breach of an existing listing agreement. U.S. Valuation & Advisory Services.

Valuation & Advisory Services National Leadership



US Leadership

Jeremy Walling, MAI, MRICS
President | US
Jeremy.Walling@colliers.com
+1 312 371 4920

Quality Enhancement

Jim Murrett, MAI, SRA
Executive Managing Director
Jim.Murrett@colliers.com
+1 716 312 7790

Client Relations & Service

Jerry Gisclair, MAI, MRICS
Executive Vice President
Jerry.Gisclair@colliers.com
+1 813 871 8531

Advisory Services

Bruce Nell, MAI, AI-GRS, MRICS
Executive Managing Director
Bruce.Nell@colliers.com
+1 614 437 4687

Eastern US

PJ Cusmano, MAI, MRICS
Executive Vice President
PJ.Cusmano@colliers.com
+1 813 229 1599

Western US

Jeff Shouse, MAI, CRE
Executive Vice President
Jeff.Shouse@colliers.com
+1 916 724 5531

Region & Market Leaders

Albuquerque

Conner Marshall, MAI
Sr. Valuation Services Director
Conner.Marshall@colliers.com
+1 505 880 7053

Austin

Jay Lefevers, MAI
Managing Director
Jay.Lefevers@colliers.com
+1 602 770 4530

Atlanta

Leamon Holliday, MAI
Managing Director
Leamon.Holliday@colliers.com
+1 404 892 3526

Baltimore

Zachary Smith, MAI
Associate Managing Director
Zachary.Smith@colliers.com
+1 443 602 8985

Birmingham

Tim Rau, MAI, ASA
Managing Director
Tim.Rau@colliers.com
+1 205 970 6160

Boise

John Campbell, MAI
Sr. Valuation Services Director
John.Campbell@colliers.com
+1 206 965 1129

Boston

Chris Stickney, MAI
Associate Managing Director
Chris.Stickney@colliers.com
+1 617 330 8171

Buffalo

James Murrett, MAI, SRA
Executive Managing Director
Jim.Murrett@colliers.com
+1 716 312 7790

Charleston (SC)

Curt McCall, Jr., CRE, MAI
Executive Managing Director
Curt.McCall@colliers.com
+1 843 442 1915

Charleston (WV)

Doug Butcher
Sr. Valuation Services Director
Doug.Butcher@colliers.com
+1 304 712 8289

Charlotte

Chris Johnson, MAI, SRA, AI-GRS
Managing Director
Christopher.Johnson@colliers.com
+1 704 409 2374

Chicago

Tony Guth, MAI
Managing Director
Tony.Guth@colliers.com
+1 312 602 6159

Cincinnati

Brian Graham, MAI, CCIM
Sr. Valuation Services Director
Brian.Graham@colliers.com
+1 513 200 9735

Cleveland

Jacob Roehl
Senior Valuation Specialist
Jacob.Roehl@colliers.com
+1 303 915 5165

Columbus

Christian Smith, MAI
Managing Director
Christian.Smith@colliers.com
+1 614 437 4684

Dallas

Kyle Knox, MAI
Managing Director
Kyle.Knox@colliers.com
+1 214 217 9335

Denver

Jonathan Fletcher, MAI
Managing Director
Jon.Fletcher@colliers.com
+1 303 779 5500

Destin

Kevin Branton
Senior Valuation Specialist
Kevin.Branton@colliers.com
+1 850 460 1202

Detroit

David Abraham, MAI, SRA
Managing Director
David.Abraham@colliers.com
+1 248 226 1872

Fayetteville

Curt Smith, MAI
Valuation Services Director
Curt.Smith@colliers.com
+1 479 202 5932

Fresno

John Larson, MAI
Sr. Valuation Services Director
John.Larson@colliers.com
+1 559 221 1271

Fort Lauderdale

Denise Morales, MAI
Valuation Services Director
Denise.Morales@colliers.com
+1 954 652 4627

Fort Myers

Jacob Hutchings, MAI
Valuation Services Director
Jacob.Hutchings@colliers.com
+1 239 985 8088

Grand Rapids

Will Fowler, MAI
Valuation Services Director
Will.Fowler@colliers.com
+1 616 988 5843

Hawaiian Islands

Bobby Hastings, MAI, MRICS
Managing Director
Bobby.Hastings@colliers.com
+1 808 200 5603

Houston

Jay Lefevers, MAI
Managing Director
Jay.Lefevers@colliers.com
+1 602 770 4530

Huntsville

Wesley Pinyan, MAI, CCIM
Valuation Services Director
Wesley.Pinyan@colliers.com
+1 256 603 7099

Indianapolis

Tony Guth, MAI
Managing Director
Tony.Guth@colliers.com
+1 312 602 6159

Irvine

John Park, MAI
Sr. Valuation Services Director
John.Park@colliers.com
+1 949 724 1152

Jacksonville

Patrick Phipps, MAI
Managing Director
Patrick.Phipps@colliers.com
+1 904 861 1114

Kansas City

Alex Hoenic, MAI
Associate Managing Director
Alex.Hoenig@colliers.com
+1 816 419 3561

Las Vegas

Evan Ranes, MAI, ASA, R/W-AC
Managing Director
Evan.Ranes@colliers.com
+1 702 836 3749

Lexington

Robert Lancaster, Ph.D.
Sr. Valuation Services Director
robert.lancaster@colliers.com
+1 859 221 7802

Little Rock

Joshua Smith, MAI, MRICS
Managing Director
Joshua.Smith@colliers.com
+1 501 219 8546

Los Angeles

Casey Merrill, MAI, ASA, FRICS
Executive Managing Director
Casey.Merrill@colliers.com
+1 213 417 3315

Miami

Ralph Peña, III, MAI
Managing Director
Ralph.Pena@colliers.com
+1 786 517 4855

Milwaukee

Tony Guth, MAI
Managing Director
Tony.Guth@colliers.com
+1 312 602 6159

Minneapolis

Jeff Shouse, MAI, CRE
Executive Vice President
Jeff.Shouse@colliers.com
+1 916 724 5531

Nashville

Patrick Gibson, MAI, CCIM
Executive Managing Director
Patrick.Gibson@colliers.com
+1 615 610 4728

New Orleans

Jason Lindsey, MAI
Valuation Services Director
Jason.Lindsey@colliers.com
+1 504 717 1926

New York

Tony O'Sullivan, MAI, MRICS
Executive Managing Director
Tony.OSullivan@colliers.com
+1 212 207 8057

New York (upstate)

Anthony Palma, MAI, MRICS
Sr. Valuation Services Director
Anthony.Palma@colliers.com
+1 518 788 8108

Orlando

Chuck Buhler, MAI, CCIM
Managing Director
Chuck.Buhler@colliers.com
+1 407 362 6155

Philadelphia

Albert Crosby, MAI
Associate Managing Director
Albert.Crosby@colliers.com
+1 215 928 7526

Phoenix

Michael Brown
Associate Managing Director
Michael.Brown@colliers.com
+1 602 222 5166

Pittsburgh

Brendan Kelly
Valuation Services Director
Brendan.Kelly@colliers.com
+1 412 849 2148

Portland/Vancouver

Jeremy Snow, MAI
Managing Director
Jeremy.Snow@colliers.com
+1 503 542 5409

Raleigh

John Johnson, MAI, SRA, AI-GRS
Managing Director
Christopher.Johnson@colliers.com
+1 704 409 2374

Renov

Rebekah Dunn, MAI
Sr. Valuation Services Director
Rebekah.Dunn@colliers.com
+1 916 724 5508

Richmond

Curt McCall, Jr., CRE, MAI
Executive Managing Director
Curt.McCall@colliers.com
+1 843 442 1915

Sacramento

Scott Shouse, MAI
Managing Director
Scott.Shouse@colliers.com
+1 916 724 5532

Salt Lake City

Kelly Tate, MAI
Sr. Valuation Services Director
Kelly.Tate@colliers.com
+1 385 249 5444

San Diego

Rob Detling, MAI
Managing Director
Rob.Detling@colliers.com
+1 858 860 3852

San Francisco

Vathana Duong, MAI
Managing Director
Vathana.Duong@colliers.com
+1 415 288 7854

San Jose

Jeff Shouse, MAI, CRE
Executive Vice President
Jeff.Shouse@colliers.com
+1 916 724 5531

Sarasota

Justin Butler, MAI
Managing Director
Justin.Butler@colliers.com
+1 941 210 5004

Seattle

Reid Erickson, MAI
Executive Managing Director
Reid.Erickson@colliers.com
+1 206 965 1106

St. Louis

Kate Spencer, MAI
Managing Director
Kate.Spencer@colliers.com
+1 214 558 9953

Tampa

Ryan Tolle, MAI, MRICS
Managing Director
Ryan.Tolle@colliers.com
+1 813 871 8510

Washington DC

John Farrell, MAI, AI-GRS
Managing Director
John.Farrell@colliers.com
+1 212 242 5487

Practice Group Leaders

Agriculture

Ben Slaughter, ARA
Managing Director
Benjamin.Slaughter@colliers.com
+1 559 256 0156

Healthcare

Justin Butler, MAI
Managing Director
Justin.Butler@colliers.com
+1 941 210 5004

Self-Storage

Jeff Shouse, MAI, CRE
Executive Vice President
Jeff.Shouse@colliers.com
+1 916 724 5531

Kate Spencer, MAI

Managing Director
Kate.Spencer@colliers.com
+1 214 558 9953

Manufactured Housing

Bruce Nell, MAI, AI-GRS, MRICS
Executive Managing Director
Bruce.Nell@colliers.com
+1 614 437 4687

